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Public Employment Services Provision and Labour Market Information Collection and Utilization

ETHIOPIA



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Final Report

International Labour Organization Country Office for Ethiopia, Djibouti,
Somalia, Sudan and South Sudan and Special Representative to the
African Union (AU) and the UN Economic Commission for Africa (ECA)
and

Ministry of Labour and Social Affairs (MoLSA)

SUBMITTED BY: TEWABE YILAK

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FOREWORD

With an estimated population of about 105 million in 2017¹, Ethiopia is the second most-populous country in Africa and the twelve in the World. Ethiopia is currently the fastest growing countries in the world, with an annual growth rate of 2.5% in 2016, the total population of the country will reach 197 million by the year 2050. Furthermore, according to the 2017 UNDESA World Population Prospect report, Ethiopia's population is predominantly young with about 41% of the population being below 15 years of age and the proportion of working age population (15-64) at about 54%. Ethiopia has also been one of the fastest growing economy in Africa recording double digits, however this has not been job rich. Ethiopia's young population is an incredible asset and unexploited resource for growth and development in the country.

Noting that the most valuable asset of Ethiopia is its human resource, engaging them in productive employment would lead the country to a lasting and sustainable growth. However, unemployment and underemployment remains a serious challenge for the country despite tremendous efforts made by the Government of Ethiopia to promote employment opportunities in recent years. Moreover, lack of coordination and collaboration amongst relevant labour market institutions, gap between the labour demand and supply in the labour market, weak labour market institutions, weak employment service provision, non-existent labour market information system and lack of technology are observed as major challenges in promoting employment in the country.

The public employment service under the Ministry of Labour and Social Affairs (MoLSA) in Ethiopia should play key intermediary role in the delivery of labour market services and policies. The services should include job brokerage by disseminating job vacancies to be filled and facilitating matches between labour market supply and demand; provision of labour market information by collecting data on job vacancies and potential applicants; making necessary market adjustment by implementing labour market policies aimed at regulating labour demand and supply; and managing labour migration by coordinating the geographic mobility across borders. However, currently the effectiveness of the service remains very limited due to ineffective and inefficient labour market information system, limited capacity and job search skills. To enhance and strength the employment services provision and the labour market information system in Ethiopia *a National employment services provision and labour market information collection and utilization* assessment was undertaken.

This assessment was able to provide a comprehensive analysis of existing employment services provision systems, process and labour market information system as well as key labour market institutions and assess the extent of its efficiency and effectiveness. Moreover, it provides an in depth analysis of the system and process of existing public employment services in Ethiopia and identifies the capacity gap of MoLSA on the effective response to labour market supply and demand dynamics and the overall employment service provision systems and processes.

I hope this assessments findings and practical recommendations will support the Government of Ethiopia in strengthening its employment services and labour market information system to facilitate the provision of active labour market services that target mainly the youth and women. In addition, it is trusted that this assessment will contribute to the improvement of coordination

¹ United Nations Department of Economic and Social Affairs/Population Division World Population Prospects: The 2017 Revision, Key Findings and Advance Tables

among different LMI producers for ease of information exchange and utilization and lead to the establishment of a comprehensive and integrated national LMIS. Finally, this study will also provide strategic perspectives and knowledge to fill the barrier in matching the supply and demand of labour and in turn address the challenge of unemployment and underemployment in the country.

I would like to congratulate the Government of Ethiopia for its efforts geared towards addressing numerous challenges related to employment in Ethiopia. I would particularly like to thank the Ministry of Labour and Social Affairs for their collaboration with the ILO in undertaking this assessment. Finally, I would like to thank the European Union and UN Delivering Result Together Fund under which this assessment was undertaken and report produced.

George Okutho

Director

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

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EXECUTIVE SUMMARY

INTRODUCTION

Ethiopia is the second-most populous country in Sub-Saharan Africa with a population of 97.0 million, and population growth rate of 2.5% in 2014¹. The Ethiopian economy has experienced strong and broad based growth over the past decade. Notwithstanding the positive developments, Ethiopia still remains being one of the poorest countries in the world. Unemployment and underemployment continue to be serious social problems in the country despite some improvements in recent years. This is mainly a result of rapid population and labor force growth and limited employment generation capacity of the modern industrial sector of the economy.

Employment services offer a spectrum of labor market interventions that can be used to activate and support the unemployed and other disadvantaged groups in the labor market. Recognizing the importance of such services, the Ministry of Labour and Social Affairs (MoLSA) of the Federal Democratic Republic of Ethiopia (FDRE) in collaboration with ILO, conducted an assessment of public employment services provision and labor market information collection and utilization systems and mechanisms with the aim to enhance and strengthen the employment services and labor market information system in the country.

A participatory and consultative approach was utilized in undertaking the assessment. Key stakeholders ranging from federal to regional and local government levels were consulted. Regional and local level stakeholders were consulted from the four bigger regions (Tigray, Amhara, Oromia and SNNPR) and the Addis Ababa City Administration. Below regional bureaus, the consultant also visited and consulted employment service providing staff at major cities and sub-cities/woredas. The assessment was based predominantly on qualitative data gathered from secondary and primary sources. In-depth interviews were conducted with over 69 officials and/or relevant officers at federal, regional and local government levels. The consultant also consulted two private employment service providers that are located in Addis Ababa (Ethiojobs and Ezega). Semi-structured tools were utilized for each category of stakeholders to guide the interviews.

ASSESSMENT FINDINGS

Legal, policy and institutional framework

Legal framework that governs employment services in Ethiopia comprises international conventions ratified by Ethiopia and domestic laws. Ethiopia ratified two ILO Conventions related to employment services (Convention No. 88 concerning the Organisation of the Employment Service and the Private Employment Agencies Convention No. 181). Ethiopia has also issued different proclamations in an effort to improve employment outcomes through improving employment services and relations. The Employment Exchange Services Proclamation No. 632/2009 and the new Ethiopia's Overseas Employment Proclamation 923/2016 as well as associated regulations, directives and manuals/guidelines govern local and overseas employment service provision.

¹ <http://www.worldbank.org/en/country/ethiopia/overview>

While Ethiopia has the basic legal instruments in place to govern employment service provision, the functions of local public employment service is not clearly defined as it is defined from the point of view of licensing and regulating private agencies and managing overseas employment. Indeed, the legal instruments seem to have left local employment service provision to private agencies. Besides, the proclamations seem to recognize few types of employment services such as job matching and overseas employment management related functions. Provision of labor market information and facilitation labor market adjustments are not at least officially recognized as public as well as private employment service functions. Hence, looking at the currently active proclamations alone, it seems fair to conclude that the existing legal instruments give due attention to overseas employment and private employment service provision without giving due regard to local public employment services.

PES Structures

Public employment service provision is being coordinated within a directorate or core process within the Federal Ministry and Regional Bureaus of Labor and Social Affairs as well as lower level administrative units. The Ministry of Labor and Social Affairs is responsible for policy related issues, while BoLSAs translate those policies based on their context. Public employment service is structured as a core process at regional and local government levels. PES centers operate at city/woreda administration levels as branches of the regional BoLSAs. Regional BoLSAs are also responsible for licensing private operators and compiling labor market information that they gather from lower administration labor and social affairs offices. Private employment service providers are supervised by the local labor and social affairs offices that licensed them.

The findings showed that employment service provision structure exists at woreda or city administration levels in each regional state, which could make employment service provision accessible to job seekers and employers.. In the four bigger regional states and Addis Ababa city administration, there were 836 public employment service centers and 627 licensed employment agencies. The findings also suggest that there were dramatic increase in the number and accessibility of these centers.

While the reporting systems and formats are standardized, some structural differences were observed at local government level public employment service centers. In some regions, public employment service units do not have presence at the lowest administrative levels (sub-city, woreda or kebele). In Oromia and Tigray Regional State, labor and social affairs bureau/offices are members of the cabinet at regional and local administrative levels, while this is not the case in regions such as Amhara and SNNPR. The non-representation of labor and social affairs offices in the cabinet was cited as a major reason for the offices not to get the attention they deserve from political leaders/higher officials at regional and local government level.

There is also mandate overlap and poor cooperation and collaboration among different public employment service providing agencies: Different agencies are involved in the provision of employment services, including labor and social affairs offices, MSEDAs, youth and sports and others. These offices, however, don't work closely and collaboratively in registration of job seekers, identification of vacancies and placement activities. They often act independently. Much resource could have been saved if they collaborate in job seeker registration and provision of other employment services. The role of labor and social affairs services as employment service providers is now being played by MSEDAs in some regions. Job creation through labor and social affairs offices is often seen as secondary. The role of labor and social affairs offices also seem to be misunderstood by other stakeholders.

PES Functions

Different public agencies are involved in job seeker registration. In most regional states, both labor and social affairs offices and MSEDAs are involved in job-seeker registration. In some regions, other public bodies such as Youth and Sports Bureau/Office are also involved in job seeker registration. With the exception of Addis Ababa, overlap in job seeker registration is a high possibility. In many regional states, the different public agencies do not exchange their job seeker registration data and often operate independently though there are some attempts in some areas. Except in Addis Ababa, there seems to be a lack of coordinated job-seeker registration system.

Criteria for registering job-seekers are largely similar across regional states. Job-seekers need to also present an identification card showing that he/she is a resident of the kebele/woreda as well as letter from their kebeles/woredas that confirm that they are unemployed. Job seekers are often requested to register personally at labor and social affairs offices.

Registration with the Public Employment Services is often a pre-requisite for getting access to active labour market measures and support for active job search. This is particularly true for job seekers that would like to engage in self-employment activities through the support of micro and small enterprise development agencies.

Jobseekers aged 14 and above who are not currently employed, and take some steps to look for work are often considered 'unemployed' by labor and social affairs offices. MSEDAs only register those aged 18 and above as job seekers. Although minimum working age according to the Ethiopian labor law is 14, labor and social affairs offices as well as MSEDAs require kebele identification card from job seekers to be eligible for registration. As identification card is issued for people aged 18 and above, this means that the system does not allow youth aged 14 to 17 to register as job seekers.

The definition of "unemployed" seem to vary between labor and social affairs offices and micro and small enterprise development agencies as well as among regions. Labor and social affairs offices in some regions report data on 'unemployed' people gathered by MSEDAs through house-to-house survey as job-seekers while others require job-seekers to come and register at their offices to be considered unemployed. Hence, there is a lack of use of standard and uniform definition for 'unemployed' and 'job seeker', figures reported as job-seekers may include people that are inactive and don't qualify to be considered 'unemployed.'

One of the challenges to registration of job seekers at public employment service providers was found to be the jobseekers lack of interest to be registered. This is due to a negative public perception of PESOs capacity to be a useful support for job-finding. As a result, job seekers that were registered in one year usually lack willingness to re-register as job seeker in the following year as they did not get any employment opportunity from the previous registration. The general public is also believed to be unaware of the value of job seeker registration. This implies that the number job-seekers registered at PESOs might have underestimated the actual magnitudes of job-seekers. The existing registration system also allows double registration and reporting of job-seekers by both PESOs and MSEDAs.

MSEDA has strong local presence and structures to register job seekers and facilitate employment creation. Job seeker registration often happens twice a year in its 1,568 one stop service centers. MSEDAs' target groups are youth and women and other vulnerable groups that have the interest and capacity to engage in self-employment activities (though they also undertake placements in

many areas, which overlaps with mandate and functions of labor and social affairs offices). TVET graduates and bachelor degree holders are also among the job seekers targeted by MSEDAs.

Job seeker registration at public employment service offices is largely managed manually. There are no any other computer systems that they use to store and manage job seeker data and process job matching.

Job seekers with some formal education tend to be more likely to register with public employment services in Ethiopia. Most of those registered have at least primary education. This may suggest that public employment services are probably not good tool for reaching the uneducated and well-educated job seekers.

Public employment service centers in Ethiopia register and report vacancies disaggregated by occupation and industry code. A standard format is in use for collection and reporting of vacancy information.

Notification of vacancies to public employment service centers is voluntary as employers are not legally obligated to notify to the PES all of their vacancies. Considering the voluntary nature of vacancy notifications, good relations with employers is a necessity. Nevertheless, public employment service centers lack institutionalized systems and procedures to establish good collaboration with potential employers so as to get notification about their job openings and other needs. They also don't promote themselves. They are also staffed with limited number of inexperienced people who lacks the necessary skills. Both public and private organizations are also believed to lack the will to notify their vacancies at PESs. As a result, there is huge difference between registered job seekers and available job opportunities.

At national level, registered vacancies averaged 32% of the registered job seekers from 2011/12 to 2014/15 fiscal years. In most regional states covered by this assessment, PESs tend to report the list of registered job seekers referred to employers as employed without following up and checking whether they secured the job or not.

Vacancies registered at PESOs tend to be largely for low skilled or semiskilled workers. In 2013/14 fiscal year, for example, over 68% of the registered vacancies at PESOs in the four bigger regions were for non-managerial and professional jobs.

Vacancy registration is not institutionalized and proactive. It is often undertaken in an erratic and less systematic way. As a result, vacancies that have been identified with proactive efforts of public employment service centers are very limited. The existing larger job openings often come from public infrastructure development projects and other seasonal employment opportunities that are of a temporary nature. The role of public employment service centers in facilitating placement of registered job seekers in permanent job opportunities seems to be very minimal.

Job search assistance is barely provided at public employment centers in Ethiopia. The ones that are being provided are not institutionalized, and supported by systems and skilled personnel. Job capacity assessments are not conducted at PES to profile job seekers and suggest or implement appropriate interventions based on identified gaps. Public employment service centers do not also provide any assistance to job seekers on resume preparation. The public employment service centers lack capacity to provide tailored job assistance services.

Counseling service on alternative employment opportunities and motivational counseling service to job seekers is provided by staff usually upon the request of the job seekers. Some individual

level counseling is also provided to registered job seekers that secure employment on work place culture. However, the existing counseling services provided at public employment service centers are narrow in scope and not tailored to job-seekers individual needs. Counseling services are provided informally and there is a general lack of experts that can provide such services. There are not standard operating procedures that guide the provision of different counseling services to the different demands of job seekers. Provision of counseling services is not institutionalized. They are also offered for a very short time.

Placement services are being provided by public employment service providers. The placement services provided at public employment centers are of two types: Direct referral of job seekers to vacancies and managing employment services on behalf of or together with employers starting from posting vacancies, listing and screening applicants, and sending short-listed ones to employers for consideration for employment. In most cases, labor and social affairs offices focus on placement of job seekers on paid employment opportunities while micro and small enterprise development offices engage in promoting self-employment through formation of enterprises. Public employment services provide placement services free of any service charge to both employers and job seekers

Public employment services lack systematized and automated processes to fulfill their job-matching role efficiently. There is limited use of information technology to support the provision of employment services. There is no electronic database and data exchange platform to facilitate job matching between employers and jobseekers. As a result, they often face difficulties to manage the data and undertake proper matching services. PES staff also lack confidence in the data they maintained about job seekers as the data is not updated periodically. Thus, they often tend to advertise all vacancy openings to the general public even before they check whether the registered job seekers could meet the vacancy requirement. Neither employers nor job seekers also have access to the existing paper-based jobseeker and vacancy registration records. The use of manual system did not only make the provision of employment services inaccessible to both job seekers and employers, it also made job matching very difficult for staff.

Public employment services are not promoted to job seekers and potential employers to use their services. The general public is unaware of the employment services provided by public employment service centers as they don't engage in building relationships and promoting their services.

Labor and social affairs offices in some regions collect and report data on employment opportunities created by MSEDAs as well as private employment agencies operating in their areas, while others report only placements made or facilitated by themselves and private employment agencies. Placements may not also necessarily target registered job seekers as there is a tendency to announce job openings to the general public so as to recruit job seekers, which makes assessment of their effectiveness in job creation, determination of the size of unemployed people, and other related matters very difficult.

Available employment opportunities particularly for permanent jobs are believed to be very limited compared to the number of registered job seekers. Registered vacancies on average accounted for 32% of the total job-applicants registered by the public employment service centers every year during the 2011/12 to 2014/15 fiscal years. But as public employment service centers provide placement services for job seekers who have not been registered as job seekers, placement in the same fiscal years averaged 112%. A significant proportion of placements made by employment service providers are in temporary and seasonal jobs.

Placements seem to vary by gender. Men are more likely to receive job placements than women. There are also no special support services provided to women registered job seekers at public employment centers.

Vacancies are very in short supply. To make matters worse, PESs are very inactive and weak to look for job opportunities. Vacancy search is not institutionalized. As a result, the proportion of job seekers that receive placement services are often extremely small. Besides, public employment service is not that known by both the job seeker and employer community as they were not adequately promoted. Moreover, PESs have weak institutional capacity and resources to get trusted by employers. Employers who are even aware of the PESs are believed to meet their staffing demand through private employment agencies. Available data suggests that there is lack of trust in the quality of services provided by PESs. Public employment service at labor and social affairs offices in particular is also much focused on registration of job seekers than creation of employment opportunity. Many service center staff indicated that the government has not given any attention to placement services despite their repeated requests.

PESs at regional, sub-regional and local government levels collect data from key LMI producers such as civil services offices, MSEDAs, TVETs, labor unions, employers, private employment agencies and others that they combine with their own data to produce LMI at each administrative level. In addition to MoLSA, some of the Regional BoLSAs have also started publishing LMI collated from various stakeholders in an annual bulletin that they distribute to both LMI producers and users. The source of data for regional LMI bulletins are administrative records maintained by the relevant sector bureaus and other stakeholders while the federal LMI bulletins is mainly based on censuses and surveys conducted by CSA.

There are many producers of LMI data in Ethiopia. But LMI in Ethiopia is being managed in a fragmented manner. Existing level of cooperation and collaboration between LMI producers as well as users is very informal and less structured. Each LMI producer manages their own sectoral data and disseminates information products to users in other sectors usually upon request. There is also no institutional or legal framework that could ensure mandatory exchange of data among the various stakeholders. Existing system of information sharing is informal and has not been effective. Some LMI producers also question the ability of public employment service centers to take a leading role in a LMIS. There is no any one-stop integrated LMI system and database in the country.

Very few of the LMI producers such as MoE utilize computerized systems (EMIS) to store, manage and analyze their data. Most other producers including MoLSA and its regional counterparts use manual system to store data and support analysis. LMI producers often produce simple statistical and annual reports focusing on presentation of facts and figures, while leaving the analysis and interpretation to users. Lack of staff with needed capacity to do such higher level work was to blame. Many LMI producers are, however, in the process of modernizing their system for LMIS.

As suppliers of information, employment service centers use their own administrative records that they maintain mainly from placement activities and based on the register of job seekers, vacancies and matching results. But registers maintained by PESs are not updated regularly. PESs are not effectively utilizing their own data that they maintain as part of their employment service provision. Though they receive and aggregate data from some LMI producers, their use of this data for employment service facilitation is limited. PES centers rarely have the staff and resources necessary to collect and manage data from a range of stakeholders, analyze and interpret the data, and disseminate information products to stakeholders. At present, employment service

providers are not in a position to utilize LMI to provide meaningful vocational guidance and career orientation, or accelerate matching processes.

Effectiveness of Public Employment Services in Ethiopia

Available data suggests that there was an overall increase in registered jobseekers in the past five years. The registration of job seekers grew by an average of 30% in the years from 2011/12-2014/15.

PESs in Ethiopia provide limited range of employment services particularly compared to other countries around the world. Registration of job seekers and vacancies, direct referral of job seekers, counseling, self-service access to job offers, and (pre-) selection of suitable candidates and proposals for employers are the major employment services that are being provided at PES. Important services such as organization of job fairs, applicant training, computerized job matching services, Internet-based services (vacancies and registered user bank, job search information, and self-service facilities) are non-existent at PES. PES services are not also provided in a cost effective manner due to limited use of information technology. Services specific to employers are even much more limited and less institutionalized.

The existing system of data collection and reporting in place at PES centers does not allow proper measurement and determination of their effectiveness and efficiency. Looking at very low number of actual placements undertaken at PES level in some cities visited by the consultant, however, it can be concluded that PES might not be that effective in their employment services provision. Besides, reported figures on number of jobs created by public employment agencies is likely to be lower than actual as they often treat job seekers referred to potential employers as employed.

Private employment agencies are believed to have underreported or failed to report as required, which was related to their intention to pay lower taxes. Besides, monitoring their activities and performances has remained difficult at local government levels as licenses are issued at different administrative levels and mechanisms and institutional set-ups for coordinated monitoring of private employment agencies are also weak.

Employment service provision by private agencies seems to be more efficient and effective. Findings suggest that private employment agencies placed all their registered job-seekers, which was not the case at public employment offices. PES centers also have lower performance in registering job seekers and vacancies than private agencies.

Human Resource and Budget at PESs

Staffing levels at public employment centers varies from one region or city to another. But inadequate staffing both in terms of quality and quantity was a common challenge experienced by public employment centers visited for the assessment. Apart from being under-staffed, public employment services also lack qualified experts that can provide even the basic services. Staff turnover is also high and the public employment service positions often attract people who received bad performance appraisal in other sector office.

The majority of staff working at employment service centers at some visited towns have bachelor's degree. But their areas of training may not necessarily be related to what the service they are providing at the centers. In most cases, the center staff have degree in management or accounting. Some of the limited services such as search assistance, counseling and matching services are

currently provided by staff that have neither educational preparedness nor additional training to provide the services.

High staff caseload – the ratio of registered job seekers to employment service/counseling staff – seems to be a critical constraint to PES performance in the country. Within some of the local employment service centers visited for the assessment, the average overall employment service center staff caseload was around 1:257, while the figure recommended by the ILO is even lower - 1:100. Counseling staff caseload is even much higher.

The number of staff at public employment service centers in general, and frontline counselors in particular is completely inadequate for delivering even the basic services. PES staff are also believed to lack the necessary motivation to deliver the services, which may be partly associated with their salary and working conditions. Employment service provision through labor and social affairs offices has not also received the necessary attention from higher regional officials as evidenced by the inadequate budget allocated to it.

Public employment services are under resourced. The allocated budget at all levels for public employment services in most cases is too small to provide some of the basic employment services. There is also shortage of office facilities (stationary materials, computers and others) at public employment service units.

Public employment service centers lack even the basic institutional capacity to provide the basic employment services. There are very weak institutional systems and manuals that guide the identification and registration of vacancies, establishment of collaborations with potential employers, and transparent screening and matching of job seekers with available job opportunities. In light of their limited institutional capacity, potential employers including public bodies lack confidence in the services provided by public employment service centers.

RECOMMENDATIONS

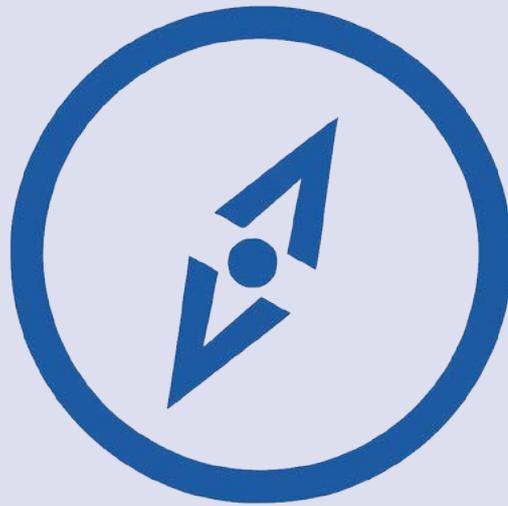
- i. Address overlapping systems and practices by reducing system fragmentation and strengthening mechanisms for institutional coordination across all public agencies engaged in public employment service provision and active labour market programs.
- ii. Develop closer partnership with private service providers, training and education institutions, employers and communities is necessary in order to ensure that existing employment promotions programs respond to market conditions.
- iii. Provide clear vision and capacity to PESOs by defining roles PES can should play and range of cost-effective service that they should provide, allocating the necessary budget, equipping them with necessary facilities and required manpower.
- iv. Build institutional and resource capacity of PES to provide required support to job seekers and employers.
- v. Strengthen the capacity of PES to collate, store, analyze, interpret, disseminate and use LMI information.
- vi. Promote public employment services to the general public, decision makers, employers as well as job seekers to create awareness and ensure service use by job seekers and employers.

- vii. Expand portfolio and quality of employment services provided by PES for employers and job seekers to improve their effectiveness.
- viii. Improve cost-effectiveness of PES through use of information technology to help them move away from costly face-to-face interactions and towards the extension of self-service facilities for jobseekers and employers.
- ix. Standardize existing data collection and reporting formats and ensure common understanding and uniform implementation across regional states.
- x. Organize benchmarking visit to developing countries that have well developed and cost-effective practices for employment service provision.
- xi. Improve coordination among LMIS producers and users to formalize collaboration and facilitate information exchange between LMI producers and users.

ACRONYMS AND ABBREVIATIONS

CETU	Confederation of Ethiopian Trade Unions
CSA	Central Statistical Agency
EFY	Ethiopian Fiscal Year
ESDP	Ethiopian Education Sector Development Programme
FDRE	Federal Democratic Republic of Ethiopia
FEMSEDA	Federal Micro and Small Enterprises Development Agency
GDP	Gross Domestic Product
GOE	Government of Ethiopia
GTP	Growth and Transformation Plan
HICES	Household Income Consumption & Expenditure Survey
IDB).	Inter-American Development Bank
ILO	International Labor Organization
LMI	Labor Market Information
LMIS	Labor Market Information System
MoE	Ministry of Education
MoFED	Ministry of Finance and Economic Development
MOLSA	Ministry of Labor and Social Affairs
MSE	Micro and Small Enterprise
MSEDA	Micro and Small Enterprises Development Agency
NEPS	National Employment Policy and Strategy of Ethiopia
PES	Public Employment Services
SNNPR	Southern Nations, Nationalities and Peoples Region
TVET	Technical and Vocational Education and Training
UNCTAD	United Nations Conference on Trade And Development
UNDP	United Nations Development Programme
USD	United States Dollar
WAPES	World Association of Public Employment Services

1. INTRODUCTION



1.1. Purpose of the Study

Ethiopia is the second-most populous country in Sub-Saharan Africa with a population of 97.0 million, and population growth rate of 2.5% in 2014². The country's per capita income of \$550 is substantially lower than the regional average (GDP per capita of \$691³ according to government's estimate for 2014/15). The Ethiopian economy has experienced strong and broad based growth over the past decade, averaging 10.8% per year in 2003/04 - 2013/14 compared to the regional average of 5.0%⁴. According to the World Bank, Ethiopia was the 12th fastest growing economy in the world, and if this historic growth continues, it could become a middle income country in just 12 years. The government aspires to reach middle income status over the next decade.

Notwithstanding the positive developments, Ethiopia still remains being one of the poorest countries in the world. Unemployment and underemployment continue to be serious social problems in the country despite some improvements in recent years. This is mainly a result of rapid population and labor force growth and limited employment generation capacity of the modern industrial sector of the economy. Because of high birth rates, the labor market continues to experience an influx of entries every year that is much higher than the number exiting, and that exceeds the absorptive capacity of the economy.

Labor market and skill mismatches limit countries' capacity to adapt to changing circumstances, and they slow productivity growth (ILO, 2014). A strong and modern public employment service can contribute to a virtuous cycle by helping individuals upgrade their skills and improve their employability, as well by increasing countries' productivity and competitiveness. Public employment services generally plan and execute many of the active labor market policies used to help workers find jobs and firms fill vacancies, facilitate labor market adjustments, and cushion the impact of economic transitions.

² <http://www.worldbank.org/en/country/ethiopia/overview>

³ Ministry of Finance and Economic Development (MoFED), Estimates of the GDP and other Macroeconomic Indicators_ Ethiopia 2007 EFY (2014/2015), 2015.

⁴ Ibid

Recognizing the fact that the barrier to matching the supply and demand of labor is the lack of Labor Market Information (LMI) and job search skills, the Ministry of Labour and Social Affairs (MoLSA) of the Federal Democratic Republic of Ethiopia (FDRE) in collaboration with ILO, identified the need to conduct an assessment of national employment services provision and labor market information collection and utilization with the aim to enhance and strengthen the employment services and labor market information system in Ethiopia.

The major objective of assignment is to assess the national employment services provision and labour market information collection and utilization. The assessment is expected to enhance and strength employment services provision and the labour market information system in Ethiopia as well as contribute to the improvement of employment services provision and legal labor migration governance in Ethiopia. To that end, the contracted consultant was tasked to undertake the following tasks (Terms of Reference is presented in Annex 1):

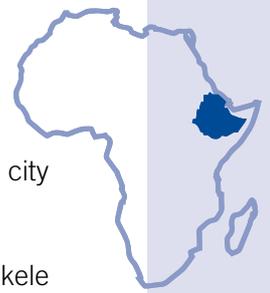
- i. Identify existing labour market information (LMI) systems and assess their effectiveness;
- ii. Identify key LMI demand and supply sectors and institutions in Ethiopia;
- iii. Identify gaps in the capacity of MoLSA on effective response to labour market supply and demand dynamics;
- iv. Assess and identify existing public employment service provision systems and processes; and
- v. Assess gaps in technical capacity of MoLSA and regional offices with respect to employment service provision systems and processes.

This report presents the findings of the assessment conducted on the public employment services provision and labour market information collection and utilization in Ethiopia that was conducted from April to July 2016. The final version of the report was presented at a stakeholder validation workshop in Adama city and comments and inputs obtained from the workshop were incorporated in the production of this revised final assessment report. The report is organized into four major sections. Section 1 provides background and introduction about the assessment and its objectives. This is immediately followed by a brief overview of the Ethiopian labor market in Section 2. Section 3 addresses the methodology utilized for the assessment, followed by a discussion of assessment findings in Section 4. In the 5th and final section, conclusions and recommendations are presented.

1.2. Methodology

A participatory and consultative approach was utilized in undertaking the assessment. Key stakeholders were identified and consulted from federal to regional and local government levels. At federal level, Ministry of Labor and Social Affairs (MOLSA), Ministry of Education, Federal Micro and Small Enterprises Development Agency (FEMSEDA), Central Statistical Agency (CSA), Public Servants Social Security Agency, Private Organizations Employees Social Security Agency, Confederation of Ethiopian Trade Unions (CETU), Ethiopian Employers Federation, Federal Ministry of Public Service and Human Resource Development, National Planning Commission, and Federal TVET Agency were consulted.

The consultant also consulted stakeholders from the four bigger regions (Tigray, Amhara, Oromia and SNNPR) and the Addis Ababa City Administration. The selection of the four regional states and Addis Ababa City Administration as well as local governments selected under them was based on purposive sampling technique that took cost, time and population size into consideration. The



consultation at selected regions was undertaken with relevant stakeholders at regional and city administration level that were selected in each regional state.

