



International  
Labour  
Organization

PROSPECTS



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SAMUEL HALL.

# Rapid assessment of the impact of COVID-19 on labour markets in Ethiopia

## A case study of the Somali and Tigray regions



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## Abbreviations and acronyms

ARRA	Agency for Refugee and Returnee Affairs
COVID-19	Coronavirus disease 2019
CRRF	Comprehensive Refugee Response Framework
ETB	Ethiopian Birr
GDP	Gross domestic product
HR	Human resources
IDP	Internally displaced person
ILO	International Labour Organization
MFI	Micro-finance institution
MOLSA	Ministry of Labour and Social Affairs
PPE	Personal protective equipment
PROSPECTS	Partnership for improving prospects for forcibly displaced persons
PSNP	Productive Safety Net Programme
ROSCA	Rotating Savings and Credit Association
SME	Small and medium enterprise
UNICEF	United Nations Children’s Fund
WHO	World Health Organization

## Executive summary

This report results from a collaboration between Samuel Hall and the International Labour Organization (ILO) to assess the impact of the COVID-19 pandemic on displacement-affected labour markets in Ethiopia's Somali and Tigray regional states. These locations are target intervention areas for the *Partnership for improving prospects for forcibly displaced persons* (PROSPECTS), spearheaded by the Government of the Netherlands, to inform the design of relevant and context-specific measures to respond to protracted displacement. This rapid assessment of the impact of COVID-19 on labour markets in the Tigray and Somali regional states relied primarily on quantitative data collected via a phone survey conducted during the months of July and August 2020. Data was collected in six different locations: in Qoloji and Kebribeyah for the Somali region, and in Shire, Shimelba, Mai Tsebri, and Mai Aini-Adi Harush for Tigray.

This study provides a rapid assessment as per ILO methodologies in these six locations. It gathers evidence on the impact of COVID-19 on local socio-economic environments, to inform the development of immediate responses, as well as post-crisis recovery strategies. The key components of this study report are:

Rapid assessment in six locations – Kebribeyah and Qoloji in the Somali region; Shimelba and Mai Aini-Adi Harush in Tigray	Evidence on the impact of COVID-19 on local socio-economic environments of refugee and host communities	Development of policy orientation for immediate and post-crisis response through a sectoral perspective
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## Key findings: eight messages

### 45 per cent unaware of government assistance

An overwhelming majority of enterprises was unaware of government assistance, and support to small and medium enterprises (SMEs).



Enterprises relied on **HR and financial measures** rather than commercial adaptations.

### COVID-19 deepens inequalities

between hosts and vulnerable groups. Enterprises led by male hosts are fare better than those led by displaced groups or women.



**Income decrease of 19 per cent** among waged labourers with a written contract compared to **41 per cent** among those with an oral contract. Forcibly displaced individuals are over-represented in the informal sector.

### Women are more likely to experience income losses.

This is also related to the fact that they are over represented in the informal sector.



### Youth are affected disproportionately

owing to reduced demand for labour and closure of educational institutions.

### Individual measures

most individuals simply cannot afford to stay at home to protect themselves from the virus.



### Social tensions

Risks of emerging negative social dynamics and conflicts over resources at a time of economic crisis.



### **Measures adopted in Ethiopia during COVID-19: limited support to SMEs**

Since the first case of COVID-19 was confirmed in Ethiopia on 14 March 2020, the federal government has implemented a series of health emergency and economic support measures, despite extremely limited budgetary resources. On 8 April, Ethiopian authorities declared a nationwide five-month state of emergency to minimize the spread of the virus and implemented a number of ambitious programmes to ease the socio-economic impact and limit the spread of the COVID-19 pandemic. However, an overwhelming majority of enterprises appear to be unaware of assistance targeting enterprises. In addition, support to small and medium enterprises (SMEs) has been limited, while the informal sectors, which account for a significant share of employment in the country, have not benefited from any intervention.



### **Enterprises relied on human resources and financial measures rather than commercial adaptations**

In both regions, the two most prominent measures taken in the workplace to slow down the spread of the virus are the distribution of protective gear and the enhancement of cleaning and sanitizing efforts across facilities. However, only a small percentage of enterprises resorted to altering schedules to rotate staff and avoid being on full capacity on a daily basis. The majority of enterprises favoured human resources (HR) adaptations: changes were made to existing recruitment plans, and for 43 per cent of enterprises, new hires were interrupted. Overall, enterprises in both regions were more likely to resort to financial measures rather than to commercial adaptations. For those who did take commercial measures, testing new business models was the most prevalent type of adaptation. On the whole, applying for subsidies is found to be weakly adopted across enterprises, potentially revealing a gap to be filled on the supply side, with the Government of Ethiopia and local authorities offering limited assistance mechanisms.



### **COVID-19 deepens inequalities between hosts and vulnerable groups: enterprises led by male hosts are better than those led by displaced groups or women**

Half of the enterprises interviewed recorded staff reduction since the beginning of the pandemic, and a large majority had to interrupt hiring procedures as a result of economic contraction and reduced profitability. Informal enterprises, especially those carrying out home-based activities, appear to be more vulnerable as they have a significantly lower propensity than registered enterprises to sustain themselves in the long run if the current economic situation is prolonged. With women and refugee enterprises operating predominantly in the informal sector, it can be argued that the crisis will render already disadvantaged groups more economically vulnerable and undermine their resilience. This assessment shows that, largely, male-led enterprises and host enterprises fare better than female-led enterprises and refugee enterprises, respectively.



### **Income levels decrease the most among informal workers**

While the data suggests that COVID-19 did not have a significant impact on employment across both regions, the study shows that income has decreased for many employees as a result of the pandemic, and members of the informal sector were hit the hardest. While reasons for income and employment losses are similar among all sub-groups, the findings need to be nuanced by the fact that refugees and internally displaced persons (IDPs) are more likely than hosts to work informally and hold multiple jobs. Furthermore, the possibility of working as usual or having paid (sick) leave increases with higher education, and the likelihood of income remaining the same is higher for people working in public administration or health and social work activities.



### **Women are more likely to experience income losses**

While the impact of COVID-19 on the employment status of female workers is also comparable to that of their male counterparts, more women experienced a decrease in their income. Women's higher likelihood of decreased income levels is also related to the fact that they are over-represented in the informal sector. However, contrary to assumptions that women would be more likely to stay at home and see an increase in their household chores, because of patriarchal societal norms that perceive women to be more homebound, there were no significant differences between women and men among the respondents.



