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Rapid skills assessment

A Rapid Skills Assessment of Ethiopia's Tourism Sector during the COVID-19 Pandemic

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Foreword

In the last decade and a half, Ethiopia has registered notable economic growth and progress in poverty education. Between 2010 and 2019, real GDP growth was more than 9%. The country has also made considerable progress in living standards with a notable reduction in poverty. Access to social services, such as education and health, has also improved, even though quality and equity issues remain. However, despite expanding access to education and training in the country, enterprises are still struggling to recruit a workforce with the appropriate skills. Moreover, unemployment and underemployment remain serious challenges.

The COVID-19 pandemic has affected the Ethiopian economy significantly, risking the loss of some of the gains in the last two decades and exacerbating existing labour market challenges. The tourism sector is one of the most affected industries in Ethiopia and globally due to the pandemic and related restrictions.

This study seeks to assess the upskilling and reskilling needs of the Ethiopian tourism sector following the COVID-19 pandemic. The aim is to identify the skills and labour deficiencies, shortages, and surpluses caused by the pandemic and the related restrictions and to recommend effective reskilling and upskilling measures using ILO’s rapid skills assessment framework. The recommendations contribute to informing the process of planning for recovery and ways to enhance the sector’s resilience to future shocks, particularly ensuring decent and productive jobs for the vulnerable workforce.

Acronyms

CAPI	Computer-assisted personal interviews
EEA	Ethiopian Economics Association
GDP	Gross domestic product
ILO	International Labour Organization
JCC	Jobs Creation Commission
KII	Key informant interview
MOE	Ministry of Education
MOCT	Ministry of Culture and Tourism
MoF	Ministry of Finance
MOLSA	Ministry of Labour and Social Affairs
MOSHE	Ministry of Science and Higher Education
MoTI	Ministry of Trade and Industry
MSEs	Micro and small enterprises
NPC	National Planning Commission
OSH	Occupational safety and health
PDC	Planning and Development Commission
RSA	Rapid skills assessment
SIDA	Swedish International Development Agency
SNNP	Southern Nations and Nationalities and Peoples
TVET	Technical and vocational education and training
UNESCO	United Nations Educational, Scientific and Cultural Organization
WBL	Work-based learning
WTTC	World Travel & Tourism Council

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1. Introduction

Ethiopia, with an estimated population of more than 110 million in 2019, is the second most populous country in sub-Saharan Africa. With about 70 per cent of its population below the age of 30, Ethiopia has one of the largest proportions of young people in the world (UN, 2019).

In the last decade and a half, Ethiopia has registered notable economic growth and progress in poverty reduction. Between 2010 and 2019, real GDP growth and real GDP growth per capita averaged 9.27 per cent and 6.54 per cent respectively.[1] The country has also made considerable progress in living standards. Extreme poverty (the percentage of the population living below the international poverty line) fell from 55 per cent in 2000 to 23.5 per cent in 2015/16 (NPC, 2017). Access to social services, such as education and health, has also greatly improved, even though quality and equity issues remain.

Despite the expansion of access to education and training in the country, enterprises are still struggling to recruit a workforce that has the appropriate skills. Moreover, unemployment and underemployment remain serious challenges. In the last decade, urban unemployment in Ethiopia has stood at around 19 per cent. Unemployment is higher among young people and women. More than one quarter of Ethiopia's youth (aged 15–29) are unemployed. Similarly, about one quarter of women are unemployed. Young women register an even higher unemployment rate of 34 per cent. Among those employed, about half are willing to work more, indicating a high level of underemployment.[2]

The Ethiopian urban labour market is characterized by poor information systems, a deficiency which is reflected in the country's informal methods of labour recruitment, such as networking and job referrals (see Beyene and Tekleselassie, 2018). This creates impediments for young women, who are likely to stay home and hence tend to have fewer contacts (see Beaman et al., 2018). This is confirmed by Beyene and Tekleselassie (2018), who provide evidence of the difficulties women face in finding jobs, unless they are highly qualified compared to men. This is due to several factors, such as gender bias and women's preponderant role in performing household chores. The shortage of workers with appropriate skills, while many people are unemployed, points to the existence of skills mismatches.

1 The authors' computation is based on data from the Planning and Development Commission.

2 The authors' computation is based on the urban employment and unemployment survey conducted by the Central Statistical Agency.

As in many other countries, the COVID-19 pandemic has had a significant negative impact on the Ethiopian economy. According to the Ministry of Finance's (MoF) six-monthly report published in 2020, the Ethiopian economy grew by 6.1 per cent from July 2019 to June 2020, whereas projected growth had been 9 per cent. The report takes into account only four months of the pandemic (March to June 2020), therefore the growth projection for the current budget year may be even lower.

Several studies on the impact of the COVID-19 pandemic on the Ethiopian economy have indicated significant losses. Typically, a study by the Ethiopian Economics Association (EEA), considering both mild and severe scenarios, predicted that GDP growth could decline by between 2.4 per cent and 3.9 per cent as a result of the pandemic (Beyene et al., 2020). Various studies have sought to predict the impact of the pandemic on jobs. The Jobs Creation Commission (JCC) has indicated that between 727,000 and 2.5 million jobs could be threatened, based on low- and high-impact scenarios (JCC, 2020). CEPHEUS Capital has estimated that between 750,000 and 1.5 million jobs could be affected (CEPHEUS Capital, 2020). The FDRE Planning and Development Commission (PDC, 2020b), taking into account moderate and worse-case scenarios, estimated a figure for job losses due to the pandemic of between 705,000 and 1.57 million.

Careful planning for recovery will be crucial. A key aspect of the recovery process is the reskilling and upskilling of the labour force to ensure decent and productive jobs for vulnerable members of the workforce affected by the changes brought about by the pandemic. Without appropriate reskilling and upskilling interventions, the current skills mismatches in the economy are likely to worsen.

Globally and in Ethiopia itself, tourism and travel is the sector most severely affected by the COVID-19 pandemic. According to the World Travel and Tourism Council's (WTTC) latest report,[3] in 2020 the global travel and tourism sector suffered a loss of about US$4.7 trillion due to COVID-19-related restrictions. The sector's contribution to GDP dropped by almost half, from 10.4 per cent in 2019 to 5.5 per cent in 2020. Globally, 62 million jobs in the travel and tourism sector were lost. In Africa, the tourism sector suffered a loss of about US$8 billion and 7.2 million jobs in 2020. Despite the absence of official data, it is clear that the Ethiopian tourism sector also suffered a huge loss of income and jobs due to the pandemic and its associated restrictions.

3 https://wttc.org/Research/Economic-Impact

This study seeks to assess the upskilling and reskilling needs of the Ethiopian tourism sector following the COVID-19 pandemic. The overall aim is to identify the skills and labour deficiencies, shortages and surpluses caused by the pandemic and the related restrictions, and to recommend effective reskilling and upskilling measures.

Specifically, this assessment attempts to:

- examine the impact of the COVID-19 pandemic on the demand for labour in the tourism sector: the occupations/jobs (and related skills) for which demand increased or decreased;
- identify the subsectors in which working practices have changed due to the pandemic, and how these changes have affected skills and labour use;
- identify the sections of society most affected by the pandemic and assess the reskilling and upskilling needs of those affected;
- assess whether the pandemic has had a gender-differentiated impact;
- assess operators' state of environmental awareness and the steps being taken to create green jobs;
- identify skills shortages and highlight the skills required, including skills relating to occupational safety and health (OSH) - essential for safe and effective operation during a pandemic such as COVID-19.