For local government level consultation, the capital cities of the four bigger regional states (Mekele from Tigray, Bahir Dar from Amhara, Sebeta from Oromia and Hawassa from SNNPR) were selected purposely. In Addis Ababa, three sub-cities namely Bole, Yeka and Kirkos were selected. Whenever time was available and the situation required to do so, the consultant also tried to visit lower level structures under the selected city administrations, including Addis Ababa. Some of these lower level local governments visited by the consultant included Kedamay Weyane Sub City from Mekele City Administration; and Woreda 5 from Yeka Sub-City, Woreda 10 from Bole Sub City, and Woreda 8 from Kirkos Sub-City Addis Ababa. At city administration and lower levels (sub-city or woreda), the consultant gathered data from employment service providing staff at labor and social affairs offices as well as micro and small enterprise development agencies.

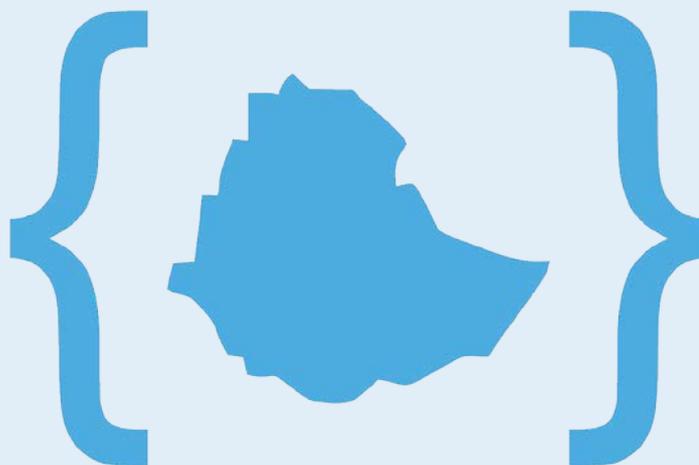
At regional level, BoLSAs, Education Bureaus, TVET Agencies and MSE Development Agencies were consulted. In each of the selected regional states, labor and social affairs offices and MSE agencies at their capital cities were also consulted. In Addis Ababa city Administration, stakeholder consultation went on at three levels: City Administration level, sub-city administration level, and woreda levels. Labor and Social Affairs Offices and MSE Development Agencies at selected three sub-cities namely Kirkos, Bole and Yeka were consulted. One woreda from each of the selected sub-cities were also visited to observe status of employment service provision.

The assessment was based predominantly on qualitative data gathered from secondary and primary sources. Secondary data was gathered from most of the stakeholders contacted for the assessment. In addition, several secondary documents were sourced from the Internet. These documents ranged from legal and policy instruments on labor and employment to population based surveys and censuses conducted by CSA to national development plans and progress review reports to annual reports and labor market information publications of sector ministries and bureaus to different studies conducted on the Ethiopian labor market. The list of key references consulted for the assessment is presented in Annex 3.

Primary data was also gathered through face-to-face interviews and observations. In-depth interviews were conducted with over 69 officials and/or relevant officers at stakeholders consulted at federal, regional and local government levels. The consultant also consulted two private employment service providers that are located in Addis Ababa (Ethiojobs and Ezega). Semi-structured tools were utilized for each category of stakeholders to guide the interviews. The assessment questions that were utilized to gather data from each category of stakeholders identified for consultation are presented from Annexes 4 through 10 at the end of this report. The list of people and organizations consulted for the assessment can be found in Annex 2.

The assessment was challenged by inadequate participation of stakeholders at federal level. Despite repeated attempts, it was not possible to consult some federal level stakeholders within the available timeline. Data contradictions and weak documentations at government agencies also required much more time than expected to verify the figures and understand the bases of their collection/calculation. Even so, the data quality gaps associated with existing reporting systems may still be reflected in the assessment report. The assessment covered the bigger regions and may not fully reflect the realities of emerging regional states. In addition, the assessment did not consult job-seekers and employers. Finally, considering the scope of the assessment and its objectives, the amount of time and resources allocated for it was not adequate to come up with a comprehensive report.

2. NATIONAL CONTEXT



2.1. Overview of the Ethiopian Labor Market

According to the May 2007 Population and Housing Census of Ethiopia, the population of Ethiopia is estimated to be about 73.9 million (50.46% male and 49.54% female). The total population of the country is believed to have reached 89 million in 2014/15 and is expected to increase to 99.8 million by 2019/20 with an average population growth rate 2.3 to percent during the same period (National Planning Commission, 2015). Although the rate of population growth has been on a declining trend over the last three decades, Ethiopia's population growth is still considered to be high. Only 17 per cent of the population lives in urban areas, the great majority of them in Addis Ababa. Ethiopia has a federal, democratic government system, established in the early 1990s, with nine autonomous states and two chartered cities.

The Ethiopian economy has experienced strong and broad based growth over the past decade, averaging 10.8% per year in 2003/04 - 2013/14 compared to the regional average of 5.0%⁵. Annual average income per capita increased from 377 USD in 2009/2010 to 691 USD by 2014/15. The proportion of the population living below the national poverty line fell from 38.7% in 2003/4 to 29.6% in 2010/11 (National Planning Commission, 2015).

During the past decade, there has been an alteration in the structure of the national economy, with the services sector's share on GDP now larger than those of agriculture and manufacturing, even though agriculture continues to be the source of employment and income for most Ethiopians. For example, in 2002/03, the contribution of agriculture to GDP was 54 percent while the share of industrial and services sectors stood at about 10 percent and 36 percent, respectively. Agriculture's GDP share had, however, declined to 40 percent by 2013/14 (38.5 in 2014/15) while the industrial sector share rose to 14 percent and that of the services sector to 46 percent. The phenomenal significance of the service sector in the country's GDP growth is particularly noteworthy and does bring to the fore the skewed pattern of economic growth which,

⁵ The World Bank, Ethiopia Overview, Available at: <http://www.worldbank.org/en/country/ethiopia/overview>



for a developing economy, underscores the importance of directing more effort on the more productive segments of the economy such as manufacturing. This is more so when one realises that Ethiopia's economy is fundamentally agriculture-based for the sector still accounts for 85 percent of employment and 70 percent of export receipts, the country's main exports from this sector being coffee, oil seeds, chat, pulses, cut flowers and live animals.⁶

Notwithstanding the positive developments catalogued above, Ethiopia still remains being one of the poorest countries in the world with GDP per capita income of \$550 (GDP per capita of \$691⁷ according to government's estimate for 2014/15) that is substantially lower than the regional average⁸. While GDP growth has remained high, the country's per capita income is among the lowest in the world, significantly because of the country's large population size. Because of high population growth, the absolute number of the poor (about 25 million) has remained largely unchanged over the past fifteen years (UNDP, 2015)⁹. The country ranks 173rd out of 186 countries in the 2014 UNDP Human Development Report. According to the 2010/11 Household Income Consumption & Expenditure Survey (HICES), the proportion of poor people (poverty head count index) stood at approximately 29.6 percent. In that year, while the proportion of the population below the poverty line was 30.4 percent in rural areas, it was about 25.7 percent in urban areas.¹⁰ For all indices that are used to measure poverty levels (head count, poverty gap and poverty severity indices), rural areas have higher poverty levels than urban areas, suggesting that poverty is still predominantly a rural phenomenon.

Rapid growth of labor supply characterizes the labor market in Ethiopia. The labor force is growing much more rapidly than the population as a whole because of the young dominated demographic profile. Ethiopia's population is predominantly young with about 45% of the population being below 15 years of age. The proportion of working age population (15-64 years) was estimated at about 52% (CSA, 2007). By any measure, according to the 2014 HDI on Ethiopia, Ethiopia's most valuable asset is its people, in particular the young. It is only by engaging its citizens in productive employment that Ethiopia can achieve lasting and constructive growth. This will be realized when households are empowered with the capabilities that allow them to participate in growth and access opportunities and services that should be available to all. The report argues that sustainable human development based on inclusive growth cannot be achieved unless and until significant progress is made in creating higher levels of productive employment opportunities for Ethiopia's growing population.

The central employment challenge for Ethiopia is to create productive jobs and livelihoods for the millions of people who are entering the labour force each year. In Ethiopia, according to the 2013 UNCTAD report¹¹, there were 1.4 million new entrants in 2005, which should rise to 2.7 million by 2030 and 3.2 million by 2050. However, unemployment and underemployment are major concerns for Ethiopian society. The employment-to-population ratio for the country is 79.4%. This

⁶ CSA Labour Force Survey, 2013. See also Nedelcovych, M. & Shiferaw, D. (2012), Private Sector Perspectives for Strengthening Agribusiness Value Chains In Africa: Case Studies From Ethiopia, Ghana, Kenya, and Mali, Partnership to cut hunger and poverty in Africa, May.

⁷ Ministry of Finance and Economic Development (MoFED), Estimates of the GDP and other Macroeconomic Indicators_ Ethiopia 2007 EFY (2014/2015), 2015.

⁸ The World Bank, Ethiopia Overview, Available at: <http://www.worldbank.org/en/country/ethiopia/overview>.

⁹ United Nations Development Programme. 2015. National Human Development Report 2014 – Ethiopia: Accelerating Inclusive Growth for Sustainable Human Development in Ethiopia, Addis Ababa, Ethiopia

¹⁰ Federal Democratic Republic of Ethiopia, Ethiopia's Progress towards Eradicating Poverty: An Interim Report on Poverty Analysis Study (2010/11), Development Planning and Research Directorate, Ministry of Finance and Economic Development, Addis Ababa, March 2012. See also Central Statistics Agency (CSA), Household Income Consumption & Expenditure (HICE) and Welfare Monitoring (WM) Surveys, 2010/11, Addis Ababa, 2012.

¹¹ United Nations Conference On Trade And Development (UNCTAD). 2013. The Least Developed Countries Report 2013: Growth with Employment for Inclusive and Sustainable Development.

means that, about 79% of the total population aged 15 years and above were working during the reference period. The employment-to-population ratio in the rural areas is higher (84.4%) than in the urban areas (61.6%). This is mainly due to the huge employment generation by the agriculture sector in Ethiopia (MoLSA, 2015)¹². The 2012/13 Labour Survey indicated that the rate of unemployment in Ethiopia declined from 8.2 per cent in 2005/06 to 5% in 2013. According to the 2013 labor force survey, unemployment is higher among women both in urban and rural areas, and youth population aged 20-24 years experienced the highest unemployment rate (9.1%). Unemployment¹³ rate for urban and rural areas of the country was 16.8% and 2.1%, respectively, which indicates that unemployment is more of a problem for urban areas than rural (MoLSA, 2015).

In terms of age composition, unemployment is essentially a youth phenomenon. Youths in urban areas are vulnerable to the problem of unemployment. The findings of the 2013 Labor Force Survey indicated that youth unemployment rate on average was almost 3 times greater than that of adults. This implies that the youth as a group is severely affected by the problem of unemployment than the adult population as the former lacks the required work experience to compete in the labour market. Youth unemployment rate was 5.7% (4.0% for male and 7.2% for female) at national level in 2013. On the other hand, youth unemployment rate for urban areas 24.8% ((20.9% for male and 27.9% for female) and 3.5% (2.1% for male and 5.0% for female) in rural areas in 2013. From this it may be said that youth unemployment is more of urban phenomenal than the rural. Rural youth unemployment and underemployment are largely driven by growing landlessness (UNDP, 2015). According to the 2013 UNCTAD report, more than 70 per cent of youth in Ethiopia are either self-employed or contributing to family income.

Ethiopia is one of the four countries in Africa where the working-age population will expand by more than one million people per year. Even with Ethiopia's economy growing by about 10 per cent, growth in employment opportunities has not been keeping pace with growth in the labour force. In aggregate, the country's rapid economic growth is not yet sufficient to address Ethiopia's underemployment problem. Compounded by a sizable number of new entrants joining the labour market every year, unemployment represents a barrier to fulfilling the rights of individual youth as well as realizing the national development vision. This will pose a major employment and development challenge for Ethiopia. If the growing youth population in Ethiopia could be provided with the necessary skills, education and decent jobs, they could become a major productive force and be a significant driver of local consumption and investment (UNCTAD, 2013).

Underemployment, defined as the proportion of workers who are "available and ready to work more hours", is a phenomenon of rural areas. According to the Labor Force Survey by Central Statistical Agency, underemployment is highest among male youth and prime-age adults, and higher among men than women in both urban and rural areas. In particular, the underemployment rate of urban male adults aged 25 to 39 stood at 20 to 25 percent in 2005 (MoLSA, 2009).

Significant shares of employed persons of the country (79.8% in 1999, 80.2% in 2005 and 71.0% in 2013) were absorbed by agriculture sector, followed by service sector (14.5% in 1999, 13.1% in 2005 and 19.4% in 2013) and industry sector (5.5% in 1999, 6.6% in 2005 and 8.2% in 2013). Though showing a declining trend, the agriculture sector has generated the highest number of employment followed by service sector. More people have been involved and are

¹² Ministry of Labour and Social Affairs (MoLSA). 2015. Labour Market Dynamics in Ethiopia: Analysis of nine Key Indicators of the Labour Market (KILM). Addis Ababa, Ethiopia

¹³ In Ethiopia's household survey data (MoLSA, 2012), "unemployed" work status is defined as not employed within the last 12 months but available or looking for work, while "employed" means working within the last 12 months as paid employees, employers, own account workers (self employed or unpaid family workers).



still involved in agriculture than in all the other occupations combined. According to the second Growth and Transformation Plan (GTP II), the total labor force employed in agriculture and allied sectors in 2014/15 was 31,752,000, representing 75% of the total employment. The country has 380,000 people employed in medium and manufacturing sector representing 0.9% of the total employment in the same fiscal year.

The private sector contribution to GDP through manufacturing value-added, employment creation and merchandise exports generated by medium and large-scale industries is still limited. Some 51 per cent of domestic private capital investment is in the services sector, followed by the industrial sector (32 percent). The share of the private sector in employment, production and investment remains low.

Like many developing economies, the informal sector has been the most important source of employment for the growing population in Ethiopia. Most people in urban areas work as self-employed individuals in the informal sector producing mainly services and other non-tradable commodities. The informal private sector, including smallholder farmers, provides the greater part, estimated to be over 80 per cent, of the overall private sector contribution to GDP (UNDP, 2015). According to the 2014 Urban Employment Unemployment survey, out of the total employed population in urban areas of the country, a quarter of them were engaged in the informal economy (CSA, 2014)¹⁴. According to the 2013 UNCTAD report, Ethiopia is one of the least developing countries where more graduates are entering the informal labour market because of few formal-sector employment opportunities. The informal sector has been acting as the 'employer of last resort' and it is dominated by the unskilled youth and women, the most vulnerable groups. The proportion of female who were engaged in the informal economy is higher than their male counterparts. This evidence suggests that informal sector seemed to play an important role in generating employment for women in Ethiopia. Low income and underemployment are among the major problems of the informal sector.

In sum, unemployment and underemployment continue to be serious social problems in Ethiopia despite some improvements in recent years. This is mainly a result of rapid population and labor force growth and limited employment generation capacity of the modern industrial sector of the economy (MoLSA, 2009). But high unemployment and underemployment is certainly and primarily due to the generally poor performance of the economy and its incapacity to create new jobs following population growth, but can also be linked to the different and less effective role of active labour market policies in general and of public employment services in particular (ILO, 2006)¹⁵. Public employment services generally plan and execute many of the active labor market policies used to help workers find jobs and firms fill vacancies and facilitate labor market adjustment. Employment services could constitute a relevant policy instrument to address labor market frictions, to facilitate individuals in finding available jobs, and to enhance the match (e.g. skills building) between supply and demand of labor. However, many studies and government publications reported that public and private employment services are too weak to provide even basic services such as giving information to jobseekers and employers. This report presents the findings of the assessment conducted on the status and effectiveness of public employment services in Ethiopia.

¹⁴ Central Statistical Agency (CSA). 2014. Key Findings on the 2014 Urban Employment Unemployment Survey. Author.

¹⁵ International Labour Organization. 2006. Labour market flexibility and employment and income security in Ethiopia: Alternative considerations. By Maria Sabrina De Gobbi.

3. PUBLIC EMPLOYMENT SERVICE (PES) POLICY, STRATEGIC AND LEGAL FRAMEWORK



Public employment service provision is among the key priorities and goals of the Government of Ethiopia. The government has adopted important policy, strategic and legal instruments to facilitate employment. There are also different labor market institutions in the country. A description of the policy and legal framework as well as labor market institutions is presented in this section.

3.1. PES Policy and Strategy

Ethiopia currently has a national employment policy and strategy (FDRE, 2016). Endorsed by the Council of Ministers of FDRE in April 2016, the policy was designed in response to the need to:

- i. Effectively coordinate the efforts at different levels aimed at creating employment opportunities;
- ii. Identify gaps in currently implemented employment-related policies and strategies and filling these gaps through appropriate policy provisions;
- iii. Promote industrial peace through improved work relationships;
- iv. Coordinate education and skill development programs with contemporary labor market needs;
- v. Ensure that employment services respond to the needs of different societal groups and specific needs;
- vi. Identify mechanisms to enhance rural employment opportunities towards reducing poverty driven rural-driven migration
- vii. Ensure better use of employment creation efforts extended by governmental and non-governmental organizations, workers and employers associations, and other stakeholders.



- viii. Gather and disseminate employment and labor market related information for policy making, planning and programming; and
- ix. Gather and document information on employment related best practices and challenges to help guide successive policy directions and interventions.

The policy prioritizes decent employment opportunities through harmonization of macro and sectoral policies and strategies for matching the supply of and demand for labour, improving labour market information and employment services, creating enabling environment that facilitates transition from informal to formal economy, maintaining industrial peace, and other cross-cutting issues for employment creation. Besides, it gives particular attention to youth and people with disabilities and women by adopting practical and supportive strategies that ensure equal participation in labour market.

Among the five priorities of the policy, the one that aims to craft favorable conditions for the promotion of employment opportunities by improving the functioning of labour market information and employment services is directly related to PES. Under this priority, the government aims to create a balance between labour supply and demand through establishing modern, efficient, and effective labour market information system and promoting employment services. Several strategies are outlined to achieve this, including the following:

- ▶ Enhancing the labor market institutions to improve their role in terms of providing labour market related information and promoting employment opportunities;
- ▶ Promoting employment opportunities by establishing accessible national labor market information exchange network;
- ▶ Disseminating information to users on concurrent and reliable indicators of labor market dynamics, by using alternative mechanisms;
- ▶ Improving the accessibility of public and private employment services in a coordinated and integrated manner;
- ▶ Taking labour market adjustment measures to improve the employability of those job-seekers who are unable to compete in the labour market due to various reasons;
- ▶ Undertaking action-oriented and problem solving research and studies in relation to employment and manpower;
- ▶ Establishing a system that enables to determine minimum wages taking into account the country's stage of development, competitiveness and capacity to pay.

As outlined above, the government plans to improve the functioning of labour market information and employment services by, among others, enhancing the labor market institutions, establishing accessible national labor market information exchange network, and improving the accessibility of public and private employment services in a coordinated and integrated manner. The fact that the need for integrated and coordinated employment service provision is given attention by the policy could play important roles to address current fragmented and poorly coordinated services provided by public and private employment agencies.

The government has also demonstrated its commitment to employment service provision in its current development plan. In the Second Growth and Transformation Plan (GTP) of the Government of Ethiopia, due attention is given to labor market information and employment services provision. Indeed, the strategic objectives of the government under the social welfare and

labor affairs sector is expanding employment and labor market information services with the aim to balance the country's labor force demand and supply. Besides, the existing legal framework in the country allows provision of employment services by both public and private sectors and the growing number of private agencies providing domestic and overseas employment services could be seen as a sign of success of such government legal, policy and strategic actions.

MoLSA has also set concrete goals and targets consistent with the country's development plan. One of the focus areas of labor and social affairs sector in GTP 2 is to assist job-seekers to find employment based on their needs and capabilities, and support employers to get competent workers. The development plan aims to achieve this through promotion of job-matching; efficient, effective and accessible employment service. As part of its goal of promoting accessible, efficient and effective employment services, the government targets to enhance the number of citizens employed domestically through support to 12.06 million by 2019/20 fiscal year; and provide support and ensure the protection of rights and safety of 0.5 million Ethiopians willing to take overseas employment (MoLSA, 2015)¹⁶.

3.2. Legal Framework and Mandate of PES

Legal framework that governs employment services in Ethiopia comprises international conventions ratified by Ethiopia and domestic laws. These legal instruments are described below.

3.2.1. International conventions

Ethiopia has also ratified 21 ILO Conventions two of which are on employment services. The former is Convention No. 88 concerning the Organisation of the Employment Service which was ratified back in 1963. The latter was the Private Employment Agencies Convention No. 181 of 1997 that was ratified in 1999. This Convention came into force in 2000. The ratification of ILO Conventions Nos. 88 and No. 181 reveals the value that Ethiopia attaches to employment services.

3.2.2. Domestic Laws

Ethiopia has issued different proclamations in an effort to improve employment outcomes through improving employment services and relations. Labour Proclamation No. 377/2003 is the legal framework that is currently regulating the employment relationship in the private sector. Following the ratification of the Private Employment Agencies Convention, No. 181, Ethiopia also issued its Private Employment Agency Proclamation No. 104/1998, based on the principles laid down in this convention. The proclamation was also issued to encourage the participation of individuals and private entities in the employment services in the country. Proclamation No. 104/1998 was later replaced by the Employment Exchange Services Proclamation No. 632/2009 with the aim to define the role of public and private employment agencies in employment exchange; to further protect the rights, safety and dignity of Ethiopians going abroad for employment in pursuance to their qualification and ability; and to revise the existing Private Employment Agency Proclamation No. 104/1998 to strengthen the mechanism for monitoring and regulating domestic and overseas employment exchange services. Proclamation No. 632/2009 was also replaced by the new Ethiopia's Overseas Employment Proclamation 923/2016, which regulates overseas employment

¹⁶ Ministry of Labour and Social Affairs (MoLSA). 2015. Second Five Years Growth and Transformation Plan (2015/16-2019/20) /Final/.



only. Local employment service provision, however, is still being regulated by Proclamation No. 632/2009. A brief description of these domestic legal instruments is presented below.

i. Labor Proclamation No. 377/2003:

Labour Proclamation No. 377/2003 is the legal framework that is currently regulating the employment relationship in the private sector, whereas Federal Public Servants Proclamation No. 262/2002 and other related proclamations contain rules on the employment relationship in the public sector. The proclamation made specific provisions on employment service provision. Article 172 of Labour Proclamation No. 377/2003 defines employment services to include the following:

- i. Assisting persons who are able and willing to work to obtain employment;*
- ii. Assisting employer in the recruitment of suitable workers for their work*
- iii. Determining the manner in which foreign nationals are employed in Ethiopia*
- iv. Determining the manner in which Ethiopian nationals are employed outside of Ethiopia*
- v. Cooperating with the concerned offices and organizations in the preparation of training programs*
- vi. Undertaking studies concerning the employed and unemployed manpower of the country*
- vii. Conduct studies, in collaboration with the concerned offices, relating to the manner of improving vocational training at the national level and distributing the same to beneficiary and implement the employment policy properly*

ii. Employment Exchange Services Proclamation No. 632/2009:

The recently proclaimed Ethiopia's Overseas Employment Proclamation No. 923/2016 has replaced Proclamation No. 632/2009. Nevertheless, as the new proclamation regulates overseas employment only, Proclamation No.632/2009 is still governing local employment exchange service in the country until a new law pertaining to it is issued (Art. 78/4 of Proc. No. 923/2016). This suggests that the repealed Proclamation No.632/2009 still governs local employment service provision in the country.

Proclamation No 632/2009 defines public employment service as the service of issuance of license to private employment agencies, monitoring and supervision of such agencies and the issuance of work permit by MoLSA to citizens to work abroad, and includes other services provided in the Proclamation. Although the proclamation was not specific about the 'other services' that public employment service should include, the following are identified as functions of public employment service (Art.31).

- i. Issuance of licenses to private employment agencies and supervision of their activities to ensure their compliance with the conditions of their licenses;*
- ii. Approval and registration of employment contracts of citizens to be employed abroad upon investigating such contracts to ensure that they incorporate basic conditions of work stipulated by law;*
- iii. Facilitating the resolution of disputes that may arise between workers and private employment agencies through providing conciliation and legal counseling services;*

- iv. Providing per-employment and pre-travel counseling to citizens about the country of their deployment;
- v. Facilitating the resettlement of citizens who return to their home country after deployment abroad;
- vi. Facilitating the lawful labour migration by studying labour market situation abroad and within the country;
- vii. Monitoring, through the Ethiopian embassies or consular office, the overseas employment opportunities and protecting the rights, safety and dignity of citizens deployed abroad;
- viii. Maintaining and analyzing vital information concerning citizens deployed abroad and dissemination of the same to the concerned organs;
- ix. Facilitating the bank remittance of citizens remunerations to their home land during their employment abroad.

As can be seen from the functions identified for PES above, the proclamation defined public employment service from the perspective of licensing and regulating private employment agencies, and overall overseas employment matters. Proclamation No. 632/2009 defines private employment agency as any person, independent of government bodies, which performs services of matching offers of and application for local employment without being a party to the employment contract; and/or services of making a worker available locally or abroad to a third party by concluding a contract of employment with such a worker without directly or indirectly receiving payments from workers.

Private employment agencies need license either from MOLSA or from regional authorities to operate. The license has a validity of one year and entails financial guarantee requirements for those agencies which wish to send workers abroad with the purpose of protecting the rights of the workers. MoLSA is in charge of licensing and renewing licenses of private employment agencies that deploys workers abroad, while regional BoLSAs and their local government level branches does the same for agencies that engage in domestic employment service provision.

iii. Ethiopia's Overseas Employment Proclamation No. 923/2016

Following the ratification of the Private Employment Agencies Convention, No. 181, Ethiopia issued its Private Employment Agency Proclamation No. 104/1998, based on the principles laid down in this convention. Proclamation No. 104/1998 was replaced by the Employment Exchange Services Proclamation No. 632/2009, which was also later replaced by the Overseas Employment Proclamation No. 923/2016 with the aim to protect the rights, safety and dignity of Ethiopians who are willing to take-up overseas employment; define the role of the private sector in overseas employment exchange services; enhance the role of the Government in the follow-up and monitoring of overseas employment exchange services. The Proclamation applies to overseas employment relation of Ethiopians conducted by public employment organs or private employment agencies, and Ethiopians travelling abroad to engage in overseas contracts of house maid service for non-profit making purposes.

Three modes of recruitment are defined by the proclamation for overseas employment: public recruitment, direct recruitment, and recruitment through private employment agencies. In regards to public recruitment, the proclamation authorizes MoLSA to provide recruitment and placement services to Governmental organization in receiving country based on Government to

¹⁷ Federal Democratic Republic of Ethiopia (FDRE). Ethiopia's Overseas Employment Proclamation No. 923/2016



Government agreement (Article 4). Direct employment is prohibited by the law and is allowed only by MoLSA in the exceptional situations (Article 6). The private employment agencies can conduct the recruitment and deployment services in the presence of a license from MoLSA. The proclamation requires bilateral agreement as a prerequisite for overseas deployment.

ILO's comprehensive in-depth analysis of the proclamation showed that the new Ethiopian Overseas Employment Proclamation is compatible to international and domestic legal framework and has brought significant changes in the management of the labour migration process. But the need for undertaking additional reforms to properly address some serious gaps particularly relating to enforcement mechanisms. While appreciating the requirement imposed by the proclamation requiring bilateral agreement as a prerequisite for overseas deployment, the ILO analysis argues that it may not be fruitful in the absence of clear enforcement mechanisms.

In sum, analysis of legal instruments suggests that Ethiopia has the basic instruments in place to govern employment service provision. What seems to be clear from currently active proclamations on employment service is also the fact that employment services identified for provision by private agencies are not mentioned as functions of public employment service. Besides, the proclamations seem to recognize few types of employment services such as job matching and overseas employment management related functions. Provision of labor market information and facilitation labor market adjustments are not at least officially recognized as public as well as private employment service functions. Hence, looking at the currently active proclamations alone, it seems fair to conclude that the existing legal instruments give due attention to overseas employment and private employment service provision without giving due regard to local public employment services.

3.3. Labour Market Institutions

Labor market institutions play important roles with regard to employment relations, labor protection and provision of labor market services. However, institutions established to manage labor market in the country are not well developed (FDRE, 2016)¹⁸. This weakness is characterized by undeveloped institutions, limitations of regulatory framework that often serve the formal and wage employment sector, which resulted in lack of protection and job security, lack of social dialogue, and poor labor market services against the background of labor market imperfections¹⁹.

Labor market institutions include government bodies such as the Ministry of Labor and Social Affairs and its regional counterparts, Micro and Small Enterprise Development Agencies (MSEDA) at all levels, labor courts, trade unions, employers' associations and others. Such organizations are responsible for protecting the interests of workers and employers based on standards and regulations related to employment, wage payments, benefits, promotion and other issues. A brief description of some of these institutions is presented below:

i. Government institutions

- **MoLSA and its regional counterparts:** In Ethiopia, the main State institutions which play a significant role in facilitating the match between labour supply and demand and which bear responsibility in planning and coordinating employment promotion activities are the Ministry of Labour and Social Affairs (MOLSA) as well as regional Labor and Social Affairs

¹⁸ Federal Democratic Republic of Ethiopia (FDRE). 2016. National Employment Policy and Strategy (PES).

¹⁹ Kibru, Martha. 2012. Employment Challenges in Ethiopia. Addis Ababa University. Ethiopia

Bureaus and their structures at sub regional and local administration levels, and the Advisory Board. Amongst MOLSA's responsibilities are: registering labour organizations, registering collective agreements and assuring their enforcement, facilitating the settlement of disputes including assigning conciliators and arbitrators upon the request of the parties, undertaking studies on the national labour force, collecting and disseminating information on the labour market, developing special programmes for vulnerable groups of workers (women, youth, elderly, people with disabilities, etc.), and issuing directives on working conditions, occupational safety and health at work. Public employment service provision and administrative labor market information collection, management and reporting are also responsibilities of labor and social affairs offices at local government levels. Employment service related and other LMI is also collated and aggregated by labor and social affairs offices at zonal, regional and federal levels. Despite their relevant responsibilities, MOLSA, BoLSAs and local labor and social affairs offices have limited financial, material and human resources and encounters difficulties in effectively performing all of its tasks as discussed in the various sections of this assessment report.