### **Youth are disproportionately affected**

Youth in Ethiopia were faced with high under- or unemployment even before the pandemic. The reduced demand for labour and closure of educational institutions is worsening their livelihood situation. Furthermore, owing to movement restrictions, looking for jobs has also become more difficult for them, especially as digital job platforms are not widely used.



### **Most individuals simply cannot stay at home to protect themselves from the virus**

Regarding specific measures of protection from the virus and the possibility of staying at home to avoid contamination, only 13 per cent of respondents in Tigray stated that they stayed at home to protect themselves, compared with 45 per cent of respondents in the Somali region. The higher figure for the Somali region could be explained by the fact that some individuals may have no choice but to stay at home, or they were initially working from home. At the same time, many people who are earning a low income or less than the living wage may simply not be able to afford to stay at home, be they women, men, refugees, IDPs or host community members.



## Risks of emerging negative social dynamics and conflicts over resources at a time of economic crisis

The study shows that the likelihood of having savings to cope with income losses in the long term is very low in both regions, and only a small number of respondents benefited from external COVID-19 support programmes. Given the different likelihood of receiving any form of assistance outside the family network for forcibly displaced and host community members, there is a risk of emerging negative social dynamics as questions of scapegoating and conflicts over resources might appear in times of economic crisis. When refugees and IDPs were asked whether they were afraid of discrimination in the context of COVID-19, a striking difference appeared between the two regions, with 60 per cent of forcibly displaced respondents in the Tigray region stating that they did indeed fear this might be the case in some form or another.

## Conclusions and recommendations

This rapid assessment reveals the impact of COVID-19 on the economic situation of enterprises and individuals in displacement-affected contexts in the Somali and Tigray regional states of Ethiopia. One of the major findings of this report is the role that informality and vulnerability play in exacerbating the adverse effects of the pandemic. As informal enterprises and workers in precarious situations are often excluded from formal support mechanisms, policymakers, the ILO and stakeholders need to ensure they develop inclusive solutions to help those actors cope with the crisis.

### Short to medium-term recommendations

#### Financial and business development measures

1. Provide SMEs access to financial mechanisms, such as readily accessible free loans
2. Devise tailored financial support and financial inclusion solutions for women and refugee entrepreneurs, whose access to finance is even more limited
3. Provide support to young enterprises to help them survive the crisis
4. Provide workspaces for home-based businesses, targeting in particular women, youth and refugees, whose businesses are less resilient
5. Support inclusive financial institutions such as microfinance institutions and financial cooperatives
6. Provide business development and management training to strengthen enterprises' resilience and capacity to deploy other measures to cope with the crisis

#### Policy measures

7. Provide tax exemptions for registered companies who commit to keeping their employees

8. Carry out contextualized assessments on the drivers of informality in the Somali and Tigray regions to inform the design of more adapted policies
9. Support to the Ministry of Labour and Social Affairs (MoLSA) in organizing awareness-raising campaigns in refugee-hosting areas about the process for registering companies, and create an incentive by providing newly registered enterprises with business management training and coaching sessions
10. Reduce inequalities by promoting refugees' integration – support the Agency for Refugee and Returnee Affairs (ARRA) and MoLSA in promoting joint ventures between Ethiopian nationals and refugees
11. Promote freedom of movement for refugees to avoid a sudden decrease in demand

#### **Multi-sectoral measures**

12. Provide in-cash support for the displaced to boost demand
13. Build the capacity of existing health facilities in refugee/IDP camps and channel funds to create new ad-hoc facilities
14. Target support measures for the youth by providing access to remote learning platforms and counselling services

#### **Long-term recommendations**

15. Assess the impact of COVID-19 on child protection and child labour in particular
16. Implement targeted support measures for vulnerable caregivers, such as school feeding programmes in schools and subsidies for households caring for elders
17. Support commercial and financial adaptations through skills building, in addition to experience-sharing and mentoring activities
18. Support MoLSA in establishing accelerators or innovative labs at the woreda level, aimed at providing enterprises with a platform where they can exchange ideas and challenges faced in developing new products, services and solutions for their clients
19. Targeted support to reduce inequality and build resilience beyond a quick recovery

# 1. Introduction

## 1.1. Background

The COVID-19 pandemic has taken a heavy human toll globally and put public health systems under high pressure. As of 13 October 2020, the World Health Organization (WHO) reported 37,704,153 confirmed cases of COVID-19, including 1,079,029 deaths. The pandemic is also having severe socio-economic impacts in all regions of the world and is already considered to be the greatest economic shock ever experienced in decades. Despite unprecedented efforts to curb the recession, the global Gross Domestic Product (GDP) is expected to face a 5.2 per cent contraction in 2020.<sup>1</sup> In Sub-Saharan Africa, the combined effect of a weakened global economy and domestic measures taken to limit the spread of the virus is weakening economic activity substantially, with a projected contraction of 4.2 per cent.<sup>2</sup> Weak healthcare systems, limited fiscal space and widespread informality, among other issues, put the African countries further at risk.

While Ethiopia has taken early and ambitious measures to limit the impact of the pandemic, the country has been faced with socio-political and environmental challenges, and experiences a high level of economic vulnerabilities: slowing growth; unabated inflation; a debt reaching 61 per cent of the country's GDP in 2018;<sup>3</sup> structural deficit of the trade balance; and high levels of unemployment are features that limit the ability of the Ethiopian economy to cope with shocks. A joint report by Ethiopia Jobs Creation Commission and the ILO had estimated in April 2020 the magnitude of job losses in Ethiopia to range between 1.34 million to 6 million jobs, depending on the spread of the virus and the effectiveness of economic measures taken by the Ethiopian Government.<sup>4</sup> In urban areas, a recent survey conducted by the same organizations showed that the crisis is having a disproportionate impact on the weaker members of the population such as the least educated, greatly affecting informal workers.<sup>5</sup> While they are among the most at risk of losing their livelihoods and see their income decrease, they account for a significant share of the employment in the country. This is particularly true in rural areas, where the self-employed, often informal, are the majority. Although Ethiopia has one of the largest safety net programmes in the region, it remains minimal and insufficient to cover the needs of the millions of households who are currently exposed to poverty and food insecurity. This unprecedented shock comes at a time when Ethiopia's ongoing reforms are jeopardized by political instability and social unrest. Over the past years, Ethiopia has faced repeated natural disasters such as droughts and floods, increased intercommunal violence triggering waves of internal displacement, and major desert locust invasions. The pandemic and its effects are an additional factor of instability in a country in transition.

