

## Overseas Employment for Ethiopians

### Description

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Overseas Employment is governed by Ethiopia's Overseas Employment Proclamation No 923/2016 and its amendment Proclamation No 1246/2021. This Proclamation No 923/2016 came into force repealing the Employment Exchange Service Proclamation No 632/2009. Nowadays many countries in the world are looking for skilled and non-skilled immigrant workers for job openings in many different sectors. This brief article will look into the major contents of the Proclamation and its amendment and a brief conclusion shall follow.

The aim of the Proclamation as is seen from its preamble is to ensure the rights, dignity and safety of Ethiopian workers overseas. Accordingly, the Proclamation mentions three (3) ways in which employment overseas could be conducted. These are first through public employment exchanges, second is through private agencies and third is through direct employment.

Public employment exchange service is an overseas employment service conducted through government to government. The Ethiopian government organ responsible for public employment exchange is the Ministry of Labour and Skills (formerly Ministry of Labour and Social Affairs). The Ministry of Labour and Skills (the Ministry) will provide recruitment and placement services to government organizations in recipient countries based on government to government agreement. The tasks the Ministry undergo include interviewing and selection; causing medical examinations; approval of employment contracts, provision of pre-employment and pre-departure orientations, facilitation of departure of employed workers and other similar services. The Ministry is required by the Proclamation to undertake a deposit into the Foreigner Employers' Guarantee Fund of USD\$ 100 per worker from the foreign employer. The aim is for covering claims of workers that may arise from breach of contract of employment.

The second form of overseas employment exchange service is through a private employment agency. Private Employment Agency or Agency is defined in the Proclamation as "any person other than a Government body, which makes a worker available to an overseas employer by concluding a contract of employment with such a worker." Thus a Private Employment Agency can be a sole proprietor or a business organization. Engagement in the business of private employment agencies is permitted for Ethiopian nationals, foreign nationals of Ethiopian origin or foreigners. However the later two i.e. Foreign nationals of Ethiopian origin and foreigners can engage in overseas employment together with Ethiopian nationals for **skilled** manpower. The minimum paid up capital should be not less than ETB 1,000,000 (One Million Birr) for fully Ethiopian owned agency. Foreign nationals of Ethiopian origin can own up to 25% of the shares. These 25% shares shall not be less than 2,000,000 (Two Million Birr). Whereas when the member of the company is a **foreigner**, he can own only up to 20 % whereby the value in Birr shall not be less than 2 million Birr. In addition to this, one of the eligibility requirements for a private employment agency is to deposit a financial guarantee of USD\$100,000 (mandatory in USD for foreigners and foreign nationals of Ethiopian origin) or its equivalent in Ethiopian Birr (for Ethiopians)

in a blocked account. The purpose of such a guarantee is to ensure the protection of the rights and safety of deployed workers.

The last form of overseas employment exchange is through direct employment. Direct employment is defined in the Proclamation as an “employment relationship between an employer and a worker without the involvement of a Government organ or an Agency”. However, contrary to the definition, the Proclamation indicates the involvement of the Ministry for approval of direct employment. Article 6 states the fact that the Ministry may permit direct employment on grounds of “...a) where the employer is a staff of an Ethiopian Mission; b) where the employer is an International organization; and c) where the job seeker acquires a job opportunity by his own accord in job positions other than house maid services.” Those employers who are entitled to undertake direct employment are required to deposit a foreign employer’s guarantee of USD\$100 per worker into the Foreigner Employers’ Guarantee Fund administered by the Ministry.

In general the Proclamation prohibits no overseas deployment of workers without a certificate of occupational competence. The educational requirement of completion of 8th grade has been left out in the amendment Proclamation. Similarly the amendment Proclamation changed the requirement of mandatory existence of bilateral agreement with receiving state for deployment of overseas workers. Deployment of overseas workers is allowed to countries where there is bilateral agreement or as the case may be a Memorandum of Understanding with the receiving country. However, where there is no bilateral agreement or MoU, if the employment agency managed to acquire job opportunities for skilled workers, the government may render green light to proceed by signing an agreement with the receiving country’s company.

Moreover, the employer is obliged by law to buy from the domestic market insurance for life and disability for the benefit of the worker deployed overseas. Other than domestic workers, skilled workers who are employed overseas through an agency shall pay the agency an amount of one month salary over four payment periods.

In conclusion, Ethiopia’s Overseas Employment Proclamation and amendment are enacted with the purpose of protecting the rights, dignity and safety of Ethiopian workers abroad. The vehicles through which employment overseas were conducted include public employment exchange, private agencies and direct employment. The Proclamation was amended in its several parts which begs the question that rather than amendment, a new Proclamation could have been valid. Nowadays, the need to migrate and work overseas has expanded in terms of skills and recipient countries. The government needs to take proactive measures and sign and execute as many bilateral agreements as possible. There is a need to devise a way to work through the Proclamation to meet the timely needs of millions of Ethiopians who wish to migrate overseas and work.

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