- **Labor Advisory Board:** MoLSA set up the Labour Advisory Board as stipulated under Article 171 of the labor law that provides for establishment of an advisory board which study and examine matters concerning employment service, working conditions, the safety and health of workers, the labor laws in general and give advisory opinion to the minister. The Board is tripartite and is composed of several sector ministries and labor institutions.
- ii. **Workers' Organizations:** Workers' organizations in Ethiopia are very weak²⁰, in terms both of membership and of the impact of their action on the labour market. Founded in 1964, the Confederation of Ethiopian Trade Unions (CETU) is the only institution representing workers in the country. At present it consists of nine federations and has a membership of 450,929 workers organized in 1182 basic trade unions. CETU's membership represents a very small percentage of the total labour force in the country (ILO, 2006)²¹. This may be partly due to the fact that a large majority of the Ethiopian population is employed in agriculture often in unpaid jobs or in self-employment. This reality does not favour unionization. Although trade unions are generally weak, public enterprise trade unions are relatively stronger than their private counter parts. Some private enterprise employers are reluctant to allow their workers to organize themselves under trade unions. Such a negative attitude, which has developed over the years, has hampered the role of labor unions in improving the productivity and profitability of their enterprises. Trade unions have the tendency to focus on members in the formal economy rather than on the most vulnerable people (MoLSA, 2009).
- iii. **Employer's Organizations:** The Ethiopian Employers' Federation (EEF), founded in 1964, is the only federation representing employers and their associations in the country. EEF's current membership is composed of 1250 enterprises and 17 employers' associations. It currently has 12 regional branches and membership is open to all private and government owned enterprises level organizations. The principal challenges faced by EEF include lack of adequate staff particularly at branch offices and poor financial and material resources to run the organization efficiently.

²⁰ Ministry of Labor and Social Affairs. 2009. National Employment Policy and Strategy of Ethiopia.

²¹ International Labour Organization. 2006. Labour market flexibility and employment and income security in Ethiopia: Alternative considerations. By Maria Sabrina De Gobbi.



3.4. Active Labor Market Programs in Ethiopia

Developing active labor market interventions can help alleviate the negative effects of unemployment particularly for the most vulnerable. According to Betcherman et al (2004)²², the factors leading to successful active labor market programs tend to apply for all countries and interventions that offer a combination of services, are demand-oriented and relevant to the workplace, and are well-targeted generally work well. However, in countries where the informal sector dominates, implementation capacity is low, and demand for labour is relatively weak, the ability of active labor market policies to make a major impact on employment and wages is limited (World Bank, 2007)²³.

The Ethiopian Government has been implementing different active labor market programs. Some of the important programs include public works and micro and small enterprise development. A brief description these programs are presented below:

- i. **Entrepreneurship Support:** Another important active labor market policy of the government of Ethiopia is entrepreneurship support through its micro and small enterprise (MSE) development/self-employment assistance program. MSEs were among the programs the GoE has recognized and paid due attention to address the challenges of unemployment and expedite economic growth across the country.

In recognition of the economic and social role of MSEs in creating employment opportunities and generating income, the government formulated a strategy known as Micro and Small Enterprises Development Strategy in 2004. The objectives of the strategy are to strengthen MSEs in order to facilitate economic growth and bring about equitable development, create long-term jobs and etc. This is done via creating an enabling legal, institutional and other supportive environment for the growth and development of MSEs. The strategy sets out the goal of providing the following kinds of support: credit services, entrepreneurship and business management training, appropriate technology research, market support, information and counseling, business development services, and infrastructure provision, including roads, electricity, and water and access to land and workplaces. Furthermore, to encourage, coordinate and assist institutions which provide support to the development and expansion of MSEs, the micro and small enterprises development agencies (MSEDA) were established at federal and regional levels.

MSEs in Ethiopia have been making a significant contribution in the overall development and in the efforts geared towards reducing unemployment rate (FDRE, 2009). Millions of unemployed youth in various towns and cities of Ethiopia have currently become beneficiaries of MSE sector. MSEs have been playing a key role in addressing unemployment in urban areas of Ethiopia. According to the second Growth and Transformation Plan (GTP II) of the country, during GTP I period, 5.5 million youths participated in micro and small scale income-generating programs. The government aims to increase youth participation in small and micro enterprises from 59% in 2014/15 to 90% by engaging 7.43 million youth in such enterprises. This level of job creation is attributed to the expansion of micro and small enterprises and a number of ongoing large (mostly infrastructure) projects although a significant proportion of the jobs created during the reported period were temporary (UNDP, 2015).

²² Betcherman, Gordon, Karina Olivas, and Amit Dar (2004). "Impacts of Active Labor Market Programs: New Evidence from Evaluations with Particular Attention to Developing and Transition Countries." World Bank Social Protection Discussion Paper Series, No. 0402. January 2004

²³ The World Bank. 2007. Urban Labour Markets in Ethiopia: Challenges and Prospects. Volume I: Synthesis Report No. 38665 – ET

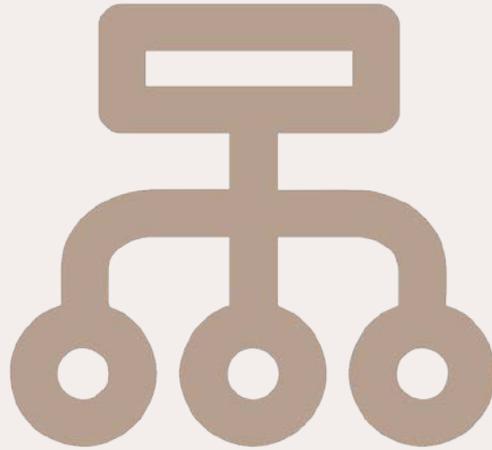
An example that contains the key elements of the government's strategy to fight unemployment is the small and medium scale enterprise development linked with TVET and a low cost housing program. Launched in 2004, the city of Addis Ababa introduced Integrated Housing Development Program (IHDP) that was designed to provide low-cost and affordable housing while also generating employment and building human capital and entrepreneurship in the construction sector. The program intends to accelerate employment creation in the construction sector by supporting the formation and development of MSEs. First, the program actively stimulates the creation of MSEs in the construction sector by screening qualified workers (via a skills test), training them how to form legal business enterprises, and allowing them to group themselves into new firms. Second, the program contracts these new MSEs to work on the housing projects, which incorporate innovative low-cost and labor-intensive technologies (most notably, pre-cast beams and prefabricated hollow blocks) in order to build affordable housing. Third, the program provides wide-ranging support to the MSEs, including access to land, access to credit, input provision (e.g. re-bars, cement, and iron) on credit, machinery leases at favorable conditions, and skills training (though not all firms receive all types of support). The on-going housing development program in Addis Ababa constructed 174,190 housing units in the GTP I period that also created 845,900 jobs. The government has also planned to construct 750 thousand new residential housing units in urban centres of the country until 2019/20 (National Planning Commission, 2015).

- ii. **Public Works:** Well-designed public works can be very effective measures both for poverty alleviation and as a risk management mechanism for income security as they provide alternative income for target groups, create infrastructure for development, strengthen domestic demand through wages to workers which leads to employment creation, and promote employment through the production of local construction material (ILO, 2006)²⁴. Public works programs can serve as a safety net for the most vulnerable, and alleviate unemployment, even if they do not guarantee better employment outcomes for participants in the long run. Ethiopia has extensive experience with food-for-work, and cash-for-work schemes. As part of a major food security program popularly known as the Productive Safety Net Program (PSNP), public work programs already play an important role in employing the rural poor in building roads and other infrastructure during times of food shortages.

In its GTP II, the government has also planned to sustain the productive safety net program in rural areas and to start urban productive safety net program to benefit low income people in urban areas. The \$450 million Urban Development Safety Net Program is launched by Ethiopian government in collaboration with the World Bank to enable food insecure and vulnerable urban communities to generate their own income and improve their livelihood in the short term and on permanent basis. The implementation of the urban safety net program has already commenced. Over 1 million urban food insecure communities are expected to get direct support from the urban safety net program until 2019/20. The government has also targeted to create jobs opportunity for 717,114 people through urban productive safety net program in the GTP II period (National Planning Commission, 2015).

²⁴ International Labour Organization. 2006. Labour market flexibility and employment and income security in Ethiopia: Alternative considerations. By Maria Sabrina De Gobbi

4. PES STRUCTURES AND FUNCTIONS



4.1. PES Structure in Ethiopia

Administration of public employment services in MENA

Review of available literature suggests the use of different models for administration of public employment services in different countries. Public employment service provision can be the function of the labor ministry or a department within; or it can function as an autonomous/independent government implementing agency in provision of relevant services.

A 2012 World Bank's²⁵ study on Public Employment Services in the Middle East and North Africa also suggests the same. According to the study, public employment service is the function of the relevant labor ministry or the department of the labour ministry in countries such as in Yemen, Egypt or Jordan, while in Syria, Lebanon, Morocco and Tunisia public employment services function as an independent and autonomous agency supervised by the labor ministry. In some countries such as Yemen NGOs carry a big role in the provision of public employment services. There were 150 registered NGOs that were working in the field of employment in 2009. Private employment agencies are allowed to function in some countries, according to the findings, while in some others, private provision of employment services is not allowed.

In countries where public employment services function as an independent government implementing agency, they operate quite autonomously within the established legal framework and operating budgets. Usually the Ministry of Labour is responsible for policy related issues, including legislative framework and budgeting. The head office of the PES is often responsible for the development of particular service standards and guidelines for employment programs; information systems (including collection of labor statistics); labor market analysis and research; contracting out to NGOs and private sector some of the services; quality control and internal auditing; international cooperation and public relations; human resources (staffing of the PES),

²⁵ The World Bank. 2012. Public Employment Services in the Middle East and North Africa. By Diego F. Angel-Urdinola, Arvo Kuddo, and Amina Semlali.

and performs some other functions. Local offices of the PES, under the general supervision of the head office and in close collaboration with local administration, are directly involved in interacting with unemployed and job seekers²⁶.

In Ethiopia, public employment service provision is a function of the Ministry and Regional Bureaus of Labour and Social Affairs. In other words, there is no independent government implementing agency that provided PES in Ethiopia. It is being coordinated within a unit within the Federal Ministry and Regional Bureaus of Labor and Social Affairs as well as lower administrative offices. As is the case in Yemen, Egypt or Jordan, the Ministry of Labor and Social Affairs in Ethiopia is responsible for policy related issues, including development of policy and particular service standards and guidelines for employment programs; labor market analysis and research; and others. The Employment Service Directorate within MoLSA coordinates and supports the operations of regional employment offices. The regional labor and social affairs bureaus translate the policies and legal frameworks adopted at federal level. Public employment service centers operate as branches of the regional BoLSAs. Local offices of the PES, under the general supervision of the regional or zonal labor and social affairs bureaus/departments and in close collaboration with local administration, directly interact with unemployed and job seekers.

Private employment agencies are allowed to function in Ethiopia. Pursuant to Article 21 of Ethiopia's Overseas Employment Proclamation No. 923/2016, MoLSA issues license/certificate of competence to private employment agencies to engage in providing overseas employment exchange services. The regional authorities are responsible for issuance of license to private agencies for employment service provision if the employment service is rendered within a region as stated in the Employment Exchange Services Proclamation No. 632/2009. Although Proclamation No. 923/2016 has effectively nullified the preceding Employment Exchange Services Proclamation No. 632/2009, those elements of the proclamation that relate to local employment exchange service and on new applicants for local employment exchange service are still applicable until a new law pertaining to it is issued pursuant to Article 78 of Proc. No 923/2016. Although there are some variations, some regional BoLSAs issue license to private agencies that engage in employment service provision covering more than one zonal administration, while licensing is delegated to zonal/city administration and woreda labor and social affairs offices for private agencies that engage in provision of employment services in their respective jurisdictions. In light of this, private employment service providers are often supervised/monitored by the local labor and social affairs offices that licensed them which could be at regional, zonal or woreda/city administration levels.

Data gathered from the regional officials revealed that employment service provision structure exists a woreda or city administration levels in each regional state. Each regional state claimed that they have an employment service center at woreda and city administration level. This implies that the number of public employment service centers could be equal to the number of woredas and city administrations in each region. As shown in Table 1, Oromia region has the highest public employment service centers (320) and private employment agencies (210). In the four bigger regional states and Addis Ababa city administration, there are 836 public employment service centers and 627 licensed employment agencies. Compared to the figures reported in studies conducted before five to ten years, it can be said that there were dramatic increase in the number and accessibility of these centers. Even so, key informants agreed that the quality and range of services and staffing levels differ from one employment center to another within each region where better services are being provided at centers established under bigger city

²⁶ The World Bank. 2012. Public Employment Services in the Middle East and North Africa. By Diego F. Angel-Urdinola, Arvo Kuddo, and Amina Semlali.



administration levels. This assessment report, however, established that the range of services provided even at employment service centers in bigger cities are very limited. Indeed, in cities such as Bahir Dar and Hawassa, the employment service centers are much focused on collection of data from MSEDAs and other stakeholders and reporting to regional offices. They have limited number of registered job seekers and vacancies that often come from employers rather than through proactive search from service staff. Hence, if these services are believed to be much better compared to the ones offered at woreda and smaller city administration levels, one cannot help but conclude the possibility that the employment service centers established at woreda level may not be offering the services at all.

Table 1: Number of public employment service centers and licensed private employment agencies at the end of 2015/16 (EFY 2008)

Region	Number of Local Employment Service Centers	Private	Total
Oromia	320	210	530
SNNPR	137 ²⁷	110	247
Tigray	52	63	115
Amhara	211	44	255
Addis Ababa	116	200	316
Total	836	627	1,463

Source: Officials from regional BoLSAs

Public employment service is structured as a core process at regional and local government levels. At regional level, Labor and Social Affairs Bureaus often are structured as independent Bureaus with three major core processes, including Industry Peace Core Process, Employment Service Core Process, and Social Welfare Core Process. In all regional states visited by the consultant, public employment service providers compile data on registered job seekers and vacancies, as well as employment opportunities created for job seekers by combining their own with data gathered from private employment agencies and micro and small enterprise agencies at their level. Public employment service centers at woreda levels organize and report these data to their respective zonal labor and social affairs departments (if there is a zonal structure in the region) that in turn aggregate and pass the data on to the regional labor and social affairs bureaus. The employment service data is often reported using the format distributed by the federal government, which requires disaggregation of the data by occupation, industry classification, age and sex, education level and so on. Public employment service centers at city administration levels often report directly to the regional BoLSA. The regional BoLSA's also aggregate all the data gathered from zonal/city administrations and report to MoLSA.

While the reporting systems and formats are standardized, structural differences were observed at local government level public employment service centers. In Oromia, SNNPR and Amhara regional states, public employment service units at city administration levels do not have presence at the lowest administrative levels (sub-city or kebele). The Micro and Small Enterprise Development Agencies, however, have presence at lower administrative levels. Indeed, MSEDAs

²⁷ This number might not have included those that offer public employment services in rural areas.

have one-stop centers at sub-city or kebele levels that conduct door-to-door registration of job seekers once or twice a year. Labor and social affairs offices are not represented at the one stop centers in these regional states. The only area of collaboration between city labor and social affairs offices and one stop centers is in the sharing of employment service information where the latter sends data to employment service core processes at city labor and social affairs offices through their city level MSEDAs. Public employment service core processes at city labor and social affairs offices use the data obtained from MSEDAs for compilation of labor market information at their level and reporting to their regional BoLSAs. Collaboration between public employment service core processes at labor and social affairs offices and MSEDAs in these regional states is very limited. Indeed, according to key informants, their overlapping mandates have created some friction between the two offices. In these three regional states, the role of labor and social affairs services as employment service providers is now being played by MSEDAs. In SNNPR, for example, MSEDAs are even involved in registration of vacancies and provision of placement services to registered job seekers. Employment service provision at labor and social affairs offices is limited to their very few job seekers that came to their office and got registered. According to some key informants, MSEDAs are increasingly taking over the mandates given to labor and social affairs offices. As a result, public employment service core processes at labor and social affairs offices tended to focus on administrative data collection and compilation rather than employment service provision.

The structure in Addis Ababa is different and looks much better than the other regional states. Labor and social affairs office has presence at woreda level and is part of the one stop centers established at that level. One of the case teams established at one stop centers is the employment service case team that include employment service providing staff tasked with job seeker and vacancy registration as well as provision of placement and other services. There is also another case team tasked with job creation from MSEDAs side that involves job seeker registration clerk and other staff. Employment service staff from labor and social affairs side record job seekers aged 14 and above that are interested in paid employment opportunities, while MSEDAs registers job seekers aged 18 and above that are interested in engaging in self-employment activities. However, the level of collaboration between the two offices (labor and social affairs and MSEDAs at woreda one stop centers) on activities after job seeker registration is very minimal. Employment service staff from each office at the one stop centers look for vacancies on their own ways and facilitate placement services for jobs seekers they have registered. They don't also collaborate much at sub-city and city administration levels.

In Addis Ababa and Hawassa city administrations, both MSEDAs and labor and social affairs offices engage in identification of vacancies and placement of job seekers in paid employment opportunities. Although the mandate of MSEDAs is to create self-employment opportunities for job seekers through formation of enterprises, they are involved in vacancy search and placement of job seekers, which is supposed to be the mandates of labor and social affairs offices. MSEDAs argue that the low level of effort exerted by staff from labor and social affairs offices has forced them to look for job openings and facilitate employment services for job seekers.

Structural differences were also observed among regional states in regards to the manner in which labor and social affairs offices are organized at regional and local government levels. In Oromia and Tigray Regional State, labor and social affairs bureau/offices are members of the cabinet at regional and local administrative levels. Labor and social affairs offices are, however, not members of the cabinet at regional as well as lower administrative levels in regions such as Amhara and SNNPR. The non-representation of labor and social affairs offices in the cabinet was cited as a major reason for the offices not to get the attention they deserve from political leaders/higher



officials at regional and local government level. The inadequate staffing and budget allocated for labor and social affairs offices in general and employment service centers in particular as well as the less competitive (even compared with other public agencies) salary paid to employment service providing staff and the tendency to give away their mandates to MSEDAs were mentioned as evidences by key informants.

4.2. PES Functions

Public employment services generally plan and execute many of the active labor market policies used to help workers find jobs and firms fill vacancies, facilitate labor market adjustments, and cushion the impact of economic transitions. To carry out these tasks, the public employment services usually perform five different functions²⁸, including job brokerage by publicly disseminating job vacancies to be filled in order to facilitate rapid matches between supply and demand; provision of labor market information by collecting data on job vacancies and potential applicants; market adjustment by implementing labor market policies aimed at adjusting labor demand and supply; management of unemployment benefits by providing income support for unemployed persons; and management of labor migration by coordinating the geographic mobility across borders of persons who want use and develop their skills in a new working environment. The context in which these services have been established varies widely across countries and time²⁹. In Ethiopia, for example, public employment services provide four of the above five functions. The management of unemployment benefit is not being provided at present as such benefits do not exist in the country.

In this sub-section, the findings of the assessment in regards to the functions of public employment service are discussed.

4.2.1 Registration of Job Seekers

Registration is a core function of employment services and has a supportive role for other services like guidance and labour market information. Employment service provision depends heavily on well-functioning registration system.

Different public agencies are involved in job seeker registration. In most regional states, both labor and social affairs offices and MSEDAs are involved in job-seeker registration. In some regions, other public bodies such as Youth and Sports Bureau/Office are also involved in job seeker registration. With the exception of Addis Ababa, overlap in job seeker registration is a high possibility. In most regional states, the different public agencies do not exchange their job seeker registration data and often operate independently though there are some attempts in some areas. The job seeker data shared by MSEDAs with labor and social affairs offices in most regions is just for reporting purpose. Unlike most other regional states, Addis Ababa city administration has addressed the uncoordinated job seeker registration by public agencies by establishing employment service case team at one stop centers in each woreda to register all job seekers since 2015/16 (EFY 2008). MSEDA representatives at one stop centers in Addis Ababa register job seekers that would like to register in self-employment opportunities. Hence, job seeker registration

²⁸ Inter-American Development Bank (IDB), World Association of Public Employment Services (WAPES), and Organisation for Economic Co-operation and Development (OECD). 2015. The World of Public Employment Services Challenges, capacity and outlook for public employment services in the new world of work.

²⁹ Ibid.

maintained by MSEDAs in Addis Ababa is a subset of the data maintained by labor and social affairs offices. But, as discussed later in this report, the legacy of the past where MSEDAs were undertaking both paid employment and self-employment opportunity creation has remained an obstacle to coordinate the efforts of both MSEDAs and labor and social affairs offices in vacancy search, placement and other services. Both agencies are providing such services without any coordination and collaboration.

Job seekers are requested to register personally and often receive job-seeker identification card. Criteria for registering job-seekers at PESOs are largely similar across regional states. In most cases, PESOs only register 'unemployed' people aged 15 and above (though people aged 14 and above are also legally eligible) who live in the local administration where the public employment service center is located as jobseekers. What is common at public employment service providers (both labor and social affairs offices and MSEDAs) is also the fact that job-seekers need to present an identification card showing that he/she is a resident of the kebele/woreda as well as letter from their kebeles/woredas that confirm that they are unemployed. But the local residence identification card required for registration as job seeker has, according to key informants, created obstacles for those that hold identification card obtained from other kebeles/woredas or areas.

The definition of "unemployed" seems to vary between labor and social affairs offices and micro and small enterprise development agencies. ILO defines "unemployed" as a person who is not working, wants to work and is available to work, and has taken active steps to look for work or to start some form of self-employment. Jobseekers aged 14 and above who are not currently employed, and take some steps to look for work (for example, appearing for registration personally) are often considered 'unemployed' by labor and social affairs offices. For people to be registered as job seeker or unemployed by micro and small enterprise development agencies, the person should be 18 years old and above but may not necessarily prove that he/she has taken steps to find jobs. MSEDAs often register unemployed people through door to door registration. Labor and social affairs offices often wait for job seekers to come and register at their offices, which may be appropriate as job-seekers should be actively seeking jobs and come to PESOs premises to be considered one. These practices also allow job-seekers to register in both PESOs and MSEDAs. The consultant also observed some preparation among PESOs in some city administrations to conduct door-to-door registration of job seekers which was pretty much undertaken by MSEDAs.

There also seems to exist regional variations in defining the term 'unemployed.' In Amhara region, PESOs collect and report data maintained on unemployed people by MSEDAs through door to door registration of job seekers. Addis Ababa has similar practices where labor and social affairs offices (employment service case teams at one stop centers) register targeted groups such as educated people that are not working and reside in their jurisdiction through door-to-door visits. This house-to-house job seeker registration is sometimes undertaken in collaboration with micro and small enterprise development agencies as well as other community structures such as one-to-five structures, women and youth leagues, and others. In some cases, labor and social affairs offices use volunteers to register job seekers through house to house visits. Although those people identified through house-to-house visits are required to also come and register personally, one can observe that their registration as job seeker was initiated by public employment service providing staff. Unlike Amhara and Addis Ababa, unemployed people identified through door to door survey by labor and social affairs offices in Tigray region are not considered registered job seekers unless they personally come to public employment offices to complete their registration and take job-seeker identification card (though there is a chance that they may be reported as unemployed people).



If we take ILO’s definition for the term ‘unemployed’ and evaluate the registration and reporting systems in regions such as Amhara, there is a possibility that people that do not meet the criteria to be considered ‘unemployed’ are being recognized and reported as unemployed. The house-to-house registration system can only prove that those recorded are not working and may want and be available to work. It cannot confirm that the registered people have taken active steps to look for work as they at least did not take steps to come to offices and register. Hence, those regions such as Amhara and Addis Ababa that include job seeker registration data maintained by MSEDAs through their house-to-house survey runs the risk of reporting people that are inactive and don’t qualify to be considered ‘unemployed.’ This also suggests the lack of use of standard and uniform definition for ‘unemployed’ and ‘job seeker’ among regional states/PESOs.

The registration systems often involve recording job-seeker details in a journal and then issuing jobseeker identification card that often expires after one year and requires re-registration afterwards. But there are regional variations. According to key informants, the job seeker identification card used to be valued by job seekers as employers and other service providers in the past often require such cards to provide employment or other opportunities that targeted the unemployed. As this is no more the case, according to key informants, job seekers don’t see the value of their registration. Indeed, one of the challenges to registration of job seekers at public employment service providers, according to key informants, is the jobseekers lack of interest to be registered. This is due to a negative public perception of PESOs capacity to be a useful support for job-finding, according to most key informants. As a result, job seekers that were registered in one year usually lack willingness to re-register as job seeker in the following year as they did not get any employment opportunity from the previous registration. The general public is also believed to lack awareness about the value of job seeker registration. This implies that the number job-seekers registered at PESOs might have underestimated the actual magnitudes of job-seekers. An official from one of the regional BoLSAs said.

‘Majority of job seekers are illiterate, students dropped out of universities and those who are willing to engage in self-employment activities by forming groups. These groups often come here after assessing their options. They see that getting registered at PES is the last option for getting job opportunities. Degree holders often get employed by applying for vacancies by themselves.’

Even so, looking at the data provided by the MoLSA, see Table 2, it is possible to observe that there was an overall increase in registered jobseekers from 2011/12-2014/15 (EFY 2004 to 2007). The registration of job seekers grew by an average of 30% in the years from 2011/12-2014/15.

Table 2: Registered Job Seekers in 2011/12-2014/15 (EFY 2004 to 2007)

	2011/12	2012/13	2013/14	2014/15	Four Year Total
Registered Job Seekers	752,333 ³⁰	1,203,825	1,025,876	1,482,477	4,464,511
Average Growth Rate of Registered Job Seekers		60%	-15%	45%	30%

Source: MOLSA, Annual Reports for 2011/12-2014/15 (EFY 2004 to 2007).

³⁰ The figure represented only six regions (Oromia, Amhara, SNNPR, Afar, Somali, and Tigray) Dire Dawa City Administration.

Institutional set-up for job seeker registration varies from one region to another, though there are more similarities than differences. In Amhara, Tigray, SNNP and Oromia regions, for example, employment service core processes at city or woreda levels often register job seekers when they receive job openings from employers or when job seekers come to their office for registration. In city administrations such as Bahir Dar and Sebeta, the employment service is still being provided at city level though the situation is believed to demand sub-city level structure for effective service delivery. Addis Ababa, Mekele and Hawassa city administrations are exception to this as they have one-stop centers that provide employment services at sub-city levels/woreda.

Unlike other regional states, the job seeker registration data maintained and reported by labor and social affairs offices in Amhara region includes job seeker registration data collected from micro and small enterprise development agencies that often register unemployed people through house-to-house visits once a year. Bahir Dar Office of Labor and Social Affairs, for example, had 12,487 registered job seekers in 2014/15 (EFY 2007). However, the job seekers data for the vast majority of them was obtained from the city's micro and small enterprise development agency. Out of the 12,487 registered job seekers, only 79 of them were registered at the city labor and social affairs office.

MSEDA has strong local presence and structures to register job seekers and facilitate employment creation. According to the data obtained from the Federal Micro and Small Enterprises Development Agency (FeMSEDA), there were 1,568 one stop service centers in the country which were found in woreda and sub-city administration levels that provide employment and others support services. Job seeker registration often happens twice a year (first between July and August and second between January and February) and a standard format designed based on ILO formats is used to collect different kinds of information about the job seekers. MSEDAs' target groups are youth and women and other vulnerable groups that have the interest and capacity to engage in self-employment activities (though they also undertake placements in many areas, which overlaps with BoLSAs mandate). TVET graduates and bachelor degree holders are also among the job seekers targeted by MSEDAs.

Job seeker registration is managed manually across PESOs and regions. In some cases, some PESs maintain the job seeker data on Microsoft Excel. There are no any other computer systems that they use to store and manage job seeker data and process job matching.

The register of job seekers contains information about all those who approached the employment service, meet the basic requirements (such as kebele/woreda ID card and letter) and are interested in taking up work or need advice. Necessary information is collected during registration, including age, physical status, education, work experience, employment history, type of job sought, and others as summarized in Table 3 below.



Table 3: Type of information collected about each job seeker

1. Name of job seeker	9. Registration date	15. Type of job sought
2. Age	10. Trainings attended	16. Personal contact address
3. Reason for leaving birth place	11. Family's source of livelihood	17. Reason for termination
4. Sex	12. Duration of unemployment period	18. Kebele ID number
5. Family status	13. Work experience	19. Marital status
6. Physical status	14. Name of previous employer organization	20. Job seeker ID number
7. Education level		21. Place of birth
8. Family size		

An example of a job seeker registration card follows:

PESOs do not collect job seekers curriculum vitae during registration. They rather request for curriculum vitae when job seekers are selected for a job opening obtained from potential employers. Indeed, use of information and communication technology to support employment services such as posting curriculum to manage job seeker data, undertake job matching, and post vitae of job seekers and vacancies of employers at public employment service centers is non-existent.

The consultant observed some confusion among staff at public employment service centers in regards to minimum age of job seekers that can be registered. Minimum working age according to the Ethiopian labor law is 14. But labor and social affairs offices as well as MSEDAs require kebele identification card from job seekers to be eligible for registration. As identification card is issued for people aged 18 and above, this means that the system does not allow youth aged 14 to 17 to register as job seekers. Staff from some public employment centers indicated that they are not sure if they have to register minors (from age 14 to 17) given the fact that identification card

is a requirement for registration. They also stated that the chances for minors to come to their office for registration as job seekers have been rare. But when a minor comes for registration, they often encourage them to go back to school. Even so, the consultant observed that many regional BoLSAs reported registered job seekers aged 15 to 17 in their annual reports, which may suggest the existence of opportunities for working age minors to register as job seekers.

Registration with the Public Employment Services is often a pre-requisite for getting access to active labour market measures and support for active job search. This is particularly true for job seekers that would like to engage in self-employment activities through the support of micro and small enterprise development agencies. However, inconsistent practices were observed at labor and social affairs offices. In most cases, labor and social affairs offices stated that they give priority to registered job seekers when vacancy notifications are obtained from employers. They try to match the vacancies with registered job seekers. However, job seekers records are often managed manually and the available staff lack expertise to undertake proper matching. As a result, to some key informants, labor and social affairs offices tend to advertise vacancies to the general public and start listing job seekers to the vacancies anew. According to key informants, this practice is believed to have created much dissatisfaction among registered job seekers as they did not get any benefit from their registration. Consequently, the unemployed see little advantage to register with the employment service centers.

However, variations were noted among public employment service centers. In some centers, priority is given to existing registered job seekers and public announcement of vacancies are made so as to additional job seekers for vacant positions that could not be met by the registered job seekers. To many key informants, this is an exception. Staff at employment service centers indicated that they lack confidence in the data they maintain about job seekers as it is not updated periodically. Thus, they often choose to advertise all vacancy openings to the general public even before they check whether the registered job seekers could meet the vacancy requirement.