The large number of forcibly displaced populations, refugees and internally displaced persons (IDPs) also renders the risk of virus transmission more acute, as refugees are particularly vulnerable owing to their limited resources and access to basic public services. Both groups often rely on aid and/or informal work for their subsistence, with no access to

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<sup>1</sup> World Bank, *Global Economic Prospects*, Washington, DC: World Bank, 2020. DOI: 10.1596/978-1-4648-1553-9.

<sup>2</sup> Ibid

<sup>3</sup> See Ethiopia National Debt on [countryeconomy.com](https://countryeconomy.com/national-debt/ethiopia), available at: <https://countryeconomy.com/national-debt/ethiopia>

<sup>4</sup> ILO and Jobs Creation Commission, *Containing the epidemic and its impact on job and incomes in Ethiopia*, 2020.

<sup>5</sup> ILO and Jobs Creation Commission, *The jobs impact of COVID-19: Rapid labour force survey (RLFS/E)*. First Wave. August 2020.

national social protection mechanisms. While there are many uncertainties regarding the extent and duration of the crisis, the pandemic is expected to have a great impact in the short, medium and long terms, which calls for both immediate response as well as recovery measures.

The Somali and Tigray regional states of Ethiopia are among the country's main regions where refugees have sought shelter. Located at the border with Somalia and Somaliland, the Somali region has received a large influx of refugees since the early 1990s as the result of ongoing conflict and natural disasters (notably drought) affecting neighbouring countries,<sup>6</sup> and welcomes as of 30 September 2020 a total of 199,945 refugees, making it the country's second-largest refugee hosting region.<sup>7</sup> The protracted situation of Somali refugees in Ethiopia, together with the deep historical and socio-cultural ties they entertain with host community members, has facilitated the integration of refugees among the local host communities. The Somali regional state is also host to the Qoloji refugee camp, known to be the country's largest displacement site with 78,000 internally displaced Ethiopians who have been chased out of the Oromia region owing to inter-ethnic tensions.<sup>8</sup> The Tigray region, on the other hand, has registered as of 30 September 2020 96,223 refugees, predominantly of Eritrean nationality, settled across four camps. Just like Somali refugees, Eritrean refugees also suffer from protracted exile, as many of them fled their country in the 1990s to avoid conscription in the national service programme. The military service's indefinite duration and its reputation for endorsing slavery-like practices have pushed many to consider migration as their only exit option.<sup>9</sup>

At the same time, the Somali and Tigray regions face various socio-economic challenges that undermine the livelihoods of both host communities and refugees. High unemployment levels, limited natural resources, and the predominance of subsistence-based, informal activities among hosts and refugees, as they mainly rely on agro-pastoral production, characterize the Somali region's socio-economic fabric.<sup>10</sup> Nonetheless, owing to the strong social cohesion between refugees and hosts, refugee markets are well integrated, and refugee enterprises can tap into the consumer base constituted by local host communities to further expand and create new business opportunities. The Tigray region's economy is also largely based on agriculture and subsistence farming, with three out of four Tigrayans living in rural areas.<sup>11</sup> This high dependency on agriculture, together with poor infrastructure and limited resilience capacities, puts the region at risk of external shocks, such as adverse climate-related events. With their fragile labour markets and the enduring pressure from hosting large refugee populations for protracted periods, the Somali and Tigray regions are ill-prepared for dealing with the economic consequences of a health crisis of unprecedented magnitude.

Against this backdrop, Samuel Hall has been commissioned by the ILO to assess the impact of the COVID-19 pandemic on displacement-affected labour markets in targeted

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<sup>6</sup> Samuel Hall and ILO, Integrated labour market assessment in Jijjiga and Kebribeyah, 2020.

<sup>7</sup> UNHCR Operational Portal, viewed on 12 October 2020.

<sup>8</sup> European Commission, Helping people displaced by ethnic violence in Ethiopia, 2019.

<sup>9</sup> Zachary Laub, Authoritarianism in Eritrea and the Migrant Crisis, Council on Foreign Relations, 2016.

<sup>10</sup> Zachary Laub, Authoritarianism in Eritrea and the Migrant Crisis, Council on Foreign Relations, 2016.

<sup>11</sup> UNICEF, Situation Analysis of Children and Women: Tigray region, 2019.

PROSPECTS<sup>12</sup> intervention areas in the Somali and Tigray regional states, to gather evidence on current local socio-economic environments and inform the design of relevant and context-specific measures.

## 1.2. COVID-19 response measures

### Federal level

Since the first case of COVID-19 was confirmed in Ethiopia on 14 March 2020, the federal government has implemented a series of health emergency and economic support measures, despite extremely limited budgetary resources. Aware of the dramatic impact that a total lockdown would have on the economy in a country where most people have no safety net and no other choice but to go to work every day to subsist, government officials have opted for an unconventional approach, focusing on cost-effective preventive measures. On 8 April, Ethiopian authorities declared a nationwide state of emergency and since then has implemented a number of ambitious programmes to ease the socio-economic impact and limit the spread of the COVID-19 pandemic, by means of the following four main pillars:

#### Supporting the healthcare system and reducing the spread of infections

The priority of the government has focused on strengthening the capacities of the healthcare system. In March 2020, Ethiopian authorities injected ETB5.3 billion to support the healthcare system and called in retired and in-training medical personnel, in addition to volunteers.<sup>13</sup> Public universities have been converted into quarantine and isolation centres while a temporary hospital facility of 1,000 beds was established in the Millennium Hall in Addis Ababa, one of the largest conference centres in the country.<sup>14</sup>

#### Reducing the spread of infections

Initial measures included the closure of land borders, closure of schools, nightclubs and entertainment businesses. A mandatory two-week quarantine in designated hotels was established for all people entering the country. The Ethiopian government postponed the elections initially planned for 29 August 2020 and prohibited all gatherings of more than four people, including for religious purposes.

Ethiopian authorities promoted social distancing, advocated teleworking where possible, and made face masks mandatory in public spaces. The Ministry of Health coordinated public awareness campaigns around washing hands and social distancing. Large-scale screening was undertaken, as well as the distribution of water and soap.

#### Supporting households and vulnerable groups

The authorities have also implemented a number of bold measures aimed at protecting individuals and households from the socio-economic impacts of the pandemic. The most emblematic measures in this regard are the prohibition of layoffs, included in a tripartite

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<sup>12</sup> PROSPECTS is a four-year innovative inter-agency partnership between the Government of Netherlands, the World Bank, IFC, ILO, UNHCR and UNICEF. The goal of the partnership is to strengthen the socio-economic enabling environments of communities that host different forcibly displaced populations (IDPs and refugees) to ensure sustainable decent work, training and education opportunities.

