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# MINISTRY OF AGRICULTURE AND NATURAL RESOURCES

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## RURAL JOB OPPORTUNITY CREATION STRATEGY

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## ACRONYMS

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ADLI	Agricultural Development Led Industrialization
AGP	Agricultural Growth Program
CRGE	Climate Resilient Green Economy
CSA	Central Statistics Agency
CSOs	Civil Society Organizations
FDI	Foreign Direct Investment
FDRE	Federal Democratic Republic of Ethiopia
GDP	Gross Domestic Product
GTP	Growth and Transformation Plan
HABP	Household Asset Building Program
MFIs	Micro Finance Institutions
MoANR	Ministry of Agriculture and Natural Resources
MoFEC	Ministry of Finance and Economic Cooperation
MOI	Ministry of Industry
MSE	Medium and Small Enterprises
NGOs	Non- Government Organizations
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
PSNP	Productive Safety Net Program
RJOC	Rural Job Opportunity Creation
RJOCS	Rural Job Opportunity Creation Strategy
SDPRP	Sustainable Development for Poverty Reduction Program
SLMP	Sustainable Land Management Program
SME	Small and Medium Enterprise

## INTRODUCTION

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This Rural Job Opportunity Creation Strategy (RJOCS) document is designed to consolidate the rural job opportunity creation activities of the Ethiopian Government, at both federal and regional levels. The strategy aims to integrate rural job opportunity creation efforts with the country's broad and sectoral policies, strategies and programs. In preparing this strategy, emphasis was given to align the intent of the strategy with GTP II and CRGE objectives and targets. Furthermore, job creation perspectives, objectives, strategies and approaches were discussed based on local and international best practices. The strategy captures the job creation conceptual issues which are aligned to the country's socio-economic development situation. It is designed to serve as a living document to guide the implementation of the rural job opportunity creation through creating collaboration and coordination among various stakeholders and actors both at federal and regional levels.

The government's growth and transformation agenda has the objectives of creating job opportunities for citizens and thereby sharing the fruits of its development outcomes. To enhance the benefit of the rural population from the economic growth, the need to avail job opportunities and to motivate job seekers to engage in job creation in the rural areas are compelling. Expanding job creation/employment generation activities and supporting job seekers to engage in job creation is the responsibility of all stakeholders at all levels; to address both unemployment and underemployment in rural Ethiopia. The strategy is instrumental to make inclusive the ever-increasing economic growth of the country, through creating decent job opportunities for the rural youth and women in a more coordinated and concerted manner.

The overriding objective of the strategy is, therefore, to increase rural job opportunities and support job seekers to engage in job creation. The process of designing the strategy was coordinated by the Ministry of Agriculture and Natural Resources which engaged the various stakeholders and partners. Consultation workshops were organized at federal and regional levels whereby stakeholders participated and provided their input for the improvement of this strategy document. Furthermore, the strategy was reviewed by the Council of Ministers and incorporated comments and inputs from their deliberation.

The ROJC strategic document is organized into eight sections. The first section highlights the country's context while the second one deals with job opportunity creation concepts, best practices, opportunities and challenges. Sections three and four present the core contents of the strategy. Section five shares the critical inputs for RJOC. Section six outlines the organizational structure and institutional arrangements, including coordination and management framework and the role of relevant stakeholders. Section seven contains planning, follow up, and review procedures on progress of the strategy implementation. Section eight highlights next actions to operationalize the strategy.

## SECTION ONE: COUNTRY CONTEXT

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### 1.1 POLITICAL DEVELOPMENTS

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Ethiopia is a democratic nation that allows citizens to engage in the country's political, social and economic development and enjoy an equal share of the proceeds of development outcomes. Article 41 of the Federal Democratic Republic of Ethiopia (FDRE) Constitution stipulates that government must pursue policies which aim to expand job opportunities for the unemployed and the poor. Article 41 further ratifies that the government should undertake all measures necessary to increase opportunities for citizens to find gainful employment.

In line with this, government's efforts in job creation remained one of the achievements in trickling down the benefits of the economic development dividend at grass root level. In this connection, efforts were made to create the required rural jobs to enhance the livelihoods of rural communities. However, job opportunity creation activities in the rural areas were not well-coordinated or streamlined with the development objectives of the country. Being cognizant of promoting rural job opportunity and aiming to resolve the challenges apparent in rural job creation during the Second Growth and Transformation Plan, the FDRE Government has established a Rural Job Opportunity Creation and Food Security Sector under the auspices of the Ministry of Agriculture and Natural Resources. Similar institutions have also been established at all levels of the Government.

### 1.2 SOCIAL DEVELOPMENTS

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The Government is determined to accelerate the country's sustainable development through developing Ethiopia's ample land and human resources. This is complemented by aggressive investments in social and economic infrastructure, such as education, health, water, and road construction. Developments in these areas have contributed to ensuring participation and benefits of citizens at large of overall economic development. Amid such visible positive results of the country's economic development, there is an apparent gap between the number of job seekers and available jobs. Thus, the need to respond to job seekers demands to enhance their livelihood calls for immediate and concerted actions. This Rural Job Opportunity Creation Strategy is, therefore, initiated to lay down the foundation for responding to such a timely national agenda in a rigorous manner. Achievements registered so far in social services and infrastructure developments in the rural areas are taken as good opportunities to move ahead in an appropriate direction and expedite the implementation of the strategy. Among such facilities the following are worthy of mention:

- Rural Road Development: Expansion and access to road connectivity;
- Human Health Care Services: Health Posts, Health Centres and Hospitals;

- Animal Health Services: Veterinary posts/clinics;
- Provision of Potable Water: Putting in place institutions responsible for the provision of drinking water both for humans and livestock;
- Telecommunication Services: Telephone, mobile and internet services;
- Education: Pre-school and adult education, elementary, secondary, technical and vocational training institutions;
- Rural Financial Institutions: Saving and Credit, Unions, Multipurpose Cooperatives; “Edir”
- Training Centres: Farmers and Pastoralists Training Centres;
- Irrigation facilities; water users’ associations, construction and maintenance crews, and
- Other rural infrastructure facilities.

## 1.3 ECONOMIC DEVELOPMENTS

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### ECONOMIC GROWTH

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Over the last 13 years, Ethiopia has registered fast, sustainable and broad based economic development with an annual average growth rate of more than 10 percent of real GDP growth (Annex Table 1). This high growth rate has contributed to a sustained increase in per capita income and a decline in absolute poverty, as well as improvement in standard of living. Accordingly, the per capita annual income of the population increased to USD 794 in 2016 from a low of 377 in 2000<sup>1</sup>. The overall economic development achieved over the last decade has enabled the country to respond to the impact of the 2016 drought and demonstrates that the country has built its capacity in responding to drought.

In Ethiopia, infrastructure development has also been recognized as an integral part of economic transformation and job creation. In view of this, aggressive investment has been made in improving coverage of both telecommunications and electricity. These and other infrastructure developments help promote private investment, which is critical in increasing the number of job opportunities.

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### POVERTY REDUCTION AND JOB CREATION

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The overall economic development also results in the reduction of poverty across the country. The extent of the population living below the poverty line decreased to 23.4 percent in 2014/15 from a high of 44 percent in 2000/01 (Annex Table 2). In a similar development, the rate of national unemployment in the country improved and showed a reduction to 4.5% in 2012/13 from 8.1 per cent

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<sup>1</sup> FDRE: National Planning Commission, The Second Growth and Transformation Plan

in 1998/99. The official unemployment rate in urban and rural areas was 16.5 and 2 percent respectively in 2012/13 as depicted in Annex table 2<sup>2</sup>.

Although the unemployment rate in the rural areas seems low, the need to conduct a detailed and thorough study is essential in view of the extent of job seekers observed in the labour market. Rural wage labour markets are very thin and most youth are engaged in subsistence agriculture or unremunerated home production activities, and unemployment is typically very low. While underemployment in the rural areas is significant the reported unemployment rate in the rural areas could be modest. For instance, CSA's labour force survey states if someone in rural areas spending less than eight hours on work per week was classified as job seeker, the unofficial aggregated number of unemployed in the rural areas of the country could reach 4.2 million (out of which 69 percent are women) reported unemployed labour force<sup>3</sup> (Annex table 3).

Currently the Ethiopian rural annual population growth rate is estimated at 1.8 percent, while in view of age composition annual growth rate of economically active population (15-59 years old) is estimated about 2.6 percent<sup>4</sup>. This reveals that jobseekers' annual growth rate is higher than the overall population growth rate. The estimate also hints that, on average, one million additional new jobs per year should be ready for new rural job seekers in the coming years. Among these, about 400000 young (between the ages of 15 and 29) economically active job seekers are expected to join the labour market annually<sup>5</sup>. Based on these estimates, although the annual rate of increase of youth job seeker is expected to decline over time, due to the longstanding high unemployment backlog, the task of providing jobs to the rural youth could be challenging, as shown in tables 4 and 5.

It is evident that rural migrants constitute the largest group among unemployed youth in different parts of the country (Annex 6). Their movement is unplanned and desperate, with many of them lacking information regarding job opportunities at their destination. Consequently, some encounter life-threatening challenges, such as exposure to human trafficking.

## 1.4 NATIONAL POLICIES, STRATEGIES AND DEVELOPMENT FRAMEWORKS

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The Agricultural Development Led Industrialization Policy (ADLI) is the Government's overarching policy response to Ethiopia's food security and agricultural productivity and eventually leading to

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<sup>2</sup>Central Statistics Agency, Manpower Survey, MOFEC, Poverty Analysis Report (2011/12) and GTP I Performance Report (2012/13)

<sup>3</sup>Estimated based on Central Statistics Agency, 2012/13 Manpower Survey

<sup>4</sup>Central Statistics Agency

<sup>5</sup>Central Statistics Agency, Population Projection



industrialization. All subsequent poverty reduction and development oriented government strategies and plans have been anchored on ADLI. The objectives and targets of the rural development-led growth have been complemented by other sectoral strategies and policies. In a nutshell, the agricultural development led industrialization policy has the following basic intents.

- While the livelihood of majority of the population relates to agriculture, modernizing agriculture contributes to the reduction of poverty and brings economic growth. Ensuring food security means enhancing the living standard of the majority of the population and eradicating poverty from the country. Thus, attaining this objective is the principal objective of ADLI.
- Agriculture is also the main source of major inputs for industries. Accordingly, the success of transforming the economy to industrialization depends on the performance of agriculture in providing the necessary inputs. Thus, ADLI is a springboard to transform the country's economic structure.
- Since most the population depends on agriculture, investment in the agriculture sector assisted significantly in providing job opportunities to the rural population. Rural job opportunity creation is envisaged to reinforce the successes of these and other objectives of ADLI. Considering this, the design of the Rural Job Opportunity Creation Strategy is consistent with the objectives of the ADLI.

Ethiopia started the design and implementation of robust and wide-ranging poverty reduction programs in 2002/03. Since then the government has implemented several rural development programs focused on rural job creation activities. Particularly the second program, known as the Plan for Accelerated and Sustained Development to End Poverty (PASDEP), incorporates job creation as one of its strategic pillars.

Based on lessons gained and challenges faced during the implementation of the poverty reduction plans, the government with intensive participation of the population at large has designed and implemented the First Growth and Transformation Plan between 2010/11- 2014/15. During the implementation of GTPI, remarkable achievements in real GDP growth, infrastructure and social development as well as capacity building at all levels were attained.

The Second Growth and Transformation Plan (GTP II) spans the period from 2015/16 to 2019/20. The major objective of GTP II is sustaining rapid, broad based and inclusive economic growth, which accelerates economic transformation and the country's development. GTP II is focused on enhancing the economic infrastructure, accessing and improving the quality of basic services, as well as reducing poverty in a visible manner through creating decent jobs both in urban and rural areas. The plan will

sustain the inclusive and swift economic growth. Such broad based and sustainable economic growth is assumed to ensure sufficient job opportunities at all levels. Empirically, GTP II envisages reducing the national unemployment rate from 4.1 percent to 3.5 percent and urban unemployment rate from 16.1 percent to 12.2 percent. Regarding rural unemployment projection, however, the document does not provide clear targets.

Climate Resilient Green Economy (CRGE) strategy has been an integral part of Ethiopia's economic development framework since 2010/11. The full-fledged design and implementation of CRGE in the country placed Ethiopia at the forefront of the global context. The strategy has three basic pillars including promoting economic growth and development thorough carbon free industrial path, reducing and avoiding the production of greenhouse gas emissions and building a climate resilient green economy. While the Government is committed to promoting carbon free economic development and green industrial growth, the design of Rural Job Opportunity Creation Strategy must consider the creation of green jobs.

All government policies and strategies that exist and those to be evolved are implemented under the umbrella of GTP II and CRGE, towards attaining Ethiopia's vision. Thus, the Rural Job Opportunity Creation Strategy is not an exception. It is, therefore, obvious that to integrate the RJOC Strategy and resultant programs and initiatives will integrate and create synergy with the existing and evolving national policies, strategies, plans and programs. While the policies, strategies and programs with no doubt play important role in creating jobs, the RJOC needs to be aligned with and benefit from their objectives and performances. RJOC programs, initiatives and performances in turn reinforce the intended success of each policy, strategy and programs.

## SECTION TWO: JOB CREATION CONCEPTS; OPPORTUNITIES, CHALLENGES, LESSONS

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### 2.1 CONCEPTS

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Job creation is the process of providing new jobs, especially for people who are unemployed, and increasing the portfolio of works for people who are underemployed. Job creation is also the process of creating new jobs to offer better remuneration for the employee and generate more value addition to the economy. Job creation benefits the unemployed and underemployed, particularly youth (regardless of their educational level), and contributes to the sustainability of economic development.