Job seekers with some formal education tend to be more likely to register with employment services in Ethiopia. According to the data obtained from BOLSAs, of the four bigger regions, see Table 4, 85 percent of those registered had at least primary education in 2013/14 (EFY 2006). Registered job seekers with TVET certificates and university degree level education accounted for only 14% and 3% of the total in the three bigger regions, respectively. This may suggest that public employment services are probably not good tool for reaching the uneducated and well-educated job seekers. It is also interesting to see diversity in registered job-seekers that could require service models that are tailored to their diverse needs.



Table 4: Registered Job Seekers at Public Employment Service Providers in Amhara, Oromia, SNNP and Tigray regions in 2013/14 (EFY 2006)

Educational level classification	SNNPR ³¹	Oromia	Amhara	Tigray	Total	Percent from Total
Illiterate	1,523	55,532	39,205		96,260	12%
None attendant of formal education	2,856	0	7,680	13,085	23,621	3%
Primary education 1-8	7,978	142,669	141,415	18,289	310,351	38%
High school complete 9-10	9,869	82,999	72,584	18,348	183,800	23%
Preparatory 2nd level education 11-12	1,859	28,439	7,540	22,390	60,228	7%
TVET	6,084	51,480	52,639	3,844	114,047	14%
University dropout	1,058	326	331	2,203	3,918	0%
First degree	2,644	6,203	10,788	2,831	22,466	3%
Second degree	0	20	0		20	0%
Ph.D	0	0	0		0	0%
Unspecified	46	0	0		46	0%
Total	33,917	367,668	332,182	80,990	814,757	100%

Source: Annual Reports of Amhara, Oromia, SNNPR and Tigray BoLSAs for 2013/14 (EFY 2006)

Public employment service offices (PESOs) register job seekers, aggregate the data and report to higher level bodies and other users. The usual breakdown for registered job seekers is by occupation, industry code, education level, sex and age. Standard reporting formats are in use at different levels which increases comparability of data among the different regional states.

But regional variations were observed in reporting registered job seekers to higher level government bodies. In Amhara regional state, job seekers registered by both employment service centers in labor and social affairs offices as well as MSEDAs are aggregated starting from woreda/city administration government levels and reported to zonal labor and social affairs offices that then aggregate and report to BoLSA. In other words, labor and social affairs offices in Amhara region report registered job seekers by combining those job seekers registered by themselves, private employment service providers and MSEDAs. The registered job seekers at public bodies (labor and social affairs and MSEDAs) is reported as job seekers registered by “public/government”. The job seeker data collected by labor and social affairs offices from MSEDAs is only used for reporting as part of their mandate to compile labor market information and report to stakeholders. In Oromia, SNNP and Tigray regional states and Addis Ababa city Administration, labor and social affairs offices only collect and report job seekers registered by themselves as well as private employment agencies (for national employment) operating in their respective areas. They don’t collect and report on job seekers registered by MSEDAs or any other public body.

³¹ The SNNPR statistics was for 2014/15 (EFY 2007).

4.2.2. Registration of Vacancies

In order to be effective, employment services require a reasonably buoyant supply of job vacancies. Public employment service centers in Ethiopia register and report vacancies disaggregated by occupation and industry code. A standard format is in use for collection and reporting of vacancy information. Type of information collected about each job vacancy includes name of the employer organization, location, title, job description, skill, experience requirements, remuneration levels, working conditions associated information.

In many areas, vacancy registration formats were distributed to potential employers to notify their vacancies with it. However, according to many key informants, apart from the very low vacancies that they receive from employers, the information they often obtain about the vacancies are incomplete. Vacancy information provided by employers is limited to the title of the position and lack detailed description and specification. As information should be as detailed as possible to increase chances of an optimal matching result, the incomplete information obtained from employers about vacancies has made matching very difficult. Moreover, there is often multiple announcements of vacancies as employers also use other channels to recruit job seekers. The multiple announcements reduce registered job seekers chances to get the job as they are expected to compete with the other non-registered job seekers that may include experienced and employed candidates. However, in most regional states covered by this assessment, PESs report the list of registered job seekers referred to employers as employed without following up and checking whether they secured the job or not.

At national level, as shown in Table 5 below, there was an erratic trend in the registration of vacancies, in the 2012/13 to 2014/15 fiscal years. Both increases and decreases can be observed during these years.

Table 5: Registered Job Seekers, Vacancies and Job Opportunities from 2011/12 to 2014/15 (EFY 2004 to 2007)

	2011/12	2012/13	2013/14	2014/15	Four Year Total
Registered Job Seekers	752,333 ³²	1,203,825	1,025,876	1,482,477	4,464,511
Job Opportunities Created	348,983	1,123,393	1,397,888 ³³	2,144,094	5,014,358
Total Vacancies Collected/ Registered	NA	185,606	526,508 ³⁴	465,777	1,177,891
Job-seekers-to-vacancy ratio	–	6.5	1.9	3.2	3.8
Vacancies as a percent of registered job seekers	NA	15%	51%	31%	32%
Vacancies as a percent of placements	NA	17%	38%	22%	25%

Source: MOLSA, Annual Reports for 2011/12 to 2014/15 (EFY 2004 to 2007)

Registered vacancies, as shown in the table above, averaged 32% of the registered job seekers from 2011/12 to 2014/15 (EFY 2004 to 2007). Hence, there is huge difference between

³² The figure represented only six regions (Oromia, Amhara, SNNPR, Afar, Somali, and Tigray) Dire Dawa City Administration.

³³ The figure was an aggregate of data gathered from 8 regions and two city administrations.

³⁴ The figure represented only five regions namely: Oromia, Amhara, Tigray, Harar and SNNPR.



registered job seekers and available job opportunities. This is mainly because PES in Ethiopia register negligible number of vacancies. But even in most developed countries only between 10 and 50% of all new hires in the economy are preceded by the registration of a vacancy with PES (World Bank, 2012). Indeed, the job-seekers-to-vacancy ratio in Ethiopia that averaged 3.8 job seekers per registered vacancy (see Table 5 above) seems to be better than some Middle East and Northern African countries (see Table 6).

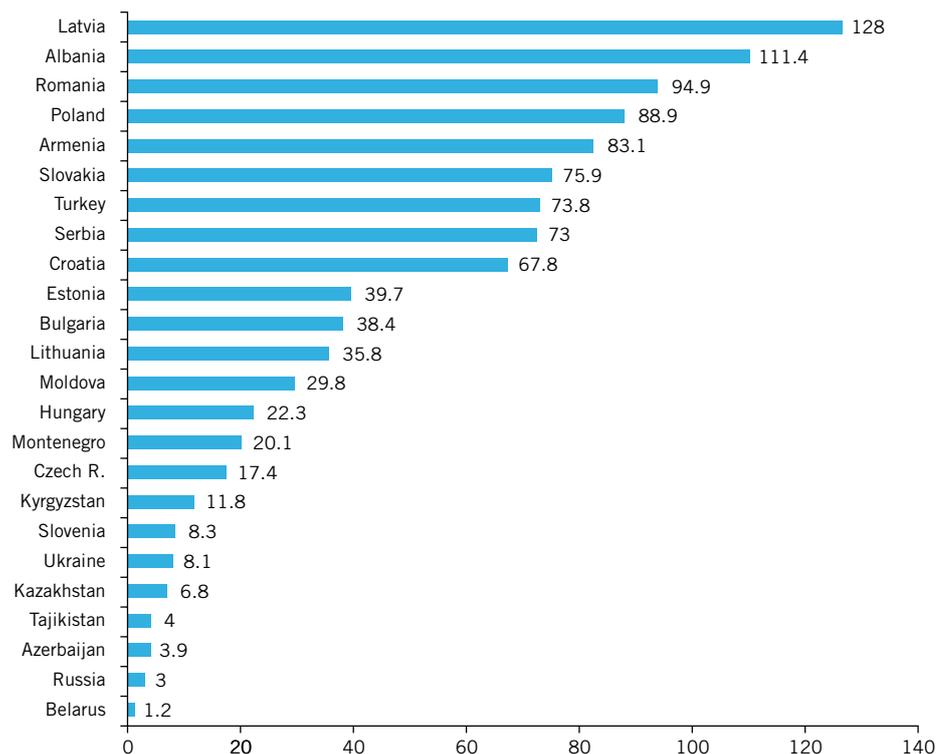
Table 6: Job-seekers-to-vacancy ratio in selected Middle East and Northern African countries, 2009

	Number of registered job seekers, 1000'	Number of registered job vacancies, 1000'	Ratio of job seekers per one registered vacancy
Egypt	895.1	222.9	4.0
Jordan	28.0	2.6	10.8
Lebanon*	12.2	3.6	3.4
Morocco	517.0	27.7	18.7
Tunisia	105.4	-	-

Source: The World Bank. 2012. *Public Employment Services in the Middle East And North Africa*.

Compared to Ethiopia (though dates differ), the ratio of registered job seekers per one vacancy was much worse in most of the emerging market economies in the Eastern Europe and Central Asia (ECA) region including more than 100 job seekers per vacancy in Latvia in Albania, and 74 jobseekers in Turkey (see Figure below).

Figure 1: Job seekers-to-vacancy ratio in selected ECA countries, end-2009



Source: The World Bank. 2012. *Public Employment Services in the Middle East and North Africa*.

Much of the registered vacancies in Ethiopia, however, might include those that are often caused by seasonal and large public-financed infrastructure development projects that just happen as windfall. Hence, the actual registration of vacancies at PES can be much lower than the average reported above. The low number of registered vacancies in Ethiopia could be attributed to several factors, including nature of the economy, lack of legal instruments that force registration of vacancies at PES, weak systems and capacity, and others as described below.

Notification of vacancies to the Public Employment Service is voluntary as employers are not legally obligated to notify to the PES all of their vacancies. But this is not an exception to Ethiopia. Most countries around the world may not also have laws that require employers to register their vacancies to the PES. By the World Association of Public Employment Services (WAPES) survey among 70 public employment services worldwide, only one third have legislation stipulating that employers must register any vacancy arising within their establishment to the PES³⁵.

Another factor to the low vacancy registration may be due to that many jobs in Ethiopia are in the informal economy and, as a result, vacancies may not be recorded or registered at the PES as employers in the informal sector may prefer to hire on a referral from someone they trust. This also suggests that the number of vacancies registered by the public employment service centers may underestimate the actual magnitudes of vacancies available in the economy.

Considering the voluntary nature of vacancy notifications, good relations with employers is a necessity. Only regular contacts enable the employment services to present themselves as competent partners as well as to get information about needs of employers and developments in the labour market. Nevertheless, public employment services do not have established contacts with public and private employers. But establishing strong relations is believed to be vital to get job-opening notifications particularly in Ethiopia where employers are not legally required to do so. PESs do not have regular communication with potential employers and don't promote themselves. They are also staffed with limited number of inexperienced people who lacks the necessary skills in placing the right people in the right jobs in order to ensure that employers continue to use their service. Consequently, the unemployed see little advantage to register with the PES and employers do not use these services. Even those employers that are willing to notify their vacancies to PESs are said to have stopped using placement services.

The common current practice at public employment services in vacancy registration is sending out letters with reporting formats to public and private employers at the beginning of each fiscal year requesting them to notify their job openings. But public employment services do not often follow-up or exert effort to promote their services to potential employers and establish sustainable linkages. They remain at their offices for employers to notify them. As a result, both public and private employers barely notify the public employment service centers about their vacancies. Occasional vacancy notifications come to the public employment service centers from bigger employers that need large number of job seekers (usually laborers) for temporary engagement.

³⁵ World Association of Public Employment Services (WAPES). WAPES Express Survey, May 2007 (see www.wapes.org).



Vacancy registration has not been proactive. PESs have been engaged just in registering job seekers and waiting for any potential vacancy that may come along from some employers. As the number of vacancy notifications is very low, PESs in most regions started conducting door to door visits to contact public and private employers residing in their areas and check their notice board for any available opportunities. Some also try to obtain information about vacancies by making phone calls to potential employers. Given the voluntary nature of vacancy registration, PESs' decision to register job opportunities through physical visits may make sense. However, these activities are not that institutionalized and regularized. Systems are not in place at PESs to establish good relations with employers and present themselves as competent partners. According to key informants, both public and private organizations lack the will to notify their vacancies at PESs. According to them, they rather advertise their vacancies through newspapers and other media or use the services of private employment service providers.

Public employment service centers lack institutionalized systems and procedures to establish good collaboration with potential employers so as to get notification about their job openings and other needs. Due to the lack of clarity, job opening notification may be sent to regional, zonal or woreda/city administration labor and social affairs offices or MSEDAs. In most regions, employment service centers send out a vacancy notification format with cover letter once a year to potential employers in their areas, which proved in-effective most of the time, according to key informants. In practice, some variations were observed among the regions. In Addis Ababa, employment service providing staff at one stop centers in each woreda visit both private and public organizations to identify job opportunities. But this is not because they are formally required to do so. It is rather largely an individual initiative. In other regional states, job vacancy registration happens when employers notify labor and social affairs offices about job openings. In SNNPR, vacancy registration and placement services are being handled by both labor and social affairs and MSEDAs offices. When vacancy notifications are obtained at regional or zonal level agencies, they often pass that on to the labor and social affairs office or MSEDAs branches in which the employer resides. In some situations, regional or zonal level bodies allocate the employment opportunities to their branch labor and social affairs offices or MSEDAs in proportion to their reported registered job seekers. What was also common across the regional states was the limited sharing of information among labor and social affairs offices and MSEDAs about job opening that they received from employers.

At regional and sub-regional levels, public organizations and public infrastructure development projects are the major sources of vacancies for public employment service centers. Notifications of such vacancies are often communicated through regional bureaus (BoLSA or Regional MSEDAs). At city or woreda administration level PESs, direct vacancy notifications often come from private organizations.

Vacancies registered at PESOs tend to be largely for low skilled or semiskilled workers. As shown in Table 7, over 68% of the registered vacancies at PESOs in the four bigger regions were for non-managerial and professional jobs.

Table 7: Vacancies Registered by public employment centers in Amhara, Oromia, SNNP and Tigray Regional BoLSAs for 2013/14 (EFY 2006) by Occupation

Occupation	SNNP ³⁶	Amhara	Oromia	Tigray	Total	Percent from Total
Legislators, senior officials, and managers	2	2,051	30,981	2,451	35,485	15%
Professionals	98	1,943	15,933	1,535	19,509	8%
Technicians and associate professionals	67	3,930	14,896	1,730	20,623	9%
Clerks	36	2,206	24,140	86	26,468	11%
Service workers, market/shop sales workers	225	1,895	21,705	2,835	26,660	11%
Skilled agricultural and fishery worker	5	92	33,640	16	33,753	14%
Crafts and related workers	188	4,210	9,273	2,316	15,987	7%
Plant machine operators and assemblers	71	3,170	2,392	88	5,721	2%
Elementary occupations	99	7,347	42,313	150	49,909	21%
Total	791	26,844	195,273	11,207	234,115	100%

Source: Annual Reports of Amhara, Oromia, SNNPR and Tigray BoLSAs for 2013/14 (EFY 2006).

Overall, vacancy registration is not institutionalized and proactive. It is often undertaken in an erratic and less systematic way. Although vacancy notification is voluntary for employers, public employment service centers have undertaken little to mitigate the challenge by establishing meaningful contacts and collaborations with potential employers. As a result, vacancies that have been identified with proactive efforts of public employment service centers are very limited. The existing larger job openings often come from public infrastructure development projects and other seasonal employment opportunities that are of a temporary nature. The role of public employment service centers in facilitating placement of registered job seekers in permanent job opportunities is believed to be very minimal. Owing to the limited permanent employment opportunities, according to key informants, there is a tendency to convince and place job seekers such as TVET graduates in available job openings regardless of whether those jobs aligned to their area of training or not.

4.2.3. Job Search Assistance Services

Job search assistance means preparing the job seeker for finding new employment through resume preparation, development of a job search strategy, occupational information, and counseling and training. Public employment service centers can also better match job seekers to jobs if the skills and requirements of the job seeker are better analyzed beforehand, and the job search strategy better fits the job seeker. There are a range of early services that can be provided, or the centers can refer the job seeker to these services which include: skills testing, profiling of job seeker, and individual job counseling. Research has continued to indicate that job search assistance is highly cost effective and productive as a method of assisting workers into new jobs. Positive impacts as well have been noted in job counseling, particularly with two or more sessions.

³⁶ SNNPR data was for EFY 2007.



Job search assistance in Ethiopia seems to be very limited. At public employment service centers, job capacity assessment are not conducted to profile job seekers and suggest or implement appropriate interventions based on identified gaps. Public employment service centers do not also provide any assistance to job seekers on resume preparation. Indeed, public employment centers do not collect curriculum vitae of registered job seekers. They ask for resumes when vacancies that match the requirements of some job seekers are found. Even under such circumstances, there are no any services provided by the employment service centers to assist the job seekers in preparing his/her resume.

An important labor market function of public employment services is to refer job-seekers to appropriate training or provide the training as a complement or (short-term) transition to employment. In this regard, public employment services have limited packages to job seekers. First of all, as job seeker profiling is not undertaken at the service centers, there is no established mechanism to identify capacity gap and suggest appropriate training that could increase chances of employability. But there are some partnerships established by labor and social affairs offices with TVET colleges to provide short term training to job seekers recruited for deployment abroad or returnees from foreign placement. In such situations, labor and social affairs offices recruit and send trainees to the TVET collages while these collages provide training and award certificates for successful completion. Such kinds of tailored programs that particularly target returnees are often managed by a different core-process or case team than the employment service centers. In most other circumstances, however, public employment service centers do not seem to maintain an organized listing of currently offered training along with their requirements. They don't also have adequate knowledge of current job offerings in the market. But these services are important as job seekers may be unaware of training alternatives, or lack knowledge which specific courses would help in getting an appropriate job.

International evidence has suggested that employment services are most beneficial when integrated with career counseling and other support (World Bank, 2007). Available documentations from MoLSA showed that career counseling was provided to 28% of the registered job seekers from 2011/12-2014/15 (EFY 2004 to EFY 2007). It is also important to acknowledge the efforts exerted by some employment service staff in some areas to direct job seekers to alternative employment that fits their profile and where there is demand, though not based on systematic assessment of job seekers capacity. Counseling service on alternative employment opportunities and motivational counseling service to job seekers is provided by staff usually upon the request of the job seekers. Some individual level counseling is also provided to registered job seekers that secure employment on work place culture.

However, the existing counseling services provided at public employment service centers are narrow in scope and not tailored to job-seekers individual needs. The provision of organized career/job counseling (individual or group-based) is lacking. According to key informants, counseling services are provided informally and there is a general lack of experts that can provide counseling services. The public employment service centers neither have the trained manpower nor the systems and tools to provide any relevant counseling services to job seekers. The counseling services that are said to have been provided at employment service centers are often offered at the will of the employment service staff and upon request from some job seekers. There are not standard operating procedures that guide the provision of different counseling services to the different demands of job seekers. In the existing system, provision of counseling services is not institutionalized. They are also offered for a very short time only to job seekers that requested such services. Qualified and trained staff that can provide counseling services are almost non-existent at public employment service centers. In light of this, one could doubt the credibility

and relevance of counseling services provided by some staff as they have not been prepared for it. Besides, the provision of counseling services by a staff not trained to do so could be counterproductive particularly to the registered job seekers who may take the advises seriously as they came from staff appointed by the government. Public employment services also tend to report any kind of advisory services provided to job seekers regardless of whether such services are offered for a minute or in an organized manner. Hence, the consultant believes that proper counseling services are almost unavailable at public employment service centers to assist job seekers in their career development plans and others.

Overall, job search assistance is barely provided at public employment centers in Ethiopia. The ones that are being provided are not institutionalized, and supported by systems and skilled personnel. The public employment service centers lack capacity and are not also proactive enough to provide tailored job assistance services.

4.2.4. Placement Services

Placement is a key function of labor intermediation services which often involves maintaining a registry and information on current job openings and seeking to match specific opening with specific applicants. Placement services are offered to help job seekers find employment and to help employers fill their vacancies.

At present, placement services are being provided by public and private employment service providers. From the public side, labor and social affairs offices as well as micro and small enterprise development agencies at woreda and city administration levels are involved in placement services, though there are variations among regions. In most cases, labor and social affairs offices focus on placement of job seekers on paid employment opportunities while micro and small enterprise development offices engage in promoting self-employment through formation of enterprises. An exception to this was found in SNNPR and Addis Ababa where micro and small enterprise development agencies also engage in placement of job seekers for paid employment opportunities. Public employment services provide placement services free of any service charge to both employers and job seekers. Private employment agencies are not also legally allowed to receive service fee from job seekers that receive placement services.

The placement services provided at public employment centers are of two types: Direct referral of job seekers to vacancies and managing employment services on behalf of or together with employers starting from posting vacancies, listing and screening applicants, and sending short-listed ones to employers for consideration for employment. In this regard, a key informant from Hawassa city administration said:

“The labor and social affairs office’s role in matching job seekers with vacancies is limited to screening candidates to identify those that meet the vacancy requirement. After the screening process, the office contacts candidates and send them to the employer organization with the list of short-listed candidates. The process following the screening, such as examination, interview and appointment are left with the employer organization.”

Public employment services in Ethiopia lack systematized and automated processes to fulfill their job-matching role efficiently. There is limited use of information technology to support the provision of employment services. There is no electronic database and data exchange platform to facilitate job matching between employers and jobseekers. PESOs receive announcements of job vacancies from firms, and CVs from job seekers via personal visits. Thus, neither firms nor



job seekers have access to the existing paper-based jobseeker and vacancy registration records, resulting in the few staff being solely responsible for matching vacancies with jobseekers, selecting jobseekers and forwarding their CVs to the firms. The use of manual system has made the provision of employment services inaccessible to both job seekers and employers. Besides, job matching with the manual system has become very difficult for PES staff as it is a cumbersome process. The lack of automated and systematized processes also results in unsystematic follow-up on the recruitment of jobseekers by prospective employers. Matching services are also often challenged by the usually exaggerated qualifications and experience requirements specified by employers in their vacancy announcements, which creates difficulties to find proper matches from registered job seekers. Moreover, remuneration packages offered by employers (particularly private organizations) are mostly low and unattractive for job seekers. As a result, employment service center staff often spend a lot of time convincing job seekers to take the job despite the low salary.

The findings presented above suggest that PES in Ethiopia provide very limited placement services. But the few ones that are being provided are among the most prevalent at PES around the world. The 2014 WAPES-IDB Survey³⁷ that was conducted among 73 public employment services in 72 countries worldwide found personal support services for recruitment/finding suitable candidates through personal counseling at the PES offices or an employer's site, and a (pre-) selection of suitable candidates and proposals for employers by PES staff, as services provided by most public employment services. These are also being provided at PES offices in Ethiopia. The 2014 WAPES-IDB 2014 Survey³⁸ also reported various ways of posting vacancies and frequent use of job fairs, and targeted site visits to employers and group information as most frequently provided employer services by public employment services. Computerized matching between jobseeker/vacancy and registration of open vacancies by Internet and email were also the other services that were provided by over 60% of the PES in study countries. But most of these services such as organization of job fairs, computerized matching, and posting of vacancies using different ways are provided by PES in Ethiopia

Regional variations were also observed in collecting and reporting data on placement services. Labor and social affairs offices in Oromia, SNNP and Amhara regional states collect data on employment opportunities created by MSEDAs as well as private employment agencies (for national employment) operating in their areas that they combine with theirs to produce total employment opportunity created in a particular period. The aggregation starts from woreda/city administration levels and goes on up to federal level. Since labor and social affairs offices don't include job seekers registered by MSEDAs in their reporting while they include job opportunities created by these agencies, the number of job opportunities created could be much larger than the number of registered job seekers. The situation is different in Addis Ababa and Tigray Regional State, where labor and social affairs offices collect and report only placements made or facilitated by themselves and private employment agencies. In effect, they don't report on employment opportunities created by MSEDAs through their line. It is also important to note that placements may not necessarily target registered job seekers as there is a tendency to announce job openings to the general public so as to recruit job seekers. This erratic system of reporting creates a big challenge to the consultant to analyze their effectiveness in job creation and other related matters.

Regardless, available employment opportunities particularly for permanent jobs are believed to be very limited compared to the number of registered job seekers. As shown in Table 8, the number

³⁷ World Association of Public Employment Services (WAPES) and Inter-American Development Bank (IDB). 2015. The World of Public Employment Services: WAPES-IDB 2014 Survey.

³⁸ Ibid

of jobseekers registered by labor and social affairs offices from 2011/12 to 2014/15 (EFY 2004 to 2007) significantly exceeded the number of notified vacancies through these offices. Registered vacancies on average accounted for 32% of the total job-applicants registered by the public employment service centers every year during the same period. Looking at these numbers, one would think that public employment exchange services have been highly inefficient in matching workers to jobs in the country. However, from 2011/12 to 2014/15 (EFY 2004 to 2007), over 4.46 million job seekers were registered and over five million job placements were also undertaken, according to the annual reports of MoLSA. The total placements in permanent, contractual, seasonal and other kinds of job positions were higher than the registered job seekers. In other words, total placement averaged 112% of the registered job seekers in the past four years. The big difference between placements and registered vacancies may be partly explained by the fact that the reported figures also include job seekers supported by MSEDAs in some regions to engage in self-employment activities. These figures may seem to suggest that public and private employment service providers have been highly efficient in matching job seekers to jobs in the country. However, this may not necessarily be the case for at least for two major reasons.

Table 8: Registered Job Seekers, Vacancies and Job Opportunities from (2011/12-2014/15 (EFY 2004-2007) Disaggregated by Gender

	2011/12	2012/13	2013/14	2014/15	Four Year Total
Registered Job Seekers	752,333 ³⁹	1,203,825	1,025,876	1,482,477	4,464,511
• Male	0	488,499	594,574	758,417	1,841,490
• Female	0	381,097	426,115	479,662	1,286,874
• Sex Unspecified	752,333	334,229	5,187	244,398	1,336,147
Job Opportunities Created	348,983	1,123,393	1,397,888 ⁴⁰	2,144,094	5,014,358
• Male		769,720	1,104,949	1,484,946	3,359,615
• Female		336,356	231,426	645,817	1,213,599
• Sex Unspecified	348,983	17,317	61,513	13,331	441,144
Job Seekers that Received Counseling Service	91,962	298,307	473,342	380,215	1,243,826
Total Vacancies Collected/ Identified	NA	185,606	526,508 ⁴¹	465,777	1,177,891
Permanent and Contractual Job Opportunities Created	147,958	451,153	845,660	1,361,502	2,806,273
Seasonal and Other Types of Jobs Created	201,025	672,240	552,228	782,592	2,208,085
Percent of registered job seekers placed	46%	93%	136%	145%	112%
Percent of job seekers counseled	12%	25%	46%	26%	28%

³⁹ The figure represented only six regions (Oromia, Amhara, SNNPR, Afar, Somali, and Tigray) Dire Dawa City Administration.

⁴⁰ The figure was an aggregate of data gathered from 8 regions and two city administrations.

⁴¹ The figure represented only five regions namely: Oromia, Amhara, Tigray, Harar and SNNPR.



	2011/12	2012/13	2013/14	2014/15	Four Year Total
Vacancies as a percent of registered job seekers	NA	15%	51%	31%	32%
Vacancies as a percent of placements	NA	17%	38%	22%	25%
Percent of registered female job seekers placed	NA	88%	54%	135%	94%
Percent of registered male job seekers placed	NA	158%	186%	196%	182%
Seasonal jobs as a percentage of total job opportunities created	58%	60%	40%	36%	44%

Source: MOLSA, Annual Reports for EFY (2011/12-2014/15 or EFY 2004-2007).

The first reason relates to the fact that public employment service centers provide placement services for job seekers who have not been registered as job seekers. This often happens when the job openings obtained from employers require job seekers with qualifications and experiences that cannot be met from the registered job seekers. In city administrations such as Bahir Dar, the employment service center also advertise vacancies obtained from potential employers to the general public before even checking whether the registered job seekers meet the criteria or not. Key informants from the city administration mentioned the fact that the registered job seekers data they maintain is not updated regularly as a factor for not using existing database of job seekers. Under these circumstances, employment agencies often advertise the vacancies to the general public to apply for the opportunity. They then list the new applicants (after checking if they are unemployed) and those registered job seekers that meet the requirement, screen them (usually with the employer) and send the shortlisted candidates to the employer for further consideration. Employment agencies don't register new applicants to the advertised positions in their job seeker registration journal while they report all those shortlisted applicants shared with employers as employed. As a result, the number of job opportunities created becomes larger than the number of registered job seekers. Besides, the job opportunities created as reported by public employment agencies may not necessarily reflect the reality as they tend to report every job seeker that they referred to employers as employed without following up and checking whether they were offered the job or not. But it is important to note some regional variations in this regard as there are some public employment service centers that try to follow-up and verify the employment status of those job seekers that they short listed and sent to employers for interview or further consideration.

The second and major reason that caused higher number of employments than registered job seekers is the manner in which labor and social affairs offices collect and report employment service data from micro and small enterprises. Job seekers registered at labor and social affairs offices and private employment agencies are reported as the total number of registered job seekers at each administrative level in some regional states such as Tigray, Oromia and SNNP regions and Addis Ababa City Administration. In other words, they don't include job seekers registered by MSEDAs⁴². In contrast, registered job seekers data reported by Amhara regional

⁴² According to key informants from most regional states, the existing reporting formats do not allow collection of data on registered job seekers from MSEDAs. Labor and social affairs offices in some regional states also insisted on reporting job seekers registered by themselves and those private agencies that they licensed. They argue that MSEDAs is not mandated to register job seekers. As a result, they tended not to report registered job seekers data maintained by MSEDAs.

state labor and social affairs offices includes those that are also registered by MSEDAs. In regards to job opportunities created, reported figures by regional labor and social affairs offices of Amhara, SNNP and Oromia include those employments created by MSEDAs in addition to data on placements made by labor and social affairs offices and private employment agencies. In Tigray region and Addis Ababa City Administration, their data on employment opportunity created considers only the placements undertaken by labor and social affairs offices and private employment agencies without including self-employment opportunities created by MSEDAs. As a result of unstandardized data collection and reporting system, some regional states reported placements much larger than the number of registered job seekers while others did not.

Placements seem to vary by gender. As shown in Table 8, 182% of the registered male job seekers were placed while it was only 94% for women job seekers in the periods from 2011/12 to 2014/15 (EFY 2004-2007). Available studies also show that women experience relatively greater difficulties in securing productive employment than adult men, suggesting that targeted active programs need to be designed to overcome the specific barriers they face. No special support services are also provided to women registered job seekers at public employment centers.

