



**EXAMINING OVERSEAS EMPLOYMENT LEGAL FRAMEWORK OF  
ETHIOPIA: IMPLICATIONS FOR REMITTANCE AND THE NEED  
FOR FURTHER REFORM**

**LLM THESIS**

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**HAWASSA UNIVERSITY ,COLLEGE OF LAW AND GOVERNANCE**

**SCHOOL OF LAW**

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## APPENDIX - II: EXAMINER'S APPROVAL SHEET

### SCHOOL OF GRADUATE STUDIES

#### HAWASSA UNIVERSITY EXAMINERS ' APPROVAL SHEET

We , the undersigned , members of the Board of Examiners of the final open defense by **Terefe Jomba Dagero** have read and evaluated his thesis entitled “**EXAMINING OVERSEAS EMPLOYMENT LEGAL FRAMEWORK OF ETHIOPIA: IMPLICATIONS FOR REMITTANCE AND THE NEED FOR FURTHER REFORM**” and examined the candidate ,

This is, therefore, to certify that the thesis has been accepted in partial fulfillment of the requirements for the degree.

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SGS Approval	Signature	Date

## **DECLARATION**

I, Terefe Jomba, the undersigned, declare that the thesis is my original work and has not been presented for a degree or master's degree in any other university and that all sources of materials used in the thesis have been duly acknowledged.

**Declared by: TerefeJomba**

Signature \_\_\_\_\_

Date \_\_\_\_\_

## **DEDICATION**

I dedicate this thesis to my dear parents, my father Jomba Dagero and my mother Belaynesh Warana, for nursing me with love and wisdom by providing me with everything I need for my life.

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## **ACRONYMS AND ABBREVIATIONS**

BLA	Bilateral Labour Agreement
FDI	Foreign Direct Investment
CAT	Convention against Torture
CBE	Commercial Bank of Ethiopia
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CRC	Convention on the Rights of Child
DFS	Digital Finance Service
ECA	Ethiopian Communication Authority
EU	European Union
FDRE	Federal Democratic Republic of Ethiopia
GCC	Gulf Countries Council
GDP	Gross Domestic Product
GTP	Growth Transformation Plan
DPF	Government Policy Forum
HERP	Home-grown Economic Reform Program
ICCPR	International Covenant on Civil and Political Right
ICESCR	International Covenant on Economic, Social and Cultural Right
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
MENA	Meddle East /North Africa
MFI	Micro Finance Institutions
MNO	Multi-National Organizations
MoFA	Ministry of Foreign Affairs
MoJSA	Ministry of Job and Skill Affairs
MWC	Migrant Workers Convention
NBE	National Bank of Ethiopia
LMIS	Labour Market Information System
INS	Immigration Nationality Service
ENS	Ethiopia Statics Service
ID	Identity Card
NGO	Non-Governmental Organization

NPC	National Partnership Coalition
ODA	Official Development Assistant
OECD	Organization for Economic Cooperation and Development
OTC	Over-Time-Counter
PEA	Private Employment Agency
RSP	Remittance Service Provider
SSA	Sub-Saharan African
TMB	Treaty Monitoring Bodies
TVET	Technical Vocational Education and Training
UN	United Nations
ECOWAS	Economic Community of West African States
IGAD	Intergovernmental Authority on Development
GCM	Global Compact for Safe, Orderly and Regular Migration
MOU	Memoranda of understanding
SDGs	Sustainable Development Goals
MGI	Migration governance indicators
UNDIP	United Nations Development Program
AML	Anti-Money laundering
CFT	Combating the financing of terrorism
EAC	East Africa Community
COMESA	Common Market for Eastern & Southern Africa
ACFTA	African Continental Free Trade Area

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## **ABSTRACT**

*Ethiopia underwent a series of labour law reforms that culminated in the amendment of overseas employment proclamation in 2021. In view of this national trend, the study attempts to examine the extent to which the imperatives of global overseas employment interrelation have made inroads in to the inflow of remittance from overseas employment legal framework and policy regimes. To address this main research question, a qualitative legal research method is employed to analyze data that has been collected from relevant sources such as books, interviews, journal articles, World Bank documents, legal and policy documents regulating the overseas employment laws in Ethiopia. The data collected from both literature and legal sources were analyzed reveals that Ethiopia has limitations in regulating overseas employment with relevant governmental and non-governmental institutions, hinders the flow of remittances overseas employment. Many countries around the world have adopted ILO Convention No. 189, 190, 143 and 97 and made it part of their national laws to address the employment-related problems of their nationals employed overseas. Although these conventions are important conventions in terms of protecting the rights and safety of overseas employees, Ethiopia has not yet ratified these conventions and made them part of the country's law. Due to these and other reasons, Ethiopians overseas employees face many physical, psychological and economic problems. Ethiopia's' Overseas Employment Proclamation No. 1246/2021 role in solving the multifaceted problems of workers is minimal. In addition, as a country, the Ethiopian government is not getting the remittance it deserves from this sector. The research has systematically identified and highlights of major substantive areas of overseas employment law that is required to undergo reformulation through repeal or amendments within the overseas employment law and policy regulatory space of laying down the foundations for a comprehensive national policy and developing an efficient and operational framework for its implementation. General, this study has examined that the role of the Ethiopian overseas employment policies and legal frameworks in terms of respecting the rights of overseas employees and generating remittances from this sector is ineffective and needs further strengthening.*

**Key Words: Migration, immigration, emigration, Overseas, Remittance**

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1 Background of the Study

The labour migration is one of an ancient human phenomenon and the earliest historical events since time immemorial. Migration as a global phenomenon literally affects every region countries directly or indirectly.<sup>1</sup> Ethiopia has a long-history of international migration within the Horn of Africa, to the Middle East, the United States and Europe. The number of international migrants has increased over time doubling each decade since 1970.<sup>2</sup> The tendency of emigrant moving to North America in the wake of the communist revolution in the 1970s established a major Ethiopian diaspora overseas that had influence political and economic developments in Ethiopia in the succeeding decades that has been accompanied by rapid economic growth, infrastructure development, and the expansion of formal education that let Ethiopian emigrate for the purpose education in overseas.<sup>3</sup> Rooted in a history of religious, economic, and diplomatic ties, the nature and direction of the movement of Ethiopian people has been diversified over time. Ethiopians are moving to more countries in more varied ways than ever before given the demographic pressure in Ethiopia. In recent decades, for example, a notable and rising numbers of Ethiopians' labor migration to African and Middle Eastern destinations for low-skilled wage-work.<sup>4</sup> In the history of Ethiopia, political conflict, hunger and agitations in search of a better life are cited as main reasons for the gradual growth of Ethiopia's international migration trends.<sup>5</sup>

Labour migration provides many opportunities as livelihood strategy millions of people across the world. Many developed countries need immigrants to help fill labor shortages caused by an aging population. Labour migrants' remittances provide a vital source of finance and foreign exchange for households and governments in their countries of origin. However, the issue of labour migration equally poses challenge in many circumstances that unless handled with clear policies and legal frameworks, it disrupts local employment at destination

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<sup>1</sup>Ibid

<sup>2</sup>Schewel, K. D. (2019). Moved by modernity: How development shapes migration in rural Ethiopia.[Thesis, fully internal, Universities van Amsterdam].

<sup>3</sup>Challenges and Prospects for Constitutional Democracy in Ethiopia International Center, Paper introduced at Ethiopia Forum: Michigan State University East Lansing, Michigan, March 22-24, 2019

<sup>4</sup>Supra note 4

<sup>5</sup>KerilynSchewel and AsmamawLegassBahir: Migration and Social Transformation in Ethiopia: Working Papers Paper 152, August 2019

countries with dangerous and exploitative working conditions.<sup>6</sup>The benefits of migration for employment, economic growth and poverty reduction can be achieved and its costs minimized if regulated properly. The economy of the most of the developed nations has been relying of cheap migrant labour from the third world countries.<sup>7</sup> Labour migration has introduced widespread improvements in people's lives.<sup>8</sup> Labour migrant's enjoys greater wages in the nations of destination as labour increased supply of labor to destination countries,<sup>9</sup>and countries of origin relieve from the pressures ease of unemployment.<sup>10</sup> It is of great concern to world governments to address the immediate challenges faced by migrant workers.

In the age of globalization, technology and increasing labour mobility migration brings concerns to both origin and destination countries, and to migrants themselves. The prospects of labour migration flows are critical for strategic economic development in most of the low-income countries.<sup>11</sup> Labour outflow from low-income countries has enormous benefit through the money that migrants send home to their families' remittances, through pre-arranged contracts with international markets and access to technology. Today, there is a growing recognition that labours migration and migrant workers can enhance a country's economic development. One of the factors which contributed to this change is the growing recognition of the importance of remittances as source of foreign currency.<sup>12</sup>

Due to the developmental potential of financial remittances in countries of origin, the labour migration and development nexus frames migrant's workers as a development resource i.e. human capital which has prompted annual statistical studies, scholarship, meetings, and discourse at the national, regional and global levels.<sup>13</sup>As one can easily infer from the publication International labour migration, a great part of international migration today is

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<sup>6</sup>IOM, World Migration 2003: Challenges and Responses for People on the Move, World Migration Report Series Vol.2, Geneva.

<sup>7</sup>Nasram, S. M. (2007). Migration to Kuwait: Trends, Patterns and Policies. Paper prepared for Migration and Refugee Movements in the Middle East and North Africa. The American University in Cairo, Egypt: The Forced Migration & Refugee Studies Program. P-12

<sup>8</sup> Ibid

<sup>9</sup> Ibid

<sup>10</sup>Human Rights Watch and Joint International Law Program (2006) Swept Un-der the Rug: Abuses against Domestic Workers around the World. Vol.18. Human Rights Watch

<sup>11</sup> Ibid

<sup>12</sup>Ibid

<sup>13</sup>UNSD, 1998 Return Migration. A New Perspective, phase III. OECD

bound up with employment and thus with economic and social development in home countries and destination countries as well.

International migrant remittances have begun to be a significant source of external financing for developing countries. It is an important source of foreign exchange for low-income countries like Ethiopia. Remittances sent from overseas employees to the home country as a means of supporting development.<sup>14</sup> The possibilities of fanciful remittance advantages from overseas employment, had brought about creating international cooperation help address the challenges of excessive degrees of unemployment and under-employment in low-income countries so as to maximize advantages of remittances through, institutionalizing of overseas employment, organizing regulatory frameworks and challenge bilateral notably higher financial development.

Many African nations have aggressively overseas employment and acquired tremendous quantities of remittance inflows, however many others appear to lack positive insurance policies to modify overseas employment.<sup>15</sup>

Ethiopian government has taken quite number initiatives for sustainable financial growth, developing robust employment market and upholding people's prosperity in line with the success of objectives of Sustainable Development Goals (SDGs) to be achieved by 2030.<sup>16</sup> The utilization of large number of active working population at the overseas labour market is important concern of Ethiopian government. Engaging these attainable human capital assets in overseas employment market signifies remarkable supply of remittance that may speed up improvement incomes of the households.<sup>17</sup> An estimated 839,000 Ethiopians migrated abroad in the past five years, with 78 per cent aged between 15 and 29 years. Close to 31 per cent of these migrants travelled to the Kingdom of Saudi Arabia while South Africa, United Arab Emirates, United States, and Yemen, were popular destinations.<sup>18</sup> Overseas

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<sup>14</sup> UN International migration insurance policies and programs: a world survey. New York: UN, 1982.

<sup>15</sup> Ibid

<sup>16</sup> The Federal Democratic Republic of Ethiopia (2010). Growth and Transformation Plan (GTP) 2010/11-2014/15. Addis Ababa: Ministry of Finance and Economic Development (MoFED).

<sup>17</sup> UNDP. Ethiopia's Progress Towards Eradicating Poverty, 2018 World Bank Remittance Prices Worldwide, 2018. Price comparison. [Online] Available

<sup>18</sup> The International Organization for Migration, IOM, together with Ethiopia's Central Statistical Agency (CSA) this week launched the 2021 Labour Force and Migration Survey report, the first to include employment data on Ethiopian migrants.

employment can be strategic tool for addressing labour market demand and adjustments in overseas job market which could in turn supply remittances to the countrywide financial system that stimulate innovation and development, as properly as for transferring and upgrading capabilities as personnel return to home countries.<sup>19</sup> The full breadth of these advantages generally is not realized for a variety of reasons. Overseas employment regularly related with unacceptable labour abuses and absence of solid financial system and stable political environment complement the positive effect of remittances on economic growth. A considerable number of overseas employees face excessive social and monetary fees in the recruitment process, inequality and discrimination in the place of job and in vacation spot country, and integration applications have had combined outcomes.<sup>20</sup> Ethiopian authorities has been dedicated to modify overseas employment and associated problems by way of Ethiopia's Overseas Employment Proclamation No 923/2016 and its amendment Proclamation No 1246/2021. This Proclamation No 923/2016 came into force repealing the Employment Exchange Service Proclamation No 632/2009. The manifestation of such positive effort is promulgation of oversea Employment Proclamation No 1246/2021 and concluding bilateral and unilateral agreement enormous and this study explores the interrelationships between labour migration and remittance implication for the economic development in the Ethiopia Since a comprehensive model that links oversea employment with remittance gain is not yet available neither in the migration literature nor in the development studies literature in Ethiopia. This study focuses narrowing down existing literature and thus policy and legal framework and the remittance aspects of oversea employment proclamation. The main focus in this regard is twofold. The first is to examine and expound the role of the legal frameworks regulation of overseas employment in terms of generating remittances that Ethiopia as a country deserves from this sector,<sup>21</sup> the procedure of the recruitment of overseas employees and the institutions that are mandated to recruit with deep analysis as to remittance implications associated with overseas employment. The second will be to point out recommendations on gaps in the legal frameworks issued to regulate overseas employment in terms of generating remittances. In this study, effort has been made

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<sup>19</sup> IOM (International Organization for Migration) 2017 "Countering Migrant Smuggling" Global Compact Thematic Paper, IOM, Geneva

<sup>20</sup> International Labour Organization and Global Knowledge Partnership on Migration and Development (ILO and KNOMAD) 2016

<sup>21</sup> Ibid

to gather data from the federal Ministry of Ethiopia to examine the current practice of remittances received from overseas employment. The institutions related are the Ministry of job and Skills, the Ethiopian Diaspora Service, the Ministry of Foreign Affairs, the National Bank of Ethiopia and the Ministry of Justice. All the statistics accumulated from these ministries has been deal with in the thesis paper.

## **1.2 Statement of Problem**

Labour migration by means of arrangement of overseas employment is contemporary issue.<sup>22</sup> Active working and productive force as employees migrate in search of job Ethiopia has been supplying a large number of human capitals to abroad countries. The intersection between overseas employment and remittance is causal, whereby remittance is a by-product of overseas employment.<sup>23</sup> The link between overseas employment and remittance for economic development has not been sufficiently explored either theoretically or empirically. The remittances are one of the important factors to be considered in the policy design of overseas employment. In the absence of complete national legislations, infrastructures, technology and secured economic structures of overseas employment paradigm and political commitment are the challenges that remain outstanding. The lack of fair negotiation with destinations state lead overseas employee to face the danger of dropping their social safety rights when they are successively or alternately blanketed by using schemes of two or extra nations at destinations.

Bilateral and multilateral social protection agreements are integral in making sure that intervals of employment in different signatory international locations are taken into account in granting the proper to advantages of overseas employees.<sup>24</sup> At global level, the ILO Conventions 190, 189, 97 and 143 recommend to set of requirements concerning the recruitment and placement of labour migrants' proper at forefront. Among the rights that the conventions seek to shield are rights to a written contract, days off, first rate working environment, often paid wages, rights to be member of labour unions, and non-discriminatory practice.

Ethiopia and most of the Middle Eastern states have no longer ratified Conventions 190, 189, 97 and 143 that complicates efforts to gain a standardized method to protecting fundamental

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<sup>22</sup>World Bank, 2021.The World Development Indicators. <https://databank.worldbank.org/source/world->

<sup>23</sup> Supra note 17

<sup>24</sup> World Bank Group (2018). Migration and Remittances: Recent Developments and Outlook. Migration and Development Brief; No. 30 World Bank

rights of labour migrants. The policy, legal, institutional and practical policy concern rests on forging meaningful partnerships among the major actors in labour migration. Addressing unemployment challenges, inadequate earnings and other forms of exclusion of overseas employees at the destination and remittance concern is the problem considered under this study. Data on the overseas employees is incomplete and unreliable as some migrant people are recruited by way of unlicensed recruiting agencies.

## **1.3 Objectives**

### **1.3.1 General objective**

To explore whether the normative legal framework envisaged under Ethiopian overseas employment proclamation enacted in a way that enables Ethiopia to obtain a maximum from remittance.

### **1.3.2 Specific Objective**

- To examine the Ethiopian overseas employment legal framework in light of worldwide labour regulation standard.
- To expound on the function of the coverage measures designed to align the Ethiopian overseas employment legal framework with the remittance glide coverage and facilitating the remittance based on the discovering of the find out about their suggesting possible recommendations.
- To discover whether or not the Ethiopia's overseas employment legal framework address all kinds of overseas employment i.e. skilled, semi-skilled and labor employees or now not and the possibilities implementation and the safety of the rights of overseas employees
- To examine overseas employment policy, legal, practical and institutional framework of Ethiopia to regulate remittance contribution for economic and development.

## **1.4 Research Questions**

The research will answer the following questions:

1. What is the status of the Ethiopian overseas employment legal framework in light of international labour law standard?
2. What are tis the role of the policy measures designed to align the Ethiopian overseas employment legal framework with the remittance flow policy and facilitating the remittance method?

3. Does Ethiopia's overseas employment legal framework address protection of rights of workers?
4. Does Ethiopia's overseas employment policy, legal and institutional framework regulate remittance contribution for economic and development?

### **1.5. Research Methodology**

Owing to the research questions and the overall driving objectives the study would be conducted by employing the qualitative research methodology by way of in-depth inquiry and understanding of the empirical data and to evaluate both legal and practical problems. The researcher employs the qualitative approach to collect data and make detailed investigations on the topic at hand. More importantly, the selection of a given research methodology depends on the objectives of the research, and also qualitative research questions. Therefore, seen from these vantage points or favorable advantages, qualitative methodology is the most appropriate to address the research questions framed and objectives identified in this research proposal. The study is conducted by employing mixed research approach. The doctrinal approach is selected because there will be a deep assessment of laws, review of relevant literature and other relevant materials necessary for the study. To collect the desired data for the proper conduct of the research, the study will concentrate on both primary and secondary sources of data. Primary data is collected from national laws, regional treaties, international conventions and secondary data will be collected from relevant published reports of governmental and non-governmental organizations and non-published sources like practical cases, books, magazines and web sources. As regards to empirical method of study, semi-structured and expertise oriented interviews will be conducted with responsible persons at FDRE ministry foreign affairs, ministry of justice national bank of Ethiopia ministry of jobs and skills and Ethiopian Diaspora Services.

### **1.6. Scope of the Study**

The scope of this research used limited to comprehensive analysis of the Ethiopian overseas legal framework promulgated under proclamation 1246/2021, as amended, and analyzes and different mechanisms through which the entitlements and responsibilities ascribed by international labour laws may be vindicated and implication of remittance. It evaluates the different agents of enforcement for legal rights of migrant workers. Whilst it is right to consider the full array of different agents of enforcement, including oversea employment

public agencies and NGOs, it is inevitable that migrant workers right enforcement is chiefly associated with public agencies and the expound on the flow of remittance and its economic implications. It will be restrained to the appraisal of the normative regulatory legal framework of overseas employment laws of Ethiopia and inspecting its remittance implication of current global views and labour standards.

### **1.7. Significance of the Study**

This research is to purports to initiate the further studies to explore that whether there are legal and institutional framework remittances enable receivers to build assets in Ethiopia. It shades some light on the efforts of Ethiopia in terms remittance gain to ensure economic development. The research would pave the way to examine the role of overseas employee in national economic development and the implications for development policy. Transnational activities by overseas employee can and do affect social change and growth in developing countries, as evinced through migrants' and their families quest for economic and financial citizenship, as well as through their collective effort to support and develop their communities of origin.

### **1.8. Limitation of Study**

The writer would face the following limitations in undertaking this research; primarily, there is scanty literature on the issue under study and this would be potential challenge that the researcher would encounter: inability to contact the heads of the relevant institutions for data gathering. The lack of organized, accessible, and timely data and information on the institutions was another limitation the researcher would face. To reduce such gaps, the writer would attempt to collect data from multiple sources.

### **1.9. Organization of Study**

The whole study is comprised five chapters with different sections and sub-sections under each chapter. The first chapter will deal with the general introduction of the study with more emphasis on the background of the study, statement of the problem, general and specific objectives of the study, research questions, research methodology and methods of data collection; significance of the study, scope and limitation of the study and the organization of the study. The second chapter expounds on International and regional overseas employment legal framework comparatively with Ethiopian overseas employment. The third chapters will a brief discuss on overseas employment and remittance implications for economic developments and future perspectives.

The fourth chapter deals with discussion and challenges of overseas employment vs. remittance inflow and the last chapter deals with conclusions, findings and recommendation based on findings obtained from the analysis.

## CHAPTER TWO

### 2. The Conceptual Background of International and Regional Overseas Employment Legal Frameworks

#### 2.1. Introduction

To date there is no uniform legal definition of overseas employee. Commonly Overseas workers are viewed to be these looking for work or employment possibilities in the host states for brief length of time, or before looking for work or employed however unable to proceed working and final in house in the host state irrespective of their documentation. The definition accorded to term overseas employee differs on the purpose of international legal instruments that seek to define. Of these instruments the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families defines overseas employee as migrant worker to refer to a person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which he or she is not a national for defined period of time. This definition is broad and expansive that purports to encompass overseas employee through all stages of their migration journey, from recruitment procedure, through work, unemployment and return to their state of origin.<sup>25</sup> The international organization for migration (IOM) is mandated to govern all forms of migration including the overseas employees. IOM differentiates economic migrants from labour migrants by sub-grouping the subjects of the migrant's workers into different categories as per the purpose of the organizations. Accordingly migrant workers as several subgroups of migrant worker, including business travelers, contract migrant workers, established migrant workers, highly skilled migrant workers, immigrating investors, project tied workers, seasonal migrant workers, and temporary migrant workers. As we can infer from these definitions overseas employees, these who go for the cause of employment for described duration of time in contrast to monetary migrants that structure a probably broader crew that consists of humans getting into a kingdom to operate monetary activities, such as buyers or enterprise travelers, however can be understood additionally in a narrower experience comparable to the class of labour migrants stipulated underneath devices of global labour organization.<sup>26</sup>

The other definition of migrant worker is the one that has been defined by international labour organization that used the term overseas employee interchangeably with migrant

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<sup>25</sup> World Bank, 2021 World Development Report: Jobs

<sup>26</sup> IOM : The *World Migration Report 2022*

worker. Unlike the previous two sets of definitions the International Labour Organization (ILO) instruments defines overseas employee as a person who migrates from one country to another or who has migrated from one country to another with a view to being employed other than on his own account, and includes any person regularly admitted as a foreign employee for the purpose of employment for defined period of time excluding the category of people that employed in international or regional organizations in a particular state.<sup>27</sup>

The export of labour for foreign work is increasingly recognized worldwide as a strategic tool of development with significant economic benefits. As deep employment crisis is unfolding on the continent, given the tremendous economic benefits from the export of labour most of African countries are encouraging and strengthening the links of their respective citizens abroad go and work abroad to fetch remittances. These countries have enacted policies to encourage migration, institutionalized labour export mechanisms, established regulatory frameworks and undertook bilateral initiatives with different countries to enhance labour export. Thus, the section of the research will make comparative discussion of the conceptual background and scenarios of overseas employment of origin countries, destination countries and the remittance gain from foreign exchange remittances of Ethiopia in light international practices.