This study follows the ILO's rapid skills assessment framework (ILO, 2020). Our assessment is based on a field survey that was conducted in the first quarter of 2021 in two sectors: tourism and agro-processing. The survey gathered data from of 210 enterprises (89 of them in the tourism sector, specifically hotels and tour operators) and 210 individuals. The individuals included persons currently employed in the two sectors, recently laid-off workers from both sectors, and unemployed people (registered jobseekers) who had worked in the sectors previously. The rapid skills assessment also included key informant interviews (KIIs) with stakeholders from federal and regional agencies and sectoral associations.

The study was funded and implemented within the framework of the BMZ's Special Initiative on training and job creation as part of the ProAgro Ethiopia project.[4]

[4] Launched in September 2019, ProAgro Ethiopia is an ILO programme promoting an integrated strategy that combines policy support, skills development, value chain development, and entrepreneurship training in the agribusiness sector to create jobs and training places in Africa, to improve local working conditions and promote sustainable economic growth.

The remainder of this study is organized as follows: Section Two gives an overview of the Ethiopian tourism sector and the effects of the COVID-19 pandemic. Section Three describes the field survey, sampling method and sample characteristics of the rapid skills assessment. Section Four presents the main analysis, based on the field survey and KIIs, and the final section summarizes the findings and makes some recommendations.

2. Executive summary

The COVID-19 pandemic has had a significant negative impact on the Ethiopian economy. Several studies on its impact show significant losses as measured by various parameters, such as GDP, inflation, poverty and jobs.

Careful planning for recovery will be crucial. A key aspect of recovery is the reskilling and upskilling of the labour force to ensure decent and productive jobs for vulnerable members of the workforce affected by changes brought about by the pandemic. Without appropriate reskilling and upskilling interventions, the skills mismatch in the economy is likely to worsen.

The purpose of this report is to assess upskilling and reskilling needs in the tourism sector following the COVID-19 pandemic. Our study follows the International Labour Organization's rapid skills assessment framework and is based on surveys of enterprises and individuals, as well as interviews with key stakeholders, conducted in the first quarter of 2021 in two sectors: tourism and agro-processing. The data was gathered from a total of 210 enterprises (89 of them in the tourism sector, specifically hotels and tour operators) and 210 individuals. The survey of individuals includes people currently employed in the two sectors, recently laid-off workers, and unemployed people (registered jobseekers) who had previously worked in one of the sectors. This report focuses on tourism; another self-standing report has been prepared for agro-processing.

Key findings

- Despite Government orders not to fire employees after the start of the COVID-19 pandemic, about one quarter of the firms surveyed reported that they had cut their employee numbers. Size-wise, microenterprises reported the highest reductions in employment. Low-skilled and basic jobs were the types most affected.
- The impact of COVID-19 is also reflected in the low capacity-utilization of businesses. About two thirds of the sampled firms indicated that they were working below or far below capacity.
- Roughly one third of the firms surveyed provided training for their workers to address the COVID-19 crisis. However, these firms reported receiving little direct assistance from the Government in their responses to the COVID-19 pandemic.
- A large proportion of firms remained optimistic about opportunities for increasing employment in the coming year and an even higher proportion were optimistic about prospects over the next five years. Most firms expressed a desire to train their staff to take advantage of the opportunities likely to arise in the aftermath of COVID-19.

- The three most important skills required by the tourism industry for which the firms indicated a need for training were i) administrative, customer-relations and related skills, ii) language skills and iii) technical skills for specific types of job.

Key recommendations for the tourism industry

- **Promote the digital transition and improve digital platforms** in the tourism sector, including e-commerce, mobile payment systems and the development of mobile applications for location and tracking.
- **Introduce stimulus packages** to ensure that enterprises survive and continue to employ people for as long as the impact of the pandemic continues. Consideration could be given to the following: tax exemptions, deferrals or discounting; cash-flow assistance; new and preferential loan schemes; subsidizing utilities; and direct financial support to micro and small enterprises (MSEs) to cover such costs as rent and wage subsidies to retain jobs.
- **Provide information and data.** Enhance communication channels to inform both potential travellers and businesses involved in tourism; monitor data in real time to understand the demand for tourism and provide feedback to actors in the industry; update guidelines and inform tourism operators of the developing COVID-19 situation and related regulations.
- **Enhance skills and training.** (i) Support businesses by providing training in digital skills; (ii) Embed employability and core skills in the tourism and hospitality programmes run by technical and vocational education and training (TVET) institutions and universities; (iii) Establish a skills-anticipation system for the tourism sector linked to governance arrangements for providers of education and training for the sector; (iv) Provide training for enterprises in environmentally sustainable practices, such as liquid and solid waste management and the efficient use of water and energy.
- **Ensure coordination.** Establish sector-based skills councils composed of representatives of all stakeholders (the public and private sectors, trade unions and universities).

This report also makes systemic recommendations that cut across all sectors of the economy: (i) awareness-raising and an incentive scheme for pandemic prevention, (ii) investment in digital infrastructure, (iii) social dialogue and institutional coordination, (iv) work-based learning (WBL), (v) environmental sustainability (green jobs) and (vi) gender mainstreaming.

3. Overview of the Ethiopian tourism sector and the effects of the COVID-19 pandemic

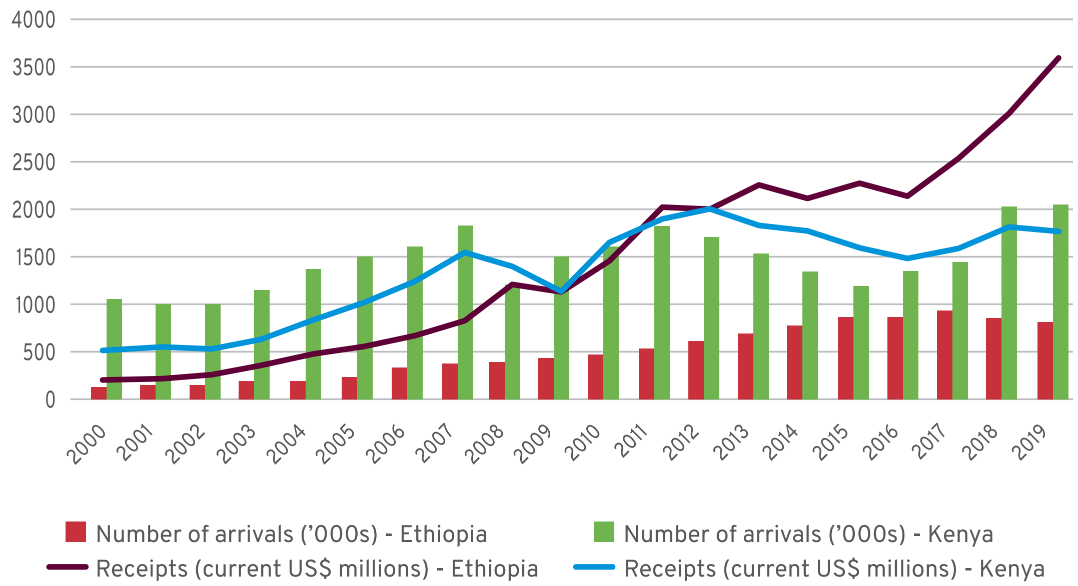
The tourism industry, sometimes referred to as tourism and travel, is defined as all businesses that directly provide goods or services to facilitate business, pleasure and leisure activities away from the home environment. The industry has a number of subsectors, such as hospitality, food and beverage services, recreation and entertainment, transportation and travel services.