The actual placements facilitated by employment service providers look much higher when compared with the number of registered job seekers. Nevertheless, the large majority of placements made by employment service providers are believed to be temporary and seasonal jobs. Placements in seasonal and other types of non-permanent jobs accounted for 44% of the total job opportunities created from 2011/12 to 2014/15 (EFY 2004-2007). The figure could even be much larger if other contractual jobs are added to it. This was not, however, determined through analysis of available statistical data at national level as the number of permanent jobs created is reported together with placements on contractual positions. Data obtained at regional government level proved the fact that permanent jobs created to job seekers is much lower despite the variations. As shown in Table 9, data obtained from Tigray BoLSA, for example, indicated that placements in permanent jobs accounted for only 33% of the total placements facilitated by public and private employment service providers. The permanent jobs also include those job seekers who were supported to engage in self-employment activities with the support of MSEDAs.

Table 9: Permanent and Temporary Job Opportunities Created in Tigray Region from 2010/11 to 2014/15 (EFY 2003 through 2007)

Job opportunity created	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	Five Years Average
Permanent jobs as a percentage of total jobs created	37%	61%	19%	19%	40%	33%
Temporary as a percentage of total jobs created	63%	39%	81%	81%	60%	67%

Source: Tigray BoLSA



Employment service center staff in all regions also agree that vacancies are very in short supply. To make matters worse, PESs are very inactive and weak in looking for job opportunities. Vacancy search is not institutionalized. As a result, the proportion of job seekers that receive placement services are often extremely small. A key informant from SNNPR said “...As reported, the overall performance of labor and social affairs office in creating employment opportunity to registered job seekers is very weak. Absence of vacancy is the main reason, which is due to employers’ lack of will to register their vacancy at the office.” Besides, public employment service is not that known by both the job seeker and employer community as they were not adequately promoted. This lack of awareness about the services provided by PESs is partly to blame for the low number of vacancy notifications from employers. Moreover, PESs have weak institutional capacity and resources to get trusted by employers. Employers who are even aware of the PESs are believed to meet their staffing demand through private employment agencies. According to many key informants, the public employment service is much focused on registration of job seekers than creation of employment opportunity. Many service center staff also indicated that the government has not given any attention to placement services despite their repeated requests.

Unlike the experiences of other countries, the target groups of private employment agencies was not found that different from the public employment service providers in most regional states with the exception of Addis Ababa. Indeed, as shown in Table 10, the vast majority (84%) of the job seekers that received job placement by private sector operators in three of the bigger regional states had a maximum of primary education. By comparison, the public employment service providers served better educated job seekers (21% of the job seekers that received placement from the public employment service providers had TVET or first degree while it was just 3% in the private employment agencies). However, the unconventional trend might have partly been caused by the fact that public employment service providers have also reported self-employment opportunities created by micro and small enterprises that particularly target TVET and university graduates. In sum, the target groups served by the public and private employment service providers in three of the bigger regional states are not that different in terms of level of education.

In Addis Ababa, the target groups served by public and private employment agencies follow the common pattern where the public employment agencies serve job seekers with low level of education while the private sector targets and caters to better educated ones. As indicated in Table 10, 89% of the job seekers that obtained employment opportunities through the public employment centers in Addis Ababa had secondary school and below level of education while this group represented only 46% of the job seekers placed by private operators. The majority (56%) of placements facilitated by private employment agencies was for job seekers with TVET certificate or bachelor’s degree.

Table 10: Public and Private Placements by Education of Jobseekers in Amhara, SNNP and Tigray Regional States, and Addis Ababa City Administration

Level of Education	Public Employment Agencies				Private Employment Agencies				Grand Total	
	Addis Ababa (2014/15 or EFY 2007)		Amhara, SNNPR and Tigray Total ⁴³		Addis Ababa (2014/15 or EFY 2007)		Amhara, SNNPR and Tigray Total ⁴⁴			
	#	% from Total	#	% from Total	#	% from Total	#	% from Total	Number	% from Grand Total
Illiterate	941	9%	25,753	4%	41	0%	277	1%	27,012	3%
None attendant of formal education	955	9%	19,414	3%	431	5%	874	2%	21,674	3%
Primary education 1-8	2,713	27%	322,448	44%	2,225	26%	36,565	81%	363,951	46%
High school complete 9-10	3,285	33%	97,580	13%	1,002	12%	3,635	8%	105,502	13%
Preparatory 2nd level education 11-12	1,058	10%	53,651	7%	248	3%	2,130	5%	57,087	7%
TVET	732	7%	133,302	18%	2,252	26%	961	2%	137,247	17%
University dropout	102	1%	18,408	3%	13	0%	100	0%	18,623	2%
First degree	255	3%	57,022	8%	2,379	28%	333	1%	59,989	8%
Second degree	38	0%	0	0%	29	0%	0	0%	67	0%
Ph.D	0	0%	0	0%	1	0%	0	0%	1	0%
Total	10,079	100%	727,578	100%	8,621	100%	44,875	100%	791,153	100%

4.2.5. Labour Market Information Function of Public Employment Services

The role of Public Employment Services within a LMIS is twofold. They are both users and providers of labour market information. As users, they need information on labour demand and supply for efficient placement services. They also need information on skill needs and supply in order to provide meaningful vocational guidance and counselling services. PESs at regional, sub-regional and local government levels in Ethiopia do have similar practices. They collect data from key LMI producers such as civil services offices, MSEDAs, TVETs, labor unions, employers,

⁴³ The regional figures added were from different fiscal years: SNNPR (2014/15 or EFY 2007), Amhara (2013/14 or EFY 2006) and Tigray (2012/13 or EFY 2005).

⁴⁴ The regional figures added were from different fiscal years: SNNPR (2014/15 or EFY 2007), Amhara (2013/14 or EFY 2006) and Tigray (2012/13 or EFY 2005).



private employment agencies and others that they combine with their own data to produce LMI at each administrative level. Some of the Regional BoLSAs have started to publish LMI collated from various stakeholders in an annual bulletin that they distribute to both LMI producers and users.

However, the existing level of cooperation and collaboration between public employment services and LMI producers as well as users is very informal and less structured. Necessary data is often requested usually once a year when regional BoLSAs and MoLSA prepare their annual LMI bulletin. MoLSA and BoLSAs send their standard formats to collect data from LMI producers that often takes time as the producers are often unresponsive. There is also no institutional or legal framework that could ensure mandatory exchange of data among the various stakeholders. A key informant from one of the regional states was quoted as saying:

“There is no cooperation or collaboration among institutions involved in the collection of LMI. The existing practice reveals that institutions involved in labour market information collection collect and manage their respective LMI separately. There is no visible or formal linkage the regional BoLSA with LMI providers. The linkage is very limited to information sharing that also happens when BoLSA tries to produce annual regional LMI report.”

Most stakeholders indicated that the existing system of information sharing is informal and has not been effective. The absence of linkage among LMI providers and labor and social affairs offices was associated with the lack of system to coordinate the actors.

The labour market information function is not separated from the other functions of Public Employment Services at labor and social affairs offices at each administrative level. At federal level, the Employment Promotion Directorate at MoLSA produces the LMI bulletin and disseminates to the relevant sector ministries and other stakeholders. At regional level, the Employment Service Core Process at BoLSAs collect administrative data from relevant bureaus such as civil service, TVET, MSEDAs, labor unions and others that it combines with its own data to undertake the analysis and produce the annual report. Hence, the source of data for regional LMI bulletins are administrative records maintained by the relevant sector bureaus and other stakeholders while the federal LMI bulletins is mainly based on censuses and surveys conducted by CSA.

LMI in Ethiopia is being managed in a fragmented manner. Although MoLSA at federal level and BoLSAs at regional level are expected to collate, store, manage, analyze and disseminate LMI, the reality on the ground is much different. There is no any one-stop integrated LMI system and database in the country. Each LMI producers manages their own sectoral data and disseminates information products to users in other sectors usually upon request. Key informants were also asked about their opinions about the institutional arrangement that they thought was appropriate to establish the integrated LMIS. Different opinions ranging from establishing under MoLSA to putting it under the command of the National Planning Commission (CSA is now under the Commission) were raised.

Some LMI producers also question the ability of public employment service centers to take a leading role in a LMIS. PESs at local government level often restrict themselves to the collection and aggregation of data from their placement, guidance and other activities and hand them over to higher level offices. But in most regional states, PESs collect data on employment creation from MSEDAs that they combine and report with theirs. In most cases, however, employment services at local level don't go further and collect and analyse additional data from other sources. In such case, PESs at local levels cannot claim to be the lead interpreters of the labour situation in their respective areas. But MoLSA and BoLSAs do go a step further once in a year to collect and analyse additional data from other sources. They then combine the data with information

from other institutions and provide a regional or national report about the functioning of the labour market, despite some regional variations.

4.2.5.1. Producers of LMI in Ethiopia

In its second GTP, the government has expressed its commitment to improve LMI. The objective set for the social sub-sector in the GTP II is to ensure industrial security by creating safe working conditions and to balance demand and supply of the labour force through expanding employment and job market information services. To achieve the sector's development plan objectives, the government has planned to establish labour affairs administrative information system at federal, regional and city administration levels.

There are many producers of LMI data in Ethiopia. However, these LMI producers do not provide a complete picture of the economy at the national level, and is uneven in terms of the type and depth of information that is available through each information producer. The major LMI producers include the following:

i. Central Statistical Agency (CSA):

Under the supervision of the Ministry of Finance and Economic Cooperation (MoFEC), CSA is responsible for coordinating all statistical activities in the country and is a major source of official statistics. Specifically, it carries out various surveys that provide information on the labour market. The surveys are undertaken primarily at the national level including regions, disaggregated by urban/rural and male/female. It collects information on selected indicators. Indicators are determined by data availability, national development goals and international comparability. While the data are primarily at the national level with urban/rural and male/female comparisons, it also generates indicators at regional level. The timeliness varies; some indicators are available on a regular basis, while others are only on ad-hoc basis. For instance, Labour Force Surveys are collected every five years and other data (e.g. Population Census data) are collected with long intervals. The CSA also conducts surveys on socio-economic conditions such as the Household Income, Consumption, and Expenditure and Welfare Monitoring Surveys.

CSA uses reports, annual abstracts and its website (www.csa.gov.et) to disseminate its information products including labor market survey statistics. CSA often produces statistical information and key findings while the analytical part is left to users of the information. Key informants consulted from CSA indicated that staff lack capacity to analyze and interpret labor market and other survey data. Key informants also indicated that CSA does not have any system and attempt to trace how its information products are being utilized by the users.

a) *Labour Force Survey*: CSA conducts labour force surveys every five years. Three labour force surveys have been conducted since the 1990s: 1999, 2005 and 2013. These surveys have been conducted at national level. The Labour Force Surveys focus on total labour force classified by age, sex, wages, region, industry, occupation, employment status, hours worked, unemployment, underemployment, trained unemployed, etc. While it is the intention of CSA to conduct labour force surveys every five years, availability of funds and other constraining factors determine the actual periodicity of the surveys. According to key informants from CSA, there has been significant improvement in the past three years regarding the quality of data collected about labour force in the country. The key informants also suggested the need for MOLSA and ILO to reconsider basic terminology and concept definitions regarding labour force. CSA uses "ILO-18 SLS conference guidelines" as a benchmark since the 19th was found to be hard to



apply in the Ethiopian context. Therefore, the 20th conference needs to make certain modifications especially on how to treat engagements in the agricultural sector.

- b) *Population and Housing Census:* The first and second Population and Housing Censuses were conducted in 1984 and 1994, respectively. The latest census was carried out quite late in 2007. The Census is the major source of baseline information for most socio-economic indicators in Ethiopia. Among core indicators covered in the Census include: population size, growth and composition, fertility, mortality, labour force and employment, household characteristics, migration and urbanization, disability and education characteristics. These indicators only constitute country and regional information. The Household Survey and Price Statistics Directorate is in charge of the labor force survey at CSA.
- c) *The Urban Employment-Unemployment Survey:* Apart from labour force surveys and censuses, the Central Statistical Agency has started collecting labour data in urban areas, with a focus on employment and unemployment since 2003. The urban employment-unemployment has been conducted annually since 2006. But latest survey is the one that was conducted in 2012. The survey contains information on employed and unemployed and their characteristics. The Household Survey and Price Statistics Directorate is in charge of the urban employment-unemployment survey at CSA.
- d) *Child Labour Survey:* The CSA has also collected information on child labour to assess the extent of child labour in Ethiopia. The first and only Child Labour Survey was conducted in 2001/2. The survey provides detailed information on the character, nature, size and reasons for child labour in the country. It also indicates the conditions of work and its effects on child health, education and normal development of the working child and provides a comprehensive analysis of the worst forms of child labour. However, this effort has not been continued, i.e. no other major survey with a focus on child labour has been conducted since then. Information on child labour can be extracted from other surveys such as labour force survey, Censuses, and urban employment-unemployment survey. Specifically, the more recent urban employment-unemployment survey captures child labour, but limited to urban areas.
- e) *Household Income, Consumption and Expenditure Survey:* The household income, consumption and expenditure survey (HICES) provides important information on living conditions of the population. It includes a set of priority indicators such as poverty and other welfare indicators which are used to design socioeconomic policies, guide investment allocations and monitor development interventions. Specifically, the survey focuses on household demographics, income, consumption, employment, unemployment, education, health, household assets, access to infrastructure, self-reported welfare indicators, and coping mechanisms. The most recent HICE is the one conducted in 2010/11.
- f) *Welfare Monitoring Survey:* The welfare monitoring survey intends to provide basic information on household living conditions. It is designed to monitor changes in household welfare over time. As part of the government's effort to reduce poverty, the availability of information on key welfare indicators is crucial to assess the impacts of poverty-oriented interventions and related reforms. Accordingly, the first welfare monitoring survey was conducted in 1996. The survey contains information on employment, unemployment, education, health, nutrition, access to basic services and facilities, shocks, coping mechanisms, and other non-income indicators of welfare. The latest welfare monitoring survey was conducted in 2010.

g) *Large and Medium Manufacturing Survey*: The CSA has been conducting surveys on manufacturing industries for planning, policy formulation, and evaluation monitoring purposes since 1976. In addition, information on establishments, employment patterns, wages, production and input use have been collected on large and medium manufacturing industries in the country. The survey focuses on establishments that employ ten and more people and use power-driven machines. The survey is based on the formal register of large and medium scale manufacturing establishments compiled by CSA. The latest survey was conducted in 2009/110 . The survey lacks useful information on some labour market issues. For instance, the survey does not provide information on hours worked, hourly compensation and manufacturing wage index. In addition, the occupation classification is not consistent with the Labour Force Survey and the Census, making it difficult to use it in harmony with other surveys (MoLSA, 2011)⁴⁵. CSA has also started a ‘Small Scale Industry Survey’ which may also provide some information about the labor market.

ii. **Ministry/Bureaus of Labour and Social Affairs (M/BOLSA)**

MoLSA comprises various departments, such as the Employment Promotion Directorate, Harmonious Industrial Relations, Office of Labour Advisory Board, Labour Relations Board, etc. The MOLSA provides labour market information on public and private employment services such as registered job seekers and vacancies, job search assistances provided, placements and others. The usual breakdown for registered unemployed is by occupational standard, industry code, education level, sex, age and location at each level. The employment services are, furthermore, able to provide stock as well as trend figures for either a point of time, e.g. at the end of each month, or a period of time for the effective analysis of trends. At regional, sub-regional and local government levels, exchange of employment service information happens monthly usually in hard copy. In addition, MoLSA collates, compiles and provides data on trade unions registered and employers associations, workplace accidents, number of days lost due to work accidents, collective agreements, decent work conditions, industrial relations, occupation safety and health, and others through its regional counterparts.

iii. **Ministry of Education (MoE)**

The Ministry of Education (MoE) has developed an Education Management Information System (EMIS) for the collection of timely education data. The database is used in planning, decision making, policy formulation, and monitoring and evaluation. The collected information is published in the Ministry’s annual education statistical abstract. The annual abstract provides information on structure of the education system as well as on key education indicators in the country. Regional education bureaus have also started to publish and disseminate annual statistical abstracts.

iv. **Micro and Small Enterprises Development Agency (MSEDAs)**

The then Federal Micro and small development Enterprises (now the Urban/Rural Employment Opportunity Creation and Food Security Agencies) are another major LMI producers in the country. These agencies are primarily involved in registration of job-seekers that would like to involve in self-employment and provision of necessary support to help registered job seekers start micro or small enterprises. The support is provided in coordination with TVET agencies, microfinance institutions, trade office, land administration offices, labor and social affairs offices and others to provide access to necessary support and resources needed by job seekers that desire to engage in self-employment.

⁴⁵ Ministry of Labor and Social Affairs. 2011. Developing Labour Market Information and Analysis Systems (LMIAS) in Africa: Ethiopia LMIAS Assessment for Decent Work (DW) Measurement. Ethiopian Economics Association. Addis Ababa, Ethiopia



When data was gathered for the assessment in 2016, there were 1568 one stop service centers (OSS) in the country which were found at woreda levels. These centers register job seekers in their respective areas using standard formats. They also conduct door-to-door registration of job seekers twice a year. Apart from job-seeker registration, OSS also compile and report on number of registered job-seekers that are engaged in self-employment by establishing MSEs. In some areas, OSSs also register vacancies and engage in placement of job-seekers that desire to pursue paid-employment opportunities. Data generated and collected on job-seeker registration and employment opportunities created for job seekers is often compiled and reported to next higher level MSEDAs on weekly and monthly basis. This data is often disaggregated by sex, type of support provided to registered job-seekers or those engaged in employment, geographic area and so on. The reporting also goes on up to federal level using standard reporting formats. At the time of the assessment, the federal MSEDAs were producing a bulletin annually which were disseminated to the public and stakeholders that were working with it.

v. Ministry of Civil Service and Human Resource Development:

The ministry collects comprehensive profile of public servants from 183 federal offices and respective regional bureaus. The 183 federal institutions send their information every day while the regional bureaus send annually. The collected data is disaggregated by region, sex, sector and employment type. The information collected from regional states is said to lack consistency and timeliness. Regional public institutions send data to their mother institutions at the federal level that in turn send the files to Federal Ministry of Civil Service and HRD as per the formats distributed by the ministry. The ministry has not been using any computerized systems except Ms-excel and word applications to collect and compile all the information collected from public institutions. Currently, however, the ministry is on its way to implement Integrated Civil Service Management Information system (ICSMIS) to get things automated where the pilot testing has already been successfully accomplished.

The Human Resource Development Information Center department in the ministry is in charge of LMI compilation of public institution employees is composed of staff in accounting (closer to 75%), management and IT where all the staffs are BA degree holders and below. The ministry utilizes the collected information to produce its annual abstract about public servants in the country. The information is disseminated through annual reports and its website (www.mocis.gov.et). The ICSMIS as well is expected to serve all the employees to check for their full career history.

At present, the ministry's linkage with MOLSA is just like other federal institutions where MOLSA sends files on its employees like any of the 183 federal public institutions. The other linkage is during production of annual abstracts/ annual statistics documents regarding public servants in the country where all the federal institutions get that access.

vi. Labor Unions and Employers' Associations:

The Confederation of Ethiopian Trade Unions (CETU) is the national organization representing workers in the country. CETU now claims that its membership size stands at 450,929 (of which 155,981 of them are women) workers, and has branches in seven cities and 1182 basic unions until July 7, 2015. Compared to Ethiopia's labour force size, the share of unionized workers is very small. Furthermore, the informal sector workers and agricultural households are not represented by CETU.

Ethiopian Employers are collectively represented by the Ethiopian Employers' Federation (EEF). It was established during the Imperial Regime in 1964. However, EEF's activity was restrained during the Military Government (1974 to May 1991). In 1997, it was re-established. At present EEF consists of 17 employers' associations and 1,250 enterprises. The federation has 12 regional branch offices located in major towns with large number of employers. The federation collects information regarding the member employer overall profile and their employees disaggregated by region and sex of employees. The data is collected using standard forms in hard copy documents which is later converted into Ms-excell or word formats. Apart from annual reports, the federation receives reports from regional branch offices every month. The federation then compiles and produces its own monthly and annual report that is presented for the general council. EEF is currently on its way to employ a consulting firm to launch a system called CRM to automate its systems and make its data and information accessible to every regional branch offices and member employer companies. It is currently disseminating its information through annual reports and its website (www.eef-ethiopia.org).

vii. Private Employment Agencies

There are hundreds of private employment agencies that offer employment services. They often provide two kinds of services. One of such services is receiving requests from employers and posting their vacancies to all job seekers to apply. The second type of service involves providing placement services on behalf of employers starting from job seeker registration to interviewing of applicants to exam preparation and administration. But well-organized firms such as InfoMind Solutions and Ezega have several service packages. Some of the common employment services provided by InfoMind Solutions and Ezega include direct referral of job seekers to vacancies, posting of job profile, alerts for matching, career/job counseling, job and training place notification, posting and managing vacancies, searching and consulting profiles, receiving selected applicants and sending job offers. InfoMind solutions also provide several other services such as job-search skills training, job application and interview preparation, database search for job seekers, vacancy fairs, informational interviews/intermediation services, small business advisory meetings, prescreening and others. However, both agencies don't provide job motivation seminars, vocational, social and medical counseling, and national call service centers. They also don't refer job seekers to active labor market programs after a period of unsuccessful job search.

Some established private employment agencies such as InfoMind Solutions (Ethiojobs) and Ezega use computerized systems to manage their data and provide their services. Unlike PESs, private employment agencies register job seekers regardless of their employment status. For agencies such as InfoMind Solutions and Ezega, it is usually first degree and above holders that register as job seekers. Most of their clients are also non-governmental organizations. The agencies send monthly performance reports to their respective licensing regional, zonal, woreda/city administration labor and social affairs offices.

4.2.5.2. Labor Market Data Management, Analysis and Dissemination

As presented in the previous sections, LMI is being collected and managed by LMI producers independently. Very few of the LMI producers such as MoE utilize computerized systems (EMIS) to store, manage and analyze their data. Most other organizations including MoLSA and its regional counterparts, CSA, Ministry of Civil Service and HRD, CETU, EEF, and others use manual system with some use of simple spreadsheet or statistical applications such as Microsoft Excel to store data and support analysis. What is common across the LMI producers is the fact that



they produce simple statistical and annual reports. Their statistical reports, however, focuses on presentation of facts and figures without proper analysis and interpretation to support decision making. In the opinion of key informants, the analysis and interpretation is left to users as the LMI providers lack staff that has the capacity to do such higher level work. LMI producers including MoLSA disseminate their LMI products to users in hard copy usually upon request. Many of the LMI producers at federal level are also increasingly uploading their LMI in their websites though this is a rare occurrence at regional level. Yet timely access to LMI has remained a challenge. Key informants from a key federal agency, for example, said:

“The agency receives LMI from producers through their annual abstract and reports and upon request. The major gap in this regard is timeliness problem where the agency finds it hard to get the requested information at the right time required for planning purpose. Even the information is not comprehensive enough to meet the agency’s demand. The producers also do not have good coordination among themselves.”

Many LMI producers are, however, in the process of modernizing their system for LMIS. Ministry of Public Service and HRD has already completed its pilot and is now in moving towards full-scale implementation. Information obtained from regional MSEDAs also revealed that they are in the process of establishing a computer system to collect, store, manage and analyze their data. SNNPR MSEDA has even announced a tender for the procurement of tools necessary for the establishment of the system following a promise from federal MSEDA that it will provide the agency with the software. These are encouraging developments to generate quality data, and facilitate information exchange and utilization.

LMI producers also lack adequate knowledge about users of their LMI. As they don’t know the users and their information requirements, LMI producers often produce their information products using a standardized format (annual report/abstract and/or bulletin).

As MoLSA is mandated to collect, analyze and disseminate LMI in the country, some efforts have been exerted to partly fulfill this mandate. One of such noticeable efforts at MoLSA through its Employment Promotion Directorate is its publication of a Labour Market Information Bulletin. In its information bulletin, MOLSA has attempted to analyze and disseminate selected labour market information. Out of the 18 Key Indicators of the Labour Market (KILM) identified by ILO, the latest (2015) annual LMI bulletin of MoLSA reported only on nine key indicators of the labour market that are considered feasible for Ethiopia (indeed the LMI bulletin used to report only on seven indicators until the 2014 publication). These indicators include labour force participation rate (KILM 1) , employment-to-population ratio (KILM 2), status in employment (KILM 3), employment by sector (KILM 4), employment in the informal economy (KILM 8), unemployment (KILM 9), youth unemployment (KILM 10), inactivity (KILM 13), and educational attainment and illiteracy (KILM 14). The selected 9 KILMs for Ethiopia are expected to provide a better insight on the magnitude of the changes over time in the world of work and its related dimensions. In addition, the analysis of trends in the 9 KILMs highlight the experience of specific groups of labour force, including women and youth, in Ethiopia’s labour market. The bulletin emphasizes the current labour market development, while at the same time presenting a recent historical perspective (from 1994–2013). The analysis of the 9 KILM in the publication is based on the Census, the national labour force survey, and urban Employment Unemployment Surveys conducted by the Central Statistical Agency (CSA) of Ethiopia. Administrative data gathered by PES and other stakeholders is not utilized for the analysis. Although the Ministry’s bulletin provides useful information on labour market, it is not very comprehensive as it does not include data on some key labour market issues.

Some regional BoLSAs have also started producing annual LMI bulletin. The information contained in the bulletins mostly include total employed population disaggregated by sub region and sex; registered job seekers and job opportunities created broken down by occupational standard, industry code, age, education level and sex; reported vacancies disaggregated by occupational standard and industry code; placed job seekers from other regional states; number of industries broken down by sub-region (zone/city administration) and industry classification; number of labor unions and their members as well as of employer associations disaggregated by sub-region and sex; number of labor unions that has collective agreements broken down by sub-region, industry code, sex, number of employees and ownership; number of labor disputes and complaints; number of industry inspection experts; number of workplace injury; and number of people with disabilities and other vulnerable groups. Details included in the bulletins as well as language of publication vary from one region to another. Some regions such as Amhara produce the bulletin in their own regional language while Addis Ababa published the bulletin in Amharic and English languages. What was common across the regional LMI bulletins is the fact that they lack adequate analysis and interpretation. The publications focus on presenting facts without making associations among different data elements and addressing implications. This was mainly attributed to the lack of qualified and trained staff at all levels.

Regional BoLSAs prepare their regional annual LMI bulletin or report based on routine/administrative data that they generated themselves and data gathered from other sources including civil service offices, labor union, employers' associations and individual employers, private employment agencies, MSEDAs, and data generated through labour inspection and review of administrative records. Other than collection and compilation of administrative data gathered from such sources, regional BoLSAs don't usually engage in collection of survey based data, though staff designated as research officer is commonly a member of employment service team at different levels. An exception to this was SNNPR where the regional BoLSA has conducted unemployment profile assessment twice (the second assessment was conducted in 2011) at selected Zonal administrations, Woreda and city administrations.

Regional BoLSAs indicated that their annual performance report has never been completed at the required quality level. The main challenges in production of LMI include lack of adequate and experienced staff and staff turnover, provision of incomplete data and data quality gaps from lower level reporting bodies, irregular reporting from private employment agencies due to their lack of trust and will, lack of transport and limited access to communications technology particularly at woreda level due to poor infrastructure. Data quality has remained a big challenge though improvements were reported by stakeholders with the provision of training and distribution of standardized format and checklist to employment service staff and private employment service providers. Data inconsistency and timely reporting (particularly from remote areas) are still unaddressed challenges experienced at labor and social affairs offices and other LMI producers. A key informant from one of the regional MSDAs also indicated that significant variations in data that came through the administrative system and sample based surveys conducted by CSA. There were even issues at federal level about which source of data to trust and utilize. Key informants from the National Planning Commission also raised their concerns on data quality by saying:

“Data quality and timeliness problems are there. The data obtained from LMI producers also lack comprehensiveness as it fails to incorporate all labour force related indicators which are vital for planning purpose. We are currently planning to discuss with LMI producers to incorporate basic labour force indicators to their production.”



What is also common at both regional and federal level is the lack of effective utilization of both administrative and survey/census data to produce comprehensive LMI at each level. The data quality problems associated with administrative data might have reduced their utilization at federal level. Indeed, the administrative data that is utilized to produce regional LMI bulletin or annual report is said to be hardly trusted by regional officials to inform their decision making.

4.2.5.3. Utilization of LMI

LMI utilization is highly limited to the producing organizations. Their experience in information exchange with other sector office and stakeholder users has remained limited. The lack of coordinating platform for collaborative LMI collection, management and exchange is believed to have contributed significantly to the limited utilization of LMI by actors other than LMI producers. A key informant from one of the federal agencies consulted for the assessment in this regard said:

“There is a lack of networking and coordination among labor market institutions in collection of labor market information, and the institutions are not doing their jobs in an integrated manner. There is lack of communication and coordination between them and most institutions are using the information they produce for themselves. The labor market information utilization in the country is very poor. Unless there is a request from government or non-government organization, there is no system for exchanging the information with each other. There is no culture of sharing the information among themselves. The government needs to establish some platform to the institutions to share their information.”

The paragraph quoted above was a shared view among different stakeholders that were consulted at different levels. Most agree that LMI information utilization and sharing is limited that they partly attributed to the lack of coordinating mechanisms. Hence, they suggested the need to establish such formal mechanisms that facilitate LMI exchange among producers and users. To quote another key informant from a federal agency on the matter:

“The labor market information utilization in the country is very poor. Unless there is a request from government or non-government institutions there is no system that facilitates exchange of information with each other. There has to be a system or some way that helps different government or non-government institutions to work together.”

Use of LMI for policy and other important decision was also considered low by many stakeholders. Indeed, although regional employment service centers produce annual LMI bulletin that they distribute to sector bureaus and other stakeholders, the information contained in the bulletin may not be used by officials to inform their decisions. According to key informants, higher officials tend to trust data that come from MSEDAs than BoLSAs. In other words, policy makers and officials lack confidence in LMI produced by BoLSAs. The users of LMI produced at federal and regional level are said to be researchers and students, according to many key informants. A key informant from one of the regional BoLSAs said *“We produce the annual LMI bulletin to support us with our performance presentation that we do at the end of every fiscal year. That is the major purpose of the bulletin. But we distribute some copies to sector bureaus though its use for policy and decision making is very limited.”*

The consultant also observed lack of knowledge among some position holders related to LMI in regards to the importance of collaboration among stakeholders as well as meaning and purpose of LMI. A key informant from one of the regional BoLSAs, for example, said:

“I don’t have sufficient awareness about the necessity of collaborative work and networking among the LMI providers and users. I also believe that there is sufficient linkage with both LMI providers and users. As far as LMI providers are concerned, our office (Labor and Social Affairs Agency) has been sharing information about job seeker’s information with MSED. In regards to LMI users, the only user I know is regional Bureau of Finance and Economic Development (BoFED) for budget allocation. We send our reports to BoFED as we are required to do so. For other bureaus, our agency provides LMI up on their request though they have never been regular users of the LMI.”