## **2.2. The Conceptual Background of International and Regional Aspects of Overseas Employment Mobility**

International labour mobility has sparked a political and academic discourse about its causes as well as economic and social consequences in both host and sending countries. Recently, globalization and regional integration have brought impetus to the developing mobility of employees throughout borders in search of higher employment possibilities in overseas.<sup>28</sup> Current worldwide labour migration flows are becoming greater complicated and diverse, with modifications in the form, status, path and period of the migration journey.<sup>29</sup> The earlier trends of temporary labour migration are becoming more prominent. The global phenomenon of labor mobility has given rise to two contradictory policy perspectives about the desirability of flows and consequences for economic development. Discussions both at regional and

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<sup>27</sup> UN IOM, 2021

<sup>28</sup> See Harris, J.R. and Todaro, M.P., 1970, Migration, unemployment and development: two-sector analysis, American Economic Review

<sup>29</sup> See The 2017 Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205),

global level usually focus aspects of the consequences of labour, the labor force implications and the role of remittances at both the macro and micro levels in both origin and host countries. Unlike the Social, political and cultural implications, the legal implications regarding labour migration are less often discussed.<sup>30</sup>

A proponent of a terrible view on labour mobility is that the contribution of labour mobility to monetary improvement is a slippery instability and purpose for random social exchange. Thus the labour mobility in many situations is that there is always a gap between the rights which migrants, both regular and irregularly, enjoy under international law, and the difficulties they experience in the countries where they live, work, and across which they travel.<sup>31</sup> This gap between the principles agreed by governments, and the reality of individual lives, underscores the vulnerability of migrants in terms of dignity and human rights. The dissociation between nationality and physical presence has many consequences. Overseas worker as strangers to a society of host states, worker can also be unfamiliar with the countrywide language, legal guidelines and practice, and so much less in a position than others to understand and assert their rights. They can also face discrimination, and be subjected to unequal therapy and unequal possibilities at work, and in their day by day lives. They might also additionally face racism and xenophobia.

On the different positions, the proponents of labour mobility assert that labour mobility can be a approach to get admission to higher employment opportunities, as humans pass to acquire higher education, jobs, or working conditions. Migrant employees represent almost 5 per cent of the world labour.<sup>32</sup> Labour migration is one of the defining features of the 21<sup>st</sup> century. It contributes significantly to all aspects of economic and social development everywhere. It would help to achieving the Sustainable Development Goals SDGs.<sup>33</sup>

The interrelationship and linkages between labour migration and development have only recently come into focus among policymakers and bilateral and international agencies

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<sup>30</sup> Ibid

<sup>31</sup> Jones, G.W. 2008. Underlying factors in international labour migration in Asia: Employment and productivity trends (Bangkok, ILO regional office for Asia and the Pacific)

<sup>32</sup> Martin, P.; abella, M.; Kuptsch, c. 2005. Managing labour migration in the twenty- first century (new Haven, ct, Yale university Press).

<sup>33</sup> Ibid

concerned with international development cooperation.<sup>34</sup>The contrast with vigorous trade-and-aid and FDI and development debates could hardly be more striking. This is surprising in view of migration's historically paramount importance as a mechanism for decreasing income inequality. It reflects the degree to which migration has been excluded from international discourse on globalization and economic integration.<sup>35</sup> Migration of highly skilled and professional labour has for a long time been a major concern to developing countries since it is perceived as a brain drain and the loss of a vital and scarce resource. This perception is great enough to warrant serious concern, though the picture varies greatly from country to country.<sup>36</sup>

At international level desirable or not, international labour migration is going to be a persistent feature of the global scene in the future. One of the oldest prescriptions for controlling emigration pressures is economic development. Economic development is a goal in itself; however migration policies that encompass labour migration would be undeniably intertwined with economic development policies. While the goal is not to stop emigration of working mass altogether, it would be helpful to channel its impact at the national level. For the present, international labour migrants are making a big difference to their immediate families and communities in their source countries.<sup>37</sup>

Labour Migrants contribute to better service provision and make vital contributions to host countries as workers and consumers. These potential benefits are stifled when access to basic services is denied or limited, undercutting the potential positive benefits of labour migrant contributions. Labour migration has the potential to serve as an engine of growth and development for all parties involved host and source countries and the migrant workers themselves.

In the developing regions where most labour migrants come from, positive contributions of migration are reflected in high remittance flows, and transfer of investments, technology and critical skills through return migration and transnational communities. It is forecasted that in the coming decade Europe and North America will account for a mere three per cent of the

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<sup>34</sup>Ibid

<sup>35</sup> Ibid

<sup>36</sup>Bhagwati, J.N. and K. Hamada.1974. The brain drain, international integration of markets for professionals and unemployment. *Journal of Development Economics*

<sup>37</sup> BHARGAVI RAMAMURTHY International Labour Migrants: Unsung heroes of globalization available in Swedish (Sida Studies no. 9)

increase in the labour force.<sup>38</sup> Free and rapidly increasing international flows of goods, capital and information are heralded as the hallmarks of the new era of globalization. However, movement of people and labour across national, cultural or ethnic borders are often omitted from the equation. Yet, these flows are arguably the most complex and controversial, and with the most far-reaching consequences for the source and recipient societies and the individuals concerned.

A number of factors suggest that labour migration will rapidly become an increasingly important aspect of globalization in recent times as there exist very large differences in economic development and living standards between countries within the same broad cultural region constitute a strong incentive to migrate different countries find themselves at different stages in the demographic transition and have very different age structures. At the one end, most countries in Africa and some in Asia and Latin America are still at an early stage of transition and have rapidly growing and very young populations.<sup>39</sup> At the other end, Japan and most of Europe are confronting the problems associated with a large and increasingly elderly population, a contracting labour force and, eventually, population decline. It is forecast that in the coming decade Europe and North America will account for a mere three per cent of the increase in the labour force.<sup>40</sup>

In most developing countries, the labour force will increase by well over two per cent per year. Countries like Japan, Germany and Italy would need to import labour on an unprecedented scale to prevent their labour forces from shrinking. The ageing population and post-industrial development in these countries imply a continued growth of service industries that are labor-intensive and do not easily lend themselves to mechanization.<sup>41</sup> ILO estimates that one-third of the world's labour force of three billion people cannot obtain the material rewards from work that they need and to which they aspire due to unemployment and underemployment. At the other end of the scale, Japan and Western Europe in particular are rapidly becoming labour-scarce economies. Notwithstanding the proven power of labour

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<sup>38</sup> See Voorend K. Et al. 2020. Future Demand for Migrant Labor in Costa Rica. April 2020. Unpublished

<sup>39</sup> See World Economic Forum. December 15, 2016. <https://www.weforum.org/agenda/2016/12/an-ageing-population-is-impacting-our-productivity-heres-why>

<sup>40</sup> OECD et al, 2019. International Migration and Displacement Trends and Policies Report to the G20. <https://reliefweb.int/sites/reliefweb.int/files/resources/G20-migration-and-displacement-trends-and-policies-report-2019.pdf>

<sup>41</sup> See Global Trends: Paradox of Progress, National Intelligence Council, January 2017. <https://www.dni.gov/files/images/globalTrends/documents/GT-Full-Report.pdf>

migration as a vehicle for reducing global income disparities and poverty, international labour migration was taken off the international agenda after World War I.<sup>42</sup> the international regulatory frameworks for trade and capital flows have developed greatly in past decades and strong institutional forums have been established to deal with these issues, there has so far been no comparable development in the field of labour migration.<sup>43</sup>

### **2.3. Cause, Characteristics and Patterns of International and Regional Labour Mobility**

Change is taking region in the nature of the employment relationship global and the way work associated duties are disbursed at regional and worldwide stage. The typical everlasting attachment of an employee to an enterprise, and associated practices such as seniority-linked rewards in his/her starting place country, is in sharp decline. Much of the present day labour market and employee safety legislation is premised on the general employment relationship, and no longer tailored to the rising administrative center situation primarily based on the ILO minimal well known of work throughout the globe.<sup>44</sup> Recently, labour migration has been made possible, due to the free drift of information, declined visiting fees demographic dynamics, quest for demand and provide of unskilled and semi-skilled labour, as properly as the incomes scale in productive and high-income economies.<sup>45</sup> It is no longer chance free as human trafficking and exploitative labor are ever-present risks, and these searching for overseas employment are frequently the goals of scams via brokers and manpower agencies, abuse via employers, and pressured labor.<sup>46</sup> Undocumented labour migrants' rights are at even greater risk, both throughout the migration process and upon arrival, as their exact numbers and whereabouts are unknown. Furthermore, an undocumented status may be associated with a lack of access to services in destination countries.

The human rights abuses that have and proceed to happen towards labor migrants in Gulf nations and some other place are well-documented, and insurance policies regarding labor migration have consequently been criticized for failing to guard labour migrants.<sup>47</sup> Attempts have been made to limit the danger of human trafficking, mainly for girl migrants, but the

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<sup>42</sup> Ibid

<sup>43</sup> Ibid

<sup>44</sup> International Labour Organization, Bilateral Agreements and Memoranda of Understanding on Migration of Low Skilled Workers. 2015 Geneva

<sup>45</sup> Steven Kapsos and Evangelia Bourmpoula :Employment and economic class in the developing world : ILO Research Paper No. 6 June 2013

<sup>46</sup> Ibid

<sup>47</sup> Ibid

ensuing insurance policies (such as the age ban and extra steps in the migration procedure for women) may additionally without a doubt force aspiring woman migrants to make riskier migration selections.<sup>48</sup>

In most cases, labour migrations occurs due to a combination of factors, including insufficient local demand for workers in countries of origin, skills shortages, mismatches in the local labour market, inadequate working conditions, lack of information about locally available vacancies, and limited support to access jobs and navigate the labour market.<sup>49</sup> In many regions, migrant workers account for an important share of the labour force, making vital contributions to societies, and working in key sectors, such as health care, services, and agriculture.

In communities of origin, migration can alleviate unemployment pressures. Labour migrants can help fill gaps and introduce new skills and know-how to markets in communities of destination. However, many migrant workers are in temporary, informal or unprotected jobs, which can expose them to poor working conditions, job insecurity, and other vulnerabilities. Access to employment is a critical component of an efficient labour market. However, labour market access may be restricted based on migration status, administrative procedures, regulations and associated fees, difficulties recognizing foreign qualifications and skills, language barriers, intercultural differences and/or discriminatory practices.<sup>50</sup> This means qualified migrants can be underemployed, precariously employed or not employed at all, which affects migrants' ability to integrate into the country of destination, as well as their access to skilled jobs, decent jobs and mobility within the labour market.<sup>51</sup>

Coherence between labour migration and employment policies can help overcome some of these challenges. This requires ensuring that labour migration policies make relevant linkages to employment policies, and that employment and labour policies cross-reference migration policies, as appropriate. Developing mobility partnerships between countries of origin and destination, including through bilateral labour migration agreements BLMAs, or memoranda of understanding, is for example, one approach to help ensure the benefits of this dynamic are

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<sup>48</sup> Ibid

<sup>49</sup> <http://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/migration-regions-infographics.pdf>

<sup>50</sup> Ibid

<sup>51</sup> Supra note at 62

felt by countries of origin, countries of destination, as well as by migrants and communities.<sup>52</sup> Beyond this, national governments can facilitate migrants' labour market access by, among other things, putting in place qualifications and skills recognition mechanisms to formalize the recognition of skills gained in another country or those acquired through non- formal or informal ways. Other considerations include promoting employability and matching migrant workers to employment opportunities to fill skill gaps allowing migrants to access qualification recognition institutions and training to enable them to acquire needed skills; and adapting communication channels to make employment information accessible to migrants.<sup>53</sup>

At international level migrant workers are commonly analyzed as objects of global economic forces. The expansion of international trade and finance, for example, can have profound effects on the fate of labour migration. Workers in internationally competitive sectors may see enhanced opportunities and higher wages, whereas workers in comparatively disadvantaged sectors may experience a decline in welfare.<sup>54</sup> An increase in international capital mobility could lead governments of host states reduce public expenditures in an effort to remain competitive, thereby threatening migrant workers' various social protections, including health care and sickness benefits, unemployment compensation, and active labor market policies.<sup>55</sup>

Economic globalization affects the number of jobs that are available in different countries and sectors. The economic growth has increased consumerism and eventually, demand for products and services. This has led to an exponential increase in production and job opportunities in most of developed nation's particular western and some oil-rich Middle East states. While workers often migrate to fill gaps in labour markets of destination countries/communities, optimal conditions to facilitate regular migration pathways and decent working conditions for migrant workers do not always meet labour standards.<sup>56</sup> Migrant workers may lack valid work permits, which can leave them vulnerable at work and contrary to international law and standards can impact their eligibility to join trade unions,

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<sup>52</sup> United Nations 2018 Global Compact for Safe, Orderly and Regular Migration : Voting Records, December. <http://digitallibrary.un.org/record/1656414>

<sup>53</sup> Ibid

<sup>54</sup> Layna Mosley and David A. Singer Migration, Labor, and the International Political Economy: Annual Review of Political Science Vol. 18:283-301 (Volume publication date May 2015) First published online as a Review in Advance on February 20, 2015 <https://doi.org/10.1146/annurev-polisci-020614-094809> accessed 24 September 2023

<sup>55</sup> Ibid

<sup>56</sup> The Declaration adopted by using the United Nations General Assembly (UNGA) on the 2030 Agenda for Sustainable Development On 25 September 2015,

their ability to defend their rights, and their access to social protection and grievance mechanisms.<sup>57</sup>

Even with a valid work permit, there are situations in which the rights of migrant workers are not always satisfied. A lack of access to justice, along with economic, social and cultural exclusion, and language barriers can make the recruitment process even more difficult for migrants. These challenges are further exacerbated when migrant workers, particularly irregular migrants, participate in the informal economy. Such conditions further constrain their access to social protection and basic services, exposing them to increased risks of exploitation, including forced labour and human trafficking. Migrant workers often face challenges exercising their rights, with high levels of exposure to workplace hazards, wage discrimination, and poor working and living conditions, and a lack of complaint mechanisms for denouncing the labour abuses experienced.<sup>58</sup>

Bilateral negotiation between labour sending countries and receiving countries can serve as an important tool for protecting labour rights and improving working conditions of labour migrants. At the national level, for instance, coordination mechanisms involving governments, employers, workers and migrants can facilitate discussions to recognize and address the barriers that might limit migrant workers' enjoyment of equal treatment of ILO standard. Policy discourse in terms of labour migration will thus have to face a tension between adapting the rules to the changes occurring in the labour market and maintaining routes for labour migration where recruitment difficulties are structural.<sup>59</sup>

International labour migration within Africa is clearly on the rise. To a considerable extent, this may be attributed to the cooperation agreements between countries within certain economic communities like ECOWAS, IGAD), which uphold the free movement of people and their freedom of establishment.<sup>60</sup> Other important factors are the continent's population growth, the age structure of the population and individual countries' policies on the movement of people. Labour migration can aid development. In Africa, the place improvement is unequal and some areas face developing conflict, fairly knowledgeable labour is probable to migrate. This will be a plus for receiving countries, contributing to their

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<sup>57</sup> Ibid

<sup>58</sup> Ibid

<sup>59</sup> OECD (2009a) Workers crossing borders: A road-map for managing labour migration in International Migration Outlook, Paris

<sup>60</sup> African Union Development Agency (AUDA-NEPAD) 2022

capabilities base and using development. The flip facet will be the intelligence drain in the much less developed regions. Africa has constantly sought to outline a route of improvement that will convey prosperity to the continent and enhance residing requirements for its residents. In order to develop monetary and social improvement it has been viewed the want to open up the continent's borders to facilitate the free motion of labour and the ordinary advantages of labour migration, namely, making sure that capabilities are effectively handy to African member states. Indeed, the good judgment that a scarcity of talent in states origin ought to effortlessly be crammed via extra grant of the identical talent is sound.

Over the previous century, national, regional, continental and international labour migration flows have given us enough proof to recognize the migration patterns and their drivers.<sup>61</sup> People move away from their international locations in search of higher financial opportunities. Countries with pretty decrease degrees of monetary improvement imparting decrease wages are inclined to greater outflows of labour to nations with greater stages of improvement presenting greater wages. Often this is what is referred as the wage differential between countries. Key drivers of labour migration economics are one driver, the 2nd which has plenty relevance in the African continent is protection.<sup>62</sup>

Increasing degrees of challenges and the developing insecurity of residents is certain to end result in outflows of human beings in search of each safety and possibilities to earn incomes. Labour will pass from much less tightly closed to greater impervious international locations or regions. Interestingly, in each instances, it will be the greater knowledgeable aspects of labour that migrate first and successfully. It goes except pronouncing that the drain of greater knowledgeable labour from much less developed or fighting international locations will solely perpetuate the stipulations in these countries. Across areas or areas the place the wage differentials are fairly low, the place people can assume to earn comparable wages, complemented by using secure establishments and security, the thought of free motion of labour appears extra plausible. In these conditions, motion of labour will solely be at the margins, the place there are real shortages of skills. Some research exhibit that the free

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<sup>61</sup> Ibid

<sup>62</sup>GerasimosTsourapas (2018, 'Egypt: Migration and Diaspora Politics in an Emerging Transit Country available at:<https://www.migrationpolicy.org/article/egypt-migration-and-diaspora-politics-emerging-transit-country>

motion of labour in the EU began with roughly 12 to 15 countries, all in Western Europe.<sup>63</sup> The wages in these international locations have been rather similar, ensuing in marginal moves of labour. With the EU's growth of the free motion of labour to Japan and southern Europe, the place wages are decrease than the west, the price and patterns of labour motion have shifted dramatically.<sup>64</sup> Eastern Europe has considered a plenty increased influx from each the south and the east with a resultant loss of imperative abilities in the southern and Japanese regions. As the African continent considers the free motion of labour, it is in its activity to suppose challenging and cautiously on how it engages on this necessary coverage issue. The tempo of the labour mobility has expanded dramatically due to shrinkage of financial possibilities in the most of the creating countries. The large unemployment internal is the major purpose in the back of the fast increase of the people migration to the different nations.. The linkage of Foreign Employment on the Remittance Economy of gain has identified the major factors attributing to large scale out labour migration from countries which crippled with high growth of labor force, high rate of unemployment, limited employment opportunities in home, low salary structure in the economy and insecurity in the rural areas because of insurgency.<sup>65</sup>

Underdevelopment of industries and rudimentary services sector provides limited number of jobs to ever increasing labor force in most of developing countries commonly third world countries. Demographic differences between countries have also been associated with migration in general and labour migration in particular. Rapid population growth can put pressure on social services and infrastructure and drive unemployment up. Even where fertility is declining, large cohorts of youth entering the labour force may compel some of them to search for jobs in other countries. Population ageing, together with the growing participation of women in the labour force, may create a demand for care jobs that is unfulfilled by the native workforce and therefore provide opportunities for migrants, especially those with less formal education or skills.<sup>66</sup>

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<sup>63</sup>ESPON EMPLOY. 2017. Geography of New Employment Dynamics in Europe.  
<https://www.espon.eu/employment>

<sup>64</sup> Ibid

<sup>65</sup> Ibid

<sup>66</sup>UN Global Compact for Safe, Orderly and Regular Migration (GCM) 2018 and World Bank, World Development Jobs Report: 2021

In globalized and competitive world, human capital is one of the important tools for creating the economic transformation and survival and achieving its goals and missions. Investment and utilization of the remittance has emerged as a major concern in the field of overseas employment. The scale and the nature of labour migration have changed significantly over that period in almost all developing countries induced by the oil boom in the 1970s; the labour-surplus economies of South Asia were able to supply cheap labour to meet the growing labour demands in the Middle East Asia.<sup>67</sup> The significance of labour migration as an instrument for states' improvement has been a key consideration for vary of international locations throughout the global South.

At global degree labour migrant made up 62% of the global migrant stock in 2019. The most treasured crew i.e. 48% of the global migrant inventory in mid-year 2020 had been women and female at least 4,950 humans misplaced their lives whilst migrating internationally in 2022.<sup>68</sup> ILO-UN format on global coordination in the vicinity of migration that the ILO and the UN are described as being of everlasting personal and are charged by using their constitutional characters with the duty for thinking about and fixing worldwide issues of an financial and social nature, and whose things to do and applications of work reveal their direct and primary pastime in migration problems. Among 92 nations that have performed a migration governance warning signs (MGI) assessment, 32% have developed precise measures that promote the moral recruitment of migrant employees.<sup>69</sup>

The failure to undertake internationally binding due to the fact of the outbreak of warfare to the adoption of the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families in 1990, ILO conventions 97, 143 and 189 more than a few tries to create binding norms in the region of labour migration and The inadequacies of international migration governance in contrast to global exchange and finance. The penalties had been that 56,330 character instances of trafficking have been recognized with the aid of or pronounced to Counter Trafficking Data Collaborative.<sup>70</sup>

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<sup>67</sup>Jongwanich J. (2007). Workers' Remittances, Economic Growth and Poverty in Developing Asia and the Pacific Countries.Working Papers No.WP/07/01.

<sup>68</sup> IOM 2023

<sup>69</sup> MGI 2023

<sup>70</sup> IOM 2022

Empirical studies show that over the past a few decades the scale of African labour migration has increased while the pattern has also shifted in terms of destinations (Kennedy Atong, et al IUTC 2018). African labour migration is dominated by the low skilled and non-professionals. Labour migration, to the GCC states and other Gulf countries has become a major destination for labour migrants from Africa, and of course South Asia.

As regard Africa the prominence of migration to the GCC countries is reflected in the dominance of migrants in the total population and their workforce that the estimated numbers are 8.4 million migrants in Saudi Arabia and 7.3 million in the UAE, 12.2 million in Kuwait and 8.3 million in Qatar. In 2017 the 60 percent of the labour force in almost all the GCC countries. Africa labour migration to the GCC dominated by Northern, Eastern and Western Africans. While the dominance of North Africa, and to some extent East Africa in the GCC states migration wave may be easy to comprehend due to geographical proximity, religious and cultural factors, it is interesting why the share of West Africa is increasing in diversity.<sup>71</sup> The push–pull factors for African migration, and migration in other regions, are diverse and dynamic. The contemporary labour migration from Africa to the GCC in particular and the Gulf in general, the drivers though may be interconnected, are largely lack of decent work (low wages and thin and sparse/thin social protection access and coverage) and deep/growing unemployment in many African countries, while the employment opportunities and wage differentials are the pull factors in the GCC states. Cheating and exploitation in the hands of recruitment agents in processes before departure from Africa; deception and exploitation by illegal and unethical recruitment agencies and human trafficking gangs and risks irregular channels serious concerns in terms of their labour rights and human rights in general and Africa in particular for inability of Africa protection through Bilateral Labour Agreements (BLAs) Unlike the Asian countries which are the major sources of migrant (domestic) workers in the Gulf states as African.