Job opportunity creation programs are programs or projects undertaken by a government through the macroeconomic framework in order to assist the unemployed population. The programs are especially common features during times of high unemployment. The programs include, among others, increased development expenditure in infrastructure and introducing fiscal and monetary adjustments to promote private investments. They are important instruments to create jobs for unskilled workers, and facilitate the link between the employee and employers in the labour market. The Government takes measures on monetary and fiscal adjustments that can stimulate investments (including private sector) at local level and hence enhance job creation. It is creating jobs for those who are not skilled and creating linkages between job seekers and employers. It benefits job seekers through creating jobs and supporting the economic growth. It is also critical in creating jobs for unskilled labourers and contributing to economic growth. Job creation is securing enterprise and economic growth.

The above concepts imply that creating jobs for unemployed and underemployed, particularly for youth and women, plays a significant role in enhancing the economic growth and citizens' livelihoods. Moreover, job creation is influenced and associated with socio-economic context and citizens' standard of living. In promoting equal and fair job opportunity creation for unemployed and underemployed citizens, there is a need to consider the following enablers or recommendations.

- Providing priority for unemployed and youth and women in job opportunity creation;
- Providing more emphasis to the marginalized in job opportunity creation;
- Contributing to the reduction of poverty through providing priority in job opportunity creation for those living with high poverty profile;
- Enhancing local and national growth and transformation through promoting job opportunity creation;
- Associating job opportunities creation with the development of rural entrepreneurship;

- Making created jobs to incentivize job seekers to spend more time on their job, generate better remuneration and engage in sustainable jobs;
- Empower young people to help solve the issues; let the youth guide their own issues, hear their voice and use their wisdom;
- Integrating the national economic growth and transformation to job opportunity creation;

## Definitions and Concepts

The meaning of job seekers (unemployment and underemployment) varies according to the economic status of the specific country. This strategy document adopts the definitions and concepts as outlined in the Ethiopia National Employment Policy and Strategy document. The Ethiopia National Employment Policy and Strategy divides job seekers in to two. The first one is **unemployment**. This concept refers economically active citizens and satisfying three criteria simultaneously; that is “job seekers” who are “without work”, “currently available for work” and “seeking work”. The second category is **underemployment**. This category contains economically active citizens who are available and ready to work more hours than their current engagement or to use their time more productively. In the rural Ethiopia both unemployment and underemployment exist and the trend is increasing. Moreover, in the rural areas underemployment is more common and assumed to be more pronounced than unemployment. Therefore, job creation initiatives undertaken to address the problems of jobseekers in the rural areas should pay attention to both phenomena.

## 2.2 GLOBAL AND NATIONAL BEST PRACTICES

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### GLOBAL RELEVANT EXPERIENCES

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A lot of experiences, successes and failures exist worldwide. Some experiences from other countries have already been adopted by the FDRE and several sector ministries, as their experience is very relevant. The RJOC strategy has made many its references to the experiences of the South Asia countries, mainly South Korea, Vietnam, Philippines, China and India. Although the objectives and targets of each country’s employment policies and strategies are not homogenous, some common and relevant lessons can be drawn, which are summarized as follows:

**Job creation has Constitutional Framework:** All sample countries governments are enforced by their Constitution to provide job for every citizen. For instance, in China, the Chinese Constitution stipulates that the government is entrusted to create job opportunities to unemployed citizens. In line with this, the Chinese government adheres to promote employment through developing labour intensive industrialization, and expanding social security system. In India, the constitution stipulates that the government must secure to all citizens the right to work. This was also rectified by the

National Rural Employment Guarantee Act. The Government of India allocates financial resources to implement the National Rural Employment Guarantee Scheme. The scheme guarantees every unskilled labourer up to 100 days of work per year at state-level minimum wages. The focus of the program is on public works to improve rural infrastructure, particularly water supplies and roads. In addition, the government integrates job opportunity creation efforts with the overall development agenda.

**Strong Emphasis on Quality of Education to Increase Employability and Productivity:**

Experiences from those countries who have demonstrated success in job creation reveal that there is a strong interface and positive correlation between the quality of education and increase in employment creation and productivity. Vietnam is a good example in this regard. Vietnam's primary concern is job creation and producing trained manpower fitting for available jobs. To deal with this, the government designed a youth employment program with the aim of building young human resources with high qualifications to meet socio-economic requirements, thus creating jobs and improving the quality of education and working skills.

**Integrating Job Opportunity Creation Efforts with the Overall Development Agenda:**

Governments of countries under consideration integrate job opportunity creation as one of their strategic pillars in their national development agenda. All have taken a number of initiatives in promoting employment opportunities in the rural areas.

**Government Takes the Lead in Job Opportunity Creation:** Although several actors including the public, private, NGOs and CSOs engage in job opportunity creation, in sample countries government is at forefront in leading and coordinating job opportunity creations activities. Government takes primary functions in terms of creating enabling environment. It puts in place a set of administrative structures, coordination and management frameworks, and introducing investment friendly policies and strategy. In addition, the Government plays a significant role through engaging job seekers in its social and economic development activities; and provides vocational training and skill developments, and facilitate overseas labour dispatch.

**Place Job Opportunity Creation as an Independent Development Agenda:** Most countries contemplate job creation as an independent national development program. They have put various supporting fiscal and monetary incentives aimed at realizing their job opportunity creation agenda. Such measures include allocating dedicated budget for job opportunity creation activities, and granting tax incentives for employers with high labour absorption.

### **Engage the Public, Private, Civil Society and the Community in Job Creation Efforts:**

Governments of model countries have recognized that job opportunity creation efforts could be successful if all relevant, public, and private, non-government organizations, and civil societies engage and collaborate. They have created appropriate system to engage and bring on board all to the success of their endeavour in promoting job opportunity creation.

### **Establish and Strengthen Pertinent Institutions Focused on Job Opportunity Creation:**

Governments of sample countries acknowledge the importance of institutions in job opportunity creation efforts. These institutions are helpful in reinforcing the efforts of the government in job creation and ensure that the benefits of created jobs are fairly distributed to citizens. In this connection, they have created several proactive institutions engaged in job opportunity creation at central and sub-national levels.

**Establishment of Basic Information System:** Most governments under consideration are successful in establishing active labour market information system to provide timely and accurate signals on jobs and skills in demand and shortages. Although the technology, level of disaggregation and coverage of the information varies from country to country the system has served as important bridge between job seekers and employers.

**Green and Decent jobs:** Governments, particularly the Korean government, have focused on linking job opportunity creation efforts with the development of the green economy. They have put priorities for job creations in environmental friendly activities.

**Creating Enabling Environment for Overseas Job Opportunities:** Most sample countries provide emphasis for creating enabling environment for unemployed citizens to engage in overseas job opportunities. By promoting this, the countries are benefiting both their unemployed citizens while generating remittances to the economy.

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### **DOMESTIC RELEVANT PRACTICES IN RURAL JOB OPPORTUNITY CREATION**

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Over the last years, the Ethiopian Government has implemented various policies, strategies and programs aimed at improving the livelihood of the rural population. However, their contribution in promoting job creation has not been significant as they have not properly incorporated job opportunity creation by design. The government interventions that have immense potential to rural job opportunity creation are those National Flagship Programs and livelihood interventions supported by several non-government organizations, which include:

**Productive Safety Net Program (PSNP):** The Government has been implementing the Productive Safety Net Program (PSNP) since 2005 in food insecure rural areas. The PSNP aimed at enabling the rural poor facing chronic food insecurity to resist shocks, create assets and become food self-

sufficient. Able-bodied members of PSNP households participate in productive activities (such as soil and water conservation activities, small scale irrigation, and integrated watershed management), resulting in improvements to natural resource and creating enabling environment for livelihoods. The PSNP public works can further be strengthened by redesigning it from the perspective and objectives of job creation based on the experiences of other countries, thereby self-targeted job seekers can take advantage of the scheme.

**Sustainable Land Management Project (SLMP):** It has the objective of improving the livelihoods and economic well-being of the country's farmers, herders and forest resource users by scaling up sustainable land management practices with proven potential to restore, sustain and enhance the productivity of Ethiopia's land resources. The implementation of SLM project is largely supported by community mobilization, and engaging several workforces. The impetus created in community mobilization in natural resource conservation by pursuing activities such as slope stabilization, watershed management, and reduction of tillage can lend constructive lessons in the implementation of the RJOC strategy.

**Agricultural Growth Project (AGP):** The principal objective is to increase agricultural productivity and commercialization of smallholder farmers targeted by the project. The objectives are consistent with the intent of rural job opportunity creation. Thus, the current RJOC initiative can draw important lessons and expected to complement the efforts of AGP.

**Pastoral Community Development Project (PCDP):** The main objective is to improve social and economic infrastructures, natural resource and rangeland management, community organization and economic alternatives for the pastoral communities. Project activities are implemented by mobilizing communities to contribute their labour and get remuneration for their contribution. By documenting experiences from PCDP and other development projects in pastoral areas, it is possible to enhance job opportunity creation in pastoral areas.

**Livelihoods Diversification Interventions:** Such types of intervention are implemented at household or individual levels. Smallholder farmers themselves initiate and engage in livelihood activities as they must complement the agricultural activities for their survival. The importance of livelihood diversification has also enjoyed enhanced momentum over the years, in line with the food security programs, engagement of government (local, regional and national governments) and non-government organizations. All the above-mentioned projects and programs have in-built livelihood support activities. Along with access to credit, microenterprise advice and linkages to markets have been part of the support provided, which have increased overtime and benefited a significant number of youth and women in some parts of the country. However, the potential for success and scaling up

of livelihoods diversification as income source and job opportunity creation has been limited due to supply driven approach, uncoordinated and scattered implementation.

**On-Going Job Opportunity Creating Efforts in Urban Areas:** Over the last decade federal and regional Governments as well as urban administrations have invested in creating jobs for the unemployed. In this connection, there is a possibility to acquire lessons, challenges and best practices undertaken in promoting rural enterprises (micro, small and medium enterprise), and cobblestone construction in the urban areas. Rural entrepreneurship can be adopted from the urban MSMEs and cobblestones can easily be expanded to rural areas, particularly in supporting rural town development.

Common practices generated from the domestic projects and programs can be summarized as follow.

**Aligning Job Opportunity Creation Objectives and Targets with the National Development Plan GTP and the Country's CRGE Initiatives:** Most programs and projects are focused on the country's agricultural development. Ensuring the agricultural sector development with environmental friendly interventions is the overriding objective of the country's development plans. Most of the programs/ projects, therefore, need to mainstream job opportunity creation with the objectives of the national development plans and promote green jobs.

**Promoting Community Participation:** In Ethiopia, community participation in natural resource conservation has been highly developed and accustomed at village and *kebele* level. Most projects scaled up such experiences to engage communities and sustain their efforts. Such deep-rooted participation approaches need to be supportive of job opportunity creation.

**Promoted Multi-Sector Coordination to Avoid Duplication and Strengthen Capacity.** Recognizing the role of multi-sectoral investment plans and implementation some programs engaged different sectors for the same objectives and targets. Such programs and projects demonstrate the importance and possibility of strengthening and sustaining work across sectors by moving to a programmatic approach. The success of core interventions on projects depends on strong community-based institutions; and will be basic lessons to promote successful rural job opportunity creation.

## 2.3 OPPORTUNITIES FOR JOB CREATION IN RURAL ETHIOPIA

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This RJOC strategy is designed within the current political, economic and social contexts. In this connection, the following are important enabling environments obvious in the design and implementation process of the strategy.

**The Policy and Legal Framework:** As it is widely recognized that government has issued and enforced diverse policy and legal frameworks that facilitate and enhance investment in the national



economy. As virtue of these enabling policy frameworks, huge investment projects are currently underway in the country. The national policies and strategies that encourage investment and job creation in the country are important supportive arrangements for job opportunity creation activities in rural Ethiopia.

**Government Commitment:** The livelihoods and earnings of many citizens have improved substantially through enhanced employment opportunities generated from major government development programs. Despite these achievements, a huge labour force is still seeking job opportunities. Cognizant of this fact, the Government is engaged in paving the way towards the development and implementation of a development strategy that enhances job opportunities creation in the country. Thus, this firm government commitment is considered as key enabling environment for the implementation of the strategy.

**Agriculture:** Apart from putting the abundant arable land under cultivation, additional labour can be absorbed by improving the productivity of existing farmlands. In addition to this, substantial employment opportunities can also be created through extended use of irrigation, use of improved seed varieties and product diversification (horticulture, fruits, vegetables, agro- forestry practices, etc.). These and other activities targeting modernizing the agricultural sector will not only create new job opportunities but also attract the youth towards farm and off farm activities that utilize science, research and modern marketing and logistics services.

**Animal and Fishery Resources Development:** The huge potential for expansion of animal and fishery industries in rural Ethiopia is widely recognized. As revealed by diverse agro-ecology studies, immense employment opportunities can be created through modernization and expansion of animal husbandry practices. The country's huge potential can be tapped in dairy farm and animal fattening, poultry farms, equine and pig breeding, aquaculture, apiculture and value addition processing interventions for generation of employment opportunities.

**Natural Resources:** It is widely recognized that Ethiopia has immense natural resources that can be used for different development inputs. Apart from these, which have been put in use so far, further exploration is expected to reveal huge untapped natural resources in the country. The development potential in the mining sub-sector (such as gold, iron ore, oil, etc.), in water and forestry can also be considered as a great opportunity for creation of rural jobs in different parts of the country. Creating jobs in the sustainable use of forests, soils, and water will require an investment in high-end science and innovation.

**Existence of Varied Ecosystem & Rich Biodiversity:** Ethiopia is endowed with diverse climate zones which are suitable for undertaking different agricultural activities. As different studies reveal, effective and efficient use of these untapped resources can greatly contribute to both the proliferation

of rural jobs and to the overall development of the country. This, in turn, can substantially respond to the dire needs for job opportunities in rural Ethiopia.