The above response from a regional level office holder implies serious capacity gaps that even go to the level of lack of basic understanding about the meaning and purposes of LMI, and its providers and users. Indeed, when the assessment team asked the key informant and other staff members to identify users of LMI in the region, they failed to identify one other than BoFED arguing that they have no data that shows any other user of LMI in their region.

In general, there is lack of attention and awareness about the importance of the labour market information production and utilization. LMI produced at regional and federal labor and social affairs office levels are not believed to be utilized by policy makers. Indeed, very few organizations request for LMI from labor and social affairs offices, which evidences the limited utilization of available LMI. Many key informants suggested the need to improve the quality of LMI produced by LMI producers so as to improve LMI utilization by users. Besides, apart from being managed in a fragmented manner, LMI is not easily accessible through the use of website and other electronic communication systems. Absence of a networked system to share LMI among LMI producers and users was also identified as major challenge to information exchange and utilization. Hence, most stakeholders at all administrative levels suggested the need for an integrated LMI at different levels. When asked about their opinion about the establishment of an integrated database, key informants from a key federal agency said:

“Establishing an integrated LMIS would really be an excellent initiative which could have a significant contribution towards the growth and development of the country. In this regard, our commission will support the process in different ways. The networking among all LMI stakeholders should also be established so as to establish a database that could be accessed by all in need of it. Capacity building trainings and experience sharing workshops should also be facilitated by ILO and MOLSA for better introduction of the system. Moreover, responsibilities and mandates of all participant stakeholders of LMIS need to be specifically clarified.”

The existing system for LMI collection, management and analysis is mostly manual with very limited use of ICT. The information exchange is also usually undertaken using hard copies. Hence, the LMI production cannot be considered efficient as there is no effective use of technology. Besides, the LMI collection, aggregation and analysis is often undertaken by staff that lack necessary education and training, which often results in inefficient time and other resource utilization, and compromise quality of data. Utilization of LMI for decision making is also weak. Under the existing situation, the utilization of LMI seems to be limited to the producers of the LMI at different levels.



There are also neither established mechanisms nor practices to collect feedback about utilization LMI produced by the different agencies.

“The effectiveness of our LMI is largely dependent on feedback of users that utilize the LMI produced by our office. But there has never been any feedback from the LMI users about the quality of the report and whether it satisfied their information demand. Hence, as long as users of the information have not been complained to the office, we consider the LMI produced is helpful to them.” A key informant from SNNPR said.

As suppliers of information, employment services use their own administrative records mainly from placement activities and based on the register of job seekers, vacancies and matching results. Their use of a standardised occupational classification system is worth recognizing in this regard as it increases the reliability of data and allows comparisons based on fixed categories instead of approximations. As users of LMI, they also need both survey-based and administrative data to complete and update their information base. They also need up-to-date information on the overall skill demand in the country and on training opportunities to provide meaningful vocational guidance and counseling. In reality, however, registers maintained by PESs are not updated regularly that even led to their non-utilization in some areas. Although standard formats and classifications are being used for data collection and reporting, variations in definitions of “unemployed” used for data collection and reporting are observed among regional states. Hence, PESs are not even effectively utilizing their own data that they maintain on job seekers let alone to seek data externally on overall demand in the country and put them into use. Employment services themselves rarely have the staff or the resources necessary to collect and manage data from a range of stakeholders, and analyze, interpret the data and disseminate information products. At present, employment service providers are not in a position to utilize LMI to provide meaningful vocational guidance and career orientation, or accelerate matching processes.

Overall, delays in processing and publication of data; lack of coordination between the producers of LMI; lack of information about the informal sector; incomplete and unreliable data; shortage of funds, equipment and qualified personnel LMI producers; and inadequate political support characterize LMIS in Ethiopia.

5. EFFECTIVENESS OF PUBLIC EMPLOYMENT SERVICES IN ETHIOPIA



The level of performance of public employment service centers has been covered in the previous sections of this report. The findings from study areas suggest that PES structures are established at woreda and city administration levels which could make employment service provision accessible to job seekers and employers. The findings also established that public employment services are not, in most cases, proactive to make their services known and encourage job seekers to come and register at centers. As a result, the number of registered job seekers is believed to be much lower than the reality in the labor market. The same is also true in regards to vacancy search. While employers are not legally obligated to notify their vacancies to public employment service centers, little has been done by the centers to deal with the challenge and turn the matter around. Most public employment service centers have remained reactive (rather than proactive) in searching for vacancies. The existing efforts in this regard were found fragmented, individual initiated and un-institutionalized. PESs are also not known by the general public and efforts to increase their visibility were considered minimal by stakeholders.

PESs also do little in providing job search assistance to registered job seekers. Provision of assistance on resume preparation, and profiling of job seekers to identify their gaps and suggest remedial measures are almost non-existent at PESs. Under the regular public employment service provision systems, PESs don't maintain proper listing of training providers so as to refer job seekers to take skills training. Career guidance or counseling services provided at PESs were also found narrow in scope, and unsystematized and individual initiated. The quality of counseling services is also questionable as they are given by staff that lack the education preparation and training in the area.

PESs provide some placement services such as referral to vacancies and job matching. The findings presented in the previous sections of this report showed that placements in recent years were even larger than the number of registered job seekers. While this is worth acknowledging, close examination of the figures seem to suggest that the larger employment opportunities reportedly created than registered job seekers were partly caused by gaps in reporting systems



(some regions reported employment opportunities created by MSEDAs without reporting their registered job seekers), tendency to announce vacancies to the general public that allows non-registered job seekers to get the employment opportunities; and other factors. Hence, considering the existing management information system in place, it is difficult to determine the effectiveness and efficiency of labor and social affairs offices in the provision of placement services. Even so, the vast majority of the placements are on temporary and seasonal jobs while permanent placements are believed to be very low. While the placement support provided by employment agencies on temporary and seasonal jobs is worth appreciating, these placements are often caused by big public infrastructural development projects and similar ones that just happen as windfall. Indeed, when one looks at actual placements undertaken at PES level in some cities visited by the consultant, it is easy to observe ineffectiveness and inefficiency in their employment services provision. As shown in Table 11, placements averaged only 3% of the registered job seekers at five PESs.

Table 11: Registered Job Seekers and Placements in some Selected PESs

Indicators	Yeka Woreda 5 (2015/16 or EFY 2008)	Kirkos Woreda 8 (2015/16 or EFY 2008)	Bole Woreda 10 (2015/16 or EFY 2008)	Hawassa (2014/15 or EFY 2007)	Sebeta (2015/16 or EFY 2008)	Total
Number of registered job seekers	1,264	1092	985	870	157	4,368
Placements	31	20	39	4	47	141
Placements as a percentage of registered job seekers	2%	2%	4%	0%	30%	3%

Job creation data reported by public employment agencies is also likely to be much different than the actual when the performance of bigger cities that are supposed to perform much better is taken into consideration. Public employment services in most regions, for example, report job seekers shortlisted for identified job opportunities and sent to employers as being employed. When labor and social affairs offices at higher level also get information about vacancies, they also allocate that to PESs under their jurisdiction and require them to shortlist job seekers and send that to them. Under all these situations, PESs' assume that the shortlisted job seekers are offered the jobs and report that as job opportunity created. But this may not be the case in reality. Indeed, employers often use different channels to advertise their vacancies and collect pool of applicants from public employment service units as well as other sources. The fact that they have received shortlisted candidates from labor and social affairs offices may not necessarily mean that they will offer the jobs to them. Hence, the figures reported about the number of jobs created by public employment agencies is likely to be lower than actual. This gap is the result of lack of system to follow-up the employment status of shortlisted candidates with the employers. There is also lack of system for information sharing between employment services units at lower and higher levels in regards to employment status of job seekers PESs at lower level send to higher level labor and social affairs offices. This also suggests the possibility of double counting. A public employment service center staff from one of the woreda one stop centers in Addis Ababa, in this regard, said:

“Absence of effective system to share information from sub city labor and social affairs office to Woreda one stop centers is one of the problems in the provision of placement services.

There is no system in place to identify how many of job seekers sent by the Woreda one stop center has managed to get the employment opportunity at sub city level.”

But it is important to appreciate the efforts exerted by employment service providing staff particularly in Addis Ababa that try to follow up on the employment status of their job seekers with the employers. A similar practice was also observed in Hawassa PES center where staff do some follow-up with employers through direct physical visit or phone call to check whether the screened and short-listed candidates sent to the employer were in fact offered the job. They also try to bring a copy of letter of employment provided to the employee as evidence. But, the existing efforts largely depend on individual staff's will as the practice is not institutionalized.

Private employment agencies are believed to have underreported or failed to report as required, which might have understated the figures particularly relating to placement services. According to key informants, private employment agencies tend to underreport their performance in order to report low revenue and pay lower taxes. Besides, monitoring their activities and performances was found difficult at local government levels as employment agencies have the option to get license from regional BoLSA (if they operate in more than one zone or city administration), zonal labor and social affairs department (if they operate in more than one woreda in the zone), or woreda/city administration (if they operate at that level only). While local governments have the opportunity to monitor and control employment agencies that they licensed, doing the same on those that were licensed at regional and zonal levels has remained a big challenge. Mechanisms and institutional set-ups for coordinated monitoring of private employment agencies by regional, zonal and local government labor and social affairs offices are also weak. Taking advantage of the existing gaps, some key informants indicated that private operators have kept on violating some legal provisions such as charging job seekers a service fee which is prohibited by the law.

No one package of services will fit the needs of every worker seeking employment through public employment service. Some will need little assistance; others a lot. At present, the provision of tailored and need based employment services is very minimal except on job seekers targeted by special projects. Providing same services to every job seeker may neither be efficient nor effective as resources are limited. Better results could be obtained by concentrating resources on those who need the greatest number of services.

Studies conducted on employment service provision in many countries shows that private agencies are often more efficient and effective in the provision of services of employment mediation compared to the public sector. This also seems to be true in Ethiopia. In the 2014/15 (EFY 2007) fiscal year in SNNPR, registered vacancies as a percentage of registered job seekers at public employment service centers, as shown in Table 12, was only 2% compared with 143% at private employment agencies. The private operators also placed close to three times their registered job seekers in the same year while the public employment service providers were only able to place 56% of the registered job seekers. Indeed, the 56% success rate has also included job seekers engaged in self-employment activities through the support of the micro and small enterprise development agency. Similarly, while the private sector placed 100% of the registered job seekers, it was only 24% at the public employment service centers in Addis Ababa.



Table 12: Job Seekers, Vacancies and Placements in SNNPR and Addis Ababa for 2014/15 (EFY 2007)

Indicators	SNNPR		Addis Ababa	
	Public Employment Service Centers	Private Employment Agencies	Public Employment Service Centers	Private Employment Agencies
Registered Job Seekers	33,917	3,252	42,530	8,621
Registered Vacancies	791	4,657	9,979	8,621
Placements	19,057	12,323	10,079	8,621
Registered Vacancies as a Percentage of Registered Job Seekers	2%	143%	13%	100%
Placements as a Percentage of Registered Job Seekers	56%	379%	24%	100%

Source: *Regional BoLSA's Annual Report for 2014/15 (EFY 2007)*

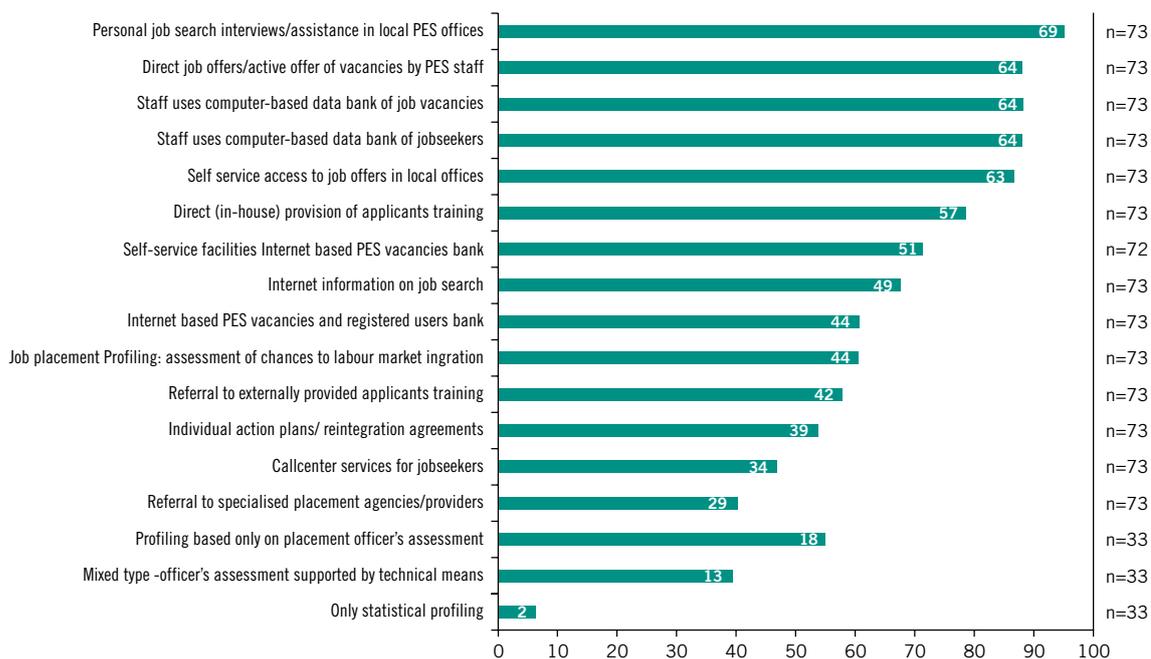
PES center staff and government officials agree that public employment service centers have low performance in registering job seekers and vacancies than private. This is, according to them, because private agencies are better motivated to do their jobs which is not the case at public employment centers. Private agencies' good performance has also attracted employers to use their services which in turn encourage job seekers to come and register at them rather than at PESs.

The high level of efficiency observed at private employment agencies may suggest the importance of encouraging the private sector to increasingly involve in employment service provision. This may be due to the fact that the private sector can secure services within smaller and targeted segments of the labor market by offering more proactive employment services by tailoring it towards labor demand. Their success may also imply that they are oriented towards the employers' requirements than the needs of the unemployed.

Overall, available evidences seem to suggest that employment services provided by public employment service providers are inadequate both in quality and quantity. The findings of the 2014 WAPES-IDB 2014 Survey⁴⁶ that was conducted among 73 public employment services in 72 countries worldwide, for example, suggest that the range of employment service provided at PES in Ethiopia is very limited particularly compared with other countries around the world. The most prevalent public employment services, according to the survey findings, include personal job search interviews, direct job offers of vacancies by PES staff, self-service access to job offers displayed (on bulletin boards, etc.) in local offices or subunits, the use of computer-based data banks, self-service access to job offers in local offices is also frequent, Internet-based services (public employment service vacancies and registered user bank, job search information, and self-service facilities), and direct (in-house) applicant training (see figure below). Most of these services are not provided at PES in Ethiopia.

⁴⁶ World Association of Public Employment Services (WAPES) and Inter-American Development Bank (IDB). 2015. The World of Public Employment Services: WAPES-IDB 2014 Survey.

Figure 2: Job Placement: Provision of Services to Job Seekers, 2014
(Absolute numbers at the bars; percentages at the bottom of the panels)



Source: WAPES-IDB 2014 Survey.

Lack of attention to PESs as reflected inadequate staffing and budget did not allow them to offer even the basic and traditional employment services. A key informant from Oromia regional state said:

“The monitoring/supervision practice that used to be undertaken to all labor and social affairs branches at all level has been discontinued as a result of absence of budget. As a result the only system currently used monitor and evaluate performance of labor and social affairs offices at all levels is through comparison of plan and performance reports.”

Existing employment service provision also lack institutionalization and systematic as well as strategic guidance and vision and the new employment service policy and strategy document may help in this regard. Systems for monitoring and evaluating the performance and effectiveness of PESs is also very weak. To some key informants, the fact that command posts at all levels are not regularly and strongly monitoring the effectiveness of public employment service centers has been one major gap to improve the quality and quantity of such services. In the absence of monitoring and evaluation, the benefits of interventions remain largely unknown and success tends to be measured in terms of outputs (i.e. the number of job seekers served).

6. HUMAN RESOURCE OF PES



Without a doubt, well-functioning employment services are considerably dependent on qualified staff and other resources. Of particular importance are the operative front-line services responsible for personal contact and interaction with clients/customers, as well as for selecting the specific services to be provided to these clients.

Staffing levels at public employment centers varies from one region or city to another. But inadequate staffing both in terms of quality and quantity was a common challenge experienced by public employment centers visited for the assessment. For example, in Hawassa, Sebeta and Bahir Dar city administration, as shown in Table 13, a third of the approved positions at employment service centers are vacant. In Addis Ababa, employment service case teams at one stop centers, that consist of two job seeker registering clerks and one employment service provider, are not staffed as required in many woredas. In Yeka sub-city, for example, five of the 13 woredas don't have an employment service providing staff. This means that these woredas only have clerical staff that are engaged in registering job seekers, which also implies that other employment services such as vacancy search, matching and so on are not being provided at these centers. Key informants from Addis Ababa BoLSA also indicated that the same problem characterizes employment services at many woredas in the city.

Table 13: Staffing Levels at Some Public Employment Centers

City/Sub-City and Region	Total Current Staff	Total Required Staff as per the Approved Structure	Staff Level of Education		
			Diploma and Below	Bachelor's Degree	Second Degree and Above
Woreda 5, Yeka Sub City, Addis Ababa	3	3	2	1	-
Woreda 10, Bole Sub-City, Addis Ababa	3	3	2	1	-
Hawassa	2	4	-	2	-
Sebeta	5	8	1	4	-
Bahir Dar	2	3	-	2	-

Apart from being under-staffed, public employment services lack qualified experts that can provide even the basic services. According to key informants, the salary paid to staff at employment service centers is even lower than other government agencies. As a result, staff turnover is high and the public employment service positions often attract people who received bad performance appraisal in other sector office. In the opinion of many stakeholders, it is not uncommon to find people demoted from their positions at other sector offices. As shown in Table 13, the majority of staff working at employment service centers at some visited towns have bachelor's degree. But their areas of training may not necessarily be related to what the service they are providing at the centers. In most cases, the center staff have degree in management or accounting. But staff that have a degree in physics, mathematics and language are also found as employment service experts at some centers. Although job search assistance, counseling and matching services require sound skills, they are currently provided by staff that have neither educational preparedness nor additional related training to provide the services. Any person can join public employment services regardless of their areas of specialization. Some key informants blamed it on the lack of programs at higher education institutions on employment service areas. But much could have been done to improve the skills of existing staff through training which was found very limited. The staff that are called 'employment service' experts are not really experts on the area as they often lack the education, training and experience to act like one.

High staff caseload – the ratio of registered job seekers to employment service/counseling staff – seems to be a critical constraint to PES performance in the country. Within some of the local employment service centers visited for the assessment, the average overall employment service center staff caseload was around 1:257, while the figure recommended by the ILO is even lower - 1:100 (see table below). Counseling staff caseload is even much higher. In the three woredas visited Addis Ababa, the caseload per counselor averaged 1,114, which is very high by any standard. Indeed, the counselors are also responsible for providing a range of employment services that include job search and matching. High staff caseload does not allow the PES to deliver even the basic job intermediation services let alone to provide personalized ones. The efficiency and quality of service could be improved markedly by placing more PES staff on the front line dealing with job seekers and employers.



Table 14: Staff caseload at some local public employment service centers in 2015/16 (EFY 2008)

	Yeka Woreda 5	Kirkos Woreda 8	Bole Woreda 10	Hawassa	Bahir Dar	Kedamay Woyane Sub City, Mekele
Number of registered job seekers	1,264	1092	985	870	79	74
Number of frontline employment service providing staff	3	3	3	2	2	4
Number of Counseling Staff	1	1	1	Not specified	Not specified	Not specified
Employment Service Staff Caseload	421	364	328	435	40	19
Caseload per counseling staff	1,264	990	985	-	-	-

7. FINANCIAL AND MATERIAL RESOURCES



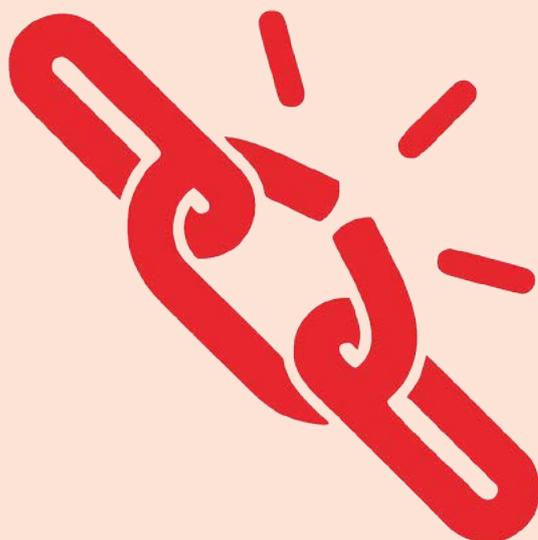
PESs are also not adequately funded. According to most key informants, financial resources have never been adequate to even provide the basic employment services. The shortage of budget was also cited as an obstacle for regional level employment service staff to provide supportive supervision and technical support to the actual local service providing centers. A key informant from Oromia regional state said:

“There are many challenges behind the poor performance of the employment services and allocation of inadequate budget to the labor and social affairs bureau by government has been the main and core challenge.” Another key informant from Amhara regional state was also quoted as saying *“The employment service provision core process has got its own budget but it received the lowest budget even compared to other core processes at BoLSA such as social welfare and industry peace. There were also no significant budget increments for the core process. This implies that the focus given to employment service provision is minimal.”*

The insufficient budget was also blamed for the inadequate monitoring of private employment agencies by local employment service centers. The inadequate budget has also created shortages of basic office equipment such as computer and supplies that are needed to provide employment services. In some cases, office staff use their own pocket money to search vacancies as there is not budget for transportation and other similar costs associated with those activities.

In sum, the number of staff at public employment service centers in general, and frontline counselors in particular is completely inadequate for delivering even the basic services. PES staff are also believed to lack the necessary motivation to deliver the services, which may be partly associated with their salary and working conditions. Employment service provision through labor and social affairs offices has not also received the necessary attention from higher regional officials as evidenced by the inadequate budget allocated to it.

8. WEAKNESSES AND CHALLENGES OF PUBLIC EMPLOYMENT SERVICES IN ETHIOPIA



Several challenges and gaps surround public employment services in Ethiopia. A brief description of some of the key ones is presented below:

- i. **Weak institutional capacity and systems:** Public employment service centers lack even the basic institutional capacity to provide the basic employment services. There are very weak institutional systems and manuals that guide the identification and registration of vacancies, establishment of collaborations with potential employers, and transparent screening and matching of job seekers with available job opportunities. In light of their limited institutional capacity, potential employers including public bodies lack confidence in the services provided by public employment service centers. As a result, potential employers tend to advertise their job openings through mass media rather than using the services of public employment agencies. Private firms also prefer to use private employment agencies for a fee rather than public employment service centers that offer their services free of charge.
- ii. **Limited Use of Information Technology:** Public employment services in Ethiopia lack systematized and automated processes to fulfill their job-matching role efficiently. There is limited use of information technology to support the provision of employment services. There is no electronic database and data exchange platform to facilitate job matching between employers and jobseekers. PES centers receive announcements of job vacancies from firms, and CVs from job seekers via personal visits. Thus, neither firms nor job seekers have access to the existing paper-based jobseeker and vacancy registration records, resulting in the few staff being solely responsible for matching vacancies with jobseekers, selecting jobseekers and forwarding their CVs to the firms. The use of manual system did not only make the provision of employment services inaccessible to both job seekers and employers, it also made job matching very difficult for staff. The lack of automated and systematized processes also results in unsystematic follow-up on the recruitment of jobseekers by prospective employers.

- iii. Mandate overlap and poor cooperation and collaboration among different public employment service providing agencies:** Different organizations are involved in the provision of employment services, including labor and social affairs offices, MSEDAs, youth and sports and others. These offices, however, don't work closely and collaboratively in registration of job seekers, identification of vacancies and placement activities. They often act independently. Much resource could have been saved if they collaborate in job seeker registration and provision of other employment services.
- iv. Poor visibility:** Public employment services are not promoted to job seekers and potential employers to use their services. According to key informants, the general public is unaware of the employment services provided by public employment service centers as they don't engage in building relationships and promoting their services.
- v. Lack of necessary resource:** Public employment services are under resourced, according to many key informants. Employment creation using public employment agencies particularly through labor and social services are given very minimal attention. The government rather gave due attention to MSEDAs that support job seekers to engage in self-employment opportunities. The allocated budget at all levels for public employment services in most cases is too small to provide some of the basic employment services. Regional BoLSAs in some regions have stopped undertaking supportive supervision of zonal and woreda/city administration labor and social affairs offices due to unavailability of budget. As a result, they chose to just receive reports from lower level government bodies. They believe that they could have improved employment services if regional BoLSAs provide adequate support to the employment service centers. The budget shortage also affected most other activities at public employment service center level. In most cases, these centers are understaffed due to lack of budget to hire the required number of people approved by the civil service bureau. They also lack vehicles or transportation allowance and per diem to search for job opportunities in their respective areas. There were also cases where staff had to finance their job search activities from their own pocket. There is also shortage of office facilities (stationary materials, computers and others) at public employment service units.
- vi. Lack of adequate and qualified staff:** Most, if not all, public employment service centers are understaffed. They also lack qualified staff to provide the required employment services. To many key informants, the salary scale for staff involved in employment service provision is even lower than the one that is being paid to staff with similar qualification in other government agencies. As a result, people that were demoted due to their poor performance in other government agencies are often relegated and assigned to public employment service centers. The unattractive salary paid to public employment service staff often cause high turnover. The consultant also observed the assignment of newly recruited staff in many places owing to the high staff turnover. Staff also lack even the basic skills they need to search for vacancies, and provide job search assistance, placement services and counseling services. They also lack sufficient knowledge on other alternative employment services.
- vii. Voluntary nature of job seeker and vacancy registration:** In Ethiopia, registration of job seekers and vacancies is voluntary. There is no legal framework that forces employers to register their vacancies. Coupled with their lack of visibility and poor institutional capacity, very few organizations notify their job openings to public employment agencies. To make matters worse, public employment agencies lack capacity and resources to establish contacts and collaborative relationships with potential employers so as to get vacancy notifications and ensure that their services are used by employers. Their poor track record in facilitating placement services is also serving as a disincentive for job seekers to use their services.



Both public and private employment agencies don't also cooperate to notify job openings. Those that do notify their vacancies also announce their vacancies with other media which reduces the chances of getting the vacant positions. As a result, the number of job seekers and vacancies registered in Ethiopia may not reflect the reality on the ground.

- viii. Poor monitoring and evaluation systems:** Public employment service centers don't have proper systems to regularly monitor their performance and evaluate their overall effectiveness in the provision of their services. They don't even have a system and practice that they use to check whether the short listed job seekers sent to employers were actually employed or not. In the absence of such systems and strong monitoring from higher level agencies, the public employment service centers report all the job seekers sent to employers following a job opening notification as employed.
- ix. Limited government support:** Much of the weaknesses and challenges identified above such as understaffing and poor institutional capacity are related to the inadequate attention given to public employment services by the government. Job creation through labor and social affairs offices is often seen as secondary. A key informant from one center was quoted as saying "Compared to the support provided to the city MSEDAs, the city administration provides no support to the labor and social affairs office." MSEDAs staff and officials, on their part, attributed the limited attention given to labor and social affairs offices to their poor performance in placement and job creation. They argue that labor and social affairs offices are there to collect and report what they (MSEDAs) have done rather than engaging in facilitating employment and creating job opportunities for job seekers. According to them, the government's increased attention to MSEDAs was due to their noticeable contribution to significant job creation and economic development in the country which has not been the case at labor and social affairs offices. However, the target groups to MSEDAs are often youth and women that are willing to engage in self-employment opportunities. Labor and social affairs offices have significant roles in at least promoting employment services for people that are not targeted by MSEDAs. Besides, MSEDAs seem to have misunderstood the role and mandate of PESOs as they expect them to create jobs like them.
- x. Limited absorptive capacity of the economy:** Different documented evidences argue that the Ethiopian economy has limited capacity to absorb the ever increasing labor force. The limited number of employer organizations available in the country was also cited as a big challenge by some public employment service centers to find job opportunities for job seekers. Even so, public employment service staff in most centers seem to be under the impression that the lack of will from employers to notify their vacancies is a major challenge to increase their placement services.

9. CONCLUSIONS AND RECOMMENDATIONS

9.1. Conclusions

Based on the assessment findings, the following conclusions have been made.

- i. The institutional capacity of PES is quite limited. They are also inadequately staffed and are unable to deliver effective and personalized mediation services.
- ii. The country has decentralized structural presence up to the level of woredas or city administrations that can be effectively utilized to provide accessible employment services, and to collect, store, analyze and disseminate LMI at all levels. Although there are variations among regions, the number of public employment service providing centers is growing, which is vital to make the services accessible to job seekers and employers. However, the institutional capacity of PES is quite limited in Ethiopia to even deliver the basic and basic employment services. PES centers in many areas are not adequately staffed and resourced, and are unable to deliver effective and personalized mediation services. PES functions are not also adequately institutionalized. As a result, only a fraction of all registered job seekers find a job through PESs. Job placement rates are too small to absorb the growing number of unemployed individuals. Besides, PES centers are staffed with low performing and unmotivated people that partly emanated from the low remuneration scheme as well as limited government attention to the service. As a result, high staff turnover is a common challenge at PESs, which often keeps positions vacant for a long time or bring new university graduates that lack any experience in employment service provision. Available facilities such as computers and other necessary materials are also very inadequate to provide the employment services and manage LMI at their respective levels. Use of modern communications technology to facilitate service delivery in a cost-effective manner is also minimal at all levels. In sum, PESs lack institutional and human capacity to offer targeted packages of employment services that meet job seekers and employers' needs.
- iii. One barrier to matching the supply and demand of labor is the lack of Labor Market Information (LMI) and job search skills. Employment services play this intermediation function as they are the main agent for the delivery of labor market services and policies. These services in Ethiopia include the registration of jobseekers, very limited provision of counseling services, less proactive job matching and placement assistance. PESs agencies under the Ministry of Labour and Social Affairs (MoLSA) have not sufficiently providing employment services. The absence of adequate service in this regard increases the frictional unemployment and prolongs the unemployment period. It would also reduce labour market efficiency in allocating labour to its most productive uses. The major challenges in Ethiopia to deliver on effectively targeted employment services include lack of attention from higher officials, their lack or low levels of technical and financial capacity, and insufficient infrastructure and utilities needed to operate the employment offices.
- iv. PESs in Ethiopia are inefficient and less effective. As a result, the unemployed see little advantage to register with the PES and employers do not use these services. In addition, employment offices are not equipped to provide jobseekers with reliable and up-to-date information on job opportunities.