#### **2.4. Trends of Ethiopia**

Ethiopia is the second most populated country in Africa with fast growing economy as well as fast growing population rate. The current population of Ethiopia in 2024 is 129,719,719,

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<sup>71</sup>Kennedy Atong, et al Africa Labour Migration to the GCC States: The case of Ghana, Kenya, Nigeria and Uganda : (ITUC-AFRICA) 2018

at 2.52% rate of increase from 2023.<sup>72</sup> Population boom is a necessary determinant of the dimension of the labour force. The 2023 labour pressure and migration survey suggested that 4% of percentage of the populace (are labour migrants, the place lady over 20 percentage have a tendency to migrate extra regularly than adult males over sixteen percent. The ILO document suggests that unemployment, poverty and political elements pressure outward Ethiopian labour migrants, which mostly entails low-skilled labour migration, such as homework, to the Middle East. Labour migrants from the vicinity moreover go Ethiopia to trip to Sudan and Libya, in route to Europe, and may also moreover work informally in Ethiopia to fund their onward ride.<sup>73</sup> Cross-border /overseas employment often involves the instances of human trafficking in Ethiopia. It had been realities that touch not only Ethiopia but also all corners of the globe given the increasingly interconnected world. Advancement in modern transportation and communication technologies have made labour migration easier, cheaper and faster for people to move from place to place in search better job opportunities in developing and developed world.

Besides the search for better employment opportunities in abroad, conflicts, poverty, income inequality, political intolerance and unemployment and/or underemployment are among the reasons that compel people to leave their homes in search of better futures for themselves and their families in Ethiopia.<sup>74</sup> Ethiopia is a featuring hub of asymmetric migration to the Middle East Mediterranean region, and to a lesser extent, to Europe. Levels of migration out of Ethiopia are low compared to opposite countries in Easternmost Africa and the Hooter of Africa, but Ethiopia's population, the endorse maximal in Continent at an estimated over 120 million. Labour migration from Ethiopia to the Arabian Peninsula and the Middle East started out in the Nineteen Eighties and has elevated drastically in current years. Ethiopian labour migration governance guides longstanding, multi-directional, and mixed labour migration flows.<sup>75</sup> The distinction between regular and irregular migration is not always clear cut in Ethiopia, where borders are known to be Ethiopian government nevertheless continues to

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<sup>72</sup> McDowell C, de Haan A. 1997. Migration and Sustainable Livelihoods: A Critical Review of the Literature. Sussex: Institute of Development Studies

<sup>73</sup> Ibid

<sup>74</sup> Messay Mulugetal and Teferee Makonnen : Illicit Cross-border Migration in Ethiopia: Causes, Patterns and Policy Responses: Ethiopian Journal of the Social Sciences and Humanities (EJOSSAH) available <https://dx.doi.org/10.4314/ejossah.v13i2.3>

<sup>75</sup> Ibid

govern international labour migration flows proactively, though its focus has changed over time. Overseas employment has been playing a pivotal role in the socio economic facet of Ethiopia for long which has proved its resilient presence in 2024.

The Ethiopian country encourages labour migration, for instance thru labour trade agreements with Gulf States and mainly Saudi Arabia, the place flows are one direction. Labour migration from Ethiopia to the Arabian Peninsula and Middle East began in the Eighties and has accelerated in quantity substantially in current years. Private Employment Agencies facilitated the migration of extra than 160,000 Ethiopian domestic employees in the final a few many years that had exhibited extend in variety of labour migration glide notwithstanding the route have been located to be specifically prone to trafficking and abuse.<sup>76</sup> The movement from Ethiopia to Gulf countries and South Africa is largely irregular, leading to great perils for Ethiopian migrants, with approximately 95% of Ethiopian migrants initially entering South Africa through irregular means and later formalizing their status. Significant number of Ethiopian migrate using irregular route, entering or residing in destination countries without possessing the requisite documentation.<sup>77</sup> Most labour migrants in irregular status are recruited by local brokers, returnees, relatives, and/or friends. To this end, informal brokers and agents offer potential migrants false promises of good financial revenues that will enable them escape poverty and change the lives of their families. As a result, labour migrants do not get correct and adequate information to make informed decision about their migration before their departure, nor are they given the opportunity to discuss the terms and conditions of their future jobs with their employer or recruiter. Moreover, due to their irregular status in destination countries, most migrant workers face numerous challenges, such as, long working hours without rest and overtime pay, confiscation of passport, lack of freedom of association, irregular payment of salary or no payment at all.<sup>78</sup> At times, they are also exposed to verbal, physical and sexual violence and abuse and have limited access to legal and social protection. It is an alternative source of development as well. Ethiopia earns significant amount of remittance from overseas employment to cover the balance of payment.<sup>79</sup> Economic motives have recently become the prime factors in migration decisions among the Ethiopians as observed with the fact that the

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<sup>76</sup> Ibid

<sup>77</sup> KNOMAD Bilateral Remittances Matrix (BRM) published December 2022

<sup>78</sup> Review of remittance policy, legal and regulatory framework Ethiopia 2020

<sup>79</sup> Ibid

USA and the Middle East are the major destinations. The findings revealed that Ethiopian emigration is characterized by the inter-continental flows unlike the Sub-Saharan migration pattern known to have an intra-continental migratory link.

Feminization of Ethiopian migration is also evident particularly in core destination countries of the Global North, which indicates the increasing role of females in migration decisions but also disproves the widely held perception about Ethiopians emigration to the Arab World as female-specific.<sup>80</sup> Most Ethiopian migrants are female, especially younger and single, and migrate to the Middle East as home people.<sup>81</sup> A few female labour migrants work in different sectors, and guys work in the main in construction, agriculture, hotels, hospitals, or as drivers. The most famous vacation spot nations in the Middle East are Saudi Arabia, the United Arab Emirates, Kuwait, and Lebanon.<sup>82</sup> Ethiopia believes that any attempt to deal with emerging labour migration challenges should be grounded on the 1990 United Nations International Convention on the Protection of the Rights of All Migrant Workers takes and other relevant instruments.

The crucial concern for Ethiopian is that labour receiving countries need to adopt a labour policy guided by the need to ensure labour standards are met for both nationals and migrant worker and penalizes discriminatory practice. They should abolish practices that make migrant workers invisible due to their migratory statuses. Low skilled migrants should also be given equal chance in expanding legal pathways.<sup>83</sup> It is imperative that labour receiving countries include labour migrants in their national social protection policy, ensure occupational safety standards are observed. Origin countries capacity in pre-departure orientation and consular support should be enhanced to familiarize migrant workers with language, culture of host countries. Beefing up the Institutional capacity of origin countries in labour inspection, skilling of migrant workers should be at the Centre of the Global Compact on Migration. Need based skilling of labour migrants obviously require us greater

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<sup>80</sup> APanAfrican Journal of Governance and Development (PJGD) 1(2):30-60 DOI:10.46404/panjogov.v1i2.2342 (<http://dx.doi.org/10.46404/panjogov.v1i2.2342>)

<sup>81</sup> Mehari M How and why migration is weaponised in the family members between Africa and Europe (2020)

<sup>82</sup> Lindgren, D., Uaumnuy, T. and Emmons, K. Improved Labour Migration Governance to Protect Migrant Workers and Combat Irregular Migration in Ethiopia Project (2018)

<sup>83</sup> International Organization for Migration, World Migration Report 2010 Executive Summary, 1 (2022), available at [http://publications.iom.int/bookstore/free/WMR2010\\_summary.pdf](http://publications.iom.int/bookstore/free/WMR2010_summary.pdf) (last visited Feb. 13, 2024). **ibid**

cooperation in assessing skill gaps and investing in training and in this regard having a multi stakeholder framework is vital.<sup>84</sup>

Migrant workers are an important part of the economic development of Gulf countries providing the needed labour in construction, services and increasingly highly skilled and professional work. Low-skilled employment in the labour market is based on gendered roles. Male workers are employed in the construction sector and also in domestic work such as drivers, gardeners and cleaners. Female migrants on the other hand mostly work as domestic caregivers, cleaning and cooking. These workers originate from countries in Africa and Asia and move to Gulf countries with a demand for cheap labour and available employment opportunities. African countries, when compared to Asian countries, are a new player in sending migrant workers to Gulf countries in the Horn of Africa, like Ethiopia and Somalia, preceded other sub-Saharan African countries in sending migrant workers to the Gulf and the Middle East countries.<sup>85</sup> As a result, a large proportion of migrant workers still originate from these countries, in addition to an increasing number from West and East African countries. Several factors account for the growing number of African migrant workers in the Gulf and Middle East countries. They include the availability of jobs in these countries, and the relatively high pay compared to wages in the countries of origin. Migrants' choice may also be influenced by the recruitment industry, partially based on deception and misinformation.

Overseas labour migration in Ethiopia is a recent phenomenon which started usually accompanied by ever increasing trend involving a large number of low-skilled migrant workers to the Middle East Countries. The complexity of labour migration patterns has been center of attention as the consistent increase in both the number of migrants and destinations over last a few couples of decades. The trends, patterns, and determinants of Ethiopian overseas labour migration to different destinations commonly triggered by primarily is to overcome poverty and improve family living standards through remittances. Labour migration, particularly, to Arab countries has been intensified due to social networks, expansion of illegal agencies, and the relative influence almost in all part of Ethiopia.<sup>86</sup> The movement of labour migration had got momentum as result of shift in demand for cheap labour in oil rich states in middle east that tend to seek cheap labour force from countries like

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<sup>84</sup>Ibid

<sup>85</sup> See supra note 99

<sup>86</sup> Ibid

Ethiopia. The sharp increase in demand for cheap labour force in oil rich Middle East oftentimes accompanied by the simultaneous increase in rate of unemployment in the third world countries like Ethiopia made the complexity of labour mobility across national borders.<sup>87</sup> Thus in a broader global perspective the importance of conceptualizing this movement is paramount for often time goes beyond the common and traditional push-pull factors embedded in origin, transit and destination countries.

The growth of labour migration and associated risks of human trafficking and exploitation remain significant global human rights and health challenges.<sup>88</sup> There is increasing policy interest in addressing structural determinants of adverse migration outcomes such as migrants' use of informal employment recruiters. In Ethiopia, safe labour migration policies have introduced regulations for registered private employment agencies and penalties for anyone else placing migrants into work overseas. The empirical studies in Ethiopia so far focus on causes and impacts of migration rather than focusing on the central theme of this research undertaking namely labor migration governance and the processes of overseas deployment.<sup>89</sup> The central theme of the empirical studies in Ethiopia with regard to the issue of labour migrants present the realities of irregular recruitment on the ground, and how these practices are affected by policies that dichotomies recruiters into legal/safe and illegal/unsafe categories of labour migration experiences or perceptions and the recruitment practices shape risks for female migrants seeking domestic work in the Middle East and Gulf States.

The full breadth of these advantages generally is no longer realized for a wide variety of motives that Labour migration can be a automobile for responding well timed and efficiently to labour market wishes and changes, for stimulating innovation and development, as properly as for transferring and upgrading abilities. Migration is still too frequently associated with unacceptable labour abuses. Too many migrants face high social and economic costs in the migration process, inequality and discrimination in the workplace and in destination country, and integration programs have had mixed results.<sup>90</sup> The recent economic growth in Africa in general and Ethiopia in particular haven't been matched with adequate employment opportunities for the youth. Despite significant increase in economic

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<sup>87</sup> ILO: World of Work Report: Developing with Jobs (Geneva, 2014)

<sup>88</sup> Goldenberg SM. Trafficking, migration, and health: complexities and future directions. *Lancet Global Health*. 2015;3(3):e118–9. doi: 10.1016/S2214-109X(15)70082-3. - [DOI](#) - [PubMed](#)

<sup>89</sup> Supra note at 101

<sup>90</sup> Geda, A., Tafere, K. & Amedu, M. Remittance and Remittance Service Providers in Ethiopia, s.l.: Institute of African Economic Studies. 2011.

growth, employment growth has not increased with the same pace as the growth in the labour force in Ethiopia indicates that visible migrant success of friends, neighbors and peers as well as family pressure is among some of the social factors that push migrants from Africa to the Gulf countries for there is strong social ties of the prospective migrant to the Gulf countries is a driver to migration patterns.

## **2.5 The International and regional Overseas Employment Legal Framework**

### **2.5.1 International Legal Instruments of Overseas Employment**

International instruments constitute the most important building blocks for the protection of migrant workers at the international level. Migration for employment and its linkages with development has now emerged as a global issue which affects most nations in the world. It is high on the international, regional and national policy agendas. Through their labour, migrant workers contribute to growth and development in their countries of employment. International instruments constitute the most important building blocks for the protection of migrant workers at the international level. There are two classes of global requirements making use of explicitly to worldwide migration and labour migrants. The first is conventional global gadgets that observe all classes' migrants inclusive of the labour migrant. These classes of global instrument consist of pretty the 9 critical Human Rights Conventions comprising the two Covenants respectively on Political and Civil Rights and on Economic, Social and Cultural Rights, alongside with the International Conventions addressing precise corporations and situations: victims of racial discrimination, victims of torture, women, children, migrant workers, and humans with disabilities.

The second categories of instruments that apply specifically to labour migrants include ILO labour standards, including core Conventions enshrined in the ILO Declaration on Fundamental principles and Rights at Work, apply to migrant workers unless stated otherwise in the instruments. The two ILO migrant-specific Conventions the ILO Migration for Employment Convention, 1949 (No. 97) and the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143) together with the 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families provide a comprehensive legal framework for migration policy and practice covering most issues of treatment of migrant workers and of inter-State cooperation on regulating migration.

The ILO Multilateral Framework on Labour Migration a negotiated outcome among tripartite partners has drawn upon these and other international instruments and best practices to compile a set of principles, guidelines and best practices to guide countries in the formulation and implementation of labour migration policies. It offers all countries considerable scope to apply the principles, guidelines and good practices contained in the above instruments for improving their migration policies and practices. The practice covering most issues of treatment of migrant workers and of inter-State cooperation on regulating migration. Ratification of these instruments and their enforcement would be instrumental in the protection of migrant workers, and thereby to realizing benefits of migration.

### **2.5.2 The General International Legal Instruments Applicable on Overseas Employment**

Internationally diagnosed requirements relevant to all migrants Non-nationals experience all of the unalienable rights relevant in global regulation.<sup>91</sup> The International Covenant on Civil and Political Rights ICCPR defines such simple rights of all individuals as: the proper to life, liberty and security; the proper no longer to be held in slavery or servitude; the proper no longer to be subjected to torture or to cruel, inhuman or degrading remedy or punishment; the proper now not to be subjected to arbitrary arrest, detention or exile; the proper to marry and to determine a family. Article two specifies that such rights are furnished except big difference of any kind, such as race, color, sex, language, religion, political or different opinion, countrywide or social origin, property, delivery or different status. The International Covenant on Economic, Social and Cultural Rights ICESCR ensures the proper to work, free preference of employment and simply and favorable prerequisites of work. State events undertake to make sure the proper to structure and be part of alternate unions and understand the proper to social security, inclusive of social insurance, an ample fashionable of living, the very best manageable widespread of bodily and intellectual health, schooling obligatory and free at the major level, and to take phase in cultural existence and advantage from scientific progress. ICESCR is aspirational in many respects, with State events committing to take steps, personally and thru global help and co-operation, mainly financial and technical, to the most of its accessible resources, with a view to accomplishing gradually the full consciousness of the rights diagnosed in the current Covenant by way of all terrific means,

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<sup>91</sup> Ibid

inclusive of mainly the adoption of legislative measures.<sup>92</sup> In a clause particularly referring to non-nationals, the ICESCR acknowledges that Developing countries, with due regard to human rights and their country wide economy, may additionally decide to what extent they would warranty the monetary rights diagnosed in the current Covenant to non-nationals. The Convention on the Elimination of All Forms of Discrimination Against Women CEDAW consists of a wide variety of provisions relevant to migrant women, along with but now not restricted to the removal of intercourse position stereotyping Article 5, suppression of site visitors in ladies and exploitation of prostitutes Article 6, and an cease of discrimination in the area of employment and citizenship Articles 3, nine and eleven Article 14 requires State Parties to act to do away with gender discrimination in rural areas. Protection from such discrimination is essential in supporting to make certain that rural female want no longer migrate in search of their rights and employment opportunities. The Convention on the Rights of the Child CRC consists of quite a few articles beneficial in defending migrant adolescents (for example, Article 11 proscribes trafficking of kids below 18 years old; Article 19 requires States to guard teens from violence, abuse, neglect, exploitation and sexual abuse. Each of these devices has a mechanism via which State events file on their development in watching the conference standards.

The Treaty Monitoring Bodies TMB to which State events file are the Human Rights Committee which video display units implementation of the ICCPR, the Committee on Economic Social and Cultural Rights, the Committee on the Elimination of Racial Discrimination, the Committee on the Elimination of Discrimination in opposition to Women, the Committee on the Rights of the Child. A current find out about posted by means of the International Catholic Migration Commission and December 18 observed that about 1/2 of the conclusions of these our bodies reference migrant-related troubles.<sup>93</sup> In some cases, the TMBs specific difficulty over violations, mainly discriminatory remedy of non-nationals, racism and xenophobia, absence of labour protections, and human trafficking and different exploitation, specifically of ladies and youngsters.<sup>94</sup> The TBMs additionally file fine steps taken via State parties, inclusive of rules to shield the rights of non-nationals, to adjust the

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<sup>92</sup> The UN International Convention on the Protection of All Migrant Workers and Members of their Families of 1991," prepared for the Global Commission on International Migration, January 2005, P- 23

<sup>93</sup> S. Hune, "Migrant Women in the Context of the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families," International Migration Review, 25/4,

<sup>94</sup> Supra not 93

moves of labour recruiters and employers of overseas workers, to regularize the popularity of these in irregular status, and to guard individuals who have been trafficked.<sup>95</sup> The document notes, however, that 50 percentage of State reviews do now not encompass references to safety of migrant rights and identifies a range of troubles protected in the Migrant Rights Convention however now not in the different human rights instruments.

The conclusions on migrant rights are regularly indistinct and supply too little coaching on steps that have to be taken better to guard the rights of migrants. Beyond these widely wide-spread rights, the rights of individuals shifting throughout borders differ relying on the functions of their motion and the situations they will face upon return to their domestic countries. The following sections talk about the rights of three classes of persons: migrant workers, inclusive of each prison and irregular migrants; refugees and displaced persons; and trafficked and smuggled persons. The part similarly discusses the proper to household solidarity as it impacts migrants. Also blanketed in this area is a dialogue of the rights of folks to a nationality and the associated problem of statelessness.<sup>96</sup>

### **2.5.3. Specific International Legal Instrument Applicable on Overseas Instrument**

A range of nations have ratified conventions backed by means of the International Labour Organization (ILO) particularly defending the rights of migrants. Forty-two nations have ratified the Convention regarding Migration for Employment (Revised) (No. 97), which obligates States to grant free and correct facts to migrants to stop deceptive propaganda to facilitate the departure, experience and reception of migrants, to forestall discrimination in opposition to migrants, and to allow remittances.

Eighteen nations have ratified the Convention regarding Migrations in Abusive Conditions and the Promotion of Equality of Opportunity and Treatment of Migrant Workers.<sup>97</sup> This Convention requires States to admire the human rights of migrants Article 1, to investigate, display and suppress trafficking (Article 2, 3, and 6), and to supply equality of possibility and therapy for in the areas of employment, social security, unions, and cultural rights. Other applicable ILO conventions are the Convention regarding Forced or Compulsory Labour. The Convention Concerning Abolition of Forced Labour the Equal Remuneration Convention

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<sup>95</sup> Ibid

<sup>96</sup> Linda S. Bosniak, State Sovereignty, Human Rights and the New U. N. Migrant Workers Convention, 86 American Society for International Law, Proc. 623 (1992)

<sup>97</sup> ILO conention No. 143

and the Discrimination Employment and Occupation is moreover segment of jail framework.<sup>98</sup>

UN Convention on the Rights of All Migrant Workers and Members of their Families the UN Migrant Workers Convention MWC builds on the International Labour organization's conventions as properly as the core human rights units referenced above. It reaffirms primary human rights norms and embodies them in an instrument relevant to migrant people and their families. The underlying purpose of the Convention is to assurance minimal rights for migrant people and participants of their households who are in prison or undocumented/irregular situation. However, the variety of states ratifying the conference is nevertheless disappointingly small.<sup>99</sup> No fundamental destination states of migrants have ratified it, elevating in addition questions about its effectiveness.<sup>100</sup> The conference affirms human rights of migrant's people and contributors of their households which reaffirms the human rights of all migrants regardless of their felony status, and "Other rights of migrant people which units out extra rights applicant solely to migrant employees in a normal situation. Documented migrants are described as these licensed to enter, to remain and interact in a remunerated undertaking in the State of employment pursuant to the regulation of that State and to global agreements to which that State is a birthday celebration Article five A quantity of provisions center of attention on the proper of all migrants, along with these in irregular conditions that limit torture or cruel, inhuman or degrading therapy or punishment. It prohibits slavery or servitude and compelled or obligatory labour. It additionally affords for freedom of thought, faith and conscience, the proper of expression, prohibits arbitrary or illegal interference with privateers or assaults on honor and recognition and prohibits arbitrary denial of property. It entitles migrants to fine safety by using the State in opposition to violence, bodily injury, threats, and intimidation, whether or not via public officers or with the aid of personal individuals, corporations or institutions. It prohibits collective expulsion and units out the rights of migrants in expulsion proceedings. It offers the proper of all migrants to be seeking the safety and help of the consular or diplomatic officers of their nations of starting place.

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<sup>98</sup> ILO convention No. 105, and ILO convention No. 100,

<sup>99</sup> 1969 OAU Convention Governing the Specific Aspects of Refugee Problems in Africa, UNTS No. 14 p-691

<sup>100</sup> Migrant Workers: Report of the Special Rapporteur on Migrant Workers, U. N. ESCOR, 60 Sess. , Agenda Item 14(a), 40, U. N. Doc. E/CN. 4/2004/76.

National legal guidelines and processes for most migrant workers, country wide legal guidelines and processes stay the foremost help or barrier to the workout of rights. These legal guidelines differ significantly, however, in the extent to which they defend the rights of migrant employees.<sup>101</sup> A vary of things to do will assist migrant employees higher defend their rights. These consist of recognize your rights education packages for employees who migrate. The better-informed people are prior to migrating, the higher capable they are to assert their rights. This is mainly the case for contract workers who might also have little thinking of the wages or working stipulations to which they are entitled. Similarly, people migrating to be a part of household contributors want to understand and apprehend their rights, each in relationship to their spouses or youngsters in particular related to home violence and in relationship to their immigration status. Access to language education publications in vacation spot nations will additionally assist migrant people to analyze of and assert their rights when employers or household individuals violate them. Often, noticeably restrictive and harmful contracts signed via migrant employees are in a language they do now not apprehend.<sup>102</sup>

## **2.6. The Ethiopian Overseas Employment Regulatory Legal Framework**

### **2.6.1. The FDRE Constitution**

The constitution of The Federal Democratic Republic of Ethiopia (FDRE) obliges any government or private organs to make sure promulgation and implementation of the laws be guided by the principles and objectives specified under it as per article 9(4). Given this provision, national legal framework concerning the overseas employment deployment traces its legitimacy to accord recognition and implementation of constitutional rights indicated under Article 32 of the constitution which guarantees freedom of movement to any person. In the absence of complete country wide labour migration policy, Ethiopia enacted exclusive legal guidelines that are supposed to manipulate and adjust distant places labour migration in accordance with provisions Art 6 & 33 of the Constitution offers with the trouble of nationality. While Art 6 presents about obtaining Ethiopian nationality, Art 33 offers safety to rights of Ethiopian nationality. According to Art 6(1) of the charter any man or woman of

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<sup>101</sup> Aleinikoff, Migration and International Legal Norms, p. 21.