**The Rapid Urbanization and Infrastructure Developments:** Ethiopia is currently experiencing rapid urbanization in tandem with unprecedented achievements in infrastructure development. Successes currently underway and registered so far in the expansion of telecommunication services (including internet), in road, railway and air transport, in generation and supply of power (generation of electricity from hydropower, windmill, geothermal, solar, etc.) can create a huge potential for creation of employment opportunities in the country particularly in the rural areas. Similarly, the rapid urbanization currently underway in the country together with the growing rural – urban integration would substantially enhance the demand for rural supplies (the market for rural products). Accordingly, a growing demand for rural products has significant contribution towards the proliferation of rural jobs.

**Rural Towns Development:** The importance of small towns in job creation is significant. With some infrastructure investment, small towns are attracting and absorbing significant labour from the surrounding rural areas. The reality on the ground shows that non-farm self-employment is especially prevalent in small towns in Ethiopia. This implies that with appropriate support to rural towns' development and access to finance and flexible arrangements on working space, small entrepreneurship will have potential to grow in the small towns.

**Expansion of Investment and Private Sector Development:** Owing to the issuance and enforcement of enabling policy environments, coupled with different infrastructure developments by government, including agro-industry parks, private sector investment showed a fundamental change both in quality and number of projects. Apart from creating employment opportunities, the expansion of private investment in the country opens a huge market for different local inputs, which in turn leads to a proliferation of new job opportunities. The growing integration between the investment and input market is believed to make a great contribution towards the generation of job opportunities.

**Financial Inclusion:** The expansion of government and private financial as well as micro-finance institutions in the rural Ethiopia is apparent. The emphasis of financial services for boosting investment in the country plays significant roles in employment generation. As their roles in tackling the financial bottlenecks of new labour market entrants are significant, the expansion of financial institutions across the country is commendable.

**Expansion of Technical, and Vocational Education and Training Institutions (TVET):** The expansion of education, vocational and training institutions in the country is clear. This multifaceted training supports to create a skilful and knowledgeable labour force in creativity, market research, financial management, etc. which can constitute a solid foundation for sustainable and enhanced job

opportunity creation and effectiveness in the country. Besides expanding TVETs, training must be modernized and tailored to the available employment opportunities.

**Development Partners Support:** The government believes that its development partners are affirmative in such national development agenda. The role of the country's development partners in the rural job opportunity creation program is an additional impetus. Development partners play both a facilitating and direct role in rural job opportunity creation.

**Development Programs Undertaken in Collaboration with Different Stakeholders:** Following the introduction of conducive policy and legal frameworks in the country, many development partners are engaged in different development initiatives that directly or indirectly contribute towards the generation of job opportunities. In this regard, urban and rural safety-net programs are notable. Effective and integrated implementation of such development initiatives are also considered as great opportunities for the success of this employment generation strategy.

**Continued Job Creation Initiatives:** The determination and unwavering initiatives of Federal Government and the urban administrations to generate adequate employment opportunities for the youth through expansion of Small and Micro-Enterprises(SMEs)are evident in Ethiopia. Similar initiatives and efforts have been made by some regional governments to facilitate rural job creation through SME proliferation. The important lessons to be drawn from the countries past experiences in this area can be considered as important input and opportunities for the success of this rural job opportunity creation strategy.

**Continued Technological Innovation:** These days, the world is under a continued rapid technological transformation. This global transformation brings opportunities for the growth of both new jobs and labour productivity. In taking advantage of the recent technological innovations, Ethiopia has ample opportunities to enhance labour productivity in different fields. Innovation in the mainstream agricultural research institutes provide options regarding new technology, which are important for the enhancement of productivity in different fields of the economy. Their efforts are also supported by various technical and vocational training institutions. Accordingly, the opportunities to facilitate the proliferation of rural jobs are immense through enhanced use of these technological innovations.

**Community Organizations:** The wider public developmental roles are taken as a key consideration in designing this strategy. The best practices of regional national governments in organizing mass mobilization for development are taken as benchmarks. Efforts are also being made to replicate such experiences in other parts of the country to enable the public to resolve its problem through self-organized actions. Currently emphasis is given to scale up the community organization's developmental roles; named Community Care Coalition (CCC). Such community organizations can

help in identifying the key beneficiaries of the strategy, and facilitating its implementation. Thus, works done so far in organizing the community around different development agendas can be considered as a good opportunity.

**Rising Job Creation Self-Initiatives among the Youth Community:** It is widely known that the attitudinal problems towards low rank and blue collar jobs were wider among youth in the past. These days, this attitudinal behaviour is gradually changing and the youth start to engage in jobs which they were disinterested in before. Such attitudinal change among the youth is considered as an enabling environment for the success of this strategy. The youth community is assumed to be willing to engage in any available income generating activity.

## 2.4 JOB OPPORTUNITY CREATION CHALLENGES IN RURAL ETHIOPIA

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The challenges and realities associated with the generation of employment opportunities are assessed and considered in designing this rural job creation strategy. The following are among those challenges and objective realities this strategy can take into consideration.

**Information, Knowledge and Attitudinal Constraints:** Lack of knowledge and inadequate information, associated with poor communication, on job opportunities in rural areas are the most critical constraints. Furthermore, unrealistic aspirations and low motivation for self-reliance on job creation, as well as widespread aspirations of gaining a salaried job, mainly among educated job seekers, are serious attitudinal challenges. Rural parents prefer their children to focus on the possibility of gaining a salaried job rather than encouraging them to be self-employed. Accordingly, parents are less interested to provide the required supports, such as initial capital and working premises, for their children. Initiatives and roles of government organs to identify job opportunities in the rural areas are low due to lack of information and knowledge. Thus, providing job opportunities for job seekers in the rural areas is constrained due to low competency of executives and lack of information regarding the available options for job opportunity creation.

**Limited support to Women and Youth in Rural job Opportunity Creation:** The reality on the ground shows that the population of women and youth is increasing and their engagement in agriculture and non-agriculture activities is significant. Recent survey results regarding the Rural Youth and Employment in Ethiopia show that women and youth are largely engaged in unpaid labor on family farms. Empirically the survey indicates that 55 percent of women and 57 percent of youth (15-29 years) depend on unpaid farm labor for their livelihood.<sup>6</sup> It is evident that rural young and women are increasingly moving away from agriculture to non-agriculture activities. Although the rural unemployed pursue non-farm and self-employment, most of them remained in the sector due to

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<sup>6</sup>Rural Youth and Employment in Ethiopia (IFPRI + EDRI, 2016): NLFS 2005, 2013)

financial constraints. Therefore, priority should be given to women and youth to ensure that they benefit from the job opportunity creation endeavors.

**Low Interest in engaging in Agriculture:** Rural job seekers consider agriculture as low rank, under paying and tedious occupation, thus they are eager to engage in an occupation outside agriculture. Job seekers are less enthusiastic to engage in agriculture as it is highly vulnerable to various natural disasters (such as drought, flood, etc.), unrewarding, and demands more attention, knowledge and labour. In addition, little attention was given to the agenda of rural job opportunity creation and achievements registered so far in this endeavour were not satisfactory. Eventually, the gap between the rural job seekers and employment opportunities created in the rural part of the country is apparent. However, if the job seekers particularly with low education and landless youth are properly supported, they prefer to remain in farming and rural non-farm activities and self-employment since wage labour or employment in industries and outside the agriculture are scarce. In the light of this, the need to support agricultural activities with modern technology and input is critical to enhance productivity in the sector and this will help attract the rural job seekers to work in the sector.

**Low Horizontal Integration among Regional Governments:** As rural job creation efforts call for coordinated actions of different bodies, horizontal integrated efforts among the regional governments is critical. Currently, efforts of matching jobs with job seekers through enhanced free movement of labour force across regions are constrained due to widespread execution failures of existing programs and low support of executive bodies.

**Land Supply Problems:** Shortage in supply of land, which is an indispensable input for rural job creation, becomes a critical bottleneck in generation of employment opportunities. The problem worsens due to unavailability of unoccupied farmland, depletion of the fertility of the national land resources coupled with land fragmentation and absence of specific options for supply of land for job seekers.

**Financial Constraints:** Financial shortages are a critical problem in promoting rural job opportunity creation. Access to financial services for initial capital is a critical constraint for job seekers in rural Ethiopia. The inaccessibility of rural micro finance institutions in all parts of the country aggravates the problem. Even if they are accessible, rural micro-finance institutions (MFIs) are incapable to make available the required credit service. There is a wide gap between the supply and demand for credit. Rural MFIs are characterized by lack of focus, capacity and skill to mobilize rural savings. Low saving culture among job seekers and rural community is one of the major contributors for mobilizing savings. On the other hand, low tendencies in loan repayment among debtors, inappropriate utilization of loans for unintended purpose and inadequate efforts of the respective agencies to collect loan repayment are other malpractices in rural MFIs. Absence of effective mechanisms for prequalification screening to identify viable and appropriate borrowers is a major factor for bad loans.

Apart from these, incapability of the respective agencies to provide awareness creation and basic business skill trainings as well as supports in business plan preparations, and weak audit service provisions are impeding the role of rural MFIs in the rural areas. Inadequate attention and little interest among parents to support their children in fulfilling pre-credit saving requirements, also hindering rural job seekers to access loan from MFIs.

**Inadequate Training and Technology Development Centres:** Rural job seekers' access to technical and vocational training centres as well as to agricultural colleges is inadequate; thus, their chance to acquire short-term training in technical and business management skills is low. Similarly, technical and vocational training centres as well as agricultural colleges are weak in terms of capacity, experience and focus to provide rural job seekers with technical and business management skill trainings before business start-up. Inadequate attention and skill gaps among agriculture colleges, farmer training centres and technical institutes around job creation; as well as limited horizontal integration between them for learning and sharing are critical factors in producing skilled job seekers. Limited actions in innovation and provision of market based technologies to rural job seekers; and inadequate supply of market oriented machineries and equipment, and shortage of appropriate equipment to enhance productivity in farming and non-farming activities both in type, quantity and quality are critical weaknesses in facilitating rural job opportunities.

**Low Access and Integration with Rural Product Markets:** Farmers chances in obtaining the best benefit out of their products are marginalized as the supply of rural products directly to urban consumers is constrained by limited rural – urban linkages, absence of modern marketing system, and monopoly of brokers in marketing chains. Diversifying markets for fruits and animal products from rural areas through value adding process is weak. Absence of established information systems and weak integration of supply of rural products with markets; positioned rural product markets to fall under the monopoly of private dealers and failure to create adequate demand for rural products therefore are major causes for the early collapse of job opportunities in rural Ethiopia.

**Rural Outmigration:** Despite untapped potential in the rural areas, rural outmigration is increasing, as the job opportunities are not well developed and expanding. Pull factors in urban areas are assumed to contribute for the rural outmigration, but not supported with appropriate labour market information. This ultimately causes unproductive migration. Little attention is given to understand and track the effects of outmigration on agriculture and the overall socio-economic impacts.

**Systemic Bottlenecks:** National strategies, directives, working procedures and manuals; focused on job opportunity creation in rural areas are not in place. Organizational structure of implementing organs in rural job creation is not identical among the regions and not in some regions. Specific working systems, including coordinating mechanisms, for rural job creation are not yet put in place.

Moreover, the existing commercial law is general and designed in view of commercial activities and investors, rather than job seekers. Accordingly, rural job seekers are marginalized in the existing system and the whole process becomes tedious and discouraging for them. Land allocation to rural job seekers is difficult where land is fragmented and free land is scarce. Despite the extraordinary efforts in human capital development and access to education, gaps are apparent in inspiring and initiating literate job seekers towards entrepreneurship. Though agriculture remains dominant in rural job opportunity creation, there is a need to consider a broader understanding of rural setting. Rural setting is a broader concept, which includes agriculture and non-agriculture sector and rural-urban linkages. However, rural non-farm sector lacks sufficient understanding and support due to a lack of a stand-alone strategy.

**Low Provision of Infrastructure:** Given the expansion of infrastructure in the rural areas, accessibility of telecommunications (internet), electricity, water and other infrastructure is insufficient to support the expansion of rural job opportunities. It is, therefore, vital to expand rural infrastructure, particularly in rural towns to create a conducive environment for job opportunity creation.

**Limited Capacity at Woreda (district) level:** It has been recognized that rural job opportunity creation activities are not successful due to weak capacity at *woreda* level in all aspects. It is essential to build implementation capacity at *woreda* level.

## 2.5 LESSONS FROM EXPERIENCES

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The major lessons to be drawn from the conceptual frameworks, experiences, opportunities and challenges in designing and implementing the rural job opportunity creation strategy can be summarized as follows:

1. The basic concept of job opportunity creation aligns with the prevailing political, social and economic context of the country.
2. The need for harmonizing job creation efforts with the overall national development goals, and setting explicit and specific objective of rural job creation programs;
3. The basic concept of job seekers need to be coherent with the existing concrete realities prevailing in the country;
4. The need for comprehensive legal framework to address the bottlenecks of rural job seekers in sustainable manner and thereby to align the strategy with the overarching national development goals is mandatory;
5. The need for efficient data management system paving strong foundation for the success of rural job creation strategy is crucial.

