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# *Nexus skills-jobs assessment Ethiopia*

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# Nexus skills/jobs

Assessment of youth skills development/jobs Nexus in Ethiopia

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## LIST OF ABBREVIATIONS

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AICS	Italian Agency for Development Cooperation
ATVET	Agricultural Technical and Vocational Education and Training
BoFED	Bureau of Finance and Economic Development
BoLSA	Bureau of Labour and Social Affairs
BoTVED	Bureau of Technical, Vocational and Enterprise and Development
BoYS	Bureau of Youth and Sports
CSA	Central Statistical Agency (of Ethiopia)
EU	European Union
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit/German Development Agency
GTP	Growth and Transformation Plan
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
ILO	International Labour Organisation
JCC	Jobs Creation Commission
KfW	Kreditanstalt für Wiederaufbau/German Development Bank
MoE	Ministry of Education
MoLSA	Ministry of Labour and Social Affairs
MoSHE	Ministry of Science and Higher Education
MSE	Micro- and Small Enterprises
MSME	Micro-, Small-, and Medium-Enterprises
NEET	Neither in Employment nor Education nor Training
NGO	Non-Governmental Organisation
SIDA	Swedish International Development Cooperation Agency
SNNP(R)	Southern Nations, Nationalities, and Peoples (Region)
TMIS	TVET Management Information System

TVET	Technical and Vocational Education and Training
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNESCO	The United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development

## INTRODUCTION

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### BACKGROUND OF THIS REPORT

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Ethiopia is the second most populous country in Africa with ~109 Million population, an annual birth rate of 2.5% and an age structure in which 44% of the population is between 0 and 14 years (World bank, 2018). Even though employment opportunities have increased in recent years in the commerce and manufacturing sector, most of the workforce is concentrated in the agricultural sector (68% in 2017). Unemployment rates in Ethiopia are highest for the age group 20-24 years old (25% in 2018) and highest for urban young women (31% in 2018).

The labour market in Ethiopia is experiencing a strong demographic pressure as every year there are more than 2 million youth entering the labour force. On the other hand, companies in Ethiopia encounter difficulties in finding employees with the right skillset and practical experience. Therefore, not only new jobs need to be created but a better match between education and the job market is needed.

Despite all efforts, gender inequality and equal participation of women in political, economic and social spheres remain a huge challenge. Much of the female un(der)employment has to do with limited capacities and skills because of limited access to training and education as well as domestic workloads (e.g., heavy involvement on the farm, tending to small livestock, childcare) and traditional cultural perceptions such as early marriage.

In order to address employment issues and job creation for young men and women, the Government of Ethiopia aims to commercialize smallholder agriculture, privatize the state-owned enterprises, encourage private sector investment by improving the business environment, support the development of industrial zones across the country, among others. There is a strong focus of the Government of Ethiopia on job creation, aiming at creating about 3 million jobs in the coming years. According to the Jobs Creation Commission (JCC), the Government of Ethiopia has identified 11 potential sectors for jobs creation, poverty reduction and inclusive growth out of which agriculture, manufacturing, mining, tourism, and ICT are high priority.

The aim of the Nexus skills/jobs is to achieve young men's and young women's empowerment through increased skills, and increased opportunities for economic participation, including employment and self-employment. By concentrating on connecting skills development with job opportunities in an integrated manner, young men and women will be supported to find a decent job, take control of their lives, and build better prospects for themselves, their families and their communities.

Against this backdrop, the purpose of this report is to present an assessment regarding the gaps between labour market demands in Ethiopia and the skills development of young men and women.

## METHODS

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The assessment is comprised of a desk study and a field visit. The desk study was carried out to gather statistical data, and review existing academic and non-academic literature on skills development and youth in Ethiopia. Non-academic literature includes reports and publications from government institutions, donors which are active in the country, and UNESCO databases. The field study served to conduct semi-structured interviews with key informants in Ethiopia. A total of 20 key informants from government and donor offices, as well as Addis Ababa university and NGOs, were interviewed. Interviews were tape-recorded as long as the participants gave consent. In addition, 13 young people were interviewed in two groups (one group of 6 young women and one group of 7 young men). The young people interviewed for this assessment were all enrolled in an NGO-funded TVET college in Addis Ababa. The TVET college is considered to be among the better quality colleges in the country. The interviews with young people were conducted in Amharic with the help of a translator who translated on the spot between English and Amharic. This report also includes information from the labour market assessment done by Melat at the Dutch Embassy in Addis Ababa. Including this information served to synthesise findings from the labour market assessment with the skills education assessment, which particularly informed section 3 of this report on linking skills education to labour market demands.

This report is divided into four sections: the first presents an analysis of demographic and socio-economic trends in Ethiopia. Section two discusses education and skills development in Ethiopia. Following this, the linkages between skills development and the labour market in Ethiopia are addressed in section three. Finally, section four provides an overview of existing initiatives in skills development and an identification of possible future activities.

## SECTION 1 – ANALYSIS OF DEMOGRAPHIC AND SOCIO-ECONOMIC TRENDS IN ETHIOPIA

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This section discusses recent demographic and socio-economic trends in Ethiopia. The Table below summarises background characteristics of the country. Ethiopia is ranked 173 out of 189 countries and territories in the low human development category with a Human Development Index (HDI) value of 0.463 in 2017. The country's HDI value has shown an 63.5% increase from 0.283 in 2000. Despite the various efforts towards economic transformation, over 26% of the population lives below the poverty line and the country is highly dependent on development aid.

In what follows, the section presents an analysis of recent economic development in the country, the size of the youth cohort, and the socio-economic background of young men and young women in Ethiopia. After this, the section attends to young people's aspirations and needs linked to skills education and job opportunities. The section ends with an analysis of recent trends in migration in Ethiopia.

TABLE 1. SOCIO-ECONOMIC INDICATORS

Total population (in thousands)	109,2
Annual population growth (%)	2,5
Population 15-24 years (in thousands)	23.023
Population aged 14 years and younger (in thousands)	43.891
Rural population (% of total population)	80
Total fertility rate (births per woman)	4,1
Life expectancy at birth (years)	66
Poverty headcount ratio at \$1.90 a day (PPP) (% of population)	27,30
HDI value (2017)	0,463
GDP per capita - PPP\$	1.903
Annual GDP growth (%)	10,2
Total debt service (% of GNI)	1,7
GDP in billions - PPP\$	200

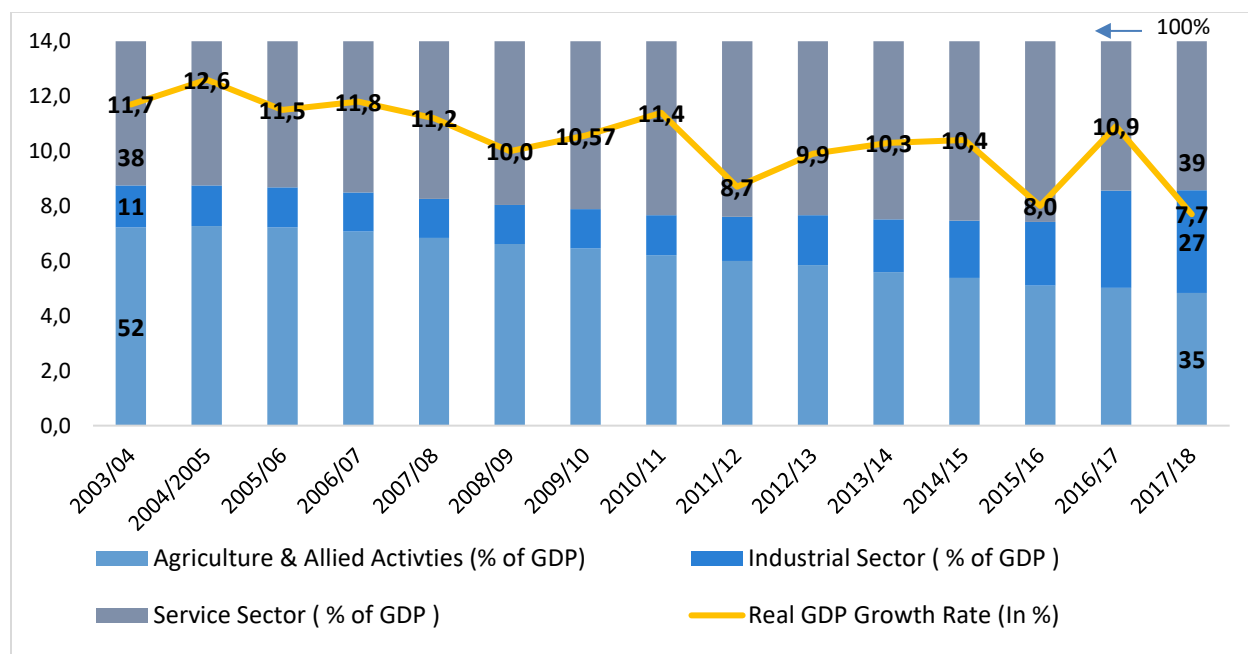
**Source:** Melat (2019)



## 1.1 RECENT ECONOMIC DEVELOPMENTS

Ethiopia's economy has grown at an average 10,3% since 2003, with an **increased contribution from the service and industry sector** (see Figure below).

FIGURE 1. REAL GDP GROWTH AND CONTRIBUTION OF SECTORS TO GDP

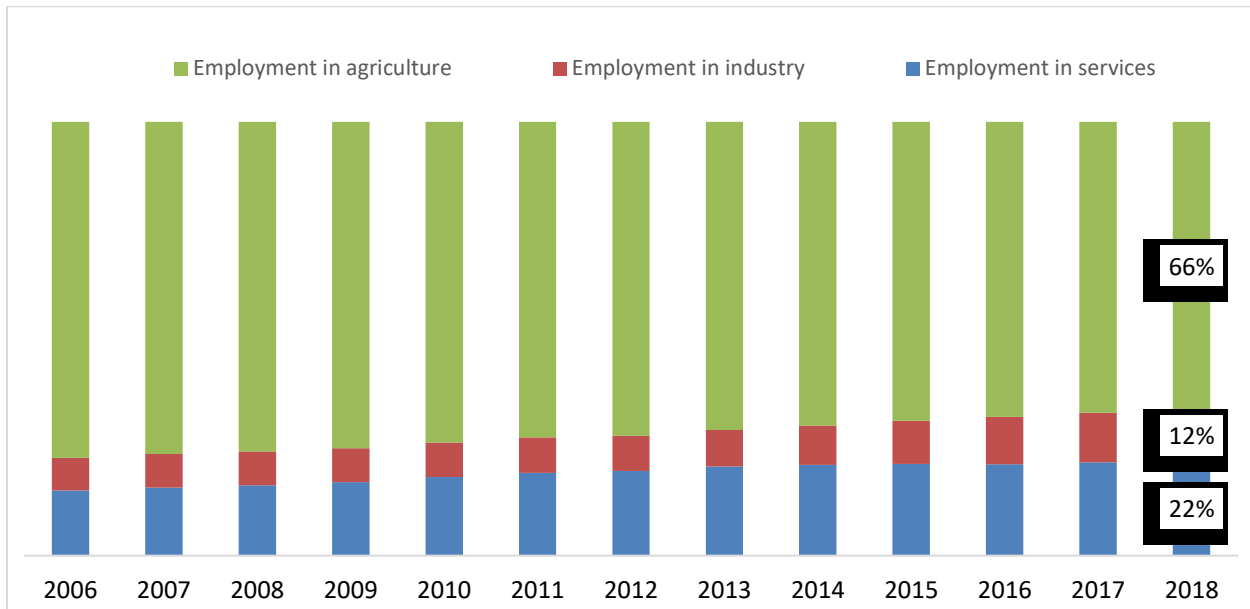


**Source:** Annual report, National Bank of Ethiopia, 2018, quoted from Melat (2019).

In the first Growth and Transformation Plan (GTP) implementation period (2009/10 to 2013/14), the average real GDP growth rate was 10.3%. Since 2010 the growth rate for the agriculture sector has shown a significant deceleration whereas the industry sector has grown at an accelerating pace. The contribution of the agriculture sector to GDP has decreased from 52% in 2003 to 35% in 2017/18. Industry comprising of manufacturing and construction has considerably increased from 10.9 % in 2003 to 27% of GDP in 2017/18. The service sector has shown steady growth in the past 15 years with an average contribution of 42%. Real GDP growth is projected to recover from 7.7% in 2017/18 to 8.2% in the next 2 years, supported by industry and service sector expansion and agricultural sector recovery (Melat, 2019).

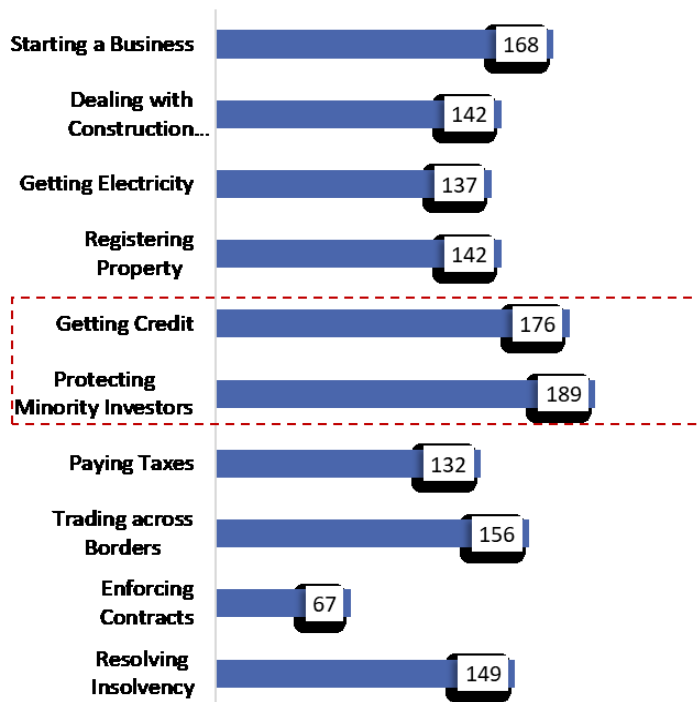
**Despite growth in the industry and service sectors, most of the labour force is concentrated in the agricultural sector**, with limited job opportunities available outside the sector (see Figure below). Agriculture accounted for 66% of employment in 2018. There is only an average of 9% increase in employment in the industry sector irrespective of the fact that the sector's contribution to GDP was increasing since 2003 (Melat, 2019).

FIGURE 2. TOTAL EMPLOYED IN AGRICULTURE, INDUSTRY AND SERVICE SECTORS



Source: World Development Indicators, World Bank, 2019, quoted from Melat, 2019.

FIGURE 3. RANKING IN DOING BUSINESS



**There has been no noticeable improvement in the business environment over the last few years.**

Ethiopia ranks 159 among 190 countries in Doing Business 2019, with its lowest ranking in protecting minority investors and getting credit (see Figure below). Ethiopia ranks 29 out of 44 sub-Saharan African countries in Doing Business. Access to finance is a structural challenge faced by the private sector. Ethiopia ranks 176 among 190 countries in getting a credit, way behind the sub-Saharan African countries average rank of 115. 40% of the enterprises included in the World Bank Enterprise Survey declared that access to finance is a major constraint to their development. According to the World Bank Enterprise Survey (see Melat, 2019), credit demand of firms is relatively high (60% of the sample), but highly constrained, with service firms more likely to be constrained than manufacturing firms.

## 1.2 SIZE OF THE YOUTH COHORT

More than 28% of the population in Ethiopia is aged 15 to 29 (USAID, 2017). **Youth aged 15-24 make up 20.5% of the total population.** The most recent data available on the share of youth population disaggregated by region are from 2007, and projections until 2037 from 2012 (see Table below) (CSA, 2007; 2012). In 2007, Addis Ababa city administration, Afar, and Somali regions had the highest proportions of youth population. For 2022, the regions with the highest proportion youth population are projected to be Oromia, Benshangul-Gumuz, and SNNPR, and for 2037 this is Oromia, Somali, and SNNPR.