<sup>102</sup> Patrick Weil, Access to citizenship: A comparison of twenty-five nationality laws, in T. A. Aleinikoff and D. Klusmeyer, eds. , Citizenship Today: Global Perspectives and Practices, Washington, D. C. : Carnegie Endowment for International Peace, 2001.

both intercourse shall be an Ethiopian countrywide the place each or both mum or dad is Ethiopian. This proper is included through the charter so that no Ethiopian country wide shall be pressured to deprive it towards his or her will. And he or she entitled to the enjoyment of all rights, safety and advantages derived from Ethiopian nationality as prescribed by using regulation (Art 33(1 & 2)).

Furthermore, freedom of action is certain under Art 32 of the constitution. Accordingly, any Ethiopian or foreign places United States extensive lawfully in Ethiopia can move, pick out his/her residence, inner the country wide territory, and can go away the U.S.A. at any time he/she wishes. Also any Ethiopian U.S.A. broad has the suitable to return to his/her country. More importantly, trafficking in human beings for something motive and forced or compulsory labour is prohibited beneath Art 18 (2 & 3) of the constitution.<sup>103</sup>

Ethiopia is one of a few African nations that ILO in 1923 as a founding individuals of ILO. The International Labor Organization (ILO) is committed to merchandising social justice and internationally identified human and labour rights, pursuing its founding mission that labour peace is critical to prosperity. ILO from of the time of its inception has ratified a hundred ninety worldwide conventions and of a hundred ninety 0conventions Ethiopia has ratified 23 Conventions which includes the eight Fundamental Conventions. Out of the 23 Conventions ratified with the aid of Ethiopia, 22 are in pressure and 1 Convention has been denounced. Decent Work remains a characteristic of modern-day labour markets in Ethiopia. Those ILO conventions that have been ratified are made phase of the necessary aw of the land by means of advantage article 9(4) of the FDRE constitution. Cognizant of the relevance of worldwide prison contraptions for distant places labour migration governance and practices, Ethiopia ratified conventions C105-Abolition of Forced Labour Convention, 1957 (No. 105) in 1999, employee's age C138 - Minimum Age Convention, 1973 ratified it in 1999), increase countrywide employment coverage on occupational security and heal (ratified in 1999) C155-Occupational Safety and Health Convention, 1981: institution and engagement of PEAs in foreign places labour deployment C181; Private Employment Agencies Convention, 1997 ratified in 1999; and economic, social and cultural rights (International Covenant on Economic, Social and Cultural Rights- 1966 ratified in 1993); International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families : Convention for the Suppression of the Traffic in Persons and of the Exploitation of the

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<sup>103</sup>UNDP, Ethiopia's Progress Towards Eradicating Poverty, 2018

Prostitution of Others, are some of the unique worldwide contraptions that to grant parameters for the legislation of global migration and requirements for human rights and the safety of the rights of people employed outdoor their international locations of foundation has ratified in UN machine.<sup>104</sup>

The conventions are tool to suppress any form of forced or compulsory labour, sources of setting standards on the kinds of activities in the employment contract and the rights and duties of an employee and employer; provide for guarantees and facilities to assist migrant workers and their families in all stages of the migration process in labour migration governance with their respective functions and duties stated in them with the commitment for the full application of the Convention in point and other ILO instruments to the extent possible. The ratification by itself would not guarantee the implementation of the conventions and the protection of the rights of migrant workers without the technical support of the ILO. Hence the support of ILO is in collaboration with other development partners to Ethiopia of crucial importance for achieving social justice and decent work for all migrant workers. In order undertook such obligations Ethiopian government has signed agreement with ILO to establish the establishment of an office of the organization in Addis Ababa on 10 December 1964.

The Ethiopian government secured technical assistance and support from UNDP and Italy partners in the field of employment creation; enhance smooth school-to-work transition conduct comprehensive legal framework on migration governance and employment creation programs in the country.<sup>105</sup> The agreement is a reflection of Ethiopia's' mutual collaboration for closer collaboration between the two organizations for the realization of social justice, through the promotion of decent work encompassing international labour standards, labour migration governance for development and integration, inclusive economic growth, skills development, employment, industrial relations, social protection and social dialogue to further intensify collaboration between the Ethiopia and the ILO, on a non-exclusive basis, in areas of common interest and to establish the arrangements necessary for the implementation of the agreed areas of creation pf decent work for migrant worker's right enshrined under international instruments that specifically apply to migrant workers.<sup>106</sup>

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<sup>104</sup>Compendium of International Labour Conventions and Recommendations (ILO) 08 October 2015 pdf

<sup>105</sup> ILO and UNIDO (United Nations Industrial Development Organization) signed grant agreements with the Italian Embassy on July 28, 2016. Addis Ababa, Ethiopia

<sup>106</sup> Ibid

Furthermore Ethiopia has been instrumental in the ratification method of the Global Compact for Safe, Orderly and Regular Migration GCM from its inception. The GCM was once signed on 10 and eleven December 2018 in Marrakesh, Morocco, in the presence of Heads of State and senior representatives of more than a few member states, recognizing the New York Declaration for Refugees and Migrants and acknowledging its multifaceted contribution to strengthening worldwide migration management, cooperation and coordination.<sup>107</sup>

The Government is mandated to promote first rate employment possibilities and labour productivity. To manipulate the unemployment stress and maximize the positive factors of labour migration, the Government of Ethiopia has reshuffled current Labour legal guidelines observed by means of the ban of labour migration to Middle East international locations due elevated deportation of home labour migrant quite from Saudi Arabia on account that 2013.<sup>108</sup> The authorities being accountable is signing bilateral agreements with nations involved in importing labour from Ethiopia. Thus, bilateral agreements with special nations had been supposed to get make certain get right of entry to to international labour market for its citizens. Such bilateral negotiation effort primarily based cooperation and the precept of reciprocity would assist foster ordinary labour migration to meet the grant and demand wishes labour markets in accordance to the monetary development of the international locations to collectively promote safety of the proper of migrant people and mutual dedication foe the enforcement of worldwide labour standards. Some research hail that bilateral settlement between international locations of each knowledgeable and unskilled labour surplus and of labour scarcity and decrease recourse to irregular migration. These agreements might also be initiated due to political motives or to set up pleasant relationships and combating irregular migration amongst others. Whatever the motives may additionally be, these agreements formalize every side's dedication to make sure that labour migration takes vicinity in accordance with agreed ideas and popular processes.<sup>109</sup>

The most common mechanisms for regulating interstate labour migration are various types of bilateral agreement is a formal bilateral agreement sets out each side's commitments and may provide for quotas for skilled and unskilled labour migrant according the type of work in countries demanding labour migration. In this regard the experience of the Uganda had

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<sup>107</sup> African regional overview of implementation of the Global Compact for Safe, Orderly and Regular Migration (GCM 2021

<sup>108</sup>IOM(<http://www.mixedmigration.org/region/east-Africa>).

<sup>109</sup>Regarding reasons for signing bilateral agreement, Stalker (2008) explains that

signed two strands of bilateral agreement based on the highly skilled migrant workers and low skilled migrant workers demand in different countries. Uganda and South Sudan negotiated to deploy about 60 low skill migrant in south Sudan and bilateral negotiation with Trinidad and Tobago have approached Uganda requesting highly skilled medical personnel.<sup>110</sup> These agreements promote an orderly migration process, curbing reliance on irregular migration. However, it is not yet clear how Uganda is applying the BLA advantages for its citizens to ensure occupational skills for domestic investments in the future.<sup>111</sup>

Ethiopian authorities policies have traditionally limited migration. Barriers to inside and global migration are nonetheless prevalent, even though insurance policies are evolving. While encouraging, the Plan does now not set up small print on how to reap these goals. Regulations for global labor migration have also advanced in latest years. Ethiopia used to be a signatory to the Global Compact for Safe, Orderly and Regular Migration (GCM) structure its inception. Some objectives of GTP II have direct hyperlink with overseas employment such as, decreasing poverty, ending of malnutrition especially for adolescent ladies and pregnant women, presenting schooling to all, empowering women, making sure secure consuming water, reaching hygiene, sustaining per capita earnings and greater stage productivity, enhancing aid efficiency, attaining first rate work for all ladies and men, eradicating pressure labour, defending labour rights, lowering transaction prices of migrant remittances, attaining higher equality and facilitate orderly, safe, everyday and accountable migration and mobility of people, together with via the implementation of deliberate and well-managed migration insurance policies are at once associated to distant places employment.<sup>112</sup> Less formal is a Memorandum of Understanding (MOU). The Ethiopian authorities has signed memorandum of perception with 4 Middle East and Gulf countries, particularly the Kingdom of Saudi Arabia, Jordan, Qatar and Kuwait; moreover, a bilateral settlement with Lebanon is in the negotiation system and anticipated to be concluded in the close to future accompanied by means of raise of ban in 2018.<sup>113</sup> Most international locations of vacation spot decide on MOUs, possibly due to the fact as non-binding agreements, they

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<sup>110</sup> Parliament of Uganda (2019) “Motion for a resolution of Parliament to institute an inquiry into the status of the Uganda Association of External Recruitment Agencies Monitoring Fund: (moved under rules 55 & 56 of the rules of procedure of parliament) and ARISE MAGAINE 2021

<sup>111</sup> Ibid

<sup>112</sup> Ibid

<sup>113</sup> Supra note at 122

are simpler to negotiate and put in force and to alter in accordance to altering financial and labour market conditions.<sup>114</sup>

The classification of bilateral agreements is based on the level of formality and flexibility. Though Ethiopian government has initiated bilateral negotiation and agreement regarding overseas employment due to lack of effective mechanism to implement the terms of negotiation and sometimes lack of bilateral agreement has caused almost all domestic migrant workers in the Middle East countries to work in abusive and exploitative conditions, those working in Lebanon face unbearable labor exploitation, physical and emotional abuses, as well as sexual and moral abuse, as the Lebanese labor law does not protect migrant domestic workers, whether they are regular or irregular migrants.<sup>115</sup> The bilateral agreement that would averted the plight of Migrant workers and due to the failure of such efforts migrant worker are vulnerable to abuses and exploitation, because the labor laws of some of the destination countries do not protect and respect the rights of the immigrant workers Female migrant workers in general, and domestic workers in particular, are the most vulnerable to every sort of abuses and exploitation in the destination countries due to the nature of work they undertake.

Bilateral agreement particularly concerning job externalization triggers a complex relationship that incorporates several variables that have to be taken in consideration including constraints set due to the engagement of the country in regional or multilateral binding agreements. What makes a labour market rigid is thus the difficulty for employers to justify dismissals and the large indemnities that they may have to pay if they want to fire workers due to economic reasons or other unjustified reasons in the countries of destination.<sup>116</sup> The bilateral agreement that Ethiopia had signed so far lack procedure to deal the application of law and of compensation for unlawful dismissal by imposing workers to sign a resignation letter before being formally recruited. BLAs fails to address comparative advantage indicator which might characterize a certain sector does not necessarily coincide in practice with job creation if the forward and backward linkages of this specific sector a situation where workers may be dismissed at any time. It is nevertheless important to note that temporary labour contracts conflict with the principle of job stability and security for workers, unless broader employment security measures are adopted through labour market

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<sup>114</sup>Yeshiwas D Migration and State Responsibility: Ethiopian Domestic Workers in Lebanon. 2014

<sup>115</sup> Ibid

<sup>116</sup> Ibid

policies are critically negotiated. In situation where the Labour Law of destination states fail to mention any condition to prevent fraud consisting of the conclusion of an endless sequence of fixed-term contracts to avoid the costs which employers may have to face when they have to dismiss workers employed with a permanent contract.<sup>117</sup>

Although bilateral agreement can serve as overseas labour migration tools to establish relations, they also have shortcomings. To this end, empirical studies indicate that while bilateral agreements can play an important role in ensuring that the labour rights of overseas employees, in practice they exhibit a number of shortcomings regarding their design, content, monitoring, implementation and impact.<sup>118</sup> In this regard, MoFA Middle East Directorate Director also observed, while bilateral agreements and employment contracts state that a PEA is accountable to follow up and monitor employees it deploys throughout the contract period, PEAs actually follow up migrant workers deployed only for 3 months.

The signing of bilateral agreements and employment contracts may not guarantee effective labour migration management unless other elements such as actors have more commitment and synergy. In general bilateral agreements are one of the tools used in the management of overseas labour migration through establishing actors in the migration infrastructure. Of the specific ILO Convention concerning migrant workers is the Migration for Employment C97 ((Revised) that defines migrant for employment as a person who migrates from one country to another with a view to being employed. It obligates the state parties to provide free and accurate information to migrants to prevent misleading propaganda to facilitate the departure, journey and reception of migrants, to prevent discrimination against migrants), and to permit remittances as provided in the all other pertinent ILO conventions. This convention separately emphasizes the human rights of migrant employees i.e. overseas employees commonly applicable human rights and specific rights of overseas employees per se. It obligates state parties to the convention to prevent, protect and promote minimum standards of humanity enshrined under international human rights.<sup>119</sup> The convention then urges the state parties to provide equality of opportunity and treatment for in the areas of employment, social security, unions, and cultural rights. It extends to prevent and protect sexual

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<sup>117</sup> See supra note 112

<sup>118</sup> Kibret Markos : The Treatment of Somali Refugees in Ethiopia under Ethiopian and International Law International Journal of Refugee Law, Volume 9, Issue 3, July 1997, Pages 365–391 available <https://doi.org/10.1093/ijrl/9.3.365>

<sup>119</sup> ILO Convention 97 Article 1

harassment, lost wages and other violations of their labour rights , consular protection that destination countries would provide legal aid can extend to covering the costs of such representation.<sup>120</sup>It also dealt with non-governmental organizations and trade unions that can play important roles in providing legal support in such cases.

Associations of migrant workers can be useful rallying points for identifying problems and seeking legal redress. Destination countries would provide shelter and social services to migrant workers who have experienced abuse are essential to protecting their rights. Migrant workers who decide to return home after escaping abusive conditions may also need assistance in repatriation and reintegration. Non-governmental organizations, religious institutions and trade unions provide such assistance in a number of countries.<sup>121</sup> The issue of migrant workers' human rights has been the subject of increasing concern throughout the UN system in the recent years. Numerous international legal instruments are established to provide parameters for the protection of human and labor rights that can be applicable to all migrant worker generally, international law rules provide a dual form of protection for migrants: general protection under human rights treaties applicable to all persons and specific protection applicable to migrants. Thus, migrants, like all rights holders, are protected by the International Bill of Human Rights, as well as a number of other international instruments note. 14 The two ILO instruments that explicitly provides for the protection of migrant workers are the Migration for Employment Convention of 1949 (No. 97) and the Migrant Workers Convention of 1975 (No. 143) as well as their accompanying Recommendations. Convention No. 97 is applicable for legal migrants and focuses on recruitment and working conditions of migrants and their equal treatment with citizens of the state Whereas, the Convention No.143 addresses issues of migrants under abusive conditions and provides specific rights. The irregular entry, employment and residence of foreign workers have emerged as a disturbing trend, against which governments and the international community have endeavored to take action.<sup>122</sup>These laws maximize protection for migrant workers by requiring agencies or their local affiliates to maintain a shelter for abused workers in each destination country, increasing agencies' cash and bond deposits as collateral in the event the

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<sup>120</sup> Ibid article 6 (b)

<sup>121</sup> Ibid article 5

<sup>122</sup> AsnakeKefale and ZerihunMohammed :Ethiopian Labour Migration to the Gulf and South Africa : Forum for Social Studies. June 2015

worker's contract is broken, and mandating the establishment of labor attaché positions in diplomatic missions abroad. However, the legal instruments and frameworks in Ethiopia are still not sufficient to provide the needed support to migrants abroad. For one thing Ethiopia does not signed the most important international UN and ILO conventions that provide for maximum protection for migrant workers. Even if the legal frameworks are updated there is still a question of for enforcement. Therefore the Ethiopia government has to exert its maximum effort to protect the migrant workers' rights.

There is a close link between migrant labour and human rights abuses such as forced labour, modern slavery and child labour, as migrant workers are often in situations of vulnerability.<sup>123</sup> Migrant workers often face challenges to and abuse of their human and labour rights in the workplace due to discrimination against them. The most common forms of violations are include unfair recruitment practices, such as charging fees, requiring migrants to put up a bond, or giving misleading or incorrect information about a promised job Trafficking or smuggling workers across borders for work, and/or entering the worker into forced labour in the new destination Unequal access to employment rights, remuneration, social security, trade union rights, employment taxes or access to legal proceedings and remediation.

Besides ILO instruments specific to migrant worker, Ethiopia has ratified bill of international human rights laws which contains the nonbinding Universal Declaration of Human Rights though most of its provisions are generally recognized as constituting International Customary Law and two general human rights treaties, the International Covenant on Civil and Political Rights ICCPR and the International Covenant on Economic, Social and Cultural Rights ICESCR. The other relevant human rights instruments that apply to migrant worker include Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) (1979) consolidates the provisions of existing UN instruments concerning discrimination on the basis of sex and applies to citizens and non-citizens: The International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) (1965), Other human rights instruments of relevance to migrant workers include the International Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT) (1984) and the International Convention on the Rights of the Child (CRC)

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<sup>123</sup>[International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families](#). Adopted by General Assembly resolution 45/158, 1990.

(1989).<sup>124</sup> Neither Ethiopia nor major destination country of migrants has yet ratified ILO convention 97 and 143 that provokes further questions about its effectiveness.<sup>125</sup> The Convention defines the rights of migrant workers under two main headings: The human rights of migrant's workers and members of their families which reaffirms the human rights of all migrants regardless of their legal status, and Other rights of migrant workers which sets out additional rights applicable only to migrant workers in a regular situation. Documented migrants are defined as those authorized to enter, to stay and engage in a remunerated activity in the State of employment pursuant to the law of that State and to international agreements. A number of provisions focus on the right of all migrants, including those in irregular situations. National laws and procedures of Ethiopia for most migrant workers, remain the principal support or barrier to the exercise of rights. These laws vary significantly, however, in the extent to which they protect the rights of migrant workers.<sup>126</sup> A range of activities will help migrant workers better protect their rights. These include know your rights training programs for workers who migrate.

The better-informed workers are prior to migrating, the better able they are to assert their rights. This is particularly the case for contract migrant worker who may have little idea of the wages or working conditions to which they are entitled. Similarly, workers migrating to join family members need to know and understand their rights, both in relationship to their spouses or children particularly regarding domestic violence and in relationship to their immigration status.

### **2.6.2. Overseas Employment Proclamations**

Overseas Employment is governed by Ethiopia's Overseas Employment Proclamation No 923/2016 and its amendment Proclamation No 1246/2021. This Proclamation No 923/2016 came into force repealing the Employment Exchange Service Proclamation No 632/2009. As stated in the preamble of the overseas proclamation is fundamental theme of the proclamation is to ensure the rights, dignity and safety of Ethiopian workers overseas. Accordingly, the Proclamation mentions three (3) ways in which employment overseas could be conducted.

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<sup>124</sup> Available [https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjIj\\_-Io7-EAxXvavEDHX83DNYQFnoECBEQAQ&url=https%3A%2F%2Fwww.ohchr.org%2FDocuments%2FPublications%2FCompilation1.1en.pdf&usg=AOvVaw0iz2IHpoz8rEMclee6H4EA&opi=89978449](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjIj_-Io7-EAxXvavEDHX83DNYQFnoECBEQAQ&url=https%3A%2F%2Fwww.ohchr.org%2FDocuments%2FPublications%2FCompilation1.1en.pdf&usg=AOvVaw0iz2IHpoz8rEMclee6H4EA&opi=89978449)

<sup>125</sup> Migrant Workers: Report of the Special Rapporteur on Migrant Workers, U. N. ESCOR, 60 Sess. , Agenda Item 14(a), 40, U. N. Doc. E/CN. 4/2004/76.

<sup>126</sup> Aleinikoff, Migration and International Legal Norms, p. 21.

The first is through public employment exchanges, second are through private agencies and third are through direct employment. Public employment exchange service is an overseas employment service conducted through government to government. The Ethiopian overseas employment proclamation envisages that the primary government organ responsible for public employment exchange is the Ministry of Labour and Skills (formerly Ministry of Labour and Social Affairs). The Ministry of Labour and Skills (the Ministry) entrusted with task to provide regular recruitment and placement services to government organizations in recipient countries based on government to government agreement. The previous overseas Employment Proclamation (923/2016) is among the national legislations that had attempted to regulate labour migration from Ethiopia. In response to the growing number of labour migrants from Ethiopia and the rise in reports of abuse against Ethiopian labour migrants in some of the destination states the then employment Exchange Service Proclamation 632/2004 was revised that brings the Overseas Employment Proclamation (923/2016) in to picture.

The factors that had precipitated revision were partly a result of increasing reports of abuse of Ethiopian labour migrants that had faced difficulties in the Middle East countries. The overseas employment proclamation 923/2016 envisages three types of overseas recruitment: recruitment through public employment services, based on intergovernmental agreements; recruitment through Private Employment agencies and mechanisms of direct recruitment by employers in abroad.<sup>127</sup> In any of the recruitment mechanisms, a written employment contract approved by the then ministry of social and labour affairs (MoJSA) which later changed into ministry of jobs and skills. The ministry was expected to register employment contracts, regularly monitor the private agencies licensed, and communicate with the labour attachés in destination countries to ensure the protection of migrant workers.<sup>128</sup> In addition to the license requirements, the overseas agencies are expected to have a representative consular office in the destination country. This office is expected to have sufficient facilities that provide temporary food and shelter to migrants upon their arrival. In Ethiopia, the PEAs are also expected to have an office where they can provide pre-employment and pre-recruitment orientations as instructed by the Ministry of Labor and Social Affairs. The PEAs are

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<sup>127</sup>Migration Policy Framework for Africa (MPFA) (2018-2030)[https:// au.int/sites/ default/files/ documents/ 35956-doc-au-mpfa-executive-summary-eng.pdf](https://au.int/sites/default/files/documents/35956-doc-au-mpfa-executive-summary-eng.pdf) Last visited 01 Oct,2023

<sup>128</sup> Ibid

responsible for follow-up on contracts, capacity of overseas employees to pay wages, and safety of migrants. The proclamation sought to provide protection to labour migrants and regulating overseas employment of Ethiopian nationals. However, the proclamation is restricted to unskilled labour migrants traveling to the Middle East through private employment agencies (PEAs). The 2016 proclamation requested bilateral labour agreement (BLA) between Ethiopia and receiving countries. At present Ethiopia has BLAs with Jordan, Qatar, Saudi Arabia, and the United Arab Emirates.