6. To make job creation undertakings successful, designing and enforcing a comprehensive rural job opportunity creation strategy is commended.
7. Skill focused training scheme and knowledge based supports are vital for the success of rural job opportunity creation.
8. Enhancing participation of key stakeholders and strengthening their cooperation and coordination efforts;
9. Creating access to job creation inputs (such as finance, technology, land, etc.) and existence of strong institutional framework are critical.
10. Establishing and strengthening important institutional structure is helpful to job creation;
11. To facilitate job seekers access to existing employment opportunities and contribute to the country's industrialization development the government must focus on establishing minimum wage rate, and enforces private companies to introduce strong safety and security schemes for their employees.
12. Rural to urban, region to region migrations and overseas employments are part of the job opportunity creation activities, the need to enhance the access of employment opportunities for job seekers through planned and properly guided free movement of labour from rural to urban areas, from regions with high labour concentration to regions of strong investment potential, as well as to foreign countries is pertinent.



## SECTION THREE: RURAL JOB OPPORTUNITY CREATION STRATEGY

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### 3.1 RATIONALE

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The basic rationale for devising a rural job opportunity creation strategy is to diversify the options regarding job opportunities for the rural workforce and bring the untapped development potential in the rural areas into effective use. This will lead to social inclusion, reduction of rural poverty and underpin the ongoing rural transformation in which unemployed and underemployed citizens in rural areas are benefiting. It is also an important instrument to distribute the dividend of economic developments among the rural poor and marginalized, and thereby contributing to the stable political, economic and social development. Thus, the commitment for rural job opportunity creation is urgent due to the following basic premises:

1. It is evident that the rural labour force is underemployed, since the rural economy cannot fully engage the existing work force. Parallel to this, the population size is increasing faster compared to jobs and livelihoods created in rural area;
2. The rural development strategy of the government stipulates that the key resources this country endowed are **land and labour**. Thus, creating enabling environments for rural job opportunities for productive use of rural labour and land is not only important in promoting the rural community livelihood but also pivotal for the transformation of the economy;
3. Most of the rural population is living in low income that demands more job opportunities and income generating interventions to increase their income;
4. For equitable use of the available resource endowment in rural areas;
5. Rural job opportunity creation strategy could play a significant role in rural transformation process as well as strengthening the rural urban linkage.

### 3.2 THE NEED FOR THE STRATEGY

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The overriding objectives of the Rural Job Opportunity Creation (RJOC) strategy is to serve as the basis for enhancing the livelihoods of the rural job seekers and enable them to share the benefit of the fast and sustainable economic development of the country through creating rural job opportunities. Accordingly, the specific needs of the strategy include the following:

1. Guide and harmonize rural job opportunity creation activities and ensure the unemployed and underemployed rural population get benefit;

2. Identify strengths, weakness, opportunities and challenges in rural job opportunity creation endeavours; and set strategic measures and actions;
3. Promote and advocate for multi-sectoral involvement and the need to establish strong organizational structure at all levels to lead and coordinate rural job opportunity creation interventions;
4. Create supportive and enabling environments for rural job opportunity creations;
5. Enhance effective engagement of public, private, social, and community participation in rural job opportunity creations;
6. Ensure effective implementation of the strategy through continuous planning, monitoring, evaluation, and dissemination of best practices at different levels.

### 3.3 VISION

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To see the rural job seekers/ unemployed and underemployed citizens/ engaged in productive, decent, inclusive and sustainable jobs and benefiting from the job opportunity creation and thereby contributing for the growth and transformation of the country by 2025 and beyond

### 3.4 GOALS AND OBJECTIVE

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To ensure rural job creation in pursuit of transformation through benefiting and participating the rural citizens by creating job opportunity alternatives for the rural job seekers/unemployed and underemployed citizens.

#### **Specific objectives;**

1. Expanding job opportunity alternatives to ensure equitable benefit of all citizens;
2. Enhancing production and productivity through improved working culture and use of appropriate technology,
3. Strengthening the rural-urban linkage and expand market opportunities;
4. Facilitating migration in such a way that migrants are provided with decent jobs and reducing unsafe, unproductive and distressed migration.
5. Enhancing rural-socio-economic transformation through promoting and scaling up rural entrepreneurship.
6. Enhancing productive, decent, quality and sustainable jobs.
7. Benefiting rural women and youth from created job opportunities.
8. Ultimately, reduce rural unemployment and underemployment; and contribute to the overall socio-economic development of the country.

### 3.5 BENEFICIARIES

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The target beneficiaries of the expected job opportunities creation are the rural job seekers, primarily the unemployed and underemployed women and men, above 15 years of age, literate and illiterate, and those without regular and sufficient income. Furthermore, landless and school drop outs, technical and vocational trainees, and university graduates, farmers evicted from their land due to the expansion of urbanization and industrialization and those who need special support because of disability will be potential beneficiaries

### 3.6 BASIC PRINCIPLES OF THE STRATEGY

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Concerted efforts of stakeholders in the provision of rural jobs are indispensable for the success of job opportunity creation strategies. Therefore, bringing all stakeholders on board is critical to streamline implementation of the strategy in different development fields. To this end, the following basic principles and values are considered in the design and implementation of rural job opportunity creation strategy.

- 1. Mainstreaming the Rural Opportunity Creation;** To integrate the rural job opportunity creation intervention, all stakeholders are required to put job opportunity creation central targets in their overriding objectives. The targets should also be supported by prudent implementation mechanism including, allocating proper budget to realizing the plan, establishing the required institutional frameworks and equipping with proper human resource, and producing reports of the outcomes of the process with quantity and type of job opportunities created/generated.
- 2. Establishing Data Compilation and Utilization System That Help Creating and Ensuring Accessibility of Job Opportunities in a Sustainable Manner:** The entire RJOC activities and measures will be evidence based. In this connection, consideration will be given to create strong database including number of job seekers and job opportunities to make job opportunities sustainable and accessible to each job seeker. The data base need to include but not limited to the number of employed job seekers as compared to the registered ones, the amount of budget allocated and utilized against jobs created, the monitoring and evaluation system and evidence based reporting system.
- 3. Ensuring Participation, Ownership and Coordination;** In due course of the planning, implementation, monitoring, evaluation and documentation process of rural jobs opportunity creation participation of the youth, women and the community at large is indispensable to ensure the sustainability and effectiveness of the program. Equally important is that there should be

coordination among stakeholders to improve linkages, complementarities and synergies while supporting and implementing rural job opportunity creation.

4. **Strengthening Equity and Inclusiveness;** the jobs generation practical processes need to give priority to target groups who are very poor without adequate income to survive, followed by target groups with little income based on their local wealth ranking process. Target groups should include vulnerable populations such as women and youth. The wealth ranking and target identification process need to be transparent and participatory to give priority to the neediest and thereby ensuring equity among citizens.
5. **Women and Youth as Primary Beneficiaries:** Rural population and demographic characteristic are changing. Women population in rural areas is high and increasing over time. Over 70 percent of the population is aged below 30 years old and about 30 percent of the population is aged 15-29 years. This implies that more additional new rural job seekers are joining the labour market annually. Significantly, because of the aggressive education system, the educated youth population is increasing year by year, coming with unmatched aspirations, motives and needs. Therefore, while planning and implementing rural job opportunity creation, women and youth should get the right level of attention and priority.
6. **Green and Decent Jobs:** Job opportunity creation activities in rural areas will be in line with CRGE strategy and environmental friendly. Job seekers need to be offered and/or engaged in decent jobs (respecting the physical and mental integrity of workers).Emphasis will be given to maintain the quality of jobs created to contribute to the national development agenda, besides improving the livelihood of the job seekers.

### 3.7 RJOC STRATEGY FRAMEWORKS AND APPROACHES

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It is believed that the foundation of the rural job opportunity creation strategy is the rural development policy and strategy. The RJOC strategy will also be integrated and improved over time with the country's growth and transformation plan and other relevant and emerging strategies and procedures. In this context, the RJOC strategy and programs need to follow and focus on the following frameworks and implementation approaches.

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#### THE FRAMEWORKS

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The framework ensures that rural job opportunity creation initiatives are implemented in veiw of an integral manner, ensuring job seekersr contribution to the achivement of the country's startgeic objectives.

**Clear Vision and Strategic Objectives:** RJOC is instrumental for the realization of rural growth and transformation. While the RJOC plays pivotal role in the realization of rural growth and transformation endeavour, all stakeholders shall own and commit for its implementation. Implementation of rural job opportunity creation must follow a multi-dimensional directions and functions: multi-sector engagement; linkages and complementarities between agriculture and non-farm sectors. Its implementation success depends on small towns' development; rural-rural linkage: seasonal migration to surplus producing areas and investment corridors; and rural-urban linkage: temporary and permanent migration.

**Putting in Place Enabling Environment:** These activities include introducing the right legal frameworks, implementation arrangement (structures, coordination and governance) and systems (guidelines, manuals, tools, etc.).The RJOC legal frameworks should be consistent with existing and emerging national level policies, strategies, and plans to facilitate the realization of job opportunity creation. In line with the design of the legal framework, existing labour laws will be assessed to rationalize workers' rights. In promoting rural job creation, RJOCS will support the rural private sector through improving the enabling environment.

**More Investment on Management Information and Knowledge System:** To realize the objective of the rural job opportunity creation strategy, the need to focus on information and knowledge based job opportunity creation activities is desirable. Market information is critical in job opportunity creation. Market information encompasses information for input sourcing, products and labour. Spatial and temporal market information should be gathered, analysed, interpreted, and disseminated to different actors.

**Creating Common Understanding on Rural Job Opportunity Creation:** The existence of diverse understanding and perception among the various stakeholders in rural job opportunity creation is evident. Thus the task in creating common vision and mission of rural job opportunity creation is not simple. It is therefore significant to realize well-coordinated and concerted efforts to bring all in the same page for the success of the Strategy.

**Diversify Options Based on Demand and Supply Side:** To realize the objectives of the RJOC strategy all possible options will be explored to avail critical inputs such as land, finance, technology and manpower. Throughout the RJOC framework and the strategies, it is necessary to consider the demand and supply side. The goods produced and services provided through the new jobs created need to reflect both the demand and supply side situations. g

**Capacity building:** Capacity building efforts will consider all job opportunity creation alternatives and will be consistent with the socio-economic development context. Training will be provided to address all possible gaps in fitting job seekers with job opportunities. The role of Ministry of

Education is very critical in shaping the pre-jobs education approach as it plays important role in shaping the attitude of students to fit in job opportunities. There is a need to incorporate job opportunity creation apprentices in universities and colleges.

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#### THE APPROACHES

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**Context matters:** The implementation of the strategy will consider the objective realities of the rural areas, particularly, job opportunity creation alternatives, the living condition, cultural practice and livelihood systems of the people, the implementation capacity and the overall infrastructural facilities and investments.

**Linkages and Complementarities:** The rural job opportunity creation strategy will be integrated with existing and evolving rural development support programs and projects.

**Demand driven and value chain approach:** Throughout the framework, approaches and implementation strategies, job creation support and practices should be demand-driven. Capacity building support, goods and services to be produced by job seekers should be in line with demand and supply situations of the market. In case, if there are circumstances where supply driven is necessary, it should be through proper discussions and consultations and full decision of job seekers. In promoting rural business enterprises, priority will be given to those creating more jobs and value chain and value addition.

**Joint efforts:** RJOC will be strengthened through the design and implementation of relevant programs and projects pertinent to rural jobs creation through joint effort of the federal and regional governments. This approach enhances a mix of centralized and decentralized RJOC programming, aiming at enhancing ownership and engagement of both national and regional governments in designing and implementing RJOC programs.

**Growth and transformation:** The RJOC strategy will focus and provide emphasis on job opportunities that will bring about growth and transformation. It has the objectives of creating vibrant rural based entrepreneurship that will lead to promoting rural responsible developmental private investors over time. The strategy will consider appropriate support to expand job opportunity creation in small towns, which could attract and absorb significant labour from surrounding rural areas, both as commuters and as permanent migrants.

### 3.8 IMPLEMENTATION STRATEGIES

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**Strategy 1: Implementation Capacity and Systems:** Capacity and systems that will enhance the implementation of the rural job opportunity creation strategy will be laid down at all levels of government structure from federal to local levels. Implementation capacity is about establishing and

strengthening the right organization structure, coordination and management mechanisms. The implementation capacity needs to be put in place at different levels. Implementation system is about guidelines, manuals, communication strategy and other systems that help improve implementation performance. The systems need to be harmonized with the country's economic dynamism and underpinning the rural job opportunity creation efforts that will be designed and implemented at all levels, including federal, regional, *woreda* and *kebele* levels.

**Strategy2: Robust Capacity Building Towards a Profitable and Sustainable Entrepreneurships:**

Appropriate training on basic altitudinal and behavioural changes, knowledge and skill building, business skill and service development will be conducted to job seekers (direct beneficiaries of the created jobs) and to implementers. While entrepreneur skill activities are diverse, an intensive evidence based review of gap will be conducted before designing capacity building and entrepreneurship development initiatives. By and large, robust capacity building interventions for all involved in the process from higher officials to lower level implementers will be provided. Sustainable capacity building activities on knowledge and skill development will be executed based on continued capacity gap assessments.

**Strategy3: Supporting Youth and Women Focused Programs and Initiatives.** Limited support to women and youth is one of the identified challenges. In addressing women and youth issues, experiences from other countries show that youth and women are prioritised through job creation. To understand women and youth issues and identify appropriate job opportunity creation for them, additional and continuous research support is required. Given the accumulated unemployed and underemployed youth and women, and their contribution to the entire development, it is necessary to design and implement youth and women specific programs and projects.

**Strategy 4: Integrated Support:** The implementation of the strategy will be supported by unified and multi-dimensional interventions of the different actors. Since citizens engaged in the rural job opportunity creation schemes participate in the form of individual, group, cooperatives, MSEs, and others, full-fledged support will be arranged to reinforce their efforts. Development plans designed at all levels of government and structure will provide emphasis and incorporate rural job opportunity creation activities; Sector institutions at all levels will create dedicated structure to lead and coordinate RJOC activities; and partners will be involved in facilitating the implementation of the RJOC strategy.