TABLE 2. YOUTH COHORT DISAGGREGATED BY REGION

	Number of youth aged 15-24 in 2007	% of total population in 2007	Projected number of youth aged 15-24 for 2022	% of total population in 2022	Projected number of youth aged 15-24 for 2037	% of total population in 2037
<b>Country total</b>	<b>15,150,133</b>	<b>20.5</b>	<b>21,605,078</b>	<b>20.5</b>	<b>26,184,112</b>	<b>19.1</b>
<b>Tigray</b>	858,690	19.9	1,184,322	20.6	1,330,222	18.6
<b>Afar</b>	323,550	23.2	373,653	18.4	475,307	17.9
<b>Amhara</b>	3,558,809	20.7	4,722,203	20.6	4,841,185	17.5
<b>Oromia</b>	5,316,885	19.7	8,714,666	21.8	10,484,081	19.7
<b>Somali</b>	1,055,117	23.7	1,051,966	16.2	1,767,602	20.2
<b>Benshangul-Gumuz</b>	165,216	21.1	259,097	21.3	321,695	18.8
<b>SNNPR</b>	2,866,942	19.2	4,708,789	21.9	5,457,130	19.1
<b>Gambella</b>	69,418	22.6	105,591	20.8	133,824	17.8
<b>Harari</b>	40,360	22	54,325	19.7	61,465	16.6
<b>Addis Ababa city administration</b>	790,790	28.9	491,027	12.7	887,113	17.3

**Source:** Population and Housing Census of Ethiopia (CSA, 2007) and Inter-Censal Population Survey (CSA, 2012).

A slight decline in youth cohort is expected because of reduced fertility rates, which are projected to be further reduced in the coming years. However, the working age population will remain relatively large.

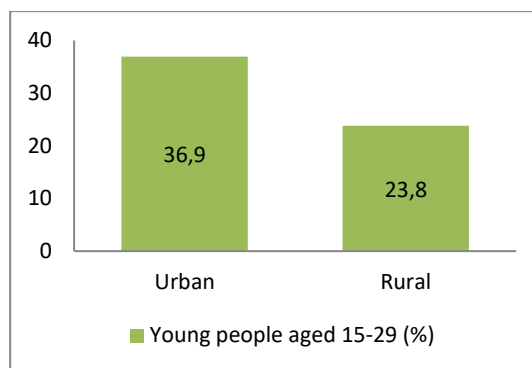
## 1.3 SOCIO-ECONOMIC BACKGROUND OF YOUNG MEN AND WOMEN

### 1.3.1 URBAN/RURAL YOUTH POPULATION

**Young people more often live in urban areas than in rural areas.** In 2015/2016, youth made up 36.9% of the population, whereas this was 23.8% in rural areas (see Figure) (UNDP, 2018).

Urban households are generally wealthier than rural households. According to the demographic and health survey (CSA, 2016), 89% of the urban households fit the wealthiest quintile. In contrast, 46% of rural households fall in the lowest two wealth quintiles.

FIGURE 4. YOUTH IN URBAN AND RURAL AREAS



*Source:* UNDP 2018, based on 2018 CSA-data.

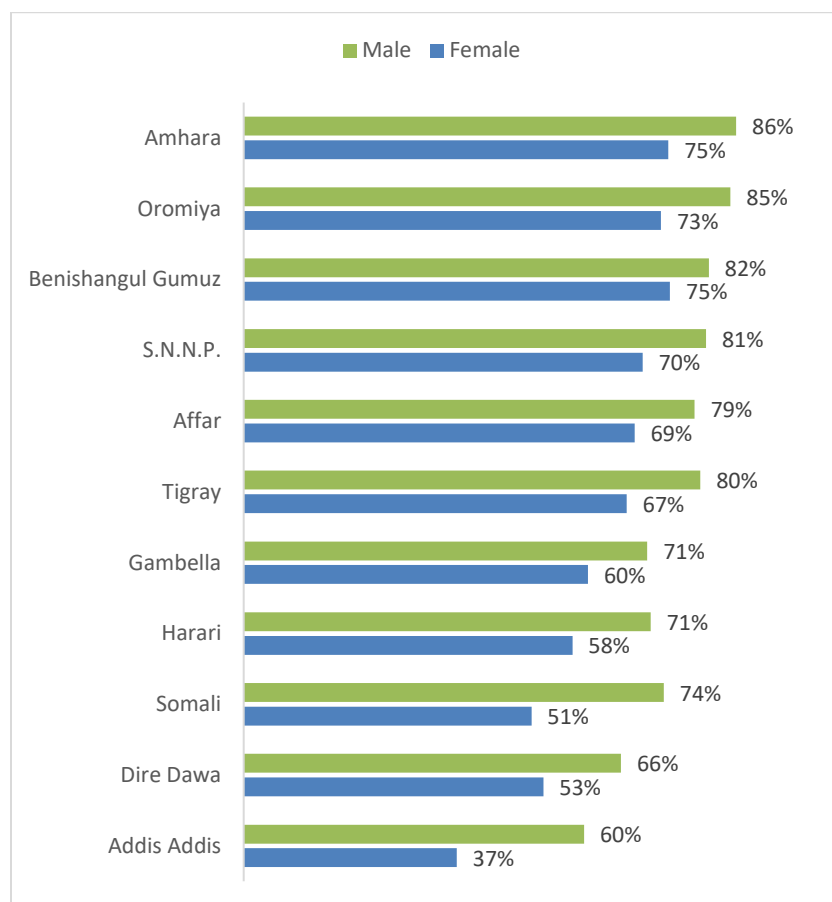
### 1.3.2 YOUNG PEOPLE'S EMPLOYMENT PROFILE

#### Labour force participation rate

Over the last decade (2008 – 2018), more than 15 million people have entered the labour market. The highest concentration of the labour force was reported for Oromia (16.3M), Amhara (11.4M) and SNNP (8.5M) regions. Compared with other African countries, Ethiopia has a high labour force participation rate (well above the sub-Saharan African average of 67%). Employment to population ratio<sup>1</sup> has shown a slight increase since 1999 from 69% to 76% in 2013 which implies large proportion of the population was employed at that time. Amhara, Oromia and Benishangul Gumuz had the highest employment to population ratio, whereas the ratio in Addis Ababa was registered only at 48% (see Figure below). In all regions, economic participation rate of men is higher than that of women. The difference in activity rate between males and female is highest in Somali Region (Melat, 2019).

<sup>1</sup> The employed population is defined as those persons who are engaged in productive activity at least one hour or more during the seven days. Employment to population ratio provides information on the extent to which the population is engaged in productive activities. It is calculated as the percentage of total employed persons to the total population aged ten years and above.

FIGURE 5. EMPLOYMENT TO POPULATION RATIO BY REGION AND GENDER, BASED ON 2013 STATISTICS



### Status in employment

However, focusing on status in employment, classified into paid employees, self-employed and unpaid family worker, **the majority of the employed population was involved in either unpaid family workers (49%) or self-employment (40%)**. In fact, wage-employment represented only 10% of employment in 2013. According to the World Bank, wage-employment has slightly increased to 13.7% in 2019. Wage-employment is highly dependent on education level, i.e., people with lower education will be forced to be self-employed and work on the farm (Melat, 2019).

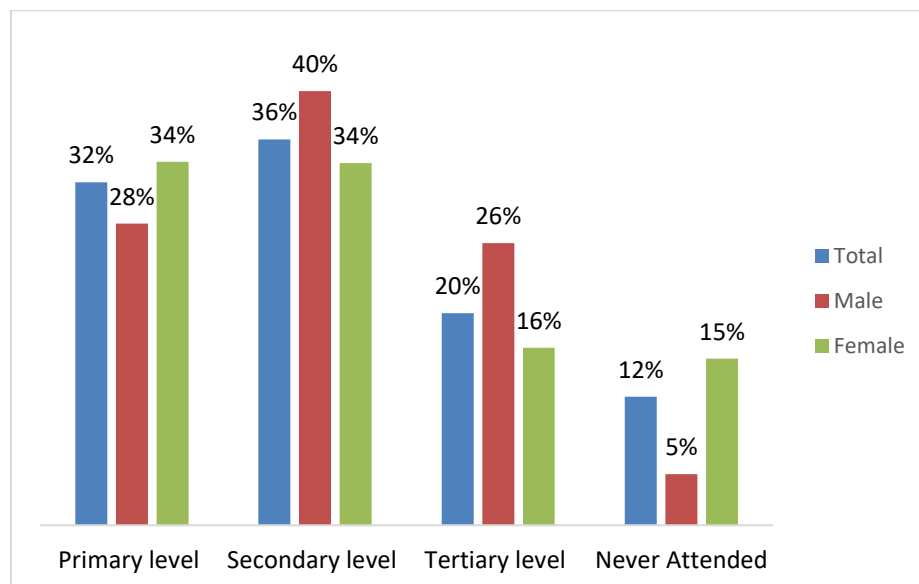
In rural areas, the unpaid family workers take up more than half (55%) of the employed population. This is followed by a sizable number of self-employed persons (40.3%) and small proportion of paid employees (3.9%). In urban areas, the proportion of unpaid family workers is relatively lower (13.3%), while the proportion of paid employees is considerably high (45.1%) followed by the self-employees 39.3%. The evidence shows that **self-employment, both in rural and urban areas, most of the time is for survival and linked with low levels of education and wages** (Melat, 2019). Nearly one third of the employed population in urban areas were working in the informal sector. The highest proportion of those working in the informal sector was found in Somali region (45%) and the lowest proportion was registered for Addis Ababa (6.8%). A higher proportion of women than men were engaged in the informal sector in all regions. The discrepancy of the proportion of women working in the informal sector from that of men in percentage points is

higher in all the regions except for Addis Ababa. Wholesale and retail trade are main sectors of informal employment and constructions are close second in urban areas.

### Unemployment

The June 2013 National Labour Force Survey (CSA, 2014) results reveal that the unemployed population in the country was 1.9 million with the unemployment rate of 4.5 percent at national level and the trend during the three survey periods showed a decline. The comparisons of unemployment between urban and rural indicate that **unemployment is a predominant problem of urban areas**. The highest unemployment rate was recorded in Addis Ababa (24%) and Dire Dawa (15%) in 2013. The overall urban unemployment was registered at approximately 19% in 2018. Unemployment levels also varied per level of education; the highest levels of unemployment were seen among secondary (aged 13 -18) level educated population (see Figure below).

FIGURE 6. UNEMPLOYED POPULATION BY LEVEL OF EDUCATION



### Neither in Employment nor Education nor Training (NEET),

In 2013, over 11 million people were economically inactive, and 46% (~5,2 million) Ethiopians were identified as Not in Employment, Education, or Training (NEET) (JCC, see Melat, 2019). According to the World Bank, total youth NEET rate was registered at 10.5%, and mainly young women were registered as NEET (15.1% for women vs. 5.7% for men). Youth NEET rate is higher in cities and towns with about 30%, against 14% for rural areas. Rural youth without education have a higher NEET (29%) compared with youth that have completed either primary (9%) or secondary level education or above (6%).

## Young people and employment

Zooming in on young people’s employment profiles, the Table below showcases the percentage of working, not-working and student youth in rural, small town-, and urban areas. For the category of working youth, the table specifies whether these youth work on the farm, combine on-farm and off-farm work, or work solely off-farm.

TABLE 3. PERCENTAGE OF WORKING, NOT-WORKING, AND STUDENT YOUTH

	Percentage of youth (aged 15-24)		
	Rural	Small town	Urban
<b>Working</b>	70.3	39.1	32.8
<i>On-farm</i>	61.3	12.9	3.4
<i>On-farm and off-farm</i>	7.0	4.8	1.1
<i>Off-farm (enterprise and/or wage)</i>	2.1	21.4	28.3
<b>Not working</b>	23.7	35.0	24.6
<b>Student</b>	6.0	25.9	42.6

**Source:** Schmidt & Bekele, 2016; data based on Ethiopia socioeconomic survey (2013/14)

While statistics vary, it is clear that youth unemployment is high. One study found that unemployment rates are highest for the age group 20-24, estimated to be at 25% (see Melat, 2019). Similar to the trends for the total population, young women have lower labour force participation and employment to population ratio than young men, indicating sex discrepancy in employment across all regions. **Unemployment is higher in urban areas than in rural areas, particularly for young people and for women.** Based on labour force participation and employment to population ratios, it seems that 47% of women in urban areas were involved in economic activities, compared to 76% of women living in rural areas, as the majority of the unpaid farm work is performed by women in rural areas (see also UNDP, 2018). A UNDP study found that, in urban areas, 22% of young people are unemployed, compared to 16.9% of the total population in urban areas (UNDP, 2018). For young women in urban areas, the unemployment percentage is even higher, at 29.6% (UNDP, 2018). **Young women also more often work in informal employment (35.6%) than young men (19.8%)** – informal employment is associated with lower pay and less security. Unemployment rates have been declining in urban areas, but they decline slowest for young women. Young people living in rural areas are mostly uneducated and involved in unpaid family work in the agriculture sector. In urban areas most youth are either unemployed or involved in low-productivity jobs (World Bank, 2017, quoted from Melat, 2019).

## Under-employment and vulnerable employment

Nearly 40% of the employed population is seeking for additional work and time-related under-employment (considering the 35 hours threshold) is high both in urban (45%) and rural areas (39%). In rural areas, where the labour force is engaged in unpaid and seasonal work in the agriculture sector, the average worker is working less than 30 hours a week. In urban areas, the majority of the labour force is involved in permanent wage employment, either in private or public

sector, where labour proclamations and contracts are more effectively implemented. Women are considered under-employed as the majority of the household work, child raising activities, and farm work are not taken into consideration. As the majority of the employed population cannot afford to be jobless, they will be forced to get a job in the informal sector with no social protection and rights at work, i.e., vulnerable employment (Melat, 2019).

### 1.3.3 FURTHER BACKGROUND STATISTICS

**Age of marriage:** The median age at first marriage is 17.1 years among women and 23.7 years among men aged 25-49 (CSA, 2016). 71.1% of women aged 20-24 were married before the age of 18, and 26.7% of women were married before the age of 15 (Koster, Miedema, Hodgkinson, Pouw, Meyer, 2017). Women's marital status is often associated to discontinuing education and, especially in rural communities, working in the house.

**HIV-rates:** HIV rates are declining and are reported to be 0.2% for men aged 15-24 and 0.4% for women aged 15-24 in 2018 (World Bank, 2018)

**Disabilities:** of all young people between 15-24 years old, 0.9% are reported to have disabilities (CSA, 2007). However, actual numbers are thought to be higher, as disabilities are not always reported.

**Religion:** Most young people are Ethiopian Orthodox Christians (44.9%), followed by Islam (32.9%), and then Protestant (18.8%) (CSA, 2007).

## 1.4 ASPIRATIONS AND NEEDS OF YOUNG PEOPLE

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A 2014 young lives study found that only **3.8% of the young people aged 15 aspired to vocational education - compared to 75% aspiring to university education**. The study found some differences between urban and rural areas, and between young men and young women:

- Urban youth aspired more often to university education than rural youth, and rural youth aspired more often to vocational education than urban youth.
- Male youth also aspired more often to university education than female youth, but female youth did not aspire more to vocational education than male youth.

The fact that female youth aspired less often to tertiary education might be related to their **marriage aspirations**. Particularly in rural areas, young women's job aspirations seem to be low because they expect themselves to enter into marriage: in Afar, 14.2% of 10-12 year old girls aspired to becoming a housewife/homemaker, compared to 4.1% in Oromia and 0.8% in Amhara (Jones et al., 2019). In urban areas, young men and young women more frequently listed gender-atypical jobs they aspired to than youth in rural areas (Jones et al., 2019). Urban youth also were able to articulate more clearly than rural youth what their aspirations were, why, and what they needed to get there. All across, young people wanted to do well professionally for themselves, for their family, and to serve their country (which is in line with the aspirations the young people who were interviewed for this study voiced, see further below).