The BLAs specify the working conditions of migrant workers and the necessary conditions for Ethiopian labour migrants to work in the respective countries. The proclamation further states pre-departure training as a requirement. These include pre-employment and pre-departure awareness rising on the conditions of destination countries, the required skill for a job, and rights and duties. Migrants are expected to meet all the necessary qualifications, which include completing training, have a grade eight education, and a certificate of educational competence. PEAs also provide short term pre-employment orientation and counseling services.<sup>129</sup>

The previous proclamation has entrusted MoJSA with the task with providing regular pre-employment and pre-departure awareness rising to citizens who show interest to take-up overseas employment pertaining to the conditions of receiving countries. A pre-departure training manual has been developed by the ministry in 2016 together with EU, ILO and UN Women (ILO 2016). TVET (Technical Vocational Education and Training) agencies provide occupational training to migrants and provide certificates of occupational competence in line with the occupational standards for labour migration developed by MoJSA.<sup>130</sup> The other proclamation was the Private Employment Agency Proclamation No. 104/1998, contains the major legal regimes of Ethiopia that protects migrant works. The proclamation, among other things, define the role of public and private employment agencies in employment exchange, aimed at providing protection of the rights, safety and dignity of Ethiopians going abroad for employment, strengthen the mechanism for monitoring and regulating domestic and overseas employment exchange services. Among others, Art 16(4) authorizes the Ministry of labour

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<sup>129</sup> Ibid

<sup>130</sup> Federal Democratic Republic of Ethiopia (National Voluntary Report on the Implementation of the Global Compact on Migration for the United Nations Economic Commission for Africa. National Partnership Coalition (NPC) on Migration (FDRE) 2020.

and social affairs, to approve and register contractual agreements that made between a private employment agency sending worker abroad and worker. The proclamation also contains number of provisions that regulating about the obligations and responsibilities of private employment agencies that are legally engaged in business of sending workers for employment abroad.<sup>131</sup> Ethiopia's Overseas Employment Proclamation Amendment (No. 1246/2021).The amendments mainly include the exclusion of the requirement for 8th grade education for any worker who desires to take-up overseas employment.

Under the revised proclamation, workers are only required to provide certificate of occupational competence.<sup>132</sup> Overseas Employment is governed by Ethiopia's Overseas Employment Proclamation No 923/2016 and its amendment Proclamation No 1246/2021. This Proclamation No 923/2016 came into force repealing the Employment Exchange Service Proclamation No 632/2009. The current overseas employment proclamation governing the overseas employment has introduced mechanisms that are almost similar to the previous approach in some regard. The first is through public employment exchanges, second are through private agencies and third are through direct employment. Public employment exchange service is an overseas employment service conducted through government to government. The Ethiopian overseas employment proclamation envisages that the primary government organ responsible for public employment exchange is the Ministry of Labour and Skills (formerly Ministry of Labour and Social Affairs).

The Ministry of Labour and Skills (the Ministry) entrusted with task to provide regular recruitment and placement services to government organizations in recipient countries based on government to government agreement. As regard to job seekers in abroad the educational requirement of completion of 8th grade has been left out in the amendment Proclamation. Similarly the amendment Proclamation changed the requirement of mandatory existence of bilateral agreement with receiving state for deployment of overseas workers. Deployment of overseas workers is allowed to countries where there is bilateral agreement or as the case may be a Memorandum of Understanding with the receiving country.<sup>133</sup> However, where there is no bilateral agreement or MOU, if the employment agency managed to acquire job opportunities for skilled workers, the government may render green light to proceed by

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<sup>131</sup> Ibid

<sup>132</sup> Supra note 128

<sup>133</sup> Ibid

signing an agreement with the receiving country's company. Moreover, the employer is obliged by law to buy from the domestic market insurance for life and disability for the benefit of the worker deployed overseas. Other than domestic workers, skilled workers who are employed overseas through an agency shall pay the agency an amount of one month salary over four payment periods. In conclusion, Ethiopia's Overseas Employment Proclamation and amendment are enacted with the purpose of protecting the rights, dignity and safety of Ethiopian workers abroad. The vehicles through which employment overseas were conducted include public employment exchange, private agencies and direct employment. Recently, the need to migrate and work overseas has expanded in terms of skills and recipient countries. The government needs to take proactive measures and sign and execute as many bilateral agreements as possible. There is a need to devise a way to work through the Proclamation to meet the timely needs of millions of Ethiopians who wish to migrate overseas and work.

## CHAPTER THREE

### 3. Overseas Employment and Remittances Implications for Economic Development and Future Perspective

#### 3.1. Introduction

In the past, the migration to overseas work was considered as bad or harmful by the society. This attitude has been improving from time to time among the society. Today, overseas migration for work is on the rise. As a result, the lives of both the migrant workers and the families of migrant workers have improved by remittances that sent by migrant workers. In addition, the remittance sent by migrant workers to the country has a significant impact on the country's development. Therefore, in this chapter, we will be explored in detail about the implications of overseas employment for the development of the country and its future prospects.

#### 3.2. International Perspectives of Remittance Flow Regulation

For developing countries to earn high foreign exchange earnings, it is important to send overseas employee for employment abroad. The recorded flows of money sent home from the 191 million worldwide migrants working abroad, remittances, have now reached almost \$800 billion in 2022.<sup>134</sup> According World Bank working report least 50 per cent of remittances are sent through informal channels, which are not recorded. Due to the importance of foreign remittances most of the Labor exporting countries have re-designed policies to attract flows of remittances from their migrant workers abroad. As extensively discussed in the preceding section Ethiopia is no exception to these assertion.

The utilization of these remittances from overseas employment is a crucial factor in determining their impact upon a country's growth and development. Remittance is one of the fastest growing components, of foreign exchange earnings. In this section the efficacy of legal framework of Ethiopia in terms of the costs, type, scope, benefits and measures needed to ensure their optimal use in domestic savings and investment. A remittance broadly refers to whenever migrant's persons that are employed abroad send to origin country part or all of their earnings in the form of either cash or goods to support their families. These represent the largest source of foreign income for many developing economies.<sup>135</sup>

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<sup>134</sup> World Economic forum Financial and Monetary Systems 2Feb, 2023

<sup>135</sup> World Bank, Migration and Development Brief 33, October 2020.

Remittances typically flow from developed economies to emerging markets and developing economies are substantial, ranking as high as or higher than official development assistance and foreign direct investment in various countries in Africa.<sup>136</sup> Overseas employment remittance is part and parcel of broad spectrum of remittance source and it a transfer of cash or materials from an overseas employee to their family or other individuals in their home countries. The remittance gain from overseas employment has a positive and significant impact on economic development. Remittances in general overseas employment from remittance have sharply increased recently given the positive role of remittances in improving the well-being of family members that directly boost the economies of receiving countries.<sup>137</sup> In order to benefit from it many countries have embarked on formulation of specific policies, strategies and legal framework that will enable developing economies to get the greatest benefit possible from these remittance inflows. The link between the remittances and overseas employment is two folds. Firstly the labour supply side is the subject of exchange in the market of the product of a good or a service. In the labor market, the Labor service is considered to be the place of exchange in this market and cannot be separated from those who perform it. As one can easily see those overseas employments have enormous benefit for both labor sending countries and destination countries. Secondly it is obvious that the origin country i.e. labour sending countries benefit in receiving remittance sent to by individuals to the home countries for most of labour migrant send money to their families and through formal or informal channels.<sup>138</sup>

Overseas employment can also benefit destination countries as study of the GCC countries found that need low-paid foreign employees mostly from third world countries contributed to facilitating presence of foreign manpower keeping prices of goods and services low and fairly stable the availability of such low-wage employment reduces the cost of production of companies and enterprises, the cost of wholesale and retail trade and the cost of storage, which contributes to lowering the price of goods and paid services by the consumer.<sup>139</sup> Besides the need to access to cheap labour both origin and sending countries benefit from

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<sup>136</sup> Ibid

<sup>137</sup> Azad N.Ghandvar P., Rahimi Z., Online Search Behaviour of Customers in Shoe Market, Astra Salvensis, Supplement No. 2, p. 793, 2017.

<sup>138</sup> Ibid

<sup>139</sup> See Gibson, J., Boe-Gibson, G., Rohorua, H. T. A. S., & McKenzie, D. (2010). Efficient remittance services for development in the Pacific. *Asia-Pacific Development Journal*, 14(2), 55–74.  
<https://doi.org/10.18356/245c03fa-en>

remittances that are sent to the origin. Thus remittance from destination countries has a positive effect on the sending states themselves, particularly if they have financial surpluses; remittances help them to manage fiscal surpluses. It further help them in reduction of inflationary pressures that may arise from financial surpluses remaining in their economies without being used for productive activities and contributing to the revitalization banking services for remittance in sending states where workers remittances diversify and develop regular remittance channels and thus increase the efficiency of these services in terms of rapid transfer of funds and lower cost.<sup>140</sup> Remittances to low- and middle-income countries (LMICs) grew an estimated 3.8% in 2023, moderation from the high gains of the previous two years.<sup>141</sup>

### **3.3. The Determinants of Remittances Inflow to Ethiopia**

A remittances are a very important source of finance usually making up anywhere between 5 and 40 per cent of the country's GDP. The effect of remittances on economic growth varies depending on the level of financial development and institutional environment in recipient countries.<sup>142</sup> Remittances can increase the national disposable income, household savings, domestic investment and the accumulation of physical and human capital. They can reduce the volatility of production and consumption.<sup>143</sup>

A remittance may affect economic growth accompanied by solid financial system and stable political environment would bring the positive effect on economic growth. There are several channels through which remittances may be sent. The benefit of remittances in addition to improvement on the welfare of recipients extends to those with whom the recipients conduct transactions indirectly. So, it should be understood that the inflow of remittances increases the ability of recipient households to join and gain access to financial services, thereby encouraging further growth and expansion of financial inclusion and financial expansion and remittances to developing economies for the last two decades have been 15 times of official transfers, 18 times of official capital flows, more than double private capital flows.<sup>144</sup>

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<sup>140</sup> An interview with MrEyasuKeleme

<sup>141</sup> See World Bank, Migration and Development Brief 33, October 2020

<sup>142</sup> Ibid

<sup>143</sup>FATF, 2018. Improving Global AML/CFT Compliance

<sup>144</sup>Geda, A., Tafere, K. &Amedu, M., 2011. Remittance and Remittance Service Providers in Ethiopia, s.l.: Institute of African Economic Studies.

The financial services may be accessible to overseas employees', but this will not be the situation for the receivers. High costs are mostly due to socioeconomic factors, the financial market and government policy in the sending and the receiving countries. Overseas employee might access official services, but the high costs of operations may discourage other labour migrants with low revenue from sending small amounts. Remittance sending fees are known to be high.<sup>145</sup> The World Bank estimates the cost to be about 10% of the amount sent. At the same time, there is a huge variation in the fees depending on the availability of the recorded data on remittances that is usually imperfect and underestimates the true amount. On the one hand, many developing countries do not report remittance data in their balance of payments. The informal flows are estimated to be very high, in the range of 10% to 50% of recorded remittances.<sup>146</sup> Financial openness can foster global competitiveness through the implementation of international standards and the fear of a flight to quality offered by foreign financial intermediaries that could relax the barriers of remittance inflow. The Ethiopian national financial openness would allow foreign intermediaries to extend the local banking system through financial innovation, which would broaden the scope of financial services and credit availability at lower costs.<sup>147</sup> Financial openness could also help improve the financial system's overall efficiency by crowding out inefficient financial institutions. The main challenges remain how best to assess the impacts of remittances and how to design policies that facilitate the transmission and productive use of remittance flows along with overseas employment policies.<sup>148</sup> The possible policies measures range from easing capital controls to overseas employment policy and laws that could ease remittance flow and the extension of credit by lowering the real return on money and financial assets. Remittance transfer cost, whenever sent by migrant workers back to relatives in their country of origin.<sup>149</sup>

Digitalization of sending remittances countries with that of Ethiopia is paramount importance in this regard. Financial inclusion is also a tool hamper anti-Money laundering (AML)/combating the financing of terrorism (CFT) risk of labour mitigation. Remittances

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<sup>145</sup> Ibid

<sup>146</sup> Ibid

<sup>147</sup> IMF 2005a. Approaches to a Regulatory Framework for Formal and Informal Remittance Systems: Experiences and Lessons. Washington, DC.

<sup>148</sup> Ibid

<sup>149</sup> World Bank : Economic Implications of Remittances and Migration in *Global Economic Prospects 2006*, p 88

are, in most cases, sent from destination country to Ethiopia with the help of providers of remittance services usually operate in Ethiopia that across borders.<sup>150</sup> Naturally, regulation of remittances is inconsistent, and operators and legislators struggle to create regulation that meets public objectives while allowing remittance services and markets to function efficiently in Ethiopia. Reducing the cost of remitting is an important policy objective, which can help to increase the contribution of remittances to the formal economy, enhance financial inclusion of financial instruments, markets, and intermediaries ease the effects of information about profitable investment opportunities, enforcement, and transactions costs and hence do a superior job at providing the main functions of the financial sector in the economy.<sup>151</sup>

### **3.4. Pattern Flow of Remittance**

The global remittance market is expected to grow at a compound annual growth rate of 10.1% from 2022 to 2030 to reach USD 107.80 billion by 2030.<sup>152</sup> Globally, remittance flows are estimated to have increased by 3% from the previous year to USD 860 billion in 2023 and are projected to grow at a nearly similar rate of 3.1% in 2024. The United States continued to be the largest source of remittances. The top five remittance recipient countries in 2023 are India (\$125 billion), Mexico (\$67 billion), China (\$50 billion), the Philippines (\$40 billion), and Egypt (\$24 billion). Dec 18, 2023.<sup>153</sup> India has been the largest recipient of remittances since 2008.<sup>154</sup> Remittance flows to Sub-Saharan Africa are expected to have increased by about 1.9% in 2023 to \$54 billion, driven by strong remittance growth in Mozambique (48.5%), Rwanda (16.8%), and Ethiopia (16%). Remittances to Nigeria, accounting for 38% of remittance flows to the region, grew by about 2%, while two other major recipients, Ghana and Kenya, posted estimated gains of 5.6% and 3.8%, respectively. Fixed exchange rates and capital controls are diverting remittances to the region from official to unofficial channels. In 2024, remittance flows to the region are projected to increase by 2.5%. Sending \$200 to the region cost 7.9% on average in the second quarter of 2023.<sup>155</sup>

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<sup>150</sup> Ibid

<sup>151</sup> World Bank (2020). Global Financial Development Report 2019/2020: Bank Regulation and Supervision a Decade after the Global Financial Crisis. Washington, DC: World Bank. <https://doi.org/10.1596/978-1-4648-1447-1>

<sup>152</sup> Ibid

<sup>153</sup> Ibid

<sup>154</sup> <https://www.elibrary.imf.org/configurable/content/highest-remittance-receiving-countries-2023>

<sup>155</sup> See infra note at 200

Ethiopia's formal remittance inflow was estimated to 2.5 billion dollars by the NBE in 2020 and USD \$504 million by World Bank's 2020 in the same year. Despite their discrepancies, both data sources show that the United States and Saudi Arabia are among Ethiopia's top five source remittance transactions.<sup>156</sup> Currently economic significance of remittance in developing countries become a source of finance and brings an economic growth and development through reducing household poverty and increasing their consumption and further in building investment in both human and physical capital which results in less vulnerability Money that is sent from the citizens living abroad to their home country presents a different picture and it has surged over the past decade, and annual inflow to Africa are estimated to reach \$80 billion by 2025.<sup>157</sup>

### **3.4 Regulation of Remittance Flow in Ethiopia**

Migrant remittances account for over 5 per cent of the Gross Domestic Product (GDP) of Ethiopia in 2023.<sup>158</sup> Ethiopia government have made Commitments Policy Forum (GPF) an initiative to unlock the economic and social potential of the two billion unbanked people in the world through improved financial inclusion that has been launched by Maya Declaration Ethiopia being member of the initiatives. Reducing remittance prices has now been included as a target within the Sustainable Development Goals (SDGs), as well as at the United Nations' Third International Conference on Financing for Development in Addis Ababa. The conference concluded that members of the initiatives are committed reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent by 2030.<sup>159</sup> Thus, the Ethiopian government has made great strides of reforms since mid-2018 to increase the flow of formal remittances. Despite such efforts informal networks remain a prominent way for Ethiopians employed overseas to send money home. Almost close 78 % of total remittances currently sent through informal channels in some corridors.<sup>160</sup> This represents inefficacy of the existing laws and practices.

Lack of access to services in the send and receive markets, high direct and indirect costs associated with formal channels, irregular labour migration, the existence of parallel market

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<sup>156</sup> Ibid

<sup>157</sup> World Bank working group 2022

<sup>158</sup> Ibid

<sup>159</sup> See SDG 10.c.

<sup>160</sup> Interview with Mr. Yohannis Alemayehu

exchange rates, and regulatory barriers for undocumented migrants contribute to the high level of informal transfers.<sup>161</sup> Informal flows not only represent a loss of foreign exchange for the government of Ethiopia, but also reduce the opportunities to encourage investment. The multi-stakeholder working agents to facilitate productive remittances facilitate channeling the flows of remittances as such do not occur in isolation.<sup>162</sup>

Regulating formal flow of remittances can be highly complex, involving several political and institutional actors. According some empirical studies the regular and open discussions between Government ministries and other key stakeholders in both the private and public sector are of critical importance in regulating the formal flow of the remittance. Thus, obtaining accurate, reliable, frequent and accessible data and collecting the same relating to remittances and diaspora investment in home country is challenge with remittances globally and Africa is particularly.<sup>163</sup> Mapping financial access points, mapping the overseas employees in the remittance sending country, and encouraging the dissemination of data from the private sector where possible could avert the possible barrier to harness the benefit of the remittance. Further undocumented labour migrants in many of the key remittance sending countries to Ethiopia are prevented from accessing the formal remittance system.

Overall, it is estimated that 60-70 per cent of migrants travelling to Gulf States are undocumented and this figure may be greater for migrants travelling to Southern Africa.<sup>164</sup> In case of the overseas employment an agreement with the host country that would allow the acceptance of an identification document that is not linked to the immigration status of the migrant hardly possible so far. This would have the greatest positive impact on enabling those who are currently forced to use informal remittances to be able to use formal services.<sup>165</sup> Ethiopia has a major opportunity to leverage digital financial services DFS to accelerate in-bound cross-border remittances.

Digital Ethiopia 2025, the country's comprehensive digital strategy, envisions an inclusive digital economy approach that will catalyze achievement of Ethiopia's broader development

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<sup>161</sup> Unrecorded flows through informal channels are believed to be larger than recorded flows (Freund and Spatafora, 2008).

<sup>162</sup> Ibid

<sup>163</sup> Ibid

<sup>164</sup> Ibid

<sup>165</sup> Federal Democratic Republic of Ethiopia (2020): Processes and Approaches Utilized for the Determination of Needs of Ethiopia

goals. To benefit from economic liberalization and digitalization<sup>166</sup> the Government enacted the Communication Service Proclamation number 1148/2019 that aims at restructuring the telecommunication market, introducing competition to enhance the social and economic development of the country.<sup>167</sup> To further enhance the transformational power of the digital economy, the Government has decided to issue two new telecommunications service licenses. The Government has also expressed renewed effort to modernize and digitize the country's payments landscape to facilitate the cost-effective flow of remittances and to connect the 80% of the population living in rural areas to the financial sector.<sup>168</sup>

Success will likely depend on how policies and regulations can be revised to bring the non-bank financial services providers onboard, and on the level of short- to medium-term disruption that may have negative effect on the market.<sup>169</sup> The banking sector consists of 18 banks (including two state-owned banks) collectively holding about 92% of total financial sector assets. 38 MFIs in Ethiopia collectively hold 6 percent of all financial sector assets. None of the MFIs is integrated into the national switch as technologically they are lagging behind banks. State-owned Ethio-telecom currently holds a monopoly position in the MNO industry.<sup>170</sup> No non-bank RSP can provide cross-border remittances except via a partnership agreement with a bank.<sup>171</sup> However, the recently issued Licensing and Authorization of Payment Instruments Issuers and Payment System Operators Directives recognize local non-bank financial services operators as financial institutions and can offer inward international remittance services.<sup>172</sup> The recently issued Licensing and Authorization of Payment Instruments Issuers Directive allows non-banks financial services providers to provide electronic money issuance services. This is a positive step towards expanding digital channels that can be leveraged for remittances. NBE recently issued a directive.<sup>173</sup> The Directive defines activities which can be carried out by an agent, provides a framework to offer agency business service, and sets minimum standards of customer protection and risk management to

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<sup>166</sup> Ibid

<sup>167</sup> Ibid

<sup>168</sup> IOM.(2020c). Reintegration Handbook - An integrated approach to reintegration.

<sup>169</sup> Ratha, dilip (2013): The Impact of Remittances on Economic Growth and Poverty Reduction. Migration Policy Institute. Washington, DC.

<sup>170</sup> Ibid

<sup>171</sup> Exclusive partnership agreements have been prohibited since 2009.

<sup>172</sup> OverseasEmploymentProclamation(923/2016)[https://www.lawethiopia.com/images/federal\\_proclamation/proclamations\\_by\\_number/923.pdf](https://www.lawethiopia.com/images/federal_proclamation/proclamations_by_number/923.pdf)

<sup>173</sup> Use of Agents Directive No.FIS/02/2020.

which agents must adhere. The Directive applies to banks, MFIs, Payment Instrument Issuers and their agents (including super and sub-agents) that provide agent services in Ethiopia. Virtually all formal remittances are handled over-the-counter OTC by banks and RSPs.<sup>174</sup> Banks and RSPs facilitate the bulk of formal remittance inflows into Ethiopia. As noted above, RSPs are legally required to handle foreign exchange transactions through commercial banks, which are required to pay out cash to the recipients in local currency. Although there are currently 72 RSPs in the country the market is dominated by just two of them which together account for 74% market share. In terms of domestic remittances, 24% of adults sent or received domestic remittances during the past year.

### **3.5. Remittance Inflow and Future Perspectives**

The world economy has been going through substantial changes accompanied by increased liberal orientation in policy-making, growing volumes of international trade, foreign direct investment (FDI) and other financial flows, and economic integration promoted by developments in information technologies. Due to lower birth rate, higher portion of aging population has triggered the growing demand for highly skilled and semi-skilled workers in the developed nations from the developing world. Thus, globalization on developing country labour surplus has been the rapid expansion in cross-country labour mobility.<sup>175</sup>

Labour market regulation in particular is increasingly becoming a key feature of state intervention and increasing recognition has come to the fore its integration with traditional macroeconomic interventions. It is common sense that the world of work is changing globally. There is global competition for skills, more emphasis on IT and mathematics skills, high mobility of businesses and jobs and increased access to jobs through virtual channels. Remittance inflows have become very important source of income for the households in the low and middle income countries.<sup>176</sup>

The remittances increased in the last decade in these countries, their share in the national income, especially, in the household income has grown, hence making more and more people in the region be dependent on these transfers. All other countries have had almost the same or

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<sup>174</sup> Ibid

<sup>175</sup> The Governance of Labour Migration in the Context of Changing Employment :Landscapes Technical Paper for GFMD Breakout Session, 2020 p-4

<sup>176</sup> Remittances Development Impact and Future Prospects : The International Bank for Reconstruction and Development / The World Bank 2005

more remittance inflows into these economies than other inflows such as FDI and net official development assistance inflows. The possible channels that remittances may have effects on the economic development can be through capital accumulation, labor force growth and total factor productivity growth.<sup>177</sup> If financing of investments relies on domestic sources of income, then there may be direct increase in capital accumulation relative to remittances. If households face financial constraints because of undeveloped financial system, remittances directly serve to ease these constraints, allowing increase in physical and human capital. Besides, remittance inflows may improve the credit worthiness of domestic economy, and large inflows of remittances lower the cost of capital, which allow additional borrowing to invest domestically. And debt can be served by future remittance inflows.<sup>178</sup> The positive impact of remittances on the economic growth, as the author describes direct and indirect ways through their interactions with financial and institutional channels. Governments have often offered incentives to increase remittance flows and to channel them to productive uses.