<sup>13</sup> Authorities initially announced a package of ETB300 million, followed by an additional ETB5 billion. Source: International Monetary Fund's Policy Tracker, Ethiopia, viewed in September 2020.

<sup>14</sup> UNCDF, Ethiopian Government on the Forefront of COVID-19, 2020.

protocol between the employers' confederation, labour unions, and the government, as well as the prohibition of rent increases and the eviction of lessees.

In addition, in April, the Prime Minister's Office announced a US\$1.64 billion Multi-Sectoral Response Plan,<sup>15</sup> which included US\$635 million for emergency food distribution to 15 million vulnerable individuals not covered by the Productive Safety Net Programme (PSNP), as well as US\$282 million for provision of emergency shelter and non-food items. The Response Plan also entails US\$293 million for the nutrition and protection of vulnerable groups such as refugees and IDPs. However, according to the International Monetary Fund, the amount actually spent has not yet reached those levels.<sup>16</sup> Lastly, the Urban PSNP has been extended to cover 500,000 additional beneficiaries for three months, while the Urban PSNP will be extended to 16 additional cities.

### Supporting enterprises

In April 2020, the Council of Ministers approved a series of economic measures to support enterprises. The package includes the following fiscal measures:

- forgiveness of all tax debt prior to the 2014–2015 fiscal year;
- tax amnesty on interest and penalties for tax debt pertaining to 2015/2016–2018/2019;
- exemption from personal income tax withholding for four months for firms who commit to paying employee salaries despite not being able to operate.<sup>17</sup>

Macro-economic interventions also include the injection by the Central Bank of Ethiopia of ETB15 billion in liquidity to private banks and ETB33 million to the Commercial Bank of Ethiopia to prevent bankruptcies.<sup>18</sup>

In terms of sectoral measures, the set of interventions introduced by the government shows a clear focus on manufacturing exporters, who are being affected by the reduction in global demand. Those measures have included logistic subsidies, such as free rail transportation and reduced freight charges. The border with Djibouti has remained opened to exchanges of commercial goods. In addition, exporters have exceptionally been allowed to sell their products in local markets, while the minimum price of certain items, such as horticulture products, have been lifted.<sup>19</sup>

Lastly, the government has repurposed production in factories and industrial parks with the objective of exporting COVID-19 personal protective equipment (PPE). To support this initiative, the government has removed taxes on raw materials required for the production of COVID-19 items. In June, companies based in the Hawassa Industrial Park, the largest in the country with 35,000 employees, started producing protective equipment such as face masks.<sup>20</sup>

However, support to SMEs has been limited, while the informal sectors, which account for a significant share of employment in the country, have not benefited from any intervention.

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<sup>15</sup> Ibid.

<sup>16</sup> International Monetary Fund's Policy Tracker, Ethiopia.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Maya Misikir and Henok Terecha, "Hawassa Industrial Park gears up to export masks, bio suits", *Addis Fortune*, 2020. Available at : <https://addisfortune.news/hawassa-industrial-park-gears-up-to-export-masks-bio-suits/>.

### **Key measures under nationwide state of emergency.**

- It is prohibited to conduct meetings – understood as gathering of four or more persons – for religious, social or political purposes in places of worship, public institutions, hotels, meeting halls or any other place.
- It is prohibited for any person to shake hands with another person as a greeting or for any other purpose.
- It is prohibited for any cross-country and intercity public transport service provider, as well as private vehicles, to carry passengers greater than 50 % of the seating capacity of the vehicle.
- It is prohibited to serve alcohol or recreational services at nightclubs and bars, to operate establishments that serve shisha and khat, or to provide entertainment services at cinemas, theatres or any such place where a large number of people may be assembled.
- It is prohibited for any lessor of residential or commercial property to evict a lessee or increase rent without the consent of the lessee.
- It is prohibited to enter or leave the country, and to import or export anything other than legal dry or liquid cargo through inland entry ports.
- Any person who is being served at a bank, marketplace, transport station, shop, pharmacy or any other place providing public services shall stand or sit at least two adult strides away from any other person.
- It is prohibited for organizations covered by Proclamation No. 1156/2019 to terminate employment contracts, except in accordance with the protocol established by the Ministry of Labour and Social Affairs.

Any public or private service provider should provide sanitary materials useful for preventing the spread of the virus and should ensure that customers are taking the necessary precautionary measures.

## Regional level measures

### Tigray region

The Tigray region declared a state of emergency on 26 March 2020 to prevent the spread of the virus, before the nationwide state of emergency was implemented in April. Movements within the region were prohibited, as well as gatherings, including weddings and festivities. Bars, nightclubs, coffee shops, large markets and non-essential public offices were closed. Small and medium enterprises and restaurants were subject to restrictions such as mandatory facilities and social distancing.<sup>21</sup> The number of passengers in public transport was limited to eight in minibuses and one in *bajaj* (three-wheeled motorized vehicles). For people entering the region, a systematic screening was implemented, with a mandatory 14-day quarantine in government hotels.

On 24 April 2020, government officials announced a relaxation of these measures, which included the reopening of public offices, the lifting of travel restrictions between woredas within the state and an easing of restrictions imposed on small and medium enterprises as well as bars and restaurants.<sup>22</sup>

### Somali region

The Somali region has been the second-most affected area after the capital city, Addis Ababa. The region presents a high level of vulnerability owing to movement between Addis Ababa, Djibouti and Somaliland and the weakness of the healthcare system, characterized by shortages of medical personnel and medical supplies. The Somali regional government has not taken specific measures, apart from the ones imposed at the federal level. However, the region has set up a COVID-19 hotline and established a multisectoral steering committee to ensure coordination between the different government agencies and partners in the COVID-19 response.<sup>23</sup>

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<sup>21</sup> See US Embassy in Ethiopia, Alert: Tigray Regional State Enacts Travel Ban and Other Measures in the Fight Against COVID-19, effective Saturday, 28 March 2020.

<sup>22</sup> Addis Standard, *Tigray Region Relaxes COVID-19 State of Emergency*, 2020. Note that regions of Ethiopia are divided into zones, themselves organized in woredas (or districts), composed of several Kebeles.

<sup>23</sup> OCHA, Ethiopia, COVID-19 Humanitarian Impact Situation Update, No. 01, as of 31 March, 2020.