A study on young people's economic aspirations found that the types of jobs most aspired to by young men and young women (aged 17-22) were: doctor, retail, salaried professional (manager, accountant), teacher, skilled construction, nurse/health technician, and government job. The job



least aspired to was in agriculture, and other vocational professions also ranked low (Jones et al., 2019). **Agriculture was considered an unattractive option** in all regions of the study (Oromia, Amhara, and Afar), because it was considered too demanding, backward, and less lucrative because of shortage of land and due to droughts (Jones et al., 2019). At the same time, young people in Oromia noticed that people with high education qualifications not always attain jobs, and considered agriculture to be the best or only viable option. A study on rural youth employment in Ethiopia found that, indeed, few rural and small town youth (13%) engaged in non-farm economic activities (Schmidt and Bekele, 2017). Youth participation in agricultural activities was challenged by the fact that youth-headed households had less access to land and financial services, compared to mature-headed households. Furthermore, young people who were exclusively engaged in agricultural work were often underemployed, working approximately for half of the year given the seasonality inherent to crop agriculture in Ethiopia (Schmidt and Bekele, 2017).

The aspirations of the young men and young women in TVET that participated in interviews for this study were:

- To have practical experience in their fields of study;
- To start their own business, after having some 3-5 years of practical experience as an employee;
- To excel in school and to reach to a leadership position in ten years' time;
- To make improvements to their sectors of study by contributing with technical skills;
- To be in a position where they can give opportunities to other youth, support their family, and contribute to the country's development;
- To continue to university after graduation from TVET;
- For women: to be successful in a male-dominated sector.

When asked about their definitions of a good or decent job, young men and women listed the following criteria:

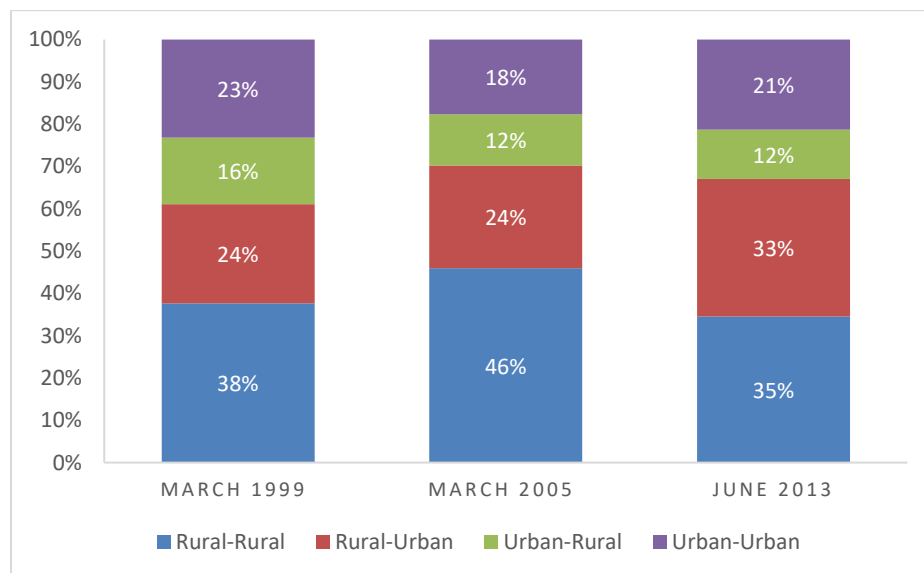
- Decent salary, equal for men and women. They expected on average 5000ETB/month, based on what they have seen their peers earned in apprenticeships (though, it should be noted, actual salaries might be lower. Recent graduates were reported to work for 3000ETB/month, for instance);
- Practical experience on the job to get to know the business;
- Good and accepting work environment;
- Opportunities for self-development;
- Decent tools so they can do their work;
- Availability of health insurance;
- Reasonable distance from home.

They believed that the most important ways to find a job were through network with people in the sector, ideally through school linkages and with recent graduates. In addition, young people found it important to have pro-active behaviour (e.g. going to associations and institutions, to future employers). They also expressed a need to be better prepared for the world of work through their training.

## 1.5 TRENDS IN MIGRATION

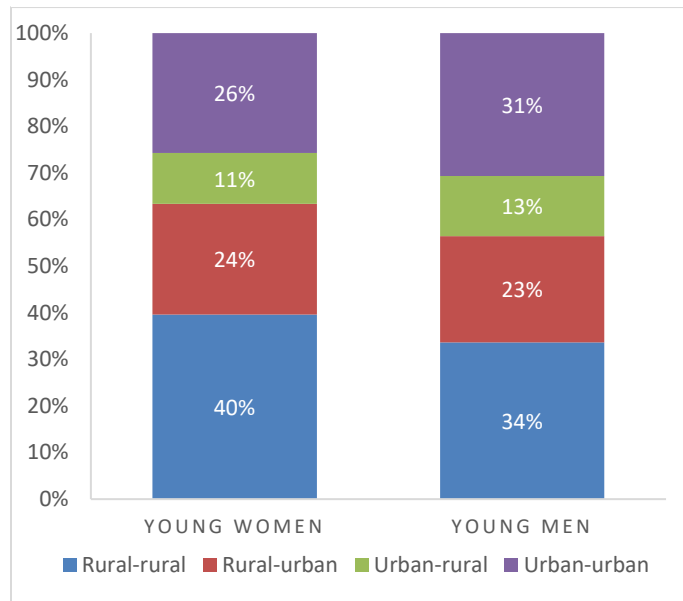
**Internal migration:** Data from three national survey periods, depicted in the figure below, show that rural to urban forms of migration increased from 24% to 33% and urban to urban increased from 18% to 21% from the year 2005 to 2013, respectively. The rural to rural forms of migration decreased from 46% in 2005 to 34,5% in 2013. Similarly, urban to rural forms of migration also decreased from 12,1% to 11,6% in the same period. The dominant reasons for people to migrate to urban areas are (1) search for work, (2) moving along with family, (3) marriage arrangement (mostly for women) and (4) education. For women marriage arrangement is the second most dominant reason for leaving their home and settle somewhere else. There is high and increasing pressure on the urban labour market, supported by high growth of the urban labour force and high migration from rural to urban areas. In 2017, more than 70% of the population is under 29 years-old, and rural youth are more likely to migrate to look for jobs in urban cities, so as to avoid remaining in rural areas and being employed in unpaid agricultural work. With an average rate of 5% growth, the urban population is expected to triple by 2034 according to the World Bank, which increases the pressure on the urban labour market and on urban youth employment (Melat, 2019).

FIGURE 7. FORMS OF INTERNAL MIGRATION



Youth make up a large segments of all migrants in Ethiopia. Of all migrants from rural to urban areas, 27% are young people aged 15-24 (of which 47% male; 53% female) (CSA, 2007). Yet, **rural-rural migration seems to be the most common form of migration for young people in Ethiopia** (Gavonel, 2017). Rural, here, includes small towns, whereas zonal and regional centres, as well as Addis Ababa, are considered urban.

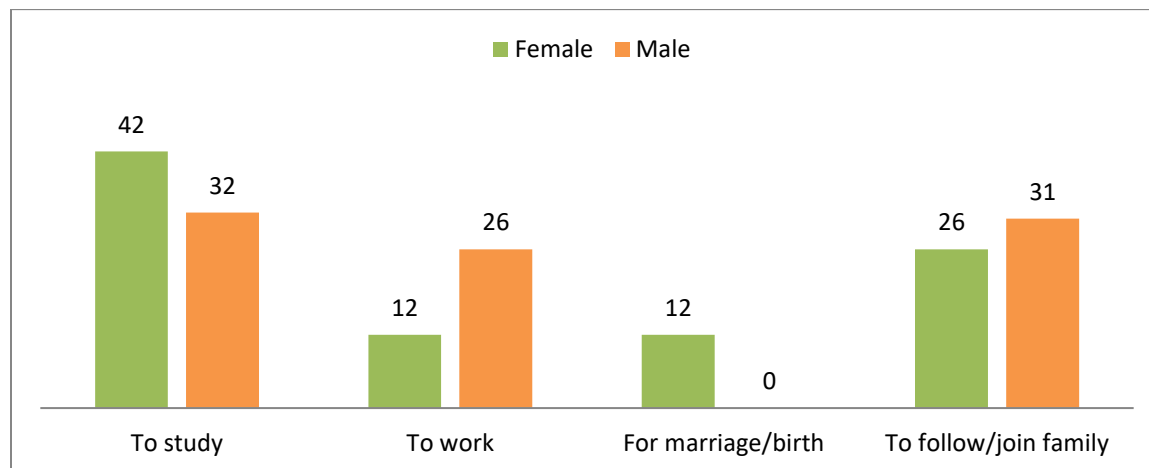
FIGURE 8. TRENDS IN NATIONAL MIGRATION OF YOUTH (APPROX. 19 YEARS OLD) IN ETHIOPIA



Source: Gavonel, 2017

The main reasons for young people to migrate internally are to study and to work (see Figure):

FIGURE 9. REASONS FOR INTERNAL MIGRATION FOR YOUTH (APPROX. 19 YEARS OLD)



Source: Gavonel, 2017

Migrants are more likely to move after the school-age years, between ages 17 and 18 (Gavonel, 2017). Having less access to land, living in a rural area, and having more years of education predicts

the decision to migrate internally among both boys and girls. Boys living in Addis Ababa are less likely to migrate compared to those living outside of the capital city, such as in the Amhara and SNNP regions (Gavonel, 2017). Jones et al (2019) highlight that both rural-rural migration for seasonal work, and rural-urban migration for employment opportunities often does not provide enough financial security, and poses risks to health and bodily integrity of young people. Yet, other studies found that internal migration does lead to a better income than youth would have had in their original home towns (Blunch and Laderchi, 2015).

**International migration:** According to official statistics, Ethiopia's has an international migration rate of 0.7 per cent (UNDESA, 2015; cited in ILO, 2018). However, these are estimates based on official numbers and do not include irregular migrants. In South Africa, Ethiopians are the second-largest number of asylum applications, and in Yemen, more than 80% of asylum applications came from Ethiopians (ILO, 2018).

According to an ILO-report (2018), the main push-factors for international migration are: poverty, cultural acceptance of migration as a viable option, peer/family pressure, unemployment, shortage of land, low wages, and advances in communication technology (social media), which might attract young people to migrate abroad. Reasons for international migration also include political instability and the security of human rights is an important pull factor for migration to European countries (ILO, 2018). Household wealth levels also have an influence on the desire of young people to migrate.

Interestingly, **it are not the poorest nor the wealthiest youth with a strong desire to migrate, but those 'in the middle'** (Schewel and Fransen, 2018). Similarly, youth engaged in recent employment did not have different migration aspirations compared to unemployed youth (Shewel and Fransen, 2018). The risks related to international migration do not seem to affect young people's aspirations who want to 'try their luck' (Jones, 2019). For instance, international migration to Arab countries, which is particularly popular among female youth to work as domestic workers, poses financial, health, and bodily integrity risks, yet remains an aspiration of many, particularly rural, young women (Jones et al., 2019).

## SECTION 2 – EDUCATION AND SKILLS DEVELOPMENT IN ETHIOPIA

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This section describes the current state of education and skills development in Ethiopia. The section discusses the governance of TVET (including formal, non-formal, and informal education and training), and the levels of access, quality, learning outcomes, and dropout rates. The section ends with an analysis of which groups are excluded or disadvantaged in skills education, and for what reasons.

### 2.1 TVET GOVERNANCE

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#### 2.1.1 FORMAL, NON-FORMAL, AND INFORMAL TVET

Ethiopia's education system knows five levels of TVET. Students can enrol in a TVET programme level 1-4 after grade 10, and their level is determined by their exam results. Those who start at level 1 can climb the ladder to higher levels, with the passing of the occupational assessment. Level 5 can be accessed after completion of level 4, or with a first degree from university. Graduates from level 5 TVET should be able to transition to first degree university courses as well, but, in practice, this transition is difficult. The Ministry of Science and Higher Education (MoSHE) is proposing to make the transition from TVET to University education easier.

It is worth noting that, in the TVET sector, **51% of all TVET institutions are private**, although government TVET institutions produce slightly more graduates (Edukans Foundation, 2012, based on 2011 Ministry of Education [MoE] data). Private TVET institutions are typically initiated and governed by private sector investors or by NGOs. Government TVET is free of charge, while the private institutions are not. The NGO-run TVET generally have the reputation for higher quality education. Both private and NGOs have to be TVET certified by the government (Krishnan and Shoarshadze, 2013). The Federal TVET Agency is responsible for coordinating and steering all TVET nationwide.

Outside of the formal TVET education, non-formal and informal<sup>2</sup> training programmes are typically offered by employers or internationally funded initiatives. One study suggests that employers, particularly foreign direct investors, do not have a preference for formal TVET graduates. In fact, they prefer to give on-the-job training (informal training) to their future employees (Yamada et al., 2018). These future employees are often secondary school graduates or drop outs with no formal skills training. Giving on-the-job training to these future employees is considered to be cheaper, as TVET graduates might demand higher salaries due to their higher qualifications.

#### 2.1.2 OUTCOME-ORIENTED TVET

The 2008 TVET strategy aims to develop an **outcome-based TVET sector** that produces graduates with skills and competences that are demanded in the labour market.

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<sup>2</sup> Formal TVET = a form of TVET with a set curriculum, trained teachers, and a recognised certificate or diploma after graduation. Formal TVET can be provided by both private institutions (typically run by NGOs or private investors), or public institutions (government).

Non-formal TVET = a form of TVET (public or private) that offers employment-oriented TVET to various, often vulnerable, target groups (school leavers, unemployed youth, marginalised groups), and has a well-defined curriculum and learning goals.

Informal TVET = a form of TVET or other type of skills education that is not structured along a curriculum or syllabus. It includes on-the-job-training, self-learning, and apprenticeships.

- To do so, the strategy aims for the Federal TVET Agency to coordinate the development of **national occupational standards** (with attention to skills, knowledge, and attitudes) and certification. In so doing, the outcomes of TVET education are standardised, and those workers with skills that have not went through non-formal or informal training, can apply for a certificate so that their competences are recognised.
- Furthermore, the strategy outlines the aim to **match TVET student intake to labour market demands**. The matching is to be done through a matching system at the regional level, and inform allocation of applicants to colleges and specialties. The number of places allocated to the different specializations is based on what the government predicts the demand by industry to be, and how many places TVET can accommodate (Krishnan and Shoarshadze, 2013). The TVET strategy aims to develop a **TVET Management information system (TMIS)** that would help guide such an allocation. Meanwhile, the TVET system depends on the **labour market analysis**, done within the Ministry of Labour and Social Affairs, National Statistical Agency and Regional Medium and Small Enterprise Development Agency. Compared to the public TVET institutions, who follow the allocation system, private TVET institutions seem to be more autonomous in deciding the intake of the students and the courses they offer. This might result in a mismatch between labour market demands and TVET graduate supply (Edukans foundation, 2012). At the same time, the matching system does not yet guarantee a match in demand and supply (Krishnan and Shoarshadze, 2013), because of weak data collection and the unpredictability of the market. Furthermore, students interviewed at a private TVET institution highlight that they chose for this institution because they are sure they can follow the course of their interest, which they believe will increase their motivation at work. In fact, some of these TVET students transferred from their university education to TVET, because they weren't enrolled in their preferred courses and locations at the University..
- The TVET strategy encourages **cooperative TVET** (i.e. a mode of TVET provided in partnership between enterprises and TVET institutions) and the system allows autonomy for TVET institutions to develop such partnerships for apprenticeships (MoE 2008, TVET strategy). The extent to which cooperative TVET is implemented thus largely depends the partnerships each TVET institution has been able to establish. Notably, some private and international investors seem to resist engagement in cooperative TVET, although their reasons for doing so are not mentioned (Krishnan and Shoarshadze, 2013). Furthermore, the cooperative TVET style requires an active private sector, which is not always the case in (rural) Ethiopia (Marijs, 2018). The cooperative-style TVET is inspired by models from other countries, notably the Netherlands and Germany, where cooperative TVET education has led to a good labour market oriented education system with low unemployment rates for TVET graduates (Van de Werfhorst, Effers, and Karsten, 2015).