Ethiopia has a superabundance of tourist attractions, being the home of many United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites; it could potentially be one of the world's most important tourist destinations, with tourism constituting a vital source of income and employment for the country.

In recognition of this significant potential, the Ethiopian government has drafted various policies and strategies to boost the sector's contribution to the country's economy, foreign-exchange earnings and job-creation agenda. In 2009, Ethiopia launched a tourism development policy to increase tourist arrivals and optimize returns from the sector. In 2013, the Government established the Ethiopian Tourism Transformation Council, chaired by the Prime Minister and composed of members of various agencies. The tourism sector was also highlighted in the second phase of the Growth and Transformation Plan (2015–20). Moreover, the recent National 10-year Prospective Plan (2021–30) identifies tourism as one of the priority sectors. The Ministry of Culture and Tourism (MOCT) has also developed a separate sector-level 10-year prospective plan. One of the key priorities of these plans is to build capacity by developing human-resource skills through short- and long-term training, at the same time addressing the negative impacts of COVID-19.

The number of international tourists visiting Ethiopia has grown rapidly over the last two decades. Figure 1, comparing Ethiopia and Kenya, shows the number of international tourist arrivals and receipts. International visitor arrivals in Ethiopia increased from 136,000 in 2000 to 812,000 in 2019, an average annual growth of 10.37 per cent. Despite this growth, the number of international tourist arrivals has never surpassed one million. This is a very low figure, given the country's tourism potential and the success of neighbouring countries, such as Kenya. Kenya's tourist arrivals in 2019 were 2.5 times more than Ethiopia's.

Figure 1: International tourism arrivals and receipts



Source: WDI: World Bank (2021) and author's compilation

The tourism sector's contribution to foreign exchange earnings is, however, substantial. Ethiopia's international tourism earnings increased from US$205 million in 2000 to US$3.5 billion in 2018, a roughly 17-fold increase over the two decades. Tourism receipts in 2018 accounted for around 46.5 per cent of the country's total export earnings for goods and services, almost double Kenya's international tourist receipts in the same year. However, it is worth noting that a large part of these receipts came from transport services, generated mainly by the national carrier, Ethiopian Airlines. In 2017, for example, roughly 82.6 per cent of international tourist receipts were generated by transport services and the remaining 17.4 per cent by tourism services, including hospitality. Furthermore, in 2019 the travel and tourism sector made a 6.7 per cent contribution to the country's total GDP and about 7 per cent to total employment (WTC, 2020).

Despite this potential, and some impressive growth in the last couple of decades, Ethiopia's tourism sector is still in its infancy, due mainly to the country's poor international image and visibility as a tourism destination, weak public awareness of the sector, underdeveloped internal tourism infrastructure and a lack of skills in the management of natural, cultural and historical attractions.

Moreover, the Ethiopian tourism and travel sector has been facing new challenges as a result of the COVID-19 crisis. There are no official data regarding the loss of income and jobs due to COVID-19 in the tourism sector or the overall economy. However, it is anticipated that tourism-linked activities such as hospitality, food and beverage services, recreation and entertainment, transportation and travel services could see a fall in demand of as much as 80 per cent. If the virus persists for three months, two million Ethiopians could lose their jobs, 300,000 of which will be in the hotel sector (Ethiopia Job Creation Commission, 2020).

Anecdotal reports point to a huge loss of revenue and jobs in the Ethiopian tourism and travel sector. For example, in April 2020 the Addis Ababa Hotel Owners Association (AHA) reported that 88 per cent of its member hotels had either partially or fully closed their operations, leading to a monthly loss of revenue of US$35 million.[5] Moreover, some media outlets have reported that the number of international tourist arrivals in Ethiopia had dropped by 35.5 per cent as of March 2020 due to the large number of flights cancelled by the Ethiopian Airlines.[6] According to CEPHEUS Capital (2020), the pandemic has plunged Ethiopian Airlines into a financial, operational and commercial crisis. It temporarily suspended some 90 per cent of its international travel routes. In the first quarter of 2020 (January to March), the company incurred a loss of US$550 million.[7]

5 Addis Ababa Hotel Owners Trade Sectoral Association (AHA), The Impact of COVID-19 on the Addis Ababa Hotels Market, April 2002.

6 http://www.xinhuanet.com/english/2020-07/25/c_139238413.htm

7 CEPHEUS Research and Analytics, Macroeconomic Impacts of the Corona Virus: A Preliminary Assessment for Ethiopia, 31 March, 2020.

4. Rapid skills assessment: Field survey and sample characteristics

4.1. Sampling and survey implementation

The focus of our field survey and rapid skills assessment was on two sectors: agro-processing and tourism. Geographically, the survey covered four regions: Oromia, Amhara, SNNP and Sidama (and one administrative region, Addis Ababa). The target was to collect data from 400 respondents, of which 50 per cent were enterprises operating in the target sectors (agriculture and tourism), and the remainder people currently employed in the target sectors or who had been are laid off and were seeking jobs. Finally, information was collected from 210 enterprises and 210 individuals, including 10 pilot respondents from each category. The tourism sector accounted for roughly 42.4 per cent of the 210 enterprises included in the survey. It is worth noting that, as the method adopted for this study was a rapid skills assessment, the survey does not represent all subsectors and actors in the targeted sectors.

The sampling frame for the target firms was based on the lists of registered establishments maintained by the Ministry of Trade and Industry (MoTI), the employers' association and other sources. The lists of firms were arranged to fit the sub-sectoral classifications of the targeted sectors. For the agriculture sector, we included oilseed producers and edible-oils processors, poultry-feed and poultry-chick producers, fruit and vegetable growers and processors, and floriculture firms. For the tourism sector, we included tour operators and hotels. Meanwhile, the sample for the survey of individuals was obtained from the firms we interviewed, which were asked to provide lists of current employees and laid-off workers, and from the lists of jobseekers registered on the JCC's etworks app.

The ILO's rapid skills assessment questionnaires for employees and employers (ILO, 2020) were adapted to take into account the local Ethiopian context and were translated into the Amharic, Oromifa and Sidama languages. The final questionnaires were programmed for implementation in SurveyCTO, which is a survey tool for computer-assisted personal interviews (CAPI). The survey was administered by telephone. Enumerators were trained to ensure adequate understanding of the survey questionnaires and mode of implementation using SurveyCTO.

Using the ILO (2020) rapid-assessment guideline, KIIs were conducted with 15 participants from federal and regional agencies and sectoral associations. The list of stakeholders is provided in Annexe I.

One of the challenges we faced in implementing the survey was in obtaining an up-to-date register of firms from Government organizations and employers' associations. Obtaining working telephone numbers was another challenge.

4.2. Sample characteristics of the tourism sector

In this subsection, we give a brief description of the sampled firms and individuals from the tourism sector, focusing on two subsectors: hotels and tour operators.

The sample of employers (hereafter firms) consisted of 89 respondents from the tourism sector. Table 1 shows the sub-sectoral distribution and employment characteristics of the sample firms. Of the 89 firms, 71.9 per cent belonged to the hotels subsector, while 29.1 per cent were tour operators. Average employment in the hotels subsector (110) was much higher than in the tour-operators subsector (19). On average, more than 90 per cent of the employees in the surveyed firms were permanent workers.

