

ASSESSMENT OF PRIVATE EMPLOYMENT AGENCY SERVICE PROVISION IN ETHIOPIA



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Foreword

Ethiopia is the second most-populous country in Africa and the twelfth in the World with an estimated population of about 105 million in 2017¹. According to the 2017 UNDESA World Population Prospect report, Ethiopia's population is predominantly young with about 41 per cent of the population being below 15 years of age and the proportion of working age population (15-64) being 54 per cent. With this youth bulge, up to 3 million young Ethiopians are estimated to join the labour market every year. To respond to this labour market supply, the Public Employment Services (PES) and the Private Employment Agencies (PrEAs) should play key intermediary role in the provision of labour market services throughout the country. Globally, over the past three decades private employment agencies has been playing an important role in the functioning of contemporary labour markets and the industry has expanded at an incredible rate due to the increasing need to provide services to a growing and flexible labour market. Similarly, PrEAs involvement in the labour market in Ethiopia has shown rapid growth.

However, due to the nature of employment relationships (temporary employment or triangular employment relationship), unfair practices as well as violation of labour rights are witnessed. Accordingly, the ILO adopted the Convention on Private Employment Agencies (C181) in 1997 and Ethiopia was a pioneer in ratifying the convention in March 1999. Further to the ratification, Ethiopia replaced its first Private Employment Agency Proclamation No. 104/1998 to Employment Exchange Services Proclamation No. 632/2009, which is now replaced by the Overseas Employment Proclamation No. 923/2016 with the aim to protect the rights, safety and dignity of Ethiopians who are willing to take-up overseas employment. Nevertheless, the scope of Proclamation No. 923/2016 is limited to Ethiopia's overseas employment and does not apply to PrEAs operating in local labour market.

Despite the Government efforts, there are major decent work deficits associated with local employment services by PrEAs in Ethiopia, which require the attention of policy makers to devise a comprehensive legislation that respond to the challenges being faced in the sector. To inform evidence-based policy making the Ministry of Labour and Social Affairs (MoLSA) of the Federal Democratic Republic of Ethiopia in collaboration with the International Labour Organization (ILO) undertook an *Assessment of Private Employment Service Provision in Ethiopia*. The study was able to assess the effectiveness of services provided by PrEA at national/local level, identified challenges and opportunities and provide concrete and actionable general as well as policy level recommendations based on experiences of other countries. The assessment highlighted a clear gap in the Ethiopian legal framework to regulate PrEAs and triangular employment relation, and emphasized the need to review the Labour Proclamation No. 377/2003 and the Employment Exchange Service Proclamation No. 632/2009 in order to address the gap.

We hope this assessments findings and recommendations will support the Government of Ethiopia in strengthening its regulation of Private Employment Agencies for local employment and lead to the development of a comprehensive Directive that will ameliorate efficiency of national labour markets with an improved regulation system of services provided by PrEAs while preventing unfair practices.

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

Moreover, it is trusted that this assessment would contribute to strengthen the employment services being provided by PrEA to effectively meet the local labour market supply and demand and create decent employment opportunities in Ethiopia.

It is our hope that relevant actors including line Ministries and their regional counterparts, policy makers, PrEAs and User Enterprises will further interpret the findings and recommendations of this assessment and ensure that returnees and workers in general have access to better employment services and thereby to decent jobs. Finally, we would like to express our appreciation to the European Union who has extended financial support to the ILO project *“Support to the reintegration of returnees in Ethiopia”* under which this assessment was undertaken.

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Acronyms and abbreviations

BoLSA	Bureau of Labour and Social Affairs
EU	European Union
ILO	International Labour Organization
MoLSA	Ministry of Labour and Social Affairs
PrEA	Private Employment Agency
SNNPR	Southern Nations Nationalities and Peoples Region

Executive summary

Employment services can be provided either by public or private employment service providers. While the public employment service has been the dominant service provider within the context of the Ethiopian formal labour market, the delivery of employment services by private employment agencies (PrEAs) does not have a long history. In Ethiopia, licensing and regulating PrEAs is governed by the Employment Exchange Service Proclamation No. 632/2009 and the Labour Proclamation No. 377/2003. The Employment Exchange Service Proclamation mainly deals with the definition of an employment agency and licensing-related matters; while the Labour Proclamation mainly sets out the terms and conditions of work. The laying down of policy and legislative frameworks is the mandate of the Ministry of Labour and Social Affairs (MoLSA); while licensing and regulating the PrEAs is the role of the respective regional Labour and Social Affairs offices. Despite being young service providers, PrEAs are playing an increasingly important role in connecting the demand and supply sides of the Ethiopian labour market. However, they are also often been characterized for weak service provision. PrEAs' apparent weakness in providing anticipated services can have the potential to be particularly problematic due to weak law enforcement and gaps in the legal frameworks and instruments governing the terms and conditions of employment in Ethiopia, among other reasons. As a result, different stakeholders (including the public) have been urging for a policy review and/or more stringent enforcement of existing legal instruments to address the prevailing decent work deficits found in employment relations established through the PrEAs. Cognizant of this, the Ministry of Labour and Social Affairs (MoLSA) and the International Labour Organization (ILO) have undertaken this study to document policy inputs and provide actionable recommendations to address problem areas related to PrEAs engaged in employment services and that operate in Ethiopia at the national level.

A mixed methods approach comprising both quantitative and qualitative study techniques were employed to collect and analyse the required data from the three parties involved in the triangular employment relations often established when PrEAs are involved, namely: (1) workers recruited through PrEAs ("workers"); (2) firms that make use of PrEA services ("user enterprises"); and (3) the PrEAs themselves. Accordingly, 400 workers recruited by or through the PrEAs, 40 PrEAs, and 56 user enterprises were contacted for survey interviews covering a range of topics. The 40 PrEAs and 56 user enterprises were selected through purposive a sampling technique and contacted for interview, and ten workers on average were selected at random from each of the 40 PrEAs. The study also included a desk review of the relevant Ethiopian laws and policies, the Federal Democratic Republic of Ethiopia (FDRE) constitution, as well as relevant ILO Conventions ratified by Ethiopia. Relevant studies and documentation on PrEA activities globally and on the practices of other countries in this space, mainly governing and regulating PrEAs activities, were also reviewed and documented to explore best practices.

With regard to Ethiopia's legal framework around PrEAs, the study found that clear gaps exist that make it particularly difficult to regulate triangular employment relations. These gaps are the result of the relevant legislation being prepared before PrEAs rose to prominence in the labour. The Employment Exchange Service Proclamation (Proclamation No. 632/2009), which is meant to regulate PrEAs, was written to address overseas employment, and therefore lacks clarity on local private employment services, leaving the terms and conditions of employment to be regulated by the Labour Proclamation (Proclamation No. 377/2003 as amended). This latter Proclamation, however, also lacks the provision of specific terms and conditions that adequately address the

unique aspects of the triangular employment relations created through the involvement of PrEAs. The enforcement of the legal frameworks in place is also found to be weak.

As a result of these legal gaps and weak implementations of the legal instruments in place, employment relations involving PrEAs are often found to be exploitative, with gross violations of minimum working conditions, little or no entitlements to additional benefits, and discrimination and inequality that run contrary to the principles stipulated by the international and national instruments. While some of these violations appear to be intentional, many PrEAs are likely violating the due to lack of awareness of their legal responsibilities and obligations.

PrEAs are required to fulfill certain conditions in order to be licensed for operation. However, current practice considers all PrEAs as one homogenous group, irrespective of differences in their institutional capacities, the nature of their services, and the sectors they recruit for. Consequently, many PrEAs are found to be less than competent at providing the intended services with the expected quality. The law also lacks enforcement mechanisms to ensure compliance with the requirements in place. There is also mandate overlap or confusion with regard to licensing. For example, while the licensing of PrEAs falls under the mandate of the Bureaus of Labour and Social Affairs (BoLSAs), it is argued that there have been cases where licenses have been issued directly by police for PrEAs engaged in security services.

Regarding the relevant regulatory bodies, the institutional capacities of the Ministry of Labour and Social Affairs (MoLSA) and its Bureaus of Labour and Social Affairs (BoLSAs), who are charged with regulating the activities of PrEAs, are found to be limited in terms of execution, coordination, monitoring, and evaluation – mainly due to lack of structure at the regulatory and operational levels, a shortage of skilled/experienced manpower, and high staff turnover. Coordination and collaboration among the concerned stakeholders were also identified as being weak and fragmented, with little in the way of regular communication and information exchange.

One key group of potential workers seeking employment services from PrEAs are migrant workers who have returned from employment abroad (“returnees”). The findings of the study reveal that the employment opportunities created by or through PrEAs have benefited returnees. However, it was also found that the reintegration support offered to returnees has not helped returnees gain access to employment opportunities. This implies that current reintegration supports do not place a focus on linking returnees with the employment services offered through PrEAs.

Therefore, based on the findings of this study and desktop research on best practices in other countries, this report offers the following recommendations, which are expanded upon in greater detail in the final chapter of this report:

- It is of high importance to undertake a legislative review of the Labour Proclamation (Proclamation No. 377/2003) and the Employment Exchange Service Proclamation (Proclamation No. 632/2009) to address inadequately defined or undefined terms and to better regulate triangular employment relationships involving PrEAs.
- In the face of serious violations of existing labour law and weak service provisions by PrEAs, it is important to improve the MoLSA’s and BoLSAs’ execution capacity, and to work towards full implementation and compliance of standards within the existing legislative and administrative frameworks.
- Legislative or administrative mechanisms should be set to help PrEAs establish long-term strategic partnerships with user enterprises instead of relying on short-term agreements. Such

long-term agreements would enable PrEAs to retain their workers for a longer period and also enable PrEAs to negotiate better terms and conditions of work for the workers they place.

- Review the licensing requirements for PrEAs to upgrade/establish confidence in their service delivery. These requirements may take into consideration, among others: the organizational structure, the quantity and quality of the human resources/staff, and financial capacity.
- Clearly stipulate the duties and responsibilities of all stakeholders (MoLSA and BoLSAs; Ministry of Trade/regional Trade Bureaus; Customs and Revenues Authority/regional Customs and Revenues Bureaus; Federal/Regional Police) in legislative or administrative instruments to avoid mandate overlaps or confusion, and to strengthen stakeholder contributions in regulating PrEAs.
- Strengthen the inspection system and reporting and monitoring requirements, and periodically review and evaluate the performance of stakeholders to ensure full compliance with legislative and administrative frameworks. Initiate regular quarterly or biannual stakeholder review forums for this specific agenda.

It is important to address the low level of reintegration support offered to returnees in connecting returnee workers with local employment opportunities.

1. Introduction

Employment intermediation services can be provided by either private or public employment service providers. As a manifestation of economic and social globalization, private employment service providers, or private employment agencies (PrEAs), have flourished across the globe with varied numerical and normative effects. In the Ethiopian context, however, the formal labour market had been solely monopolized by public employment services, and very minimally served by the PrEAs, that have only truly emerged over the last two decades (MOLSA, 2009). Even so, the number of PrEAs entering into the market and their sectoral coverage has been steadily growing. Accordingly, there are at least 700 PrEAs that operate in Ethiopia at national level at present.

Though labour market institutions in general have important roles in connecting the demand and supply sides of the labour market, these institutions have been generally weak in Ethiopia in providing the required services and in meeting the fast-paced dynamism manifesting in the national and global markets. Unpublished reports, public opinion, labour strikes and demonstrations, as well as voices in the House of People's Representatives (parliament) and the media depict a labour market in which the employment services provided by PrEAs involve critical violations of the rights of workers.

Though not substantiated by numerical data², these complaints showcase the widespread perception that PrEAs engage in service provision without fulfilling the standards set by national and international instruments; as a result of which, workers of PrEAs and those who are hired by service user organizations (referred to as “user enterprises” in this report) through the intermediation of PrEAs are encountering all-round violations of labour rights. It is widely believed that the terms and conditions of work – including workplace health and safety, maximum working hours, weekly rest and annual leave, the right to organize, the right to equal pay for equal work, the right not to be discriminated against – and other working conditions set by appropriate standards are not respected by PrEAs, and that workers placed by or through PrEAs are particularly subject to the worst working environments and conditions. Consequently, there is a continual call from different stakeholders and the public at large for innovative policy and/or enforcement solutions to address the prevailing decent work deficit in relation to the operation of local PrEAs. There is also a perceived need to take appropriate measures to address inadequate working conditions; support effective labour market transitions; promote equality and non-discrimination in the world of work; address highly insecure and non-standard forms of employment that fail to respect fundamental principles and rights at work with regard to local employment services provided by PrEAs. In addition, there are further calls to address the low level of employment services provided by PrEAs to returnee migrant workers endeavoring to reintegrate into the local labour market and searching for local employment opportunities.

Despite such public demands at large, there have been neither studies nor organized data on the scope of PrEAs' engagements, the nature of their services, and the magnitude of the claimed violations of workers' rights. As such, there are currently inadequate grounds to determine the root causes of perceived problems in order to suggest corrective measures and service improvement directions to agencies and relevant stakeholders associated with private employment service administration. As a result, the International Labour Organization (ILO) and the Ministry of Labour and Social Affairs (MoLSA) commissioned this study, which seeks to document policy inputs and produce actionable recommendations to address problem areas associated with the activities of PrEAs that operate in Ethiopia at a national level.

² No Organized Numerical Data Available.

2. Objective, Scope and Methodology of the Study

2.1 Objectives of the study

The general objective of this study is to assess the effectiveness of the services being provided by PrEAs in Ethiopia and to identify existing drawbacks in the services being provided. The assessment is further expected to provide concrete recommendations to ensure access to better services and better quality of employment, as well as to inform policy-level interventions towards ensuring decent work. The specific objectives of the assessment are:

1. To provide quantitative and qualitative data related to PrEA service provision in Ethiopia, such as institutional structure, the number of workers and employers they serve, the fees they charge, trends in the market, issues of social protection, etc.
2. To provide a comprehensive analysis of existing services provided by PrEAs; identify the drawbacks vis-à-vis the triangular employment relationship among employees, PrEAs, and the service user enterprises; assess the quality of services and their effectiveness through qualitative key informant interviews and undertaking a quantitative survey among beneficiaries and concerned stakeholders; and
3. To draw concrete recommendations that would inform policy-level interventions towards ensuring decent work.

2.2 Scope of the study

Geographically, the assessment covers the Tigray, Amhara, Oromia, Southern Nations Nationalities and Peoples (SNNPR), and Benishangul-Gumuz regions, as well as the Addis Ababa City Administration. These five regions and Addis Ababa were selected for the assessment based on the number of PrEAs operating in the respective regions and city administration, and the available resources.

To achieve the specific objectives stated above, the following activities were carried out:

1. Review of international practices with regard to PrEAs services, specifically concerning multi-party or triangular employment relationships under different (but related) forms of employment arrangements, such as temporary agency work and subcontracting;
2. Mandate analysis in Ethiopia (licensing, regulating, monitoring, and follow up of PrEAs);
3. Assessment of the regulatory regime for PrEAs in Ethiopia;
4. Review of the services being provided by Bureaus of Labour and Social Affairs (BoLSAs) in general and identification of gaps in the capacity of MoLSA/BoLSAs regarding effective responses to labour market supply and demand dynamics and support to PrEAs;
5. Review of the trends in service provision by PrEAs in Ethiopia (in terms of the number of workers recruited by PrEAs);

6. Identification of trends related to licensed PrEAs operating in the local labour market, and assessment of the types of services provided by occupation and industry/sector; review of the systems and procedures followed/applied in providing such services;
7. Assessment of the effectiveness and quality of services provided to parties involved;
8. Review of the working conditions and terms and conditions of employment under the contracts made between and among involved parties, particularly in the context of whether terms and conditions of employment are in line with existing labour law and international best practice;
9. Assessment of international and national normative frameworks and also practice at the national level, and assessment of legal and coordination gaps in licensing, regulating, and monitoring the PrEAs; and
10. Recommendations for: the effective operation of PrEAs; the legal framework; supervisory mechanisms; coordination with the public employment service and other employment services to ensure standard employment relationships (against non-standard forms of employment) and hence decent and productive employment.

2.3 Methodology of the study

2.3.1 Assessment approach

The assessment started with an in-depth review of relevant documents, including labour proclamations, relevant ILO Conventions, the Constitution of Ethiopia, relevant policies and strategies, the Ethiopian Government's Growth and Transformation Plan, and other relevant studies conducted previously.

In order to gather and analyse the required data and information for the assessment, a mixed methods approach comprising both quantitative and qualitative study techniques was employed. A quantitative method was applied to collect survey data from PrEAs, workers recruited through PrEAs, and user enterprises. A qualitative approach was applied to collect data from stakeholders through key informant interviews and consultative workshops.

2.3.2 Definitions

For the purposes of this study the terms below are used to represent the parties involved in the triangular employment relationship. These terms are used in part to account for the potential ambiguity as to who the “employer” is in this relationship, as this role may be held by the PrEA or by the company at which the worker is placed.

“Worker” refers to a worker who has been placed in an employment situation by a PrEA. They stand in contrast to a “permanent employee”, who would be a worker recruited directly by a business and who would likely be employed on an ongoing basis.

“User enterprise” refers to companies or workplaces that make use of a PrEA to recruit workers (i.e., “employees” as defined above), typically for temporary employment. Sometimes these service user organizations function as the employer, but this role may instead be held by the PrEA.

2.3.3 Sample size determination and sample selection

A sample size of 400 workers (determined by considering 95 per cent confidence level, 0.5 for variance, 5 per cent for margin of error, and 4.5 per cent for non-response rate) was calculated using the following formula to be sufficient to obtain the required precision.

$$n_0 = deff \frac{(Z_{\alpha/2})^2 * p(1-p)}{\epsilon^2}$$

Where,

n_0 = initial sample size;

$Z_{\alpha/2}$ = the $\alpha/2$ standard normal distribution score, usually 95 per cent value (1.96) is considered;

p = estimated value for the particular indicator (taken as 0.5 (default value));

ϵ = margin of error, 5 per cent is used for this purpose;

$deff$ = anticipated design effect, 1 is used for this purpose;

$n = n_0 + 4.5\% \times n_0$ = the required sample size.

The sample size shown above was distributed over the five regions and the city administration purposively in consultation with the MoLSA by considering the nature of user enterprises. The following table captures sample allocation along with actual level of coverage achieved.

Table 1. Sample allocations and accomplishment level, by study region

Region	Allocation		Coverage		Accomplishment level (both samples)
	PrEAs	Workers	PrEAs	Workers	
Tigray	4	40	4	40	100%
Amhara	5	50	5	50	100%
Oromia	5	50	5	50	100%
Benishangul-Gumuz	2	20	2	20	100%
SNNPR	4	40	4	40	100%
Addis Ababa City Administration	20	200	20	200	100%
Total	40	400	40	400	100%

As shown in the above table, 40 PrEAs were covered, and 10 workers on average per agency were contacted for the interview. The 40 PrEAs were selected through a purposive sampling technique in consultation with the MoLSA/BoLSAs. Among user enterprises who are recipients of PrEA services, 56 were selected through a purposive sampling technique using a list provided by the PrEAs chosen at the first stage. Sample workers recruited by the PrEAs and working for the user enterprises were selected randomly.

To backup and triangulate the information gathered using quantitative techniques, qualitative data/information were also collected. Key informant interviews and discussions were carried out by using discussion guides/checklists. In all, one stakeholders' consultative workshop and six key informant interviews were conducted. The stakeholders' consultative workshop was conducted on 06 August 2018 in Addis Ababa with concerned staffs from the MoLSA, the Addis Ababa BoLSA, and the Oromia BoLSA, PrEAs, user enterprises, the Confederation of Ethiopian Trade Union, the Ethiopian Employers' Confederation, the Addis Ababa Police Commission, and the ILO. The six key informant interviews involved one interview conducted in each of the study regions and city administration.

2.3.4 Study materials

Structured questionnaires were developed for quantitative interviews with workers, PrEAs, and user enterprises. The reliability of the tools was checked by using Cronbach's alpha, which was calculated at 0.76, indicating that the tools are reliable. Discussion guides/checklists were developed for discussions with stakeholders; while templates were also developed for collection of secondary/administrative data on the number of licensed PrEAs and the number of workers recruited/placed through PrEAs.

2.3.5 Data collection, organization, and analysis

To get local authority approval to conduct the fieldwork, support letters were issued by the MoLSA. Respondents also participated in interviews with their full willingness endorsed via a consent form included at the beginning of the structured questionnaires.

For the collection of both quantitative and qualitative data, interviewers and supervisors who are well experienced in gathering survey data were deployed. Technical training regarding the concepts, definitions, and methods of collecting data was provided to the supervisors and interviewers. The training programme involved sessions for explaining the purposes of the study, staff responsibilities, coordination and supervision procedures, approaches to be used in interviews, and steps to be followed. Key sessions of the training programme included explanations of the different sections of the questionnaires, and the manner of capturing responses. The training also included mock interviews.

Sixteen interviewers (organized in four teams) and three supervisors were deployed. Three of the four teams were assigned to data collection from the five regions, and one team was assigned solely to data collection from the Addis Ababa City Administration and was supervised by the project manager. The completed questionnaires were reviewed and verified at the field level by the supervisors to ensure completeness and consistency.

CSPPro, the most commonly used database software, was used for database development. The data was then cleaned and exported to a popular statistical package called Statistical Package for Social Sciences (SPSS) for further cleaning and analysis; while thematic techniques were used to organize and analyse the qualitative responses.

2.4 Limitations and challenges of the study

Due to weak data handling practices at different levels, the data collection team faced challenges in collecting secondary data on the number of workers recruited by or through PrEAs disaggregated by type of employment, gender, and industry, as well as the number of user enterprises over a five-year period of time (2012/13–2016/17). The team also faced challenges in collecting secondary data on the number of PrEAs operating in the regions by different licensing scenarios, such as new, renewal, withdrawal, and termination.

In order to cope-up with the challenges encountered, the team has made extra efforts to collect at least aggregate secondary data for the purpose of trend analysis regarding the number of PrEAs engaged in employment services, the number of workers recruited, and the number of user enterprises that received the intended services.

3. International Practices with regard to PrEAs Services

This section captures a review of relevant desk research on the flexible use of labour within the labour market through outsourcing, subcontracting, and private employment agencies; international instruments that can be used to govern and regulate the operations of PrEAs; and international practices with regards to employment service provision by PrEAs to establish a larger context for the findings of this study, which more narrowly focuses on the situation in Ethiopia.

3.1 Overview of the flexible use of labour, labour markets, and private employment agencies

It is important to understand what precisely is meant by a “private employment agency”. This study uses the definition laid out in Article 1 of the ILO Private Employment Agencies Convention, 1997 (No. 181), which reads as follows:

Private employment agency is defined as any natural or legal person, independent of the public authorities, which provides one or more of the following labour market services:

- a) services for matching offers of and applications for employment, without the private employment agency becoming a party to the employment relationships which may arise therefrom;
- b) services consisting of employing workers with a view to make them available to a third party, who may be a natural or legal person... which assigns their tasks and supervises the execution of these tasks;
- c) other services relating to jobseeking, determined by the competent authority after consulting the most representative employers and workers organizations, such as the provision of information, that do not set out to match specific offers of and applications for employment.

The definition of PrEAs stated above is limited to the specific engagements of actors in the employment service industry. It does not include outsourcing and related services. However, in some countries, outsourcing and related services are regulated by the same legislative frameworks, and a PrEA license often covers employment services that go beyond the scope of the ILO definition. In Ethiopia, PrEAs use the same license to provide employment services like those specified by Convention No. 181 as well as other services like outsourcing. As a result, this study follows a comprehensive approach and considers private employment services as including those stipulated by ILO Convention No. 181 and other services like outsourcing.

In the world of work, through a protracted process, the flexible use of labour and a more loosely organized system of workers has replaced the highly centralized and structured employment that historically dominated the seventeenth, eighteenth, and nineteenth centuries. This kind of flexibility was regarded by employers as a solution to market uncertainty and growing global competition. This process pushed the emergence of a new organizational paradigm called the Flexible Firm Model, which divided an organization’s workers into “core” workers, who are well rewarded, secured, and needed to perform the central tasks, and “non-core” or “periphery” workers, who are less secured and who can be hired and fired easily, comprising temporary, part-time, agency employees, subcontractors, self-employed, and so on (Fincham and Rhodes, 1999).