### 2.1.3 SKILLS DEVELOPMENT AND TRANSITION TO LABOUR MARKET

The main challenges for TVET graduates to transition to the labour market are attributed to a **mismatch in skill development** and **scarcity of jobs** (United Nations, 2018; Marijs, 2018). The United Nations global youth report recommends that investing in skills development might facilitate a better transition to work. This includes attention to *life skills centred around effective communication and negotiation, decision-making and problem solving, leadership, personal finance management, and critical thinking*. Furthermore, entrepreneurial skills, such as *financial and business management*, may fill an important niche in the jobs/skills nexus. Yet, entrepreneurship

must be viewed in the context of a broader youth employment strategy and not seen as the main approach to youth employment (Di Nunzio, 2015; United Nations, 2018), as it comes with risks.

According to the TVET strategy, skills should include attention to practice skills (70% of TVET should be practice, and 30% should be theory), entrepreneurial skills, and business management skills. However, it seems that the extent to which skills are taught in TVET are limited due to **limited capacity of the instructors and limited resources and facilities to practice skills**. Particularly the development of 'soft skills' seem to be lacking. A review of TVET education projects in Amhara found that soft/life skills needed are: customer handling, communication, work ethics, and professional ethics, working with others, team leading and team work, cooperation, facial expression skills, business know-how, problem solving skills, business attitudinal skills, and time management (SINCE, 2018). These skills are cross-cutting through various sectors. Another study found that future employers in agriculture are optimistic about the extent to which they can train new employees on technical skills, but that employers signalled that other important skills, such as communication, business management, and entrepreneurial skills, were largely lacking in (A)TVET graduates (Marijs, 2018). At the same time, higher technical skills are largely lacking in the current labour market supply. The skills provided currently by the vocational training system are too generic and, often, companies need to look abroad for specialized experts (that usually are very expensive) (GIZ, 2019).

Interviews with key informants and young people confirmed that practical skills need to be practiced more in TVET education, and that soft skills, life skills, business skills, and entrepreneurship skills were often completely lacking. However, informants also highlighted that improving skills education alone will not lead to better job opportunities of young people. Informants emphasised the importance of **private sector development, decent work efforts, and private sector engagement in cooperative training**, particularly MSME involvement. Young people believed that the most important way to transition from school to work is through connections between their TVET institutions with future employer, particularly through practical experience in the form of apprenticeships. For young women, the acceptance of young women in the work environment was an additional hurdle to transition to work.

#### 2.1.4 CURRICULUM

The TVET strategy foresees the TVET sector to move towards an occupational standard-based TVET system to replace the current curriculum-centred approach. This means that **TVET providers have to develop curricula that are based on the national occupational standards** and are appropriate to the learning and specific local labour market requirements. The strategy has thus moved away from prescribing national curricula. TVET providers are responsible for the design of their own curricula responsive to their target group needs. The TVET strategy foresees that the curricula development will benefit from input from local/regional TVET authorities and be designed in coordination with local TVET Management boards comprised of public and private actor representatives. In addition, sector skill councils, comprised of TVET institutions, private actors in the sector, and other relevant actors, are also expected to provide input to the curricula to meet sector-specific skills demands. A recent study has reported that TVET institutions have indeed adjusted their curricula based on the national occupational standards, but that, in the meantime, the occupational standards were adjusted by the Ministry of Education, leading to frustration and affecting resource utilization at the TVET institutions (Geleto, 2017).

### 2.1.5 TVET TRAINERS

To develop an outcome-based TVET, the 2008 TVET strategy aims to **improve the skills of TVET trainers** in terms of their professional and pedagogical skills, and their practical competences. Indeed, TVET instructions seem to be predominantly focused on theory, and lack attention to practical skills and soft/life skills, which are much needed in vocational training (Edukans foundation, 2012, Nuffic, 2019). Lack of practice-oriented TVET is also due to a lack of materials to practice with. Quality of trainers and instructors is planned to be improved by strengthening the current teacher training programmes, introducing a TVET teaching qualification degree at Bachelor level, and introducing capacity building programmes for current TVET teachers (MoE 2008, TVET strategy).

## 2.2 ACCESS TO EDUCATION

The below Table summarises the enrolment and graduation rates in various education levels, based on UNESCO data. As can be seen from the Table, enrolment rate for TVET is very low, with 1.78 for young women and 1.59 for young men, suggesting that less than 2% of the TVET-aged youth enrol in TVET education. Yet, other data sets suggest that the proportion of youth who have joined TVET to that of the target population has been increasing over the years, with 22% in 2007/8 to 32% in 2010/11 (Edukans foundation, 2012, based on 2011 MoE data).

TABLE 4. ENROLMENT AND GRADUATION RATES

	Primary*		Lower secondary*		Upper secondary*		TVET*		Tertiary**	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
<b>Gross enrolment rate</b>	96.09	105.76	41.99	43.87	17.40	17.68	N/A	N/A	5.26	10.89
<b>Net enrolment rate</b>	81.45	87.73	33.21	34.57	10.65	9.57	1.78	1.59	N/A	N/A
<b>Gross graduation rate</b>	37.99	40.30	27.88	34.96	8.42	10.12	N/A	N/A	N/A	N/A

\*Based on 2015 UNESCO data

\*\*Based on 2014 UNESCO data

Data on access to non-formal and informal skills development training in the TVET sector are scarce. The TVET strategy of the Ministry of Education (2008) highlights that non-formal and informal forms of TVET are thought to be particularly low in supply.

As can be seen from the data on access to TVET, participation in TVET seems to be low. Yet, participation rates have been increasing over the years. TVET has long been considered to be a form of education for drop-outs and unintelligent youth, but this stigma seems to be slowly reducing (Edukans Foundation, 2012). The National Youth Status report (2018) indicates that youth enrolment in TVETs has increased annually by 6.72% between 2012-2017 at the national



level, but with large variations per region. The highest annual growth rate has been in Gambella (79.76%), Harari (35.74%) and Tigray (25.99%). The lowest in SNNP (0.84%), Oromia (0.84%) and Amhara (-1.94%) regions. Interestingly, the growth rate for young men's participation in TVET were lower than that of young women; young men's participation growth rates were in fact negative in Amhara (-2.16), Oromia (-0.39) and SNNP (-0.39). Finally, some studies suggest that youth policy interventions have predominantly focused on creating employment opportunities in urban areas. For instance, it is more difficult for rural youth to access informal entrepreneurship training and credit for start-ups (Robinson-Pant, 2014).

### 2.3 QUALITY OF EDUCATION AND LEARNING OUTCOMES

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Data on learning outcomes of TVET graduates are scarce, and there are no studies on the nature and level of (transferable) skills learned in TVET. However, some studies do give insight in the competencies of TVET graduates. For instance, following the national occupational standers, the Occupational Competency Assessment Certification Centre of Addis Ababa (OCACCAA) (2012) reported that the overall pass rate of candidates who took the national occupational assessment was 17.3% (see Solomon, 2016). Other studies at national level (based on data from the Federal TVET agency) suggest that **the pass rate of candidates from formal TVET institutions increased from 17.42% in 2009/2010 to 40.23% in 2011/2012** (Baraki and van Kemenade, 2013). Notably, there is large regional variation in competency levels of graduates from formal TVET, with the **lowest competency levels in Harari/Dire Dawa (20.17%), SNNP (27.75%), and Addis Ababa (29.03%), and the highest in Oromia (38.70%), Amhara (49.31%), and Tigray (49.89%),** suggesting a large variation in quality of the TVET institutions (Baraki and van Kemenade, 2013). For candidates of formal, non-formal, and informal TVET combined, the pass rate was lower than for candidates from formal TVET only: combined, 28.0% were competent in 2011/2012. The number of candidates from formal, non-formal, and informal TVET that were assessed nationally increased from 26,958 in 2009/2010 to 184,034 in 2011/2012 (Baraki and van Kemenade, 2013). Young people interviewed for this study suggested that the lack of practical skills development in TVET, and the lack of available resources to practice certain competencies, especially those based on the computer, leads to low results in the competency assessments.

Based on the literature study, the following challenges for a good quality competence-based TVET delivery are identified:

- TVET instructors need to be trained and prepared for the competence-based TVET design, as it requires a unique pedagogical approach, and instructors often lack the practical skills themselves (MoE, 2008; Nuffic, 2019; Solomon, 2016)
- To ensure adequate transition to the labour market, TVET should attend to the development of practical, entrepreneurial, and life skills. Available review studies indicate that skills in all these domains require more attention in TVET institutions in Ethiopia (e.g., Marijs, 2018, DEC, 2018, Yamada et al., 2018).
- More resources are required to facilitate practical learning (Edukans Foundation, 2012; Solomon, 2016)
- Industry-school relationships need to be established to facilitate cooperative learning, which is challenging in settings where the private sector is not well-developed or reluctant to engage TVET students in practical work (Krishnan and Shoarshadze, 2013; Marijs, 2018)

## 2.4 DROP OUT

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The majority of youth do not finish secondary education. According to UNESCO statistics, 30.7% of young men and 33.98% of young women dropped out of the last grade of lower secondary education (grade 10). Of those in grade 9, male youth in Dire Dawa, Oromia, Benshangul, and SNNPR were most at risk of dropping out, and female youth in Dire Dawa, Addis Ababa, and Oromia were most at risk of dropping out (UNICEF, 2012). The UNICEF-initiated Out-Of-School-Children study categorises the reasons for dropping out of basic education as follows (note, however, that this study only applies to primary and secondary education, and does not cover TVET drop outs):

- Socio-cultural: violence against children and gender-based violence in and out of school, early marriage, teenage pregnancy, and female genital mutilation, lack of parental awareness regarding the benefit of education, discrimination against children with disabilities and against girls.
- Economic: household poverty, cost-benefit of education, orphan status, seasonal labour/migration, child labour.
- Supply-related: distance to school, poor conditions and facilities in school, lack of drinking water and sanitation facilities, lack of infrastructure for children with disabilities, shortage of text books and human resources.
- Governance-related: inadequate provision for children at risk of dropping out, policy tensions between education expansion and quality improvement, absence of data, weak school management committees, inequitable resource allocation.

A master thesis study on the reasons for TVET drop out in Addis Ababa found the following **reasons for drop out of TVET**: *poverty, family breakdown, low employment opportunities, inability to afford educational expenses, parents' low level of education, student involvement in income generating tasks, excessive involvement in family work, peer group influence, pregnancy, and, in a few cases, marriage*. As for institutional related factors, the following factors were most influential for student drop out: *college location, curriculum irrelevance, absence of guidance and counselling services, inadequate supply of instruction materials and facilities, lack of teachers' encouragements, student absenteeism, selection and placement issues* (Tilahun, 2009). Particularly for those youth from low socio-economic background families or those who are orphans, it can thus be difficult to access and/or continue TVET, particularly those TVET institutions that are private and come with a fee.

## 2.5 INCLUSIVE TVET AND DISADVANTAGED YOUTH

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The 2008 TVET strategy states that TVET institutions have to develop gender sensitive policies in order to ensure that women are not discriminated against through content nor organisation of TVET programmes and to effectively prevent harassment of female trainees and staff members. The strategy also states that the TVET system needs to widen its supply and target disadvantaged and marginalised youth, including youth with disabilities. It is unclear, however, how gender-sensitive policies and inclusion of disadvantaged youth will be implemented or monitored, and by whom.

In relation to gender, Starr and Mitchell (2018) highlight that the competency-based and practice-oriented features of (A)TVET in Ethiopia may cause **vulnerabilities for young women**: young women have to travel back and forth to demonstration sites, and these sites are difficult to monitor for student safety. Moreover, due to underfunding of ATVET, female students especially may face

vulnerabilities because of lack of dormitories and health care - key spaces for student safety. In the same vein, UNEVOC (2011) concludes that TVET institutions that have basic facilities for women (e.g. separate washrooms, additional transportation and female trainers and teachers) are considered to be better prepared to recruit female participants. In addition, studies have shown that young women typically choose gender-affirmative vocation programmes (Jones et al., 2019), which might be a result of the experienced lack of safety in male-dominated vocation programmes. Choice for female-dominated programmes can result in lower wages and less security as female-dominated sectors are often lower paid and precarious. In turn, young men often prefer typically male-dominated vocation programmes, which more often result in higher pay, but entrench gender segregation in TVET and in the labour market.

With regards to youth with disabilities, only 3.2% of school-aged children with disabilities have been reported to have access to primary education, but no structural data are collected on the number of disabled children who are out of school (Katshui & Mojtahedi, 2015) In the case of TVET, one study revealed that **young people with disabilities experienced restrictions in access to TVET and in their choice of study**. The majority of TVET institutes were not accessible for people with disabilities. There were also no special needs education services available in the TVET colleges and the majority of TVET instructors were not trained to teach students with special educational needs (Malle, Pirttimaa and Saloviita, 2015). Young people with disabilities could not always participate in their preferred course when certain physical abilities were required that they were not able to fulfil because of their disability, and some youth had also been denied access to their preferred course because of issues considered to be related to representativeness (Malle, Pirttimaa and Saloviita, 2015).

Finally, young people from **a poor background and orphaned youth** whose livelihoods rely on their own daily labour are disadvantaged in accessing and participating in TVET. According to some key informants, those youth are not able to attend skills education because they need to earn an income, and cannot afford to spend time on things other than daily labour. In addition, youth without a (family) support network are also likely to find it more difficult to find jobs if they are not linked to future employers through school networks.

## SECTION 3 – SKILLS DEVELOPMENT AND LINKAGES WITH LABOUR MARKET

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This section zooms in on the linkages between skills taught/required in relation to the demands of the labour market. First, the gap between the skills taught and the demands of the labour market is discussed. Then, an analysis is presented addressing the types of trainings that are required for a smooth school-to-work transition. This is followed by an overview of what current measures are to link skills education to economy workforce needs, and what the government's current approach is to enable a smooth school-to-work transition.

### 3.1 SKILLS TAUGHT AND THE DEMANDS OF THE LABOUR MARKET

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Despite the 30/70 policy that states 30% of TVET education should be theoretical, and 70% should be practical, the TVET education remains highly theoretical. As such, the **practical skills** demanded in the labour market are not sufficiently taught. Key informants highlighted that particularly the **higher technical skills**, such as machine operation, are lacking. As a consequence, expensive labour is at times brought in from abroad for machine operation and middle- and higher-management jobs.

In terms of practical/technical skills, GIZ has done a comprehensive mapping of skills needed and addressed in current TVET programmes in the agro-processing industry (GIZ, 2019). These skills areas are considered to be generic enough to be transferable to other sectors and include:

1. Sourcing / supply chain – Production efficiency is built on a base of suppliers that delivers the inputs needed, as well as on win-win relationships with these suppliers;
2. Logistics / transportation – Stronger and well-designed logistics systems are required in the sector to exploit linkages with value chain actors, to source inputs and to sell products;
3. Operational effectiveness and safety – Agro-processors need better procedures that ensure efficiency and cost-effectiveness of production, while safeguarding safety of employees;
4. Manufacturing / maintenance – Optimized production processes, correct use of machinery, and maintenance planning are extremely important to ensure viability of the business;
5. Business functions and entrepreneurship – Includes upgrading of HR management and recruitment processes, admin and financial management, corporate affairs, and use of IT;
6. Product development / technology transfer – Development of new products requires technical and business capabilities to ensure adequate research and development and technology transfer;
7. Sales & marketing / product management – Requires developing capacity on marketing of products, relationship and market channels management, product and after-sale services;
8. Regulatory compliance / food safety and quality – Success lays in the reliability with which procedures are followed, and in the ability to comply with standards and methods of inspection.