Table 1: Sectoral distribution of sampled firms and numbers of persons employed

	Hotels	Tour Operators	Total
Number of firms	64	25	89
(%)	71.9	29.1	100
Average number of persons employed	110	19	84.2
Total number of employees in sector (sampled firms)	**7,014**	**476**	**7,490**
Average share of permanent employees (%)	99	90	

Source: Ethiopia rapid skills assessment, survey of firms

In the survey of individual workers in the tourism sector, all 147 individuals were Ethiopian. As shown in Table 2, thirty-one per cent of the surveyed individuals were employed, while the remainder (69%) were unemployed but looking for work and hence could be considered unemployed.[8] In terms of gender distribution, 87 (60%) of the respondents were male, while the remaining 59 (40%) were female. Thirty-one people (21%) were 25 years old or younger, while 72 (49%) were aged between 26 and 35. The remaining 43 (30%) were between 36 and 65 years of age.

[8] Although the survey gathered information from 210 individuals, we excluded those employed in agro-processing (64 individuals); where individuals are concerned, this report therefore focuses on 146 persons.

▶ **Table 2: Employment status of surveyed individuals**

		No.	%
Employment status	• Employed	45	31
	• Unemployed but looking for work	101	69
Gender	• Male	87	60
	• Female	59	40
Age Group	• 25 or younger	31	21
	• 26 - 35	72	49
	• 36 - 65	43	30
Total number of observations		**146**	**100**

Source: Ethiopia rapid skills assessment, survey of firms

The educational profiles of the individuals surveyed are shown in Table 3. Roughly 9 per cent had not completed any level of education, while some 21 per cent had completed no more than elementary school. As the higher levels, approximately 26 per cent, 19 per cent and 25 per cent respectively had obtained their secondary school leaving certificate, TVET diploma/certificate or bachelor's degree or above. The male respondents had higher levels of educational attainment than their female counterparts.

▶ **Table 3: Higher levels of educational attainment**

	Tourism sector total	Hotels	Tour oper.	Tourism sector total	Hotels	Tour oper.
What is your highest level of education?	Total		Male		Female	
	No	%	No	%	No	%
• Did not complete any level	13	8.9	3	3.45	10	16.95
• Elementary	30	20.55	20	22.99	10	16.95
• Secondary education	38	26.03	22	25.29	16	27.12
• Community college/ intermediate Diploma / TVET	27	18.49	12	13.79	15	25.42
• Bachelor degree	37	25.34	29	33.33	8	13.56
• Post-graduate (Masters / Doctorate)	1	0.68	1	1.15	0	0
No. obs.	146	100	87	100	59	100

Source: Ethiopia rapid skills assessment, survey of firms

5. Skills in the tourism industry and the effects of the COVID-19 pandemic

5.1. Situational analysis

5.1.1. Enterprise performance before the COVID-19 pandemic

In this section, we discuss the situation of business and employment before COVID-19. The respondents were asked about overall business trends over the three years leading up to the end of 2019. As shown in Table 4, about 58 per cent of the tourism sector firms surveyed reported that their businesses had been expanding in new or existing markets, 19 per cent reported no change, while around 23 per cent reported a contraction. By sector, 84 per cent of the tour operators and 46.6 per cent of the hotels experienced an expansion in their business in the three years before COVID-19. Interestingly, micro and small firms were more likely to have expanded their businesses during this period.

Table 4 also shows firms' commitment to innovation in the three years to 2019. The respondents were given a list of four types of innovation – innovation/improvement in goods, services, processes and efficiency – and were allowed to choose more than one. Some 51 per cent indicated that they had engaged in one or more types of innovation, whereas 49 per cent reported no such commitment.

Table 4: Business trends and firms' commitment to innovation in the three years to 2019

	Tourism sector total	By sector		By size			
		Hotels	Tour	Micro	Small	Medium	Large
Business trend				Percentage (%)			
• Business expanded in new or existing markets	57.8	46.6	84.0	84.6	71.4	39.4	60.9
• There was not much change	19.3	24.1	8.0	7.7	21.4	27.3	13.0
• Business contracted	22.9	29.3	8.0	7.7	7.1	33.3	26.1
Innovation efforts							
• One type of innovation	22.5	15.6	40.0	23.1	50.0	23.5	7.1
• Two types of innovation	12.4	15.6	4.0	7.7	0.0	11.8	21.4
• Three types of innovation	9.0	12.5	0.0	0.0	0.0	2.9	25.0
• Four types of innovation	6.7	9.4	0.0	0.0	0.0	5.9	14.3
• None	49.4	46.9	56.0	69.2	50.0	55.9	32.1
No. obs.	83	58	25	13	14	33	23

Source: Ethiopia rapid skills assessment, survey of firms

5.1.2. Impact of COVID-19

Globally, tourism was among the sectors most severely impacted by the COVID-19 pandemic, and Ethiopia was no exception. As revealed by the KIIs, all value-chain actors in the hotels and tourism sector were impacted, from giant Ethiopian Airlines and 5-star hotels to mule-and-tent renters in tourist destination areas. The demand for hotels and tour operators diminished, as it was linked with people's movements. However, businesses were required to pay salaries and taxes, even without having any business. Tour operators' vehicles that had been purchased by bank loan, remained idle and with no alternative usage. Some closed their offices. Even in normal times, tourism activities in Ethiopia had been working for only six months of the year, but now they ceased operation for the entire year. As foreign tourist numbers reduced, the sector came to rely more on domestic tourism. Hotels were better off than tour operators.

According to the KIIs, communities in tourist destination areas, which are at the bottom of the value chain, were also severely affected by the pandemic. These include scouts, souvenir sellers, handicraft makers, food suppliers, tourist guides and transport service providers (mules, boats, cars, etc.). Their resilience is very low, and some have even sold their assets to survive. Geographically, areas such as Gondar, Harar, Lalibela and Axum have been severely affected, as they are dependent on foreign tourists.

Next, based on the survey of firms, we discuss COVID-19's impact on employment, capacity utilization and working arrangements, with the focus on the tourism sector. Table 5 reports the firms' survey responses concerning employment patterns since the end of 2019 (i.e. since the start of the COVID-19 crisis).

The results show that employment in 72 per cent of the surveyed firms remained the same, while some 25 per cent reduced their labour force. A greater loss of jobs was reported in the tour-operator subsector (40%) than in the hotels subsector (19%). Size-wise, about 54 per cent of micro-firms reported a reduction in employment, which was far higher than for the other size groups. Job losses in the medium-sized group were also substantial, with about 29 per cent reporting that they had decreased their employment levels.

Table 5: Employment patterns by subsector and size since the end of 2019

	Tourism sector total	By sector		By size			
		Hotels	Tour	Micro	Small	Medium	Large
How has employment changed since COVID-19?	Percentage (%)						
• Increased	2.2	3.1	0.0	0.0	0.0	0.0	7.1
• Remained the same	71.9	76.6	60.0	46.2	85.7	67.6	82.1
• Decreased	24.7	18.8	40.0	53.8	14.3	29.4	10.7
No. Obs.	89	64	25	13	14	34	28

Source: Ethiopia rapid skills assessment, survey of firms

In contrast, only 2 per cent of the firms reported having increased their workforce. The firms that reported a rise in employment were all in the large-size category. This may explain why employment among the tourism sector's sample firms at the time of the survey (early 2021) was higher (n=7,490) than in 2019, the pre-COVID-19 year, (n=7,360). Looking at the subsectors, we found an increase in the hotels subsector, in contrast with a reduction in the tour-operators subsector. The overall rise in employment might be partly explained by the early relaxation of COVID-19-related regulations and the normalization of economic activity in the country.