This process of bringing increased flexibility to employment and labour markets has been welcomed by some and derided by others. Those who welcomed this process argued that such flexibility contributes to the emergence of subcontracting, self-employment, and flexible working hour jobs, and would increase job creation and women's employability as the flexible work arrangements encourage women's labour participation. The validity of the argument regarding women's employability has been acknowledged by scholars, who note flexible working time arrangements enable women to better manage employment with their unpaid (home) work (WEC, 2018). Others have argued that the evolution towards increasing the number of short-term employees is driven by employers' demands for more flexibility and innovation (Burgess and Connell, 2006). On the other hand, critics argued that this processes true intentions are to minimize labour cost, deregulate the labour market, and get implicit allowance to bypass existing legislations (Balakrishnan and Sayeed, 2002). This critical line of argument is particularly prominent among trade unions, who view the restructuring of the labour market as leading to more precarious and unstable employment relations, particularly where there is increased recourse to subcontracting, external recruitment, and external employment service provision contracts (ILO, 1999).

However, despite the opposing arguments, companies are increasingly seeking more flexible and mobile staff, and many workers are displaying a willingness to work under varied, flexible work arrangements. As a result, private recruiters have become more important to the efficient functioning of labour markets. Indeed, many governments have increasingly sought to "open the market" for such employment services to external providers. Hence, enterprises have been increasingly engaging in outsourcing and externalization of part of their functions, believing that this action would provide them better efficiency and less costly employment relations. According to Mioma (2018, p. 2), "Modern day employment relationships have evolved as employers sought strategies of doing business and reducing costs, including labour costs." Recent data shows that the impact of PrEAs in the labour market has become of the utmost importance. According to a study by the World Employment Confederation (WEC, 2018, p. 7), "in 2016, the employment industry generated €491 billion in revenue worldwide, mostly driven by agency work accounting for €350 billion".

Against this backdrop of changing national and global labour market structures, PrEAs have steadily increased their market share and expanded their business activities in the last two to three decades (Koene, Paauwe, and Groenewegen, 2004). Proponents of PrEAs argue that they have enhanced the employability of jobseekers by keeping them in touch with the flexible needs of the job market and by providing trainings to enable jobseekers to fit labour market need. And the growing dominance of PrEAs has been fostered by the opening up of labour markets as a result of the pursuit of globalization in parts of the world where public institutions previously had the monopoly on recruitment. In many developing countries, recruitment has been steadily growing "by default" as public employment services struggle with inefficiencies and minimal resources. The growing need of the use of PrEA services has been triggered not only by an economic and numerical reality, but also reflects a normative change in the societal attitude towards temporary or flexible work.

Australia and the Netherlands were the first two countries to introduce market competition for employment services, but they were soon followed by others that sought to improve the performance of public job-brokerage organizations or wanted to overcome the limited capacity of public providers and extend the supply of employment services (Koene, Paauwe, and Groenewegen, 2004).

Cognizant of change in the labour market structure and growing demand for the services of PrEAs, the end of the public employment services' monopoly over placement was effectively formalized by the 1997 adoption of Convention No. 181 (Weinshaupt, 2011), which replaced earlier standards that had been aimed at the abolition of PrEAs. The Convention was made with the explicit intention of “allow[ing] the operation of private employment agencies as well as the protection of the workers using their services” (Article 2(3)).

Convention No. 181 recognizes that PrEAs can contribute to the functioning of the labour market and sets general parameters for the regulation, placement, and employment of workers recruited by PrEAs. At the same time, the Convention promotes cooperation between public employment services and PrEAs to ensure the most efficient functioning of the labour market, with the public employment services still maintaining the authority in formulating labour market policies.

Currently, with the motive to stay ahead of competition, control costs, increase quality, and spur innovation, it has become popular and common practice the services of PrEAs to be used by organizations big and small across the globe. The use of such agencies is recognized as a competitive strategy for organizations. However, employees and stakeholders of good employment practices have varied concerns about the negative impacts of outsourcing and private employment services, particularly in relation to compliance with international and national standards for good working conditions. The shortfalls claimed to stem from employment relations through PrEAs are argued to be characterized as the result of either limitations in or lack of regulatory frameworks and/or weak implementation of standards and principles (Balakrishnan and Sayeed, 2002).

3.2 International instruments on private employment agencies

A review of international labour standards/norms on the triangular employment relationship has paramount importance in order to understand the scope of these standards; to review to what extent the Ethiopia's national legislative and regulatory framework are in line with international norms; and to analyse the extent of compliance in Ethiopia.

The effort to regulate PrEAs' employment services goes back to at least the 1930s. In 1933, the ILO adopted the Fee-Charging Employment Agencies Convention, 1933 (No. 34). The main intent of this Convention was to call for the abolition of PrEAs. After 16 years, the ILO softened its position in the Fee-Charging Employment Convention (Revised), 1949 (No. 96), and moved from abolishing PrEAs to giving its members the choice between abolition and strict regulation of fee-charging employment agencies. In the second half of the twentieth century, the extent of the intervention of PrEAs in the labour market had grown both in number and in diversity across the globe, addressing the need for flexibility in the labour market. Cognizant of this and with due consideration of the role of PrEAs in a properly functioning labour market, the ILO lifted its restrictive approach on PrEAs and adopted on the aforementioned Private Employment Agencies Convention, 1997 (No. 181) and its supplementary recommendation (Recommendation No. 188). Convention No. 181 has widespread triangular support from employees, employers, and governments (CIETT, 2014).

The drafting process of Convention No. 181 took into account the importance of flexibility in the functioning of labour markets; the different employment relationship environment (i.e., a

“triangular employment relation”)³ in which PrEAs operate; the role that PrEAs may play in a well-functioning labour market; and the need to protect workers against abuses and reconfirm workers’ rights guaranteed by other relevant Conventions/instruments (ILO, 2006). The main purpose of the Convention is to allow the operation of PrEAs with due respect and protection of workers in using their services. The Convention applies to all PrEAs regardless of the category of workers or branch of economic activity, except the recruitment and placement of seafarers, which is covered by the ILO Maritime Labour Convention, 2009 (No. 186).

Convention No. 181 sets out specific requirements for the regulation and evaluation of employment agencies. These include prohibiting the placement of workers in hazardous employment (Article 11); prohibiting the charging of placement fees to workers, with a possibility of exceptions when authorized by competent authority (Article 7); the requirement to provide job information to workers in their own language; and the recommendation to establish bilateral agreements between sending and host States to regulate the activities of international labour brokers. Recommended measures such as monitoring and compliance mechanisms are required to ensure that PrEAs do not provide child labour (Article 9); while further detailed responsibilities are left to the domestic laws of respective State parties.

Implementation of the Convention will be more fruitful and clear provided that it is read in conjunction with its accompanying Recommendation No. 188. The Recommendation stipulates that workers should be provided with written contracts and that PrEAs should not prevent the transfer of workers into a situation of permanent employment (van Liemt, 2013).

According to the International Confederation of Private Employment Agencies (World Employment Confederation), unlike the previous Conventions related to PrEAs (i.e., Conventions No. 34 and No. 96), Convention No. 181 creates a balanced regulatory framework that allows countries to take advantage of the contributions of PrEAs and their services to enhance matching between labour demand and supply on the one hand and to protect workers’ rights on the other hand. According to the ILO’s NORMLEX database, in 2018, Convention No. 181 had been ratified by 33 countries and remains in force in 32 countries, surpassing the 23 countries for which Convention No. 96 remains in force. This suggests that countries could be moving away from restrictive approach of Convention No. 96.

Ethiopia was one of the founding members of the ILO when it was established in 1919. Since the ILO’s establishment, international labour standards have been serving as references in policy and legislative preparations across different eras and regimes in Ethiopia. Ethiopia has very good commitment with regard to implementation of international labour standards. This commitment is expressed with the recognition provided by the supreme law of the country – the constitution. The constitution stipulates that “all international agreements ratified by Ethiopia are an integral part of the law of the land” (article 9(4)). Hence, ratified international labour standards have direct influences on Ethiopia’s formulation of its labour policies, legislation, and other labour instruments.

Efforts to establish internal standards to regulate the activities of PrEAs are made with due recognition and referring to the relevant international conventions/ standards ratified by the country. To this effect, relevant laws and legislative frameworks promulgated to regulate employment relations have taken into consideration the provisions enshrined in the following ILO Conventions ratified by Ethiopia, among others:

³ A triangular employment relation is a situation in which the employees concerned may find themselves interacting with two (or more) interlocutors, each of whom assumes certain functions of a traditional employer.

- Employment Service Convention, 1948 (No. 88);
- Forced Labour Convention, 1930 (No. 29);
- Freedom of Association and the Protection of the Right to Organise Convention, 1948 (No. 87);
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98);
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111);
- Employment Injury Benefits Convention, 1964 (No. 121);
- Minimum Age Convention, 1973 (No. 138);
- Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168);
- Migration for Employment Convention (Revised), 1949 (No. 97); and
- Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143).
- Private Employment Agencies Convention, 1997 (No. 181).

In addition, Ethiopia was also the first country in the world to ratify the Private Employment Agencies Convention, 1997 (No. 181), doing so in March 1999.

3.3 International practices with regard to PrEAs services

Though they operate in different labour market and work environments, PrEAs across the globe do not function in a vacuum but are at least bound by the rules and regulations set by law (commercial, labour, and administrative) and collective agreements. The majority of internationally active PrEAs tend to operate responsibly and to be leveled as operating ethically. There certainly are PrEAs – usually smaller operations – that operate in grey areas (but legally acceptable at face value), while a few others cheat their workers and break the laws. These PrEAs may violate health and safety procedures, falsify wage slips, charge excessive recruitment fees specially to migrant workers, fail to pay taxes and social security premiums, deduct excessive amounts for payment of housing and transport, or engage in debt-bondage, bullying, harassment, or even commit physical violence (van Lier, 2013). The following sections are a review of how PrEAs operate in different parts of the world.

3.3.1 Private Employment Agencies in some European Union (EU) Member States

The market share of PrEAs has been growing significantly across Europe, mainly due to the opening up of labour markets wherein public institutions previously had a monopoly on recruitment. Faced with the challenges of labour market dynamism due to globalization, the European Union (EU) had to change its underpinning labour strategy to balance protection of the fundamental rights of workers and establishing flexibility in the labour market to enable employers to respond to changing market conditions (Moima, 2018).

Despite the fact that the concept of PrEAs denotes a variety of meanings in different EU Member States, all agencies operate under the interplay of a set of rules defined by the EU, international law, and national regulations. EU Directives tend to approach the matter of PrEAs in a very broad sense and respect the diversity of conditions in Member States, leaving room for exemptions and enough space for Member States to improve conditions for workers in the national labour market on their own. For example, EU Directive 2008/104/EC explicitly safeguards national provisions

related to registration, licensing, certification, financial guarantees, or monitoring of temporary-work agencies. To provide a better understanding of the legal frameworks at play in the EU as well as the extent of their convergent and divergent applications, a brief review of the legal frameworks for six Member States – Belgium, Denmark, Germany, Italy, Poland, and the United Kingdom – is presented below.

The United Kingdom is a prime example of a market-driven environment for temporary work agencies. In the United Kingdom there are few formal requirements that must be met to set up a “temporary work agency” beyond self-regulation imposed within the sector and compliance with overall labour laws, and there is little in the way of specific monitoring or sanctioning by the Government. Denmark and Germany provide a more mixed model with regulations mainly enforced through collective bargaining. Denmark, in particular, heavily relies on regulations based on social dialogue instead of formal regulations. Belgium and Italy, on the other hand, have clear legislative environments with more strict requirements. As the only emerging market considered here, Poland is something of an outlier. Poland possesses a limited regulation framework and is not driven by the market.

The differences in the regulatory settings of the various EU Member States have also been reflected in the practical implications for agencies, user enterprises, and workers. With the exception of Poland, codes of conduct within the sector can be found in EU Member States, with these codes typically enforced by a sector federation (IZA, 2013). In some of these countries, there are clear provisions intended to support workers in exercising industrial actions like strikes and lockouts to pressure employers or governments to respect workers’ fundamental rights at work and ensure acceptable working conditions. For example, according to the laws of Italy and Belgium, it is not allowed to replace workers in situations of strike or lockout by temporary agency workers. The same conditions apply in Denmark. The situation is slightly different in the United Kingdom where the law states that agency workers may not be supplied to replace workers on strike unless the strike is unlawful (not procedural). Regarding unionization, agency workers in the United Kingdom are represented in national unions.⁴ In Belgium, Denmark, and Italy, unionization of agency workers is institutionalized; while other countries, like Germany, Poland, and the United Kingdom, it is less institutionalized.

In EU countries, the operations of PrEAs are subject to multiple legal frameworks, including regional directives; international or supranational legal orders – e.g., World Trade Organization regulations, ILO Conventions, and EU regulations – as well as domestic legislative frameworks. National legislation has been inevitably influenced by the patchwork of international standards that various EU countries have ratified or need to respect due to their affiliation with these international organizations. However, several differences became apparent among EU Member States, as can be seen in table 2 (next page).

Table 2 provides an overview of the main aspects of the regulatory frameworks of the six EU case study countries, which represent different markets and environments. These aspects include the main driver of regulation, the setup requirements, monitoring and sanctioning within the sector, the use of codes of conduct as a tool of self-regulation, and the allocation of responsibilities between the agencies and the user firms.

⁴ See the Agency Workers Regulations no.93/2010: Terms and Conditions of Employment, Statutory Instruments. Available at http://www.legislation.gov.uk/ukxi/2010/93/pdfs/ukxi_20100093_en.pdf.

Each country shows strong differences and distinctive characteristics. The United Kingdom, for example, is predominantly market driven with little formal requirements and little monitoring and sanctioning by the government. While Germany and Denmark present mixed scenarios, wherein regulations (partially) and collective bargaining (predominantly) set the standards, resulting in limited set-up and monitoring requirements. Conversely, Belgium and Italy can be seen to have clear and strict legislative frameworks by comparison.

Table 2. Main characteristics of regulation frameworks in select EU Member States, by market type

Typology		Market-driven	Social dialogue		Legislative-driven		Emerging market
Case		UK	Germany	Denmark	Belgium	Italy	Poland
Primary actor on regulation		Sector	GVT/CBA	CBA	GVT	GVT	GVT
Set-up requirements	Registration	General	Specific	General	Specific	Specific	Specific
	Licensing	No (sectoral exception)	Yes	No	Yes (regional)	No	No
	Startup capital	No	Yes	No	No	Yes	No
	Professional qualifications	No	No	No	Yes	No	No
Monitoring by Government	Monitoring and reporting	No	Yes	No	Yes	Yes	Yes
	Sanctions	—	Fine, license withdrawal, prosecution	Fine, prosecution	Fine, license withdrawal, prosecution	Fine, license withdrawal, prosecution	Fine, license withdrawal, prosecution
Monitoring by sector	Code of Conduct	Yes	No	Yes	Yes (legally binding)	Yes	No
Responsibilities	Information	Agency, user firm	Agency	Agency	Agency, user firm	Agency	Agency
	Pay and working conditions	User firm	Agency	User firm	Agency	Agency, user firm	Agency
	Working facilities	User firm	Agency	User firm	User firm	User firm	User firm
	Monitor compliance	Agency	Agency	—	—	Agency	Agency

Note: GVT = Government; CBA = Collective bargaining

Source: IZA, 2013.

3.3.2 Private employment agencies in select Asian countries

China

With persistent industrialization and urbanization, massive rural-to-urban labour migration, and high employment pressure, deregulation and flexibility have become the driving forces of China's labour market, and private employment services have become very important in the labour market. However, the scope of services that fall under “private employment agency services” as defined in the ILO Convention No. 181 are provided through different modalities and using different terminologies. The most commonly used term in China is “labour dispatch”, which is interchangeably used with the term “temporary agency employment”, and denotes “employment by a private employment agency under a labour contract of limited or unspecified duration with no guarantee of continuation, whereby the worker is hired to perform his or her work under the supervision of the user enterprise” (Liu, 2014, p. 9).

In the early 1990s with the flourishing of the market economy, the Chinese Government started to open job markets and allow PrEAs (including foreign companies) to provide employment-brokering services. In order to regulate the growing private employment service sector, the Government introduced the Labour Contract Law in 2008, which rolled back some of the laissez-faire approaches of the previous decade. This new law abolished the system of at-will employment for full-time employees, and required employers to provide employees with written contracts. On top of the written labour contracts, the Labour Contract Law requires employers to pay social insurance contributions, overtime wages, and severance fees depending on the individual employees' years of service, regardless of whether the employee is working under an individual labour contract or collective labour contract (Liu, 2014). In short, the law was mainly intended to provide greater protections for Chinese workers, requiring employers to draw up labour contracts in writing and deliver them to all workers.

However, provisions of this law have led to some unintended consequences. Since the law required companies to provide labour contracts only to directly employed workers, some employers saw a way to outsource the financial or regulatory responsibilities of the “employer” to a third party (i.e., a “dispatch agent”) to escape legal responsibilities in this regard. As a result, the number of “dispatch workers” had grown. Hence, in 2013–14, to address the growing over-reliance on dispatch workers, the Chinese Government took action to restrict the number of dispatch workers a company may employ and clarified the definitions of the job categories of dispatch workers (Fair Labor Association, 2016). Despite an extant legal requirement to provide equal pay for equal work, the Chinese Government discovered that it needed to continue to strengthen its regulatory legal framework as the labour dispatch service industry grew and matured. As of 1 March 2016 (following a two-year window for companies to adjust), the most recent restrictions were put in place, which require that dispatched workers shall not exceed 10 per cent of the total number of employees within a given company (Fair Labor Association, 2016).

To further ensure compliance, the Chinese Government has restricted the types of workplace duties for dispatch workers. The following are the restrictions.

1. A “temporary” work position is a job that lasts no longer than six months. However, the law requires the agency to sign at least a two-year fixed-term contract with the employee.
2. An “auxiliary” position provides supporting services to the core business positions of an enterprise. For instance, security, canteen and dormitory services are most often labor dispatch

positions. While the law itself does not provide sufficient clarity on what positions may be considered “auxiliary”, it requires the companies to consult with worker representatives to negotiate which positions may be defined as “auxiliary”.

3. A “substitute” position refers to a temporarily vacant position. Such vacancies often occur when the former worker takes time off for maternity or sick leave, off-site education, or for other reasons. (Fair Labor Association, 2016, pp. 1–2)

The Philippines

Over the past six years, the Philippines has become one of the fastest growing economies in the world (Quisumbing Torres, 2017). The Philippines has one of the world’s largest skilled or qualified workforce and well-developed labour administration. In particular, its overseas employment administration is exemplary.

The Philippines has a labour code as well as rules and regulations governing private recruitment and placement agencies engaged in local employment services. The country has also ratified all the eight fundamental ILO Conventions as well as other relevant Conventions such as the Employment Policy Convention, 1964 (No. 122) and the Employment Service Convention, 1948 (No. 88), but it has not ratified Convention No. 181.⁵ However, in section 1 of the 2014 Revised Rules and Regulations Governing Recruitment and Placement for Local Employment (Department of Labor and Employment Order 141-14; henceforth “Revised Rules and Regulations”), the Government has spelt out its policy declaration, under which it recognizes the participation of the private sector in the recruitment and placement of workers for local employment; the need to promote employment creation; and the need to protect every citizen “desiring to avail of the services of private employment agencies by ensuring the best possible terms and conditions of employment”.

In the Philippines, the participation of PrEAs is recognized and legalized. In the 2014 Revised Rules and Regulations, the term “private employment agency” refers to:

[A]ny person, partnership or cooperation or entity engaged in the recruitment and placement of workers for local employment.

It also refers to any individual, partnership, corporation or entity licensed by the Department of Labor and Employment (DOLE) to engage in the recruitment of *Kasambahay* [domestic workers] for local employment (section 3(g)).

However, this definition is short of providing insight on the level of engagement and the scope of responsibilities and accountabilities of PrEAs within the triangular relationships between workers, agencies, and user enterprises.

The Department of Labor and Employment (DOLE) and the Philippines Overseas Employment Agency are the government institutions in charge of labour administration. By virtue of the 1987 Constitution of the Philippines and the Labor Code, the Philippines Government promotes full employment as a state policy. The legislative framework recognizes employees’ right to self-organize and even allows the formation of labour-management councils in private organizations with the intention to create an opportunity for bipartite discussion on organization and personnel policies. The organizational structure and procedures to form councils are stipulated in the Labor Code and its implementing rules and regulations. Strikes are also recognized in the Labor Code provided

⁵ Pre the ILO’s NORMLEX web page on ratification [accessed 14 December 2018].

that the requirements are strictly respected and followed (Quisumbing Torres, 2017). In general, the interpretation of the Labour Code is more in favour of employees than the management – i.e., if there appears to be a doubt in the interpretation of a provision, it will typically be interpreted in favour of the employee.

Among the terms and conditions of work is a minimum wage set by law, but the rate varies between regions. The minimum wage is set by the Regional Tripartite Wages and Productivity Board (Quisumbing Torres, 2017).

In general, the Labor Code governs employment practice and labour relations, while specific rules and regulations are drafted to implement the Code. As noted above, the DOLE's 2014 Revised Rules and Regulations govern PrEAs engaged in recruitment and placement for local employment. The Revised Rules and Regulations, as per section 2, apply to every person, partnership, or corporation intending to engage in or engaged in the recruitment and placement for local employment through an agency. This scope of coverage includes those engaged in recruitment and placement through electronic mediums.

Under the Revised Rules and Regulations, a license for an agency engaged in recruitment and placement for local employment is valid for three years (section 12). Agencies must also secure an “authority to recruit”, which may be issued at the time of the license and is valid nationwide (section 19). However, the agency must apply to the local Regional Office of the DOLE to open a branch office (section 25).

There are a number of conditions for securing a license, including a mandatory pre-application seminar provided by the regional DOLE office that the owners, partners, president, general manager, and management representatives of the prospective agency must attend prior to applying for the license. The seminar covers the 2014 Revised Rules and Regulations, labour market information, anti-trafficking and child labour legislations, and illegal recruitment and other prohibited practices, as well as the penalties that can be incurred (section 7 of the Revised Rules and Regulations).

The Philippines also has stringent recruitment procedures that an agency must follow and comply with, as seen in box 1 (next page).

According to the Revised Rules and Regulations, an agency is prohibited from collecting any service charge or transport expense fees from the worker, but can collect such fees from the user enterprise/employer (section 35). Pursuant to section 51(a)(5), accepting directly or indirect any amount from a worker is considered a “serious offence” that can lead to cancellation of the agency's license.

In the Philippines, the administration of local agencies is decentralized to Regional and District Offices. On top of that, the power to regulate (i.e., to execute and interpret) the Revised Rules and Regulations resides totally on the Regional and District offices of the DOLE. Complaints on any of the grounds enumerated in the Revised Rules and Regulations (section 51) shall be filed with the Regional/Field Office having jurisdiction over the place where the agency or branch office is located; where the prohibited act was committed; or where the complainant's place of residence is located – at the option of the complainant (section 54). The Regional Director or his duly authorized representative is vested with the power to pass a ruling, order execution and effect execution except in cases of criminal acts, which the Office is to refer to the appropriate office in charge of treating criminal cases. The decisions of the Regional Director can be appealed to the Office of the Secretary of Labor and Employment (section 56).

Box 1: Steps to be followed by PrEAs in the recruitment of persons for local employment in the Philippines



Section 40. Recruitment procedures. – The owner or authorized representative of the agency must abide by the following procedures:

- a) Present a copy of a valid license, the authority to recruit and notarized job order to the Public Service Office (PESO) and Barangay Office¹ where the recruitment activity is to be undertaken;
- b) Require the recruit to submit a copy of the following:
 1. Bio data and comprehensive resume;
 2. Birth certificate from the Local Civil Registrar or National Statistics Office;
 3. Original medical certificate issued by a government physician or by a reputable private medical practitioner; and
 4. Original barangay clearance issued by the Barangay Chairman who has jurisdiction over the place of residence of the recruit.
- c) Conduct an interview after evaluating the documents submitted by the applicant/s. Explain the recruitment contract and determine if they are fit, capable and willing to work.
- d) Submit to the Regional Office where the recruitment was undertaken a duly executed and notarized recruitment contract between the agency and the recruit.
- e) Request the Regional/Field Office or the PESO or organization duly accredited by the [DOLE] in the area of origin to conduct a pre-departure orientation with the recruit.
- f) Submit a list of the names and addresses of its recruits, together with copy of documents specified in procedure (b) above to the Regional Office or the appropriate Field Office where recruitment process was undertaken for appropriate authentication.
- g) Request the concerned Regional/Field Office of origin for a certification that the recruitment activity is in accordance with these rules, and furnish a copy thereof [with] the PESO/Local Government Unit concerned, the Regional Office, Marine Police/Coast Guard/Philippine National Police, Philippine Port Authority/Air Transportation Office, having jurisdiction over the place of destination, as the case may be.

¹ A “barangay” is the smallest administrative division in the Philippines

Source: Revised Rules and Regulations Governing Recruitment and Placement for Local Employment (DOLE Order 141-14), 2014.

A cross reading of article 37 of the Labour Code and section 66 of the Revised Rules and Regulations shows that the Regional Director or a duly authorized representative is empowered to make an inspection on the records and premises of PrEAs at any time of day or night.