- v. International evidence has suggested that employment services are most beneficial when integrated with career counseling and other support. However the provision of counseling service is limited in scope and lacks rigor.
- vi. Although the country has severe unemployment and underemployment problems particularly in the urban areas, the positive role that PES could play in the labour market is hardly understood or promoted by decision makers. With a few exceptions most of the PES only offer registration services and perform poorly in their traditional placement function. Thus, PES are seen as being dispensable.
- vii. Mandate overlap particularly between labor and social affairs offices and MSEDAs has created tremendous challenges in data collection, employment creation and reporting. At present, PESs under labor and social affairs offices focus on registration of job seekers and collecting and reporting employment service related data from MSEDAs, while the actual employment creation seems to be left for the MSEDAs. Indeed, PES under labor and social affairs offices is given very little attention by officials. The overlapping mandate has also been a cause of friction between the two offices. Existing system of collaboration between labor and social affairs offices and MSEDAs is also very weak.
- viii. The role of PESs for enhanced employment exchange services and improved flow of information in Ethiopia is not arguable. However, because employers don't often notify their vacancies and large hiring are believed to be through informal networks, their impact is unlikely to be large. The impact is generally limited, with only a minority of employers listing their job openings and the absolute numbers of job-seekers assisted being very small relative to the stocks of and flows into unemployment. Efforts exerted by PES to establish good linkages with employers to make up for the voluntary nature of vacancy registration have also remained very limited.
- ix. PESs do seem to lack strategic vision in terms of their target customers and quality of services that they should provide. At present, the PES is being run without shared vision among service providers and other stakeholders. The recently approved employment policy and strategy may address some of the key gaps observed in the existing PES system.
- x. As a result in part of low capacity of PES, only a fraction of all job-seekers find a job through proactive intervention of labor and social affairs offices. Job placement rates particularly in permanent positions are not high enough to absorb the growing number of unemployed individuals.
- xi. Some groups of jobseekers such as women and people with disabilities are especially vulnerable in the labor market and need specialized services. However, assessment findings indicated that targeted interventions in the PES organized under labor and social affairs offices is very minimal if not non-existent. At present, one-size-fits-all kinds of services are being provided for every job seeker through public employment service. The provision of tailored and need based employment services is very minimal except on job seekers targeted by special projects. Some vulnerable groups such as youth and women are, however, being given special attention by MSEDAs.
- xii. In the present system, job seekers have neither the incentive nor the awareness to register as job seekers at public employment service centers. Hence, the proportion of job seekers registered at PESs is significantly smaller than the actual number of unemployed people in the country. Hence, registered job seeker data reported by labor and social affairs offices cannot reflect the actual number of unemployed people in the country. Public employment service centers are not gathering data on a substantial number of job openings and job seekers, as

well as information on training availability. They don't have comprehensive current data on the functioning of the labor market of value to employers, training institutions, and government agencies alike. Public employment service centers don't also conduct labor market research and surveys or use such data provided by CSA that can provide complementary labor market information system of wider use in analyzing and planning of labor market trends. Currently, employment service centers rely just on the basic data garnered from employer and job-seeking clients.

- xiii. Despite their recent formal involvement in the sector, private employment agencies were found much more effective and efficient in the provision of employment services. The high level of efficiency and effectiveness observed among private employment agencies compared to PESs suggests that they have a huge potential in reduction of unemployment and provision of job opportunity than public employment service providing centers.
- xiv. Public employment services have a very weak impact in collecting and compiling LMI and facilitating the dissemination of data on labour market. PESs give much attention to production of their own data and exert little effort to collect data from different LMI producers with the aim to provide comprehensive LMI at their level for use by decision makers.
- xv. Coordination and collaboration among LMI producers as well as users is very weak and informal. There is a general lack of platform that could bring the different producers together so as to facilitate information sharing and utilization. Consequently, LMI data in the country is being managed by producing agencies. LMI data is not also easily accessible to users.
- xvi. Utilization of LMI data has remained to be very limited to producing agencies. Lack of integrated LMIS has also created a big challenge for users to get easy access to one-stop LMI shopping place. The fragmented management of LMI has also seriously reduced its utilization.
- xvii. Use of LMI generated through the existing administrative system is largely limited to LMI producers themselves. Key policy level decisions seem to rely largely on data gathered through census and surveys. But administrative records are being produced by different institutions like employment services, education offices, workers' and employers' organisations, civil service and others. Though the data from these institutions are often not comparable and seldom collected in a systematic manner, these records can nevertheless give at least an indication of certain developments and should be adequately put into use by policy makers.

9.2. Recommendations

- i. **Address overlapping systems and practices:** PES's effectiveness can be enhanced by reducing system fragmentation. There are currently parallel and, in some cases, redundant systems providing similar services; notably in the area of vacancy registration and placement. Institutional coordination should be promoted across relevant agencies and institutions as well as between central and local agencies (as the needs of the unemployed vary across localities). Defining mechanisms for institutional coordination across all public agencies engaged in public employment service provision and active labour market programs would ensure more integrated provision of services and help avoid duplication. Addressing the overlapping mandates of MSEDAs and PESs is particularly vital to reduce resource wastage and facilitate employment.



- ii. Strengthen/Develop Partnerships:** Closer partnership with private service providers, training and education institutions, employers and communities is necessary in order to ensure that existing employment promotions programs respond to market conditions. Various methods can be used to achieve this including extensive outreach by PES staff, job fairs, an aggressive marketing campaign, and regular labor demand surveys. Partnerships with the private sector in particular is vital to deliver training and employment services to the stock of unemployed, receive vacancy notifications, promote beneficiary participation in internships and on-the-job training, and develop demand driven services tailored to the needs of the private sector. Experience from developed countries such as European Union member countries suggests that provision of incentives for employers marketing, and provision of services to employers increase vacancy notifications. PES can also increase their vacancy registration by actively registering vacancies advertised elsewhere.
- iii. Clear vision and due attention to PESOs.** Government needs to provide clear vision and direction for public employment service provision. As PESOs have important roles to play, allocating the necessary budget, equipping them with necessary facilities, and providing remuneration packages that are at least comparable to other civil service staff is essential to reduce staff turnover and improve service delivery. Besides, clarity is needed on menu or focus areas of employment services that can be provided by PES considering their capacity and available resources. The focus can be on cost-effective employment services that proved effective in other countries. Core employment services such as job search assistance and counseling (job search skills training programs, career/job counseling, job clubs, job vacancy fairs, employer contact (intermediation) services), according to the World Bank, are the most cost-effective labor market measures for the general population of the unemployed.
- iv. Strengthen PES capacity to generate and use LMI:** The capacity of PESs to collate, store, analyze, interpret, disseminate and use LMI information has also remained very limited. Their use of manual systems has hampered their ability to effectively analyze and use LMI information generated by themselves. LMI use for employment service provision is also limited at PES centers. Information use often focuses on those generated by PESs. Hence, apart from their in-house information, the use of LMI produced by other institutions including population-based survey data produced by CSA should be encouraged.
- v. Strengthen PESs institutional capacity, staff and resources:** Public Employment Services can be very effective in both preventing and decreasing long-term unemployment. Enhancing their role and expanding the scope of their services will serve both people who have shortly fallen into unemployment and those who experience multiple problems (long-term unemployed, low-skilled, etc.). However, their success may depend on the experience, efficiency and administrative capacity of PES. It is understandable that government may not have adequate budget to be responsive to any proposals involving increased human and financial resources. But the efficiency and quality of service could be improved markedly by strengthening institutional capacity and placing more trained PES staff at PES centers. In addition, short term training to PES center staff on most employment service topics ranging from job seeker and vacancy registration to jobseeker profiling and counseling to provision of placement services is vital. PES staff also need training on ICT to effectively manage their data even by using available applications such as Microsoft Excel. Training is also highly required in the areas of data collection, storage, analysis, interpretation and dissemination.

- vi. Promote public employment services:** Public employment services should be promoted to the general public and employers as well as job seekers to create awareness and ensure service use by job seekers and employers. The awareness creation should also involve government officials at different levels to sensitize them about the importance of labor intermediation functions and obtain their support.
- vii. Encourage increased participation of private employment agencies:** Public employment services providing units have remained very weak in their delivery of services. The gap left could be filled by private employment services. Hence, promoting the active participation of the private sector to employment service provision is vital.
- viii. Expand and improve employment services:** PES should expand the portfolio of services to improve their effectiveness and benefit more job-seekers and employers. They may include organization of job fairs and provision of Internet-based services that enhances in their portfolio. PES should also improve their services for jobseekers through profiling and applicant segmentation mechanisms, as well as new models for reaching those jobseekers who are furthest from the labour market, making use of ICT and effective partnerships. Expansion of services for employers through allocation of dedicated staff and provision of upgraded recruitment support as well as developing partnerships with other labour market mediators is also strongly recommended.
- ix. Improve cost-effectiveness of PES through use of information technology:** Public Employment Services need comprehensive data on job seekers and vacancies in order to improve and accelerate their matching processes. Introducing a system where PES can regularly update their job seeker registers is vital to exclude passive jobseekers (those actively not looking for a job) or those that have secured employment from the roster so as to improve staff caseload and ensure that PES staff have confidence in the data and effectively put it into use. Besides, one of the ways to combat human resource and budget constraints at PES is to move away from costly face-to-face interactions and towards the extension of self-service facilities for jobseekers and employers. PES can be supported to build up CV-data banks of jobseekers which can be assessed by employers electronically. Just as in the case of employers entering their vacancies, jobseekers can enter their CVs with the help of a placement officer or by themselves. They can enter this information from their own work station at home over the Internet or from stand-alone facilities that may be made available in local labor offices or other public premises (World Bank, 2009). This calls for building necessary information and communication technology infrastructure as well as capacity to effectively put it into use at public employment service providers.
- x. Standardize data gathering and reporting formats:** Revisit existing data collection and reporting formats and ensure common understanding and uniform implementation across regional states. Standardized reporting of information in regards to job seekers and jobs created is strongly recommended. It is also particularly important to address variations in regards to the treatment of job seekers registered through door-to-door visits and reporting of registered job seekers as well as employment opportunities created. There is also a need to revisit existing data collection and reporting formats to allow separate reporting of paid employment opportunities created by labor and social affairs offices as well as self-employment opportunities created through the support of MSEDAs to assess effectiveness and support analysis of data.



- xi. Benchmark best practices:** Review of studies and other literature suggests that some countries have developed best and cost-effective practices for employment service provision. Hence, PES in Ethiopia can benefit a lot from benchmarking visits to other developing countries in Africa or elsewhere with strong employment service provision systems and practices.
- xii. Improve coordination among LMIS producers and users:** Information exchange between LMI producers and users has remained less formal and less-institutionalized. This has hampered information sharing and utilization. Hence, mechanisms or arrangements that promotes formal collaboration between and among LMI producers and users is necessary to facilitate regular information exchange and utilization. The establishment of an independent agency that manages employment services and LMI was also suggested by stakeholders.
- xiii. Develop integrated LMIS:** LMI is currently being produced by different public and private agencies and is being managed in a fragmented manner. This is the case though the need for a one-stop LMIS center is apparent at all levels. The establishment of an integrated LMIS at all levels was also strongly recommended by all stakeholders consulted for the assessment. But the choice to host LMIS at different administrative levels may need clarity. As there are many LMIS producers, it is not clear which agency should coordinate and host an integrated LMIS. Labour and social affairs offices at all levels may be ideal candidates for hosting the integrated LMIS as they are legally mandated for collecting and analyzing labour market indicators and guide employment interventions. This also calls for developing information technology infrastructure, and institutional and human capacity at labor and social affairs offices at all levels.

Annex 1. Terms of Reference



International Labour Organization Country Office for Ethiopia and Somalia

INVITATION FOR CONSULTANCY SERVICE

The International Labour Organization, Country Office for Ethiopia and Somalia, is looking for a qualified Consultant as per the following details.

TERMS OF REFERENCE

TO CONDUCT ASSESSMENT ON NATIONAL EMPLOYMENT SERVICES PROVISION AND LABOUR MARKET INFORMATION COLLECTION AND UTILIZATION

Background and Justification

Ethiopia is the second populous country in Africa, with estimated population of 86.8million (of which 17% live in urban areas).According to the 2007 Census result, Ethiopia's population is predominantly young with about 45% of the population being below 15 years of age, the proportion of working age population (15-64) was estimated at about 52%, of elderly 3% and persons with disabilities (PWDs) were about 1.4% of the total population.

During the Country's five year (2010/11-2014/15) development plan period, employment opportunities were created for about 1.5 million persons and for 5,282,128 citizens provided employment services in the country and about 447,621 (23,925 Male 423,701 Female) overseas employment service, to provide efficient effective employment services in the country in coordination and collaboration manner we have to assess the existing situation all over the country.

Even though major effort were made to create job opportunity and promote employment in the country still there are limitations like coordination and collaboration among institutions and stakeholders, there is a gap between labour demand and supply in the labour market, employment services are weak and lack of technology base, labour market information system yet not well established.

The Ministry of Labor and Social Affairs (MoLSA) of the Federal democratic Republic of Ethiopia is responsible to collect, process, analyze and disseminate the labor market information (LMI) at national level. Accordingly, the Ministry has been producing an annual labor market information bulletin for a couple of decades. The information contained in the bulletin is an outcome of the

data collected and analyzed from various sources like Census, Labor force survey, job matching information obtained from the regional employment exchange offices, the education statistics of the Ministry of Education, data from MoFED, MoPSHR, CETU, EEF and Government and Private social security's scheme coverage.

One barrier to matching the supply and demand of labor is the lack of Labor Market Information (LMI) and job search skills. Employment services play this intermediation function as they are the main agent for the delivery of labor market services and policies. These services usually include the registration of jobseekers, provision of counseling and guidance, placement assistance, job matching, labor exchanges, management of unemployment benefits, referral to active labor market programs and other related services.

Whereas, the ILO through its technical cooperation project: entitled "*Joint UN Resource Mobilization for Counter Trafficking and Migration Policy and Practice in Ethiopia*" aims to contribute to Government's effort for the reduction of exploitation of migrants including victims of trafficking through support to a humane reintegration process emphasizing on economic and social empowerment. Furthermore, it is the objective of the project to support the GoE in its efforts in improving labour migration management. As part of this project, the ILO is planning to conduct an assessment of national employment services provision and labour market information collection and utilization.

In this regard, the ILO in collaboration with the MoLSA would like to enhance and strengthen the employment services and labour market information system in Ethiopia.

Objective

The objective of this ToR is to hire a highly competitive and experienced consultant for the purpose of assessing the national employment services provision and labour market information collection and utilization. The assessment is expected to enhance and strength employment services provision and the labour market information system in Ethiopia as well as contribute to the improvement of employment services provision and legal labor migration governance in Ethiopia. The Ethiopian Government, ILO and other development actors will use this assessment to possibly provide targeted capacity building support for MoLSA in this area in the future.

The specific objectives of the assessment are:

1. To produce qualitative and quantitative data related to employment services provision and labour market information system in Ethiopia;
2. To provide a comprehensive analysis of existing employment services provision systems, process and labour market information system; assess the extent of its efficiency and effectiveness.

Functions and Responsibilities

The following activities will be carried out in order to achieve the objectives of the assessment:

1. Identify existing labour market information system;
2. Assess the effectiveness of the current system;

3. Identify gaps in the capacity of MoLSA on effective response to labour market supply demand dynamics;
4. Assess and identify existing employment service provision systems and processes;
5. Identify key LMI demand and supply sectors, institutions in Ethiopia; and
6. Assess the gap that exists in technical and technology of MoLSA and regional offices with respect to these issues.

Deliverables

- ▶ An Inception Report that will include the proposed methodology and a detailed work plan.
- ▶ Compile and review relevant information related to the subject matter.
- ▶ A copy of the full database (in Stata or SPSS) containing the data collected (without the full identity of the respondents if necessary).
- ▶ A first draft of the report.
- ▶ A final report incorporating any comments suggested by the, ILO, MOLSA
- ▶ Presentation of the report in the national validation workshop.

Reporting

The following reports are required:

- ▶ Short Inception Report by end of the first week of the assignment, describing the methodology for the assignment, including preliminary work plan.
- ▶ A full narrative report of the assessment by the end of the consultancy.

All reports will be in English.

Supervision

The Consultant will work under the direct supervision of MoLSA and the ILO.

Methodology

The methodology should combine primary and secondary data.

Time Frame

The consultant will complete the work and present the results by 31 January, 2016. A detailed proposal on how the researcher will conduct the assessment will have to be submitted to the ILO for approval together with a detailed work plan within one week of signing the agreement. A draft report will be presented after 3 weeks and the final on 31 January 2016.

Confidentiality

All data and information received from ILO for the purpose of this assignment are to be treated confidentially and are only to be used in connection with the execution of these Terms of Reference

(TOR). All intellectual property rights arising from the execution of these TOR are assigned to the ILO. The contents of written materials obtained and used in this assignment may not be disclosed to any third party without the expressed advance written authorization of the ILO.

Required Competencies

- ▶ At least Master's Degree in Economics, Government, Political Science, Social Science, International Relations or any other areas relevant to the consultancy.
- ▶ Five or more years of professional experience in planning, design, development, implementation and maintenance labour market information systems or related field.
- ▶ At least 3 experts should be assigned to this assessment.
- ▶ The consultant must have valid business License, VAT Registration, Tax Clearance Certification and TIN Certification.

Application Guidelines

Interested applicants should submit their letter of application, CV, copy of credentials, other supporting documents that show previous work experience, technical and financial proposal to the following address:

The Administrative Assistant,
Country Office for Ethiopia & Somalia
International Labour Office
PO Box 2788
ECA - Addis Ababa

Deadline for submitting applications: 25 December 2015
Only those candidates that are short-listed for interviews will be notified.

Annex 2. List of Key Informants and Organizations Consulted

S.N	Name	Sex	Institution
1.	Belaynew Tsega	M	Amhara National Regional State Bureau of Labour and Social Affair
2.	Zewdu Desalegn	M	Bahir Dar City Administration Office Labour and Social Affair
3.	Bekele Belete	M	Bahir Dar City Administration Office Labour and Social Affair
4.	Atikilt Mare	F	Bahir Dar City Administration Technical Vocational and Enterprises Development Office
5.	Yabibal Mezgebu	M	Hidar 11 Sub City Technical Vocational and Enterprises Development Office
6.	Nibret Siraw	M	Hidar 11 Sub City Technical Vocational and Enterprises Development Office
7.	Hassen Ali	M	Amhara National Regional State Technical Vocational and Enterprises Development Office
8.	Zebene Ashene	M	Addis Ababa Micro and Small Enterprise Development
9.	Alamerawe Belay	M	Addis Ababa Bureau of Labor and social Affairs
10.	Birhanu Ababte	M	Addis Ababa Education Bureau
11.	Mulu Adegehe	M	Federal Micro and small Enterprise Development
12.	Lema Dinsae	M	Federal TVET
13.	Binyam Legese	M	Yeka sub city Micro and small Enterprise Development office
14.	Nebiyu Samuel W/ro Meskerem Weldehana	M	Bole sub city Micro and small Enterprise Development office
15.	Bethlehem Worku	F	Yeka sub city Labor and Social Affairs Office
16.	Tesfanesh Chefesa	F	Yeka sub city Woreda 5 Labor and Social Affairs office
17.	Tolera	M	Confederation of Ethiopian Trade Unions(CETU)
18.	Abebe W/Abezgi	M	Regional Labor and Social Affairs Bureau
19.	Kahsay Tesfaye	M	Regional Micro and Small Enterprise Development Agency
20.	Kiros G/Hiwot	F	Regional Technical and Vocational Education Training
21.	Teklay G/Michael	M	Regional Education Bureau
22.	Agegnehush Asefa	F	Mekele City Labor and Social Affairs Office
23.	Tsegaye Kidane	M	Mekele City Micro and Small Enterprise Development Office
24.	Tewodros Miruts	M	Kedamay Weyane Sub City Labor and Social Affairs Office
25.	Tewelde Haftu	M	Kedamay Weyane Sub City Micro and Small Enterprise Development Office
26.	Beletu Beyenehe	F	SNNPR Labour and social affair agency
27.	Samuel Keshala	M	Hawassa city Labour and social affair office
28.	Deyaso danego	M	
29.	Mustefa Hassan	M	SNNPR Government trade industry & urban development bureau Enterprise development agency
30.	Ayele burka	M	Hawassa city Government trade industry & urban food security and employment opportunity office

S.N	Name	Sex	Institution
31.	Mekonin Iema	M	
32.	Tamirat W/Senbet	M	SNNPR Hawassa city - Addis Ketema Sub-City One Stop Center
33.	Mamushet Admasu	M	SNNPR TVET agency
34.	Fitsum Sisay	F	SNNPR TVET agency
35.	Mengistu Leta	M	Oromia Education Bureau
36.	Yosef Ayele	M	Oromia Education Bureau
37.	Shambel Ketema	M	OROMIA TVET commission
38.	Biru Wedajo	M	OROMIA regional Micro & Small enterprise development office
39.	Bogale	M	
40.	Takele	M	
41.	Dinke Kenea	F	Oromia Labour and social affairs bureau (regional)
42.	Getachew Gadisa	M	
43.	Wudinesh Tilahun	F	Sebeta city administration Labour and social affairs office
44.	Berehane	F	
45.	Tesfaye Merga	M	Sebeta city administration Micro and small enterprises development office
46.	Abera Habte	M	
47.	Melese Angaw	M	Kirkos sub city labour and social affairs office
48.	MBerehanu Tadese	M	
49.	Netsanet Tebeje	F	Kirkos sub city Wereda 08 one stop center
50.	Jemal chura	M	Bole sub-city labour and social affairs office
51.	Kiya alemu	F	
52.	Netsanet assefa	M	
53.	Fantu debele	M	Bole sub city Wereda 10 one stop center
54.	Azene	M	
55.	Tadesse Ayenew	M	Addis Ababa city administration TVET bureau
56.	Teshome Adino	M	Central statistical Agency
57.	Sharew Ararsa	M	
58.	Abay Getachew	M	
59.	Silesh Lemessa	M	Ministry of Civil Service
60.	Awoke Zeleke	M	
61.	Seud Mohammed	M	Ethiopian Employers Federation
62.	Tefera Muleta	M	Private Organizations Social Security Agency
63.	Nigussie Desalegn	M	Ministry of Education
64.	Aster Tadege	F	National Planning Commission
65.	Birhanu Addis	M	Amhara National Regional State
66.	Hilina Legesse	F	Ethio-jobs
67.	Dr. Mulugeta Berhe	M	E-Zega
68.	Zerihun Yeshitila	M	MoLSA
69.	Dejene Bekele	M	MoLSA

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Annex 4. Assessment Checklist to MOLSA/BOLSA Officials

Name of Organization	
Your Name	
Your Position in the Organization	
Your Department	
Telephone	

Employment Service Provision Related Questions

1. How do you evaluate the national employment service provision systems and processes in the country?
2. How do you evaluate the institutional framework and capacity of employment service producing offices, including the network of offices, legal framework in which they operate, and especially the number and professional level of the staff at the local employment offices? What are the gaps in this regard? What suggestions do you have for improvement?
3. How is employment service provision structured? Which department in the agency/bureau handles employment services?
4. How many public and private organizations are involved in the provision of employment services? What kinds of services are they providing?
5. How many employment providing centers do you have in the country/region?
6. How do you evaluate their capacity and quality of services provided by public and private employment service providers?
7. Does employment service provision have separate budget? If so, what proportion of the agency's budget was allocated in EFY 2007? What amount of budget was allocated for employment service provision in EFY 2007 and 2008?
8. How would you describe the whole process (from start to end) in employment service provision?
9. What was the total number of Registered Job Seekers and Staff Caseload of the employment service provision division in EFY 2007 and 2008?

Year (EFY)	EFY 2006	EFY 2007	Remark
i. Total number of unemployed in the region/city			
ii. Number of registered job seekers			
iii. Number of employment service providing staff			
iv. Staff caseload ⁴⁷			
v. Number of employment service providing staff in contact with job seekers and employers			
vi. Number of frontline counselors (from total employment service providing staff)			

⁴⁷ The average number of registered job seekers per employment service providing staff.

10. What is the highest level of education completed by employment service providing staff?

Staff qualification	Sex			Remark
	Male	Female	Total	
Second and above degrees				
First Degrees				
Diploma				
Below Diploma				

11. Please provide information about job seekers on the following areas?

Job seekers	EFY 2006			EFY 2007		
	Male	Female	Total	Male	Female	Total
Total number of job seekers						
Age						
• Youth (below 25 years)						
• 25 years and above						
PwDs						
Highest level of education completed						
• Illiterate						
• Primary education and lower (Below 9th Grade)						
• Secondary education						
• Technical and vocational education						
• Tertiary education						

12. What kind of information do you collect about/from job seekers?

Type of information collected about each job seeker	Yes	No	Remark
i. Age			
ii. Sex			
iii. Education level			
iv. Trainings attended			
v. Work experience			
vi. Type of job sought			
vii. Other (specify)			
viii.			
ix.			

13. What kinds of information do you often lack to provide employment services? Why is this information unavailable?

14. How would you describe the characteristics of the job seekers registered at your office/agency? Why are these groups of job seekers applying for jobs while other haven't?

15. Which of the following employment services are provided to the employers and job seekers in the country/region?

Service Categories	Specific Employment Services	Yes	No
Job Placement	Direct referral of job seekers to vacancies		
	Job-search skills training programs		
	Job application and interview preparation		
	Walk-in centers		
	Database search for job offers		
	Posting job profile		
	Posting of CVs		
	Alerts for matching		
	Job clubs/job and vacancy fairs		
	Informational interviews/intermediation services		
	Small business advisory meetings		

Service Categories	Specific Employment Services	Yes	No
Counseling	Sessions on labor market information		
	Job motivation seminars		
	Career/job counseling (individual or group-based)		
	Vocational counseling/legal counseling		
	Social counseling (how to handle the family budget, etc.)		
	Medical counseling		
Specialized Services	Vocational rehabilitation (services for the disabled)		
	Individual action plans for hard-to-place individuals		
	In-depth assessments of abilities (aptitude testing) and occupational skills		
	Referrals to active labor market programs after a period of unsuccessful job search		
ICT Services	Viewing jobs and training places on the internet		
	National call centre service.		
	Job and training place notification (by e-mail/phone)		
	CV net (posting of CVs on a freely accessible on-line service)		
Services to Employers	Posting and managing vacancies,		
	Searching and consulting profiles		
	Subscribing for profiles and CVs		
	Receiving selected applicants/ sending job offers		
	On-line search for candidates, CV net		
	Electronic matching platform		
	(Pre) Screening		
Other services			

16. How adequate are those employment services that you are currently providing? What kinds of employment services are not being provided in your region/office? Why aren't those services provided? What suggestions do you have for improvement?
17. Where and how do you get information about vacancies? What institutional arrangements are there to collect vacancies? What are the challenges in this regard.

18. What proportion of vacancies do you think are registered in the country/region? What other means do employers use to recruit job seekers? What suggestions do you have to ensure that vacancies are registered through employment service providers?
19. Who are the employers (in terms of government or non-government, sector, and so on) that often send you vacancies?
20. On what field of studies or areas do employers often send vacancies to your agency?
21. What kind of relationship and institutional set-up exists between your office/agency and employers?
22. Which of the following information do you collect about each job vacancy?

Type of information collected about each job vacancy	Yes	No	Remark
i. Location			
ii. Title			
iii. Description			
iv. Skill			
v. Experience requirements			
vi. Remuneration levels			
vii. Working conditions associated			
viii. Other (specify)			

23. How do you match job seekers with job vacancies? What are the processes in matching? What are the challenges in this regard?
24. How do you evaluate the availability of jobs considering the number of job seekers you registered?
25. How do you collect information about vacancies from employers? What are the challenges in this regard?
26. Overall, how do you evaluate the current employment service provision in the country/region? What are the capacity, policy, structural and resource gaps and what plausible measures would you suggest for increased placement and better matching?
27. How do you monitor and evaluate the effectiveness of your employment service provision? What kind of system is in place? How do you get information about the impact of your service and its effectiveness? What are its limitations, if any?
28. What is the effectiveness of the employment service provision in the past three years?

Indicators	Fiscal Year			Remark
	2005	2006	2007	
Number of registered unemployed/job seekers				
Number of registered job vacancies				
Ratio of job seekers per one registered vacancy				
Average placements per year				
Job placements per 100 job seekers per year				

29. What kinds of linkages do you have with private employment service providers?
30. What are the strengths of existing employment service provision systems, structures and capacities?
31. What are the overall weaknesses and challenges of employment service provision in the country/region/city?
32. What recommendations would you have to improve employment service provision in the country?
33. What additional information would you like to add about employment service provision in the country?

Labor Market Information System

1. How do you describe the institutional arrangements and mechanisms in place to collect, analyse and disseminate labor market information in Ethiopia? How effective was the institutional set-up?
2. How do you evaluate the networking of institutions involved in the collection of Labour Market Information? What suggestions do you have for improvement?
3. What kinds of linkages do you have with LMI providers and users? How effective are these linkages and why? What possible suggestions do you have to make effective linkages with LMI providers and users?
4. What kinds of hardware, software, and communication equipment does your office have to compile and maintain a database of labour market indicators and methodological information?
5. What kind of database or system do you currently use to collect, store and analyze data?
6. What is the areas of specialization and highest level of education completed by LMIS staff?

Name of Staff	Sex	Areas of Specialization	Highest level of education completed (second degree, first degree, diploma and so on)	Remark
i.				
ii.				
iii.				
iv.				
v.				
vi.				
vii.				