Table 6 reports the job types that have seen increases or decreases since the COVID-19 crisis began. The types of occupation affected by COVID-19 are diverse. Of the 16 firms in the tourism sector that reported reducing employment in specific types of job, about 61 per cent said that they had laid off low-skilled workers in basic jobs (security guards, harvesters, drivers, production workers, waiters and cleaners). When asked about the main reason for the reduction in employment, roughly one third reported having difficulty in reaching customers due to COVID-19. A fall-off in demand was another key reason for the hotels sector's job losses, as reported by about one quarter of firms that had laid off workers. A Government order for partial closure was another reason for the reduction in employment.

Table 6: Job types in which there have been losses due to the COVID-19 crisis, and the main reasons

	Hotels	Tour oper.	Tourism sector total
Types of job in which there have been job losses		**Percentage (%)**	
• Management and professionals (accountants, export and other managers , technicians, receptionists, etc.)	10.0	27.3	16.1
• Clerical, services and sales (salespersons, receptionists, guides, etc.)	25.0	18.2	22.6
• Unskilled workers (security guards, drivers, production worker, waiters, kitchen workers and cleaners)	65.0	54.5	61.3
No. obs.	20	11	31
What has been the main reason for laying off people working in different jobs?			
• Drop in demand for goods or services	26.9	5.9	18.6
• Social distancing/health and safety means not as many people can work	3.8	0.0	2.3
• Problems sourcing materials for the goods we produce	3.8	0.0	2.3
• Difficulties reaching customers and clients due to COVID-19	30.8	41.2	34.9
• Government-mandated closure of an organization or parts of it due to COVID-19	15.4	17.6	16.3
• Could not keep workers employed due to cash flow problems	7.7	35.3	18.6
• Others	11.5	0.0	7.0
No. Obs.	26	17	43

Source: Ethiopia rapid skills assessment, survey of firms

About two thirds (65%) of the tourism-sector firms in the survey indicated that they were working below or far below capacity (see Table 7). Underutilization of capacity was severe in the tour-operator subsector, with 52 per cent of firms reporting that they were operating far below capacity. Size-wise, the micro and small firms were badly affected, as 69 and 36 per cent respectively reported operating at far below capacity.

Table 7: Capacity utilization by sector and size

	Tourism sector total	By sector		By size			
		Hotels	Tour	Micro	Small	Medium	Large
	Percentage (%)						
Well above capacity	15.7	20.3	4.0	0	7.1	11.8	32.1
At capacity	19.1	20.3	16.0	15.4	14.3	20.6	21.4
Below capacity	48.3	56.3	28.0	15.4	42.9	64.7	46.4
Far below capacity	16.9	3.1	52.0	69.2	35.7	2.9	0
No. Obs.	89	64	25	13	14	34	28

Source: Ethiopia rapid skills assessment, survey of firms

Despite the COVID-19 pandemic and the Government-imposed restrictions, not many firms changed their working arrangements. For example, about 70 and 92 of respondents respectively from the hotels and tour-operator subsectors indicated that they have no employees working remotely (Table 8). Furthermore, roughly two thirds of the firms indicated that 100 per cent of their workers were working as usual. Similarly, between 84 and100 per cent of the firms (depending on subsector and indicator) said that none of their employees were working reduced hours, were being paid at least in part but were not working, or were temporarily laid off.

Table 8: Changes in working arrangements due to COVID-19

	Working remotely (%)		Working reduced hours (%)		Being paid at least in part but not working (%)		Temporarily laid off and not being paid (%)		Working as usual (%)	
	Hotels	Tour	Hotels	Tour	Hotels	Tour	Hotels	Tour	Hotels	Tour
0%	70	92	98	96	100	84	98	92	27	8
1-50%	2	4	2	0	0	16	2	0	2	20
51-99%	2	0	0	0	0	0	0	8	6	4
100%	27	4	0	4	0	0	0	0	66	68
No. Obs.	64	25	64	25	64	25	64	25	64	25

Source: Ethiopia rapid skills assessment, survey of firms

Similarly, in line with the findings of the firms survey, the survey of individuals showed that 100 per cent of the employees concerned were working at their usual place of work. However, 22 per cent of those currently employed in the tourism sector indicated a decrease in salary due to the pandemic. About 70 per cent of those who suffered a decrease in salary reported a severe impact on their livelihoods.

Table 9 shows workers' degree of preparedness to respond to the COVID-19 crisis and the training they received for this purpose. According to the respondents, the majority of employees (58%) were well prepared to deal with the changes associated with the COVID-19 pandemic. However, only 27 per cent of firms trained their workers to address specific issues associated with the COVID-19 crisis. In terms of training, the hotels subsector performed better. As shown by the survey of individuals, the awareness created by the public media seems to have been effective in informing people on how to protect themselves against the virus. Feedback from the stakeholder workshop participants suggests that sectoral associations also played an important role in raising awareness and preparing workers.

▶ Table 9: Workers' preparedness and training

	Hotels	Tour oper.	Tourism sector total
Employees' level of preparedness to deal with changes			
• Very well prepared	71.9	24.0	58.43
• Quite well prepared	26.6	36.0	29.21
• Not well prepared	1.6	12.0	4.49
• Not at all prepared	0.0	28.0	7.87
Main areas in which employees had to improve skills to do their jobs during the crisis			
• Health and safety awareness and knowledge related to COVID-19	98.4	92.0	96.6
• Digital / ICT skills – mainly related to communication (e.g. using applications remotely)	21.9	8.0	18.0
• Digital / ICT skills – mainly related to using new applications and programmes	23.4	8.0	19.1
• Being able to take on a wider range of tasks than before	53.1	44.0	50.6
Firms that trained their employees to deal with new working arrangements	32.8	12.0	27.0
Types of training provided by firms			
• Health and safety at work	26.6	12.0	22.5
• Use of digital communication technologies (Zoom, Teams, Skype, WhatsApp, Google Meet and so on)	9.4	0.0	6.7
• Use of digital technologies to maintain internet connections, access computer resources in the workplace, etc.	26.6	4.0	20.2
• Managing a wider range of tasks than before COVID-19	28.1	4.0	21.3
• Working in teams when not everyone can be in the place of work	17.2	4.0	13.5
• Delivering goods and services to customers in new ways	26.6	0.0	19.1

Source: Ethiopia rapid skills assessment, survey of firms

However, protective measures in the workplace seem only rarely to have been implemented. When the firms were asked in what main areas employees had had to improve their skills to do their jobs during the crisis, more than 96 per cent indicated health and safety awareness and knowledge related to COVID-19, followed by the ability to take on a wider range of tasks than before (50%).

The survey of individuals also showed similar trends in terms of worker preparedness (see Table 10), with less than 5 per cent reporting a lack of preparedness. About 44% (not shown in Table 10) also reported having received health-and-safety-related training.