## ▶ Survey Methodology

## 2. Survey methodology

This rapid assessment of the impact of COVID-19 on labour markets in the Tigray and Somali regional states relied primarily on quantitative data collected throughout the months of July and August 2020. Two surveys, one questionnaire intended for enterprises and another for individuals from both host and refugee communities, were used. Data was collected in six locations: in Qoloji and Kebribeyah for the Somali region; and in Shire, Shimelba, Mai Tsebri, and Mai Aini-Adi Harush for Tigray.

Given the COVID-19 pandemic, the research team initially planned to collect data via the phone, but owing to bad network in some of the research locations, the approach was adapted to in-person data collection. In the Tigray region, movement restrictions had been imposed as part of the state of emergency declared by regional authorities on 26 March 2020. These restrictions were particularly severe as they included limits on intra-regional movements, preventing individuals from travelling from one woreda to another. As such, a snowball approach was initially used to collect phone numbers, building on Samuel Hall's local networks, then gathering additional contacts from the first set of respondents. The team was divided into two groups, one responsible for the host community and one in charge of the refugee camp, with one team leader for each. The enumerators called these numbers and asked for additional contacts of enterprises and individuals in the refugee and host communities. This snowball approach resulted in an initial list of 200 phone numbers, to be used for the surveys and completed by additional phone numbers provided by respondents. However, the team encountered difficulties during the pilot, such as: phone numbers not working because of power cuts; poor phone network; and a high rejection rate. Therefore, the research team adapted its strategy, and field teams travelled to the camps and surrounding host communities to collect data in person. The field teams were equipped with face masks and hand sanitizers, and also received training on COVID-19-related preventive measures. At the research locations, the teams selected enterprises and individuals in the refugee and host communities, interviewing one respondent in every three buildings.

In total, 196 enterprises in Somali and 232 enterprises in Tigray were interviewed, with higher numbers in Mai Tsebri and Shire than in the Mai Aini-Adi Harush refugee camps (Table 1). With regards to individuals, 437 and 439 respondents were interviewed in the Somali and Tigray regions. The tables below provide an overview of respondents' profile and main characteristics, with data disaggregated by migration background, gender and age. Respondents under "enterprises" were selected among enterprise owners (including the self-employed), while individuals were selected among the economically active population.

**Table 1.** Distribution of enterprises across locations in Somali and Tigray.

Somali				
Qoloji	Kebribeyah		Total	
82	97		179	
Tigray				
Mai Aini-Adi Harush	Mai Tsebri	Shimelba	Shire	Total
36	79	36	81	232

**Table 2.** Individuals' characteristics (migration background, gender and age).

Somali					
	Women	Men	Total		
Hosts	106	172	278	NB: 10 respondents refused to share their migratory status.	
Refugees/ IDPs	80	69	149		
Total	186	241	427		
Age groups	Under 18	[18-24]	[25-34]	[35-40]	Over 40
Hosts	4	66	138	47	23
Refugees/ IDPs	2	23	77	37	10
Total	6	89	215	84	33
Tigray					
	Women	Men	Total		
Hosts	158	155	313		
Refugees/ IDPs	69	57	126		
Total	227	212	439		
Age groups	Under 18	[18-24]	[25-34]	[35-40]	Over 40
Hosts	5	113	152	26	17
Refugees/ IDPs	3	44	53	21	5
Total	8	157	205	47	22

## **Caveats and limitations of the assessment**

Findings from the data gathered pave the way to certain interpretations, but the analysis needs to consider three major caveats.

### **Sampling size and representativeness**

The sample size of the study is not necessarily representative of the population in terms of migratory background, age, gender and/or employment status. Achieving representativeness through a random selection in the sample would have required a great time effort to gather accurate data of the forcibly displaced population in Ethiopia. Furthermore, a comprehensive census of the host population would have been required to sample the host communities, but the last census in Ethiopia was conducted in 2007, before the establishment of the most recent camps, and therefore does not present accurate figures for the present study.

Another factor influencing the sampling size among forcibly displaced and host communities is evident in the lack of availability of refugee-owned enterprises as opposed to host community-owned enterprises. The differential sample sizes for enterprises owned by host and forcibly displaced community members reflect the local socio-economic context: refugees still face major work restrictions and cannot obtain business licences. As enterprises owned by refugees operate in the informal sector, respondents might be reluctant to have themselves identified by international organizations as in the context of the data collection for this assessment.

### **A discrepancy between reality on the ground and questions relative to “employment”**

Questions that revolve around formal and informal employment may not always be understood by all respondents. Although there are comprehensive definitions that aim at capturing the various forms of employment that can be found in displacement-affected contexts, exploring these issues requires mixed research methods, as quantitative surveys tend to place respondents in categories that do not necessarily reflect their personal situations. Data collected for this report relies on information provided by employers and individuals, notably on the number of employees working and contract type. These figures should be interpreted carefully as employers may have responded with inaccurate numbers, for multiple reasons.

Respondents' understanding of employment is contextual and might vary across sectors and between refugee and host communities. Employment may encompass a wide variety of scenarios, including casual work opportunities, based on a verbal agreement, but also unpaid family support. A respondent may consider him or herself jobless and yet put his skills into use on an irregular basis. This caveat is a finding in itself: it enlarges our understanding of employment and provides insight into the notion of underemployment that appears to be widespread in the study's regions of interest.

The data also confirmed that some employees do not have a formal contract but do pay taxes. However, a jointly signed document engaging the responsibilities of the employer and the employee is predominantly absent in the Somali region. In both the Somali and Tigray regions, a large majority of employees work on the basis of a verbal agreement (30 per cent and 46 per cent, respectively). Moreover, evaluating the extent to which enterprises reduce their staff does not tell us much about the circumstances of casual labourers who may fill a

specific need occasionally, especially in the agricultural sector. To this should be added a qualitative finding of paramount importance: many businesses receive help from family members, including children not of working age. These are not considered as employees as they support the business owner on a sporadic basis and are not paid in return for their services. To what extent should those contributions be counted as part of the informal sector? The last section of this report will strive to address these issues and offer targeted recommendations.

#### **Reluctance on behalf of the respondent to answer questions truthfully**

This inaccuracy bias will have to be accounted for in the subsequent section of the report. Nonetheless, it is certainly indicative of the need for qualitative fieldwork to gather first-hand insight on questions such as enterprise size and employee reduction.