**Strategy 5: Expansion of job Opportunities:** Special consideration will be given to identify rural job opportunity creation efforts. This will be realized through evidence based detail contextual analysis. Detail reviews on available job opportunities and alternatives will be conducted and the selected ones will be enshrined for better results. Continuous study will be also conducted to explore

new job opportunities. Their feasibility will be scrutinized for better result. The selected job opportunities will be reviewed with the beneficiaries' participation to maximize their benefit. Identified job opportunities will be ready for job seekers in priority order based on further investigation conducted on their effectiveness, and their potential in implementing the RJOC framework. The entire process will be implemented through participation of the community at grassroots level. The identified job opportunities will be also reviewed against their occupation and duration such as short, medium and long term. Based on such information, stakeholders and partners will be involved in implementing the identified jobs in an effective manner. The identification process will deserve due attention to job seekers and the community. This helps ensure sustainability, effectiveness and relevance to the local context; the type, number, interest and qualification of the job seekers.

**Strategy 6: Green, Decent and Productive Jobs:** The rural job opportunity creation program will be implemented in view of contributing for Climate Resilient Green Economy. To this end, jobs created at the rural areas will promote climate change resilience and environmental friendly interventions. Along with preserving natural resources, job seekers will also generate sustainable income for their livelihoods. Experiences of successful countries can be replicated. Investment in the creation of green jobs includes clean and efficient energy source, forest-based jobs and green skills training and incentives.

- **Clean and efficient energy source and building of energy saving rural homes.** The Ministry of Irrigation, Energy and Electricity is taking part in expanding those aspects of investments. Attention will be given to re-orient and expand activities such as solar energy and cooking stove to promote rural job opportunity creation. In addition, it is possible to enhance green development by providing skill training and incentives that promote green jobs oriented job creation opportunities.
- **Forest/tree -based jobs:** At present, tree-based jobs are being promoted in line with the rehabilitation of degraded lands, mountain development and natural resource management. The diverse locations and agro-ecology are the potential opportunities for the development of multipurpose trees.
- **Small rural towns' development:** Emerging rural towns supported with infrastructure (e.g. cobble stone-based road construction), facilities (water supply, electricity, etc.) and services (telecommunication, financial and other services) will be important venues in creating jobs. Rural towns are useful in attracting and creating job opportunities for job seekers and serve as local development corridors and stimulate rural-urban linkages.
- **Rural settlement patterns and housing:** The government plans to improve the settlement pattern and housing in such a way that they support and enhance socio-economic



transformation. Thus, the RJOC will be benefited from such activities by supporting the improvement of rural settlement patterns and housing initiatives. For instance, in supporting the improvement of rural housing (promoting decent rural housing), Ethiopia needs to model improvement of rural housing not only for decent housing but also to reflect the socio-cultural and traditional heritages and serve as source of ecotourism, thereby serving as huge opportunity for rural job creation and pursuing inclusive economic growth and sustainable ecotourism.

**Strategy 7: Rural Entrepreneurship and Private Sector Development:** The rural job opportunity program aims to produce developmental investors in the rural areas. From the outset, job seekers will be selected with scrutiny on their previous experiences, attitude to contributing to development, commitment, determination to produce quality and competitive products and services. Priority will be given to job seekers who are far sighted and purposeful in enhancing their wealth through rural and agriculture related activities, and willing to participate in the rural value chain. This will help produce several rural entrepreneurs and developmental investors. Attention will be given to build significant capital and technology capacity in the rural areas through initial engagement of minimal capital and low technology. With unreserved efforts in shaping the attitude and perception of rural job seekers it is intended to produce hard working, developmental, participatory, and innovative citizens. Such citizens are assumed to depend on their effort rather than depending on too much external driven support, strive to build saving culture and utilization of modern technology. Small towns as potential opportunities to job creation: With some infrastructure investment, small towns could attract and absorb significant labour from surrounding rural areas. Specific and targeted fiscal, financial and administrative incentives will be given and simplified existing procedures to promote the creation of job opportunities by the private sector investment in the rural areas.

**Strategy 8: Access to and Effective Use of Inputs:** To make rural job opportunity creation strategy successful, critical and basic development inputs will be made accessible through enhanced stakeholders' participation. To employ rural job seekers in modern agriculture and non-agriculture activities, it is essential to avail working premises, initial capital, appropriate technology, proper training, and infrastructure such as power, and water. Supplying these inputs is unlikely without proactive participation of the beneficiaries and their families. It is obvious that absence of such inputs remained critical bottlenecks to expand job opportunities in the rural areas. Although full-fledged government support will continue in providing essential inputs, beneficiaries and their families will be encouraged to take their initiative.

**Strategy 9: Market Linkages:** The RJOC initiatives will be linked with industry, agriculture and service developments to strengthen the national economy integration. This will contribute to reduce

distress economic migration through creating decent jobs and mitigate illegal people trafficking through legal migration. Furthermore, labour market information exchange network will be established and experience and best practice will be shared among regions for better results. In addition, the information network established among regions would also contribute to exchange of employment opportunities for citizens to work with free mobility from one region to the other, market information to get competitive and transparent price, avoiding distorting middle men intervention and benefit the producers and end users. Finally, all these will contribute to the overall development and creating harmonized economic and political integration at national level.

**Strategy 10: Study and Research:** Rural job opportunity creation efforts will be implemented through robust study and research (based on an evaluation and knowledge gaps). This will be done through appropriate research and study conducted to identify and adopt prevailing best practices on RJOC elsewhere and around in congruent with national and local objective realities. All rural job opportunity creation programs that will be implemented in the rural areas will be supported by meticulous study and research in utilizing appropriate technologies that will increase production and productivity, modernize and transform the agricultural activities. The RJOC will be focusing on those alternatives that have the capacity to absorb more and different categories of job seekers for effective results. This effort will be supported through conducting appropriate studies targeting job seekers interest. The RJOC plan will be designed and implemented through appropriate study and research supported by detail data and participation of beneficiaries and the rural community.

The study and research activities will also engage in promoting, and adoption of **best practices, innovations and technologies**. Rural job opportunity creation can easily be promoted and enhanced through following a creative approach. The creative approach includes documenting and scaling up of national and international best practices. Moving away from business as usual approach through better thoughts and critical thinking is critical. to promote and benefit from innovations. Innovations in this regard consist of new approaches, techniques, functions and new types of job opportunity creations. Rural job opportunity creation should also be supported by improved technologies, thereby improving production/productivity and service provisions. Knowledge base and appropriately selected technologies help promote modern and transformational agriculture and non-agriculture related entrepreneurship. Providing modern machineries and technologies help enhance productivity, transformation (value addition) and innovation of the businesses. Machinery and technology can be made available in the form of direct purchase by entrepreneurs or through a government supported leased system.

## SECTION FOUR: RURAL JOB OPPORTUNITY CREATION

### STRATEGIC PILLARS/COMPONENTS

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#### 4.1 GENERAL VIEWS OF THE STRATEGIC PILLARS

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Commonly known strategic pillars of job opportunity creation that are implemented in several countries are categorized as:

1. **Entrepreneurship/ Private Development:** Stimulate growth in small, medium, and large firms, includes access to credit to small enterprises, value chain development, or promotion of foreign direct investment.
2. **Livelihood Diversifications:** Improvement of portfolios of work for the underemployment population (income from many sources, from agriculture to casual labour to petty trade and formal work).
3. **Labour market:** Facilitating labour linkage to employment opportunities and legal labour migration to other countries.
4. **Social Safety Net Programs: Public workfare (cash-for-work) based employment creation**
5. **Capital Centric Programs:** Capital centre programs (start-up capital, cash infusion, in-kind, land provision, capital transfers and other hand-outs)
6. **Human Capital Investment:** Promotion of education, business and skills and in some cases job placement.

Given the Ethiopia's socio-economic development and the operational context, the global job opportunity creation strategies are broadly categorized into four strategic pillars/components:

- **Pillar/Component 1:** Entrepreneurship/ Self-Employment
- **Pillar/ Component 2:** Wage Employment, Labour markets
- **Pillar/ Component 3:** National Rural Employment Guarantee Scheme: Expanded Productive Public Workfare Program
- **Pillar/ Component 4:** Livelihood Diversification.

## 4.2 PILLAR/COMPONENT 1: ENTREPRENEURSHIP/SELF-EMPLOYMENT

### OVERALL APPROACH

Under this category, the main beneficiaries are the educated youth. Job seekers are organized to participate in micro, small and medium enterprises and/or self-initiated enterprises and engage in job opportunities that reflect the environmental context and economic development; and they are linked to the rural town development and agro-industries. Emphasis will be given to profitable and successful enterprises and support will be given to those promoting specialized job opportunities. Rural enterprises development is implemented in the form of cluster or community of businesses model. These approaches help ease of management, provide technical support including service provision, knowledge and technology transfer, and forging interface between businesses and enhance value chain. It is useful to adopt enterprises stage of development and graduation approach.

Job seekers require supports and concerted efforts by government and partners for the establishment of business enterprises (preferably in the form of partnership, cooperatives, individual managed/self-employed business enterprise etc.). Rural job seekers are organized based on their interest and this will be supported by appropriate frameworks and implementation modalities.

Definition of rural MSEs: Global practices attest that there is no distinct definition for rural and urban MSEs. Thus, to provide a consistent definition for rural and urban MSEs, it is proposed to adopt and clearly set the existing urban MSEs definition for the rural purpose. Accordingly, an appropriate definition of rural MSEs will be established to accommodate those having initial capital and essential manpower and interested to join the rural MSEs identified and prioritized. The would be rural MSEs definition will be consistent with the urban definition (Table 1). Besides the traditional agriculture, manufacturing, construction and mining sectors others such as agricultural services, hotel and entertainment as well as commercial business will be potential investment areas under services.

Table 1: Rural MESs definition adopted from the urban MESs definition

Level of the enterprise	Sector	Hired labour	Capital (Birr)
Micro enterprise	Industry	5	100,000
	Service	5	50,000
Small enterprise	Industry	6 – 30	100,001 - 1,500,000
	Service	6 – 30	50,001 - 500,000
Medium enterprise	Industry	31-100	1,500,001-20,000,000
	Service	31-100	>500,001

The different supports provided for MSEs are implemented based on the above three categorizations, the start-up phase, growth phase and maturity phase. Enterprises growth levels are presented below.

**Start-up phase:** This is the initial phase of the business enterprise. The enterprises at this stage need support in organizing, registering, obtaining legal entity status as well as ensuring working capital from one's own savings and other sources. It is important to secure land and shelter for the business after a proper business plan with human resources is in place. This phase is the preparatory phase to start the business. More support is required during this phase, since those who run the business most likely lack experiences and skills.

**Growth/Expansion Phase:** This is the second phase of the business enterprise where an increase in production, productivity, market share, employment and capital is observed, utilizing the support provided. This is transformational phase of the enterprise to better and expanded stage to achieve improved quality and production standards.

**Maturity Phase:** This is the final stage of the enterprise where there is no need for government support to access markets or supply inputs. The firm would graduate from the excising enterprise and transformed to higher level of production quality and capacity. It plays a dominant role in the market through principles of competitiveness. The firm could be a role model for other enterprises by creating employment and substantial income to owners as well as contributing to the entire economy thorough taxation and creating national wealth.

**Support provided based on growth level:** Government support is based on growth level. Support requirements and challenges of MSEs at start up, growth and maturity level significantly differ. To address such issues, with appropriate type and extent of interventions to each of the enterprises, proper support framework needs to be developed and implemented accordingly. The support provided in line with the growth level is expected to transform the enterprises from one stage to the next.

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#### OPPORTUNITIES FOR RURAL ENTREPRENEURS DEVELOPMENT

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The main job opportunities in rural areas are agriculture (crop and livestock), natural resource-based and non-farm activities. Thus, access to and efficient use of land are critical factors for the success of rural job opportunity creation. This implies that rural business enterprises development must focus on land productivity. Hence, improving land productivity needs to be considered and implemented as one of the opportunities for rural job creation.

The main opportunities for rural enterprises development are discussed below.

## **A. Irrigation supported high value and market oriented agriculture development enterprises**

**Fruits and Vegetables:** Job seekers will be engaged in high value irrigation supported fruit and vegetable production and are also expected to enhance their income through integrated fruit and vegetable production. Production will be most likely irrigation based with process oriented value addition (agro –processing).

**High-value crops:** Business enterprises supported will engage in cash crop oriented crop production such as oil seeds, pulses, sugar cane and the likes. They are expected to engage in large scale farming and hiring organized groups of unemployed and underemployed youth in the rural areas. The businesses will be benefited by linking their product market with agro-processing industries, cooperatives (aggregators), private sectors (processors), urban traders, big supermarkets and exporters.

**Spices;** Production, processing and marketing of pepper, ginger, and other spices for employment generation and market integration will be important area of intervention in rural job opportunity creation. In a similar way, spice businesses will be benefited by linking their product market with cooperatives (aggregators), private sectors (processors), urban traders, big supermarkets and exporters.

**Improved Seed production:** The demand for improved seed is unfulfilled throughout the country. The price is also increasing overtime. It would be a good opportunity for organized groups or entrepreneurs to engage in improved seed production and marketing interventions. The local government and development practitioners could facilitate unused farmer demonstration sites in rural areas and state farms on contractual basis. This will benefit both the job seekers and the farmers who suffer from a shortage of improved seed.

## **B. Animal and Fishery Sector**

For the promotion of RJOC in general and rural business enterprises. Animal and fishery resources have significant role and their potential can be tapped through the following activities:

**Livestock:** This is wide category that includes cattle **dairy** production and processing, **fattening** (cattle, sheep and goats) and provision of **improved breed** of animals where the situation permits.