▶ Table 10: Preparedness and training of workers (survey of individuals)

	Hotels	Tour oper.	Tourism sector total
Level of employee preparedness to deal with changes			
• Yes, very well informed	52.3	0.0	51.1
• Yes, well informed	43.2	100.0	44.4
• No, not well informed	4.6	0.0	4.4
No. Obs.	44	1	45

Source: Ethiopia rapid skills assessment, survey of firms

However, firms reported receiving little direct assistance from the Government in response to the COVID-19 pandemic (Table 11). In the tourism sector, for example, only about 42 per cent indicated that they had received information from the Government, and only 18 per cent had received financial assistance. Firms in the hotels subsector were more likely to have received information about COVID-19 from the Government than those in the tour-operators subsector. The firms were also asked to disclose the three most important types of additional help they required. Financial assistance, such as loans to cover business expenses and suspension of repayments, was mentioned by more than 70 per cent of the firms concerned.

Table 11: Government support and additional help required by firms

	Hotels	Tour oper.	Tourism sector total
Establishments that have received help from the government on how to respond to COVID-19		Percentage (%)	
• Information received	54.7	12.0	42.7
• Financial assistance received	18.8	16.0	18.0
What are the most important types of additional help you require?			
• Information about how to introduce social distancing in the workplace	25.0	4.0	19.1
• Information regarding hand washing and maintaining hygiene standards	31.3	0.0	22.5
• General information on COVID-19 / how to tell if someone has COVID-19	42.2	8.0	32.6
• Assistance with paying employees' wages	26.6	24.0	25.8
• Assistance with paying rent	6.3	44.0	16.9
• Loans to cover business expenses	65.6	84.0	70.8
• Suspension of loan repayments	70.3	76.0	71.9
• Other (please specify)	4.7	40.0	14.6
None	1.6	4.0	2.2

Source: Ethiopia rapid skills assessment, survey of firms

5.2. Future resilience strategies

This section discusses the firms' perceptions of future business trends and strategies. They were asked if they foresaw opportunities to increase their workforce in the next year and in the next five years. A large proportion (60%) were optimistic about opportunities for increasing employment in the next year and an even higher proportion (84%) in the next five years (see Table 12).

When asked if COVID-19-related issues might provide employment opportunities in the next 12 months, only one firm in the tourism sector responded in the affirmative. On the other hand, about one third of the firms in the hotels subsector and 8 per cent of those in the tour-operators subsector foresaw opportunities for their overall business to grow in the next five years.

▶ Table 12: Future employment trends

	Do you expect employment to increase in the next 12 months?			Do you expect employment to increase in the next five years?		
	Tourism sector total	Hotels	Tour oper.	Tourism sector total	Hotels	Tour oper.
	Percentage (%)					
Increase a great deal above pre-COVID level	21.4	28.1	4	55.1	53.1	60.0
Increase to above pre-COVID-19 level	39.3	32.8	56	29.2	28.1	32.0
Return to pre-COVID-19 levels	25.8	21.9	36	10.1	10.9	8.0
Increase, but will be below pre-COVID-19 level	6.7	9.4		1.1	1. 6	
Decrease a little	3.4	3.1	4			
Decrease a great deal	1.1	1. 6				
No. obs.	89	64	25	89	64	25

Source: Ethiopia rapid skills assessment, survey of firms

When asked if they needed to recruit staff to take advantage of opportunities, 42 per cent of the firms in the hotels subsector responded positively, while none of the tour operators did so.

As can be seen in Table 13, 100 per cent of the firms in the hotels subsector and 88 per cent in the tour-operators subsector indicated that it was probable or quite likely that they would take measures to strengthen their businesses' ability to operate effectively. When asked what these measures were likely to be, increased use of automation (47%), improvements to IT infrastructure (46%) and moving to larger premises for reasons of social distancing (45%) were the top three measures anticipated.

Table 13: Measures establishments might take to strengthen their business

	Hotels	Tour oper.	Tourism sector total
		Percentage (%)	
Firms that think people need to be recruited to take advantage of business opportunities	42.2	0.0	42.2
How likely is that this establishment will take measures to strengthen its ability to operate effectively?			
• Very likely	70.3	16.0	55.1
• Quite likely	29.7	72.0	41.6
• Not likely	0.0	12.0	3.4
What are these measures likely to include?			
• Increased use of automation	65.6	0.0	47.2
• Improvements to IT infrastructure	59.4	12.0	46.1
• Increased capacity for remote working	14.1	24.0	16.9
• Producing a wider range of goods and services	51.6	16.0	41.6
• Moving to larger premises for reasons of social distancing	42.2	52.0	44.9
• Building up cash reserves	34.4	52.0	39.3
• Improved risk management	37.5	28.0	34.8
• Others	0.0	4.0	1.1
No. obs.	64	25	89

Source: Ethiopia rapid skills assessment, survey of firms

Environmental sustainability

Environmental awareness and sustainability are vitally important if the tourism sector is to flourish. In this area, firms in Ethiopia's tourism sector have made notable progress. According to our survey results, about 90 per cent of hotels and 60 per cent of tour operators have adapted their practices, products or services in response to growing environmental awareness or regulation (see Table 14). The firms in our survey were asked in what ways they planned to become more environmentally sustainable. Avoiding waste or reducing the amount of waste they produce (73.4%) and making the workplace and surrounding area healthier for workers and local the people (71%) were the two top priorities in the hotels subsector. About 44 per cent of the firms in the tour-operators subsector indicated that they planned to avoid waste or reduce the amount. However, roughly two thirds (68%) indicated that they would implement any other measures that would improve the business' environmental sustainability. According to the responses from firms in both subsectors, understanding (or awareness of) environmental issues and developing new environmental products or services were the two top types of skills they foresaw as becoming more important for sustainable operation.

Table 14: Adaptation of environmentally friendly practices, products and services (and required skills)

	Hotels	Tour oper.
	Percentage (%)	
Businesses that have adapted their practices, products or services in response to environmental awareness or regulation	90.6	60
These adjustments impacted the tasks performed by skilled workers	13.8	37.5
Firms that plan to become more environmentally sustainable will:		
• Use raw materials, water, energy, fertilizer or other inputs more efficiently within the business	4.7	0.0
• Obtain raw materials, water, energy, fertilizer or other inputs from more sustainable sources	10.9	0.0
• Avoid waste or reduce the amount of waste produced	73.4	44.0
• Prevent environmental damage, such as pollution, soil loss or greenhouse gases caused by business activities	45.3	0.0
• Make the workplace and surrounding area healthier for workers and local people	71.9	4.0
• Produce goods or deliver services that help improve the environment or prevent environmental damage	39.1	4.0
• Undertake activities that improve the environment, such as growing trees or recycling	20.3	8.0
• Improve compliance with the Government's environment and climate-action laws and regulations, or with environmental standards (e.g. good agricultural practice (GAP) or regulations to reduce emissions)	4.7	4.0
• Implement anything else that would improve the business's environmental sustainability	3.1	68.0
Types of skills that will become more important if your business is to operate more sustainably		
• Understanding environmental issues /environmental awareness	57.8	68.0
• Technical skills for performing existing work more efficiently, reducing use of materials, water, energy and/or waste	40.6	4.0
• Technical skills for doing new work to operate more sustainably	48.4	0.0
• Developing new environmental products or services	59.4	20.0
• Compliance with environmental regulations and standards, and with quality standards	39.1	8.0
• Marketing environmental advantages	32.8	8.0
• Financial and administrative	46.9	36.0
• Digital	18.8	8.0
• Maintenance	26.6	0.0
• Sourcing, procurement and logistics	21.9	0.0

Source: Ethiopia rapid skills assessment, survey of firms

5.3. Skills implications

The hotels and tourism sector, by its very nature, has to compete globally to attract tourists. In addition to using unskilled labour, the sector employs a wide range of professionals, including hotels managers, marketing personnel and others. KIIs have shown that the skills shortage is most severe among middle-level professionals and service providers, such as chefs, tourist guides, tourism consults, and marketing and promotional personal. The interviews revealed that graduates in the fields of hospitality and tourism lack such skills as tour package preparation, indigenous tourism management and language skills other than English (e.g. French, Chinese and German).