Reporting is a mandatory responsibility of an agency pursuant under the Revised Rules and Regulations. As per section 67, an agency must get registered with Phil-Jobnet within five days from the day of issuance of the license and submit its job vacancies there for posting. Most importantly, the agency shall submit monthly reports to the Regional Office within 15 days after the reference month.

The legislative framework of Philippines has also instituted positive mechanisms to encourage agencies to undertake their operations in full compliance with the legislative and administrative frameworks of the country. For example, section 68 of the Revised Rules and Regulations reads: “Rewards and incentives may be granted to registered private recruitment and placement agencies that fully comply with the pertinent laws, rules regulations and Code of Good Practices. The DOLE shall formulate the guidelines containing the criteria in the grant of the incentives and awards.”

Viet Nam

In Viet Nam, labour matters are governed primarily by the 2012 Labour Code (which came into effect in 2013 replacing the 1994 Labour Code) as well as by other statutes such as the Law on Trade Unions, 2012, and the Law on Social Insurance, 2014. These laws are supplemented by decrees, ordinances, and circulars (Landau, Mahy, and Mitchell, 2015).

Viet Nam's Labour Code (article 22) recognizes three types of contracts:

1. an indefinite-term employment contract;
2. a definite-term employment contract, under which the two parties agree to fix the term of the contract for a duration from 12 months to 36 months; and
3. an employment contract for seasonal work or a specific task which has a term of less than 12 months.

The Labour Code serves to regulate all types of contracts including the employment contract, temporary recruitment, and placements by agencies. Agencies must administratively fulfill a set of requirements to engage in the employment service business as per enterprise law and administrative requirements. Agencies' rights and obligations with regard to employees are governed by the Labour Code and relevant implementation decrees, ordinances, and circulars. Chapter 3, section 5 of the Labour Code is dedicated to "labour dispatch", which is defined as "an act in which an enterprise licensed to operate as a labour dispatch enterprise recruits an employee to work for another employer, and the employee works under the control of the latter employer, while maintaining [a] labour relationship with the dispatch enterprise" (article 53). The Labour Code provides employees of agencies equal rights and protections as those accorded to permanent employees, with the exception of termination. As per the Code, labour dispatch is a conditional business that applies to certain types of work for a maximum contract length of 12 months. As such, contracts related to labour dispatch fall under the third type of contract referred to above (seasonal/specific task).

The Code explicitly stipulates the contents of the contract and the rights and obligations of the parties within the triangular employment relationship, as shown in box 2.

Box 2: Rights and obligations of parties to a dispatch service contract in Viet Nam



Article 55. Labour dispatch contracts

- 1) The labour dispatch enterprise and the hiring party shall conclude a written labour dispatch contract, which is made in 02 copies; each party shall keep one copy.
- 2) A labour dispatch contract shall include the following particulars:
 - a. The work location, the vacancy which will be filled by the dispatched employee, detailed description of the work, and detailed requirements for the dispatched employee.
 - b. The labour dispatch duration; the starting date of the dispatch period.
 - c. The time of work and time of rest, specifications on occupational safety and health at the workplace.
 - d. Obligations of each party to the dispatched employee.
- 3) The labour dispatch contract shall not include any agreement on the rights and benefits of employees which are less favourable than those stipulated in the concluded employment contract between the employee and the labour dispatch enterprise.

Article 56. Rights and obligations of the labour dispatch enterprise

- 1) To provide a dispatched worker who meets the requirements of the hiring party and such provision complies with the terms and conditions of the employment contract signed with the employee.
- 2) To notify the dispatched employee about the contents of the labour dispatch contract.
- 3) To sign an employment contract with the employee in accordance with this Code.
- 4) To provide the hiring party with the curriculum vitae of the dispatched employee, and his/her requirements.
- 5) To comply with the obligations of an employer in accordance with this Code; to pay wage, wage for public holiday and paid annual leave, wage for work suspension, severance allowance, job-loss allowance, premiums for compulsory social insurance, health insurance, and unemployment insurance for the dispatched employee in accordance with the law.
- 6) To ensure that the wage of the dispatched employee is not lower than the wage of a regular employee of the hiring party who has equal qualification and performs the same work or work of equal value.
- 7) To keep records of the number of dispatched employees, the hiring party, and dispatch fees and to report to the provincial labour management authority.
- 8) To discipline the dispatched employee for violating internal work regulations in cases where the hiring party returns the employee for the reason of having violated internal work regulations.

Article 57. Rights and obligations of the hiring party

- 1) To inform and guide the dispatched employee to understand its internal work regulations and other regulations.
- 2) Not to discriminate against the dispatched employees, in comparison with its regular employees in respect of the working conditions.
- 3) To negotiate with the dispatched employee on working at night or overtime when an agreement on such is not included in the contents of labour dispatch contract.
- 4) Not to send the dispatched employee to another employer.
- 5) To negotiate with the dispatched employee and the dispatch enterprise to officially employ the employee while the employment contract between the dispatch employee and the dispatch enterprise has not yet expired.
- 6) To return the dispatched employee who does not meet the conditions set out in the labour dispatch contract or who violates the labour discipline to the dispatch enterprise.
- 7) To provide the evidence of violation of work regulations by the dispatched employee to the dispatch enterprise for disciplinary action.

Article 58. Rights and obligations of the dispatched employee

- 1) To perform the work in accordance with the employment contract concluded with the labour dispatch enterprise.
- 2) To comply with the internal work regulation, labour disciplinary regulations, the lawful management and collective bargaining agreement of the hiring enterprise.
- 3) To be paid a wage, which is not lower than the wage of a regular employee of the hiring party who has equal qualification and performs the same work or work of equal value?
- 4) To make complaints to the dispatch enterprise in case the hiring party violates agreements in the labour dispatch contract.
- 5) To exercise the right to unilaterally terminate the employment contract with the dispatch enterprise in accordance with Article 37 of this Code.
- 6) To negotiate to conclude an employment contract with the hiring party after terminating the employment contract with the dispatch enterprise

Source: Labour Code of Viet Nam, 2012

Unlike its predecessor, the Viet Nam's new Labour Code has put an obligation on the employer to provide a written notice to the employee at least 15 days prior to the date of expiry of a definite contract of employment (article 47(1)). The Code has also brought in a number of changes. It prohibits employers from requiring probation for seasonal labour contracts (article 26(2)), and stipulates that if a labour dispatch employee continues to work for an employer for 30 days beyond the end of the contract period without signing a new contract, the contract automatically becomes a 24-month definite term employment contract (article 22(2)). It also recognizes and permits an oral contract in cases of temporary work of less than three months duration (article 16(2)).

Regarding freedom of association, employees in all types of employment arrangements have the right to organize (article 189(1)). Obstructing or prohibiting employees from enjoying this right is listed among the prohibited acts on the parts of employers (article 190). What is interesting in Viet Nam is that there are a sufficient legislative frameworks and practices to enable collective bargaining at different levels, including at the enterprise and sector levels, from which all employees in that enterprise or sector can benefit. A minimum wage is also well addressed in the Labour Code.

The Labour Code has been innovative and appreciates new changes and dynamisms in the labour market. One consequence of this is that it provides fairly sufficient provisions to regulate part-time contracts of employment. Article 34 provides part-time employees the right to enjoy employment rights as provided to full-time employees with respect to wages, rights and obligations, equal opportunity, nondiscrimination, and occupational safety and hygiene (Landau, Mahy, and Mitchell, 2015).

In many aspects, the attempts made to regulate so-called “non-standard jobs” such as casual, fixed-term, agency work, home-based work, part-time work and others in the 2012 Vietnamese Labour Code signifies the Government strengthening its commitment to addressing legislative and execution gaps related to the labour market and labour relations. Under the Labour Code and its implementing regulations and procedures, workers recruited by agencies are well recognized as being employees of the agency, and the agencies are made liable to securing and protecting the rights and benefits of these employees. By law, workers employed by PrEAs must enjoy rights and entitlements that are no different to permanent employees working for the organizations and businesses who utilize PrEAs (Landau, Mahy, and Mitchell, 2015). Despite the fact that the Government of Viet Nam has not yet ratified some of the ILO Fundamental Conventions (Conventions No. 87, No. 98, and No. 105) nor has it ratified Convention No. 181, the legislative framework has some innovative provisions and guidelines from which other countries – like Ethiopia – may benefit.

3.3.3 Private employment agencies in select African countries

South Africa

South Africa has signed and ratified various international Conventions and treaties advocating for employee rights. It has ratified all of the eight ILO Fundamental Conventions as well as 16 other Conventions currently in force – but notably not Convention No. 181.

In South Africa, the term “private employment agency” is defined broadly. As stipulated in the Employment Services Act, 2014, a private employment agency is defined as “any person who provides employment services for gain”. However, the Act stipulates a different list of criteria for registration of a temporary employment service agency versus those who want to perform other

employment services left largely unspecified (article 13(2)). Temporary employment services have been available in South Africa going back to at least the nineteenth century, when workers were recruited by intermediaries on fixed-term contracts. However, at that time the intermediary or recruiter was not seen as the employer. The concept of labour brokering was introduced into the South African law in 1983 when the 1956 Labour Relations Act was amended (Budlender, 2013).

Employment service provider agencies in general and temporary employment services in particular are deemed to be the employers under the Basic Conditions of Employment Act, 1997. However, the client – i.e., the service-user organization – is jointly and severally liable for compliance with the minimum standards set by the Act. The consequence of joint and several liability is that if a labour broker fails to pay amounts owed to its employees, the client for whom the employees work is liable to make those payments regardless of whether or not the client has already made payment to the service provider agency, as a default liability. The employee cannot directly sue the client at first, but only when the employee gets a judgment or order against the labour broker and the labour broker has declined to (or cannot) pay (Benjamin, 2013).

South Africa's Employment Equity Act (EEA), 1998, prohibits unfair discrimination (article 6) and requires employers to take affirmative action measures (article 13). To this effect, as per this Act, a client and the temporary employment service are jointly and severally liable for discrimination by expressed or implied instructions of the client (article 57(2)). For the purposes of the Act's affirmative action provisions, a person supplied by a temporary employment agency is considered to be an employee of the client if they are placed with the client for an indefinite period or for three months or longer, for the purpose of the respecting the rights of the employee (article 57(1)).

There is also a compensation fund regulated by the Compensation for Occupational Injuries and Diseases Act, 1993, which employers must register with and pay contributions to (chapter IX). In addition, employers must also report accidents and occupational diseases in accordance with the Act (articles 39(1) and 68(2)). Agencies are required to comply with this Act. The client is also considered as the employer for the purposes of compliance with health and safety legislation. Pursuant to this Act, an accident involving a placed employee must be reported by the labour agency to the Compensation Fund and by the client to the inspectorate in accordance with the Occupational Health and Safety Act or Mining Health and Safety Act (Benjamin, 2014).

Convention No. 181 requires ratifying countries to determine the respective responsibilities of agencies and user enterprises. Though it has not ratified the Convention, South Africa designates those responsibilities as follows:

- The temporary employment agency is responsible for:
 - collective bargaining;
 - social security benefits;
 - compensation for occupational accidents or diseases;
 - compensation in case of insolvency and protection of workers' claims; and
 - maternity protection and benefits.
- The client is responsible for occupational health and safety protection.
- Minimum wages, working time, and other working conditions are designated to the agency, but with joint and several liability with the client.

Freedom of association and collective bargaining are considered fundamental rights under the Fundamental Conventions of the ILO. South Africa's Labour Relations Act, 1995, does not contain an enforceable duty to engage in collective bargaining. Rather, it uses a system of statutory organizational rights to promote the recognition and effective operation of representative trade unions. Unions have a protected right to take industrial action (strike or lock-out). Employees placed by PrEAs are entitled to join and participate in the activities of trade unions. They are protected against retaliation for engaging in trade unions and for participating in or taking an industrial action (Benjamin, 2014; Budlender, 2013).

Lastly, South Africa made an amendment to the Labour Relations Act in 2013. While the amended Act left intact the framework for regulating temporary employment services introduced in 1995; it did strengthen the provisions dealing with joint and several liabilities. Employees are given the option to institute proceedings against either the agency or the user enterprise, and to enforce any order or award made against either of these parties (article 198(4–4F)). The amendments also seek to promote trade unionism among placed workers by permitting these workers and their trade unions to exercise organizational rights at the client's workplace and not exclusively at the workplace of the temporary employment agency (article 21(12)).

Kenya

In Kenya, the licencing of the PrEAs is regulated by the 2016 Labour Institution (Private Employment Agencies) Regulation (henceforth, "PrEA Regulation") promulgated under the Labour Institution Act, 2007. According to article 3 the PrEAs Regulation, licenseing of a PrEA is made by the Director of Employment under stringent eligibility requirements. An applicant agency is required to:

- be a limited liability company;
- have a manager with at least a university degree in a business-related area of study and three years' relevant experience;
- have a fully equipped office with an area of at least 225 square feet;
- have executed a guarantee of 1.5 million Kenyan shillings with a reputable bank;
- have police clearance certificates for all directors;
- be a member of an association of PrEAs; and more.

In addition to the registration/licensing of agencies, the PrEA Regulation deals with procedures and standards of operation of agencies and the administrative and regulatory issues of PrEAs; while the rights and obligations of employees and agencies are governed by the general labour laws of the country as constituted in various acts and regulations.

The new Constitution of Kenya adopted in 2010 provides workers the right to fair practices, fair remuneration, reasonable working conditions, and participation in the programmes of trade unions (article 41). Kenya is a member of the ILO and has signed and ratified various international Conventions and treaties advocating for employee rights. It has not ratified Convention No. 181 or the Freedom of Association and Protection of the Right to Organise, 1948 (No. 87), but it has ratified the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). Freedom of association and the right to organize are clearly guaranteed in the constitution (ICFTU, 2006).

The Employment Act, 2007, is the legal framework that provides the general terms and conditions of employment in Kenya, and applies to both domestic and foreign contracts of employment. The Act addresses the following main areas: sexual harassment, forced labour, discrimination, the right to inform employees of their rights, and fair wages. The other entitlements an employee must have include reasonable working hours, leave, reasonable housing, and medical attention. A few of the key provisions of the Act are captured in box 3 below.

Box 3: Main features of Kenya's Employment Act, 2007



Section 5. Discrimination in employment

- 3) No employer shall discriminate, directly or indirectly, against any employee or prospective employee or harass an employee or prospective employee—
 - a. on the ground of race, colour, language, religion, political or other opinion, nationality, ethnic or social origin, disability, pregnancy, mental status or HIV status
 - b. in respect of recruitment, training, promotion, terms and conditions of employment, termination of employment or other matter arising out of the employment. ...
- 4) An employer shall pay his employees equal remuneration for work of equal value.
- 5) An employer who contravenes the provision of the section commits an offence.

Section 6. Sexual harassment

- 2) An employer who employs twenty or more employees shall after consulting with the employees or their representatives if any, issue a policy statement on sexual harassment. ...
- 3) The policy statement ... shall contain—
 - a. the definition of sexual harassment as specified in [section 5(1)];
 - d. a statement—
 - i) that every employee is entitled to employment that is free of sexual harassment;
 - ii) that the employer shall take steps to ensure that no employee is subjected to sexual harassment
 - iii) that the employer shall take disciplinary measures as the employer deems appropriate against any person under the employer's direction, who subjects any employee to sexual harassment. ...
- 4) An employer shall bring to the attention of each person under the employer's direction the policy statement.

Section 7. Contract of service

No person shall be employed under a contract of services except in accordance with the provisions of the Act.

Section 8. Oral and written contracts

The provisions of this Act shall apply to oral and written contracts [of employment].

Section 10. Employment particulars

Where any [particular of employment] stipulated in [Section 10(1)] changes, the employer shall, in consultation with the employee, revise the contract to reflect such changes and notify the employee of the change in writing.

Source: *Employment Act, 2007*

In Kenya in general, employment is governed by the general law of employment contract. Thus, employment is basically seen as an individual relationship negotiated by the employee and the employer according to their special needs. Pursuant to the Employment Act, temporary and fixed-term workers enjoy all the rights of an employee working on permanent terms. Parliament has passed laws specifically dealing with different aspects of the employer–employee relationship. These laws define the terms and conditions of employment, and consist mainly of four acts of Parliament:

- The Employment Act, 2007, and the Labour Institutions Act, 2007, make rules governing wages, housing, leave and rest, health and safety, the special position of juveniles and women, and termination of employment.
- The Occupational Safety and Health Act, 2007, deals with the health, safety and welfare of employees in the workplace.
- The Work Injury Benefits Act, 2007, provides ways through which an employee who is injured while on duty may be compensated by the employer.

Kenya has one of the most flexible labour markets in Africa since the country embarked on economic liberalization in the early 1990s. The deregulation of the labour market deepened at the beginning of the twenty-first century, resulting in a rise in the number of part-time, contract, and outsourced workers. This trend has led to a gradually increasing proportion of casual workers in the formal sector of the economy. Historically in Kenya, as in many other countries, jobs had not been intentionally designed to be “temporary” or “short term”. So short-term/temporary employees had typically been used to substitute in for employees who are on leave; to fill in for a short time while the company screens applicants to hire a new core employee; and to expand a company’s short-term ability to handle an increased volume or backlog work.

However, scholars argued this picture has been changing, in that jobs are now being purposely designed as temporary or short-term placements – including roles that previously were core organizational jobs – in order to drive down the costs of doing business (Wandera, 2011). According to Wandera (2011, p. 191):

[R]egardless of size, sector or industry, there was an association between peripheral work [including temporary work] and negative conditions in factors such as wage rates, job security, patterns of gender equality, training and career advancement opportunities, worker autonomy, as the rule rather than the exception. If these trends in short term employment growth continue, an increasing proportion of the workforce is likely to experience relatively poor working conditions.

Kimani (2010) shares this conclusion and contends that permanent employees generally have better terms and conditions of work, if only because of the extra benefits they receive. Temporary employment, Kimani notes, often comes without key benefits such as pensions, health insurance, or access to loan facilities, and consequently has effectively left many workers – particularly young workers – either underemployed or underpaid, locking them in the bottom quarter of the social pyramid. This employment relations found here are in line with the conditions found in many other developing economies, and are in divergence with both international and local standards related to recruitment for temporary employment.

Morocco

In Morocco, youth unemployment is very high (9.6 per cent nationally and as high as 40 per cent in some urban areas); yet paradoxically, Moroccan employers complain of skill mismatches while large number of graduates are unable to find jobs commensurate to their education background (Export.gov, 2017).

Morocco is a North Africa countries with intercontinental demographic, cultural and socio-economic influences coming predominantly from Western Europe and the Middle East, rather than from Sub-Saharan African countries. To this effect, the emergence and development of PrEA services in Morocco has been influenced by global PrEAs from Europe. This development was a recent phenomenon that started in 1990s, but by 2011 Morocco had quickly become the largest market for PrEAs in North Africa, with an estimated number of 1,200 agencies (Ahmed, 2011). Local PrEAs in Morocco can be placed into two groups:

1. leading local firms (usually ISO 9001 certified) that offer consulting human resource services, human resource surveys, temporary placement and temporary employment contracts. These firms are transparent and operate responsibly; work with the formal sector; and serve big multinational organizations.
2. small and micro enterprises that usually lack transparency and are not necessarily compliant with the Labour Code. These make up the majority of PrEAs in country.

Agency jobs in Morocco are mostly administrative and technical roles that require university qualifications (Ahmed, 2011). Global PrEAs in Morocco worked with labour unions to support the country's effort to ratify Convention No. 181, which was ratified in 1999.

In Morocco, agencies have established basic associations and federations. These associations and federations collaborate with the Government to develop standards of practice, codes of conduct, and monitoring and evaluation tools to be used by PrEAs to measure the economic and social impacts attributable to temporary employment.

As a general rule, the Moroccan Labour Code sets out minimum employment entitlement and standards in favour of the employee and which cannot be decreased or excluded (Clyde & Co LLP, 2015). However, the Moroccan Government does not have monitoring and evaluation systems and rating mechanisms to differentiate those agencies and employers performing in compliance with the legislative framework and those with poor performance (Ahmed, 2011).

One of the complaints against the Moroccan Labour Code from the agencies' side is that the Labour Code limits temporary employment to a very short period –six months without renewal or three months with one renewal. Moreover, the guarantee deposit, which is 50 times the minimum annual wage, is argued to be too large for agencies to afford. As a result, 98 per cent of the agencies were not in compliance to this requirement in 2011 (Ahmed, 2011).

Pursuant to article 484 of the Moroccan Labour Code, PrEAs are required to report regarding where they operate; to whom they provided their services; the name, addresses, qualifications, and occupations of registered jobseekers; and the names of jobseekers placed. Article 496 stipulates that the service user organizations can make use temporary workers sourced by PrEAs after consultation with employee representatives and only in the select cases, including resuming suspended operations not caused by a strike, for execution of seasonal work, and execution of work for which it is not customary to enter into an open-ended employment contract due to the nature of the work. Article 499 of the

same Code explicitly prohibits employment of temporary workers to replace employees dismissed for economic reasons, unless at least one year has elapsed since that dismissal or if the temporary hire is to work on a new area of expansion (International Business Publications, USA, 2015).

Though Morocco is noted for weak monitoring and evaluation practices (International Business Publications, USA, 2015), the Labour Code does stipulate that a tripartite committee, whose composition and operating procedures are laid down by regulation, is established to monitor the proper implementation of provisions on the function of PrEAs.

3.3.4 Summary of experiences of other countries

The brief review of countries' experiences captured above shows that the management of employment relationships created by or with the intermediation of PrEAs has not yet been clearly dealt with in many countries. And in those cases where attempts have been made to regulate this employment relationship, there appear to be convergences and divergences in terms of how the relationship is to be interpreted and how international and national standards are to be applied.

This section provides a brief overview of the main points from the case study countries above.

General

As per the reviews made above, the environments where PrEAs operate can be broken down into four basic categories:

1. market-driven environments, where the market is an open regulatory environment with limited restrictions and liberal economies favouring flexibility.
2. social dialogue-based environments, with mature markets that are moderately regulated with varying balances of flexibility and possessing labour markets organized and regulated by collective agreements.
3. legislative-driven environments, where the operation of agencies is highly regulated and weighted towards job security over flexibility.
4. The emerging environment, where there are nascent industries with the value of agency workers only recognized recently; economic policies and market dynamics are still evolving; and regulatory policies and frameworks are still under development.

Ethiopia's labour market and the operation of PrEAs within that market fall within the fourth category, where there are economic dynamism and economic policy frameworks but the operations of PrEAs and the associated regulatory frameworks are still at the development stage.

EU MEMBER STATES

1. EU Directives tend to approach the matter of PrEAs in a very broad sense and respect the broad diversity of conditions in EU Member States with regard to registration, licensing, certification, financial guarantees, or monitoring of temporary-work agencies.
2. Codes of conduct are used as a tool of self-regulation and as a means of allocating responsibilities between PrEAs and the firms who use them. Employers' and employees' associations at different stages play important roles in defining the terms and conditions of PrEA operations by drafting codes of conduct and by protecting employees' right to organize and right to collective action. Enterprise- or sector-level collective bargaining helps to set standard terms and conditions for all.

ASIAN COUNTRIES

China

The Chinese Government has instituted the following restrictions:

1. Dispatched workers shall not exceed 10 per cent of the total number of employees within a given company.
2. Type of work that is deemed suitable for dispatched workers: a job that lasts no longer than six months, “auxiliary” positions supporting core employees (e.g., security, canteen and dormitory services), and a “substitute” for a temporarily vacant position.

The Philippines

1. The Philippines has a decentralized minimum wage by law, and recognizes different minimum wage rates in different regions. The minimum wage is set by Regional Tripartite Wages and Productivity Board.
2. PrEA management representatives must attend pre-license application seminar before being allowed to apply for a license.
3. Publishing a notice in a newspaper (which includes license number, name and picture of authorized representative of the agency).
4. The power to regulate (to execute and interpret) the rules and regulations for recruitment and placement for local employment totally resides in the regional and district structure of the Department of Labor and Employment. Appeals are possible to the Office of the Secretary of Labour and Employment.
5. Reporting is mandatory. PrEAs must registered at Phil-Jobnet within five days from the date of issuance of license and submit their job vacancies for posting. They must also submit monthly reports within fifteen days after the reference month.
6. The legislation stipulates that agencies who fully comply with the pertinent laws, rules and regulations, and codes of good practice area to be incentivized and awarded.

Viet Nam

1. Labour dispatch is a conditional business which applies to certain types of contract work undertaken for a maximum of 12 months.
2. Dispatched employees are entitled by law to a wage equal to regular employees with equal qualifications and similar work. Innovatively, the Labour Code has provisions to regulate part-time employment.
3. Rights and obligations of parties to a triangular employment relation are clearly set out in the Labour Code.
4. The legislative framework and practices make it so collective bargaining at different levels – including at the enterprise and sector levels – enables all employees in that enterprise or sector to benefit.