**Poultry:** Production of eggs and day old chickens, and the production and processing of chicken meat are visible business enterprises in many parts of the country. The national demand is unmet and will

further increase. Thus, many unemployed and underemployed citizens can easily engage in poultry based business and quickly make high profits.

**Camel development:** Like that of cattle, camel is an indispensable animal to the pastoralist communities where the milk production and processing and sale of camels are important sources of income.

**Pig Farming:** This could also contribute to create job opportunities and sources of income as industrial development and attitude change is currently taking place across the country.

**Fishery:** This area of employment has great potential with the prevailing increasing construction of dams for electricity and power generation as well as expansion of irrigation farming having spill-over effects on fishing development. Accordingly, the fishing industry could take opportunity of creating income and employment from such infrastructure development.

**Apiculture:** The country in general and some specific locations boast great potential in using apiculture as income and employment sources. Some of the integral parts of this intervention are production of honey, drinks made of honey, royal jelly, production of bee colonies, and raising of queen bees. Production and supply of beehives, equipment and packing are also feasible job opportunities.

**Silk production and marketing:** Ethiopia's agro-ecology is highly favourable for silk production. Raising awareness of rural job seekers and enhancing creativity and innovations can enhance job opportunities creation in silk production. In this regard, emphasis should be given to the market linkages and economies of scale to attract buyers and penetrate the market in a sustainable manner.

**Animal Feed Production:** Animal feed is indispensable input to livestock development. Hay packing, by-product processing such as molasses and production of improved feed for livestock development is a rewarding area for potential job creation. Such activities, beyond contributing for job creation, are pivotal in realizing inter-sectoral linkages and promoting environmental friendly livestock management to encouraging zero grazing.

**Hides and Skin:** This is also an important element of the livestock sector which could contribute to income and employment creation as well as enhancing industry linkages. Job opportunities in this area include collecting and supplying of raw hides and skin and delivering inputs for this purpose.

### **C. Off-Farm/Non-farm Sector**

Off-farm/non-farm sectors are growing and backing rural livelihoods. This opportunity, in turn, greatly contributes to the expansion of both production and productivity in the agricultural sector and transformation of the rural economy. Among expanding off-farm/non-farm activities, the following are worth mentioning.

**Small business enterprises:** The work force in rural towns and villages can engage in different income generating activities through small businesses. These include: selling consumer goods, grain marketing, food and liquor houses, coffee retailing trade, merchandizing trade, trading other goods and services.

**Small Scale /Cottage/ Industry:** The existing small scale/cottage industry can be improved and accommodate many job seekers. The improvement can be in design, through training and use of new techniques and technology, as the taste and preference of the product users change in line with growth and improvement of socio-economic status. The small-scale industry includes: wood and metal workshops, tailoring and sewing, weaving and pottery making.

**Agro-processing:** Government support to agro-processing is increasing, which aims at boosting agricultural production and productivity and transformation of the sector. The agro-processing occupation includes: processing and packing edible oils, processing and packing spice products, processing and packing fruit and vegetable products, and processing, packing and marketing animal products.

**Machinery, technology, facilities and tools based job opportunity creation:** In this line of business, rural entrepreneurs can engage in the supply of modern and improved (i) agricultural machineries, equipment, technologies and tools, such as modern farming tools, water pumps, small tractors, harvesting combiners and the like; and (ii) animal and fishery equipment, technologies, facilities, which include supply of dairy farm implements; supply of modern beehives and farm modern beehives bee honeying tools and implements; supply of animal feed production equipment; supply of fishing implements; supply of poultry production equipment and animal farming technologies.

**Occupations in service provision:** There are several options in this regard. The options include (i) Rural infrastructure operation and maintenance services: Substantial job opportunities can be created in supply of spare parts and provision of maintenance services for rural infrastructures including roads, water lines, health facilities, etc. In this sub-sector, the following activities can absorb a significant number of youths graduating from different institutes: rural road maintenance services; irrigation motor maintenance service; maintaining water supply infrastructures and facilities and provision of counselling and professional support to youths engaged in different agricultural activities. (ii) Rural Transport Services: In this sub-sector, rural job seekers can engage in provision of transport



services by donkey and horse cart, Pedi cab etc. (iii) Service provisions in culture and tourism: In this sub sector, the following activities boast great employment potential :traditional cloth weaving; traditional and cultural articles and gift goods; tourist guide services; tourist travel services and tourist accommodation and catering services.(iv) Other services: Apart from the activities, rural youths can engage in men and women beauty salon services, in local shoe making and recreation club services.

**Construction Work:** Among activities that have great employment opportunities in this sub sector, construction of irrigation work and facilities, water harvesting, subsurface and ground water development, rural infrastructure design services etc. are significant.

## D. Natural Resource Sector

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**Mining:** Substantial job opportunities can be created in mineral exploitation sub-sector through enhanced use of modern technologies and facilitating engagement of rural job-seekers in the sector. Activities that can be considered in this field of occupation include production and supply of raw materials for cement factories, supply of selected stones and sand for construction, traditional gold mining as well as production (with value addition) of precious minerals.

**Commercial and community forest:** Forest-based job opportunities can engage a great number of rural job seekers. Reforestation of deforested areas and plantation of climate resilient trees can generate adequate job opportunities for rural citizens on top of its contribution to natural resource stewardship.

**Fruit production:** The larger part of Ethiopia is suitable for plantation of fruits and vegetables, which this in turn, greatly contributes to the generation of job creation opportunities. The recent mountain development, through construction of bench terraces, in some parts of Ethiopia and distribution of reclaimed mountains and hills for youth to produce fruits, can easily be expanded and support many job seekers. While engaging in fruit production, as many of the fruit types do not generate income in less than a year, there should be complementary income generating activities. Perennial crops and environmentally friendly root crops, pulses and spices can be integrated into the fruit production, thereby generating income in a short period.

**Forest based marketable products:** There are economical forests that have not yet been effectively utilized such as gums and incense production. Job seekers can engage in harvesting and producing value added gums and incense. Other forest types with great opportunities for job creation such as bamboo (which can be used for high quality and valuable furniture), *Prosopis Julifera* (for coal and charcoal making) and different acacia species, including “Shiferaw” (for green tea and pharmaceutical purposes) are worth mentioning.

**Fruits and trees seedlings:** New jobs can be created for job seekers through transferring government and community nurseries, thus job seekers generate income by producing and marketing fruits and trees (including ornamental trees) seedlings.

**Medicinal and industrial plants:** There are many herbs, shrubs and other types of plants that are known for their medicinal and industrial values. To mention some, Aloe Vera is known to produce medicinal soaps and ointments. Entrepreneurs, few, have already started production of soaps and ointments, but not at large scale and not supported with technology. Caster plant is widely grown in Ethiopia, but not yet used for industrial and pharmaceutical purposes. By supporting conservation and plantation of medicinal and industrial plants at scale, it is possible to engage more job seekers, thereby improving their livelihoods and contributing to the country foreign currency or import substitution.

### 4.3 PILLAR/COMPONENT 2: WAGE EMPLOYMENT, LABOUR MARKET

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As virtue of the overall socio-economic development, job opportunities are expected to be expanded over time. More jobs are expected in non-agricultural sectors. In addition, informal jobs and well managed migration to urban areas will remain a significant source of employment. Access to job opportunities in other countries is also expected to increase for job seekers. Accordingly, effective use of these opportunities is critical to respond to the growing demand for jobs.

Target jobseekers in this component are all type of job seekers, particularly those having specific skills and knowledge and willing to move from place to place. Implementation modalities will be integrated and coordinated rural to rural, rural to urban, and region to region relationships. Capacity building support and incentives for rural-urban linkages and for facilitating and coordinating intra- and interregional labour market linkages will be given. Labour market information is a critical factor; thus, establishment of robust labour market information system is part and parcel of the implementation modality of this component.

**Opportunities for Permanent Jobs:** Permanent job refers to salary based full time employment at least for a minimum of one year. In this respect, employment opportunities for graduates with zero-year experience will be created at the lowest government hierarchies, where actual permanent jobs can be made available. Private investment projects undertaken in rural area should be implemented in a way that can generate adequate jobs. Rural institutions and cooperatives are potential employers in rural areas; they should be supported through providing capacity building and other means to increase permanent rural employment opportunities.

**Temporary Employment Opportunities:** Temporary employment opportunity refers to wage earning jobs which can be created in any occupational category and that lasts for a minimum of one

month and maximum of one year. Massive temporary employment opportunities can be created for both unskilled and semi-skilled labourers in mega projects such as sugar factories, dam construction, etc. In addition to this, substantial job opportunities can be created by facilitating seasonal movement of spare labour from labour oversupply areas to labour deficit regions during harvesting period.

**Overseas Employment Opportunities:** To make Ethiopians competitive in foreign labour markets, short term skill acquiring trainings and induction programs will be provided for interested rural unemployed (from domestic workers to graduate citizens). This will be backed by legal frameworks and appropriate institutions.

In consideration of the employment opportunities, the following options are supposed to play major roles in facilitating access to income generating employments for rural job seekers.

**Rural Infrastructures:** Rural infrastructure projects, such as rural town development, rural road works, large scale agricultural projects, agro-industry projects, dams and irrigation infrastructure networks, mining projects and other investment projects have great potential to generate substantial jobs for the rural vicinity.

**Rural Institutions:** The community and public institutions engaged in the provision of social and economic services can have a great contribution. Employment and labour market information services for the expansion of job opportunities in rural areas will be established and strengthened. Among these institutions rural schools, rural health institutions, agricultural and veterinary extension services (with several development agents and veterinary agents) are the most notable.

**Rural Community Organizations:** Establishment and operation of community organizations found in rural areas can also generate substantial employment opportunities, if they are properly guided and integrated with the overall rural job opportunity creation strategy. In this sub-component, the contribution of rural cooperatives deserves due attention.

**Rural Business Enterprises:** Entrepreneurships and the private sector are increasing and expanding, in line with the country's socio-economic transformation. They depend on rural labour to run their businesses. Thus, the contribution of rural business enterprises will be enhanced.

**Rural-Urban Linkages:** If strong rural–urban integration is put in place, the rapid urban expansion taking place in the country can generate job opportunities for surplus labour in rural areas. Since a huge labour force is required for the undertaking of large-scale investment projects in urban areas, the over concentrated rural labour force can be absorbed in this endeavour. While skills required in the urban labour market are diverse, strong databases and information system are critical. Accordingly, the on-going rural–urban migration should be based on adequate labour market information. Given the presence of labour demand in urban labour markets, the strategy will consider options for supporting safe migration in pursuit of economic opportunities in urban areas.

**Intra and Inter-Regional Linkages:** *Woredas* within regions and regions within the country differ from each other in resource endowment. Thus, disparity in development potential and type of investments to be hosted in different *woreda* and regions is apparent. In the same vein, the type of employment opportunities to be created varies from one *woreda* and region to another. Accordingly, strong intraregional and interregional labour market information system is crucial to facilitate

informed labour movement among regional states and to enhance horizontal integration in employment opportunities within region and between regions.

**Overseas Employment:** Currently the government is committed to facilitate legal international labour migration, especially to the Middle East. The role of labour attaches in embassies in receiving countries is increasing and information for productive migration is improving. Thus, facilitating access to foreign job opportunities through enhanced labour market information deserves due attention. Regulated, well-managed and planned foreign job opportunities overrides informal labour out migrations. Apart from this, official job placement in the foreign labour market has several benefits among which formal remittance transfers is one. Formal money transfers, in turn, leads into a proper use of foreign remittances for the development of the country. Therefore, emphasis is given to regular and officially acknowledged foreign job placement to enhance foreign job opportunities as well as to scale up competitiveness of Ethiopians in foreign labour market.

To make Ethiopians competitive in foreign labour markets, short term skill acquiring trainings and induction programs will be provided for interested rural unemployed (from domestic workers to graduate citizens). This will be backed by legal frameworks and appropriate institutions.

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#### 4.4 PILLAR/COMPONENT 3: NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME

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The Ethiopian government has paid great attention to exploiting its advantage in labour resources, and has increasingly been designing and implementing labour-intensive programs and initiatives. Jobseekers engaged in this component include mainly unemployed rural youth (illiterate/ semi-skilled, school dropouts) and underemployed (regardless of education status and age). Major areas of job opportunity will be wage employment in rural socio-economic development priorities (infrastructure, natural resource management, irrigation etc.). Job seekers will be provided sufficient working days and income from the wage to support their livelihoods. *Woredas* will produce their respective plans of job opportunities and will make access the information for job seekers. Job seekers will be selected for the jobs obtained through self-targeting, community targeting and administrative targeting. Strong and sufficient annual financial budget will be allocated to create rural job security.

Among Rural Employment Guarantee Scheme, the following are pertinent.

- **Community watershed development through social mobilization:** These are community based extensive soil and water conservation, community roads and some other rural socio-economic infrastructures building activities undertaken through mobilizing rural people to contribute their free labour. However, the landless and youth are less engaged in this development model, as they have no sufficient means of living. They desire a paid wage (a matter of survival) to free labour contribution. Young generation willingness and readiness to

participate in unpaid labour contribution seem to be unsustainable. Thus it is advisable to introduce paid public works to engage the rural youth job seekers.

- **Universal Road Access Program (URAP):** It is designed to engage the rural youth on a sub-contract basis. University graduates in the construction field are potential candidates in this activity. The universal roads are labour-intensive and give employment opportunity to rural communities.

**Small-scale irrigation schemes:** Community and government have given due attention to irrigation development, supporting small-scale irrigation schemes, including water harvesting at household levels. Job seekers engaged in these activities relatively generated income. Then it is possible to enhance job opportunity creation in these activities.