Of these skills, particularly those related to supply chain management, regulatory compliance, and product management are areas to be further addressed.

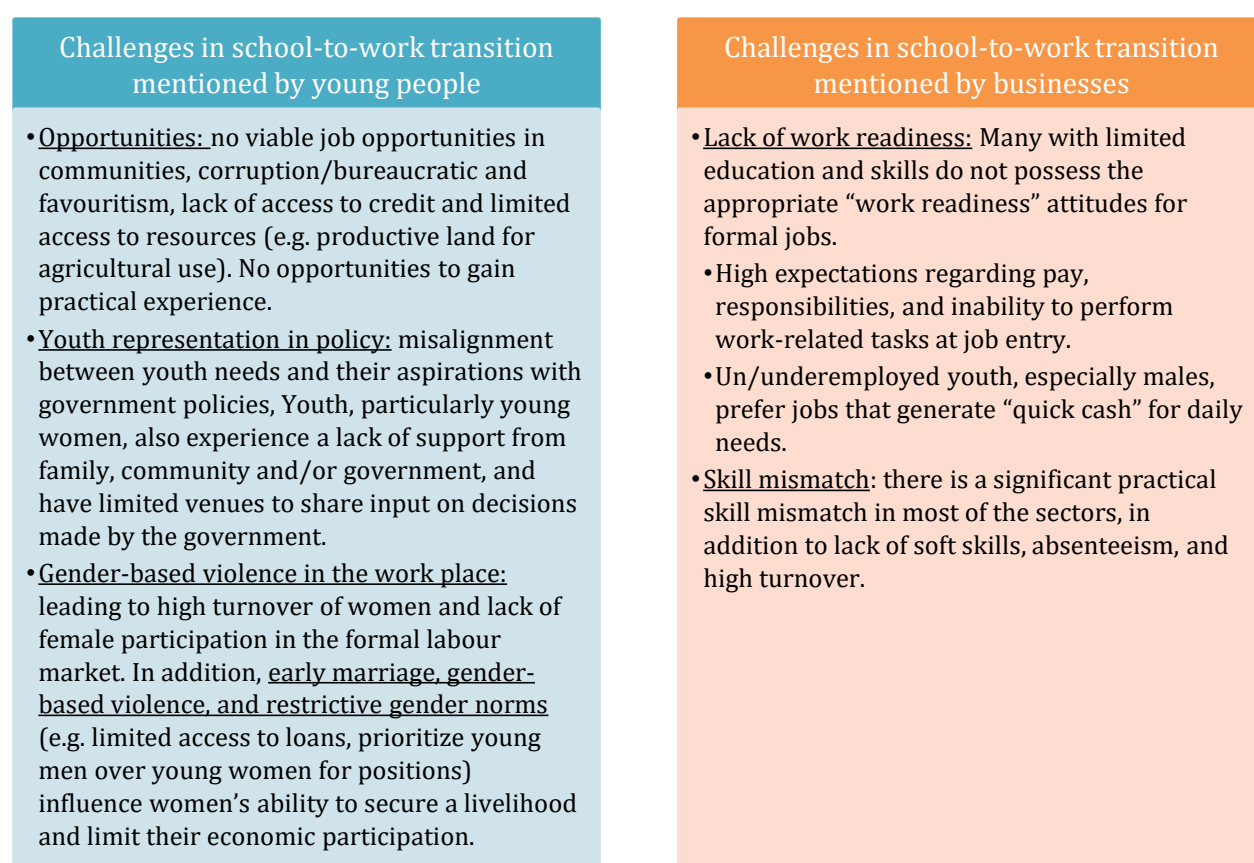
The majority of key informants reported that employers complain **soft skills** are lacking among TVET graduates. These soft skills include communication skills, punctuality, work ethics,

leadership, and team work skills. Several donor-funded projects focus on the development of soft skills, but these do not seem to be integrated into standard curricula of TVET institutions.

### 3.2 REQUIRED TRAININGS FOR SCHOOL-TO-WORK TRANSITION

Some of the challenges youth face in the process of searching and securing a job opportunity are related to skills mismatch, though other challenges exist as well. The below figure compares the main challenges with regards to school-to-work transition listed by young people and businesses (JCC, 2019, quoted from Melat, 2019).

FIGURE 10. SUMMARY OF SCHOOL-TO-WORK TRANSITION CHALLENGES MENTIONED BY YOUNG PEOPLE AND BUSINESSES



Focusing on the mismatch in skills, **skills required** for a smooth school-to-work transition fall under the following categories:

- **Practical skills:** the most important mismatch relates to the lack of practical skills taught in TVET, including higher technical skills such as the operation of machines.
- **Foundational skills:** young people lack basic IT skills and financial skills. In addition, some disadvantaged youth are not fully literate.

- Soft skills/work readiness: the private sector emphasises the lack of soft skills of TVET graduates, particularly punctuality, work ethics, team work, and communication.
- Entrepreneurial skills: while many youth aspire to starting up their own businesses, their skills education does not provide them with the entrepreneurial and creative skills for setting up own businesses. Entrepreneurship training should include information on how to access loans, social protection (e.g. micro-health insurances, started by WISE), and basic business management skills.
- Life skills: informants highlight that life skills should be integrated in TVET education, particularly for vulnerable young people, including young women. Young people, and particularly young women, who move from rural to urban areas for employment are more often in vulnerable employment situations. Informants mentioned that young women are often faced with verbal and sexual harassment in the work place, and should be equipped with life skills to know what to do in such situations. Life skills should teach young people to be aware of their rights and obligations, provide information about decent work conditions, and practice assertiveness and relationships management.

Current policies aim to incorporate the practical skills, and more recently, foundational skills components in TVET curricula. Attention to soft skills, entrepreneurial, and particularly life skills, seems to be more scattered.

In addition to the skills mismatch, however, there seems to be a mismatch in perspectives on youth aspirations. While businesses highlight challenges related to young people's work ethic, youth report that there is a lack of **fair and decent job opportunities, especially for young women, and lack of accepting climate for young people**. Put differently, youth at times seem to be portrayed as lazy and unwilling, whereas youth report to be willing but unable due to lack of opportunities and lack of practical experience. To address this gap, young people, and several key informants in this study as well, emphasise that **young people's perspectives** should be considered in the development of future programmes and policies, and efforts should be made to increase the acceptance of/reduce the prejudice against youth in the workplace.

### 3.3 MEASURES TO LINK SKILLS EDUCATION TO ECONOMY WORKFORCE NEEDS

To link skills education to economy workforce needs, the main measures taken relate to intensifying the link between TVET institutions and the private sector, and to developing a labour market information system. The **link between TVET institutions and the private sector** is encouraged, but is often not institutionalised or formalised. Some donor-funded projects have tried to intensify the link between selected private companies and TVET institutions. However, some key informants question the sustainability of this approach if no Memorandums of Understanding (MoU) are signed and the organisations do not play implementing roles. Ideally, the private sector also provides input into the curriculum design and apprenticeships efforts, in the form of sector skills councils, local TVET Management boards, and cooperative training models. However, while these initiatives are emphasised in policies and programme designs, in practice, such linkages between private sector and TVET institutions are difficult to establish or maintain due to lack of resources at TVET institutions and lack of interest from the private sector.

The **labour market information system** (TVET Management system (TMIS))/ adapting skills training based on labour market analysis (see section 2.1) is still in development. Informants highlight that current challenges related to the reliability of the information system are related to



the lack of digital input, lack of coordination between ministries, and lack of reliable information about labour market needs, partly due to the unpredictability of the labour market. ILO has developed a methodology (called the Skills for Trade and Economic Diversification [STED] methodology) to determine labour market needs, which is adopted by other donors as well. Other donor-funded projects have adopted similar style methodologies to inform their programmes (see e.g. the 7-step methodology of DEC/Edukans), or established centres to match job seekers to future employers (see e.g. the YES centre, further below) that collect data on labour market needs. Capacity to use such data for an integrated labour market information system needs to be strengthened, as currently, data are not used or integrated, and are often collected on paper making the system less efficient and vulnerable to mistakes.

Thus, while the Government of Ethiopia has a strong vision of linking skills education to labour market needs in order to create a market-relevant TVET, the implementation of this vision has been insufficient.

### 3.4 GOVERNMENT'S APPROACH FOR SMOOTH SCHOOL-TO-WORK TRANSITION

In the past few years the Government of Ethiopia has made an effort to address employment issues, skills education, and job creation. Existing policies and strategies are:

- The plan for accelerated and sustained development to end poverty: the five-year national development plan for 2005/06 to 2009/10 underscored unemployment and underemployment challenges, especially for youth and women. It presented employment generation strategies including promoting private sector development focused on micro- and small enterprises (MSEs) and public work.
- The Growth and Transformation Plans I and II (2003/04 to 2019/20): Aimed to address unemployment and labour market issues. Private sector development and improving access to and quality of education remain important strategies for employment generation. In GTP II, industry is given priority as an engine of growth. Within industry, light manufacturing is prioritized partly because the sector is believed to generate large numbers of employment opportunities.
- Rural job opportunity creation strategy: the strategy aims to integrate rural job opportunity creation efforts with the country's broad and sectoral policies, strategies and programs. The objective is to ensure rural job creation in pursuit of transformation through benefiting and participating the rural citizens by creating job opportunity alternatives for the rural job seekers/unemployed and underemployed citizens.
- National Policy on Ethiopian Women (1993): potential of women in development and improving welfare, but also the challenges in tapping their potential for the benefit of the country and themselves due to political, economic and cultural discriminations. The policy aims to ensure women are treated equally in the labour market; they should not be discriminated against in hiring, pay and promotion. It also stipulates government support to bridge opportunities and skills gaps with better access to education and training, career and vocational guidance.
- National Youth Policy (2004): Aims at building the capacity of youth by providing education and trainings. The policy presents a set of decent work standards to protect workers and job-seekers, including in industry and manufacturing.

- The National Employment Policy and Strategy (2009): is the guiding policy framework to address the problems of unemployment, underemployment and the working poor. It presents various strategies to address issues of labour demand, labour supply and labour market institutions, including creating decent and productive jobs through private sector development and labour-intensive government projects with emphasis on youth and women. It also details measures aimed at improving the functioning of labour market institutions.
- The National TVET Strategy (2008): The National TVET Strategy is embedded within the overall policy framework towards development and poverty reduction, and focuses on human capital development through skills education. It focuses on the expansion and improvement of the quality of an outcome-oriented TVET sector.
- Education Sector Development Plan V (2015/16-2019/20): As part of the ESDP V, priority areas for the TVET sector are to: 1) improve ownership of Occupational Standards and TVET training by sectors, and to improve the recognition of competences through accessible and quality assessment and certification services; 2) expand TVET institutions to all woredas and provide competent TVET graduates; 3) capacitate TVET trainers, leaders, and support staff; 4) assist MSEs to grow through industry extension services delivered by TVET trainers, and improve the quality of industry extension services and trainers.
- Ministry of Science and Higher Education: Roadmap 2020-2025: The Ministry of Science and Higher education is a relatively recently established ministry, separated from the Ministry of Education, to focus on TVET and Higher Education development. The Roadmap for the TVET sector is still in development, but the expectation is that it will continue to focus on the expansion and improvement of quality of TVET education. Key informants reported that MoSHE will strengthen its focus on short-term and non-formal skills education programmes in the upcoming strategy. Short-term (non-formal) skills education programmes are useful because they can more quickly upscale and retrain workers, are more flexible in meeting the demands of the labour market, and are more accessible to youth who cannot afford multiple-year TVET programmes. In addition, green TVET and gender-sensitive education will likely receive more attention.
- Jobs Creation Commission: Roadmap 2020-2025: The JCC is a commission created in 2018 under the prime minister's office and aims to develop an integrated approach to encouraging job creation, through private sector development and skills education initiatives. The roadmap 2020-2025 sets out six strategic objectives, which include attention to skills education and linkages with the labour market (see further below).

As part of these policies, the Government of Ethiopia has developed several sets of specific approaches to facilitate the smooth transition to work or self-employment. Relevant recent examples are:

### **Revolving fund**

A fund set up by the government to encourage young people to access loans in order to start up a business. To access loans, young people have to organise in groups of five and share a similar vision. Challenges reported are that young people do not always share the same vision, and that talented young people with a strong vision who could start up individually cannot access the loan if not part of a group of five. In addition, it has been reported that the loans are at times not paid back to the government.



## Deliverology programmes

The government has adopted a deliverology strategy in 2017 to improve the quality of existing tertiary education institutions (including curriculum, teacher skills, resources, governance, and information system about the labour market) and to improve job readiness skills of graduates.

## Jobs Creation Commission: Roadmap 2020-2025

The Plan of Action for Job Creation is structured around six main strategic objectives:

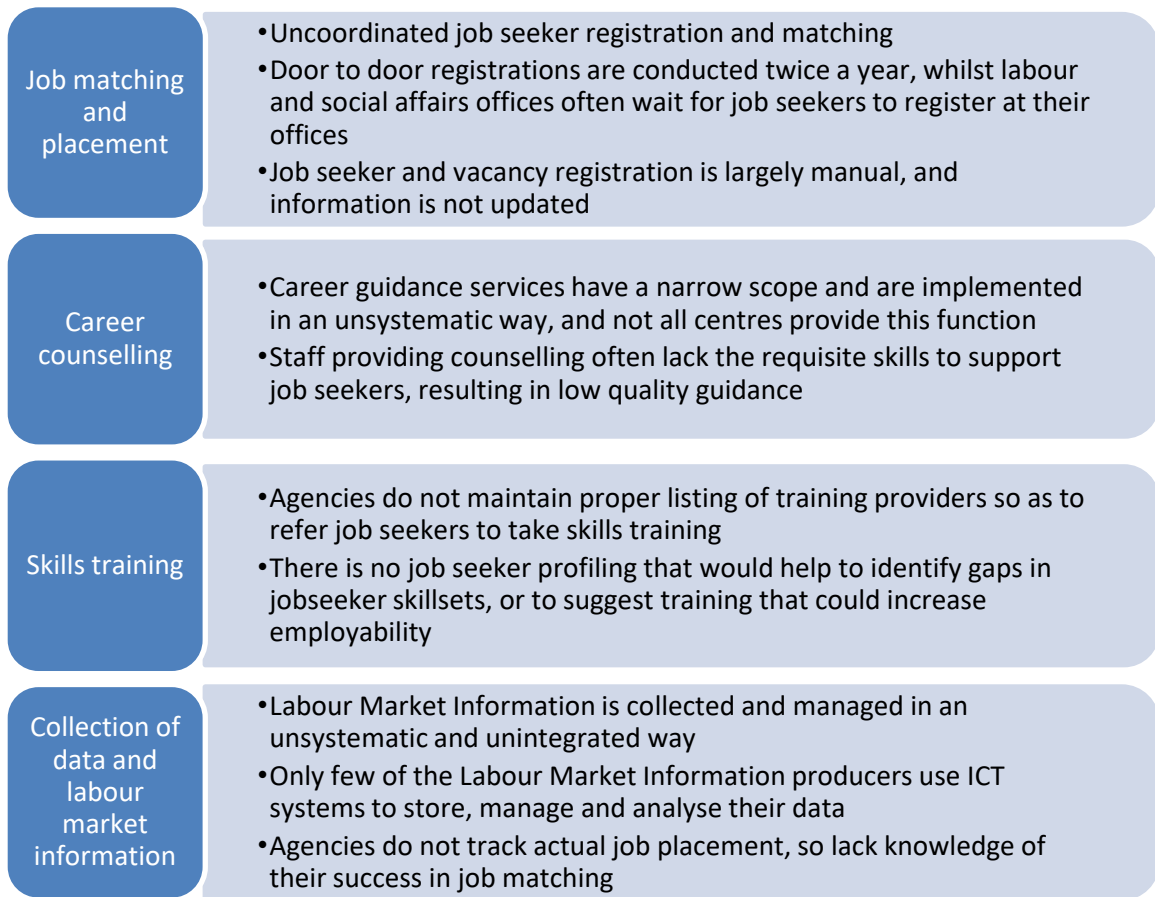
1. Adopting job-rich macro-policies by ensuring macroeconomic stability, optimizing the job-creation potential of public investment, improving the financial sector, and upgrading the institutional and statistical framework for job-rich macro-policies;
2. Building a vibrant local private sector by revamping the current support to MSMEs, effectively supporting high-potential and high-growth MSMEs, and improving the quality of business development services;
3. Developing human capital to meet the changing needs of the labour market by improving the level of **work-readiness** of the labour force, ensuring its proficiency in the 21st century skills, improving the entrepreneurial mindset, and building more **effective linkages between educational institutions and industries**. As part of its strategy to improve the work-readiness of the labour force, the JCC aims to integrate **short-term training courses** in the TVET system for 'upskilling' purposes. Such short-term training courses are considered more accessible for the large group of youth who are currently outside of the education system, such as secondary school dropouts;
4. Strengthening labour market intermediation and linkages by (i) building modern **employment centres** that provide effective employment services (ii) developing a **labour market information system** to reduce the asymmetry of information and improve social and spatial mobility in the labour market. These strategies require an integrated approach between ministries;
5. Improving the inclusiveness of the labour market by providing targeted services to populations excluded from the labour market as well as to vulnerable populations, such as refugees, migrants, and people with disabilities;
6. Realizing the job-creation potential of prospective high-yield sectors: providing a more balanced development policy with a focus on realizing the job-creation potential of sub-sectors in agriculture, industry, and services.