Tax incentives may attract remittances, but they may also encourage tax evasion. Matching-fund programs to attract remittances from migrant associations may divert funds from other local funding priorities, while efforts to channel remittances to investment have met with little success.<sup>179</sup> Digital channels account for less than 1% of total transaction volume, which is still dominated by cash remittances. New service providers face restricted access to correspondent banks due to the compliance cost of anti-money laundering and counter terrorism activities. Increasing competition in the remittance markets, improving access to bank accounts, and avoiding exclusive partnerships between money transfer companies and national post offices can reduce remittance costs. Remittances through official channels can be encouraged by prudent macroeconomic policies that avoid the practice of multiple exchange rates in recipient countries. Digital technologies are providing significantly faster and cheaper remittance services, and the onset of the pandemic saw a sharp increase in the use of digital channels for remittances.<sup>180</sup>

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<sup>177</sup> Ibid

<sup>178</sup> World Bank. 2013. World Development Indicators – GDP. [Available online](#)

<sup>179</sup> Ravshanbek Abdullaev: Impact of remittances on economic growth in selected Asian and Former Soviet Union countries: School of Economics and Management Lund University 2011

<sup>180</sup> The International Fund for Agricultural Development (IFAD) :RemitSCOPEAfrica :Ethiopia Country diagnostic 2022

## CHAPTER FOUR

### 4. Discussion on Challenges of Overseas Employment vs. Remittance Inflow

#### 4.1. Introduction

The previous sections have dealt with Labor mobility governance policies, laws and practices of Ethiopia in light with international legal instruments and practices of overseas employment. We have seen that the implementation of overseas employment must be consistent with the regional and continental policies to enable use an opportunity of overseas employment to receive remittances protect the writes employees through recruitment process and at destination countries. This chapter deals with the policies and strategies, legal, institutional and practical challenges of overseas employment legal framework of Ethiopia in light of the international perspective so as to ensure that remittances from overseas employment keep flowing, through supporting greater access to and use of digital technologies.

#### 4.2. Overseas Employment Policies and Strategies Challenges of Remittance

In countries where only banks are authorized to perform money transfers, the market for remittance service providers is small and tends to be concentrated in urban areas. A study of 50 countries in Africa shows that countries authorize banks only, authorize banks and foreign exchange bureaus to perform foreign exchange transactions. Ethiopia receives remittances to through formal and informal channels. Ethiopia is gradually moving towards the best practices of other economies in remittance strategy. In the past two or three years, major critical steps have been taken to ensure that the regulatory environment is at par with the other developing economies. As noted earlier, digital remittance models have been gradually emerging that partner with indigenous financial institutions, but significant efforts are still required to expand the digital channels sufficiently to drive costs down. Both the supply side the expansion of reliable network coverage via the liberalization of the telecom sector and the demand side the enhanced digital literacy of migrants will being key to the success of these efforts,<sup>181</sup>the high persistence of informal flows points towards several impeding factors for consumers and businesses.

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<sup>181</sup> Ibid

The challenges of the informal system is likely to persist and expand, having a negative effect on economic stability and consumer welfare by increasing inflationary and currency overvaluation pressures in the longer run leading poverty. Inflation rate (29.13%) in Ethiopia is of the highest<sup>182</sup> that it impedes financial development and macroeconomic instability, inflation creates uncertainty and discourages financial intermediation. In spite of increasing overseas labour migration, the Ethiopia has no comprehensive overseas employment policy except it has proclamations to manage and regulate the process.<sup>183</sup>The Absence of such comprehensive overseas employment policy poses serious challenges in labour deployment and governance practices in Ethiopia difficult and disorganized. Overseas employment policy objectives are spread across different laws and policy frameworks. Sound policies that are rights-based, labour migration can deliver significant benefits and opportunities for migrant workers, their families, and origin and host communities. It can contribute to local, national, regional and global economic growth, create jobs, promote innovation and increase competitiveness. It can balance labour supply and demand amongst countries, help develop and transfer skills at all skill levels, contribute to social protection systems, improve the health of populations and enrich communities both culturally and socially.

The lack of overseas employment policies at national level would bring a spectrum of risks and challenges, including high recruitment fees and costs, skills mismatch, brain waste, family separation, child labour, debt bondage, forced labour and other decent work deficits. Such policies can also result in unfair competition with and harm to national overseas employees, when wages and labour standards are not applied equally to nationals and overseas employees, creating effectively a second tier overseas employment market for overseas employees that prejudices their rights and undercuts established wages and working conditions. At a minimum, linking migration policies to decent work approaches will be critical to successful governance, as will be engaging all stakeholders, including ministries of labour, business, employers' and workers' organizations, civil society organizations and migrants themselves. Thus, hundreds of thousands of Ethiopians are estimated to reside in the countries of the Middle East and Gulf States, many in precarious situations due to irregular

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<sup>182</sup> Central Statistic Authority Ethiopia , Addis Ababa, Ethiopia 2023

<sup>183</sup> Ibid

forms of migration out of Ethiopia, undocumented or illegal status in the destination countries, and poor legal protections or access to redress in cases of exploitation and abuse. Reviews of the above policies reveal that Ethiopia needs comprehensive migration policy and strategy that identifies actors and their roles, mechanisms/systems and linkages among the actors to effectively manage the migration phenomenon in general and overseas labour migration in the Middle East in particular. To manage all these different types of labour migrants, the Ethiopian government has purported to establish legal frameworks, most of which have been focusing on irregular migration, human trafficking and smuggling in person. The term migration management refers to numerous governmental functions within a national system for the orderly and human management for cross-border migration, particularly managing the entry and presence of foreigners within the borders of the State and the protection of refugees and others in need of protection.<sup>184</sup> In this regard, labour migration management refers to controlling and putting an end to irregular mobility of individuals across international borders rather than planning an approach towards orderly labour migration.<sup>185</sup> In general, Ethiopia has neither comprehensive migration policy nor other policies described above which govern overseas labour migration governance.

#### **4.3. The Legal Challenges of Overseas Employment**

Generally, States have broad authority to exclude foreign nationals from entering their territory and expel or deport persons already in their countries. Grounds for exclusion and deportation may be similar: public health, criminal convictions or activities, earlier violations of immigration law, economic reasons, for example, in addition to the national security grounds discussed previously. Procedures may differ substantially, however, and States generally provide more rights to persons already in the countries to contest the deportation or expulsion. This stance is consistent with international law. Article 13 of the ICCPR provides that aliens lawfully present in a State are entitled to procedural protections prior to being expelled, including review by a competent authority and the opportunity to submit reasons against the expulsion. These procedural rights may be denied, however, if national security so requires.<sup>186</sup> Clearly, those unlawfully present would not be entitled to the same level of procedural protection, although many states recognize that individuals gain equities and

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<sup>184</sup> Ibid

<sup>185</sup> Ibid

<sup>186</sup> Isabelle Slinckx, *The UN Treaty Monitoring Bodies and Migrant Workers: a Samizdat*, International Catholic Migration Commission and December 18 vzw, November 2004.

rights the longer they are present on their territory. Moreover, States need to establish a procedure to determine if the alien falls into a category protected against return persons fearing persecution or torture. Consular protection and assistance States have broad authority, if not obligation, to represent the interest of their nationals who visit or reside in other States. Under the Vienna Convention on Consular Relations, States may establish consular posts in other countries. Consular functions include: Protecting the interests of the sending State and of its nationals, both individuals and bodies corporate, within the limits permitted by international law; Helping and assisting nationals, both individuals and bodies corporate, of the sending State Issuing passports and travel documents to nationals of the sending State, and visas or appropriate documents to persons wishing to travel to the sending state and representing or arranging appropriate representation for nationals of the sending State before the tribunals and other authorities of the receiving state where, because of absence or any other reason, such nationals are unable at the proper time to assume the defense of their rights and interests.

State Parties to the Protocols<sup>187</sup> on Human Trafficking and Human Smuggling make explicit commitments to cooperate with other States in combating smuggling and trafficking. Cooperation in the exchange of information is emphasized in both Protocols. For example, Article 10 of the Trafficking Protocol specifies that: law enforcement, immigration or other relevant authorities of States Parties shall, as appropriate, cooperate with one another by exchanging information, in accordance with their domestic law, to enable them to determine: (a) Whether individuals crossing or attempting to cross an international border with travel documents belonging to other persons or without travel documents are perpetrators or victims of trafficking in persons; The types of travel document that individuals have used or attempted to use to cross an international border for the purpose of trafficking in persons; and the means and methods used by organized criminal groups for the purpose of trafficking in persons, including the recruitment and transportation of victims, routes and links between and among individuals and groups engaged in such trafficking, and possible measures for detecting them. Human trafficking and smuggling The Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children and the Protocol against the Smuggling of Migrants by Land, Sea and Air, both of which supplement the United Nations

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<sup>187</sup> The Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention Against Transnational Organized Crime.

Convention against Transnational Organized Crime, went into force in December 2003 and January 2004, respectively. Within a few years of their adoption, the trafficking and smuggling protocols have garnered considerable support, with more than 100 signatories and 67 and 59 parties, respectively.<sup>188</sup> The Trafficking Protocol requires States to adopt measures to criminalize trafficking, to provide assistance and protection to victims of trafficking<sup>189</sup> to provide repatriation assistance to victims of trafficking and to prevent and combat trafficking. Trafficking is defined as the recruitment, transportation, transfer, harboring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation Article 13 provides that at the request of another State Party, a State Party shall, in accordance with its domestic law, verify within a reasonable time the legitimacy and validity of travel or identity documents issued or purported to have been issued in its name and suspected of being used for trafficking in persons.

The Federal Democratic Republic of Ethiopia (FDRE) is nucleus of overseas employment. Article 85 of the constitution envisages that any organ of government shall, in the implementation of the Constitution, other laws and public policies, be guided by the principles and objectives specified under this Chapter. Given this provision, national legal frameworks, policies and strategies for overseas labour deployment emanate from constitutional rights indicated under Article 32 of the constitution which guarantees freedom of movement to any person in search of better employment opportunities. Having a clear and coherent migration policy and strategy is crucial to manage the issues of migrant workers. Ethiopia does not have a comprehensive migration policy and strategy. Ethiopia as a country whose citizens are suffered more from illegal migration, strongly condemn illegal migration.<sup>190</sup> So if a citizen decides to migrate he/she must do it in legal way. Recently it has put in to place many measures that aim at preventing, and protecting rights of migrant workers as well as prosecuting violators. The Ethiopian government has taken several positive measures in recent years to improve the operations and flow of formal remittances,

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<sup>188</sup> The Goal of the Berne Initiative [http://www.iom.int/documents/officialtxt/en/Goal\\_E.pdf](http://www.iom.int/documents/officialtxt/en/Goal_E.pdf) , April 2023

<sup>189</sup> Ibid

<sup>190</sup> Ibid

as well as to reduce the costs of transfers and increase access to international remittance services.

Laws in some countries provide for temporary or permanent legal status to trafficking victims.<sup>191</sup> Often the legislation requires cooperation with law enforcement agencies in the capture or prosecution of the traffickers. In some cases, family members still in the country of origin will be admitted to the country of destination if the traffickers are likely to retaliate against them. The United States Victims of Trafficking and Violence Protection Act, enacted in 2000, in addition to increasing criminal penalties for traffickers, provides immigration benefits to victims of severe trafficking who cooperate in the prosecution of traffickers, including a special visa and access to benefits granted to refugees.<sup>192</sup> A number of European countries have similar provisions that grant residency status to victims who cooperate with law enforcement. Such countries as Germany and the Netherlands have official ‘reflection periods’ during which victims are given time to decide whether to cooperate in the prosecution of their traffickers.<sup>193</sup>

#### **4.4. The practical challenges of Overseas Employees**

There is increasing convergence of ideas on the need for a multilateral regime to govern international labour migration. The ILO’s unique tripartite structure distinguishes itself from the work of many other agencies working on issues of overseas employment. Social dialogue involving the three parties most affected by migration the governments, employers and workers is a major pillar of the ILO approach. Social dialogue is essential to the development of sound labour migration policy and therefore, to the formulation and implementation of migration-development policies. It is also important to involve migrant associations and other concerned civil society groups in broad-based consultative processes.<sup>194</sup> This approach ensures that labour migration and development policies will be based on national consensus to the extent possible. The global community has increasingly recognized the crucial role of migrant rights in promoting development benefits of migration. The realization of these gains and their equitable distribution is crucially dependent on mainstreaming migrant rights in migration and development policies that have wider applications of international labour

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<sup>191</sup> Ibid

<sup>192</sup> TeveCharnovitz, “Trade Law Norms on International Migration,” in Aleinikoff and Chetail, *Migration and International Legal Norms*, p-248.

<sup>193</sup> Ibid

<sup>194</sup> Ibid

standards and other relevant instruments protecting migrant workers. Monitoring recruitment agencies and employers is essential to the protection of migrant workers. This is particularly the case when migrant workers are working in domestic labour or other activities that keep them out of public view. When abuses occur, legal representation for migrant workers can help them fight against discrimination, sexual harassment, lost wages and other violations of their labour rights. Consular protection can extend to covering the costs of such representation. In some embassies will pay legal costs if a case alleging abuse goes to court. Destination countries also provide legal aid. Destination countries also pay costs of representation. In Bahrain, for example, if a contract dispute involving a domestic worker cannot be resolved and goes to court, the court will appoint a lawyer for the migrant worker.<sup>195</sup> At times, public interest or class action lawsuits may help ensure that an entire class of workers migrants obtains their rights.<sup>196</sup>

Nongovernmental organizations and trade unions play important roles in providing legal support in such cases. Associations of migrant workers can be useful rallying points for identifying problems and seeking legal redress. Finally, programmers that provide shelter and social services to migrant workers who have experienced abuse are essential to protecting their rights. Migrant workers who decide to return home after escaping abusive conditions may also need assistance in repatriation and reintegration. Nongovernmental organizations, religious institutions and trade unions provide such assistance in a number of countries. The Smuggling Protocol requires States to adopt measures to criminalize smuggling and to prevent smuggling (Article 7, 8, 11, 15), requires States to preserve and protect the rights of migrants who have been smuggled and requires States to facilitate the return of migrants.<sup>197</sup>

The adoption of separate protocols on trafficking and smuggling reflects the need to clearly distinguish these two activities. Whilst undocumented migrants willingly accept to pay and take risks to be transported across borders in search of better life prospects, trafficked persons are victims of criminal groups. Yet, the sometimes overlapping nature of trafficking in humans, labour migration into exploitative situations, and debt bondage to pay off

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<sup>195</sup> UN High Commissioner for Human Rights. Recommended Principles and Guidelines on Human Rights and Human Trafficking, Report of the United Nations High Commissioner for Human Rights to the Economic and Social Council, E/2002/68/Add. 1

<sup>196</sup> Ibid

<sup>197</sup> The Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention Against Transnational Organized Crime.

smuggling fees calls for a careful use of these terms. Persons might volunteer to migrate but then find themselves subject to violence, coercion and exploitation after leaving their home communities. Trafficking is defined by such exploitation, coercion and abuse, not the original motivation for migration. For example, migrants may agree to pay smugglers to bring them across borders. If they are unable to pay all of the costs, the smugglers may sell the migrants to businesses that cover the fees in exchange for indentured labour. This debt bondage can amount to virtual slavery, particularly for women and children forced into sexually exploitive occupations. Such a person has been trafficked, even if she initially consented to the smuggling arrangement. Trafficking and smuggling must be addressed at three levels. First is the supply of trafficked and smuggled persons. Second is the demand side those who ultimately use or benefit from the services provided by trafficked or smuggled persons. Third are the traffickers and smugglers themselves as well as the corrupt officials who enable them to operate with impunity. The Trafficking Protocol focuses most concretely on the third element, particularly the prosecution of traffickers. Yet, the Protocol recognizes that there is need to balance crime prevention/prosecution with protection of the rights of the trafficked persons. The Protocol states a purpose of protecting and assisting victims of trafficking, with full respect for their human rights.<sup>198</sup> State parties are to take steps to protect the physical safety, privacy and identity of victims, assist them in legal proceedings, and consider measures to provide for the physical, psychological and social recovery of survivors (Art 6). It also urges states to consider adopting laws or regulations that permit victims to remain in the territory for a temporary or permanent basis.<sup>199</sup> The Protocol recognizes that prosecution and protection of victims are mutually supportive goals. The testimony of trafficking survivors is generally invaluable to the prosecution of cases against traffickers. Trafficking is a difficult crime to investigate and highly dependent on the willingness of victims to cooperate with law enforcement. Such cooperation can be highly dangerous for the trafficked persons, however.

They will be too afraid to testify unless there are effective ways to prevent retaliation against them or their families at home. The United Nations recommends that law enforcement officials work in partnership with on-governmental organizations to help ensure greater

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<sup>198</sup> Ibid

<sup>199</sup> Walter Kalin, Temporary Protection in the EC: Refugee Law, Human Rights and the Temptations of Pragmatism, 44 German Yearbook of International Law 202, 220 (2001).

protection of the victims' of traffickers.<sup>200</sup> Law enforcement should also implement measures to ensure that rescue operations do not further harm the rights and dignity of trafficked persons. Such operations should only take place once appropriate and adequate procedures for responding to the needs of trafficked persons released in this way have been put in place; Identification of trafficking victims is exceedingly difficult, requiring a multi-sector approach, rather than reliance on law enforcement.<sup>201</sup> When trafficking victims come to the attention of authorities through raids on brothels and other places of employment, the victims are often afraid to reveal their situation. They may fear retaliation by the traffickers, who often have paid police for their cooperation, or they may fear that they will be imprisoned or deported. Social service agencies, hospitals and clinics, schools, labour inspectorates, trade unions, ethnic associations and other parts of civil society must be involved in the identification of women and children who have been trafficked.

In order to ensure overall development has be committed to strengthen priorities set under the second national Growth Transformation Plan (GTP II), Ethiopian authorities unveiled the Homegrown Economic Reform Program (HERP) in September 2019 to complement structural reforms that were already underway.<sup>202</sup> The government has set goal that could ease business constraints and foster private sector development through a set of sectorial and macroeconomic measures, including those targeted at breaking up monopolies and removing distortions included in the financial sector<sup>203</sup>. The National Foreign Affairs and Security Policy and Strategy also recognizes the role of the Ethiopian diaspora in promoting investments and trade ties and therefore, the need for the Government to create the most conducive environment for them to play a constructive role. Moreover, Ethiopia signed the Maya Declaration in 2011 and committed to modernizing the national payments systems, improving financial access, expanding digital financial services, and improving financial literacy.<sup>204</sup> To this end, among others, national committee and task force that are established and their functions are also distinguished.<sup>205</sup> National committee which comprises many stake holders, led by deputy prime minister and accountable to prime minster is established by the

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<sup>200</sup> Ibid

<sup>201</sup> Andersson, L. (2012). Migration, Remittances and Household Welfare in Ethiopia. P-23

<sup>202</sup> UNHCR. 2022. UNHCR Factsheet-Ethiopia (February)

<sup>203</sup> 2015 Diaspora Policy [https://www.ethioembassy.org.uk/wpcontent/uploads/2017/07/Diaspora\\_Policy\\_English](https://www.ethioembassy.org.uk/wpcontent/uploads/2017/07/Diaspora_Policy_English)

<sup>204</sup> pdf

<sup>204</sup> Ibid

<sup>205</sup> See supra note at 219

proclamation. The committee is established in a view to coordinate over all activities that the government should perform to protect the rights of migrant workers. Also, task force, led by minister of ministry of justice and consists other stake holders is established. The task force is accountable to the national committee. It is mandated to perform more of professional activities under the national committee.<sup>206</sup> As regard to job seekers in abroad the educational requirement of completion of 8th grade has been left out in the amendment Proclamation. Similarly the amendment Proclamation changed the requirement of mandatory existence of bilateral agreement with receiving state for deployment of overseas workers.

Deployment of overseas workers is allowed to countries where there is bilateral agreement or as the case may be a Memorandum of Understanding with the receiving country. However, where there is no bilateral agreement or MoU, if the employment agency managed to acquire job opportunities for skilled workers, the government may render green light to proceed by signing an agreement with the receiving country's company. Moreover, the employer is obliged by law to buy from the domestic market insurance for life and disability for the benefit of the worker deployed overseas. Other than domestic workers, skilled workers who are employed overseas through an agency shall pay the agency an amount of one month salary over four payment periods. In conclusion, Ethiopia's Overseas Employment Proclamation and amendment are enacted with the purpose of protecting the rights, dignity and safety of Ethiopian workers abroad. The vehicles through which employment overseas were conducted include public employment exchange, private agencies and direct employment. Another policy that Diasporas Policy have failed to include the governance of overseas labour migration as it does not clearly indicate overseas labour migrants to the Middle East though the area is seen as one of the destinations for Ethiopia migrants. In this regard it is identified that Ethiopian diaspora is geographically spread and is well represented in Europe, North America, and the Middle East but the policy does not even clearly state whether overseas labour migrants to the Middle East have the status of diaspora. To this end, the diaspora policy seems to focus on migrants in Europe and North America while it missed out Ethiopian regular migrant in the Middle East with estimated 90,000 migrants in Saudi Arabia and 30,000 migrants in Lebanon. Government should develop a labour migration policy through a whole-of-government approach that involves the ministries engaged in labour migration governance, as well as through consultations with social partners, IOs,

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<sup>206</sup> Interview With MrYohanis

NGOs, and academia. The labour migration policy should be coherent with other relevant national policies, such as those on economic integration and employment and the country's five-year national development plan, the Growth and Transformation Plan.

The Human Rights Committee held that there are few, if any circumstances in which deprivation of the right to enter one's own country could be reasonable. States may impose different rules and expectations on foreign nationals based on the purpose of their entry, with different rules, for example, for persons who are working, studying, conducting business or touring the country. States may establish special rules based on treaty relations or traditional or cultural ties that effectively give preference or greater access to admissions of nationals of certain other States. States are limited, however, in applying entry and exit rules in a manner that discriminates on such grounds as race, sex, language or religion.<sup>207</sup>

In developing rules to regulate movements across borders, States have full authority to apply different laws and regulations, depending on the reason for entry and exit and the nationality of the persons moving across the border.<sup>208</sup> In effect, the rules fall into four categories: citizens leaving the State of their nationality, aliens leaving a foreign State, citizens returning to the State of their nationality, and aliens seeking admission to the territory of a foreign State. Often, States treat foreign nationals who are permanent residents of the country in a manner that falls between the treatment of citizens and other aliens. State authority is more constrained in regulating the movement of its own nationals across its borders than it is in regulating the movement of non-nationals. The Universal Declaration of Human Rights UDHR,<sup>209</sup> as well as the International Covenant on Civil and Political Rights ICCPR, specifies that nationals have the right to leave and re-enter their countries. Significantly, they do not have the right to enter into another country, limiting the actual ability of persons to exercise the rights. Moreover, even in this respect, States have authority under the ICCPR to place reasonable limitations on exit if related to national security, public order, public health or morals or the proper administration of justice.<sup>210</sup>

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<sup>207</sup> Ibid

<sup>208</sup> Ibid

<sup>209</sup> Universal Declaration of Human Rights, adopted 10 December 1948, GA Res. 217A (III) and International Covenant on Civil and Political Rights, adopted 16 December 1966, 999 UNTS 171, entered into force 23 March 1976.