- **Sustainable Land Management Project (SLMP):** Its main objective is to engage the community in environment protection through soil conservation and other related activities targeting the improving, conserving the natural resources and introduce sustainable land management. In expanding these and other related activities it is believed to promote rural job opportunity creation.
- **Productive Safety Net Program (PSNP):** Public works are the main component of the PSNP. Able bodied (targeted food insecure) people participate in public work activities: soil and water conservation activities, rangeland management, rural socio-economic infrastructures (such as construction of labour intensive roads, health and education facilities.), water harvesting structures, small scale irrigation, and others. In turn, those able-bodied PSNP clients who participate in public works receive minimum payment.

Therefore, while building on the existing practices and lessons, it is possible to consolidate the different approaches and set a unified development model. These activities will be supported by an annual budget. The different interventions will be designed and managed under the umbrella of a Rural Employment Guarantee Scheme: Expanded Rural Productive Public Workfare Program. Such arrangements help implement wide job opportunity creation activities both at Federal and Regional level and backed by annual government budget.

#### 4.5 PILLAR/COMPONENT 4: RURAL LIVELIHOODS DIVERSIFICATION

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Since many the rural people are underemployed, their needs are unlikely to be satisfied from agricultural activities. In this connection, it is vital to provide emphasis for livelihood diversification, in addition to improving land productivity, in the agricultural sector. To this end, government and non-government organizations are relentlessly supporting different livelihood interventions to improve household and individual income, to build asset holding, including saving and to contribute

to enhancing the living standard of the rural population. There are also experiences of financial allocation in the form of grant and community revolving fund, aiming at supporting the poor to involve income generating activities. Through time, the implementation approach has also been improving: moving from supply to demand driven and value chain building efforts. There is clear evidence which indicate that the provision and utilization of loan financing and a saving culture have improved throughout the country.

However, the achievements and successes to date were not remarkable. Unemployed and underemployed youth were not targeted since the target clients are the households. The livelihood diversification tailored programs are largely focusing on those chronic food insecure woredas, not covering all *woredas* of the country.

Thus, by documenting the best practices of the previous rural livelihoods diversifications, implemented by government and non-government organizations, a stand-alone livelihoods diversification program will be implemented. Livelihood diversification is more appropriate to underemployed people than unemployed ones. The approaches to be followed in enhancing livelihoods diversification are social enterprise development to support the poor through the engagement of non-governmental; demand driven and business oriented livelihoods pathways (on-farm, off-farm and employment opportunities). In this connection activities listed under Component One are targeting improving livelihood and asset building. These are job opportunities in fruit and vegetable production, production of high value crops, animal and fishery development, poultry development, apiculture, silk production and other activities outside the agricultural sector, such as, wood and metal workshops, tailoring and sewing, traditional cloth weaving, traditional and cultural articles and gift goods, tourist guide services, tourist travel services and tourist accommodation and catering services. While citizens engaged in these activities are characterized by low income and living standards, it is important to support them with modern technology and knowhow. This effort can be successful by engaging non-government organizations and financial institutions.

## SECTION FIVE: CRITICAL INPUTS TO RURAL JOB OPPORTUNITY CREATION

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### 5.1 LAND PROVISION

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Land is very critical input to rural job opportunity creation in establishing business for production and marketing. This input is expected to be mainly supplied by the community and the family of job seekers. Appropriate schemes will be developed to promote their initiative in the provision of land. Land under government ownership, communal land, mountainous area, farmer's demonstration sites, and available lands identified through proper study in rural areas will be used to create rural employment opportunities. This must be verified through community-based assessment before entering practice to avoid involuntary eviction of farmers and pastoralists.

As land is critical, scarce and non-renewable resource, different alternatives and modalities will be explored on how to use the land more economically and in sustainable manner. The program will adopt a strategy providing land identified by proper study for job seekers in a temporary manner to start-up their business and return when they are graduated and matured. It must be noted that the major supplier of land for such intervention is the community and local governments. Therefore, in providing land provision for jobseekers, particularly for the youth, should be seen from both job creation and development objectives.

### 5.2 FINANCE

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Financial sources and provision mechanisms to support the RJOC depends on the types of job opportunities. Thus, to make sustainable the RJOC the following will be undertaken in the provision of financial resources.

- Major source of financial supply to rural unemployed and underemployed is expected to be their own and their families saving. This source of finance could serve as not only financial collateral but also use as social collateral among the family members. This will ensure their commitment to be ready to engage in productive job opportunities.
- Commercial Banks and Micro Finance Institutions (MFIs) are expected to play role in provision of financing for rural entrepreneurships and income generating livelihoods. In addition, they play a role to local resource mobilization through savings and other alternatives. In this connection, emphasis will be given to promote commercial banks and MFIs accessibility to the job seekers and various mechanisms stimulating credit and saving for business start-up.
- In facilitating job seekers credit worthiness, the regional governments will establish revolving fund (e.g. "Youth Revolving Fund, proclaimed by federal government in January 2016),

matching funds and collateral funds. The matching funds, to be established by regional governments, demonstrate their commitment to absorb national funds allocated by federal government and other funding sources. The intended collateral fund will provide guarantees for new job seekers to obtain credit from MFIs for their start up business. The guarantee covers loans for cash and procurement of equipment and machineries.

- Furthermore, system will be designed to expand collateral instruments through introducing different mechanisms); including family collateral, group collateral, third party collateral, education certificates and asset collateral.
- The job seekers are expected to prepare and submit business plans on profitability, sustainability and linkages with similar interventions before they are entitled to credit facilities. The creditworthiness scrutiny of job seekers includes their readiness in establishing proper financial record keeping and, documentation, as well as maintaining regular saving. Initially the government will furnish audit services. Provided their level of growth and maturity, cost sharing and complete coverage of audit cost by job seekers will be applied.
- The credit facility allocation process will consider, the number of business plans in the pipeline waiting for the loan and the type and volume of intervention. Timely loan return is encouraged and enforced to make the available fund for others in the pipeline. Given the high-risk profile of these beneficiaries, alternative financing schemes will be considered. Instead of credit, for example, cash grants may be provided to beneficiaries unlikely to meet loan repayment requirements.

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#### ALTERNATIVE FINANCIAL SOURCES FOR RURAL EMPLOYMENT OPPORTUNITIES

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The demand and supply of finance in rural job creation depends on the type of jobs opportunities. The major potential sources are the following among others:

- Contributions from the beneficiary in terms of cash saving and in kind will complement financing of the program;
- Planned budget source will be allocated from federal (e.g. the case of “Youth Revolving Fund) and regional (matching fund to the federal fund) governments;
- Financial resource from donor community, NGOs, private companies and entrepreneurs;
- Direct loan from financial institutions: MFIs, banks, insurance companies, etc.
- Complementary programs designed and implemented by federal, regional and local governments. It is a matter of linkage and complementarities for better performance.
- Rural Job Opportunity Creation Programs, Projects and Initiatives financed by government, development, non-government organizations, private firms and other sources.



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## FINANCIAL RESOURCE MANAGEMENT ALTERNATIVES

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To realize rural job opportunity in a sustainable manner it is important to establish prudent financial administration. The following are the required financial management systems to maintain strong financial system;

- ◆ Rural job opportunity creation program finance will be allocated through budget formulation;
- ◆ Funds mobilized from all partners will be put in one basket and create a revolving fund for job opportunity creation in national and regional level;
- ◆ Innovative funds, matching funds and other related incentive mechanisms targeting rural job opportunity creation will be established.
- ◆ Government of Ethiopia will establish national and regional revolving fund for job opportunity creation activities.

## 5.3 TECHNOLOGY PROVISION AND MANAGEMENT

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Technology will play a pivotal role to bring rural transformation and growth. However, it is important to identify the type, scale, relevance and management of the technology. The technology to be applied in rural areas needs to be attractive, innovative, cost effective, sustainable, user friendly and to increase productivity and efficiency. Technology suppliers will be required to focus on job creating opportunities of their own as well as interlinked with the value chain process of the production cycle. To this end, private sectors are encouraged to proactively engage in technology supply and transfer. Rural job seekers can also be organized and engage in technology generation, production and supply.

## 5.4 HUMAN RESOURCE DEVELOPMENT

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Human resource development as a capacity building component will focus on capacity of frontline implementers, improving awareness of the public and knowledge and skill development of job seekers. Capacity building support focuses primarily on entrepreneurship, business plan preparation, business service development, labour market information and management, data base management, monitoring and evaluation, and business growth and transformation (future planning and sustainability).

When involving the community in the rural job opportunity creation programs, special consideration will be given to mass mobilization at grassroots level. The community at all levels could play significant role in the process of job creation practices.

Awareness creation, knowledge and skill development through strategic creative thinking will be provided to initiate unemployed and underemployed rural population to engage in production and service provisions. In addition, capacity building includes improvement of job seekers' working and

business attitudes, building awareness on job opportunities, business skill development that are critical to deliver their responsibility towards job opportunity creation.

## SECTION SIX: ORGANIZATIONAL STRUCTURE, MANAGEMENT AND COORDINATION ARRANGEMENTS

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### 6.1 ORGANIZATIONAL STRUCTURE

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Organizational structure of the rural job opportunity creation must be well-organized to successfully realize the objective of the strategy. The structure needs to be streamlined to serve the implementation process at federal, regional, zonal, *woreda* and *kebele* levels with multiple communication levels and relationships across partners and stakeholders. Appropriate organizational structures will be established based on a comprehensive study. The task of enhancing job opportunity creation requires coherent organizational structure.

### 6.2 MANAGEMENT AND COORDINATION ARRANGEMENTS

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To lead, coordinate, supervise and follow up of rural job opportunity creation interventions activities and prop up the contribution of critical stakeholders, partners and implementers. The following supportive organizational structures are suggested.

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#### JOB OPPORTUNITY CREATION COUNCIL

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There are already established and functional councils (such as, Youth, Women, Urban Job Opportunity Creation and Food Security) at different levels. They have strong interfaces with job opportunity creation. Councils, focusing on youth and other strategic sectors, are already established at different levels. The federal council is chaired by the Deputy Prime Minister, at regional level, it is chaired by Deputy President of Regional Governments, at zonal and *woreda* levels, chaired by the administrator or deputy administrator. The councils oversee the rural and urban job opportunity creation, along with other strategic issue. The councils serve as the apex organizational structure at different levels. Therefore, the RJOC will be led by the Urban Job Opportunity Creation and Food Security Council. In addition, the RJOC will be linked and mainstreamed into other relevant councils.

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#### JOB OPPORTUNITY CREATION TASKFORCE

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This taskforce comprises State Ministers and heads of pertinent Ministries and agencies. The taskforce is responsible in directing and establishing appropriate procedures and organizations at all levels. It oversees coordination of tasks of different actors, and follows up the overall performance in rural job opportunity creation program. Members of the taskforces at federal level will be mainly the State Ministers of the Ministry of Agriculture and Natural Resources, Ministry of Livestock and Fisheries,

Ministry of Youth and Sport, Ministry of Urban Development and Housing, Ministry of Education, Ministry of Labour and Social Affairs, Ministry of Industry and Ministry of Women and Children; and the taskforce includes other members from agencies, as necessary. The taskforce will be led by the Minister of the Ministry of Agriculture and Natural Resources, and the taskforce meets every three months. Regional governments will establish similar arrangements and it will be rolled out at zonal and *woreda* levels.

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#### JOB OPPORTUNITY CREATION TECHNICAL COMMITTEE

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This technical committee comprises Directorates established to lead and coordinate job opportunity creation activities in Ministry of Agriculture and Natural Resources, Ministry of Livestock and Fishery Development, Ministry of Youth and Sport, Ministry of Urban Development and Housing, Ministry of Education, Ministry of Labour and Social Affairs, Ministry of Industry and Ministry of Women and Children. The Committee will be led by Rural Job Opportunity Creation and Food Security Sector State Minister and the Committee will be responsible in establishing consistent implementation procedures and principles through designing common planning, and lead and follow up its efficient and effective implementation. It will also work to resolve implementation bottlenecks and submit to the relevant body. The Committee meets every month to discuss on progress and challenges of the rural job opportunity creation activities.

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#### RURAL JOB OPPORTUNITY CREATION FORUM

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The Rural Job Opportunity Creation Joint Forum is a platform, complemented by findings from studies and assessments, that helps engage every stakeholder and partner of the rural job opportunity creation program at all levels and meets once in a year. The forum will be led by the Minister of the Ministry of Agriculture and Natural Resource.

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#### RURAL JOB OPPORTUNITY CREATION STAKEHOLDERS ROLES AND RESPONSIBILITIES

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To lead and implement the rural job opportunity creation activities, it is essential to conform to the principles and procedures stipulated in the strategy. The principles also specified that all government institutions from Federal government to Kebele are responsible to realize the objective of the strategy. It is also noted that engagement of partners in the rural job opportunity creation plays critical role. Thus, expected responsibilities of major stakeholders and partners of the program are listed below.

**Ministry of Agriculture and Natural Resources:** The Ministry is not only the major stakeholder in rural job opportunity creation but also the prime owner of the task to play pivotal role in coordination of the intervention as well as facilitating effective job creation in rural areas.

**Ministry of Livestock and Fisheries:** As the sector is an important source of rural jobs the Ministry is responsible in leading and coordinating job creation in these areas.

**Ministry of Water, Energy and Electricity:** The sector has cross cutting role of creating job opportunities within the ministry mandate as well as in terms of developing rural infrastructure to facilitate rural investment that demand energy, water and electricity. The Ministry, therefore, has dual role in the provision of such infrastructures for created jobs and leading, as well as coordinating job opportunities in water, energy and electricity.