Despite increased attention to school-to-work transition in government's policies and strategies, including the expansion and improvement of the quality of skills education, and job creation efforts, challenges remain. Challenges include:

- **Skills education** is of low quality and not accessible for everyone:
  - The quality of skills education is low, in particular the lack of practical skills and soft skills are problematic, but also foundational skills, life skills, and entrepreneurial skills. Due to the low quality of skills education, employers are not attracted to hiring TVET graduates, or cannot find the youth with the right skill set.
  - Getting the private sector on board in sector skills councils and in cooperative training efforts with TVET institutions has been challenging. Yet, the involvement of the private sector is essential so as to align skills education with private sector demands.

- Access to formal TVET remains limited. Particularly youth from poor household backgrounds and secondary school drop outs would benefit from short-term skills education. Special needs services should be strengthened to cater for youth with disabilities. Young women increasingly participate in TVET, but their opportunities are not always the same as those of their male peers, especially when it comes to linking them to future employers and accessing decent work.
- Lack of opportunities for youth to **start up their own businesses** due to lack of moral support, lack of access to finance due to the group structure, and lack of practical experience. Recently, displacement has become an additional challenge for entrepreneurs, in both rural Ethiopia as well as Addis Ababa, as they have difficulty continuing their business after displacement. Social protection mechanisms should be in place (e.g. health insurances) to make entrepreneurship a viable option.
- Mismatch in what are considered **decent wages and employment conditions** by youth, and those offered in the labour market.
  - Some key informants emphasised the importance of corporate social responsibility on the side of the private sector.
  - In turn, youth are often considered/portrayed to be expecting unreasonably high salaries or to be looking for 'quick cash'.
  - Young women highlighted the importance of earning the same amount as their male counterparts, and raised concerns with regard to being accepted as a young woman in the work place. Issues of gender-based violence at home and in the work place also hinder the inclusion of young women in the labour market.
- **Private sector development and access to finance:** Access to finance is a structural challenge faced by the private sector. Ethiopia ranks 175 among 190 countries in getting a credit, way behind the sub-Saharan African countries average rank of 115. Indeed, 40% of the enterprises included in the WB Enterprise Survey declared that access to finance is a major constraint to their development (World Bank 2020 Doing Business; World Bank Enterprise Survey 2015, quoted from Melat, 2019). In addition, key informants highlighted that private sector development is currently stagnating in many sectors, but that its development is essential to creating jobs for young people.
- Job seekers **matching** to employment opportunities: 42% of job seekers try to find work through public employment services. However, the implementation of public employment services is poor. The challenges are summarized in the Figure below (sources: ILO, 2018; JCC, 2019, quoted from Melat, 2019):

FIGURE 11. CHALLENGES RELATED TO PUBLIC EMPLOYMENT SERVICES



## SECTION 4 – MAPPING AND IDENTIFICATION

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This section discusses which initiatives are currently being implemented by the government, bilateral or multilateral organizations and NGOs on skills development in Ethiopia, existing partnerships and coordination mechanisms, and reported challenges, opportunities and gaps in these initiatives. **The section ends with a presentation of scalable and future activities that are recommended for investment.**

### 4.1 MAPPING OF EXISTING INITIATIVES

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Existing initiatives that in one way or another engage with skills education are plentiful. The majority of initiatives operate in a selected number of TVET institutions to improve the quality of skills education and/or linkages to the labour market, particularly through setting up cooperative training models. Several programmes include attention to teacher training, system strengthening and capacity building. In the section below, current programmes in the skills education sector are presented. First, initiatives that operate in various sectors or conduct generic skills education programmes are presented, followed by initiatives that focus on specific sectors. Current initiatives focus predominantly on the agro-industry, textile/garment, and transport sectors. Almost all initiatives focus on the Amhara, Oromia, Tigray, and SNNP region, and Addis Ababa.

#### 4.1.1 GENERIC INITIATIVES (I.E. CROSS-CUTTING THROUGH DIFFERENT SECTORS)

##### **Stemming Irregular Migration In Northern And Central Ethiopia (SINCE) (funded by EU, managed by the Italian Embassy)**

The SINCE programme is designed to contribute to reducing irregular migration from Northern and Central Ethiopia by improving the living conditions of the most vulnerable population, including potential migrants and returnees with specific focus on youth and women. The specific objective of SINCE is to facilitate the creation of employment opportunities for potential migrants and returnees, focusing on women and youth, in the most migration prone regions of Ethiopia (Addis Ababa, Amhara, Oromia, SNNPR and Tigray), by strengthening the capacities of Technical Vocational Training (TVET) centres and by promoting Public Private Partnerships in strategic value chains. To encourage matching of youth to the labour market, the SINCE programme aims to strengthen one-stop-service centres/public employment services for youth and young women, where they can receive information and training on, for instance, entrepreneurship.

##### **Strengthening of skills education (multiple NGOs)**

As part of the SINCE programme, skills education strengthening activities have taken place in Addis Ababa, Amhara, Oromia, SNNP, and Tigray (Lot 1 to Lot 5 respectively, each worth between €2.6 million and €3.6 million). In each region, the intervention targets specific sectors, covering construction, metal works, leather, textile and agri-business. To make sure the improved skills education is linked to the labour market, the projects under the SINCE programme have developed public-private-partnerships.

### **Youth Employability Service Centre (the YES Centre) (ILO)**

ILO has supported the Youth Employability Services Centre (the YES Centre) in Bahir Dar (2016-2019/20, seeking means for extension/upscaling). The YES Centre is a joint initiative of Bureau of Finance and Economic Development (BoFED), Bureau of Labour and Social Affairs (BoLSA), Bureau of Technical, Vocational and Enterprise and Development (BoTVED), Bureau of Youth and Sports (BoYS), Confederation of Ethiopian Trade Unions and the Amhara Federation of Employers. The YES Centre provides a physical space where young people can go to so as to register as job seeker, access skills training, and be linked to future employers. As such, the YES Centre is designed to encourage integration between youth skills and labour market demands, as well as strengthen labour market information. It does so by working with multiple stakeholders at regional level, targeting the Nexus between skills and labour market demands. ILO supported the Centre technically and financially. The project also entailed a capacity building component at the level of the YES Centre, TVET institutions and TVET trainers. The YES Centre strengthening was part of ILO's SINCE-programme component.

### **Plan of Action for Job Creation (JCC)**

The JCC, who reports directly to the Prime Minister's Office, has recently set out a plan of action for job creation 2020-2025. Improving the link between skills education and labour market demands is a core component of the plan of action. To this effect, JCC proposed a large "up-skilling" strategy. For this effort, the JCC applies a focus not only on the youth who are currently in the formal education system, but especially on those outside of the formal education, such as secondary school dropouts, who are more vulnerable to un- and underemployment. For these youth, JCC intends to offer, in collaboration with private sector actors, short-term skills education, including practical skills, foundational skills, soft skills, entrepreneurship, and work ethics/readiness programmes. JCC is trying to find donors in the coming six months who can support the pilot and starting up of this project. In addition, JCC also includes the strategy to set up, improve, and/or fine-tune youth centres to serve as industry/business linkages for youth ages 15 – 29 and to reform career development centres at all universities and TVETs to serve as one-stop career centres. For this purpose, JCC is also looking for funding to set up the pilot project, and it is expected that the establishment of youth centres and career services will be institutionalised.

### **ESHI-fund (KfW, main implementer will be MoSHE)**

KfW has taken the initiative to establish a basket-fund, called the 'ESHI'-fund, following a successful basket-fund model in the health sector in Ethiopia. The aim of this basket fund is to ensure coordination of efforts among donors involved in skills education, minimise duplication of efforts, and to ensure alignment of efforts with government policies. The MoSHE will act as the main implementer of the fund, and the secretariat will be at MoSHE. In 2019,, a joint financing agreement has already been signed by four parties (the Ministry of Finance, MoSHE, Norway and Germany), and interest expressed by several others (including Italy, France, Korea, and China). All donors who contribute to the ESHI fund will have a say in how and where the money will be allocated. The first tranche of funding will focus on the improvement of the Ministries' IT database systems and on capacity building of management of MoSHE at federal level and in the regions (including the Federal TVET Agency, Federal TVET Institute, and TVET colleges).

### **Industrialisation project (KfW)**

KfW has a long history of supporting TVET, since 2003. KfW has supported the sector by establishing and supporting colleges across the country. Recently, KfW started expanding their involvement in TVET to the emerging regions to cater to refugee communities. Under the industrialisation project, worth €30 million, KfW supports TVET colleges close to industrial parks, so that the demand of the industrial parks will be supported by these TVET colleges. Support involves improving the linkage between the industrial parks and the colleges' curriculum, equipment of workshops and provision of additional teacher training, so that the teachers can meet practical needs and the requirements of the labour market in their classrooms.

### **Sustainable Training and Education Programme (STEP) (GIZ)**

Commissioned by the German Ministry for Economic Cooperation and Development (BMZ) and co-funded by the Norwegian Agency for Development Cooperation and the European Union, STEP aims to provide quality and equitable education and training relevant for the demands of the labour market. STEP, worth over €24 million, is implemented by GIZ, working together with MoSHE and its agencies and institutions. The programme aims at increasing employment for graduates of vocational and higher education institutions in Ethiopia's industrial growth sectors. The STEP-programme implements cooperative vocational training in collaboration with the private sector, and supports employment-oriented higher education through improving labour market data management systems. Teachers' and trainers' professional development is supported to improve their technical and pedagogical skills so that they are better equipped to teach and supervise students in cooperative training programmes.

### **Livelihood Improvement for Women and Youth in Addis Ababa (LI-WAY) (SIDA)**

LiWAY (July 2017 – June 2022) integrates a market development approach to skills education, in order to improve the livelihoods of youth in Addis Ababa. Collaborating with the Addis Ababa TVET Agency, the project provides demand driven skills education based on conducted labour market research in six public TVET colleges. The project works closely together with private sector companies to align the skills education with labour market needs. The signing of MoUs between the colleges and private sector actors is expected to ensure sustainability. The consortium members are: SNV Netherlands Development Organization (The lead Organization), Mercy Corps (MC), TechnoServe (TNS), and Save the Children.

### **East Africa Skills for Transformation and Regional Integration Project (EASTRIP) (World Bank)**

The objective of EASTRIP (June 2019 – June 2024, worth around €28 million) is to increase the access and improve the quality of TVET programs in selected Regional TVET Centres of Excellence and to support regional integration. EASTRIP covers Ethiopia, Kenya, and Tanzania, and brings a regional approach to developing the specialized TVET skills by creating a small cluster of regional TVET Centres of Excellence. Each centre will specialize in specific sectors and occupations with niche programmes in highly specialized TVET diploma and degree programs, as well as industry recognised short-term courses. Mobility of students, graduates, and faculty will facilitate an exchange of skilled labour within the region. The sharing of standards, curriculum, and training facilities will help reduce costs for each centre. At the same time, demonstrations will help inform and guide the broader array of national TVET reforms in these countries. The regional TVET

Centres of Excellence can serve the labour needs of major regional infrastructure projects. In Ethiopia, 7 centres of excellence will be established, focusing on textile, transportation, manufacturing, and agro-processing. EASTRIP is also aiming to improve the national enabling environment by collaborating closely with MoSHE. In addition, an independent quality assurance body will be established upon request of the government.

### **SKILL UP (ILO & Norwegian Ministry of Foreign Affairs)**

The SKILL-UP programme is a joint effort of the ILO and the Norwegian Ministry of Foreign Affairs aimed to assist the enhancement of skills systems in multiple countries in Africa, including Ethiopia (August 2018 - December 2019). The programme has global and country components. The main outcomes of SKILL-UP Global focus on new products development and innovation; strengthening national skills systems; capacity development, advocacy, knowledge sharing and support to country components. The SKILL-UP Country Projects are located in Ghana, Ethiopia, Lebanon, Malawi, Senegal and Tanzania. The overall project strategy in Ethiopia is staged on a three-component approach: 1) Leveraging skills needs to strengthen international trade; 2) Improving the quality of the skills development system in Ethiopia; 3) Strengthening inclusion in skills development. The Programme aims at supporting Ethiopia's agenda of social and economic development by strengthening the capacity of the country's skills development system to become market-driven and more inclusive and to integrate skills policies with national development and sectoral strategies to contribute to export growth, economic diversification, and decent employment creation. The MoE is the main partner in the implementation of this initiative in Ethiopia.

### **POTENTIAL (USAID)**

POTENTIAL is a five-year (January 2015 – December 2019) USAID-funded program, implemented by Save the Children and partner organizations, that promotes opportunities for young Ethiopians to positively contribute to their society. POTENTIAL's goal is for unemployed and underemployed Ethiopian youth aged 15-29 in rural areas and towns to attain the skills, knowledge, and social capital that lead to increased income and long-term economic self-sufficiency. The programme aims at providing rural youth with literacy, numeracy, and life skills training alongside vocational and entrepreneurship development activities through partnerships with training, small business, and microfinance institutions. USAID is planning to continue their engagement in the youth sector. Upcoming programmes starting in 2020 will combine civic engagement approaches, with employment activities and TVET, and youth friendly health services.

#### **4.1.2 IN AGRICULTURE/AGRO-INDUSTRY**

### **Promotion of Sustainable Ethiopian Agro-industrial Development (PROSEAD) (EU)**

Worth €45 million, PROSEAD will help build environmentally-friendly agro-industrial parks in four regions: Amhara, Oromia, the Southern Region and Tigray. It will also work with farmers to increase supplies of quality raw materials needed by food manufacturers in these parks; train unemployed women and youth in related jobs to address the skill mismatch, and provide microfinance and small grants to create opportunities for small agri-food businesses. Technical assistance includes attention to the training of TVET teachers. The four agro-industrial parks are projected to create more than 160,000 direct jobs. For this project, the EU has partnered with the Government of Ethiopia, the African Development Bank, the German Society for International Cooperation (GIZ), the United Nations Industrial Development Organisation (UNIDO), and financial institutions. GIZ is implementing the TVET-component of PROSEAD.