## ► Impact of COVID19 on enterprises

*"The impact is huge. There is no business activity. Our customers are declining since they cannot easily come here and there as before, especially the refugees, they cannot go out of the camp. Except using and consuming my savings, I have no other strategy."*

Barber in Sheraro

### 3. Impact of COVID-19 on enterprises

The analysis of the data gathered from the demand side shows that enterprises owned by women and forcibly displaced individuals are generally over-represented in the informal sector. While half of the respondents stated that they had to reduce their staff and put recruitment on hold as a result of the economic impact of the COVID-19 pandemic, informality did not have a determining impact on employee reductions, but the registration status of an enterprise proved to be a determining factor of its capacity for resilience. Furthermore, there are significant differences between the two regions, with Tigray faring relatively better and showing to have higher resilience capacities. However, when comparing the two regions, the differences in their socio-economic environment need to be taken into account, as well as the regional COVID-19 measures imposed in Tigray.

#### 3.1. Characteristics of enterprises before the pandemic

To assess the impact of the COVID-19 pandemic on enterprises in the Somali and Tigray regions, baseline data<sup>24</sup> of the characteristics of enterprises (including the self-employed) that make up the economic landscape was examined. The gathered data provides information on enterprise owners' profiles as well as on the size, registration status and financial status of the enterprises before the pandemic hit Ethiopia.

##### Owner profile

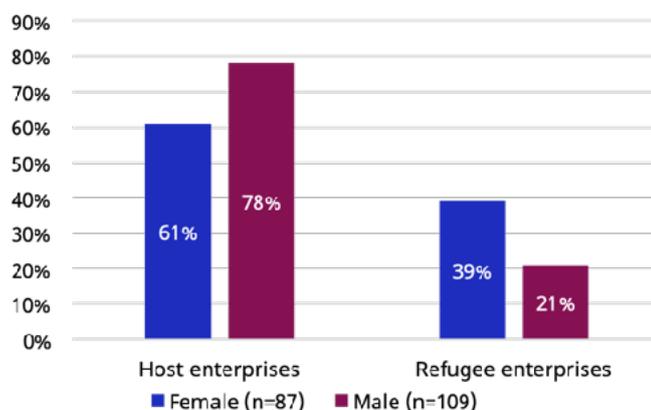
When looking at baseline figures in the two regions, a relatively equal share of enterprises was identified in Somali's sub-locations, Qoloji and Kebribeyah (82 and 97 enterprises respectively), whereas those in Tigray were found to be concentrated in host community towns Mai Tsebri and Shire, with 79 and 81 enterprises respectively. A smaller number of enterprises were identified in the Tigrayan refugee camps of Mai Aini-Adi Harush and Shimelba (36 enterprises in each camp). Overall, prior to the first case of COVID-19, the distribution of enterprises across the forcibly displaced and host communities was significantly unequal, with host community members owning more than two-thirds of the total number of enterprises. Moreover, the sample indicates a very limited number of joint ventures, or enterprises jointly managed by the two populations: only one joint enterprise was identified in the Somali and four in the Tigray region.<sup>25</sup>

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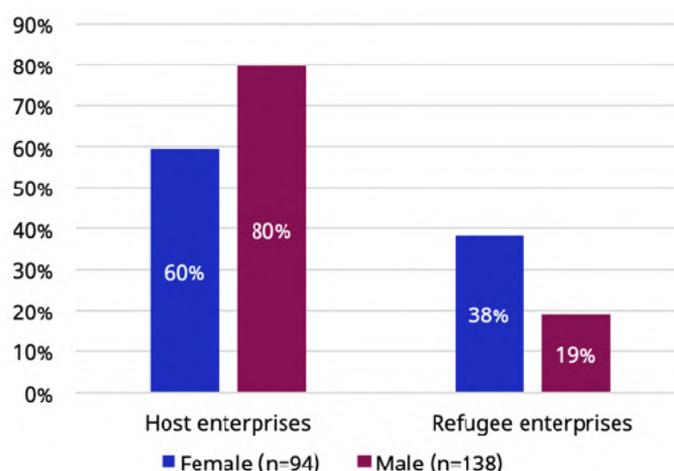
<sup>24</sup> Baseline data encompasses survey questions on the economic situation of enterprises in February 2020, before the first case of COVID-19 was recorded in Ethiopia.

<sup>25</sup> The term "refugee" will be used throughout this report in a broader sense, encompassing any category of UNHCR persons of concern: refugees, asylum-seekers, IDPs, returnees or stateless persons. While Tigray hosts predominantly Eritrean refugees, Somali on the other hand has welcomed both Somali refugees and IDPs that have fled the Oromia region because of persecutions and are now living in the largest displaced site in Ethiopia, the Qoloji camp. Refugee enterprises therefore refer to enterprises owned and managed by refugees or IDPs, among others.

**Figure 1.** Distribution of female and male entrepreneurs across forcibly displaced and host communities in the Somali region before COVID-19.



**Figure 2.** Distribution of male and female entrepreneurs across forcibly displaced and host communities in the Tigray region before COVID-19.



The distribution of enterprises across gender groups indicates that men own 56 per cent of enterprises while women own 44 per cent.<sup>26</sup> Looking at proportions by host and refugee/IDP sub-groups, the same imbalance is noticeable between men and women within host communities: 78 per cent of men own enterprises and 61 per cent of women. However, a closer look at the distribution for refugee enterprises displays a balance shift in favour of female entrepreneurs with 39 per cent of enterprises owned by refugee women and 21 per cent owned by refugee men. A similar pattern can be found in Tigray when it comes to the proportion of male and female entrepreneurs: 60 per cent of enterprises are owned by women and 80 per cent by men in the host community, as opposed to 38 per cent owned by women and 19 per cent by men among the forcibly displaced.

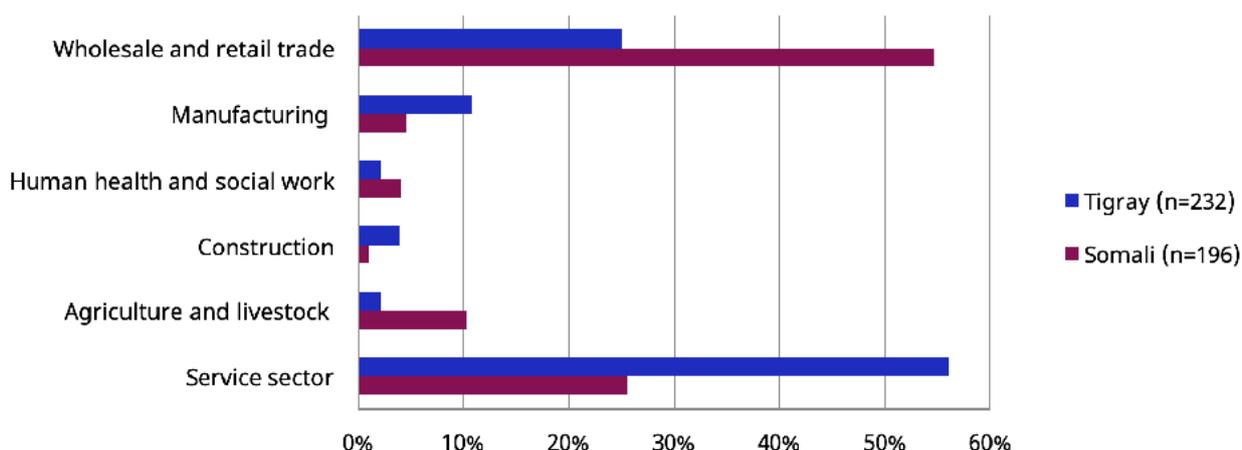
<sup>26</sup> While women in Ethiopia account for 46.5 per cent of the labour force (World Bank data 2020).