We now consider the skills-related implications of the COVID-19 pandemic. The firms were asked if their staff needed training to take advantage of opportunities arising during or after the COVID-19 crisis. About 60 per cent of firms in the hotels subsector responded positively, while only 20 per cent of tour operators indicated a need to train their staff for these purposes (see Table 15).

Table 15: Most important skills required to take advantage of future opportunities

	Hotels	Tour oper.	Tourism sector total
Firms expecting that staff will need to be trained to take advantage of future opportunities	59.4	20.0	48.3
What are the most important areas in which people will need to be trained to take advantage of future opportunities?			
• Technical skills for specific types of job	26.6	8.0	21.3
• Digital skills	10.9	8.0	10.1
• Administrative, customer relations and related skills	42.2	0.0	30.3
• People management skills	15.6	0.0	11.2
• Skills for green jobs and environmental sustainability	21.9	4.0	16.9
• Language skills	26.6	8.0	21.3
• Literacy skills	7.8	12.0	9.0
• Numeracy skills	12.5	0.0	9.0
• Other skills	1.6	4.0	2.2
No. obs.	64	25	89

Source: Ethiopia rapid skills assessment, survey of firms

The respondents were then asked what they saw as the most important areas in which people needed to be trained to take advantage of the envisaged opportunities. Administrative, customer-relations and related skills (42%) were the top priority for the hotels subsector, which foresaw a greater need for future staff retraining. This was followed by language skills (26.6%) and technical skills for specific types of job (26.6%). Only 10 per cent of firms indicated a need for digital skills, which seems to suggest a lack of awareness, given the generally recognized importance of digital skills in tackling the COVID-19 crisis and for the overall global development of the tourism industry. The survey of individuals, however, revealed that job-specific (50%) and digital skills (33%) were the two main areas of training needed to take advantage of future opportunities in the industry.

6. Summary of key findings and recommendations

Ethiopia boasts an abundance of tourist attractions, being home to many UNESCO World Heritage Sites. The county could be one of the world's most important tourist destinations, which would generate increases in income and employment. The tourism sector has shown unprecedented growth over the last two decades. However, despite such potential and recent growth, Ethiopia's tourism sector is still in its infancy. This is due to various impediments and the COVID-19 crisis has brought another level of challenge to prospective growth. The Government has paid increased attention to the tourism sector in its 10-year Prospective Plan.

This study aims to assess the upskilling and reskilling needs in Ethiopia's tourism sector following the COVID-19 pandemic. Based on a field survey of enterprises and individuals (employed and unemployed), and KIIs with relevant actors in the tourism sector, it follows the ILO's rapid skills assessment framework. Within the tourism sector, the field survey focused on two subsectors, hotels and tour operators, therefore the findings may not necessarily represent the entire tourism sector. The following subsections present a summary of our key findings and recommendations.

6.1. Summary of key findings

In the survey of firms, almost 60 per cent reported that their businesses had expanded in new or existing markets during the three years before the COVID-19 pandemic. However, as in many countries worldwide, the crisis has severely affected all value-chain actors in the hotels and tourism sector, from giant Ethiopian Airlines and 5-star hotels to mule-and-tent renters in tourist destination areas. Here, we focus on COVID-19's impact on employment and skills, although the impact is multidimensional.

Despite Government orders not to fire employees after the start of the COVID-19 pandemic, roughly 25 per cent of firms reported that they had cut their employee numbers. A greater decrease in employment was reported in the tour-operators subsector (40%) than in the hotels subsector (19%). Approximately 54 per cent of micro-firms reported reduced employment, which was far higher than for the other sizes of group. Low-skilled and basic jobs were the types of occupation most severely affected.

The impact of COVID-19 is also reflected in the low capacity utilization of businesses. As the survey only covered businesses still operating, it did not take into account business closures. Roughly two thirds of the firms surveyed in the tourism sector indicated that they were working below or far below capacity. The underutilization of businesses' capacity was particularly severe in the tour-operators subsector, especially in small and micro-firms.

About 27 per cent of the surveyed firms, most of them in the hotels subsector, had provided training for their staff that addressed the COVID-19 crisis. However, these firms reported having received little direct assistance from the Government in response to the COVID-19 pandemic.

A large proportion of firms (60%) were optimistic about opportunities for increasing their workforce in the next year, and an even higher proportion (84%) in the next five years. When asked if their staff needed training to take advantage of opportunities arising during or after the COVID-19 crisis, some 60 per cent of firms in the hotels subsector responded positively, while fewer tour operators anticipated that training would be required.

Based on the responses from the hotels subsector, the three most important areas in which firms foresaw a need for training to take advantage of new opportunities were administrative, customer-relations and related skills; language skills; and technical skills for a specific types job. A need for digital skills was indicated by only a relatively small number of firms, which was surprising given the importance of digital skills in tackling the COVID-19 crisis and in relation to overall global developments.

6.2. Recommendations

Our recommendations are of two kinds: i) tourism-sector-specific and ii) cross-sector (systemic). The sector-specific recommendations are concerned with skills-related issues that require interventions. The systemic recommendations address some of the constraints in Ethiopia's skills development system, with the aim of enhancing the resilience of all economic sectors to shocks, including crises such as the COVID-19 pandemic. While some of the recommendations can be implemented through ILO programmes, others are concerned with fundamental issues that require Government intervention.

6.2.1. Tourism-sector-specific recommendations

The survival of businesses throughout the tourism ecosystem is critical to securing and increasing employment in the sector. For survival, businesses require support of the following kinds.

a. Promote the digital transition and improve digital platforms in the tourism sector

- This digital transition encompasses the introduction of e-commerce and mobile payment systems, and the development of mobile applications for the location and tracking of orders.
- Businesses need support to facilitate their digital presence.

b. Information and data

- Enhance communication channels to keep tourism industry stakeholders informed (both travellers and operators).
- Monitor data in real time to understand tourism demand and provide feedback to tourism sector actors.
- Update guidelines and inform tourism-sector actors on the emerging COVID-19 situation and related regulations.

c. Introduce stimulus packages to ensure that enterprises survive and continue to employ people while the impact of the pandemic persists

Consideration could be given to the following:

- Exemptions, deferrals or the discounting of taxes on tourism-sector businesses
- Cash-flow assistance and preferential loan schemes
- Subsidized utilities
- Direct financial support to SMEs to cover costs, including rent
- Wage subsidies to aid businesses in retaining jobs

d. Enhance skills and training

- Support businesses with training to develop digital skills.
- Retrain and reskill tourism workers, including those who have lost their jobs.
- Embed core employability skills in the tourism and hospitality programmes run by TVET institutions and universities. As revealed by the survey, the following skills are in high demand in the tourism sector: administrative and customer-relations skills, language skills, digital skills and expertise in environmental issues.
- For the tourism sector, establish a skills anticipation system linked to the sector's governance arrangements for providers of education and training. With global drivers of change such as technology, climate change and pandemics, a system of this kind will help better prepare workers for changing skills demands.
- Train tourism enterprises in environmentally sustainable practices, such as the proper use of fertilizers and pesticides, liquid and solid waste-management and the efficient use of water and energy.

e. Coordination among institutions

- Establish sectoral skills councils of representatives from higher education, Government and the private sector to be responsible for sectoral skills-anticipation systems and to work in tandem with skills providers: TVET institutions and universities; education and training regulators (the MOE, the MOSHE and the TVET Agency); trade unions; and the private sector.