7. On what labor market indicators do you collect information? How often do you collect them? What are your sources of labor market information (CSA, newspapers (vacancies), private job websites, FEA (e.g. on industrial work accidents and strikes) etc)? How regularly do you get information from these sources? How do you evaluate the quality of data obtained from these sources? What are the limitations?
8. What LMI indicators or data are still missing from LMI data collection systems in the country? What suggestions do you have in this regard?
9. What kind of coordinating institutional setup should exist in the country to create integrated LMIS among LMI actors? What are the challenges? What suggestions do you have to improve collaboration and coordination among LMI producers?
10. What are your key expectations from an integrated Labour Management Information System?
11. What kind of labor market data/information do you collect and store? On what areas are your data disaggregated (educational qualification, age, sex, region, etc)?
12. How do you evaluate your agency's capacity to collect, store, analyze and disseminate labor market information? What are the gaps in this regard and what improvements would you suggest?
13. How do you evaluate the labor market information utilization in the country? What are challenges in this regard? What improvements would you like to suggest to improve LMI utilization?
14. How do you evaluate the overall effectiveness and efficiency of the existing labor market information system in Ethiopia? What improvements would you suggest to improve efficiency and effectiveness of the LMIS?
15. How do you disseminate your labor market information production to users or decision makers? What are the tools you use for dissemination? What are the gaps in this regard?
16. What kinds of institutional arrangements are there to disseminate labor market information? What are the gaps in this regard? What solutions would you suggest?
17. To what extent are your labor market information products on labor market utilized by decision makers? What kinds of policies or decisions have been informed by the LMIS? What are the gaps in this regard? What solutions would you suggest?

18. What would you identify as the limitations of your labor market information system in terms of content, coverage and so on? What future plans are there to address the limitations?
19. What suggestions do you have for establishment of an integrated LMI system in Ethiopia? What roles would your agency have in the development and management of LMIS?
20. Which of the following characterizes your LMIS?

	Yes	No	Remark
a) Lack of communication and coordination between stakeholders with regards to sharing of information and data between LMI actors.			
b) In-house management information systems are not in the public domain and it is easy for an external organisation (public or private) to access that data.			
c) Lack of trust between institutions when it comes to sharing data.			
d) Lack of system or platform to share and assess the data and information needs of stakeholders			
e) Lack of clarity amongst stakeholder on financial, material and human resources required to build the system.			
f) There is clear leadership in terms of a national body or stated policy on LMI to coordinate the labour market information related activities of different stakeholders.			
g) Lack of clear leadership is hindering the formation of a consensus around different indicators, data sets and mechanisms for collection, analysis and reporting of the labour market information system.			
h) Lack of clearly defined roles and responsibilities related to institutions that should be responsible for data collection and collation.			
i) Lack of clearly defined roles and responsibilities related to institutions that should analyse and report data.			
j) Lack of clearly defined roles and responsibilities related to institutions that should be responsible for overall management of the system.			
k) Lack of clearly defined roles and responsibilities related to institutional mechanisms for information dissemination and sharing.			
l) Lack of integration, horizontally and vertically, among the concerned government ministries/agencies and other actors			
m) Limited accessibility			
n) Lack of comprehensiveness			
o) Lack of timeliness			
p) irregularity			
q) Lack of accuracy			
r) Less presentability of the information stored			

Annex 5. Interview Questions to Central Statistical Agency

1. What kinds of surveys do you collect about the labor market in Ethiopia? How often do you conduct such surveys? At what level of disaggregation are these survey reports generated?
2. To what extent are stakeholders such as MOLSA and others involved in the design and implementation of labor market surveys? What needs to be improved in this regard?
3. How do you evaluate your agency's capacity to collect, store, analyze and disseminate labor market information? What are the gaps in this regard and what improvements would you suggest?
4. How do you disseminate your labor market survey production to users or decision makers? What are the tools you use for dissemination? What are the gaps in this regard?
5. What kinds of institutional arrangements are there to disseminate labor market information? What are the gaps in this regard? What solutions would you suggest?
6. To what extent are your survey products on labor market utilized by decision makers? What are the gaps in this regard? What solutions would you suggest?
7. How do you evaluate your linkage with MOLSA and other LMI users? What needs to be improved in this regard?
8. What would you identify as the limitations of the current labor market surveys and statistical reports in terms of content, coverage and so on? What future plans are there to address the limitations?
9. Are there any developments in regards to labor market survey at your agency? If so, what are those developments? How would those development contribute to the development of integrated labor market information system in the country?
10. What suggestions do you have for establishment of an integrated LMI system in Ethiopia? What roles would your agency have in the development and management of LMIS?
11. What kinds of institutional arrangement would you suggest for establishment and management of integrated LMIS in Ethiopia?

Annex 6. Survey Questions to Selected Employment Service Providers (Cities and Sub-city Labor and Social Affairs Offices)

Name of Organization	
Your Name	
Your Position in the Organization	
Your Department	
Telephone	

PART I: LABOR MARKET INFORMATION

1. What kinds of labour market information do you collect?
2. How do you collect the labor market information (for example, by sending reporting/data collection formats, reviewing reports produced by sources, and so on)?
3. What are your primary sources for labor market information?
4. What kinds of institutional setups or arrangements exist between your organization and sources of the labor market information? How effective is the institutional setup and what are the challenges in this regard? What suggestions do you have to address the challenges?
5. How often do you collect labor market information from each major source of information?
6. What kind of systems (manual, computerized, etc) do you use to manage and process your labor market information?
7. What kinds of labor market information or reports do you produce based on collected labor market data?
8. How often and in what kind of format do you produce labor market information?
9. Who are the users of your labor market information (please state the names or categories of stakeholders)?
10. What kinds of institutional setups or arrangements exist between your organization and users of the labor market information? How effective is the institutional setup and what are the challenges in this regard? What suggestions do you have to address the challenges?
11. How do you disseminate labor market information to users of the information (website, sending reports, sending reports upon request, emails, etc)? How effective are these dissemination channels?
12. To what extent and for what purposes does your organization use its labor market information? What are the challenges in this regard?
13. How do you evaluate your organization's capacity to collect and analyze labor market information? What are its gaps? What possible suggestions do you have to enhance its capacity?
14. How do you evaluate your organization's capacity to utilize and disseminate labor market information? What are its gaps? What possible suggestions do you have to enhance its capacity?

PART II: EMPLOYMENT SERVICE PROVISION

1. How is employment service provision structured? Which department in the agency/bureau handles employment services?
2. How do you evaluate the institutional framework and capacity of employment service producing offices, including the network of offices, legal framework in which they operate, and especially the number and professional level of the staff at the local employment offices? What are the gaps in this regard? What suggestions do you have for improvement?
3. Does employment service providing department have separate budget? If so, what proportion of the agency's budget was allocated in EFY 2007? What amount of budget was allocated for employment service provision in EFY 2007 and 2008?
4. How would you describe the whole process (from start to end) in employment service provision?
5. What was the total number of Registered Job Seekers and Staff Caseload of the employment service provision division in EFY 2007 and 2008?

Year (EFY)	EFY 2006	EFY 2007	Remark
i. Total number of unemployed in the region/city			
vi. Number of registered job seekers			
vi. Number of employment service providing staff			
vi. Staff caseload ⁴⁸			
vi. Number of employment service providing staff in contact with job seekers and employers			
vi. Number of frontline counselors (from total employment service providing staff)			

6. What is the areas of specialization and highest level of education completed by employment service providing staff?

Name of Staff	Sex	Areas of Specialization	Highest level of education completed (second degree, first degree, diploma and so on)	Number of years of service as employment service provider
i.				
ii.				
iii.				
iv.				
v.				
vi.				
vii.				

⁴⁸ The average number of registered unemployed per employment service providing staff.

7. What kind of information do you collect about/from job seekers?

Type of information collected about each job seeker	Yes	No	Remark
i. Age			
ii. Sex			
iii. Education level			
iv. Trainings attended			
v. Work experience			
vi. Type of job sought			
vii. Other (specify)			
viii.			
ix.			

8. Please provide information about job seekers on the following areas?

Job seekers	EFY 2006			EFY 2007		
	Male	Female	Total	Male	Female	Total
Age						
• Youth (below 25 years)						
• 25 years and above						
Highest level of education completed						
• Illiterate						
• Primary education and lower						
• Secondary education						
• Technical and vocational education						
• Tertiary education						
Other						
• People with disabilities						

9. What kinds of information do you often lack to provide employment services? Why is this information unavailable?

10. On what basis do you plan for employment service delivery?

11. Do you consider changes in skill and occupational requirements, career prospects in various industries and occupations, and education and training programs and others in planning for employment services delivery? If yes, where do you get or how do you collect this information?

12. Which of the following employment services does your agency provide to the employers and job seekers?

Service Categories	Specific Employment Services	Yes	No
Job Placement	Direct referral of job seekers to vacancies		
	Job-search skills training programs		
	Job application and interview preparation		
	Walk-in centers (centers that serve job-seekers on a walk-in basis and with no appointment required.		
	Database search for job offers		
	Posting job profile		
	Posting of CVs		
	Alerts for matching		
	Job clubs/job and vacancy fairs		
	Informational interviews/intermediation services		
	Small business advisory meetings		
Counseling	Sessions on labor market information		
	Job motivation seminars		
	Career/job counseling (individual or group-based)		
	Vocational counseling/legal counseling		
	Social counseling (how to handle the family budget, etc.)		
	Medical counseling		
Specialized Services	Vocational rehabilitation (services for the disabled)		
	Individual action plans for hard-to-place individuals		
	In-depth assessments of abilities (aptitude testing) and occupational skills		
	Referrals to active labor market programs after a period of unsuccessful job search		
ICT Services	Viewing jobs and training places on the internet		
	National call centre service.		
	Job and training place notification (by e-mail/phone)		
	CV net (posting of CVs on a freely accessible on-line service)		

Service Categories	Specific Employment Services	Yes	No
Services to Employers	Posting and managing vacancies,		
	Searching and consulting profiles		
	Subscribing for profiles and CVs		
	Receiving selected applicants/ sending job offers		
	On-line search for candidates, CV net		
	Electronic matching platform		
	(Pre) Screening		
Other services			

13. How adequate are those employment services that you are currently providing? What kinds of employment services are not being provided in your region/office? Why aren't those services provided? What suggestions do you have for improvement?

14. Where and how do you get information about vacancies? What institutional arrangements are there to collect vacancies? What are the challenges in this regard?

15. Which of the following information do you collect about each job vacancy?

Type of information collected about each job vacancy	Yes	No	Remark
i. Location			
ii. Title			
iii. Description			
iv. Skill			
v. Experience requirements			
vi. Remuneration levels			
vii. Working conditions associated			
viii. Other (specify)			

16. How do you match job seekers with job vacancies? What are the processes in matching? What are the challenges in this regard?

17. How do you evaluate the availability of jobs considering the number of job seekers you registered?

18. What proportion of vacancies do you think are registered at your agency/office? What other means do employers use to recruit job seekers? What suggestions do you have to ensure that vacancies are registered through employment service providers?

19. Overall, how do you evaluate the current employment service provision in the country/region/city? What are the capacity, policy, structural and resource gaps and what plausible measures would you suggest for increased placement and better matching?
20. How do you monitor and evaluate the effectiveness of your employment service provision? What kind of system is in place? How do you get information about the impact of your service and its effectiveness? What are its limitations, if any?
21. What was the effectiveness of the employment service provision in the past three years?

Indicators	Fiscal Year			Remark
	2005	2006	2007	
Number of registered unemployed/job seekers				
Number of registered job vacancies				
Ratio of job seekers per one registered vacancy				
Average placements per year				
Job placements per 100 job seekers per year				

22. What kinds of linkages, if any, do you have with private employment service providers?
23. What are the strengths of existing employment service provision systems, structures and capacities?
24. What are the overall weaknesses and challenges of employment service provision in the country/region/city?
25. What recommendations would you have to improve employment service provision in the country?
26. What additional information would you like to add about employment service provision in the country?

Annex 7. Interview Questions to Micro and Small Enterprise Development Agencies (Regional and City/Woreda Levels)

Name of Organization	
Region	
City	
Your Name	
Your Position in the Organization	
Your Department	
Telephone	

PART I: LABOR MARKET INFORMATION

1. What kinds of labour market information (information about job seekers/unemployed, job opportunities and so on) do you collect?
2. How do you collect the labor market information (for example, by conducting door-to-door surveys, by sending reporting/data collection formats, reviewing reports produced by sources, and so on)?
3. What are your primary sources for information about job seekers, job opportunities and other labor market elements?
4. How often do you collect labor market information from each major source of information?
5. What kinds of institutional setups or arrangements exist between your organization and sources of the labor market information? How effective is the institutional setup and what are the challenges in this regard? What suggestions do you have to address the challenges?
6. What kind of systems (manual, computerized, etc) do you use to manage and process your labor market information?
7. What kinds of labor market information or reports do you produce based on collected labor market data?
8. How often and in what kind of format do you produce labor market information?
9. Who are the users of your labor market information (please state the names or categories of stakeholders)?
10. What kinds of institutional setups or arrangements exist between your organization and users of the labor market information? How effective is the institutional setup and what are the challenges in this regard? What suggestions do you have to address the challenges?
11. How do you disseminate labor market information to users of the information (website, sending reports, sending reports upon request, emails, etc)? How effective are these dissemination channels?
12. To what extent and for what purposes does your organization use its labor market information? What are the challenges in this regard?

PART II: EMPLOYMENT SERVICE PROVISION

1. What kinds of (self) employment services does your organization offer to its target groups?
2. Who are the primary target groups for employment service provision (youth, women, etc)?
3. How adequate are those employment services that you are currently providing? What kinds of employment services are not being provided in your region/office? Why aren't those services provided? What suggestions do you have for improvement?
4. How would you describe the whole process (from start to end) in employment service provision?
5. What was the total number of Registered Job Seekers/Unemployed and Staff Caseload of the employment service provision division in EFY 2007 and 2008?

Year (EFY)	EFY 2006	EFY 2007	Remark
i. Number of registered job seekers/unemployed			
ii. Number of employment service providing staff			
iii. Staff caseload ⁴⁹			
iv. Number of employment service providing staff in contact with job seekers			

6. What is the areas of specialization and highest level of education completed by employment service providing staff?

Name of Staff	Sex	Areas of Specialization	Highest level of education completed (second degree, first degree, diploma and so on)	Number of years of service as employment service provider
i.				
ii.				
iii.				
iv.				
v.				
vi.				
vii.				

⁴⁹ The average number of registered unemployed per employment service providing staff.

7. What kind of information do you collect about/from job seekers or the unemployed?

Type of information collected about each job seeker	Yes	No	Remark
i. Age			
ii. Sex			
iii. Education level			
iv. Trainings attended			
v. Work experience			
vi. Type of job sought			
vii. Other (specify)			
viii.			
ix.			

8. Please provide information about registered job seekers/unemployed on the following areas?

Job seekers	EFY 2006			EFY 2007		
	Male	Female	Total	Male	Female	Total
Age						
• Youth (below 25 years)						
• 25 years and above						
Highest level of education completed						
• Illiterate						
• Primary education and lower						
• Secondary education						
• Technical and vocational education						
• Tertiary education						
Other						
• People with disabilities						

9. How do you match job seekers with job opportunities? What are the processes?

10. What kinds of labor market information do you collect and use to provide employment services?

11. What kinds of information do you often lack to provide employment services? Why is this information unavailable?

12. How do you evaluate the availability of jobs or job opportunities considering the number of job seekers you registered?

13. How do you monitor and evaluate the effectiveness of your employment service provision? What kind of system is in place? How do you get information about the impact of your service and its effectiveness? What are its limitations, if any?

14. How effective was employment service provision in the past three years?

Indicators	Fiscal Year			Remark
	2005	2006	2007	
Number of registered unemployed/job seekers				
Number of registered job seekers engaged in employment				

15. What kinds of linkages, if any, do you have with private employment service regional/city Labor and Social Affairs Offices/Bureaus? On what areas do you collaborate? Do you share labor market information? What recommendations do you have to improve collaboration between your agency and Labor and Social Affairs Bureaus?

16. What are the strengths of existing employment service provision systems, structures and capacities?

17. What are the overall weaknesses and challenges of employment service provision in the country/region/city?

18. What recommendations would you have to improve employment service provision in the country?

19. What additional information would you like to add about employment service provision in the country?

Annex 8. Interview Questions to Private Employment Service Providers

Name of Organization	
Your Name	
Your Position in the Organization	
Your Department	
Telephone	

PART I: LABOR MARKET INFORMATION

1. What kinds of labour market information do you collect?
2. How do you collect the labor market information (for example, by sending reporting/data collection formats, reviewing reports produced by sources, and so on)?
3. What kind of systems (manual, computerized, etc) do you use to manage and process your labor market information?
4. What kinds of labor market information or reports do you produce based on collected labor market data?
5. Who are the users of your labor market information (please state the names or categories of stakeholders)?
6. What kinds of institutional setups or arrangements exist between your organization and users of the labor market information? How effective is the institutional setup and what are the challenges in this regard? What suggestions do you have to address the challenges?
7. How do you disseminate labor market information to users of the information (website, sending reports, sending reports upon request, emails, etc)? How effective are these dissemination channels?
8. How do you evaluate your organization's capacity to collect and analyze labor market information? What are its gaps? What possible suggestions do you have to enhance its capacity?
9. How do you evaluate your organization's capacity to utilize and disseminate labor market information? What are its gaps? What possible suggestions do you have to enhance its capacity?

PART II: EMPLOYMENT SERVICE PROVISION

1. What kinds of employment services does your organization offer to its target groups?

Service Categories	Specific Employment Services	Yes	No
Job Placement	Direct referral of job seekers to vacancies		
	Job-search skills training programs		
	Job application and interview preparation		
	Walk-in centers (centers that serve job-seekers on a walk-in basis and with no appointment required.)		
	Database search for job offers		
	Posting job profile		
	Posting of CVs		
	Alerts for matching		
	Job clubs/job and vacancy fairs		
	Informational interviews/intermediation services		
	Small business advisory meetings		
	Counseling	Sessions on labor market information	
Job motivation seminars			
Career/job counseling (individual or group-based)			
Vocational counseling/legal counseling			
Social counseling (how to handle the family budget, etc.)			
Medical counseling			
Specialized Services		Vocational rehabilitation (services for the disabled)	
	Individual action plans for hard-to-place individuals		
	In-depth assessments of abilities (aptitude testing) and occupational skills		
	Referrals to active labor market programs after a period of unsuccessful job search		

Service Categories	Specific Employment Services	Yes	No
ICT Services	Viewing jobs and training places on the internet		
	National call centre service.		
	Job and training place notification (by e-mail/phone)		
	CV net (posting of CVs on a freely accessible on-line service)		
Services to Employers	Posting and managing vacancies,		
	Searching and consulting profiles		
	Subscribing for profiles and CVs		
	Receiving selected applicants/ sending job offers		
	On-line search for candidates, CV net		
	Electronic matching platform		
	(Pre) Screening		
Other services			

2. How adequate are those employment services that you are currently providing? What kinds of employment services are not being provided in your region/office? Why aren't those services provided? What suggestions do you have for improvement?
3. Who are the primary target groups for employment service provision (professionals, semi-skilled job seekers, etc)?
4. How would you describe the whole process (from start to end) in employment service provision?
5. What was the total number of Registered Job Seekers and Staff Caseload of the employment service provision division in EFY 2007 and 2008?

Year (EFY)	EFY 2006	EFY 2007	Remark
i. Total number of unemployed in the region/city			
ii. Number of registered job seekers			
iii. Number of employment service providing staff			
iv. Staff caseload ⁵⁰			
v. Number of employment service providing staff in contact with job seekers and employers			
vi. Number of frontline counselors (from total employment service providing staff)			

⁵⁰ The average number of registered unemployed per employment service providing staff.

6. What is the areas of specialization and highest level of education completed by employment service providing staff?

Name of Staff	Sex	Areas of Specialization	Highest level of education completed (second degree, first degree, diploma and so on)	Number of years of service as employment service provider
i.				
ii.				
iii.				
iv.				
v.				
vi.				
vii.				

7. What kinds of labor market information do you collect and use to provide employment services?
8. What kinds of information do you often lack to provide employment services? Why is this information unavailable?
9. What kind of information do you collect about/from job seekers?

Type of information collected about each job seeker	Yes	No	Remark
i. Age			
ii. Sex			
iii. Education level			
iv. Trainings attended			
v. Work experience			
vi. Type of job sought			
vii. Other (specify)			
viii.			
ix.			

10. Please provide information about job seekers on the following areas?

Job seekers	EFY 2006			EFY 2007		
	Male	Female	Total	Male	Female	Total
Age						
• Youth (from 14 to 24 years)						
• 25 years and above						
Highest level of education completed						
• Illiterate						
• Primary education and lower						
• Secondary education						
• Technical and vocational education						
• Tertiary education						
Other						
People with disabilities						

11. How adequate are those employment services that you are currently providing? What kinds of employment services are not being provided in your region/office? Why aren't those services provided? What suggestions do you have for improvement?
12. Where and how do you get information about vacancies? What institutional arrangements are there to collect vacancies? What are the challenges in this regard?
13. Which of the following information do you collect about each job vacancy?

Type of information collected about each job vacancy	Yes	No	Remark
i. Location			
ii. Title			
iii. Description			
iv. Skill			
v. Experience requirements			
vi. Remuneration levels			
vii. Working conditions associated			
viii. Other (specify)			
ix.			
x.			

14. How do you match job seekers with job vacancies? What are the processes in matching? What are the challenges in this regard?
15. How do you evaluate the availability of jobs considering the number of job seekers you registered?

16. What proportion of vacancies do you think are registered at your agency/office? What other means do employers use to recruit job seekers? What suggestions do you have to ensure that vacancies are registered through employment service providers?
17. How do you evaluate the current employment service provision in the country? What are the capacity, policy, structural and resource gaps and what plausible measures would you suggest for increased placement and better matching?
18. How do you monitor and evaluate the effectiveness of your employment service provision? What kind of system is in place? How do you get information about the impact of your service and its effectiveness? What are its limitations, if any?
19. What was the effectiveness of the employment service provision in the past three years?

Indicators	Fiscal Year			Remark
	2005	2006	2007	
Number of registered unemployed/job seekers				
Number of registered job vacancies				
Ratio of job seekers per one registered vacancy				
Average placements per year				
Job placements per 100 job seekers per year				

20. What kinds of linkages, if any, do you have with public and other private employment service providers?
21. What are the strengths of existing employment service provision systems, structures and capacities?
22. What are the overall weaknesses and challenges of employment service provision in the country/region/city?
23. What recommendations would you have to improve employment service provision in the country?
24. What additional information would you like to add about employment service provision in the country?

Annex 9. Interview Questions to Other Government LMI Producers (MoE, Regional Education Bureau, City Education Office, Regional TVET Agency and Others)

Name of Organization	
Your Name	
Your Position in the Organization	
Your Department	
Telephone	

1. What kind of workforce or labor market related information does your organization collect and produce? How often do you collect them? What are your sources of labor force or market related information (administrative records, CSA, etc)? How regularly do you get information from these sources? At what levels are your data disaggregated (educational qualification, age, sex, region, etc)? How do you evaluate the quality of data obtained from these sources? What are the limitations?
2. How would you describe the institutional arrangements and mechanisms in place to collect, analyse and disseminate labor market information in Ethiopia? How effective was the institutional set-up?
3. How do you evaluate the networking of institutions involved in the collection of Labour Market Information? What suggestions do you have for improvement?
4. What kinds of linkages do you have with LMI providers and users? How effective are these linkages and why? What possible suggestions do you have to make effective linkages with LMI providers and users?
5. What kinds of hardware, software, and communication equipment does your office have to compile and maintain a database of labour market indicators and methodological information?
6. What kind of database or system do you currently use to collect, store and analyze data?
7. What is the areas of specialization and highest level of education completed by LMIS staff?

Name of Staff	Sex	Areas of Specialization	Highest level of education completed (second degree, first degree, diploma and so on)	Remark
i.				
ii.				
iii.				
iv.				
v.				
vi.				
vii.				

8. What kind of coordinating institutional setup should exist in the country/region/city administration to create integrated LMIS among LMI actors? What are the challenges? What suggestions do you have to improve collaboration and coordination among LMI producers?
9. How do you evaluate your agency's capacity to collect, store, analyze and disseminate labor market information? What are the gaps in this regard and what improvements would you suggest?
10. How do you evaluate the labor market information utilization in the country/region/city? What are challenges in this regard? What improvements would you like to suggest to improve LMI utilization?
11. How do you evaluate the overall effectiveness and efficiency of the existing labor market information system in Ethiopia? What improvements would you suggest to improve efficiency and effectiveness of the LMIS?
12. How do you disseminate your labor market information production to users or decision makers? What are the tools you use for dissemination? What are the gaps in this regard?
13. What kinds of institutional arrangements are there to disseminate labor market information? What are the gaps in this regard? What solutions would you suggest?
14. To what extent are your labor market information products on labor market utilized by decision makers? What kinds of policies or decisions have been informed by the LMIS? What are the gaps in this regard? What solutions would you suggest?
15. What would you identify as the limitations of your labor market information system in terms of content, coverage and so on? What future plans are there to address the limitations?
16. What suggestions do you have for establishment of an integrated LMI system in Ethiopia? What roles would your agency have in the development and management of LMIS?
17. What kinds of institutional arrangement would you suggest for establishment and management of integrated LMIS in Ethiopia?

18. What would identify as the hindrances to the maintenance and management of labour market information?

19. Which of the following characterizes labor market information in Ethiopia/region/city?

	Yes	No	Remark
a) Lack of communication and coordination between stakeholders with regards to sharing of information and data between LMI actors.			
b) In-house management information systems are not in the public domain and it is easy for an external organisation (public or private) to access that data.			
c) Lack of trust between institutions when it comes to sharing data.			
d) Lack of system or platform to share and assess the data and information needs of stakeholders			
e) Lack of clarity amongst stakeholder on financial, material and human resources required to build the system.			
f) There is clear leadership in terms of a national body or stated policy on LMI to coordinate the labour market information related activities of different stakeholders.			
g) Lack of clear leadership is hindering the formation of a consensus around different indicators, data sets and mechanisms for collection, analysis and reporting of the labour market information system.			
h) Lack of clearly defined roles and responsibilities related to institutions that should be responsible for data collection and collation.			
i) Lack of clearly defined roles and responsibilities related to institutions that should analyse and report data.			
j) Lack of clearly defined roles and responsibilities related to institutions that should be responsible for overall management of the system.			
k) Lack of clearly defined roles and responsibilities related to institutional mechanisms for information dissemination and sharing.			
l) Lack of integration, horizontally and vertically, among the concerned government ministries/agencies and other actors			
m) Limited accessibility			
n) Lack of comprehensiveness			
o) Lack of timeliness			
p) irregularity			
q) Lack of accuracy			
r) Less presentability of the information stored			

Annex 10. Interview Questions to LMI Users

Name of Organization	
Your Name	
Your Position in the Organization	
Your Department	
Telephone	

1. How do you describe the institutional arrangements and mechanisms in place to collect, analyse and disseminate labor market information in Ethiopia? How effective was the institutional set-up?
2. How do you evaluate the networking of institutions involved in the collection of Labour Market Information? What suggestions do you have for improvement?
3. What kinds of linkages do you have with LMI providers and users? How effective are these linkages and why? What possible suggestions do you have to make effective linkages with LMI providers and users?
4. How do you evaluate your organization's capacity in terms of analyzing and utilizing labour market information? What are the challenges in this regard?
5. What is the areas of specialization and highest level of education completed by LMIS staff?

Name of Staff	Sex	Areas of Specialization	Highest level of education completed (second degree, first degree, diploma and so on)	Remark
i.				
ii.				
iii.				
iv.				
v.				
vi.				
vii.				

6. What is your source for labor market information? What kinds of labor market information do you collect from those institutions? For what purposes do you use the labor market information?
7. What deficiencies do you identify in the labor market information that you get from the institutions (Unreliability of statistical reports, limited disaggregation (e.g. wages, professionals, woreda or zonal levels, etc), limited sample, and so on? What needs to be improved?
8. How do you evaluate your agency's capacity to utilize labor market information for decision making? What are the constraints and capacity gaps in LIMI utilization and what possible suggestions do you have to improve utilization?

9. What LMI indicators or data are still missing from LMI data collection systems in the country?
What suggestions do you have in this regard?
10. What are the key challenges currently faced by the ministry/agency with regards to the
information available on labour market?
11. Which of the following characterizes your LMIS?

	Yes	No	Remark
a) Lack of communication and coordination between stakeholders with regards to sharing of information and data between LMI actors.			
b) In-house management information systems are not in the public domain and it is easy for an external organisation (public or private) to access that data.			
c) Lack of trust between institutions when it comes to sharing data.			
d) Lack of system or platform to share and assess the data and information needs of stakeholders			
e) Lack of clarity amongst stakeholder on financial, material and human resources required to build the system.			
f) There is clear leadership in terms of a national body or stated policy on LMI to coordinate the labour market information related activities of different stakeholders.			
g) Lack of clear leadership is hindering the formation of a consensus around different indicators, data sets and mechanisms for collection, analysis and reporting of the labour market information system.			
h) Lack of clearly defined roles and responsibilities related to institutions that should be responsible for data collection and collation.			
i) Lack of clearly defined roles and responsibilities related to institutions that should analyse and report data.			
j) Lack of clearly defined roles and responsibilities related to institutions that should be responsible for overall management of the system.			
k) Lack of clearly defined roles and responsibilities related to institutional mechanisms for information dissemination and sharing.			
l) Lack of integration, horizontally and vertically, among the concerned government ministries/agencies and other actors			
m) Limited accessibility			
n) Lack of comprehensiveness			
o) Lack of timeliness			
p) irregularity			
q) Lack of accuracy			
r) Less presentability of the information stored			

12. How do you evaluate the overall effectiveness and efficiency of the existing labor market information system in Ethiopia? What improvements would you suggest to improve efficiency and effectiveness of the LMIS?
13. What kind of coordinating institutional setup should exist in the country to create synergy among LMI actors? What are the challenges? What suggestions do you have to improve collaboration and coordination among LMI producers?
14. How do you receive labor market information from labor market producers? What are the tools you use to get the information? What are the gaps in this regard?
15. What kinds of institutional arrangements are there to disseminate/receive labor market information? What are the gaps in this regard? What solutions would you suggest?
16. To what extent are your labor market information products on labor market utilized by decision makers? What kinds of policies or decisions have been informed by the LMIS? What are the gaps in this regard? What solutions would you suggest?
17. What would you identify as the limitations of your labor market information system in terms of content, coverage and so on? What future plans are there to address the limitations?
18. What suggestions do you have for establishment of an integrated LMI system in Ethiopia? What roles would your agency have in the development and management of LMIS?
19. What kinds of institutional arrangement would you suggest for establishment and management of integrated LMIS in Ethiopia?
20. What are your key expectations from an integrated Labour Management Information System?
21. What additional information would you like to add?



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