## Enterprise characteristics

### Distribution of enterprises across industries

For both Somali and Tigray regions, data reveals that the largest economic sectors are the wholesale and retail trade, and the services sector as a whole. While in Somali 55 per cent of enterprises are in the wholesale and retail sector, in Tigray 56 per cent provide service activities. Focusing on the distribution of enterprises by industry for each sub-location, the data seems to suggest that, in Somali, more enterprises operating in Qoloji are involved in agricultural activities and livestock rearing than in Kebribeyah: 17 per cent of total enterprises in Qoloji work in the agricultural sector but a mere 6 per cent in Kebribeyah. When comparing sub-locations in Tigray, host community towns indicate a higher development of their manufacturing and construction sectors relative to refugee camps. Indeed, 15 per cent of enterprises in Mai Tsebri and Shire work in the manufacturing sector, 2 per cent in Mai Aini-Adi Harush and none in Shimelba. A large proportion of activities in the refugee camps are focused on services and wholesale or retail: in Shimelba, 42 per cent of all enterprises operate in this sector, whereas in Mai Aini-Adi Harush, 66 per cent of enterprises run service activities. Nonetheless, it is still important to note that in Tigray, the tertiary industry is well established across different locations.

**Figure 3.** Distribution of enterprises across sectors in Somali and Tigray before COVID-19.



It is equally interesting to highlight the distribution of host entrepreneurs and refugee entrepreneurs across industries for each region. In Somali, refugee owners are more likely to work in the wholesale and retail sector than host entrepreneurs, with 67 per cent of refugee enterprises operating in this sector. However, the data suggests that the tendency is reversed for services and manufacturing: 27 per cent of hosts own enterprises in the services sector but only 14 per cent of refugees, and 6 per cent of hosts own enterprises in the manufacturing sector and less than 2 per cent for refugees. Findings for Tigray indicate different trends: only 21 per cent of host enterprises operate in the wholesale and retail sector, the majority (54 per cent) being active in the service sector. As for refugee enterprises, they also operate primarily in the wholesale and retail sector and the tertiary industry.

## Enterprise size: the prevalence of microenterprises

Most enterprises in the samples are microenterprises, encompassing both own-account workers and individuals employing at most five persons: they represent up to 80 per cent of total enterprises. While taking this into consideration, it still appears that 26 per cent of men own enterprises with at least six employees, compared with only 11 to 15 per cent of women across the two regions. The differences are equally striking when comparing the proportion of refugees and hosts for each size bracket. Between 26 and 30 per cent of hosts own enterprises of more than six employees, while only 6 and 1 per cent of refugees own enterprises of this size in Somali and Tigray respectively.

**Table 3.** Distribution of female and male entrepreneurs across enterprise sizes in Somali and Tigray before COVID-19.

Number of employees	Self-employed	0 to 5	6 to 10	11	Total
Somali region (n=105)	21 %	56 %	19 %	4 %	100 %
Female (n=38)	34 %	50 %	13 %	3 %	100 %
Male (n=67)	13 %	60 %	22 %	4 %	100 %
Tigray region (n=232)	14 %	66 %	12 %	8 %	100 %
Female (n=94)	20 %	70 %	9 %	1 %	100 %
Male (n=138)	10 %	64 %	14 %	12 %	100 %

## The state of informality

### A gendered perspective

The distribution of businesses across different registration statuses for each gender reveals that 43 per cent of women own an unregistered business (be it home-based or not), and only 22 per cent of men. Looking at the share of women working from home compared with men, findings suggest that 45 per cent of women own home-based businesses and 34 per cent of men. If we focus on the home-based unregistered business sub-segment, it appears that 27 per cent of women own such businesses, whereas this is the case for only 15 per cent of men. Similar patterns can be found in the Tigray region, although the contrast between men and women is less striking, as the data suggests that 27 per cent of women hold informal businesses and 14 per cent of men.

**Table 4.** Distribution of female and male entrepreneurs across registration statuses in Somali and Tigray before COVID-19.

	Home-based registered	Home-based unregistered	Registered	Unregistered	Total

Somali region (n=183)	22 %	20 %	46 %	11 %	100 %
Female (n=80)	22 %	27 %	34 %	16 %	100 %
Male (n=103)	22 %	15 %	55 %	8 %	100 %
Tigray region (n=231)	25 %	9 %	56 %	10 %	100 %
Female (n=94)	23 %	16 %	50 %	11 %	100 %
Male (n=137)	26 %	4 %	59 %	10 %	100 %

### The weight of forced migration

Data shows that many more refugee-owned enterprises are unregistered than those in the host community – reflecting the limited access to work permits and business licences for forcibly displaced populations. In the Somali sample, the registered-to-unregistered ratio among refugee enterprises is positive: 55 per cent of total refugee businesses are registered<sup>27</sup> and 45 per cent are not. In the host community, only 26 per cent of enterprises owned by host community members are unregistered compared with 74 per cent of registered businesses. This reveals a 20-percentage point difference between refugee and host enterprise registration levels. Striking differences can also be found in the Tigray sample: 54 per cent of refugee enterprises are unregistered but only 6 per cent of Ethiopian enterprises. While the Government of Ethiopia committed to easing the regulatory framework for refugees’ economic integration, ongoing restrictions on the refugees’ ability to work, such as the absence of work permits and business licences, explain the high informality among refugee enterprises.<sup>28</sup>

**Table 5.** Distribution of host and refugee entrepreneurs across registration statuses before COVID-19

	Home-based registered	Home-based unregistered	Registered	Unregistered	Total
Somali region (n=182)	22 %	20 %	46 %	11 %	100 %
Hosts (n=127)	18 %	14 %	56 %	12 %	100 %
Refugees/IDPs (n=55)	31 %	34 %	24 %	11 %	100 %
Tigray region (n=227)	25 %	9 %	56 %	10 %	100 %
Hosts (n=166)	31 %	3 %	63 %	3 %	100 %
Refugees/IDPs (n=61)	10 %	25 %	36 %	29 %	100 %

<sup>27</sup> In Ethiopia, refugees are not allowed to obtain business licences but can create cooperatives and be recognized by the camp administration.