6.2.2. Systemic cross-sector recommendations

a. Awareness-raising and incentives

- Provide training for enterprises on work organization and the coordination of operations, as well as workplace health precautions to prevent the spread of pandemics. This can be achieved by collaboration among stakeholders, in particular the Ministry of Health, the MoTI, the Ministry of Labour and Social Affairs, and tourism industry representatives (from sectoral associations and development partners).

  Interventions could include:

  - information on how to set up OSH systems in the workplace, with a particular focus on occupational health and safety during pandemics;
  - provision of training for MSEs on how to minimize the impact of a pandemic on businesses, in particular how they manage their logistics (sourcing inputs and distribution of products) and use storage systems, as pandemics disrupt traditional operating systems.
- Subsidize enterprises that acquire equipment and tools to prevent the spread of a pandemic, e.g. gloves, masks and sanitisers. This would be particularly relevant for enterprises that have to make substantial changes to machinery with high-cost implications.

b. Investment in digital infrastructure

- Enhance Government investment in digital infrastructure, for instance by expanding the provision of fast and affordable internet services to small towns and rural areas, as well as local administration facilities, educational establishments and enterprises.
- Train teachers in virtual teaching and training methods.
- Provide training of trainers (ToT) for enterprise representatives in the use of virtual communications and digital business platforms, such as mobile banking and e-commerce, so that each enterprise is able to implement these new developments. This will be particularly relevant to micro-, small- and medium-sized enterprises, as their awareness of the benefits of digitalization is limited and they have only limited capacity to implement it. Similar training for local offices, such as woreda one-stop shops (OSS) that are directly involved in supporting small enterprises, is also crucial. Some OSS services can be made available online for MSEs to access.
- Help TVET and higher-education institutions to enhance their digital platforms, thus enabling students to engage in online learning.
- Similarly, TVET and higher-education institutions need to embed digital skills in all their programmes, including the use of virtual communications (email, Zoom, Skype and other platforms).

c. Social dialogue and institutional coordination

- Cultivate social dialogue between the Government (the Federal TVET Agency, the MoSHE and the MOLSA), employers' representatives and trade unions to discuss training requirements. Currently, there is no organized dialogue among stakeholders regarding education and training in Ethiopia. Improving the links between the worlds of education, training and work is vital for effective coordination and ownership. Social dialogue should cover skills mismatches, the standardization of qualifications in response to labour market needs and enhanced apprenticeships and internships. Sectoral skills councils could also play a key role in this regard.

By participating in social dialogue, the social partners can:

- contribute to the design, implementation and monitoring of education, training and lifelong-learning policies, as well as programmes to improve training quality;
- engage in collective bargaining on the terms and conditions of work. This will ensure that OSH systems are established in the workplace to prevent the spread of pandemics and counter other potential future shocks.

- Strengthen the linkages between universities and the tourism industry by creating incentives and value for the industry.

d. Work-based learning (WBL)

- Scale-up graduate internship programmes and apprenticeships to fill skills gaps and facilitate the transition into employment.
  - Support the Ethiopian Government in introducing a legal framework for governing and monitoring apprenticeship and internship arrangements. Currently, there is no legal framework governing apprentices and internships. The JCC, the Ministry of Labour and Social Affairs, the Ministry of Science and Higher Education, sectoral representatives and workers' unions are all key stakeholders.
  - Cultivate social dialogue between the Government (the TVET and higher education agencies), employers' representatives and trade unions to consider apprenticeship and internship arrangements.
  - Advocate the introduction of an incentive system for enterprises that are providing WBL. Many countries have incentive schemes for firms that offer apprenticeship opportunities in the form of subsidies and cost-sharing (e.g. sharing apprentices' wages).

e. Environmental sustainability (green jobs)

- Arrange exposure visits for enterprises to show them best practices in waste management in emerging and developed countries.
- Encourage firms engaged in recycling and waste treatment by facilitating access to credit and premises. Currently, there is a special incentive system for firms engaged in recycling and waste treatment.
- The TVET and university systems should provide training relevant to environmental sustainability, e.g. for chemical engineers specializing in wastewater treatment facilities, production managers concerned with environmental standards and compliance, quality control specialists needing to be trained in national and

international environmental standards, solid waste managers specializing in sludge management and recycling, and engineers involved in operating modern water and fuel-efficient machinery and technologies.

f. Gender mainstreaming

- Female workers, due to limited access to training, are likely to be in informal employment and are hence vulnerable to being laid off. Measures are therefore needed to reduce their vulnerability. Women are frequently engaged in reception work, secretarial services, hospitality and similar occupations, in which there have been considerable job losses during the pandemic (as shown by the enterprise surveys).
- Since female workers, especially young women, have fewer opportunities for networking, it is often difficult for them to find new jobs once they are laid off. Upskilling and reskilling opportunities should therefore be more available to female workers. Prioritizing female workers in digital-skills training that would enable them to work from home can significantly contribute to reducing the gender gap in employment and wages.
- Offer incentives to enterprises that provide high-quality and well-structured upskilling opportunities for female workers.
- Since apprenticeships in Ethiopia are arranged informally, they are biased against young women. A system that links female workers (who have been laid off because of the pandemic) with enterprises is therefore crucial. One way to do this is to subsidize the wage costs of enterprises that offer internships and apprenticeships to women.

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8. Annex

Annex I: List of stakeholders involved in the KIIs

Key informant’s name	Affiliation and position
Million Feleke	Director of Research and Advocacy: Ethiopian Chamber of Commerce and sectoral association
Tewodros Derbew	Strategic Unit Coordinator of the Ministry of Culture and Tourism and former director of the Tourism Service Providers Accreditation Directorate
Bogale Abay	Ethiopian Tour Operators Association, board member and manager of Dynasty Ethiopia Tour
Henock Shewasema	Ethiopian Tour Operators Association, board member and founder of Walk in Ethiopia Tour and Travel
W/ro Zewdi Gidey	Ethiopian Tour Operators Association, board member and head of Julian Tour and Travel
Teshome Daniel	Institutional Linkage and Technology Transfer Director, Ministry of Science and Higher Education
Hadush Tadesse	Senior Labour Inspector, Ministry of Labour and Social Affairs
Muna Kelifa	Oromia Regional State Urban Job Creation and Enterprise Bureau, Team Leader
Shemsia Musa	Oromia Regional State Urban Job Creation and Enterprise Bureau, Senior Expert
Takele Begna	Rural Job Creation Directorate Director, Oromia Regional State
Birhanu Diriba	Head of Education and Training Department, Confederation of Ethiopian Trade Unions
Hundie Gudeta	Senior Expert, Confederation of Ethiopian Trade Unions
Solomon Tadesse	Job Creation Follow-up and Capacity-building Director, JCC
Mihret Tigabie	Occupational Standards Evaluator and Information Centre Administrator
Ebissa Assefa	Institutional Capacity-building, Relevance and Quality Assurance Director, Federal TVET Agency

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