AFRICA COUNTRIES

South Africa

1. Service provider agencies are deemed to be the employer in terms of the basic conditions of employment; while the PrEA client is jointly and severally liable for compliance with the minimum standards set by the Basic Conditions of Employment Act, 1997.

2. Temporary employees are considered to be employees of the client if they are placed with the client for an indefinite period. This arrangement is for the purpose of respecting the rights of the employees.
3. There is a compensation fund to which employers need to register and pay contributions, and they must report occupational accidents and diseases to the designated authorities.
4. Occupational health and safety protection is designated to the client; while ensuring minimum wage payments, working time, and other working conditions are designated to the agency, but with the effect of joint and several liabilities with the client.

Kenya

Pursuant to the Employment Act, 2007, temporary and fixed-term employees enjoy all the rights of permanent employees.

Morocco

1. Leading local firms are usually ISO 9001 certified; have tended to be transparent and operate responsibly, and serve as role models for others. However, the majority of PrEAs are small and micro enterprises that usually lack transparency and are not necessarily compliant with the Labour Code.
2. Agencies have established basic associations and federations. These associations and federations collaborate with the Government to develop standards of practice, codes of conduct, and monitoring and evaluation tools.
3. Temporary workers are only allowed to resume work in the event of a suspension not caused by strike, or to engage in seasonal work. Temporary workers are largely prohibited from replacing employees dismissed for economic reasons.

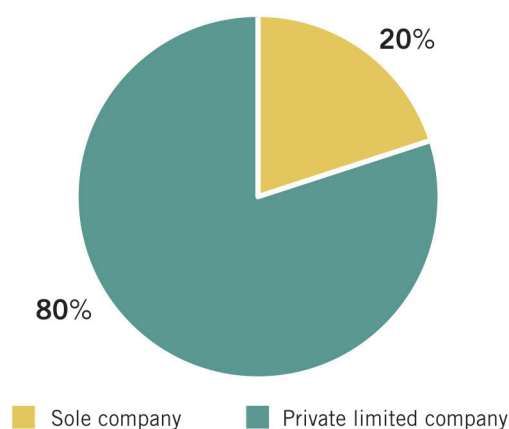
4. Findings and discussion

4.1 Brief profile of respondents

4.1.1 Profile of private employment agencies

The majority (80 per cent) of the PrEAs covered by the assessment are private limited companies, and the remaining 20 per cent are share companies (figure 1).

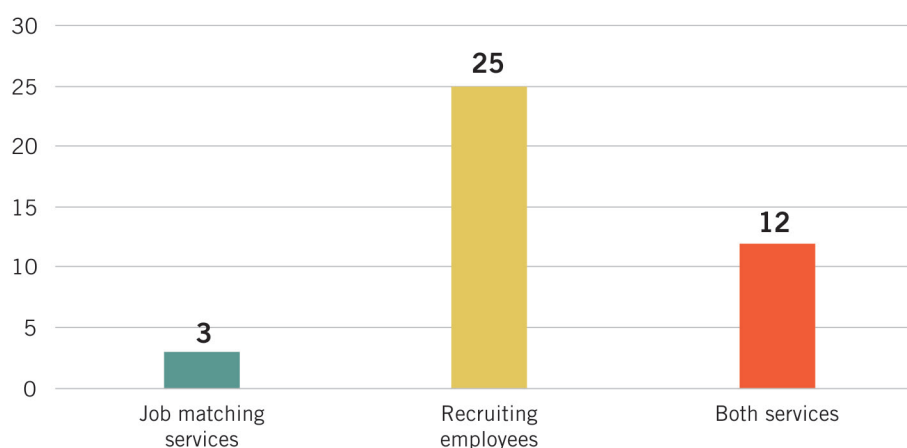
Figure 1. Distribution of PrEAs by ownership



Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018.*

Among the 40 PrEAs contacted for interviews, 25 (62.5 per cent) are engaged in recruiting services (or are themselves employers), while three (7.5 per cent) deal with job matching and 12 (30 per cent) are providing both recruitment and job matching services (figure 2).

Figure 2. Distribution of PrEAs by type of services offered



Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018*

As can be seen from table 3 below, 17 (42.5 per cent) of the 40 PrEAs indicated that they have working manuals; 35 (87.5 per cent) keep personnel records; and 35 (87.5 per cent) pay their workers on a payroll basis. Overall, 16 (40 per cent) of the 40 PrEAs indicated the availability of all three basic documents.

Table 3. Basic documents available, by region

Documentation	Region						Total
	Tigray	Amhara	Oromia	Benishangul Gumuz	SNNPR	Addis Ababa	
Working manuals	n.a.	n.a.	n.a.	n.a.	n.a.	17	17
Personnel records	3	4	5	2	1	20	35
Payroll practice	4	5	5	n.a.	4	17	35

n.a. = Not available

Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018*

4.1.2 Profile of user enterprises

Out of the 56 user enterprises contacted for the interview, 19 (33.9 per cent) are engaged in the community, social, and personal services; 16 (28.6 per cent) are engaged in wholesale and retail trade; and 10 (17.9 per cent) are engaged in the manufacturing sector. The rest (n=11) are split up among other sectors, including finance, insurance, and business services; construction; electricity, gas, and water; agriculture, forestry, and fishing; and transport, storage, and communication (table 4).

Table 4. Distribution of user enterprises (n=56) by industry

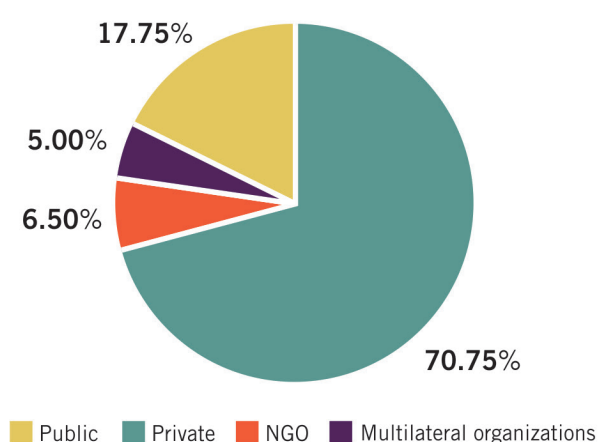
Industry group	Frequency	Per cent
Agriculture, forestry, and fishing	1	1.8
Manufacturing	10	17.9
Electricity, gas, and water	2	3.6
Construction	3	5.4
Wholesale and retail trade	16	28.6
Transport, storage, and communication	1	1.8
Finance, insurance, and business services	4	7.1
Community, social, and personal services	19	33.9
Total	56	100

Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018*

4.1.3 Demographic characteristics of workers

As captured by figure 3, the majority (70.75 per cent) of workers are working for user enterprises in the private sector, followed by the public sector (17.75 per cent). NGOs and multilateral organizations are also among the users of PrEAs services.

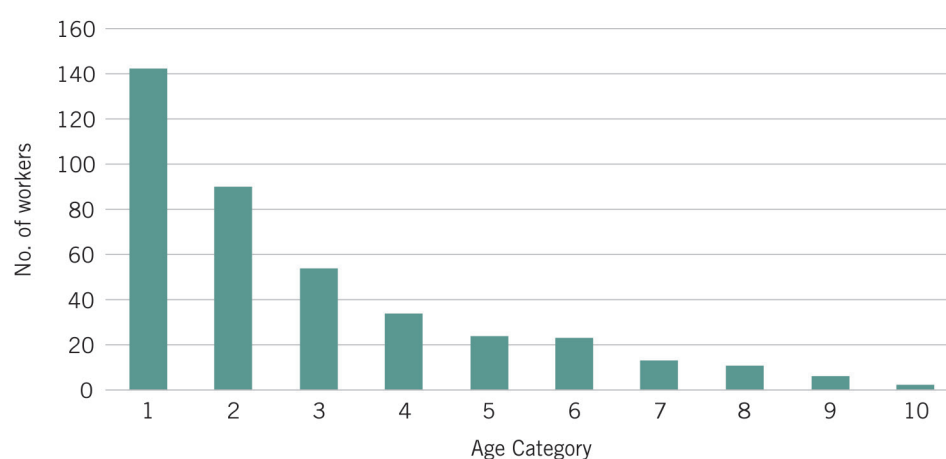
Figure 3. Distribution of workers by ownership of user enterprises



Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018*

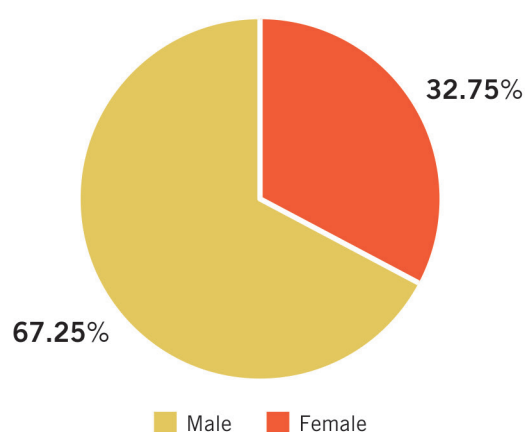
While the average age of worker respondents is 30.5 years of age, the majority (58.3 per cent) were below 30 years of age, indicating that most workers who avail themselves of the job opportunities offered through the PrEAs are young people. The distribution also demonstrates a long right tail, indicating non-symmetry with regard to the average age (figure 4).

Figure 4. Distribution of workers by age



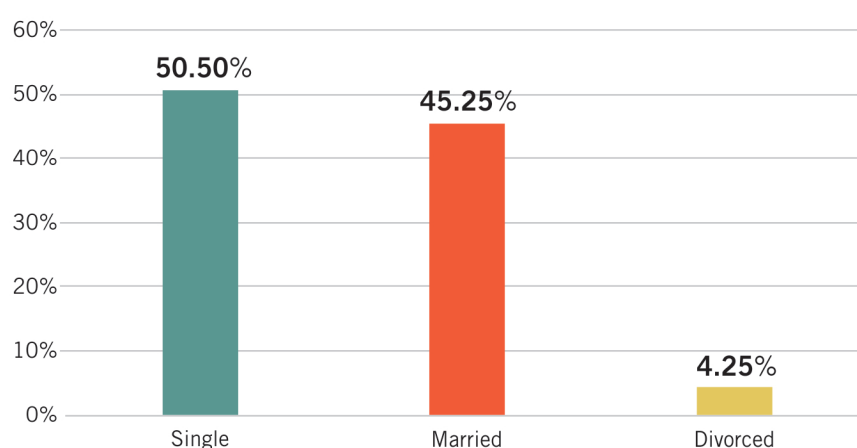
Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018*.

With respect to the distribution of respondent workers by sex, 67.25 per cent are male and the remaining 32.75 per cent are female (figure 5).

Figure 5. Distribution of workers by sex

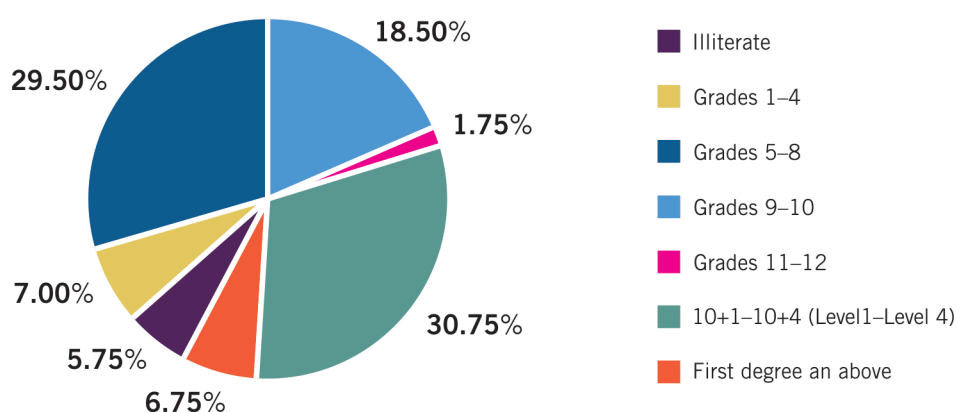
Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018.*

Figure 6 shows that 50.5 per cent of the workers contacted for the interview are unmarried and 45.25 per cent are married.

Figure 6. Distribution of workers by marital status

Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018.*

With respect to the highest level of educational attainment earned by surveyed workers, it can be seen from figure 7 that same ranges from illiteracy level up to first degree and above. Referring to each category, the proportion of those from level 1 up to level 4 is relatively high (30.7 per cent) followed by grades 5 – 8 (29.5 per cent).

Figure 7. Distribution of workers by level of education

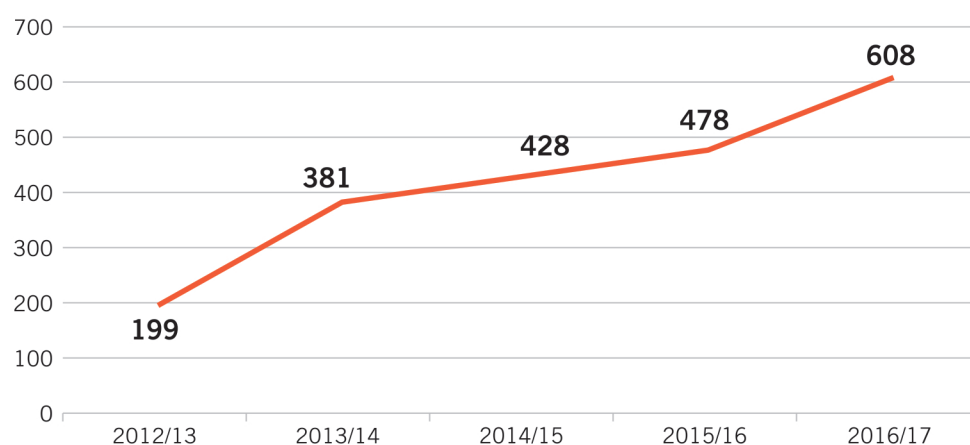
Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018.*

With regard to the positions/occupations held, the workers contacted for the interview covered a wide array of jobs, including security guards, cleaners/janitors, experts, supervisors, labourers, production crews, managers/administrators, loaders/unloaders, restaurant wait staff, drivers, daycare workers, chief cooks, barmen, general service clerks, kitchen workers, domestic workers, and receptionists.

4.2 Trends in the provision of employment services by PrEAs

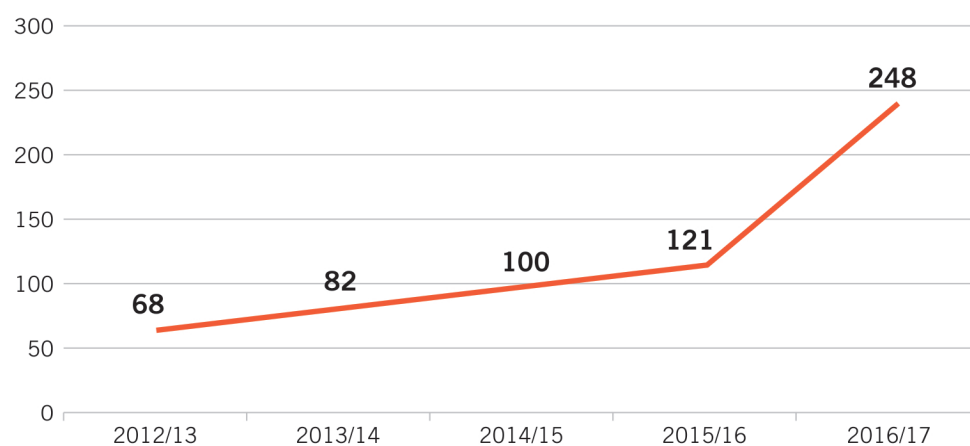
Even though the delivery of employment services by PrEAS does not have long history in the Ethiopian context, a growing trend is observed in the number of PrEAs joining the sector, in the number of organizations using PrEA services, and the number of workers recruited by or through PrEAs.

Data covering a five-year period (2012/13–2016/17) was collected from the BoLSAs of the six study locations and considered for this study. Based on that data, figure 8 shows the increase in the number of PrEAs engaged in employment service provision over this five-year span. While there are at least 700 PrEAs engaged in local employment services across Ethiopia as whole, there were a total of 608 PrEAs in the six study locations as of 2016/17. This represents a 30.5 per cent increase in PrEA numbers in the six study locations in just five years.

Figure 8. Number of PrEAs in the six study locations, 2012/13–2016/17

Source: Bureaus of Labour and Social Affairs, 2018

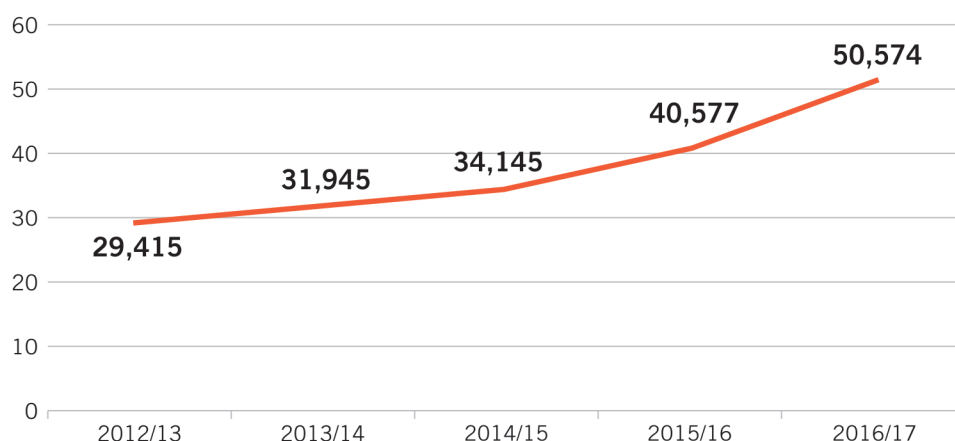
Data from 23 PrEAs (17 agencies could not provide figures) show that the number of user enterprises is increasing year on year (figure 9). Indeed, the figures provided show an increase of 364 per cent across the five-year period.

Figure 9. Number of user enterprises using the services of 23 PrEAs surveyed for the study, 2012/13–2016/17

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018.

From data supplied by 34 PrEAs (6 could not provide the requested figures), it can be seen that the number of workers recruited by or through the PrEAs has shown an increasing trend over the five years considered for this assessment (figure 10).

Figure 10. Number of workers recruited by 34 PrEAs surveyed for the study, 2012/13–2016/17



Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018.*

4.3 Legal frameworks to regulate PrEA services

The legislative sources in Ethiopia that address the rights involved in employment relations include:

- the Constitution of Ethiopia;
- the Labour Proclamation;
- the Employment Exchange Services Proclamation;
- the Decisions of the Federal Supreme Court-Cassation Bench; and
- subsidiary instruments such as Regulations of the Council of Ministers; Directives of the MoLSA; and the ILO Conventions that Ethiopia has ratified.

The Constitution levies the responsibility on the State to pursue policies that aim to expand job opportunities and to undertake all measures necessary to increase opportunities for citizens to find gainful employment within their own competences and available means (article 41). Besides this, it is worth noting that Ethiopia has ratified 22 ILO Conventions, including the Private Employment Agencies Convention, 1997 (No. 181). On top of these ratifications, the Ethiopian Constitution has a provision stating that all ratified Conventions and treaties are to be considered “an integral part of the law of the land” (article 9(4)). These general principles are further regulated in other laws and secondary legislation.

Accordingly, Ethiopia has issued proclamations and regulations in the effort to improve employment outcomes by improving employment relations. These efforts include promulgation of the Labour Proclamation (Proclamation No. 377/2003) as amended, the Employment Exchange Service (EES) Proclamation (Proclamation No. 632/2009), and the Right to Employment of Persons with Disability (Proclamation No. 568/2008). The Labour Proclamation is the core law providing the specific provisions to regulate employment relations in general (including employment relations involving PrEAs); while the EES Proclamation sets the regulatory mechanisms of employment contracts created through PrEAs.

The Labour Proclamation sets out the minimum terms and conditions of work, leaving the wider ranges of working conditions and terms to be determined through individual contract agreements,

collective agreements, employers' administrative directives, etc., provided each does not set any condition or terms of employment conditions less than what is provided by the Labour Proclamation. The following are some of the basic conditions and terms of employment relations within the scope of the Labour Proclamation:

- The Proclamation does not require workers to have a written contract at the start of employment. However, if a worker does not have a written contract, the employer is required to provide that worker with a written and signed statement containing the legally mandated requirements of an employment contract (as found in article 6) within 15 days of the conclusion of the verbal contract. If the worker does not object to the statement within 15 days, it is deemed that a contract of employment has been concluded between the worker and the employer (Article 7). The Proclamation also provides protection to workers by guaranteeing the minimum terms and conditions of work even in the absence of written contract (article 8).
- The duration of the contract is predefined by the nature of the work, which employers cannot define against what is stipulated in the proclamation (articles 9 and 10).
- Workers are protected from discrimination on the basis of nationality, sex, religion, political outlook, or any other conditions (article 14(1)(f)). This is also enshrined in Article 1 of the ILO Equal Remuneration Convention, 1951 (No. 100) and Articles 1–2 of the Discrimination (Employment and Occupation) Convention, 1958 (No. 111).
- A worker has a protection not to lose their job without a valid cause as prescribed in this law (article 26).
- The maximum working hours in a day or in a week is prescribed by the Proclamation (articles 61–62).
- The Proclamation levies upon employers the responsibility of providing protection for workers from occupational hazards and to create a safe and healthy working environment (article 92). Depending on the circumstances, employers are also responsible for providing compensation to workers in the event of occupational accidents and diseases (articles 107, 109–110).
- However, the proclamation does not set a minimum wage, leaving wages as a subject of negotiation between the worker and the employer.
- The right to organize and collectively bargain is a clearly recognized and protected right (article 14(1)(d); article 113).

As noted above, these and a number of other basic rights and conditions and terms of employment laid out in the Labour Proclamation are meant to govern employment relations that involve PrEAs. However, confusion can enter when a triangular employment relation is created, as this is a manifestation of employment relations among three parties: the worker, the PrEAs and the user enterprise (Redae, 2009). Despite the fact that article 2(1) and 2(3) provide the definitions for “employer” and “worker”, respectively, some aspects of a triangular employment relationship appear to fall out of the Labour Proclamation’s scope if one undertakes a cross reading of these definition clauses and article 4 on the “Elements of a Contract of Employment”. For example, within the current legal framework, most health and safety responsibilities fall to the employer. But in a triangular employment relation, the employer is often the PrEA, and workers are technically working within the facilities and work environments of a third party (i.e., the user enterprise). This presents challenges with enforcement, as it becomes unclear which party is responsible for the health and safety matters designated to the “employer” in the Labour Proclamation. Such issues suggest a need for clarifying the status and responsibilities of each party in triangular employment relations.

The Employment Exchange Services (EES) Proclamation (article 2(3) and 2(4)) explicitly recognizes the definitions of “employer” and “worker” put forward in the Labour Proclamation, thereby demonstrating that it covers the same employment relations, including those created or intermediated by PrEAs. The EES Proclamation mainly focuses on regulating employment relations created for employing Ethiopian nationals abroad, and like the Labour Proclamation it was promulgated without due attention to the newly growing number of triangular employment relations spurred by growing numbers of PrEAs. As such, the EES Proclamation also lacks provisions that entertain the special circumstances arising from such employment relations.

Information collected through key informant interviews presents a picture in conformity with the review of the legal framework presented above. According to the key informants from the Oromia BoLSA, problems concerning the operations of PrEAs have gotten out of control, and the Bureau has taken serious measures, including revoking agency licenses. The root causes of the problem are multidimensional. According to the Oromia BoLSA, there exists a clear implementation gap that is highly exacerbated by legislative framework gaps that fail to regulate triangular employment relations. Similarly, key informants from the Amhara BoLSA indicated that problems associated with PrEAs start right at the licensing stage. They believe that the current relevant laws fall short of clearly stipulating the roles and responsibilities of the parties to the employment contract and to other stakeholder in the relation. Key informants from the BoLSAs in Addis Ababa, Tigray, SNNPR, and Benishangul-Gumuz also spoke to the existence of such regulatory gaps in one way or the other.

In particular, it was pointed out during the consultative workshop held in Addis Ababa that one of the causes of problems with the employment services provided by PrEAs is that the legal framework for this service is made part parcel of the Overseas Employment Proclamation, 2016, and also all PrEAs are considered as one homogenous group, irrespective of their capacities and the nature of the services they are providing. And many PrEAs agree, with half of the PrEAs contacted for interviews saying that there is a need for specific laws that govern PrEAs in different categories.