### **Agro-processing sector development (AICS)**

AICS is working on a large-scale programme on agro-processing sector development, including value chain development. The programme has a TVET component in Amhara, Tigray, SNNP and Oromia. Two TVET colleges are selected in each region, based on their proximity to agro-industrial parks. The TVET strengthening component includes purchasing of equipment and reference books, technical assistance in terms of capacity building at federal, regional, and TVET college level, revision of Occupational Standards, training of trainers, the establishment of multi-stakeholder platforms at regional levels, and support for the establishment of cooperative trainings. The implementing agency is the Federal TVET Agency. AICS coordinates closely with GIZ who is also implementing TVET interventions in the agro-processing sector as part of the PROSEAD programme.

### **Bright Future for Agriculture (Maastricht School of Management)**

Bright Future in Agriculture (BFA) is a three-year project in support of the Ethiopian agricultural vocational education sector that runs from January 2019 until 2021. The project is funded by the Dutch Ministry of Foreign Affairs and managed by Nuffic as part of the Orange Knowledge Programme. Maastricht School of Management with the Ethiopian Federal TVET Institute jointly implement the project together with 12 partners from the Netherlands, Ethiopia and South Africa. The project concentrates on the dairy and horticulture sub-sector. BFA will strengthen the ATVETs colleges to be able to serve the agro-industry, connected to the agro-processing parks. At local level, four ATVET colleges (2 in Oromia and 2 in Amhara) will be capacitated to perform inclusive agro-processing, value addition and production teaching, technology transfer and industry extension (incl. apprenticeships). At regional level, the Oromia and Amhara TVET Bureaus will be capacitated to being better positioned to execute their pivotal roles in orchestrating the TVET sector. On national (federal) level, the national TVET teacher training programs offered by FTI related to dairy and horticulture are improved/extended as well as their education programs on TVET leadership (MSc and short courses). This involves staff and programs at the Federal TVET Institute campus in Addis Ababa as well staff and programs the two Federal TVET Institute agricultural satellite campuses (Wukro and Holeta). In addition, partnerships and lessons learned will be sustained and rolled out to other ATVETs in the same regions, and to other regions, in particular Tigray and SNNPR.

### **Better Education for Africa's Rise II (BEAR II) (UNESCO & Republic of Korea)**

The BEAR II programme aims to enhance the relevance, quality and perception of TVET systems through specific sectoral interventions. In Ethiopia, the BEAR II project activities focus on the agro-processing sector. The BEAR II project is a five-year UNESCO project supported by the Republic of Korea, implemented from 2017 to 2021. Specific activities (will) involve improving the use of labour market intelligence for the training of the agro-processing sector, improving governance of skills needs assessment anticipation, adapting qualifications and curricula to changing skills needs, improving the quality of TVET teachers, design and implement leadership training for heads of TVET institutions, and providing career guidance to help improve the perception of TVET.

### **Youth in Agroecology and Business Learning Track Africa (YALTA)**

In 2020, AgriProFocus will start the Youth in Agroecology and Business Learning Track Africa initiative (YALTA). The goal of the APF YALTA Initiative is to support young agripreneurs to apply



agroecological principles and to co-create networks around them. Contributing to the increased sustainability of food systems and youth employment in Ethiopia, Kenya, Uganda and Rwanda. AgriProFocus works together with a variety of partners, including the Knowledge Programme for Food Security, the BoP Innovation Center, other partners within the AgriProFocus Networks - both in the Netherlands as well as internationally - and partner (Youth) networks and platforms. In each country, National Reference Groups will be established, in which a number of current and future partners will function as a sounding board and advisory committee for the YALTA Country Initiative. A representative of each National Reference Group will participate in a Regional Reference Group that will advise the YALTA Management Team.

#### 4.1.3 IN TEXTILE

##### **Textile and garment in Mekele (AICS, with UNIDO and VIS (NGO))**

AICS supports two projects in the textile and garment industry in Mekele. One is implemented by UNIDO and the other by an Italian NGO, VIS. The UNICDO project (running until 2021) focuses on a public-private-partnership approach in the Mekele Centre of Excellence college. UNIDO has supported the college with machineries that are also used in private companies, to align skills development with labour market demands. The TVET college is also supported by trainings aligned with private sector standards and guidelines, and trainings for middle management, and the development of soft skills. The VIS project components focuses on the development of decent job opportunities.

##### **Capacity-building and job creation for youth and women in the textile sector in migration prone areas of Ethiopia (UNIDO)**

To support the GoE in the creation of decent and productive job opportunities for young women and men through the development of strategic sectors such as the textile and garment industry, the project focuses on the development of local capacities (at managerial, technical and institutional levels) in the textile industry through a public private partnership approach. This project also responds to a specific Official Request sent by the Ethiopian MoTI for supporting the T&G sector. Two priority areas are targeted: 1. Enhancing employment opportunities and revenue-generating activities in regions of origin and transit of migrants to enhance the professional skills and employability of young people. 2. Facilitating responsible private investments in African agro-industries and boost intra-African trade and exports of products

#### 4.1.4 IN TRANSPORT

##### **Training Institute for Commercial Vehicle Drivers in Ethiopia: a private public partnership project to support specialized skills development in Ethiopia (UNIDO & SIDA)**

UNIDO has partnered with Selam Children's Village, Swedish International Development Cooperation Agency (SIDA), Volvo Group and Federal Transport Authority to support the establishment of a Commercial Vehicles Drivers Training academy in Ethiopia. The project aims at creating productive employment opportunities for Ethiopian youth in commercial vehicle driving and improving the shortage of skilled labour in the transport industry. Using a public private development partnership model, the training school will provide up to two years of training for up to 40 regular trainees annually. It will also undertake short term modular training for at least 480 drivers annually from different companies around the country. The revenue generated from the

fees charged for the short-term modular training will be an important contribution to making the school financially sustainable.

## 4.2 COORDINATION MECHANISMS

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Existing mechanisms to coordinate and/or manage ongoing programmes and initiatives are:

### **Sector skills councils**

Sector skills councils are established in the agro-industry and textile/garment sectors to coordinate activities in the sectors, as well as to strengthen the private sector involvement in, for instance, curriculum design. A sector skills council for the IT sector is reportedly being set up, and several informants, including at JCC, recommend sector skills councils to be set up for more sectors.

### **TVET technical working group**

The TVET technical working group, a working group in which donors and government actors come together, is set up to coordinate efforts of all donors in the sector. This is intended to avoid duplication of efforts and strengthen collaboration. The TVET technical working group has met twice in 2019, and will continue to meet in 2020.

### **ESHI-fund**

The ESHI-fund is a newly designed programme (see above) in which the core aim is to avoid duplication of efforts, align donor efforts with each other and with government priorities. The ESHI-fund pools together finances from various donors, and will be coordinated with the MoSHE.

## 4.3 CHALLENGES, OPPORTUNITIES, AND GAPS

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The challenges, opportunities, and gaps related to existing programmes are discussed under the sub-headings: programme design and implementation, young people's perspectives, skills education, and linking skills to the labour market.

### 4.3.1 PROGRAMME DESIGN AND IMPLEMENTATION

The most frequent mentioned challenge mentioned by informants is the lack of **coordination** among different donors and programmes. The lack of coordination resulted in the **duplication** of efforts, mentioned by several informants. For instance, some TVET colleges have had three different programmes implemented at the same time, while other colleges remain underserved. Informants also reported that several projects (re-)designed curricula, which sometimes led to overlap and duplication. Alongside issues related to coordination of efforts, several informants highlighted challenges related to the **capacity and commitment** of collaborating programme partners at federal, regional, and TVET institutional level. Such challenges concern the management of programmes, information systems, and a lack of resources.

In addition, the **sustainability** and sense of ownership of project implementation is sometimes lacking. Some informants highlighted that projects targeting single schools risk lacking sustainability because there is no system change, and commitment ends after the project. They recommend that future efforts need to address system change rather than focus on selected

colleges. In addition, partnerships between colleges and private sector actors need to be institutionalised, by means of, for instance, signing Memoranda of Understanding (MoUs) for sustainability reasons. Furthermore, TVET colleges and private sector partners need to be better involved in designing and implementing the project to establish a sense of ownership.

#### 4.3.2 YOUNG PEOPLE'S PERSPECTIVES

In relation to accessing skills education, informants reported that youth are not always interested or financially able to follow skills education. Even though public TVET is free of charge, some youth have to continue to do casual labour to maintain their livelihood, and thus cannot afford to enrol in a long-term or short-term TVET programme. In some projects, youth have been given a **financial incentive** to attend short-term skills training and apprenticeships. However, when they started working they found out their salary is the same amount, and in some cases was even reported to be lower compared to the pocket money they received as part of the project. As a result, youth were unhappy about the work they were able to access and had unrealistic expectations about what they would earn. In similar vein, some informants suggested youth need an incentive for skills education, especially in rural areas and in TVET institutions close to industrial parks, because youth might not be convinced about the value of TVET if they don't see that it pays off. In addition, some sectors are not considered attractive by youth (e.g. textile). To address these issues, several informants highlighted that programmes would benefit from a better **community needs assessment, including the perspectives of young men and women**, before the start of a programme. Interventions should as such be tailored to the existing aspirations and socio-cultural context of the community. **Young people** also highlighted that they would like to be considered in designing a project or implementing it, as they are often not aware of what happens with project budgets and how they are allocated.

With regards to the school-to-work transition, informants report that this transition is challenging because youth lack work ethics, expect a higher salary than what is offered in reality, and move to next employers after the employer has given them additional training for more attractive salaries, leading to high turnover. As such, **work ethics and work development mindset** requires more attention. At the same time, young people report that they do **not feel accepted in the work place**. Thus, efforts related to work readiness should go hand in hand with private sector's commitment to fair and decent work, and corporate social responsibility.

#### 4.3.3 SKILLS EDUCATION

The most frequent mentioned challenge with regards to skills education is that it lacks **practicing skills**. The lack of practical skills taught, is due to limited infrastructure/resources, and also due to teacher's limited practical skills. Most current initiatives thus focus on improving practical skills education, and aligning practice to labour market demands through partnerships with private sector. However, in addition to lacking practical experience, youth and other highlight that current skills education typically does not emphasise **work readiness and business skills**. Future initiative should thus address that gap by including attention to work readiness and business skills.

Several programmes (e.g. STEP, PROSEAD, AICS- and Maastricht School of Management-programmes) have added components of **teacher training** in order to improve skills education. The quality of TVET teachers is generally considered low, and teachers often do not have the practical skills themselves that students are supposed to learn in TVET. Some programmes, e.g. by GIZ, are considering to also **link teachers to the industry** for practice. In addition, training of teachers on **gender-sensitive pedagogy** and **attracting female teachers** were mentioned as

future opportunities. Few teachers are female teachers, some estimate around 22%. So female teachers also need to be attracted and (leadership) capacity of female teachers needs to be built.

Concerning curricula, a frequently mentioned challenge was that current **curricula** are not in line with labour market needs. Some programmes have redesigned curricula. In order to develop labour-market responsive curricula, the **private sector** needs to be activated to be involved in curriculum design as well (in addition to playing a role in internship/apprenticeship placement). However, informants reported that private sector actors were often reluctant to be involved. Indeed, the development and institutionalisation of **public-private-partnerships** between TVET institutions and private sector actors were mentioned recurrently as a major challenge and gap to develop a labour market-oriented TVET sector.

**Entrepreneurship** is an area of opportunity that requires more attention, both in skills training and in terms of access to loans to start up a business. While the majority of youth interviewed for this study had aspirations to start their own business within ten years, they did not feel their education prepared them to do so. In fact, all youth were of the opinion that they will need several years of practical experience in companies before they can start their own business, because they do not expect their skills to be sufficient upon graduation. Furthermore, one of the most pressing issues is that entrepreneurship/self-employment is not considered a viable option for many young people because it poses risks and is not stable enough, especially in the start-up years. The climate for entrepreneurs should thus improve for entrepreneurship to become an option for most youth. Strategies include the safety net creation for self-employment (JCC), and the setting up of micro-finance services (WISE).

A persistent challenge is reaching those **youth who are already out of the formal education**. Informants estimated that those youth enrolled in TVET belong to the top 20% educated people in the country, and that the biggest share of employment seeking youth have secondary education or less. Informants suggested that non-formal and short-term training will be best suited to those youth. The JCC strategy and, reportedly, the MoSHE strategy will also focus on improving short-term TVET, and possibly integrating short-term courses into formal TVET. In addition, some informants suggested that the design of secondary schooling could benefit from competency- and work-oriented education instead of exam-oriented schooling. As such, secondary school students would be better prepared for both the world of work and their tertiary education.

Finally, the participation of **youth with disabilities** remains low, and does not seem to be a focus of attention for the majority of ongoing projects in skills education. With regards to **gender**, most programmes use gender mainstreaming indicators to ensure gender parity in skills education access and outcomes. Some programmes that include higher education components, pay attention to women leadership training and empowerment in higher education. Young women in TVET continue to highlight that they get fewer opportunities than men to be linked to good future employers for apprenticeships. In addition, while access to TVET seems to be reaching parity, access to formal employment is highly skewed. Young women are a vulnerable group that need to be prepared for how to deal with discrimination in the work place. Notable is the approach taken by the NGO Women in Self-Employment (WISE). WISE includes health and relationships management component in their job readiness trainings, to empower women who go into wage employment to know their rights with regards to their minimum income, health and safety standards, and sexual harassment on the work place. Nuffic furthermore recommends that, in order to address gender inequality in the labour market, gender offices in TVET colleges should be strengthened to

empower young women. Empowerment activities should include issues like female leadership, gender-oriented curriculum development, sexual and reproductive health and rights, including gender-based violence/sexual harassment and practical issues as sanitary pads.

#### 4.3.4 LINKING SKILLS TO LABOUR MARKET

One of the main challenges related to linking skills to labour market demands is that the level of skills is so low that companies need to hire middle- and top-management people to train the low skilled workers, or to carry out some of the work, which is more expensive for companies. However, there are few opportunities where students can learn **middle-management skills**. In this light, informants recommend the establishment of more **Centres of Excellence**, to produce middle-management level workers.

At the same time, skills improvement alone is not likely to solve the problem of mismatch. Efforts addressing the linking of skills to labour market demands need to go hand in hand with **job creation** efforts, alongside **corporate social responsibility** and **decent work** initiatives. Job creation efforts are particularly important because, currently, the private sector in Ethiopia is fragmented and unpredictable. Informants suggest that particularly **MSME's competitiveness** needs to be strengthened, for instance through transfer of technology. Furthermore, the importance and benefits of skilled TVET graduates need to be more visible to future employers, as many employers are reported to continue to hire people from their existing (family) network rather than those with the best skills.