<sup>210</sup> David Fisher, Susan Martin, and Andrew Schoenholtz, "Migration and Security in International Law," in Aleinikoff, *Migration and International Legal Norms*, P-99

#### **4.5. Challenges of Institutional Framework for Overseas Employment**

The governance of international labour migration is dynamic and comprehensive process that includes formal and informal processes and a wide variety of institutions and actors. The International Organization for Migration IOM is dedicated to promoting humane and orderly migration worldwide by serving the policy and programs for needs of governments and labour migrants.<sup>211</sup> The challenges of migration management reflect the contemporary challenges posed by labour migration itself, many of which can be turned into opportunities that can benefit countries of origin, countries of destination and migrants themselves.<sup>212</sup> A global partnership plays a key role in governance of migration in general and labour migration in particular. Labour migration is, by its very nature, a phenomenon that creates ties that bind different international organizations and global communities. Thus partnerships are required at all levels of governance; partnerships must include all stakeholders: governments, international organizations and civil society and partnerships are not just about working together but about working together to find new and creative ways of conducting issues of labour migration. The importance of the Global Compact for improving migration governance was emphasized by IOM. The Compact provides a new reference point for actors working on safe and orderly migration in general and labour migration in particular. Though legally non-binding, it is a comprehensive framework that offers both state and non-State actors the guiding principles for operating on migration and sharing responsibility for those who migrate for search of job.

There is no one single government body responsible for effectively executing and making strong follow-up the process of recruitment of overseas employees and protection of their rights in the destination country. Though overseas proclamation lacks standard operation procedures to effectively implement the proclamation, there are several government institutions that have a role in dealing with overseas employment related issues. The Ministry of Foreign Affairs and the Ministry of Jobs and Skill Affairs are the two main institutions that involved in protecting migrant workers' rights along with other related institutions whose official mandate has bearing on the issues of overseas employment.

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<sup>211</sup> Ibid

<sup>212</sup> AAleinikoff, 'International Legal Norms and Migration: A Report' in Aleinikoff and Chetail (eds), Migration and International Legal Norms (n 41) 1, 2.

#### **4.5.1. Ministry of Foreign Affairs**

The Ministry of Foreign Affairs has the overall responsibility to, in cooperation with the appropriate organs, safeguards the interests and rights of the country, and ensures that they are respected by foreign States and that the interests and rights of Ethiopian nationals abroad are protected. Also it has the mandate to coordinate other governmental and non-governmental bodies for the same purpose. The Ministry of Foreign Affairs has the overall responsibility to, in cooperation with the appropriate organs, safeguards the interests and rights of the country, and ensures that they are respected by foreign States and that the interests and rights of Ethiopian nationals abroad are protected. Also it has the mandate to coordinate other governmental and non-governmental bodies for the same purpose. The Ethiopian Diaspora Service has stated that, this year remittances from the Ethiopian Diaspora will be expected to increase much higher. The underlying goal of the all ILO Convention is to guarantee minimum rights for migrant workers and members of their families who are in legal or undocumented/ irregular situation. However, the number of states ratifying the convention is still disappointingly small.<sup>213</sup> In this regard Ethiopian Ministry of Foreign Affairs (MOFA), in collaboration with International Organization for Migration has been making remarkable effort overcome the challenges of overseas labour migration and development to deepen the knowledge and sharpen the skills of officials from MOFA in Ethiopia and Ethiopian missions abroad.<sup>214</sup> Some studies show that of the migrant workers most unskilled and some semi-skilled labors that traveled to the Middle East to exploit the opportunity created in the manual labor work.

In general, even though the growing trend of illegal migration towards the Middle East creates a complicated situation in the effort to protect their rights, it is indicative that there is a possibility to create a condition to reap better benefits. The lack of information and awareness among migrant workers, especially illegal migrants, about destinations, working conditions, and benefits might be misleading in most instances, leading to uninformed decisions on the part of migrants. It may be useful to establish and strengthen code of conduct and standards at national level to better manage the activities of global actors and to set

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<sup>213</sup> 1969 OAU Convention Governing the Specific Aspects of Refugee Problems in Africa, UNTS No. 14 p-691

<sup>214</sup> The workshop from 30<sup>th</sup> to July 5<sup>th</sup>, is being attended by 26 diaspora focal points from 26 Ethiopian embassies abroad and nine officials from the Diaspora Engagement Affairs Directorate of the MOFA.

conditions to systematically protect employment through regularly monitoring employment outcomes.<sup>215</sup> It had conducted different seminars that aim to equip the trainees with skills on how to design, conduct and report on diaspora mapping exercises as well as related topics associated with diaspora engagement. Out of the various areas of collaboration stipulated under the framework of the Ethiopian diaspora policy, diaspora mapping is one of the core areas which were given priority by the government as it is considered the basis for any diaspora engagement intervention. Other areas of collaboration that have been prioritized are the establishment of institutional and legal frameworks to further implement the diaspora policy, enhancing development potential of remittances and facilitating knowledge and skills transfer.

The capacity-building exercise aims to contribute to the enhancement of knowledge and skill of the participants so that they will be able to make significant contributions to the mapping exercises that will be conducted in major destination countries. The Diaspora affair is getting special attention in bilateral relations of different countries, and also in international cooperation in designing policies for their Diaspora community to participate in knowledge and technology transfer, trade, investment and tourism promotions, raising foreign currency, image building, and serving as a bridge for the country as well as participating in charity works while they are living in destination countries or going back to their country of origin.

Some countries which implemented such a system in advance are proved to be successful. In addition, raising the skill and productivity of labour improving the competitiveness of the local labor force and enhance communication skills of the labor force through acquainting them with global business languages such as English and languages of other emerging economies such as Chinese, Japanese and Arabic languages and computer literacy, and improved working culture are relevant instruments to raise the attractiveness of the local labor force to global companies and investors.

Maintaining and improving health conditions of the labor force is also a important aspect of rendering the labor force competitive The Ethiopian government via MoFA has developed a regulation that establishes the structure and functioning of the NPC Convening key actors from government, intergovernmental organizations and civil society, the NPC will serve as a

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<sup>215</sup> Ibid

platform for ensuring whole-of-government and whole-of-society approaches to migration governance – both of which are GCM guiding principles. The government developed a directive establishing six thematic working groups under the NPC structure (Awareness and Promotion of overseas Employment, Law Enforcement, Protection of returnees and vulnerable migrants, Diaspora Engagement and Development, Migration data Management, and Migration Research). Ethiopian Diasporas are increasingly becoming development actors in the Ethiopian development trajectory.<sup>216</sup> The role of Diaspora engagement in development areas of Ethiopia is rapidly increasing, be it in terms of remittances, trade, tourism, investment activities and in knowledge, technology and skill sharing. The Diaspora is also becoming active partners in philanthropic activities, he said, including in assisting and volunteering in different areas. In terms of investment, in the five months of this budget year, the Diaspora engagement is also very encouraging. Despite all the conflict and security issues at home and all other challenges, investment activities by the Diaspora are far exceeding the previous year's engagements.

Interview conducted with Mr. Mulugeta Abebe Aynalem, who is a colleague of the Minister of Foreign Affairs and the 2nd adviser of the Ministry of Ethiopian Diaspora Services reveals that Diaspora commonly refers to an Ethiopians living abroad or Ethiopians of by birth or descendants of migrants. The Ethiopian diaspora Service focus on Ethiopians living abroad or Ethiopians of ethnic origin and descendants of migrants. The fundamental activities that are mainly provided by Ethiopian Diaspora Service for diaspora community like Citizen Diplomacy Service, Public Diplomacy Service, Economic Diplomacy Service and Political Diplomacy Service is mainly provided by this sector. The interviewee stressed that main challenges hampering the flow of remittance sent to Ethiopia is the lack clear and comprehensive Ethiopian National Remittance Policy, The cost for sending remittance from abroad is high, the method of sending remittances is not updated with technology, the money sent from the diaspora is not clearly identified by the national bank of Ethiopia and also the remittances sent to the country by Ethiopians who do not have legal residence abroad are the main problems. Despite remarkable effort of the Ethiopian government the legal instruments and frameworks in Ethiopia and comprehensive remittance policy and failure to sign most of

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<sup>216</sup> Addis Ababa January 12/2023 /ENA/

important international UN and ILO conventions that provide for maximum protection for migrant workers are some the challenges that question of capacity for enforcement.<sup>217</sup>

#### **4.5.2 Ministry of Job and Skill (MoJSA)**

Ethiopia's non-employment is heavily impacting its socio-economic and political atmosphere and noting this the potential challenges, the Ethiopian government has proactively established the Ministry of Labor and Skills MoJSA mandated to lead, coordinate and support the job creation agenda through a robust Labor Market Information System. MoJSA is also mandated to enhance job creation opportunities and enable the training and education sector to produce qualified manpower and innovative start-ups.<sup>218</sup> Ministry of Labor and Skills (MoJSA hereinafter) was established by Proclamation No. 1263/2021 to lead, coordinate and support the job creation agenda through a strong/robust Labor Market Information System (LMIS hereinafter). Ministry of Job and Skill is mandated to promote job creation and the training and education sector to produce qualified manpower and produce new start-ups.<sup>219</sup> In this regard the institution is an institution that works with a vision to ensure that the demand and supply of the Ethiopian labor market are aligned by 2030 and to ensure fair access to sustainable job opportunities by developing skills that respond to demand for overseas employees in different part of the world. In addition this proclamation defines the powers and functions of the Executive Organs of the Federal Democratic Republic of Ethiopia also define the roles and responsibilities of Ethiopian ministries. Under this Proclamation, the MoJSA is responsible for the Ministry should set up and implement a national labour market information system. It should undertake studies on national manpower and employment, and work with relevant bodies to enhance social protection systems that promote the wellbeing of citizens. The MoJSA regulates labour migration, in cooperation with the other concerned bodies.<sup>220</sup> It is responsible for the implementation of Ethiopia's Overseas Employment Proclamation No. 923/2016, which is the legal framework regulating the labour migration of Ethiopians. The MoJSA can recruit and place workers.<sup>221</sup> The Ministry assumes number of powers and responsibilities in relation to protecting the rights of migrant Workers. Among others it has the authority to control and supervise private

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<sup>217</sup> Interview With Aynalem

<sup>218</sup> 2021, Proclamation No. 1263/2021 All of the powers and duties entrusted to these former governmental bodies now belong to the MoJSA

<sup>219</sup> The definition of powers and duties of the executive organ proclamation No. 1263/2021

<sup>220</sup> Ibid

<sup>221</sup> Ethiopia's Overseas Employment Proclamation No. 923/2016,

employment agencies. Particularly, it is empowered to Issue, renew, suspend and cancel license for private employment agencies that operates in sending workers abroad for work. The ministry is responsible for checking on the labour conditions and ensuring their employment contract conditions when a person wants to work aboard. Also it has the responsibility to provide pre-departure orientation and training for emigrants. In practice this may be difficult, as such migrant workers will be able to migrate without having their employment contracts approved. Furthermore, the MoJSA regulate the conditions of migrant workers in Ethiopia. It has the authority to issue, renew, and cancel work permits, and oversees the protection of the rights of migrant workers in their working environment, in accordance with national labour law. The MoJSA has been represented at the regional level by the Bureaus of Job and Skill. The export of labour for foreign work is increasingly recognized worldwide as a pro-development strategy with significant economic benefits. Because of tremendous economic benefits from the export of labour, some developing countries across the world with high levels of unemployment and underemployment have positioned themselves to maximize benefits through such policies. These countries have been working to encourage labour migration, institutionalized labour export mechanisms, established regulatory frameworks and undertook bilateral initiatives with different countries to enhance labour export.

Legal migration was prevented from developing into a mature, sensible framework that maximizes Ethiopia's ability to export labour. Although our country is characterized by excess labour with significant numbers of citizens looking to emigrate for work, there has never been an effective policy response that aims to move the unemployed abroad.<sup>222</sup> Despite some recent efforts to encourage labour export, including the resumption of domestic workers' legal migration to Middle Eastern countries, the benefits have not accrued. This is unfortunate due to the size of exportable labour Ethiopia has and the amount of foreign demand, but the inadequacy of the institutional and legal framework to facilitate labour exports lags behind.<sup>223</sup> The impact of migration on origin countries, particularly through the effect of remittances, such that the contributions of migrants to destination countries remain largely underestimated the migrants have made substantial contribution to demographic

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<sup>222</sup> Samantha McCormack and Jacqueline Joudo Larsen : Protecting Migrant Workers against Exploitation in the Middle East and North Africa: International Organization for Migration Beirut, 5 October 2015

<sup>223</sup> Ibid

reproduction, by offsetting the declining birth rate of the national population, they contribute to economic production, by increasing the workforce. Finally, they contribute to social production, by engaging in activities and occupations that are essential for social functioning, but are usually avoided by the national population. From the perspective of developing countries of origin and destination, the main challenges relating to labour migration are reducing the costs of migration, minimizing recruitment fraud and abuse, extending social protection to all workers (including domestic workers, who are mostly women) and developing and recognizing the skills of migrant workers.

The regulation and oversight of recruitment processes, including recruitment agencies in both origin and destination countries, is one important step in ensuring that recruitment and placement costs be reduced in order to maximize the benefits of international migration.<sup>224</sup> As some studies show there a number of countries have made considerable progress in the formalization of migration processes.<sup>225</sup> This includes a greater focus on more transparent recruitment transactions and better preparation of migrants prior to departure. A number of Asian-Pacific countries have established pre-departure training for migrants to impart complete and accurate information about employment and have implemented regulations that will lead to a reduction in recruitment costs, minimize irregular migration, ensure that migrants are aware of their rights while abroad and better assist with the return and reintegration of migrants.<sup>226</sup>

Developing countries' gains from unskilled labour export through remittances is offset by the exported labor's original contribution to a country's output. The imbalance in per capita income between developing and developed countries ensures that this is the case. Experiences from around the world show that the market for such labour would be beneficial for both developed and developing countries.<sup>227</sup> For the latter, it contributes to faster growth in the world economy through the transfer of remittances to the families of workers. The benefit of this would be to quicken poverty reduction by increasing the incomes of

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<sup>224</sup> Interview Mr. Mulugeta Abebe Aynalem

<sup>225</sup> UN Economic and Social Commission for Asia and the Pacific (ESCAP) **ESCAP** assists LDCs in Asia and the Pacific, with a special emphasis on issues Sep 13 2021

<sup>226</sup> Asian and Pacific Migration Journal Volume 31, Issue 1, March 2022, Pages 70-90

<sup>227</sup> Ibid

households in Ethiopia.<sup>228</sup> In return, the supply of unskilled labour to developed countries reduces the wages of those that are unskilled and stimulates most sectors of developed countries' economies. Globally, such trade of labour helps world welfare and impacts world trade positively.

The integration of workers from emerging markets and developing countries into the global workforce has produced important benefits for advanced economies, concluded an IMF working paper headlined. The labour export strategy is only feasible in a globalizing context with the integration of world economies and markets. Globalization represents a growing integration of national economies, along with the diffusion of social, cultural and political norms and practices across the world. This good news extends to Ethiopia.<sup>229</sup> A well-framed labour export market will benefit Ethiopia by decreasing unemployment, improving wages of the workers that migrate and increased living standards of their families back home.

The advantages will also be notable in the rise of foreign exchange availability, which is driven by remittances from Middle Eastern countries. For Ethiopia, this may be the most economical way of decreasing unemployment almost non-existent capital investment and risks on the part of Ethiopia with the expectation of high returns.<sup>230</sup> Reports of treatment of domestic workers in Middle Eastern countries have severely sullied the notion of exporting labour and with good reason. The human and labour rights of workers should be respected wherever they may be, regardless of the returns they may bring in the form of foreign currency. But the incidents are the fruits of weak regulatory and policymaking effort and illegal migration than inherent consequences of labour export. The unfortunate circumstances of domestic workers should instead be a case for strengthening legal migration. Although the Ethiopian government provides overarching legislation and guidance, private foreign employment agencies play a crucial role in delivering and operating these policies. They

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<sup>228</sup>Ethiopia's new migration policy: A positive step but continued scrutiny needed Informing humanitarians worldwide 24/7 — a service provided by OCHA 26 Jun 2019

<sup>229</sup>Gebregergis, CherkosMeaza: An Assessment of the Economic Impact of Globalization In Ethiopia: A Co-Integration Analysis St. Mary's University, TZG-General Development Research Consultancy 30 September 2017 available Online at [https://mpira.ub.uni-muenchen.de/83533/MPRA\\_Paper\\_No.\\_83533](https://mpira.ub.uni-muenchen.de/83533/MPRA_Paper_No._83533), posted 30 Dec 2017 13:55 UTC

<sup>230</sup>[ILO Guiding principles on the access of refugees and other forcibly displaced persons to the labour market, 2016](#)

constitute a vital component of facilitating international labour markets that seeks employment to Ethiopian citizens. By doing as such, they create jobs and gainful employment to thousands of job seekers. In addition, these agencies absorb the labour force and alleviate the domestic unemployment rate and act as a bridge in protecting Ethiopian workers overseas, also recommending workable solutions to policymakers to be prudent in any consideration of policy change. By looking at labour export from an economic perspective, instead of only social, several reforms need to be considered.<sup>231</sup> There is a need to take measures to strengthen the Ministry of Labor & Social Affairs (MOLSA), including increasing its human resource to authenticate documents and process them promptly, cut out unnecessary procedures, and set workable regulatory measures.

The interview conducted with Mrs. WosenTadese, the colleague of the Ministry of Job and Skills and an expert in overseas employment services, the interview based on the pre-arranged questions on the implementation of the provision of overseas employment services reveals the main services provided by this institution are to issue licenses to clients who come to the agency to issue licenses in accordance with the law, to monitor and control whether licensed foreign work liaison agencies are doing their work properly in accordance with the law, and to examine and approve the contracts of citizens going abroad. In addition, Ethiopia has a bilateral agreement with the Middle Eastern countries regarding overseas employment notably include: Saudi Arabia, the United Arab Emirates/Dubai/, Jordan and Qatar, that Ethiopia has bilateral agreements with these four countries. Currently, most of our citizens go abroad for work in Saudi Arabia, and she has told us that human rights violations are committed against our citizens in these destination countries.<sup>232</sup>

Among the human rights violations lack of necessary medical treatment in time, withholding of wages, work pressure, inadequate payment, and physical violence such as beatings by their employers and sometimes they face death threats. As the interview proves that there is pressing challenge in areas of human right that could have been averted by the bilateral negotiation.<sup>233</sup> The bilateral agreement made so far were limited only four countries where a significant number overseas employees are work and live. As far as the working at the institutional level in terms of addressing the above-mentioned rights violations, the

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<sup>231</sup> Interview with MrWosenTadese

<sup>232</sup> Ibid

<sup>233</sup> Ibid

interviewee revealed that institution are trying to solving the problems that may occurred on overseas employees based on the bilateral agreements that Ethiopia has signed so far and the problem still persist in other states that has no bilateral agreement with Ethiopia so far. As regards to the limitations in terms of solving the violation of workers' rights in the long term as per the amended Foreign Employment proclamation No 1246/2021 states that a labor attaché and a labor board will be established to oversee the violation of labor rights in foreign countries in near futures. The Ministry of Job and Skills announced that over 144,000 Ethiopians have benefited from foreign employment in the last five months of the 2023 fiscal year.<sup>234</sup>

In addition, the institution is making a concerted effort to expand access points. The institution is working to address the existing service gap and to establish one-window service centers in 2,200 districts of the country, recognizing the critical role of accessibility. However, as these centers have been used by only 500,000 individuals in the last five months, far short of the target of 20 million, the ministry has the need for wider access. The challenges facing our citizens working abroad are that there are skill miss-match on part overseas employee and the labour market in the destination country overseas employees lack enough professional experience. Thus there are situation in which overseas employee fail to receive enough salary. The lacks of a strong workers union in all areas of destination where Ethiopians are located abroad are the main limitations in terms of jointly prevention of rights violations.<sup>235</sup>

Currently MoJSA has initiated the overseas digital job matching platform has been transformed into the National Recruitment Platform with support from ILO by integrating it with the Ethio-Migrant Data Management System. To date, over 52 licensed privateoverseas employment agencies have been trained to work with the platform for overseas job matching. Facilitation of job seekers registration digitally both through assisted center based and self-registration via mobile application and call center which assigns unique identities fingerprint, builds full profiles of job seekers, arranges tailored training and assessment skills checking and certification), and matches job seekers to employer requirements. Integration of platform/system is underway to address back-office processes where the National

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<sup>234</sup>World Bank. 2015. Migration and remittances: Recent development and outlook. Migration and Development Brief 25, October. World Bank, Washington DC

<sup>235</sup> Supra note 247

Recruitment Platform is lacking such as agency management, contract management, case management, and immigration related to overseas employment.<sup>236</sup> MoJSA in collaboration with the Ministry of Foreign Affairs is in the process of appointing labour attachés in prominent hosting countries of destination for Ethiopian migrant workers to protect their rights, dignity, security and interests. An Ethiopian Migrants Data Management System has been set up under the Ministry of Labour and Skills to fully capture information on citizens going abroad for work and to make protection and assistance services more efficient and accessible to them. A directorate has been set up under the Ethiopia Statistics Service (ESS) to collect, organize and analyze comprehensive information on migration and disseminate information appropriately.

The Immigration Nationality Service (INS) has been restructured and implementing by Regulation No. 449/2019. MoJSA with its mandate to protect Ethiopian nationals exploited abroad, some Ethiopian diplomatic missions in Gulf States continued to provide temporary shelter and facilitate repatriation flights for victims. The government and civil society continued to report that Gulf States conducted mass deportations of Ethiopians rather than coordinated repatriations hindering the Ethiopian response system. The National Partnership Coalition NPC, in partnership with other government agencies and civil society, established a special committee to provide protection services to and prevent trafficking among Ethiopian returnees, including potential trafficking victims. Officials at Bole International Airport and at land border crossings coordinated with an international organization to screen Ethiopians returning from abroad for trafficking indicators.<sup>237</sup>

Foreign affairs of Ethiopia also need to be proactive, especially concerning legal matters, and transparent in their engagement with workers overseas. The alternative is migrant workers being left without representation in the countries they find themselves in. Such reforms are critical to export labour and offer a better alternative to shutting down the whole market altogether. Given the importance of employment and remittances to the national economy, a better framework that better serves this purpose needs to come to the fore. The lack of a legal

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<sup>236</sup> Supra note 252

<sup>237</sup> Ibid

labour export market would end up empowering illegal human trafficking instead of stopping labour migration.<sup>238</sup>

#### **4.5.3. Ministry of Justice**

As per of proclamation No. 1097/2018, the Ministry of Justice was given the authority to prepare legal reforms and the chief legal advisor to the government. The ministry has relevant powers including studying and promoting crime prevention, and undertaking or ordering criminal investigations. It should ensure the protection of whistle blowers and witnesses of criminal offences. It should follow up on the implementation of Ethiopia's international and regional human rights agreements and issue national reports on their implementation. It also holds the responsibility for the preparation of a national human rights action plan and following up on its implementation. The ministry should raise public awareness on the protection of human rights, and cooperate with the appropriate bodies in the provision of legal education and training. It should develop strategies for the provision of free legal aid and follow up on its implementation. Moreover, it plays a pivotal role in countering international crime, including trafficking in person and smuggling of migrants.<sup>239</sup>

The Ministry of Justice has recently become involved in the area of migration. The Ministry has a mandate dealing with prosecution and legal counsel, drafting laws, prosecuting criminals, legislating laws and crime prevention. The ministry of Justice is empowered to, among others, to sign international legal cooperation agreements and serve as a central authority.<sup>240</sup> An interview with MrEyasuKeleme, who is a colleague of the Ministry of Justice and a prosecutor at the Secretariat of the National Partnership Coalition (NPC), told that regarding the implementation of the legal frameworks that have been issued regarding the provision of overseas employment services. He explained that in terms of protecting the rights and safety of our workers employed overseas and facilitating the remittances that our country should receive from this sector, the role and performance of the legal framework is not said to completely alleviate the problems, but it can be considered as a good start so far as International crime, including human trafficking and smuggling.