4.4 PrEA employment service types and the responsibilities and accountabilities of parties involved

A recruitment operator is officially considered as a PrEA once it secures a business license from a competent authority (the MoLSA at the federal level or the BoLSA at the regional level). All labour laws in Ethiopia are federal laws, entailing similar applications across all regions. Hence, the administrative powers vested with the MoLSA by the Labour Proclamation or the EES Proclamation (unless expressly limited to the federal government) are automatically vested upon appropriate regional bureaus mandated to regulate labour matters. Accordingly, the power to license and regulate PrEAs for local service falls under the jurisdiction of the BoLSAs.

The EES Proclamation lays down the scope of PrEA employment services as consisting of: (1) job matching without the PrEA concluding a contract with the worker; and (2) services of making an employee available to a third party by directly concluding a contract with the worker (article 2(1)(a–b)). However, in practice PrEAs are involved in employment services beyond this scope, including outsourcing services, but still operating under the same business license issued for private employment service.

The EES Proclamation does not exhaustively stipulate a framework to regulate the operations of PrEAs, but instead leaves the rights and obligations of employer and worker to be regulated by the Labour Proclamation. As such, the discussion below captures the practices against the legislative frameworks established by the two proclamations and implementation regulations and directives.

Understanding the scope of PrEA services plays a vital role in regulating the operations of PrEAs and creating smooth industrial relations. In the Ethiopian context, the specific law with the authority to define the scope of PrEAs' services is the EES Proclamation. Article 2(1) of the Proclamation reads as follows:

1. "private employment agency" means any person, independent of government bodies, which performs any one or all of the following employment services without directly or indirectly receiving payments from workers:
 - a) Services of matching offers of and application for local employment without being a party to the employment contract;
 - b) Services of making a worker available locally or abroad to a third party by concluding a contract of employment with such a worker.

This definition is a more restricted than the definition provided in ILO Convention No. 181. The EES Proclamation definition limits the employment services of PrEAs' to two scenarios only. However, participants in the consultative workshop conducted for this study found that Ethiopian PrEAs offer three types of employment services:

1. linking workers with a (third party) employer without the PrEA being part of the employment contract agreement;
2. making a worker available to the user enterprise by concluding a contract of employment with such a worker; and
3. making a worker available to a third party by concluding a contract of employment with such a worker, but only managing the payroll, while supervision of the worker at the workplace and the handling of administrative issues are the responsibility of the user enterprise (i.e., the third party).

By blending the first two approved employment services, the third service listed above presents an ambiguous triangular employment relation that does not have clear coverage in the legislative frameworks of Ethiopia (as noted above). In relation to this, the key informant interview discussion with the Oromia BoLSA claimed that they are operating in a regulatory environment with two major problems. On the one hand, legislation fails to define the obligations/responsibilities and rights of parties in the three-party (triangular) employment relations created by PrEAs, making regulation and enforcement challenging. On the other hand, all parties (PrEAs, workers, and user enterprises) are frequently ignorant of the responsibilities/obligations that are defined in the existing laws and/or PrEAs and user enterprises deliberately evade responsibilities or shift them to other parties.

It is a presumption that a person who enters into a business has a knowledge of the basic requirements, responsibilities/liabilities, and rights or modalities of that business. In this regard, entering into an employment relation with as clear an understanding as possible of each party's responsibilities/obligations and rights would mitigate disputes. However, of the 40 contacted PrEAs, just 29 confirmed that they are familiar with the relevant laws and regulations (table 5).

Workers within triangular employment relations may be confused as to whom their employer is, and this was born out by worker responses in this study. Asked to name their employer, 84.7 per cent of surveyed workers replied the PrEA, and 14.3 per cent replied the user enterprise; while 1 per cent

consider both as their employers (table 6). But when the survey dug deeper into questions around complaints and supervision in the workplace, the numbers shifted in ways that suggest a blurring of the worker–employer relationship. For instance, regarding to whom workers apply for grievances, 75.5 per cent replied the PrEAs and 13 per cent said the user enterprises; while 11.5 per cent indicated both (table 38, Appendix I). Regarding supervision at the workplace, 41.7 per cent said they were supervised by the PrEA, 20.5 per cent by the user enterprises, and 37.7 per cent by both (table 31, Appendix I). Among those who said they are supervised by the user enterprises, the major roles of the PrEA were limited to taking disciplinary measures against the workers when the user enterprise complains (51 per cent), payment of their salary (21.6 per cent), and collecting timesheets for payroll preparation (18.6 per cent) (table 32, Appendix I).

Table 5. Responses of PrEAs (n=40) on whether they are familiar with relevant laws and regulations, by region

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	2	50	2	40	4	80	1	50	3	75	17	85	29	72.5
No	2	50	3	60	1	20	1	50	1	25	3	15	11	27.5
Total	4	100	5	100	5	100	2	100	4	100	20	100	40	100

Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018*

Table 6. Workers (n=400) responses regarding who their employer is, by region

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
PrEA	39	97.5	50	100	50	100	5	25	3	7.5	192	96	339	84.7
User enterprise	1	2.5	—	—	—	—	15	75	35	87.5	6	3	57	14.3
Both	—	—	—	—	—	—	—	—	2	—	2	1	4	1
Total	40	100	50	100	50	100	20	100	3	100	200	100	400	100

Note: – = nil

Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018*

This problem is well known by the regulatory bodies and labour law experts in Ethiopia. A profound researcher in the area of labour law, Mehari Redae, articulated this problem of unclear employment relations as follow: “from a legal standpoint, ... such contracts may present a technical difficulty as the workers concerned may find themselves interacting with two (or more) interlocutors, each of whom assumes certain functions of a traditional employer” (Redae, 2009, p. 26). The Oromia BoLSA stated in the key informant interview that the EES Proclamation does not define who an employer and who a worker is, but prefers to take the definition in the Labour Proclamation. However, the definition in the Labour Proclamation is limited to only two parties that take roles of a “worker” and an “employer” (articles 2 and 4). However, the employment relation created or

mediated by the PrEAs often involve more than one person performing the roles stipulated for the “employer” as defined by the Labour Proclamation.

In this context, workers can fall into a trap of confusion that may hinder their ability to secure protection of their rights. Other countries experiences reviewed for this study show the existence of remedies to such conditions in order to protect workers’ right. South Africa’s Basic Conditions of Employment Act, 1997, for example, clearly states that temporary employment services that provide workers to clients (user enterprises) are deemed to be the employer of those workers. However, the client (i.e., user enterprise) is still held jointly and severally liable for compliance with the minimum standards set by the Act.

4.5 Licensing requirements and issuance

An applicant who is interested in establishing a PrEA in Ethiopia is expected to fulfill the general licensing requirements, which include commercial registration, tax payer registration, and value-added tax registration (if it applies). All PrEAs must have a license and renew it periodically as required by law by fulfilling the requirements for local employment service as prescribed in the EES Proclamation and Regulation No. 228/2013⁶, as well as the requirements set by relevant provisions of subsidiary directives by the competent authority⁷. The EES Proclamation sets the eligibility criteria (article 6) and preconditions (article 7). The Proclamation also excludes individuals/companies convicted for human trafficking or an “illegal employment activity”, or that have cases pending for the same (article 9). This list of disqualifications is expanded in article 23 of the Overseas Employment Proclamation, 2016, to also include convictions or pending cases for smuggling of migrants, organized crime, terrorism, drug dealing, and money laundering. The EES Proclamation also puts capacity requirements to provide the service properly. To this effect, applicants are required to show confirmation of possessing office facilities and deployment of the required staff (article 7).

However, key informant interviews in all the study regions shared a consensus opinion that the legal framework is short of exhaustively setting requirements that would enable the effective screening of capable applicants and identify the scope of employment service being applied for. According to the key informant interviews, the law is again short of setting enforcement mechanisms in case of failure to comply with legal requirements. It was noted at the consultative workshop conducted in Addis Ababa that most PrEAs do not have sufficient capital, organized offices, or experienced staffs.

The other major issue in relation to PrEA licensing is the lack of a clear mandate and role confusion among the regulatory government/public bodies. The licensing process involves the MoLSA/BoLSAs, the Ministry of Trade/regional Trade Bureaus, Police, and the Revenue and Customs Authority – each with different roles. Trade bureaus provide commercial registration certificates, Customs and Revenues bureaus provide Taxpayer Identity Numbers, and Police provide letters confirming the lack of a criminal record; while the BoLSAs provide the actual license after the applicant fulfills all requirements. But, it has been argued that different bodies have been providing licenses (in particular, the license to PrEAs providing security services has been issued by BoLSAs and Federal/Regional Police) while the mandate is bestowed on MoLSA/BoLSAs.

⁶ Work Permit and Private Employment Agencies License Fee Regulation of the Council of Ministers.

⁷ As stated in the EES Proclamation.

Pursuant to the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia (Proclamation No. 916/2015), the MoLSA is given the power to ensure the maintenance of industrial peace; ensure the proper enforcement of labour laws; enhance the accessibility of efficient and equitable employment services (article 34) – thereby confirming its mandate to regulate the operation of the PrEAs. Thus, it is clear that Proclamation No. 916/2015 entrusts the power of licensing and regulating PrEAs to MoLSA/BolSAs and relevant bureaus at the regional level. But, key informants at all levels argued that there have been cases where PrEAs got licenses from government organizations other than the MoLSA or the BolSAs. A case in point is that Police have been providing licenses for PrEAs engaged in security services in Tigray, Amhara, Addis Ababa, and Oromia. This confusion in the mandate is due to a lack of awareness of the legal instruments and lack of consultation and discussion among concerned government institutions.

4.6 Recruitment, selection, and placement of workers by private employment agencies

Regarding the methods of recruitment and selection applied by PrEAs, 60 per cent of respondent PrEAs claim that they advertise their employment opportunities, while 33.3 per cent said that they recruit workers through references, but very few (6.7 per cent) use brokers also known as individuals without license⁸ (table 7). Interviews (30.1 per cent) and education and work experience testimonials (30.1 per cent), followed by recommendation (21.2 per cent) and the use of written test/exams (16.8 per cent), are stated as the principal screening methods used during the recruitment process (table 8).

On the other hand, 67 per cent of the workers indicated that they received information on job opportunities through friends and relatives, and just 23.3 per cent indicated advertisements as the major sources of information (table 9). There were a few instances where workers mentioned brokers/unlicensed individuals as their source of information (7.7 per cent).

This demonstrates that though PrEAs claim their major method of getting potential workers is through formal advertising of opportunities, the data from workers shows that most agencies are accessed as a result of informal communication channels.

⁸ Brokers/ Individuals without license are unlicensed individuals that connect jobseekers with PrEAs

Table 7. Channels utilized by PrEAs (n=40) to promote vacancy announcements, by region

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Through advertise-ments	4	100	4	80	5	55.6	—	—	4	57.1	19	57.6	36	60
Through brokers/ Unlicensed Individuals	—	—	—	—	2	22.2	—	—	—	—	2	6.1	4	6.7
Through references	—	—	1	20	2	22.2	2	100	3	42.9	12	36.4	20	33.3
Total*	4	100	5	100	9	100	2	100	7	100	33	100	60	100

– = nil

* Some PrEAs use a mix of channels to announce vacancies

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018

Table 8. Worker selection modalities used by PrEAs, by region (n=400)

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Written test/exam	2	18.2	1	9.1	3	16.7	—	—	—	—	13	20.6	19	16.8
Interview	2	18.2	3	27.3	5	27.8	2	50	3	50	19	30.2	34	30.1
Education and work experience testimonials	3	27.3	4	36.4	5	27.8	1	25	2	33.3	19	30.2	34	30.1
References	3	27.3	3	27.3	5	27.8	1	25	1	16.7	11	17.5	24	21.2
Other	1	9.1	—	—	—	—	—	—	—	—	1	1.6	2	1.8
Total*	11	100	11	100	18	100	4	100	6	100	63	100	113	100

– = nil

* Some PrEAs use more than one worker selection modality.

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018

Table 9. Workers' primary source of information about PrEAs/job vacancies, by region (n=400)

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Through advertise-ment	14	35	21	42	8	16	7	35	7	17	36	18	93	23.3
Through brokers/ Unlicensed Individu-als	2	5	1	2	—	—	1	5	18	45	9	4.5	31	7.7
Through friends/ relatives	24	60	28	56	41	82	12	60	12	30	151	75.5	268	67
Other	—	—	—	—	1	2	—	—	3	7.5	4	2	8	2
Total*	40	100	50	100	50	100	20	100	40	100	200	100	400	100

Note: – = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

The findings also reveal that the recruitment and selection process of PrEAs is not free of favoritism (table 33, Appendix I). About a quarter (24.7 per cent) of the workers interviewed claimed that PrEAs give priority to people close to them, such as relatives and family members. Workers also believe that there exists discrimination on the basis of sex (18.5 per cent), pregnancy status (13 per cent), and HIV, political, religious, disability (14 per cent).

Discrimination along any of these lines is prohibited by national laws as well as international instruments Ethiopia has ratified.⁹ These types of non-compliance are basically due to enforcement gaps on the part of regulatory bodies. For remedies one may look to legislation in other countries. In South Africa, for example, discrimination is not only prohibited, but engagement in discriminatory practices has consequences not only for the agency but also for the client (user enterprise).

Regarding the incidence of workers making payments to secure employment opportunities, among the 31 workers who received their information on job opportunities through brokers/unlicensed individuals, seven (22.6 per cent) stated that they paid brokers/unlicensed individuals to secure employment (table 10). There were also a small number of cases where workers stated that they made payments directly to PrEAs (table 11), with those payments ranging from 10 per cent of one month's salary to the equivalent of two months' salary (table 34, Appendix I). Key informants from the Benishangul Gumuz BoLSA also stated that they had revoked the license of a PrEA they found collecting money from workers.

⁹ As per articles 25 and 35(8) of the Constitution of Ethiopia; article 14(1)(f) of the Labour Proclamation; and ILO Convention No. 111, ratified by Ethiopia.

Table 10. Responses of workers who utilized brokers/unlicensed individuals (n=31) on whether they paid the broker to gain employment, by region

	Region										Total	
	Tigray		Amhara		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	—	—	1	100	1	100	1	5.6	4	44.4	7	22.6
No	2	100	—	—	—	—	17	94.4	5	55.6	24	77.4
Total*	2	100	1	100	1	100	18	100	9	100	31	100

– = nil

Note: There were no workers from Oromia who utilized brokers/individuals without license.

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 11. Responses of workers who used a PrEA (n=400) on whether they paid the PrEAs to gain employment, by region

	Region										Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa	
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	–	–	–	–	–	–	–	–	2	5	2	1
No	40	100	50	100	50	100	20	100	38	95	198	99
Total*	40	100	50	100	50	100	20	100	40	100	200	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Fee charging is a clear violation of the rights of workers in the context of the Ethiopian legal framework. Article 34(3) of the EES Proclamation clearly prohibits collecting fees from workers for employment exchange service. This is in line with the provisions of Convention No. 181, which Ethiopia has ratified. Therefore, the finding on this part indicates that some PrEAs are working against the laws due to weak monitoring and enforcement regulatory bodies.

The study also sought to measure workers' perception of the quality of the recruitment and selection process of the PrEAs. Accordingly, 32.3 per cent of workers rated the recruitment and selection process as poor. The perceptions of workers vary from region to region. Workers from Benishangul Gumuz (70 per cent), Oromia (52 per cent), Amhara (42 per cent), SNNPR (30 per cent), and Addis Ababa (28 per cent) rated the selection process as poor (table 18). These figures show that there exists a significant recruitment and selection service gap among PrEAs. Participants in the consultative workshop in Addis Ababa expressed their view that regarding the weak recruitment and selection process "there are PrEAs which recruit workers who do not have sufficient skill and experience in order to pay minimum salary".

4.7 Capacity and service quality of private recruitment agencies

Though any business requires capacity to run properly, the PrEA business requires more knowledge and care than most as it deals directly with people and their livelihoods. In light of this, the legal framework attempts to set capacity requirements, as highlighted in the previous sections of this report.

Key informants from all study regions expressed a consensus view that there are currently PrEAs that do not have the capacity to run their service in compliance with the legal framework. Key informants from the Tigray BoLSA indicated that most PrEAs do not have the financial capacity and the required education level to provide the service they are licensed for. Similarly, the Oromia BoLSA mentioned that some agencies do not have the capacity even to prepare the required reports, and they either do not have a working manual or do not use it. Even so, the majority of PrEAs interviewed said they had been in business for at least six years (table 12).

The Tigray BoLSA indicated that those PrEAs who are engaged in security services do not have problems of knowledge, experience, and skill as most of them were former members of the army or police, but they are often still short of the finances needed to provide the service/run the business.

Many PrEAs apparently have weak monitoring and follow up mechanisms, according to user enterprises. Only 53.6 per cent of the user enterprises said that the PrEAs they work with collect and feedback on their services (table 13). Those PrEAs that do collect feedback mainly do so through telephone calls and visits (62.5 per cent), though some utilize customer surveys and suggestion boxes (table 35, Appendix I).

Some (30.4 per cent) of the user enterprises indicated they do not sign Service Level Agreements with PrEAs (table 14). In the absence of such a document, it is unlikely for parties to clearly know their responsibilities and accountabilities and to dispose them properly. A few of the user enterprises interviewed (17.9 per cent) felt the services provided by PrEAs did not meet their expectations (table 36, Appendix I), due to lack of close supervision and follow-up by the PrEAs, lack of prompt action, and (to a lesser extent) being provided non-competent workers (table 37, Appendix I).

Table 12. Number of years that PrEAs (n=40) claimed to have been providing private employment services

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Total years of service	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
2 years and below	1	25	1	20	2	40	2	100	2	50	—	—	8	20
3–5 years	2	50	2	40	—	—	—	—	1	25	3	15	8	20
6 -20 years	1	25	2	40	3	60	—	—	1	25	14	70	21	52.50
21 years and above											3	15	3	7.50
Total	4	100	5	100	5	100	2	100	4	100	20	100	40	100

— = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018

Table 13. Responses of user enterprises (n=56) on whether PrEAs have mechanisms for collecting feedback

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	3	75	3	75	4	80	1	50	2	12.5	18	78.3	30	53.6
No	1	25	1	25	1	20	1	50	14	87.5	5	21.7	26	46.4
Total	4	100	4	100	5	100	2	100	16	100	23	100	56	100

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – User Enterprises Survey, 2018

Table 14. Responses of user enterprises (n=56) as to whether they signed Service Level Agreements with PrEAs

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	4	100	6	100	5	100	—	—	3	18.8	21	91.3	39	69.6
No	—	—	—	—	—	—	2	100	13	81.3	2	8.7	17	30.4
Total*	4	100	6	100	5	100	2	100	16	100	23	100	56	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – User Enterprises Survey, 2018

Regarding grievances held by workers concerning their employment relationship with the PrEA, remunerations and benefit issues (23.9 per cent); the handling of disciplinary measures (17.5 per cent); hours of work, leave, or rest days (17.4 per cent); OSH preventive issues (14.8 per cent); and employment injury claims (13.8 per cent) were all specified as causes for grievance (table 15). When workers have a grievance to report, the vast majority in all study regions say they would lodge that grievance with the management of their PrEA only (75.5 per cent) (table 38, Appendix I). However, responses from workers also suggest that PrEAs generally do not have adequate mechanisms to handle these grievances, with just 27.5 per cent of workers surveyed claiming that their PrEA even has a formal complaint mechanism in place (table 16). In instances where a mechanism does exist, grievances generally reach the PrEA either by the agency directly registering workers' complaints (38.3 per cent) or receiving complaints in collaboration with the management of the user enterprise (34.9 per cent) (table 17).

With regard to the handling of grievances, the findings show that it takes roughly 10 days on average for grievances to be resolved, with a maximum of up to 365 days reported (table 39, Appendix I). The findings show that some of PrEAs do have experience delivering training and awareness creation concerning grievance resolution; do provide prompt responses to grievances; and do conduct assessments of possible grievances. The aim of these efforts by select PrEAs is to minimize disputes and reduce the likelihood of grievances by workers.

Table 15. Main grievances of workers (n=400) concerning their employment relation with their PrEA

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Grievance	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Handling of disciplinary measures	1	2.3	4	3.1	39	20.1	2	8.7	11	15.3	108	22.5	165	17.5
Hours of work, leave, or rest day	3	7	20	15.5	37	19.1	4	17.4	17	23.6	83	17.3	164	17.4
Remuneration and benefits	13	30.2	45	34.9	41	21.1	3	13	12	16.7	111	23.1	225	23.9
OSH prevention issues	—	—	39	30.2	41	21.1	1	4.3	2	2.8	56	11.6	139	14.8
Employment injury claims	—	—	18	14	28	14.4	—	—	11	15.3	73	15.2	130	13.8
Crime and petty offences	—	—	2	1.6	1	.5	—	—	—	—	21	4.4	24	2.6
I didn't have a grievance	26	60.5	1	.8	7	3.6	13	56.5	19	26.4	29	6	95	10.1
Total*	43	100	129	100	194	100	23	100	72	100	481	100	942	100

– = nil; * Multiple responses possible.

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 16. Responses of workers (n=400) on whether their PrEAs have grievance handling mechanisms in place

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	11	27.5	4	8	19	38	9	45	9	22.5	58	29	110	27.5
No	24	60	42	84	28	56	5	25	20	50	104	52	223	55.8
Do not know	5	12.5	4	8	3	6	6	30	11	27.5	38	19	67	16.8
Total	40	100	50	100	50	100	20	100	40	100	200	100	400	100

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 17. Responses of workers (n=110)¹ regarding the mechanisms used by PrEAs to register grievances

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Register workers' complaints	4	36.4	4	100	18	58.1	1	11.1	4	40	26	31	57	38.3
Suggestion box	1	9.1							1	10	4	4.8	6	4
In collaboration with management of user enterprise	5	45.5			13	41.9			5	50	29	34.5	52	34.9
Doesn't keep record at all	1	9.1					8	88.9			25	29.8	34	22.8
Total ²	11	100	4	100	31	100	9	100	10	100	84	100	149	100

– = nil

¹ The responses in this table are from the 110 workers who responded "Yes" to whether their PrEA has a grievance handling mechanism in place (see table 16 above).² Some PrEAs use more than one mechanism to register grievances.

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Workers were also asked to rate the service quality of their PrEAs. Accordingly, 29 per cent of respondents rated their PrEA's office facility (in terms of size and quality) as poor; 35 per cent rated management quality as poor; 36.3 per cent rated staff competence as poor; 31.5 per cent rated staff behavior as poor; and 32.3 per cent rated recruitment and selection processes as poor. Though 65 per cent agree that on the job follow-up and supervision is at least acceptable, the remaining 35 per cent argue that it is poor. Service efficiency is rated as at least acceptable by 56 per cent, while 44 per cent rated it as poor (table 18).

Table 18. Workers' perceptions of the quality of service delivered by PrEAs (n=400)

		Region										Total	
		Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa	
Quality metric		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Office facility (size and quality)	Poor	–	–	27	54	17	34	4	20	12	30	56	29
	At least good	40	100	23	46	33	66	16	80	28	70	144	71
Management quality	Poor	–	–	36	72	20	40	1	5	6	15	77	38.5
	At least good	40	100	14	28	30	60	19	95	34	85	123	61.5
Staff competence	Poor	–	–	35	70	25	50	1	5	9	22.5	75	37.5
	At least good	40	100	15	30	25	50	19	95	31	77.5	125	62.5
Staff behavior	Poor	–	–	16	32	23	46	5	25	3	7.5	79	39.5
	At least good	40	100	34	68	27	54	15	75	37	92.5	121	60.5
Recruitment and selection process	Poor	–	–	21	42	26	52	14	70	12	30	56	28
	At least good	40	100	29	58	24	48	6	30	28	70	144	72
On the job follow-up and supervision	Poor	–	–	14	28	23	46	17	85	25	62.5	61	30.5
	At least good	40	100	36	72	27	54	3	15	15	37.5	139	69.5
Service efficiency	Poor	–	–	41	82	30	60	19	95	16	40	70	35
	At least good	40	100	9	18	20	40	1	5	24	60	130	65

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

4.8 Terms of employment and working conditions

The Ethiopian labour administration system seems to balance a free market policy and the bargaining power between employers and workers. Accordingly, labour law stipulates the minimum terms and conditions of work, but leaves the rest for the employer and worker to establish through contract agreements, collective agreements, unilateral management/employer administrative manuals, or by virtue of other laws. The minimum conditions imposed by law do not preclude setting conditions at a higher level in favour of the worker; indeed labour law encourages the setting of better conditions than the statutory minimums.

Some of the terms and conditions of work for which the law provides minimum conditions include:

- maximum limits on probation;
- maximum hours of work in a day and a week;
- maximum overtime hours;
- minimum limits of different payments;
- minimum weekly rest;
- minimum paid annual leave;

- minimum paid maternity leave;
- minimum notice periods;
- employment security;
- minimum safety and health conditions in the working environment;
- minimum standards for supplying protective devices; and
- minimum compensation relating to various causes, among others.