**Ministry of Mining, Petroleum and Natural Gas:** This ministry involves in the development of the country's natural resources in mining, petroleum and natural gas. It supports and regulates the production and market for precious and ornamental minerals produced at the level of traditional and small-scale mining operations. The ministry will coordinate and promote the rural job opportunity creation program in small – scale mining operation. It also supports job opportunities creation through fostering equipment and technologies supply.

**Ministry of Labour and Social Affairs;** The ministry is responsible to coordinate and lead labour market activities, occupational classifications, sectoral allocations and job distribution as well as social security of the work force to play relevant role in facilitating job opportunities creation.

**Ministry of Education:** It has the responsibility of integrating the education system with job opportunity creation. The Ministry is entrusted to design a curriculum which leads graduates to be innovative in creating employment instead of expecting public sector employment opportunities. Similarly, technical and vocational skill trainings institutions are also expected to gear their training and skill development towards practical skill and knowledge generation, adaptation, transfer and scale up in large scale using appropriate technologies.

**Ministry of Urban Development and Housing:** Rural unemployed are moving from rural to urban areas in search of job opportunities. Thus, to lead the urban job opportunity in an equitable and fair manner the Urban Job Opportunity Creation and Food Security Agency activities should be implemented in harmonized manner with the Rural Job Opportunity Creation efforts. To realize this role the Urban Development and Housing Ministry is critical. While the Urban Job Opportunity Creation Agency has rich experiences in organizing MSEs in urban areas the rural job opportunity creation program can acquire best practices form the Agency's experiences.

**Ministry of Industry:** Industrialization is expanding in many parts of the country in general and agro processing industries in identified corridors of the country. Following that, the Ministry of Industry needs to play a significant role in employment creation process through creating backward and forward linkages between the agriculture, agro-industry and service sectors thereby creating large scale and organized employment opportunities. Federal Micro and Small Enterprise Promotion

and Development Agency can share its experience to rural enterprises under the coordination and support role of this Ministry.

**Ministry of Trade:** Ministry of Trade plays a significant role in aligning existing laws, regulations, and guidelines with the emerging small and micro business enterprises in the rural areas. This may help the enterprises to comply with existing laws and regulations and generate income to the government through taxation beyond employment and income creation.

**Higher Learning Institutions and Universities:** These institutions are expected to achieve two major interventions. One is facilitating critical and practical internship arrangement to link students with the working environment. Second, redesign their curriculum to fit to the national demand, create employment and satisfy the labour market.

**Ministry of Health:** The unemployed youth will be exposed to different types of addictions which may affect the generation if due consideration is not given to the social problem emerging in some rural centres. The rural youth may also be vulnerable to communicable diseases where the ministry could play a role to prevention and protection measures through trainings, actionable attitudes and relevant measures.

**Ministry of Youth and Sports:** As specialized youth institution, it has the responsibility of organizing the youth and search for innovative and alternative employment opportunities to engaging the youth in rural areas.

**Ministry of Women and Children:** The ministry should engage in organizing rural women to benefit from the rural employment opportunities. It should make utmost efforts in facilitating special trainings, and input provision mechanisms to rural women entrepreneurs.

**Ministry of Culture and Tourism:** Ministry of Culture and Tourism plays significant role in aligning existing culture and tourism expansion with job creation opportunities. In turn, engagement of young people in culture and tourism focused job creation will help enhance expansion in culture and tourism as source of job creation and attract tourists.

**Ministry of Transport:** As rural roads are aggressively expanded; rural job seekers are increasingly engaged in transport service. In this connection, the Ministry of Transport has a significant role in creating a conducive environment in the transportation field to promote job opportunities in rural areas. In this connection, the Ministry can promote rural job opportunities in railway construction and the transportation services.

**The community:** The rural community will be directly or indirectly benefiting from the rural job opportunity creation. Similarly, the production and services generated through the created job opportunities is expected to enhance the wellbeing of the community at large. Hence the community must take part in lending its hand with genuine participation as owner of the process.

**Mass media:** Mass media can play pivotal role in disseminating information on rural job opportunity creation, activities, experiences, weaknesses, and challenges to the public. They are also important instruments in creating inspiration and motivation for rural job seekers to engage in job creation.

**Others:** Other government organization having direct and indirect relation in job creation will be involved in rural job creation activities as the need arises.

### 6.3 ROLE OF PARTNERS IN RURAL JOB OPPORTUNITY CREATION

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**Development partners:** Bilateral and multilateral organizations can support rural job opportunities creation through financial contribution, technology support, human development and sharing studies and researches on the agenda.

**NGOs:** Like the development partners, NGOs could play a role in job creation through their investment in rural areas as well as support through technology, human resource and financial provisions.

**Private Sector:** The sector could play a significant role through creating job opportunities in rural areas. Furthermore, the private sector could bridge the market gap for input sourcing (support in providing technology and other inputs) and products produced by rural entrepreneur. In fact, for private sector to play their roles, government needs to create an enabling environment and space for their engagement.

## SECTION SEVEN: PLANNING, MONITORING, EVALUATION, MIS, REPORTING SYSTEM

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Planning, monitoring and evaluation (M&E), management information system (MIS), knowledge management system (KMS) and reporting systems are key management tools to the efforts being made to rural job opportunities creation. The Planning, M&E, MIS, KMS and Reporting presented below are in accordance to the strategy objectives, principles, implementation strategies and strategic pillars.

**Planning:** The RJOC plan is based on the number and types of job seekers. Planning follows temporal planning, stratified by short, medium and long-term. The first phase is short term planning which is below one year, while the second phase, medium, level is up to five years. (in line with GTP phases). The third phase, which is long term, is up to ten years, and is also consistent with the country's 2025 development plan. The planning process will be coordinated in such a way that relevant sectors and partners submit realistic plans. The RJOC plans and targets should also be aligned with other sector ministries planning target and implementation plan.

**Monitoring:** It is continuous assessment of the progress in terms of time, resource and quality of the rural job opportunity creation strategy implementation. The monitoring task needs to be jointly organized and implemented in collaboration with different stakeholders and partners, thereby learn from each other for improved quality work. Accordingly, all institutions and partners engage in the rural job opportunity creation will involve in the monitoring process.

**Evaluation:** The rural job opportunity creation process needs to be evaluated in view of addressing the limitation and challenges and scale up the learning and best practices. This evaluation process will be based on appropriate study. An evaluation system based on the study will be implemented at federal and regional levels. The system will be implemented following the approval of the Strategy.

**Management Information System (MIS):** The rural job opportunity creation needs to be supported by baseline information and evidence, and should have RJOC stand-alone MIS and be supported by and on the status of rural job opportunity creation by location and sector which is vital for planning and implementation purposes. The information system needs to be interlinked with other sectors to ensure quality of information, interdependence among stakeholders and ease information sharing and learning for future action. The MIS and data base management systems will be backed by proper human resource and appropriate technology.

To build full-fledged MIS system in rural job opportunity creation, emphasis will be given to:

- **Data Base Management:** Baseline data need to be collected at all levels from *kebele*, *woreda*, region and federal level. Job seeker data will contain unemployed and underemployed by age sex, education, profession, job needs and available opportunities at all levels. Equally important is labour market information, including information on demand and supply. Such data will be compiled, interpreted and analysed and will be accessible to all concerned bodies.
- **Establishing Modern Monitoring and Evaluation System:** Information to be generated by partners through monitoring and evaluation are documented systematically and electronically; and partners make analysis, interpretation and shared for use with relevant information users.

**Knowledge Management System (KMS):** Following the establishment of MIS, and evidence based reporting system, knowledge management system and documentation of practices will be established and best practices on job opportunity creation will be disseminated to important stakeholders.

**Establishing Modern Reporting System:** Technology backed modern, efficient, and comprehensive reporting system will be established to disseminate important information to the relevant stakeholders on job opportunity creation activities. The reporting format will be designed in such a way identifying weaknesses, challenges and further analysis.



## SECTION EIGHT: NEXT ACTIONS

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The rural job opportunity creation strategy anchored on the current rural development policies and strategies of the FDRE. Moreover, for efficient and effective implementation of the strategy the need to design and implement national job opportunity creation policy and strategy are indispensable. Thus, the rural job opportunity creation strategy will be fully materialized and serve the purpose and will be updated, if appropriate, to align with new policies and strategies. The following process actions will be materialized to operationalize the strategy:

1. Regional governments will develop and implement their respective strategy in accordance to their contexts (types and size of job seekers and their comparative advantages);
2. Understanding of the strategy at all levels by all stakeholders is a necessary condition before entering implementation. Thus, aggressive advocating work will be done to inculcate the content of the strategy to all stakeholders and actors.
3. Following introduction and awareness creation activities, sector ministries, regional governments, relevant stakeholders are advised and followed up to prepare action plan to implement the strategy.
4. In line with the promotion and cascading of the strategy, swift action will be taken to create a conducive environment thorough establishing appropriate organizational structure, human resource and necessary arrangements to make the strategy a reality;
5. An appropriate forum to engage all relevant stakeholders including the federal and regional level Government, development partners, non-governmental organizations, and the private sector will be established to facilitate the exchange of experiences in job opportunity creation activities.
6. Critical strategy implementation guidelines, procedures, manuals and relevant systems, including an overall operational framework will be developed, and circulated to all.
7. National and regional programs will be designed to implement the rural job opportunity creation activities.
  - a. Review of best practices and lessons learned in implementing jobs strategies in Ethiopia (building on the work presented in Chapter 2 of this study),
  - b. Sector assessments to identify the economic areas that are most likely to be the source of job creation and develop job growth projections
  - c. Identify needs and opportunities for rural women and youth.
  - d. Review of the evidence base for what works in entrepreneurship and skills development programs;
  - e. Analysis of incentive models for rural-urban migration, including a financial analysis
  - f. Region by region analysis of available funds and potential number of new jobs;

- g. Prior to executing the plan, key risks should be identified and a plan for mitigating them developed.
- 8. Development of a timeline, budget, and implementation plan for RJOCS.

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## Annexes

**Table 1: Average Real GDP Growth (2001/02-2015/16)**

Sector	Average Real GDP Growth (2001/02-2015/16)	GTPII (20015/16-2019/20) Projection
Real GDP Growth (%)	10.8 %	11%
Agriculture	8.2%	8%
Industry	14.1%	20%
Service	12.1%	10%

Source: GTP II

**Table 2: Poverty level and Unemployment rate (%)**

	Level of Poverty (%)			Unemployment Rate (%)	
	2000/01	2010/11	2014/15 (Estimate)	1998/99	2012/13
National	44.2	29.6	23.4	8.1	4.5
Rural	45.4	30.4		5.1	2.0
Urban	36.9	25.7		26.4	16.5

Source: Central Statistics Agency, Manpower Survey, MoFEC, Poverty Analysis Report (2011/12) and GTP I Performance Report (2012/13)

**Table 3: Estimated Job Seekers in Rural Areas (Including those spending less than 8 hours per week on work)**

Region	Male	Female	Total
Tigray	110,931	228,978	339,909
Afar	23,151	39,837	62,988
Amhara	363,745	968,321	1,332,066
Oromiya	421,352	944,232	1,365,584
Somle	23,723	31,520	55,243
Beneshangul Gumuz	14,494	34,966	49,460
SNNP	336,025	686,980	1,023,005
Gambella	7,391	15,665	23,056
Harrari	2,003	3,772	5,775
Deredawa	2,040	5,329	7,369
National	1,304,855	2,959,600	4,264,455

Source: Estimated based on Central Statistics Agency, 2012/13 Manpower Survey

**Table 4: Population Projection (in million)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total	90.1	92.2	94.4	96.5	98.7	100.8	103.0	105.2	107.3	109.5
Age 15-29	26.7	27.3	27.9	28.5	29.1	29.7	30.2	30.8	31.3	31.9
Age 15-59	49.5	51.0	52.6	54.1	55.7	57.4	59.0	60.6	62.3	64.0
Rural	72.6	73.9	75.2	76.5	77.7	78.9	80.1	81.3	82.4	83.5
Age 15-29	20.6	21.0	21.4	21.8	22.2	22.5	22.8	23.0	23.3	23.5
Age 15-59	38.3	39.3	40.3	41.2	42.2	43.2	44.2	45.1	46.1	47.1

Source: Central Statistics Agency, Population Projection

**Table 5: Annual Additional Population Projection (in million)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total</b>	<b>2.14</b>	<b>2.14</b>	<b>2.15</b>	<b>2.16</b>	<b>2.16</b>	<b>2.17</b>	<b>2.17</b>	<b>2.17</b>	<b>2.14</b>	<b>2.14</b>
Age 15-29	0.64	0.60	0.59	0.58	0.57	0.56	0.54	0.55	0.64	0.60
Age 15-59	1.55	1.56	1.58	1.60	1.61	1.63	1.64	1.67	1.55	1.56
<b>Rural</b>	<b>1.32</b>	<b>1.30</b>	<b>1.28</b>	<b>1.25</b>	<b>1.22</b>	<b>1.19</b>	<b>1.16</b>	<b>1.13</b>	<b>1.32</b>	<b>1.30</b>
Age 15-29	0.43	0.42	0.39	0.35	0.32	0.29	0.25	0.25	0.43	0.42
Age 15-59	1.00	0.97	0.97	0.98	0.98	0.97	0.97	0.96	1.00	0.97

Source: Central Statistics Agency, Population Projection

**Table 6: Forms of Internal Migration in Ethiopia Based on Recent National Survey**

Forms of Migration	March 2000	March 2005	June 2013
Rural to Rural	37.6 %	46.0 %	34.5 %
Rural to Urban	23.5 %	24.3 %	32.5 %
Urban to Rural	15.7 %	12.1 %	11.6 %
Urban to Urban	23.2 %	17.7 %	21.3 %

Source: Central Statistics Agency (CSA) National Labour Force Survey, June 2013