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<sup>238</sup>FikreJesusAmahazion :Understanding Remittances in Eritrea: An Exploratory Study :College of Arts and Social Sciences, AdiKeih, Eritrea. International Journal of African Development v.5 n.2 2019

<sup>239</sup> Interview with EyasuKeleme at Ministry of justice

<sup>240</sup>Proclamation No. 1097/2018

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#### **4.5.4. National Bank of Ethiopia**

Ethiopia is a remittance receiving country. Estimates of informal remittances to Ethiopia vary widely. According to the World Bank, the net exchange rate for 2016 was 742 million dollars, of which 772 million dollars came into the country and only 30 million dollars went out (World Bank 2017). The National Bank of Ethiopia, however, estimates that private remittances to Ethiopia in the 2016/2017 financial year will exceed \$4.4 billion, a difference of nearly six times. Although there are significant differences between sources, it is clear that Ethiopia's remittances contribute significantly to the economy. Outbound capital controls are strictly enforced, making Ethiopia an open recipient of funds. If irregular flows can be accounted for, the inflows will be much higher. In some corridors (Isaacs, 2017), irregular flows into the country are estimated to be as high as 78%. They mainly occur on the back of business payments, such as sending cash to family and friends or making payments without crossing borders.<sup>242</sup>

Dispersed Diasporas require multiple operational corridors. Ethiopia has a large diaspora abroad. The World Bank has stated that there are Ethiopians living in 85 different countries. Considering the vast diaspora space, multiple corridors need to be operationalized and cater to diverse needs, payment channels and devices.<sup>243</sup> Remittances account for more than 5 percent of Ethiopia's GDP and one quarter of the country's foreign exchange earnings.<sup>244</sup> Remittances are mainly used for non-productive purposes, such as daily needs, with less than 20 per cent of remittances received used for productive investments such as education or business. Most remittances are sent through informal channels.

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<sup>241</sup>Proclamation no 909/2015

<sup>242</sup> Supra note 256

<sup>243</sup> Exploring barriers to remittances in sub-Saharan Africa series volume 4 by Barry Cooper & Antonia Esser

<sup>244</sup>National Voluntary Report on the Implementation of the Global Compact on Migration for the United Nations Economic Commission for Africa National Partnership Coalition (NPC) on Migration Federal Democratic Republic of Ethiopia (FDRE) 2020.

The Government is taking steps to improve the remittances environment and promote the use of formal means for remitting. The National Bank of Ethiopia Directive No FXD/30/2006 and its amendment of 2009 aim to reduce the cost of remittances and to enhance access to secure and efficient remittance service providers.<sup>245</sup> This includes ensuring the transparency of money transfer operators' fees and a 0 per cent commission for local banks for the pay out of remittances. Channeling these remittance flows towards productive investment could contribute to the long-term macroeconomic development of Ethiopia.<sup>246</sup>

As regard to the practical challenges an interview with Mr. Yohannes Alemayhe, Director of Economic and Foreign Relations of the Financial Stability Monitoring Division of the National Bank of Ethiopia reveals that the flow of remittances sent home from Ethiopians engaged in work overseas, is not much in terms of countries. He has further explained the reasons for this as follows. These are: - In terms of the police, the absence of a national remittance police, the non-establishment of a national remittance taxi force, the fact that Ethiopians without legal residence permits do not send remittances home in a regular way. Lack of efficient and time-saving remittance sending option<sup>7</sup>; the cost of remittance sending service is high, the way of sending remittance is not updated in terms of technology, and the remittance sent from the diaspora is not clearly identified by the National Bank of Ethiopia.

In addition to this, to increase the flow of remittances sent to the country, the government should consider the following details. These are: That undocumented citizens in foreign countries should establish a system to legally send their money back home There is a need to increase the number of easy, affordable and accessible money transfer methods; That there should be a remittance incentive system at the national level; Make the foreign exchange rate closer between the formal and informal financial system; To make existing digital money transfer options accessible to all diasporas and remove restrictions on all foreign currency notes, a that if it is possible to establish a coordinated system to increase the flow and utilization of remittances at the national level, it is possible to increase the amount of remittances sent to the country.<sup>247</sup>

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<sup>245</sup> National Bank of Ethiopia Directive No FXD/30/2006 and its amendment of 2009

<sup>246</sup> Ibid

<sup>247</sup> Interview with Yohanes Alemayehu

## CHAPTER FIVE

### 5. CONCLUSION AND RECOMMENDATIONS

#### 5.1. CONCLUSION

The paper analyzed the overseas employment legal framework of Ethiopia and its contribution to contemporary and ongoing exchange of migrant remittances. Economic growth has been one of the overriding issues among the macroeconomic objectives of developing countries through externalization of labour. In their attempt to attain continuous and broad based growth, governments of these countries have been implementing various macroeconomic policies, by identifying the potential determinant factors for growth. The growth literature had identified various determinant factors of overseas employment for growth with growing attention to remittance gain thorough labour externalization has posed serious policy challenge given the labour exploitation at destination country despite the growing flow remittance to developing countries in general and Ethiopia in particular in association with the huge migrant stock all over the world. Besides, the diverse channels through which remittance can affect growth had let to the difficulty of identifying its impact theoretically, which made the issue to be an empirical one. The result of the econometric analysis indicated that there is a long run relationship between economic growth and the explanatory variables. It is also found that LHC affects economic growth positively and significantly both in the short run and long run, which is in line with the theoretical foundation. Regarding, the result confirmed that it affects growth positively and significantly in the long run. Nonetheless, the impact is negative for the short run model. This is due to the consumption smoothing target of remittance income by receiving households in the short run.

The diaspora maintains close ties to the country and sends large amounts of remittances every year, much of it informally. A net receiving country requires a particularly strong system that supports consumers in accessing the funds sent. It is therefore essential to expand adequate systems that support the efficient flow of remittances both domestically and cross-border. The government has made efforts towards the liberalization of its economy and financial sector. It still lags behind other countries in East Africa, however. While formal flows are increasing, the high persistence of informal flows points towards several impedes factors for consumers and businesses. If these challenges are not addressed, the informal system is likely to persist and expand, having a knock-on effect on economic stability and

consumer welfare by increasing inflationary and currency overvaluation pressures in the longer run. This in turn increases poverty if not managed carefully.

The Ethiopian Overseas Employment Administration is not robust in providing the same level of service as expected from the administration to Ethiopian overseas employees abroad. The main objective of this institution is to facilitate decent and productive working conditions for Ethiopians employed abroad. From this point of view, the agency has a great openness in terms of establishing strong relations with Ethiopians employed in other countries and signing agreements with other countries to ensure the rights of workers and all their benefits. Also, the government of Ethiopia is not getting the remittance it deserves as a country from this sector. There is a gap in Ethiopia's national overseas employment policy and strategy framework. Ethiopia has a draft policy and strategy on migration management, but has not published a policy and strategy approved by the People's Representative Council of Ethiopia. According to the amended Overseas Employment proclamation No. 1246/2021, regarding the categories of workers, i.e., skilled, semi-skilled and unskilled or laborer workers, it is clearly mentioned in the proclamation but, Regarding to the implementation of the proclamation, if it does not include all types of workers, it means that there is a problem in the implementation level. In addition to this, there is no clear framework for foreign labor liaison agencies to monitor abuses by foreign employers against workers. Ethiopian-born workers who live abroad without legal documents cannot send remittances to their country in a regular way because they do not have legal documents to live abroad, which has had a significant impact on the flow of remittances to Ethiopia. In addition, there is a significant limitation in this round as the development of digitalization marketing infrastructure is not accessible at the same level throughout Ethiopia regarding automatic transaction/digital money transfer. When migrants send home part of their earnings in the form of either cash or goods to support their families, these transfers are known as workers' or migrants remittances. They have been growing rapidly in the past few years and now represent the largest source of foreign income in many developing countries. The effect of remittance is noticed at macro and micro levels. It also has effects on local investment and employment. Besides, knowledge transfer takes place through migrants with professional skills and by associations formed by them. It is quite clear that the initiatives and measures taken are not sufficient enough. The moves taken by the Ministry of Foreign Affairs are positive. Hence, to tap the potential remittance and other resources of the Ethiopia diaspora like other countries certain measures should be

initiated. And these measures and initiatives would not only be taken by the government, but also by other stakeholders like NGOs and civil societies.

## **5.2. RECOMMENDATIONS**

Improving the flow through formal channels is essential to harness the real gains from remittances. There are three main issues that need to be addressed to achieve this. The first is related to legal and regulatory framework issues. This indicates the options for improvement related to the roles and responsibilities of the ministries as well as the coordination mechanisms, including the legal and regulatory conditions affecting overseas employment. The second issue is the issue of irregular migrants in countries where undocumented migrants cannot send remittances. In other words, they are irregular migrants who cannot use regular channels. The third issue is that of migrants who migrated through regular channels that could have used formal channels but chose not to do so for various reasons. Although formal channels for sending remittances in Ethiopia have shown remarkable improvements over the past few years, access to formal remittance payment channels continues to be a challenge, especially in rural areas. The study has expounded that the main reason for not wanting to use formal channels of transmission is the reasons we mentioned above and related to this. Many of the recommendations address multiple barriers to varying degrees. While some recommendations clearly address specific barriers, others have a broader impact on multiple aspects of the market. Therefore, while the recommendations below explain in detail the issues we have raised above, it is necessary to follow a multidisciplinary approach so that the recommendations have the maximum impact.

### **❖ One of the Key Recommendations Made in this Paper is the Need to Preparation and Implementation of National Remittance Policy:**

It is necessary to work on the sector with special attention by preparing a national remittance policy and putting it into practice.

### **❖ Enhance the Role of Multi-Stakeholders Cooperation and collaboration in Order to Facilitate Efficient Remittance Exchange.**

This requires a multi-faceted approach to facilitate remittance exchanges and recognizes that remittance exchanges do not happen in isolation. Rather, the challenges associated with remittance transfers are more complex. Therefore, in order to overcome this problem, formal

and transparent collaboration between government ministries and major stakeholders in both the private and public sectors is crucial to establish a taxi force in this paper.

This includes recommendations on establishing mechanisms and processes to foster coordination between different stakeholders, including through memoranda of understanding and bilateral (or multilateral) agreements; public-private collaboration mechanisms on matters related to the development and implementation of cross-border remittance policies; harmonization of laws and regulations; and establishment of regional bodies to coordinate regional initiatives, and mechanisms for coordinating and implementing policy issues at the regional level. This aspect includes leverage and consistency with other regional and sub-regional instruments and institutions. The IGAD Member States form part of larger agreements/institutions concerning the movement of people (e.g. the East Africa Community (EAC)), 28 the Common Market for Eastern and Southern Africa (COMESA)), and trade/finance (e.g., the African Continental Free Trade Area (ACFTA)). Both kinds of instruments highlight the importance of economic development as it relates to the labour movement and are linked to remittance policies.

❖ **There is a Need to Focus on Collecting Accurate, Reliable and Frequent Data Related to Remittances and Diaspora Investment.**

This is known to be an ongoing challenge with international remittances. As part of this broader recommendation, this paper focuses on the reintroduction of household surveys specifically related to remittances and financial inclusion. Other useful information tools to consider include establishing financial access points, mapping the diaspora in the sending country, and encouraging the dissemination of information from the private sector (if possible). This ensures that initiatives and policies are not only fit for purpose, but also target the most disadvantaged regions and areas, making resource use more efficient. By solving the problem of identification, it can bring irregular migrants into formal remittances.

❖ **The Government of Ethiopia Should Facilitate Negotiations with the Host Countries so that the Undocumented Immigrants Can Get an Identity Card that Allows Them to Send Remittances in a Regular Way.**

In general, 60-70 percent of migrants traveling to the Gulf countries are undocumented, and this figure is estimated to be even higher for migrants traveling to South Africa. Therefore, it will be necessary for the Ethiopian government to reach an agreement with the host country

that will allow the acceptance of an identity card (ID) that is not related to the immigration status of the migrant. This will have the greatest positive impact on enabling people who are currently forced to use informal remittances to use formal services. It is necessary to facilitate a situation where our citizens who do not have a legal residence permit abroad can easily get a temporary consular ID that will enable them to send remittances home. The most important international example of this solution is used by Mexican citizens in the United States, where the Mexican government issues a document called the *Matricula Consular*. In turn, financial institutions in the United States accept the *Matricula Consular* as a valid form of identification to conduct various financial services. However, this recommendation acknowledges the challenges in introducing such a scheme. Such an initiative may have a greater chance of success if undertaken at the multilateral and bilateral level.

❖ **Increasing and Promoting Regular Overseas Employment Routes, Including Creating Bilateral Agreements with Governments and Raising Awareness among Ethiopians Labour Workers Will be Crucial to Increase Regular Remittance Flow.**

The main reason for the need to increase and promote regular overseas employment routes is that more internal legal evidence is available because of the difficulties of the deceased who are willing to send regular remittances home. Increasing the flow of remittances sent to the rest of the country by setting up open money channels by the national bank and money transfer organizations so that they can send remittances to Ethiopia in the form of documents.

❖ **Expand Adequate Remittance Payment System Infrastructure.**

This includes options for reforming policies, standards and rules related to national payment systems, improving the network of access points, promoting access to interoperable systems and platforms, and establishing national ID systems that support e-ID and ID requirements adjusted on a risk basis. One of the comments that the Ethiopian diaspora regularly gives is that there are no institutions in rural areas that make remittance payments. To improve this, by preparing a map of the current and potential access points and combining this with the household survey conducted at the national level, by conducting a research focused on the recipients of remittances in rural areas in a sustainable manner, i.e. bank branches in the right places, especially in isolated areas, microfinance institution (MFI) branches and post offices making houses sub-agents of banks.

❖ **Expanding Rural Remittance Receiving Branch Networks by Introducing New Technologies.**

In order to increase the flow of remittance from the diaspora to the country, it is necessary to establish and expand an easy and discounted/cheap money transfer system. In rural parts of Ethiopia, services are less than needed due to poor infrastructure. In rural areas, it is often necessary to call the city or headquarters to receive remittance payments. Since this type of remittance relay system is not an efficient system that takes time and energy, it is necessary to expand service coverage by streamlining internet services in rural areas.

❖ **Encouraging the Capital Investment of Overseas Workers**

The Studies conducted in this issue show that the Ethiopian Diaspora has contributed by sending many remittances and introducing many new innovations in the past decade to bring about sustainable development in Ethiopia. In order to increase the contribution of the diaspora to the development of the country, to overseas workers should be given the opportunity to engage in various investment sectors in Ethiopia. By allowing the diaspora to engage in various investment options at home, it is possible to significantly increase the amount of remittances that the diaspora used to send home, so it is necessary to ensure the development participation of diaspora.

❖ **Reducing Remittance Sending Fees.**

Since the diaspora sends high remittances to their friends during the holidays especial at Ed, Christmas, etc. it is necessary to make the remittance fee zero in order to increase the national income.

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## APPENDICES

### Interview Guides (Questions)

This interview questionnaire is meant to acquire information for my master thesis on title "**Examining Overseas Employment Legal Frame Work of Ethiopia: Implications for Remittance and Need for Further Reform**)" The main objective of this study is to explore the normative legal framework envisaged under Ethiopian overseas employment proclamation and the remittance implication for economic development for the country. Thus the records you supply are applicable pleasing the requirement of LL.M degree on Commercial Laws. You are humbly requested to furnish all the applicable information for the successful completion of this work. The type of interview envisaged is semi-structured qualitative interview and greater flexibility for both the researcher and the interview guide and the interviewee, the place the researcher prepares preliminary questions which serve as interview information and the interviewee has a magnificent deal of the way in answering the question. Regarding the confidentiality of this research paper, would like to assure you that, this questionnaire will be used only for academic purposes and the information you provide will be kept confidential. I will not share any information about you or anything you tell me with anyone. Interview Timeframe and Procedure: The interview will take about half an hour. Contact Information: If you have any questions about this research study in the future, please contact me using the following contact information Regarding the confidentiality of this thesis paper, would like to assure you that, this questionnaire will be used solely for academic purposes and the data you provide will be kept confidential. I will now not share any information about you or something you tell me with anyone and if you have any questions about this research find out about in the future, please contact me using the following contact facts

Email: [terefe205@gmail.com](mailto:terefe205@gmail.com)

Phone: 0911780133

Thank you

**Interview guide questions related to key information's from the Federal Government  
Sectors: Ministry of Skill and Job Creation, Foreign Affairs of Ethiopia, Ethiopia Diaspora  
Service, and National Bank of Ethiopia.**

1. Currently, what is the number of Ethiopian workers employed in different parts of the world in regular and irregular ways?
  - A) In the regular way -----
  - B) Irregular way -----
  - C) Sum of both -----
2. What work has been done so far in terms of protecting the rights and safety of our citizens who are employed as workers in foreign countries? Is there a legal process to stop the infringement?
3. What is being done to bring the Ethiopian irregularly living in different parts of the world into a regular system? What do you plan to do in the future?
4. Regarding the bilateral agreement: Ethiopia has signed foreign employment agreements with how many countries so far? Which countries are these? Do you think that the bilateral agreement is complete and problem-solving in terms of protecting the rights and safety of workers?
5. Do you think the government is getting the remittance it should have received from this sector? If you think that the government is not doing well, how should it be fixed in the future?
6. What has been done as a ministry in terms of organizing and managing the full data's of our citizens who have migrated regularly and irregularly in different parts of the world? And from this point of view, what is planned to be done in the future?
7. In terms of cooperation: Do you think the sector is being managed properly? For example: Has your institution properly fulfilled its personal and collective responsibility to protect the rights and safety of overseas employees and has it set up a system that allows our country Ethiopia to get the remittance it should have received from this sector? If the system is not working, what should be done to improve it?
8. How much remittance does Ethiopia receive from this sector every year? Also, what do you say should be done for the future in terms of modernizing and increasing the flow of remittances to the country? What is expected from responsibly organ? If Ethiopia can tell us if there are gaps in terms of accepting and implementing international overseas employment management laws, conventions and treaties as a country?

9. How do you assess the benefits of the overseas employment management laws in force in Ethiopia, such as the police, proclamation and regulations, as well as strategic plans in terms of facilitating remittances sent to the country? What is the impact of the absence of a national overseas employment management police on remittances?
10. In order to increase the flow of remittances sent to the country and to protect the rights and interests of Ethiopian workers who are employed overseas, which institutions do you say should work together?

**1. Interview Questions to the Ministry of Skill and Job Creation**

- 1.1. Currently, what is the number of Ethiopian workers employed in different parts of the world in regular and irregular ways?
  - D) In the regular way -----
  - E) Irregular way -----
  - F) Sum of both -----
- 1.2. What has been done as a ministry in terms of organizing and managing the full data's of our citizens who have migrated regularly and irregularly in different parts of the world? And from this point of view, what is planned to be done in the future?
- 1.3. What work has been done so far in terms of protecting the rights and safety of our citizens who are employed as workers in foreign countries? Is there a legal process to stop the infringement?
- 1.4. Regarding the bilateral agreement: Ethiopia has signed foreign employment agreements with how many countries so far? Which countries are these? Do you think that the bilateral agreement is complete and problem-solving in terms of protecting the rights and safety of workers?
- 1.5. Do you think the government is getting the remittance it should have received from this sector? If you think that the government is not doing well, how should it be fixed in the future?
- 1.6. What has been done as a ministry in terms of organizing and managing the full data's of our citizens who have migrated regularly and irregularly in different parts of the world? And from this point of view, what is planned to be done in the future?
- 1.7. In terms of cooperation: Do you think the sector is being managed properly? For example: Has your institution properly fulfilled its personal and collective responsibility to protect the rights and safety of overseas employees and has it set up a system that allows our country Ethiopia to get the remittance it should have received from this sector? If the system is not working, what should be done to improve it?

## **2. Interview Questions for Ministry of Foreign Affairs**

- 2.1. What work has been done so far in terms of protecting the rights and safety of our citizens who are employed as workers in foreign countries?
- 2.2. Is there a legal process to stop the infringement?
- 2.3. What is being done to bring the Ethiopian irregularly living in different parts of the world into a regular system?
- 2.4. What do you plan to do in the future?
- 2.3 Regarding the bilateral agreement: Ethiopia has signed foreign employment agreements with how many countries so far? Which countries are these?
- 2.5. Do you think that the bilateral agreement is complete and problem-solving in terms of protecting the rights and safety of workers?
- 2.6 Do you think the government is getting the remittance it should have received from this sector? If you think that the government is not doing well, how should it be fixed in the future?
- 2.7 What has been done as a ministry in terms of organizing and managing the full data's of our citizens who have migrated regularly and irregularly in different parts of the world? And from this point of view, what is planned to be done in the future?

## **3. Interview Question to Ethiopia Diaspora Service**

- 3.1. Do you think the government is getting the remittance it should have received from this sector?
- 3.2. If you think that the government is not doing well, how should it be fixed in the future?
- 3.3. What has been done as a ministry in terms of organizing and managing the full data's of our citizens who have migrated regularly and irregularly in different parts of the world? And from this point of view, what is planned to be done in the future?

## **4. Interview Questions to National Bank of Ethiopia**

- 4.1. How much remittance does Ethiopia receive from this sector every year? Also, what do you say should be done for the future in terms of modernizing and increasing the flow of remittances to the country? What is expected from responsibly organ? If Ethiopia can tell us if there are gaps in terms of accepting and implementing international overseas employment management laws, conventions and treaties as a country?
- 4.2. How do you assess the benefits of the overseas employment management laws in force in Ethiopia, such as the police, proclamation and regulations, as well as strategic plans in terms of facilitating remittances sent to the country? What is the impact of the absence of a national overseas employment management police on remittances?

- 4.3. In order to increase the flow of remittances sent to the country and to protect the rights and interests of Ethiopian workers who are employed overseas, which institutions do you say should work together?
- 4.4. In terms of cooperation: Do you think the sector is being managed properly? For example: Has your institution properly fulfilled its personal and collective responsibility to protect the rights and safety of overseas employees and has it set up a system that allows our country Ethiopia to get the remittance it should have received from this sector? If the system is not working, what should be done to improve it?

#### **List of Interviewed People**

1. Interview with Mr. MulgetaAbebe, an expert of Ethiopian Diaspora Service Agency, on December 1, 2023 at 2:30.
2. Interview with Mr. YohannesAlemayehu, an expert of in the Monterey stability division, external economy and foreign relations directorate of the National Bank of Ethiopia on November 29, 2023 at 3:30.
3. Interview with Mrs. WosenTadese, the colleague of the Ministry of Job and Skills and an expert in overseas employment services, on December 1, 2023 at 4:30.
4. Interview with Mr. EyasuKeleme, an expert of the National Partnership Coalition (NPC) of the Federal Ministry of Justice, on December 2, 2023 at 4:30.
5. Interview with Mr. DawiEbrahim the Legal Consultant of the Confederation of Ethiopian Workers, on February 26, 2023 at 3:00