In light of this, key informant interview participants in all study regions indicated that there are many instances of noncompliance to the applicable laws on the part of PrEAs and user enterprises. Key informants from Tigray BoLSA indicated that PrEAs do not bother about the rights of workers. One participant said they witnessed a cleaning employee/janitor working in a hospital cleaning up the diarrhea of a dysentery patient without gloves or any other proper protective gear, which is very dangerous.

Though all the PrEAs interviewed claim that they provide contracts to their workers, 30 per cent of the workers contacted indicated they are working without concluding any contractual agreements (table 19). This issue was particularly acute for the Amhara region, where 58 per cent claimed they were working without contracts. Among those who signed employment contracts, 61.1 per cent indicated that they had read (or were made aware of) the contents of the contract agreement before signing, but 68.6 per cent of them reported that they were not provided with copy of their contract agreement.

Workers were asked whether they believe that violations of minimum labour standards and/or workers' rights are occurring, and 61 per cent confirmed such violations (table 20). According to workers, the rights not respected include rights related to health and safety (29 per cent); rights related to social security benefits (26.4 per cent); rights related to working hours, weekly rest, and annual leave (23.5 per cent); and the right to be organized through labour unions and to collective bargaining (21.2 per cent) (table 40, Appendix I). Rights related to working hours, weekly rest, and annual leave appear to be violated with particularly great frequency in Benishangul Gumuz (46.2 per cent) and SNNPR (36.4 per cent).

Table 19. Responses of workers regarding the status of their employment contracts, by region

		Region										Total	
		Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa	
Issue		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Have employment contract?	Yes	34	85	21	42	42	84	17	85	29	72.5	137	68.5
	No	6	15	29	58	8	16	3	15	11	27.5	63	31.5
	Total	40	100	50	100	50	100	20	100	40	100	200	100
Read (or made aware of) contract content before signing?*	Yes	31	91.2	7	33.3	11	26.2	10	58.8	29	100	83	60.6
	No	3	8.8	14	66.7	31	73.8	7	41.2	–	–	54	39.4
	Total	34	100	21	100	42	100	17	100	29	100	137	100
Have a copy of the contract agreement?*	Yes	9	26.5	7	33.3	1	2.4	3	17.6	29	100	39	28.5
	No	25	73.5	14	66.7	41	97.6	14	82.4	–	–	98	71.5
	Total	34	100	21	100	42	100	17	100	29	100	137	100

– = nil

* Question only asked to those who answered “Yes” to “Do you have an employment contract?” (n=280)

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 20. Workers’ opinions on whether any rights provided by applicable labour laws are not being respected, by region (n=400)

		Region										Total	
		Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa	
Response		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes		15	37.5	45	90	49	98	12	60	14	35	109	54.5
No		25	62.5	5	10	1	2	8	40	26	65	91	45.5
Total		40	100	50	100	50	100	20	100	40	100	200	100

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Key informant interviews also affirmed the prevalence of violations of minimum working conditions. The Tigray BoLSA claimed that workers recruited by or through PrEAs often do not have defined working hours or payment scales, and are being hired for short-term contracts despite the nature of the work requiring an indefinite period contract. According to the Oromia BoLSA, there are big salary and benefits disparities between workers hired by the PrEAs and those hired directly by the user enterprise, even though they are working within same premises and engaged in similar or equivalent work. This is a violation of the fundamental principle of equal pay for equal work as enshrined in labour law, and suggests there are no clear rules and standards around payment structures. Agencies and user enterprises often do not inform workers recruited by or through PrEAs of what they will be paid for overtime work. It is also common for PrEAs to take a share or percentage of workers’ overtime pay as a commission. The PrEAs and user enterprises often do not explain what this percentage will be or why this occurs.

As can be seen in table 21, the daily working hours of workers recruited by or through PrEAs can range from 8 hours to 24 hours a day.

Table 21. Hours of work as reported by workers (n=400), by region

Region	Minimum	Mean	Median	Maximum
Tigray	8	10	8	18
Amhara	8	10	8	24
Oromia	8	12	10	24
Benishangul Gumuz	8	14	15	18
SNNPR	8	9	8	14
Addis Ababa	8	11	8	24
Total	8	11	8	24

Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018*

The maximum number of working hours per day is among the terms of work prescribed by law. Pursuant to article 61(1) of the Labour Proclamation, the normal hours of work shall not exceed eight hours in a day or 48 hours in a week. Overtime work is allowable under the Labour Proclamation, but only under certain specified restrictions (article 67(1)). But even then, overtime work cannot exceed two hours in a day or 20 hours in a month (article 67(2)). The findings of this study suggest that daily and weekly working hour limits are not respected. There were cases reported where workers are working for a continuous 24 hours without rest. Box captures the case study of a security guard working in Addis Ababa.

Box 4: Case study: Extreme hours of work



The worst-case scenario in this regard is a prevailing shift system used by security service provider PrEAs. Under this system, a security guard who is an employee of a PrEA is deployed to work for three different client organizations of the PrEA. Because the PrEA applies a 24-hour work shift, the employee works the first 24 hours for the first client, the next 24 hours for the second client and the next 24 hours for the third client, and the cycle continues the whole month.

A security guard interviewed for the study was asked to comment on when he meets his family, and the response was, “No. at all”, except when his wife brings him food and sometimes for few hours to handle burning issues by asking a favour of a staff colleagues to cover his responsibilities and keep it confidential from his bosses.

Asked about break time, he replied that he does not have an official break or sleeping time, but during the night time (though technically not allowed), he takes a nap with the mutual understanding of staff colleagues. If the client or his agency finds this, it will be treated as an offence.

Asked why he is working like this and whether the employer forced him to do so, he replied that no one forced him, but the meager salary he gets for working normal hours is not enough to lead even the lowest level of life in Addis Ababa due to the high cost of house rent and other basic items.

Source: *Interview with PrEA employee as part of study.*

The case presented in box 4 showcases one of the consequences of the low salaries received by many PrEA workers. Regarding overtime payments, workers generally indicated that they are not being paid overtime for the time worked in excess of the normal working hours, as prescribed by labour law. Addis Ababa is something of an exception in this regard, but even so, fewer than a quarter of workers reported receiving overtime pay (table 22).

Workers were also asked about weekly rest and annual leave. Accordingly, 43.7 per cent of respondents claimed they are not getting 24 hours continuous weekly rest; while 36 per cent claimed they are not getting annual leave as stipulated in the Labour Proclamation.

The majority of workers interviewed (75 per cent) indicated that they are not provided with safety and health equipment, and 82.5 per cent indicated that they are not trained in health and safety or the use of hazard protection devices. The majority of workers (69.7 per cent) do not feel that they have full insurance coverage for employment hazards and injuries. This demonstrates a gross noncompliance with what is prescribed under part seven of the Labour Proclamation on occupational safety, health, and working environment.

Furthermore, the majority of the respondent workers (60 per cent) do not feel that they can exercise their right to establish a labour union together with their fellow employees. This finding goes against the Constitution (article 42(1)), the Labour Proclamation (article 14(1)(a) and (1)(d), and article 113(1)), as well as Convention No. 87 and Convention No. 98 (ILO Fundamental Conventions ratified by Ethiopia). On top of that, 36.3 per cent of interviewed workers argued that their personal dignity is not respected, which runs contrary to what is stipulated in article 12(3) of the Labour Proclamation.

Table 22. Responses of workers (n=400) regarding whether they were paid for extra hours of work, by region

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	—	—	—	—	—	—	—	—	1	6.7	21	22.8	22	11.6
No	13	100	21	100	29	100	19	100	14	93.3	71	77.2	167	88.4
Total	13	100	21	100	29	100	19	100	15	100	92	100	189	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 23. Workers' perceptions on minimum working conditions (n=400)

		Region										Total	
		Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa	
Issue		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Get 24 hours of continuous rest every week	Agree	36	90	27	54	36	72	—	—	9	22.5	115	57.5
	Disagree	4	10	23	46	14	28	19	95	31	77.5	84	42
	Don't know	—	—	—	—	—	—	1	5	—	—	1	.5
Get annual leave every year as prescribed in the labour law	Agree	39	97.5	31	62	20	40	—	—	20	50	120	60
	Disagree	—	—	19	38	28	56	18	90	17	42.5	62	31
	Don't know	1	2.5	—	—	2	4	2	10	3	7.5	18	9
Provided with all necessary protective clothes and OSH devices	Agree	18	45	9	18	4	8	—	—	12	30	57	28.5
	Disagree	22	55	41	82	46	92	20	100	28	70	143	71.5
Provided with training on OSH devices and hazard protection mechanisms	Agree	17	42.5	—	—	1	2	—	—	10	25	42	21
	Disagree	23	57.5	50	100	49	98	20	100	30	75	158	79
Personal dignity is respected at workplace	Agree	40	100	20	40	1	2	7	35	37	92.5	150	75
	Disagree	—	—	30	60	49	98	13	65	3	7.5	50	25
Feel that we can establish a labour union in accordance with the law	Agree	25	62.5	1	2	—	—	—	—	19	47.5	31	15.5
	Disagree	8	20	41	82	36	72	3	15	13	32.5	139	69.5
	Don't know	7	17.5	8	16	14	28	17	85	8	20	30	15
Have full insurance coverage for employment hazards and injuries	Agree	20	50	1	2	2	4	—	—	12	30	53	26.5
	Disagree	20	50	49	98	39	78	9	45	26	65	136	68
	Don't know	—	—	—	—	9	18	11	55	2	5	11	5.5

— = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Asked if they believe there are differences in terms and working conditions between workers recruited directly by user enterprises and those recruited by PrEAs, 69.3 per cent stated that such differences exist (table 24). The employees interviewed opined that the reasons behind these differences included weak negotiation on the part of the PrEA in getting better terms and conditions for its workers (35.5 per cent); the PrEAs only working to maximize their monetary interests (35.2 per cent); and the bargaining power of the workers is weak because they do not have a labour union (29 per cent) (table 41, Appendix I).

The majority of the worker respondents (83.7 per cent) indicated that they are not entitled to additional benefit schemes (i.e., benefits in addition to the minimum conditions set by law, or benefits that can be secured through collective bargaining or via an organization's administrative manual, etc.). The responses are roughly similar across all the regions covered by the assessment, except in the SNNPR where some 47.5 per cent of respondents indicated that they are entitled to all such schemes (table 25).

These claims of workers are validated by the user enterprise themselves. Among user enterprise respondents, 57.1 per cent indicated that they have observed different working terms and conditions between the workers recruited internally and those recruited through PrEAs (table 26). They said this was mainly due to the fact that the basic salaries of workers from PrEAs are minimal compared to directly recruited workers, and also due to the fact that PrEA recruits are often not entitled to additional benefits (table 42, Appendix I).

Table 24. Responses of workers (n=400) on whether there are differences in the terms and working conditions depending on whether a worker was recruited through a PrEA or directly by the user enterprise

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	35	87.5	48	96	47	94	2	10	3	7.5	142	71	277	69.3
No	5	12.5	2	4	3	6	18	90	37	92.5	58	29	123	30.7
Total	40	100	50	100	50	100	20	100	40	100	200	100	400	100

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 25. Responses of workers (n=400) on whether they are entitled to additional benefit schemes

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes, we are entitled to all such schemes	5	12.5	—	—	—	—	—	—	19	47.5	11	5.5	35	8.7
Yes, we are entitled only to some schemes	5	12.5	4	8	3	6	—	—	3	7.5	15	7.5	30	7.5
No, we are not entitled to any schemes	30	75	46	92	47	94	20	100	18	45	174	87	335	83.7
Total	40	100	50	100	50	100	20	100	40	100	200	100	400	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 26. User enterprises responses on whether there are differences in the terms and working conditions depending on whether an worker was recruited through a PrEA or directly by the organization (n=56)

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	2	50	4	66.7	5	100	2	100	5	31.3	14	60.9	32	57.1
No	2	50	2	33.3	—	—	—	—	11	68.7	9	39.1	24	42.9
Total	4	100	6	100	5	100	2	100	16	100	23	100	56	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018

Generally, the triangulated findings of this study on terms and conditions of work within the employment relations created or intermediated by the PrEAs reveal the problems workers of the PrEAs face.

4.9 Institutional capacities of regulatory bodies and stakeholder coordination and collaboration

4.9.1 Institutional capacities of regulatory bodies

The findings of this study show a number of gaps and challenges that require joint and several efforts to address the problems prevailing in the emerging and steadily growing operations of PrEAs within the imperfect labour market situation of Ethiopia.

This analysis of the institutional framework for employment relations created or intermediated by PrEAs starts with the mandate, scope, and functions entrusted to meet the public interests on the part of the government. Institutional responsibilities emanate from mandates. For an institution to effectively discharge its mandate, it needs first and foremost to be clear about its role in terms of objective, scope, and function.

In order to address the challenges prevailing in the employment relations created by PrEAs, it is important to look at regulatory bodies at three levels: the policy and legislative level; the regulatory level; and the operational level.

At the policy and legislative level, the concerned government bodies are responsible for reviewing and approving national policies (employment and labour administration policies) and legislating laws and promulgating regulations (e.g., the Labour Proclamation and EES Proclamation). Speaking to this, all key informants from the BoLSAs interviewed indicated that there is a legislative vacuum with regard to employment relations involving locally operating PrEAs. Through the efforts made by the regulatory bodies to regulate this employment relation as per the Labour Proclamation (which was promulgated before the large-scale participation of PrEAs in the sector), it has become clear that the Labour Proclamation does not encompass the unique employment relations involved, and is thus short of provisions to regulate these special triangular relations. Evaluating the implementation of the promulgated laws and checking policy drawbacks or capturing new public demands following

changes in the labour market are also part of the role of government bodies operating at this level, but little has been done and this suggests the need for a periodic review of legislation and legal frameworks. Awareness raising among the public with regard to decent work conditions and basic human rights is also part of the responsibility at this level, but much has not been done in this regard as well.

At the regulatory level, the concerned bodies are responsible for:

- reviewing and drafting policies;
- reviewing and drafting of guidelines and procedures;
- guiding and enhancing the capacities of regional BoLSAs towards better management of PrEA operations;
- providing awareness raising on policy and legislative frameworks; and
- coordinating stakeholders to secure their effective contribution to creating a sustainable decent work environment.

In this regard, the key informant discussions conducted in all study regions and the consultative workshop conducted in Addis Ababa identified the following institutional shortfalls on the part of the MoLSA:

- lack of mandate clarity, structure, and capable manpower;
- insufficient legal frameworks and guidelines; and
- a lack of communication/reporting systems to collect, analyse, and disseminate data.

According to the key informant interviews with staff from the Addis Ababa BoLSA, the MoLSA is structurally weak and unable to prepare clear guidelines for the BoLSAs to engage in efficient and consistent monitoring and evaluation. The MoLSA is expected to run awareness-raising and capacity-building programmes to avoid role confusions and prevent potential industrial disputes. However, it was identified through the consultative workshop that this was not happening at a sufficient level as a result of “limited capacity due to lack of structures. And even in the places where there are structures, there is a shortage of skilled and experienced manpower, limited capacity to strengthen the capacities of the regions, and gaps in identifying and addressing legal gaps.” According to key informant participants from the Addis Ababa BoLSA, the MoLSA should have initiated a review of the relevant laws and procedures following the changes in the labour market that sparked the growing engagement of PrEAs in diversified occupations, sectors, and scopes. The Addis Ababa BoLSA believes such a review would demonstrate that new PrEA licensing requirements are needed.

At the operational level, the concerned bodies are responsible for:

- making sure the required organizational structure and optimal staff both in quantity and quality are in place;
- providing awareness on policy and legislative frameworks;
- implementing policies and laws;
- reviewing and drafting execution plans and implementation performance tracking guidelines and reporting procedures;
- issuing and renewing licenses;
- monitoring and following-up the operations of PrEAs and taking appropriate, timely corrective measures;

- facilitating tripartite forums and managing regular joint reviews of the sector; and
- developing reporting standards and properly collecting and channeling findings regularly and on time.

At this level, BoLSAs across all the study regions are structurally unorganized and under-staffed, despite the growing need for their services. There is no optimal staffing in accordance with the growth and scope of the services required. Key informants from the Addis Ababa BoLSA argued that the section in charge of PrEAs is staffed with same number of individuals as long ago, when the number of agencies was small, but currently there are more than 200 PrEAs in the city. The same is true in Oromia. Furthermore, key informants from the Oromia BoLSA claimed that the existing structure puts inspection and peaceful industrial relations under two separate departments, which contravenes coordinated execution and monitoring. Critical shortages of facilities and budget for fieldwork is another challenge, according to BoLSA informants from all the study regions. The other human resource-related capacity challenge BoLSAs encounters is staff turnover. The Benishangul Gumuz BoLSA reported that many staff leave after less than a year on the job. The same thing is happening with the Oromia BoLSA, especially down at the zonal and *woreda* levels. Hence, there are cases where staff are placed in a job without knowing the laws, procedures, and requirements, as they have had a very short adaptation period. For example, there was a recent case in Oromia where a zonal officer wrongly suspended an innocent party, in part because the officer simply did not know the required procedures.

These institutional capacity problems limited the support that can be expected from the MoLSA and BoLSAs. PrEAs were asked in their capacity as users of BoLSA services whether they get support from regulatory bodies. All respondent PrEAs from Oromia, SNNPR, and Tigray said that do receive support from their BoLSAs, but only 20 per cent from Amhara, none from Benishangul Gumuz, and 50 per cent from Addis Ababa indicated that the support was provided to them (table 27).

PrEAs were also asked to comment on the frequency of inspection visits by BoLSAs. As shown in table 28, respondents from Amhara (80 per cent), Tigray (75 per cent), SNNPR (50 per cent), and Addis Ababa (10 per cent) indicated that inspectors do not visit them at all. Of all the study regions, it is only in Oromia that monthly inspection visits were reported at all. In Benishangul Gumuz, only non-scheduled visit or random visits (100.00 per cent) were reported, while quarterly visits were reported by 50.00 per cent of the respondents from SNNPR – though it should be noted that the number of PrEA respondents was very small for these study regions.

Table 27. Responses of PrEAs (n=40) on whether they received support from government authorities such as MoLSA/BoLSAs

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	4	100	1	20	5	100	—	—	4	100	10	50	24	60
No	—	—	4	80	—	—	2	100	—	—	10	50	16	40
Total	4	100	5	100	5	100	2	100	4	100	20	100	40	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018

Table 28. Responses of PrEAs (n=40) regarding the frequency of labour inspector visits

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Monthly	—	—	—	—	3	60	—	—	—	—	—	—	3	7.5
Quarterly	—	—	1	20	1	20	—	—	2	50	1	5	5	12.5
Bi-annually	—	—	—	—	—	—	—	—	—	—	1	5	1	2.5
Annually	—	—	—	—	—	—	—	—	—	—	6	30	6	15
Randomly	1	25	—	—	1	20	2	100	—	—	10	50	14	35
They do not visit at all	3	75	4	80	—	—	—	—	2	50	2	10	11	27.5
Total	4	100	5	100	5	100	2	100	4	100	20	100	40	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018

4.9.2 Stakeholder coordination, collaboration, and information exchange

The need for collaboration to ensure decent work in employment relations established with and intermediated by PrEAs was raised and discussed well in the consultative workshop in Addis Ababa. Stakeholders' collaboration and coordination was noted to be one of the key issues to be considered in order to address the prevailing imperfections in employment relations. As per the discussions in the consultative workshop and key informants from all the study regions, the issue of collaboration did not get prior attention and the efforts made so far are not strong and regular.

Even at the level of reporting and sharing experiences, the responses vary among the study regions. As shown in table 29, fairly good reporting practice is observed for Oromia (80 per cent monthly and 20 per cent quarterly), Addis Ababa (70 per cent monthly and 15 per cent quarterly), and SNNPR (50 per cent monthly and 50 per cent quarterly); while in Benishangul Gumuz all the PrEAs report on quarterly basis. All respondent PrEAs from Amhara and 75 per cent from Tigray indicated that they do not share reports with their BoLSAs. PrEAs were also asked to indicate the content of the report they share with BOLSAs. Almost all (97.6 per cent) of them share with BoLSAs only statistical reports on the number of workers recruited by or through them (table 43, Appendix I).

This demonstrates, therefore, the need to have a forum or system through which stakeholders can meet for consultation, evaluation, and information exchange.

Table 29. Responses of PrEAs (n=40) regarding the frequencies of reporting to MoLSA/BolSAs

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Monthly	—	—	—	—	4	80	—	—	2	50	14	70	20	50
Quarterly	—	—	—	—	1	20	2	100	2	50	3	15	8	20
Annually	—	—	—	—	—	—	—	—	—	—	1	5	1	2.5
Upon request	—	—	—	—	—	—	—	—	—	—	2	10	2	5
Don't report at all	3	75	5	100	—	—	—	—	—	—	—	—	8	20
Other	1	25	—	—	—	—	—	—	—	—	—	—	1	2.5
Total	4	100	5	100	5	100	2	100	4	100	20	100	40	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – PrEAs Survey, 2018

4.10 Services provided to returnee migrant workers

The employment opportunities created by or through the PrEAs have also benefited returnee migrant workers. As seen in table 30 below, 25 (6.3 per cent) of the workers contacted for the interviews indicated that they had travelled abroad for work, with countries of destinations that include Sudan and Middle Eastern countries such as but does not limit to Kuwait, Lebanon, Saudi Arabia, the United Arab Emirates, with an average stay of four years (tables 44 and 45, Appendix I). The majority of these workers came back to Ethiopia either due to their own decision (44 per cent) or following the end of a contract (40 per cent). Deportation and disagreement with employer are also other reasons for return (table 45, Appendix I). Among the 25 returnees, only five indicated that they had received reintegration support, and only two of the reintegration support recipients confirmed that the support actually helped them gain access to employment in Ethiopia (table 47, Appendix I).

Table 30. Responses of workers (n=400) on whether they travelled abroad for employment

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	—	—	3	6	2	4	—	—	—	—	10	50	25	6.3
No	40	100	47	94	48	96	20	100	40	100	10	50	375	93.7
Total	40	100	50	100	50	100	20	100	40	100	20	100	400	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

5. Key findings of the assessment

In terms of ownership, the majority of the PrEAs covered by this assessment are private limited companies, and one fifth are share companies. The majority of the assessed PrEAs are engaged in recruiting services; a few in job matching services; and roughly a quarter provide both services. The large proportion of the PrEAs indicated that they have been operating for less than 20 years. A growing trend was observed regarding the number of PrEAs providing services over the past five years (2012/13–2016/17), with a similar growth trend in the number of users of PrEA services. The majority of the workers recruited by or through the PrEAs are working in the private sector (70.75 per cent), with the rest split among the public sector and (to a lesser degree) NGOs and multilateral organizations. A growing trend is also observed in terms of the number of employees recruited by or through the PrEAs over same period of time (2012/13–2016/17).

There are three types of employment services being provided by the PrEAs in practice:

1. services linking workers with an employer (third party) without the PrEA being part of the employment contract agreement;
2. services of concluding a contract of employment with a worker and then making that worker available to a third party (user enterprise); and
3. services of making a worker available to a third party through an arrangement wherein the PrEA concludes a contract of employment with the worker but only manages the payroll, while supervising the worker at the workplace and the handling of administrative issues are the responsibility of the third party user enterprise.

Regarding the legal framework in Ethiopia that regulate the operations of PrEAs, there are gaps both in the legislative framework itself and in the implementation of the legal instruments currently in place. The relevant laws lack clarity on the roles and responsibilities of the parties to the employment relation and of other stakeholders. Among the root causes for the observed gaps is that the Employment Exchange Service Proclamation (Proclamation No. 632/2009) lacks clarity on private employment services engaged in recruitment for the local labour market, and leaves the terms and conditions of employment to be regulated by the Labour Proclamation (Proclamation No. 377/2003 as amended). However, the Labour Proclamation lacks the specific terms and conditions required to regulate the triangular employment relations created through the operations of PrEAs. In addition, some PrEAs are not familiar with the relevant laws and regulations. Ignorance of responsibilities and accountabilities by all the parties involved and the deliberate evasion or shifting of responsibilities by PrEAs and user enterprises are among the major problems indicated with regard to implementing existing legal instruments.

Regarding requirements and licensing of PrEAs, the legal framework lacks clarity on the requirements that PrEAs should fulfill. All PrEAs are expected to fulfill similar requirements, irrespective of their capacities and the nature of services they want to engage in. In this regard, the need for specific laws that place PrEAs into different categories or classes and govern them accordingly is demanded by some of PrEAs interviewed and recommended by a number of BoLSA officials. The law is also short of mechanisms to enforce the requirements currently in place. Mandate overlaps and confusion around who can issue a PrEA license are also among the problems in this regard, as it is claimed that there have been instances where PrEAs are issued licenses by government organizations other than BoLSAs.