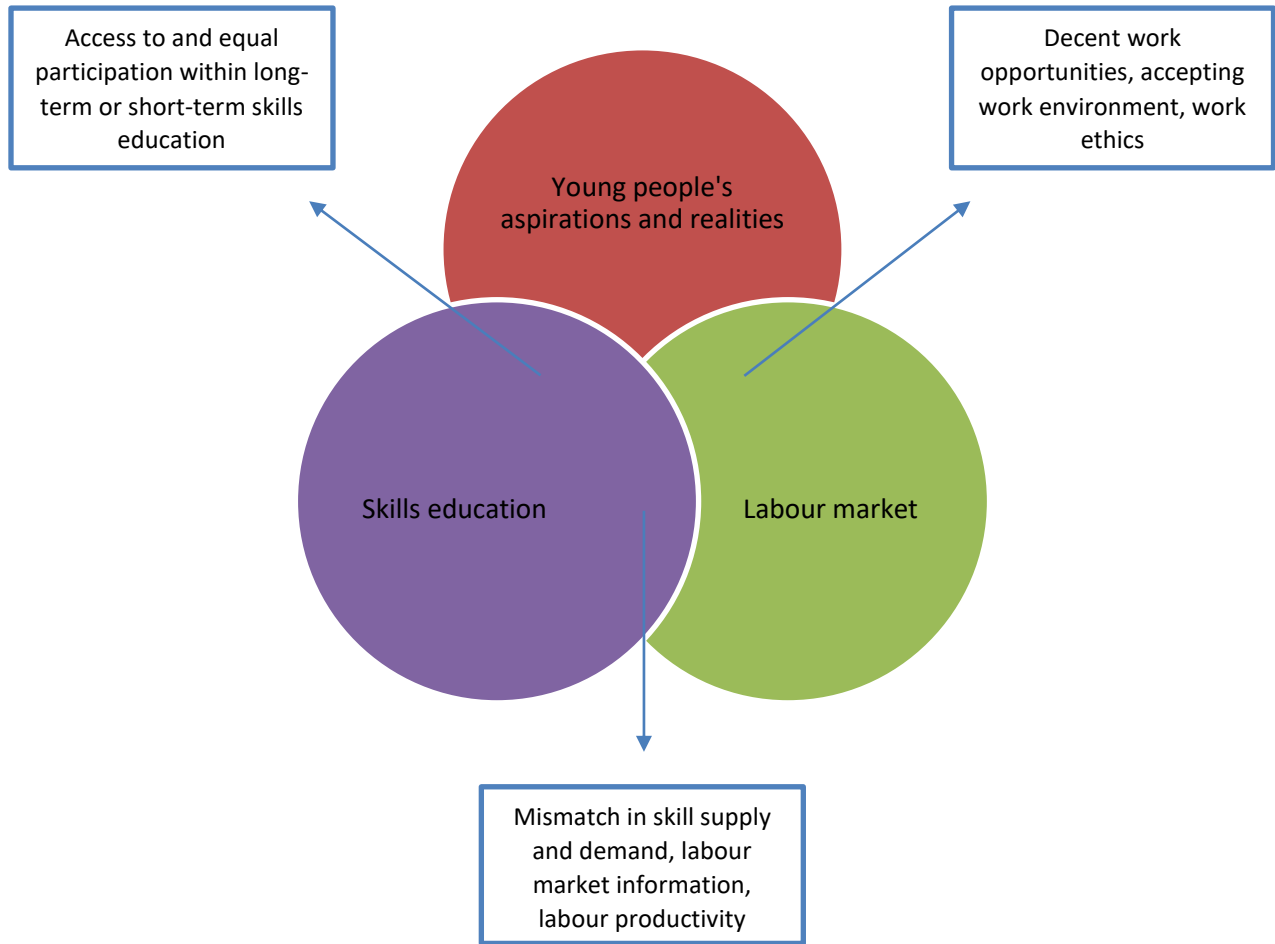
In order to improve the linking between skills education and labour market demands, **data and research** need to be strengthened on job-seekers, skill supply and skill demand. Management information systems are currently not of reliable quality, and communication between the various ministries (particularly MoSHE and Ministry of Labour and Social Affairs [MoLSA]) should be strengthened in order to improve such management information systems. To this respect, the establishment of the YES Centre has been able to connect the several regional bureaus and establish ways to collect data about job-seekers, employers, skill education, and skill demand. The YES Centre has also provided a physical space where youth can go in their search for training or employment, which is important in order to reach those who cannot access digital platforms.

Finally, despite reaching gender parity in enrolment rates in education, **women continue to end up in lower wage or informal employment**. Young women need to be better supported in decent work efforts. Particularly hard skill sector employers continue to prefer men over women. Young women currently in training in hard skill sectors stated that they need more moral support from their school, home, and general environment to establish themselves. Young women also expressed that more should be done to create visibility of successful women, such as role models, for female youth currently in 'hard skills' training.

In sum, the challenges related to linking skills education to labour market demands are related to the accessibility and quality of skills education, as well as decent work opportunities in the labour market, and the alignment of efforts with young people's aspirations and perspectives. The gaps between skills education and labour market particularly relate to the gap in practical (higher level technical) skills learned in TVET. In addition, skills that require more attention are entrepreneurship, soft skills, life skills/work readiness, and foundational skills. Skills education should be more accessible to young people who have responsibilities to maintain their daily livelihoods (e.g. through short-term trainings), improve in catering to special needs of students

with disabilities, and in providing equal opportunities to young women. Finally, to address the gap between the labour market and young people's perspectives, skills education initiatives should be coupled with job creation efforts with decent work components, and creating an accepting environment for young people, in particular young women.

FIGURE 12. CHALLENGES RELATED TO LINKING SKILLS EDUCATION TO LABOUR MARKET DEMANDS



#### 4.4 FUTURE ACTIVITIES

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There are a number of initiatives that aim to contribute to bridging the gap between skills development and decent job opportunities, that are scalable for future activities. Future scalable activities could entail, for example:

- To create a **platform where young people can be linked to future employers**, skills education opportunities, and other sources of information to access work, training, and social services. Such a platform can address the skills/jobs nexus by linking skilled young people to the right employers, or to training opportunities that will prepare them with the right skills to access employment. Thus, collaboration with local and regional businesses, skills education providers, and bureaus of labour market will be essential to gain insight into and address existing mismatches. Informants who mentioned such platforms emphasised that in order for such platforms to be accessible to all youth, it is important to have a physical and safe space young people can go to. Digital platforms are not accessible to all youth and are therefore not recommended. Platforms or job centres need to be safe spaces where young people feel accepted, especially to cater to young women and disadvantaged youth. Collaboration can be sought with existing one-stop-services, also developed under SRHR-programmes, and youth employment centres. In particular:
  - The **YES Centre** (implemented by ILO under the SINCE programme) is about to phase out but has led to promising results, particularly in connecting regional government actors from various related bureaus. Additional funding can be used to continue the YES Centre in Amhara region (currently in Bahir Dar), and/or to scale up to other regions. The services of the centre can also be extended to link young people to future entrepreneurship and leadership trainings in areas where future businesses are expected to be set up. Such platforms do not only help linking youth to future employers or education opportunities, but also strengthen data collection for labour market analysis purposes, and establish collaboration between regional bureaus of social affairs, trade and investment, and of science and higher education, and private actors.
  - In similar vein, the JCC is also planning to design job centres that integrate one stop shop services and make training accessible to youth, in addition to linking them to employers. JCC is planning to **scale up and fine-tune existing job centres**, and is seeking to pilot this project in the coming months, for which funding is needed.
- To make skills training more inclusive and accessible to youth who are currently out of school, or have dropped out of secondary school, by creating (non-formal) short-term skills training courses. Such short-term skills training can efficiently address existing mismatches between skills and labour market demands, by quickly upskilling young people to the demands of local businesses. Collaboration with local business and local/regional government actors will thus be important, to identify the mismatch, and possibly to (co-)provide the upskilling trainings. The JCC is planning to start a large-scale ‘upskilling’ programme that creates opportunities for these youth to access **short-term skills training including soft skills, work readiness, and entrepreneurship**. JCC is planning to start with this initiative in the coming six months and is looking for donors who can fund (components of) this programme, which is expected to eventually sustain itself by collaborating with private sector actors.
- The most persistent mismatch between young people’s skills and labour market demands concern the mismatch in **middle-management and higher technical skills**. This is



reported particularly in the agro-industry sector, but is considered to be the case in all sectors. Currently, private sector companies decide to hire middle-management and higher technical skilled experts from abroad, because they cannot find people with the right skills in Ethiopia. Yet, youth have the ambition to further develop their technical skills. Thus, future activities could focus on improving the higher technical and leadership skills development of young people in skills education through education provided by private sector and cooperative training models. **Encouraging (foreign) private sector investors to provide such middle-management and higher technical skills training** can be an effective way to simultaneously address the existing mismatch and promote corporate social responsibility by promoting young people's employability. Existing initiatives are also aiming to address the higher technical skills gap, particularly GIZ' initiatives, so clear coordination would be essential in this regard. Several informants at government offices reported to welcome the establishment of more Centres of Excellence in sector-specific areas (following examples of, for instance, the Centre of Excellence supported by AICS in Mekelle, or the Centres planned by the World Bank EASTRIP programme – coordination would again be essential).

- Several existing programmes include components on **teacher training**. Yet, teacher training has been identified as a an area where more investment is needed. Particularly to address the challenge that teachers themselves often do not have the practical or technical skills that they are expected to teach to their students. Future activities could thus explore ways strengthen and scale-up teacher training initiatives, to improve the practical skills of teachers, but also gender-sensitive teaching, attract female teachers to the TVET sector, and leadership development of (female) leaders in TVET institutions.
- The **ESHI-fund is created to avoid duplication and increase coordination among donors and government actors** in the field of skills education. Informants from government as well as donor offices (strongly) recommend any activity on skills education to go through the ESHI-fund. The ESHI-fund is set up to, in addition to combining efforts on skills education, align efforts with government strategies and strengthen capacity at government offices. The ESHI-fund is expected to provide sector-wide support to the reform process of TVET. Given the current focus of the government to develop an outcome-oriented TVET, based on labour market demands and analysis, the expectation is that the ESHI-fund will directly or indirectly address the current mismatch in skills/jobs. Donors who contribute to the ESHI-fund can dedicate their funding to specific areas, and share in decision making about the allocation of the fund.

In addition to scaling up or aligning with existing initiatives, there are several identified gaps in existing efforts. Future activities that could fill these gaps are, for instance:

- Despite women's increased participation in TVET, **young women's unemployment rates** are highest and they continue to work in the informal sector more often than men. The linkage between young women's education and the labour market thus seems to be particularly problematic. Furthermore, according to informants and existing literature, it are especially young women and young people from vulnerable backgrounds that are faced with risks to health and bodily integrity at the work place, especially when they migrate (internally and internationally) for work. Informants and young women themselves recommended that future initiatives focus on 1) increasing women's access to formal labour market through incentivising and sensitizing the private sector to hire women and create safe work places; 2) celebrating and advocating (young) women who work in (male)



dominated jobs – particularly young women highlighted that such role models could give them the moral support they need to reach their career aspirations; 3) introduce and integrate life skills in curricula, and increase the accessibility of life skills courses, which particularly help women and vulnerable youth in knowing their rights and obligations, practicing assertiveness, relationship management, etc. Activities related to the latter could include, for instance, the development of a short course that can be transferred to other institutes. For this, it is important to ensure alignment with NGOs who are already doing this (e.g. WISE, DEC), and make sure existing resources are not duplicated but rather combined and/or scaled up. While life skills training might not directly improve the practical skills demanded by the labour market, it does prepare and equip young women and vulnerable young people for safer employment and work readiness, leading to less turnover.

- Related to the skills mismatch, some informants reported that skills related to **sustainability**, or efforts related to '**green TVET**' are areas to be further invested in, in line with reported priority areas of the Federal TVET Agency. In this sense, future initiatives might seek alignment with the YALTA programme that will be started this year, who take a clear youth-focused approach. Alternatively, sustainability training components can be added to future (foreign) investments plans (e.g. in upcoming foreign investments in the agriculture sector). While youth expressed a disinterest in working in the agriculture sector, the sector remains the largest sector for employment and youth might be more attracted to working in agriculture if it's coupled with **innovation for growth and sustainability**. Hence, future programmes could address the mismatch in innovation and sustainability skills and the demands of the sector, potentially making the sector more attractive to young people. Nevertheless, the feasibility of young people's contributions to innovating the agricultural sector needs to be assessed, keeping in mind that young people commonly have limited access to land, and remain dependent on elders who were reported to often resist innovation on their lands.
- A key challenge in linking skills education to the demands of the labour market is the absence and reluctance of **the private sector to be involved**. Interventions need to be set up to address this challenge. In particular, the added value of cooperative training models and private sector involvement in curriculum design and occupational standards development needs to be clearer. Some informants have suggested to set up incentives for private companies to take on TVET students or graduates for apprenticeships and internships, however, the sustainability of this approach is questionable if the incentives are discontinued. In addition, the promotion of sectoral dialogue through stakeholder platforms between public and private actors is crucial, and feedback mechanisms between industries and training providers should be established. While such feedback mechanisms might strengthen the input from private sector actors into what skills are required, it must be coupled with improved skills education to address the skill/jobs mismatch.
- Less frequently emphasised in ongoing activities **is the role of foreign investors** in providing skills training and addressing the mismatch. While some foreign investors do provide short-term on-the-job training to (young) people, their role in providing training for higher technical and leadership skills can be explored. In addition, in areas where foreign investors are active, opportunities for small businesses can be expected. Access to entrepreneurship training and support in these areas can thus be explored and coupled with corporate social responsibility efforts of investors.

- Entrepreneurship is often mentioned as a possible solution to youth un/underemployment. Future initiatives could focus on **improving access to finance and micro-insurances, coupled with skills training on entrepreneurship**. However, youth highlight that entrepreneurship is hardly a feasible option for them, because of the high risk that it involves in terms of financial and job security, in addition to lack of finances (and, in the case of young women, moral support) to start up a new business. The lack of practical experience youth gain in TVET is an additional hurdle to entrepreneurship, so a risk of entrepreneurship training is that it might not lead to more entrepreneurship activities if it does not include components for young people to gain the necessary practical experience. Entrepreneurship training might thus not fill the immediate skills/job Nexus, but might nevertheless be a fruitful opportunity for those youth who have already obtained useful and marketable skills might improve their opportunities to start up and grow businesses, which is scarcely happening at the moment. Entrepreneurship training might be a particularly useful opportunity in areas where future business opportunities are expected, e.g., where foreign investors are planning to set up projects.

## CONCLUSION AND RECOMMENDATIONS

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Youth unemployment and underemployment are persistent problems in Ethiopia. Particularly urban youth and urban young women are un- or underemployed. Current skills education does not prepare young people well enough for the demands of the labour market. In particular, practical experience, middle-management and higher technical skills, and work readiness skills create a mismatch between skills education and labour market needs. Investments in the skills education sector, in collaboration with the private sector in terms of developing curricula, defining occupational standards, and providing cooperative training models, as well as possibly providing short-term trainings, are thus much needed, in addition to more systematically linking young people to (future) employers. Furthermore, since the largest share of unemployed youth are those who have not finalised their secondary education, investments are needed in making non-formal and short-term TVET courses more available and accessible.

A wealth of existing donor-funded programmes exist to improve the access and quality of TVET, and to address the mismatch in skills learned and the demands of the labour market. Most such initiatives work together with selected TVET colleges, in Amhara, Oromia, SNNPR, and/or Tigray. Skills education development is thus not a new field of intervention in Ethiopia, and in this sense, alignment with existing initiatives could be sought to scale up and intensify successful programmes that target the skills/jobs nexus. For instance, the YES Centre or similar youth employability service centres have been developed under existing initiatives, and address the mismatch between young people's skills and the demands by the labour market, by linking the right young people to the right employers, or linking young people to skills education initiatives to gain the desired skills. This approach requires a good engagement with private sector actors and regional government bureaus. YES Centres can furthermore be integrated with existing one stop services, developed under health/SRHR agendas that also target young people. As such, youth centres could deliver even more comprehensive services. Next to the youth employability services, new initiatives are being developed based on learned lessons, such as the JCC's plans to develop and provide short-term skills training to disadvantaged youth. This approach addresses an important gap in current formal skills education provision, namely including those youth who cannot access formal skills education but are the largest segment of unemployed youth, such as young people who have dropped out from secondary school. Short-term skill training can provide unique opportunities to quickly train young people on skills required for employment, especially when done in collaboration with/provided by local business, and local and regional government bureaus. Furthermore, an ESHI-fund initiative has recently been created that aims to combine and coordinate existing efforts for a more efficient and outcome-oriented TVET sector. One important element of the ESHI-fund is the fact that it is coordinated by and aims to strengthen the capacity of MoSHE. While the ESHI-fund's main focus is on strengthening the TVET sector, it is likely that it will also attend to improving the linkages between skills education and labour market needs, as this is a priority in current government policies. Hence, aligning future efforts with one of these programmes, or other existing programmes of similar nature, would thus provide the opportunity to capitalise on existing knowledge and resources, while widening these programmes' impact. In all initiatives, it is recommended to take a youth participatory approach, so as to understand and address the employment aspirations of young people, as well as challenges they experience in accessing work or on the work place. Concentrating at regional level can moreover be fruitful to get business and multiple regional government actors on board, so as to inform current labour market gaps and needs.



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