Regarding the job vacancy announcement methods used by PrEAs, the majority of the respondent PrEAs (60 per cent) claim that they advertise job vacancies in most cases and use references and brokers/unlicensed individuals in most other cases (33 per cent). Interviews, education and work experience testimonials, recommendations, and written tests/exams are stated as the main screening methods in use. However, the **majority** of workers (67 per cent) indicated that they got information on vacancies through friends and relatives (informal means), while some mentioned advertisements and brokers/unlicensed individuals. Payments to brokers/unlicensed individuals and PrEAs were also indicated by a handful of workers as something they did to secure employment, with payments ranging from 10 per cent of one month's salary to two months' salary.

The recruitment and selection process of the PrEAs is not free of favoritism. Giving priority to people close to the PrEAs and discrimination on the basis of gender, pregnancy status, HIV status, political and religious belief, and disability status were all mentioned in this regard. With regard to employment contracts, 30 per cent of workers said they were working without a contract agreement. Even amongst those who signed contracts, most (68 per cent) were not provided with copy of the contract agreement.

Violations of minimum labour standards/workers' rights are occurring, including violations of rights related to health and safety; social security (pension, provident fund, severance payments, etc); working hours, weekly rest, and annual leave; and the right to be organized through labour unions. Short-term contracts are also being offered for work of such scale that should require an indefinite contract. There are big salary and benefits differences between workers recruited by PrEAs and those hired directly by user enterprises themselves, even when workers are performing similar jobs. Neither the PrEAs nor the user enterprises are transparent with workers on issues related to remuneration. Workers reported work days between 8 to 24 hours in duration, but the majority are not paid for overtime work. Many workers indicated that they are not getting 24 hours continuous weekly rest (44 per cent) or annual leave (36 per cent). A solid majority (75 per cent) also indicated that they are not provided with safety and health materials; are not trained on health and safety or in the use of hazard protection devices (82.5 per cent); do not feel that they have full coverage for employment hazards and injuries (69.7 per cent), do not feel that they can exercise their right to establish a labour union together with their fellow employees (60 per cent); and are not entitled to additional benefit schemes (83.7 per cent). User enterprises were also generally in agreement with existence of such violations. Moreover, rather than negotiating for better terms and conditions for their workers, the PrEAs are perceived by many workers (35 per cent) to be focused primarily on maximizing their own monetary interests.

Both feedback collection by PrEAs and PrEA mechanisms for handling grievances were found to be weak. The most common employee grievances were remuneration and benefit issues (23.9 per cent); the handling of disciplinary measures (17.5 per cent); hours of work, leave, or rest days (17.4 per cent); OSH preventive issues (13.8 per cent); and employment injury (13.8 per cent). Workers grievances are typically lodged with management of the PrEA only (75.5 per cent), but some workers file their grievances with the management of the user enterprises (13 per cent) or with both the PrEA and the user enterprises (11.5 per cent). Workers responses suggest that it takes roughly ten days on average for grievances to be addressed, but handling times of up to 365 days were reported.

Some of the workers recruited by PrEAs lacked clarity on whom their employer is. While workers were able to provide an answer when directly asked who employs them, these answers shifted

depending on certain scenarios presented to them, suggesting that there is ambiguity around supervision, grievances, and other management issues. This demonstrates that the employment relations created or mediated by PrEAs lead to relations wherein more than one party performs the role of “employer” as currently defined in the Labour Proclamation.

The institutional capacities of the MoLSA and BoLSAs are found to be limited with regard to regulating the operations of PrEAs. The root causes for the observed limited capacities are a lack of structure at the regulatory and operational levels, shortages of skilled manpower, and high staff turnover at the operational level. The institutional capacity gaps also limited the support to PrEAs expected from BoLSAs, including a lack of proper visits by labour inspectors.

Collaboration and coordination among concerned stakeholders are found to be weak and not regular. The experience of regular, scheduled information exchange varies among the BoLSAs. For example, some of PrEAs contacted for the interview indicated that they share statistical reports with BoLSAs on monthly basis, while others from the same region indicated a quarterly reporting schedule. This shows that there is lack of coherence in terms of schedules for information exchanges. There are also respondent PrEAs who indicated that they do not share reports with BoLSAs at all.

Regarding returnee migrant workers, though the employment opportunities created by or through the PrEAs have benefited returnees, a majority of the respondents indicated that they did not receive reintegration support for access to the employment opportunities through PrEAs. This implies that the reintegration support services did not consider opportunities of employment for returnee migrants through PrEAs as focus area.

6. Conclusion and recommendations

6.1 Conclusion

Even though employment service provision by PrEAs does not have a long history in the Ethiopian context, as per the findings from 2012 to 2017, there is a strong upward trajectory in the number of PrEAs joining the sector, the number of user enterprises using PrEAs, and the number of employees recruited by or through PrEAs. However, the engagement of PrEAs in the provision of local employment services began in the absence of a legislative framework that fully accounted for their role in the labour market. The Employment Exchange Service Proclamation (Proclamation No. 632/2009), which is meant to regulate private employment services, was drafted with a focus on overseas employment, and consequently lacks clarity and only deals with the provision of local private employment services in Ethiopia in a very general sense, leaving the terms and conditions of employment to be regulated by the Labour Proclamation (Proclamation No. 377/2003). The Labour Proclamation, however, was promulgated prior to the rise of PrEAs, and was not drafted with intent of regulating the employment relations involving PrEAs. It therefore lacks provisions addressing the specific/unique aspects of PrEA-driven employment relations, which often involve three parties (the PrEA, the worker, and the service user organization). As a result, the current scope of operations engaged in by PrEAs in Ethiopia is beyond the coverage of current legislative frameworks. There are no PrEA-specific restrictions and sanctions – just the need for general compliance to labour law. This suggests a need for policy-level legislative reforms and revisions of PrEA requirements, which can be benchmarked against the best practices of other countries that have demonstrated success in regulating triangular employment relations.

Analysis of this study also divulges that, on the one hand, many PrEAs lack the competence to provide services with the expected quality, and on the other hand, employment relations created or mediated by PrEAs were not clearly defined and were found to be fraught with noncompliance with existing legislative frameworks. Employment relations are frequently found to be exploitative, with low or no protection from work hazards and damages; meager remuneration; discrimination; gross violations of minimum working standards; abuse of overtime payments; and little or no additional benefits at all. Workers recruited by or through PrEAs often have lower terms and conditions of work compared to other workers in the workplace for similar jobs or work of equal value, which is against the principles of equality stipulated in the international and national instruments.

Three out of ten workers recruited by or through PrEAs appear to work without contractual agreements. When employees do have an employment contracts, those contracts in most cases do not fulfill the requirements stipulated by the Labour Proclamation, and most workers are not provided a copy of the contract agreement. In many cases, short-term contracts are used even when the nature of the work requires an indefinite contract. There are also cases (though not in significant numbers) where workers pay brokers/unlicensed individuals and/or PrEAs to gain employment, in contravention of the national and international instruments.

The commitment of the Government to creating a decent working environment is pronounced in a number of actions, like ratifying and authorizing important international instruments to be considered as part of the national legislative framework. However, the institutional capacities of the

MoLSA and BoLSAs, given the powers and duties placed upon them to implement employment policy and enforce relevant legislation, are found to be limited in terms of execution, coordination, monitoring, and evaluation; especially when compared to the growing scale of PrEA activity in a changing and increasingly versatile labour market. The root cause of these observed limited capacities is a lack of structure at the regulatory and operational levels, a shortage of skilled and experienced manpower, and high staff turnover at the operational level.

Collaboration and coordination between concerned stakeholders are found to be weak and not regular. There is no proper flow of reports, and reporting tends to be on basic recruitment figures only. For example, some PrEAs indicated submitting monthly reports to the BoLSA, while others in the same region said reporting was on a quarterly schedule. Some PrEAs indicated that they do not share reports with their local BoLSAs at all.

Even though the employment opportunities created by or through the PrEAs have benefited returnee migrant workers, a majority of respondents indicated that the reintegration supports did not directly help returnees to get access to such employment opportunities, which implies that the returnee reintegration support provided does not consider employment opportunities through PrEAs as a focus area.

6.2 Recommendations

The following recommendations are put forward to address the multi-dimensional problems and challenges associated with the provision of employment services by PrEAs.

1. It is of high importance to undertake a legislative review of the Labour Proclamation (Proclamation No. 377/2003) and the Employment Exchange Service Proclamation (Proclamation No. 632/2009) to address inadequately defined or undefined terms and to better regulate employment relationships involving PrEAs in at least the following areas:
 - a) Clarity needs to be brought to the roles and responsibilities in employment relations involving PrEAs, particularly with regard to the triangular employment relations that are common in this space. Potential models for defining this relationship can be found in other countries, whether it is prohibiting PrEAs from serving as employers (China), or clearly defining the roles and liabilities of each party in order to secure workers' rights. The latter approach could involve the introduction of joint and several liability in the event of noncompliance (as in South Africa).
 - b) Clear restrictions or conditions in line with the Labour Proclamation should be made to ensure that jobs requiring permanent staff are not filled by workers provided only short-term contracts. In Europe, for example, some countries ban the engagement of PrEAs employment services in some sectors, or specifically set timeframes for which it is acceptable to take on short-term contract workers.
 - c) Workers should be protected from discrimination and from being given unequal status in the workplace because they are employed through a PrEA. The law can set conditions whereby workers recruited by or through PrEAs are entitled to the same facilities and benefits as workers of the user enterprise.
 - d) The rights of workers recruited by or through PrEAs should be secured through extending the scope of existing legislation to enable the workers recruited by or through PrEAs to organize and engage in collective bargaining. In some countries in Europe, trade unions

bargain at the sector level, conclude inclusive collective agreements, and ensure wider coverage. Additionally, it could be possible to enforce the conditions and benefits negotiated by user enterprises unions by invoking the principle of equality and non-discrimination enshrined within the existing legislative frameworks.

- e) To ensure occupational safety and health (OSH) and adequate protection from workplace hazards, legislation must clearly specify the parties responsible for OSH training, provision of protective equipment, and insurance coverage, among other key areas related to safety and health.
2. In the face of serious violations of existing labour law, it is important to improve the MoLSA's and BoLSAs' execution capacity, and to work towards full implementation and compliance of standards within the existing legislative and administrative frameworks.
3. Serious capacity gaps on the part of regulatory bodies (MoLSA and BoLSAs), as well as awareness and capacity gaps on the part of the PrEAs, should be addressed. The following is recommended:
 - a) Strengthen the capacity of Ministry of Labour and Social Affairs and Bureaus of Labour and Social Affairs. This would necessitate reviewing the structure of these departments in light of the growing needs of the service; working seriously to improve human resources management (reviewing specifications, instituting people retention and development strategies, etc.); and making the development and refreshing of awareness-raising schemes a key routines of the leadership.
 - b) Review the licensing requirements for PrEAs to upgrade/establish confidence in their service delivery:
 - i. These requirements may take into consideration, among others: the organizational structure, the quantity and quality of the human resources/staff, and financial capacity. There could be a need for different levels of requirements based on the scope of a PrEA's engagement, the diversity of occupations covered, and the complexity of the sectors of employment involved.
 - ii. Legislative or administrative mechanisms should be set to help PrEAs establish long-term strategic partnerships with user enterprises instead of relying on short-term agreements. Such long-term agreements would enable PrEAs to retain their workers for a longer period and enable PrEAs to negotiate better terms and conditions of work for the workers they place. There should also be a mechanism through which workers can acquire knowledge of the negotiation outcomes between PrEAs and user enterprises. But in doing so, due care shall be taken not to refute their freedom of contract negotiation and the "free market economic policy".
 - iii. Introduce mechanisms and regulations to ensure that PrEAs are transparent with their workers with regard to the negotiations and agreements made between PrEAs and user enterprises regarding salaries, benefits, and safety materials.
4. It is also recommended to strengthen the contributions of relevant stakeholders (MoLSA and BoLSAs; Ministry of Trade/regional Trade Bureaus; Customs and Revenues Authority/regional Customs and Revenues Bureaus; Federal/Regional Police). To this effect, the following is recommended:
 - a) Clearly stipulate the duties and responsibilities of all stakeholders in legislative or administrative instruments to avoid mandate overlaps or confusion.

- b) Strengthen reporting and monitoring requirements, and periodically review and evaluate the performance of stakeholders to ensure full compliance with legislative and administrative frameworks. To this effect:
 - i. It would be prudent to initiate regular quarterly or biannual stakeholder review forums for this specific agenda.
 - ii. It is important to establish a reporting network to regularly get reliable statistical data and other reports on time in order to make timely decisions and actions.
- 5. It is recommended to clarify exactly which government bodies can issue PrEA licenses, and how other government agencies might factor into the licensing process. This can be achieved through consultation, and the MoLSA shall share the resulting directive to inform the scope of engagement of Police and other stakeholders in the licensing process.
- 6. It is important to address the low level of reintegration support to the returnees that endeavor to reintegrate with the local employment opportunities through PrEAs.

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APPENDIXES



APPENDIX I. Additional tables

Table 31. Responses of workers (n=400) regarding who the supervisor at their workplace is

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
My PrEA	37	92.5	50	100	7	14	2	10	2	5	69	34.5	167	41.7
The org. I am working for	1	2.5	—	—	—	—	18	90	37	92.5	26	13	82	20.5
Both	2	5	—	—	43	86	—	—	1	2.5	105	52.5	151	37.7
Total	40	100	50	100	50	100	20	100	40	100	200	100	400	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 32. Responses of workers being supervised by the user enterprises (n=82) regarding their relationship with their PrEA

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
The PrEA pays me my salary	1	33.3	n.a.	n.a.	n.a.	n.a.	—	—	1	2.7	20	45.5	22	21.6
When the org. I am working for is aggrieved, the PrEA takes disciplinary measures against me	1	33.3	n.a.	n.a.	n.a.	n.a.	18	100	26	70.3	7	15.9	52	51
The PrEA collects timesheets for salary preparation	1	33.3	n.a.	n.a.	n.a.	n.a.	—	—	1	2.7	17	38.6	19	18.6
Other	—	—	n.a.	n.a.	n.a.	n.a.	—	—	9	24.3	—	—	9	8.8
Total*	3	100	n.a.	n.a.	n.a.	n.a.	18	100	37	100	44	100	102	100

– = nil; n.a. = not applicable

* Multiple responses are possible

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 33. Responses of workers (n=400) regarding discrimination, violence, and harassment in the workplace

		Region										Total	
		Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa	
Issue		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
There is favouritism during the recruitment process and on setting payment standards	Yes	1	2.5	16	32	11	22	2	10	6	15	63	31.5
	No	39	97.5	34	68	39	78	18	90	34	85	137	68.5
	Total	40	100	50	100	50	100	20	100	40	100	200	100
Workers hired through PrEAs have equal rights with those hired through other employment mechanisms	Yes	30	75	–	–	5	10	–	–	35	87.5	24	12
	No	10	25	50	100	45	90	20	100	5	12.5	176	88
	Total	40	100	50	100	50	100	20	100	40	100	200	100
Gender is a factor in hiring, termination, or treatment of workers by PrEAs	Yes	30	75	4	8	17	34	1	5	10	25	12	6
	No	10	25	46	92	33	66	19	95	30	75	188	94
	Total	40	100	50	100	50	100	20	100	40	100	200	100
Instances of reported violence, abuses, and/or harassment at workplace by the PrEA or user enterprises	Yes	–	–	6	12	10	20	–	–	1	2.5	17	8.5
	No	40	100	44	88	40	80	20	100	39	97.5	183	91.5
	Total	40	100	50	100	50	100	20	100	40	100	200	100
Pregnancy test/ use of contraceptives ever been required as a condition of employment	Yes	20	50	1	2	21	42	–	–	7	17.5	3	1.5
	No	20	50	49	98	29	58	20	100	33	82.5	197	98.5
	Total	40	100	50	100	50	100	20	100	40	100	200	100
PrEAs change the employment status, position, wages and benefits, or seniority of workers during maternity	Yes	17	42.5	2	4	14	28	–	–	5	12.5	18	9
	No	23	57.5	48	96	36	72	20	100	35	87.5	182	91
	Total	40	100	50	100	50	100	20	100	40	100	200	100
HIV status/ religion/ political views/ age/ disability is a factor in hiring, termination, or treatment of workers	Yes	19	47.5	–	–	29	58	–	–	7	17.5	1	.5
	No	21	52.5	50	100	21	42	20	100	33	82.5	199	99.5
	Total	40	100	50	100	50	100	20	100	40	100	200	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 34. Responses of workers who paid a PrEA to secure employment (n=4) regarding the amount paid

	Region				Total	
	SNNPR		Addis Ababa			
Amount paid	Count	%	Count	%	Count	%
Amount equal to 2 months' salary	—	—	2	100	2	50
10% of my first month's salary	2	100	—	—	2	50
Total	2	100	2	100	4	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 35. Responses of user enterprises (n=20)¹ regarding the type of mechanisms used by PrEAs to collect feedback

	Region										Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa	
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Customer survey	–	–	–	–	–	–	–	–	–	–	7	35
Suggestion box	–	–	–	–	–	–	–	–	–	–	5	25
Other ²	3	100	2	100	4	100	1	100	2	100	8	40
Total*	3	100	2	100	4	100	1	100	2	100	20	100

– = nil

¹ The respondents to this questions are only those user enterprises who reported that the PrEAs they use have a feedback mechanism (see table 13 above).² Refers to phone calls and visits.

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – User Enterprises Survey, 2018

Table 36. Responses of user enterprises regarding whether the services provided by PrEAs are meeting expectations

	Region										Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa	
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	4	100	6	100	3	60	2	100	14	87.5	17	73.9
No	–	–	–	–	2	40	–	–	2	12.5	6	26.1
Total	4	100	6	100	5	100	2	100	16	100	23	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – User Enterprises Survey, 2018

Table 37. PrEA service gaps indicated by user enterprises (n=10)¹

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
There is no close supervision and follow-up by the PrEAs	n.a.	n.a.	n.a.	n.a.	1	33.3	n.a.	n.a.	2	100	6	50	9	52.9
The PrEAs do not take quick action when we complain	n.a.	n.a.	n.a.	n.a.	2	66.7	n.a.	n.a.	—	—	4	33.3	6	35.3
The competency of the workers is not up to our expectations	n.a.	n.a.	n.a.	n.a.	—	—	n.a.	n.a.	—	—	2	16.7	2	11.8
Total*	n.a.	n.a.	n.a.	n.a.	3	100	n.a.	n.a.	2	100	12	100	17	100

– = nil; n.a. = not applicable

¹ The user enterprises represented here are those who found the PrEAs' service did not meet expectations (see table 36)

* Multiple responses possible

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – User Enterprises Survey, 2018

Table 38. Responses of workers (n=400) regarding whom they lodge grievances with

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Management of the PrEA only	28	70	43	86	44	88	16	80	—	—	171	85.5	302	75.5
Management of the user enterprise	—	—	2	4	—	—	3	15	35	87.5	12	6	52	13
Both	12	30	5	10	6	12	1	5	5	12.5	17	8.5	46	11.5
Total	40	100	50	100	50	100	20	100	40	100	200	100	400	100

– = nil

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 39. Average number of days taken to resolve grievances, according to workers (n=279), by region

Region	Minimum	Mean	Median	Maximum	Valid number of respondents
Tigray	1	11.3	12	30	37
Amhara	2	4.1	4	7	8
Oromia	1	15.6	8	365	49
Benishangul Gumuz	1	5.5	1	30	12
SNNPR	1	4.9	2	30	34
Addis Ababa	1	8.1	3	180	139
Total	1	9.18	5	365	279

Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018*

Table 40. Responses of workers (n=400) regarding rights not being respected

	Region										Total			
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR			Addis Ababa		
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Rights related to health and safety	6	30	35	29.7	41	26.6	5	19.2	6	27.3	87	30.9	180	28.9
The right to be organized through labour unions and to bargain with the employer for better terms and conditions of employment	6	30	16	13.6	43	27.9	1	3.9	3	13.6	63	22.3	132	21.2
Rights related to working hours, weekly rest, and annual leave	2	10	25	21.2	35	22.7	12	46.2	8	36.4	64	22.7	146	23.5
Rights related to social security (pension, provident fund, severance payments, etc.)	6	30	42	35.6	35	22.7	8	30.8	5	22.7	68	24.1	164	26.4
Total*	20	100	118	100	154	100	26	100	22	100	282	100	622	100

* More than one response possible

Source: *The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018*

Table 41. Reasons indicated by workers (n=400) for the differences in terms and working conditions depending on recruitment channel – PrEA hires versus direct recruits by user enterprises

	Region										Total			
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR				Addis Ababa	
Reason provided	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Weak negotiation on the part of the PrEA in getting better terms and conditions for its workers	19	34.6	30	30.6	41	32.5	1	33.3	2	50	113	38.4	206	35.5
The PrEA only maximizes its monetary interest	21	38.2	42	42.9	41	32.5	1	33.3	2	50	97	33	204	35.2
Our bargaining power is weak because we do not have a labour union	14	25.6	26	26.5	43	34.1	1	33.3	—	—	84	28.6	168	29
Other	1	1.8	—	—	1	.8	—	—	—	—	—	—	2	.3
Total*	55	100	98	100	126	100	3	100	4	100	294	100	580	100

– = nil

* More than one response possible

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 42. Responses of user enterprise (n=56) regarding the major differences in terms and working conditions of work depending on recruitment channel – PrEA hires versus direct recruits by user enterprises

	Region										Total			
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR				Addis Ababa	
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Their basic salary is minimal compared to others	1	25	3	33.3	2	16.7	1	50	5	55.6	9	33.3	21	33.3
Their rights are not respected	1	25	1	11.1	1	8.3	—	—	2	22.2	3	11.1	8	12.7
They are not entitled for additional benefits	1	25	4	44.4	2	16.7	1	50	—	—	8	29.6	16	25.4
They are not allowed to join labour unions	—	—	—	—	1	8.3	—	—	—	—	5	18.5	6	9.5
They do not have bargaining power	1	25	1	11.1	5	41.7	—	—	2	22.2	2	7.4	11	17.5
Other	—	—	—	—	1	8.3	—	—	—	—	—	—	1	1.6
Total*	4	100	9	100	12	100	2	100	9	100	27	100	63	100

– = nil

* More than one response possible

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – User Enterprises Survey, 2018

Table 43. Types of reports PrEAs (n=40) say they share with BoLSAs

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Statistics on number of employments generated	4	100	5	100	5	100	2	66.7	4	100	20	100	40	97.6
Report on grievances and actions taken	—	—	—	—	—	—	1	33.3	—	—	—	—	1	2.4
Total*	4	100	5	100	5	100	3	100	4	100	20	100	41	100

– = nil

* More than one response possible

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 44. Responses of returnees (n=25) regarding their country of destination

Country Name	Frequency	%
Kenya	1	4
Kuwait	2	8
Lebanon	4	16
Oman	1	4
Saudi Arabia	3	12
South Africa	1	4
South Sudan	1	4
Sudan	5	20
Ukraine	1	4
United Arab Emirates	6	24
Total	25	100

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 45. Responses of returnees (n=25) regarding duration of stay (in years) in the country of destination

Minimum	Mean	Maximum	Valid number of respondents
1	3.96	13	279

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 46. Responses of returnees (n=25) regarding the main reason for their return

Reason	Count	%
End of contract	10	40
Own decision	11	44
Deported	2	8
Disagreement with employer	1	4
Other	1	4
Total	25	100

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 47. Responses of returnees (n=25) regarding whether they received reintegration support

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	n.a.	n.a.	—	—	1	50	n.a.	n.a.	n.a.	n.a.	4	20	5	20
No	n.a.	n.a.	3	100	1	50	n.a.	n.a.	n.a.	n.a.	16	80	20	80
Total	n.a.	n.a.	3	100	2	100	n.a.	n.a.	n.a.	n.a.	20	100	25	100

— = nil; n.a. = not applicable

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

Table 48. Responses of returnees who received reintegration support (n=5) on whether that support helped them get access to employment

	Region												Total	
	Tigray		Amhara		Oromia		Benishangul Gumuz		SNNPR		Addis Ababa			
Response	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	n.a.	n.a.	n.a.	n.a.	—	—	n.a.	n.a.	n.a.	n.a.	2	50	2	40
No	n.a.	n.a.	n.a.	n.a.	1	100	n.a.	n.a.	n.a.	n.a.	2	50	3	60
Total	n.a.	n.a.	n.a.	n.a.	1	100	n.a.	n.a.	n.a.	n.a.	4	100	5	100

— = nil; n.a. = not applicable

Source: The Assessment of Private Employment Agencies Service Provision in Ethiopia – Workers Survey, 2018

APPENDIX II. Annexes

Annex 1: Questionnaire for worker

Introductory Remarks: My name is _____ and I am collecting data for the Assessment of Private Employment Agencies Service Provision in Ethiopia on behalf of the ILO Country Office for Ethiopia, Djibouti, Somalia, Sudan and South Sudan & the Ministry of Labour and Social Affairs (MoLSA). The purpose of the study is to assess the effectiveness of the services being provided by Private Employment Agencies (PrEAs) and to identify existing drawbacks in the services being provided. The assessment is expected to provide concrete recommendations to ensure access to better services and better quality of employment and also inform policy level interventions towards ensuring decent work. On behalf of the study team, I would like to thank you in advance for your time and valuable contribution. Your response will be used only for the stated purposes and kept confidential. Are you willing to participate in the interview?

1. Yes 2. No

[Enumerator: If the response is “No”, thank the respondent and stop the interview. If the response is ‘Yes’, proceed to the questions below and mark the responses clearly.]

Interview starting time (hh:mm): _____: _____

ID	Questions	Options	Response(s)
Name and Address of user enterprise the respondent is working for			
1.	Name of user enterprise:		
2.	Region:		
3.	Zone/Sub-City:		
4.	Woreda:		
5.	Kebele:		
6.	House Number:		
7.	Major engagement area:		
8.	Type of Ownership:	1. Public 2. Private 3. NGo 4. Bilateral 5. Multilateral 6. Religious 7. Other (specify) _____	
Profile of the respondent and basic information			
9.	Name of the employer (PrEA):		
10.	Name of the respondent:		
11.	Age (in complete years):		
12.	Sex:	1. Male 2. Female	

ID	Questions	Options	Response(s)
13.	Marital Status:	1. Single 2. Married 3. Divorced 4. Widower 5. Separated	
14.	Education Level (put the grade completed or use the following codes for post preparatory grades: 10+1=13, 10+2=14, 10+3=15, 10+4=16, First Degree and above=17, Illiterate = 0):		
Overseas employment and reintegration support			
15.	Have you traveled abroad for employment?	1. Yes 2. No → Skip to 21	
16.	If 'Yes' to 15, to which country?		
17.	If 'Yes' to 15, for how long in years) have you been there?		
18.	If 'Yes' to 15, what was the main reason for you to come back?	1. End of contract 2. Own decision 3. Deported 4. Disagreement with employer 5. Other (specify) _____	
19.	If 'Yes' to 15, did you receive any reintegration support ?	1. Yes 2. No → Skip to 21	
20.	If 'Yes' to 19, did the reintegration support help you to get access to employment?	1. Yes 2. No	
Recruitment and selection			
21.	How did you get information about your employer (the PrEA)?	1. Through advertisement → Skip to 23 2. Through broker 3. Through friends/relatives → Skip to 23 4. Other (specify) _____ → Skip to 23	
22.	If your response to 21 is 'Through broker', did you pay any fee for the service of the broker?	1. Yes 2. No	
23.	What screening mechanisms did the PrEA apply while recruiting you? (Multiple responses are possible.)	1. Written test/exam 2. Interview 3. Education & work experience testimonials 4. References 5. Other (specify) _____	
24.	Did you pay any fee for the PrEA to be employed?	1. Yes 2. No → Skip to 26	
25.	If 'Yes' to 24, how much did you pay?	1. Amount equal to 1 month salary 2. Amount equal to 2 month salary 3. 10% of my one month salary 4. Other (specify) _____	
26.	Which of the following coverages are included with your current employment? (Multiple responses are possible.)	1. Insurance 2. Pension 3. Medical coverage for employment injuries 4. None of the above 5. Other (specify) _____	
27.	Are you happy with the services of the PrEA at the recruitment stage?	1. Yes 2. No → Skip to 29	

ID	Questions	Options	Response(s)
28.	If 'Yes' to 27, what makes you happy? (Multiple responses are possible.)	1. The reception was friendly 2. They treated me as equally as they do for others 3. The recruitment and selection process is merit-based and transparent 4. Office facilities were convenient 5. The staffs of the PrEA were capable to handle the recruitment process 6. Other (specify) _____	
29.	If 'No.' to 27, what makes you unhappy? (Multiple responses are possible.)	1. They did not respect us 2. The recruitment and selection process was not merit-based and transparent 3. There is no grievance handling mechanism 4. The office facilities were not convenient 5. Other (specify) _____	
Terms and Conditions of Employment			
30.	Who is your employer?	The PrEA The service user organization Both	
31.	What is the occupation that you are currently engaged in?	1. Manager/Administrator 2. Supervisor 3. Expert 4. Security guard 5. Cleaner/Janitor 6. Production Crew 7. Loader / Unloader 8. Labourer 9. Other (specify) _____	
32.	Do you have employment contract?	1. Yes 2. No → Skip to 35	
33.	If 'Yes' to 32, have you read (made aware of) the content of the contract before signing?	1. Yes 2. No	
34.	If 'Yes' to 32, do you have the copy of the contract agreement?	1. Yes 2. No	
35.	Do you think that workers directly employed by the user enterprise have better terms and working conditions than those employed by the PrEAs?	1. Yes 2. No → Skip to 37	
36.	If 'Yes' to 35, what do you think are the reasons? (Multiple responses are possible.)	1. Weak negotiation on the part of the PrEA in getting better terms and conditions for its employees 2. The PrEA only maximizes its monetary interest 3. Our bargaining power is weak because we do not have labor union 4. Other (specify) _____	
37.	In your opinion, are there any rights provided by the applicable labor laws not respected?	1. Yes 2. No → Skip to 39	

ID	Questions	Options	Response(s)
38.	If 'Yes' to 37, which one(s)? (Multiple responses are possible.)	1. Rights related to health and safety 2. The right to be organized through labor union and bargain with the employer for better terms and conditions of employments 3. Rights related to working hour, weekly rest, and annual leave and other leaves 4. Right related to social security (pension, provident fund, severance payments, etc) 5. Other (specify) _____	
39.	Who directs and supervises you at workplace on day to day basis?	1. My employer agency → Skip to 41 2. The organization I am working for 3. Both → Skip to 41	
40.	If your response to 39 is the organization you are working for, what is your relation with your employer agency? (Multiple responses are possible.)	1. The PrEA pays me my salary 2. When the organization I am working for aggrieves, the PrEA takes disciplinary measure against me 3. The PrEA collects timesheets for salary preparation 4. Other (specify) _____	
41.	Do you think that workers of PrEAs can freely establish their own labour union or can join other existing unions (as appropriate) as other workers directly employed by the user enterprise?	1. Yes 2. No. If we do so, our job security will be endanger since we are employed through PrEAs 3. Do not know	
42.	Are you entitled to any additional benefits other than the minimum requirements to which workers directly employed by the organization are entitled?	1. Yes, we are entitled to all of such schemes 2. Yes, we are entitled only to some of such schemes 3. No. we are not entitled to any of such schemes	
43.	How many hours do you usually work per day?		
44.	If you work for more than 8 hours a day, are you paid for the extra hours (more than 8 hours) you work?	1. Yes 2. No	
Perceptions on minimum working conditions (Agree = 1, Disagree = 2, Do not know = 3)			
45.	I get every week 24 hours continuous weekly rest.		
46.	I get annual leave every year as prescribed in the labour law.		
47.	I am provided with all the necessary protective clothes and devices of occupational safety and health.		
48.	I have been provided with training on health and safety devices and hazard protection mechanisms.		
49.	My personal dignity is respected at workplace.		
50.	Together with my fellow worker, I feel that we can establish a labour union in accordance with the law.		
51.	I have full insurance coverage for employment hazard and injuries.		
52.	I have the opportunity for promotion like my fellow workers employed directly by the user enterprise.		
Opinion on the relationship with the agency			
53.	Are you happy with your employment relationship with the PrEA?	1. Yes 2. No → Skip to 55	

ID	Questions	Options	Response(s)
54.	If 'Yes' to 53, what makes you happy? (Multiple responses are possible.)	1. There is close follow-up and supervision 2. The PrEA best negotiates with the service user organizations for our benefits and other terms and conditions of work 3. The PrEA respects our rights provided by applicable laws 4. Other (specify) _____	
55.	In your opinion, what are the major problems that the PrEA workers face? (Multiple responses are possible)	1. PrEA workers have no employment contract 2. They are not paid their salaries on time and as indicated in their contracts 3. PrEA workers have no power to bargain on their wages and other benefits 4. The rights of PrEA workers are never respected as per the existing labour laws 5. Other (specify) _____	
56.	Whom do you think is responsible for the problems manifested in the PrEA employment services? (Multiple responses are possible.)	1. The PrEAs themselves 2. Regulatory bodies 3. Workers of the PrEAs 4. User enterprises 5. Legislative bodies 6. There is no problem manifested in the PrEA 7. Other (specify) _____	

Perceptions on service quality of the agency (Poor (unacceptable) = 1, Good (acceptable) = 2, Very good = 3, Excellent = 4)

57.	Office facility (size and quality)	
58.	Management quality	
59.	Staff competence	
60.	Staff behavior	
61.	Recruitment and selection process	
62.	On the job follow-up and supervision	
63.	Service efficiency	
64.	Conformity of employment contract with the existing labour laws	
65.	Data recording and management	
66.	Employees' benefit package (competitiveness with other employees)	
67.	Respect to the terms and conditions of work provided by the international and local instruments	

Discrimination, violence and harassment at workplace

68.	Do you think there is favoritism during the recruitment process and on setting the payment standards?	1. Yes, they give priority to the people close to them (on grounds of: ethnicity or religion or political affiliation or friendship, etc.) 2. There is no favoritism at all	
69.	Do you think workers hired through PrEAs have equal rights with those hired through other employment mechanisms (direct or public employment service)?	1. Yes 2. No	
70.	Do you think that gender is a factor in hiring or termination or treatment of workers by the PrEA?	1. Yes 2. No	

ID	Questions	Options	Response(s)
71.	Do you know any instances of reported violence, abuses and harassment at workplace by the PrEA or the user enterprise?	1. Yes 2. No	
72.	Has pregnancy test/ use of contraceptives ever been required as a condition of employment?	1. Yes 2. No	
73.	Does the PrEA ever change the employment status, position, wages and benefits or seniority of workers during maternity leave?	1. Yes 2. No	
74.	Is HIV status/ religion/political views/ age / disability is a factor in hiring or termination or treatment of workers by the PrEA?	1. Yes 2. No	
Grievance registration and handling			
75.	What are your main grievances in relation to your employment relation with the PrEA? (Multiple responses are possible)	1. Disciplinary measures handling 2. Hours of work, leave or rest day 3. Remuneration and benefits 4. OSH preventive issues 5. Employment injury claims 6. Crime and petty offences 7. I didn't have grievance so far 8. Other (specify) _____	
76.	Does the PrEA have any grivance handling mechanism (rules and procedures) in place that is known to its workers?	Yes No → Skip to 78 Don't know → Skip to 78	
77.	If 'Yes' to 76, what mechanism does the PrEA employ to register grievances? (Multiple responses are possible.)	1. Register employees' complaints 2. Suggestion box 3. In collaboration with the management of the service user organization 4. Doesn't keep record at all 5. Other (specify) _____	
78.	To whom do you loadge your grievances?	1. Management of the PrEA only 2. Management of the user enterprise 3. Both 4. Other (specify) _____	
79.	How long (in days) does it take on average for workers grievances to be formally resolved?		
80.	What grievance prevention methods does the PrEA apply to minimize disputes? (Multiple responses are possible.)	1. Training and awareness creation 2. Prompt response to grievances 3. Assessment of possible grievances 4. Other (specify) _____	
Additional Suggestions / Recommendations			
81.	What do you think shall be done to improve terms and conditions of employment for PrEA workers?		
82.	What do you think shall be done to improve services of PrEA?		

End of the Interview. Thank you very much for your cooperation.

Interview end time (hh:mm): _____

Interviewer: Name _____ Signature _____ Date: _____

Supervisor: Name _____ Signature _____ Date: _____

Annex 2: Questionnaire for Private Employment Agencies

Part I: Basic information

ID	Questions	Options	Response(s)
1.	Name of the PrEA:		
2.	Region:		
3.	Zone/Sub-City:		
4.	Woreda:		
5.	Kebele:		
6.	House Number:		
7.	Registration Year:		
8.	Total Years of Service:		
9.	Contact Person Name		
10.	Contact Person Telephone Number:		
11.	Type of Ownership:	1. Sole Company 2. Private Limited Company 3. Share Company	
12.	Number of Staff: Indefinite Period Contract (Permanent)		
13.	Number of Staff: Definite Period Contract		
14.	Number of Staff: Piece of Work Contract		
15.	Number of Staff: Total		
16.	Basic documentations (mark those available):	1. Working Manuals 2. Personal Records 3. Payroll Practice	
17.	Why are you interested to engage in providing private employment services?		
18.	For how long have you been providing private employment services (in years)?		
19.	Are you familiar with relevant laws and regulations of the country that regulate the Private Employment Agencies services?	1. Yes 2. No → Skip to 21	
20.	If “Yes” to 19, can you please specify them?		
21.	As per the license you have obtained, which of the following services is provided by your agency?	1. Job matching services 2. Recruiting employees 3. Both services 4. Other (specify) _____	
22.	How do you announce job vacancies? (Multiple responses are possible.)	1. Through advertisement 2. Through broker 3. Through references 4. Other (specify) _____	
23.	How do you select workers? (Multiple responses are possible.)	1. Written test/exam 2. Interview 3. Education & work experience testimonials 4. References 5. Other (specify) _____	

ID	Questions	Options	Response(s)
24.	In your Agency, do all workers conclude employment contracts? (Please provide evidence.)	1. Yes 2. No → Skip to 28	
25.	If “Yes” to 24, could you please indicate basic provisions in the contract that can protect the rights and interests of workers in line with the existing/relevant labour laws?		
26.	Does your Agency regularly make its workers clearly understand their rights and responsibilities as contained in their contract of employment before signing?	1. Yes 2. No	
27.	Does your Agency regularly make a copy of the contract available to concerned workers after signing?	1. Yes 2. No	
28.	Do you have a minimum wage threshold for different categories of workers employed by your agency?	Yes No → Skip to 30	
29.	If “Yes” to 28, who sets such minimum wages?	1. The Agency 2. Regulatory bodies 3. In consultation with service user organizations 4. Other (specify) _____	
30.	Do you usually sign service level agreement with your client (user enterprise)? (If ‘Yes’, please provide evidence.)	1. Yes 2. No	
31.	Do you have any mechanism for collecting feedbacks on your service quality?	1. Yes 2. No → Skip to 33	
32.	If “Yes” to 31, please indicate the methodology applied to collect feedbacks. (Multiple responses are possible.)	1. Customer survey 2. Suggestion box 3. Other (specify) _____	
33.	Do you have instituted grievance handling procedures/mechanisms that are known to your employees?	1. Yes 2. No → Skip to 35	
34.	If “Yes” to 33, please specify the procedures / mechanisms (Multiple responses are possible.).	1. Register employees’ complaints 2. Suggestion box 3. In collaboration with the management of the service user organization 4. Doesn’t keep record at all 5. Other (specify) _____	
35.	Do you get necessary supports from any competent authorities such as MoLSA/BolSA towards complying with the existing laws and regulations, improving your services, etc.?	1. Yes 2. No	
36.	How frequently do labour inspectors or any other competent authorities visit your workplace to ensure that your Agency complies with the relevant laws and regulations of the country?	1. Monthly 2. Quarterly 3. Bi-annually 4. Annually 5. Randomly (no fixed schedule) 6. They do not visit at all 7. Other (specify) _____	

ID	Questions	Options	Response(s)
37.	If you report to BoLSAs and/or MoLSA on the performance or services rendered by your agency, how frequently do you do that?	1. Monthly 2. Quarterly 3. Bi-annually 4. Annually 5. Up on request (no fixed schedule) 6. We do not report at all 7. Other (specify) _____	
38.	If you report to BoLSAs and/or MoLSA, what type of report is it?		
39.	What do you think shall be done to improve terms and conditions of employment for workers?		
40.	What do you think shall be done to improve the services of the PrEA?		

Part II: Summary data from administrative records

41. Number of worker recruited by the PrEA disaggregated by gender

Category	Gender	Year				
		2012/13	2013/14	2014/15	2015/16	2016/17
As Labour Supplier	Male					
	Female					
	Total					
As Employer	Male					
	Female					
	Total					

42. Number of worker recruited by the PrEA disaggregated by type of employment

Type of Employment	Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Indefinite Period Contract (Permanent)					
Definite Period Contract					
Total					

43. Number of worker recruited by the PrEA disaggregated by industry / sector

Industry / Sector	Type of Employment	Year				
		2012/13	2013/14	2014/15	2015/16	2016/17
Agriculture, Forestry and Fishing	Indefinite Period Contract (Permanent)					
	Definite Period Contract					
Mining and Quarrying	Indefinite Period Contract (Permanent)					
	Definite Period Contract					
Manufacturing	Indefinite Period Contract (Permanent)					
	Definite Period Contract					
Electricity, Gas and Water	Indefinite Period Contract (Permanent)					
	Definite Period Contract					
Construction	Indefinite Period Contract (Permanent)					
	Definite Period Contract					
Wholesale and Retail Trade	Indefinite Period Contract (Permanent)					
	Definite Period Contract					
Transport, Storage and Communication	Indefinite Period Contract (Permanent)					
	Definite Period Contract					
Finance, Insurance and Business Services	Indefinite Period Contract (Permanent)					
	Definite Period Contract					
Community, Social and Personal Services	Indefinite Period Contract (Permanent)					
	Definite Period Contract					

44. Number of user enterprise served by the PrEA disaggregated by industry / sector

Industry / sector of user enterprise	Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Agriculture, Forestry and Fishing					
Mining and Quarrying					
Manufacturing					
Electricity, Gas and Water					
Construction					
Wholesale and Retail Trade					
Transport, Storage and Communication					
Finance, Insurance and Business Services					
Community, Social and Personal Services					

Thank you very much for your cooperation.

Annex 3: Questionnaire for user enterprise

ID	Questions	Options	Response(s)
1.	Name of user enterprise:		
2.	Region:		
3.	Zone/Sub-City:		
4.	Woreda:		
5.	Kebele:		
6.	House Number:		
7.	Contact Person Name		
8.	Contact Person Telephone Number:		
9.	What motivated your organization to use services of PrEAs?		
10.	Do you usually sign service level agreement with your client (the PrEAs)? (If “Yes”, please provide evidence.)	1. Yes 2. No	
11.	Is using services of the PrEAs useful than managing it internally?	1. Yes 2. No → Skip to 13	
12.	If “Yes” to 11, what advantages did your organization get from services of the PrEAs?		
13.	Are services provided by PrEAs meeting your organization’s expectations?	1. Yes → Skip to 15 2. No	
14.	If “No. to 13, what is/are missing?		
15.	What is the relation between your organization and workers of the PrEAs working for your organization?		
16.	Does your organization have a role in deciding on the amount to be paid to the worker and to the PrEA?	1. Yes 2. No → Skip to 18	
17.	If “Yes” to 16, does your organization make a follow-up on the payment breakdown between the worker and the PrEAs?	1. Yes 2. No	
18.	Is there any difference in terms and conditions of work between workers internally recruited by your organization and those recruited by PrEAs?	1. Yes 2. No → Skip to 20	
19.	If “Yes” to 18, what are the main differences? (Multiple responses are possible.)	1. Their basic salary is minimal compared to others 2. Their rights are not respected 3. They are nt entitled for additional benefits 4. They are not allowed to join labour union 5. They do no have bargaining power 6. Other (specify) _____	
20.	Does the PrEA have any mechanism for collecting feedbacks on its service quality?	1. Yes 2. No → Skip to 22	
21.	If “Yes” to 20, please indicate the methodology applied to collect feedbacks (Multiple responses are possible.).	1. Customer survey 2. Suggestion box 3. Other (specify) _____	
22.	Does the PrEA have instituted grievance handling procedures/mechanisms?	1. Yes 2. No → Skip to 24	
23.	If “Yes” to 22, please specify the procedures / mechanisms (Multiple responses are possible.)	1. Register workers” complaints 2. Suggestion box 3. In collaboration with our management 4. Doesn’t keep record at all 5. Other (specify) _____	
24.	What do you think shall be done to improve terms and conditions of employment of PrEA workers?		
25.	What do you think shall be done to improve services of PrEAs?		

Thank you very much for your cooperation.

Annex 4: Checklist for discussion with stakeholders

0. Introductory

The purpose of the study is to assess the effectiveness of the services being provided by Private Employment Agencies (PrEAs) and to identify existing drawbacks in the services being provided. The assessment is expected to provide concrete recommendations to ensure access to better services and better quality of employment and also inform policy level interventions towards ensuring decent work.

I. Nature and extent of employment services being provided by the PrEAs

To clearly understand the type, nature and extent of employment services being provided by the PrEAs, how do you describe the various scenarios of such services or what types of employment services are being provided by the PrEAs (locally/domestically)?

II. Duties and responsibilities of parties involved in the provision of employment services

- 2.1 What are the roles and responsibilities of PrEAs in providing employment services to the third party, i.e. user enterprises?
- 2.2 What are the roles and responsibilities of user enterprises?
- 2.3 What are the rights and responsibilities of workers recruited and employed by the PrEAs?
- 2.4 What are the roles and responsibilities of the regulatory bodies?

III. Extent of the problem

- 3.1 How do you explain/describe the situation of the problems with workers employed by PrEAs?
- 3.2 Which parts of the rights provided by the country's labour laws are most violated?
- 3.3 What factors have contributed to the prevalence of such problems?
- 3.4 Why are such problems related to violation of rights of workers of PrEAs exacerbated than the case for workers directly hired by user enterprises?
- 3.5 Do you think that the problems emanate more from legislative gaps or that of execution gaps or same?
- 3.6 What should have been done by PrEAs, user enterprises, the regulatory bodies (BoLSAs/ MoLSA), workers, and other stakeholders to prevent the occurrences of such problems?

IV. Capacities of PrEAs

- 4.1 Do you think that the PrEAs operating in the region / city administration have the expected organizational, managerial and technical capabilities to provide the service to the level expected?
 - Do they have proper office, traceable/accessible location, required number and quality of experts/staffs and managers to provide the service?

- Do they have insight on their obligations in providing the service?
 - Do they have working manuals and procedures?
 - Which required capacity is mostly missing and contributing to the inefficiency on the service provision and to the violation of the minimum terms and conditions of work of PrEAs? Why is that happening?
- 4.2 Do the PrEAs have the bargaining power in securing better terms and conditions of work for their workers when they enter into agreement with user enterprises?
- 4.3 Do they make workers' right part of their service level agreement with user enterprises?

V. Institutional capacities of regulatory bodies

- 5.1 Does the Bureau have the capacity to regulate PrEAs and the labor market service they provide (starting from licensing to monitoring and evaluation)? What regulatory mechanisms are in place?
- 5.2 Do the Bureau/competent regulatory bodies undertake regular monitoring and evaluation activities?
- 5.3 Are there problem/grievance solving routines?
- 5.4 Are there good practices to be replicated?

VI. Stakeholders collaboration and coordination

- 6.1 Who are the most important stakeholders for issues related to PrEAs services?
- 6.2 What are the roles and responsibilities of each stakeholder?
- 6.3 Is there any platform that enables stakeholders regularly deal with issues of PrEAs service provision to make sure they best contribute to the labour market and best execute workers' rights?
- 6.4 How best should the contribution of each stakeholder be utilized to ensure the contribution helps in solving the problems of PrEAs in providing their services and ensure decent work?
- 6.5 What major coordination challenges and/or constraints are there among stakeholders?

VII. Mandate clarity

- 7.1 Two government offices, i.e., BoLSA and Police Commission are licensing the PrEAs. Do you think that this scenario contributes to the problem? How can this scenario be harmonized?
- 7.2 How do you see the challenges in monitoring and evaluation due to this scenario?
- 7.3 What is the rationale for this mandate overlaps?

VIII. The way forward

What do you suggest to be done to address problems related to the service provisions of PrEAs and contribute to an improved decent work?

Annex 5: Secondary Data Collection Template from MoLSA and BoLSA

Number of Private Employment Agencies Licensed – New

Region	Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Tigray					
Amhara					
Oromia					
Benishangul-Gumuz					
SNNPR					
Addis Ababa City Administration					
Total					

Number of Private Employment Agencies Licensed – Renewal

Region	Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Tigray					
Amhara					
Oromia					
Benishangul-Gumuz					
SNNPR					
Addis Ababa City Administration					
Total					

Number of Active Private Employment Agencies – New and Renewal

Region	Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Tigray					
Amhara					
Oromia					
Benishangul-Gumuz					
SNNPR					
Addis Ababa City Administration					
Total					

Number of Private Employment Agencies – Withdrawal

Region	Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Tigray					
Amhara					
Oromia					
Benishangul-Gumuz					
SNNPR					
Addis Ababa City Administration					
Total					

Number of Private Employment Agencies – Terminated

Region	Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Tigray					
Amhara					
Oromia					
Benishangul-Gumuz					
SNNPR					
Addis Ababa City Administration					
Total					



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