<sup>28</sup> After joining the Comprehensive Refugee Response Framework (CRRF) in 2016 and adopting the Nine Pledges, the Government of Ethiopia revised its refugee law in January 2019 (proclamation number 1110/2019) and recognized refugees’ right to work, among other provisions for better hosting conditions. While this historic law has been widely acclaimed, its provisions are yet to be implemented.

Apart from registration, it appears that, in Somali, refugees have a higher propensity to be working from home than hosts: 65 per cent of refugees own a home-based business (registered and unregistered), and 32 per cent of hosts. Furthermore, when examining home-based unregistered businesses, data reveals that 34 per cent of refugees own such businesses compared with only 14 per cent of hosts. In Tigray, data reveals a different pattern: it shows that the same proportion of refugee and Ethiopian enterprises are home-based (around 35 per cent for each).

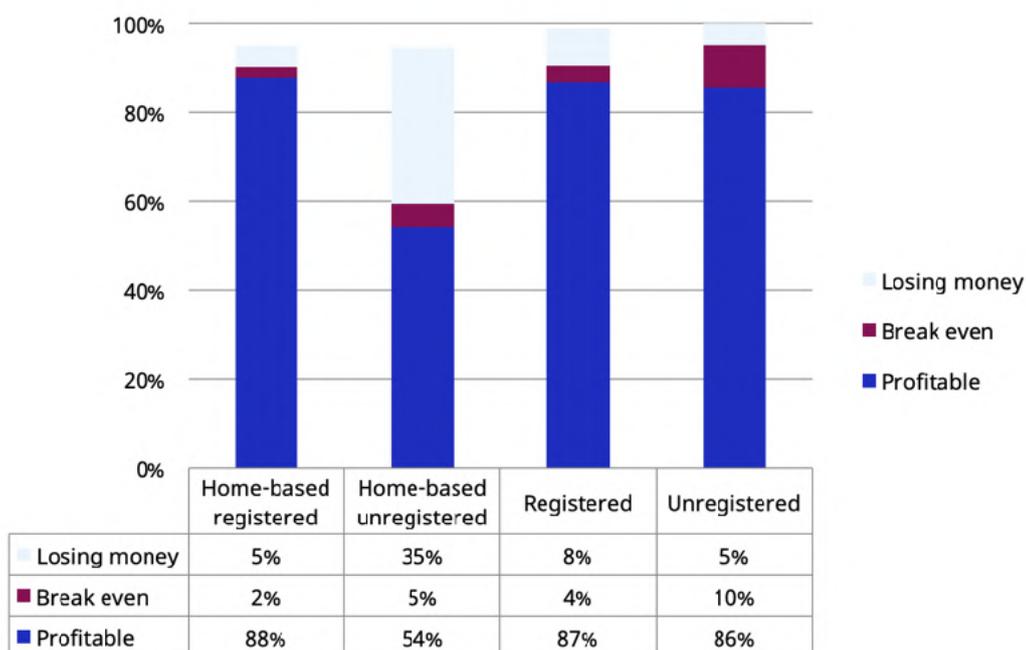
## Financial situation prior to the COVID-19 pandemic

### Linking informality to financial status

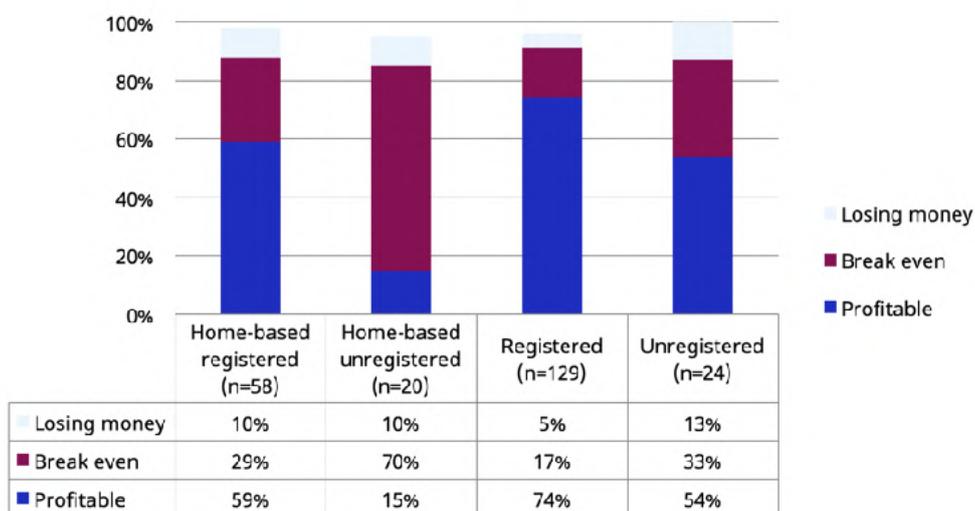
When examining the financial status of enterprises prior to COVID-19, it appears that only when enterprises are home-based can informality have a negative impact on profitability. Indeed, while unregistered businesses (not home-based) had a similar likelihood to registered businesses of being profitable (86 per cent), home-based unregistered businesses indicate considerably lower levels of profitability at 54 per cent, as well as a higher tendency to lose money (35 per cent). This contradicts initial assumptions according to which informality always leads to lower financial returns and performance. Indeed, home-based unregistered enterprises can be considered as the most precarious form of doing business: such enterprises are usually set up as a solution of last resort and carry out subsistence-based activities with limited capacity and growth potential. This is corroborated by the fact that home-based unregistered businesses also signal a higher propensity to be losing money than other enterprises: the percentage of home-based unregistered businesses that are losing money is as high as 35 per cent, whereas it does not exceed 10 per cent for other enterprises.

When we cross this finding with previous insight from gender-disaggregated registration status, the data is telling: women, who are more likely to own home-based unregistered businesses (see Table 4: 27 per cent of women own home-based unregistered businesses compared with 15 per cent of men), run less profitable businesses than their male counterparts, and by consequence have a harder time than male entrepreneurs improving their livelihoods. The patterns described are amplified in Tigray. Only 15 per cent of home-based unregistered enterprises are profitable, compared with 54 per cent for unregistered enterprises, 58 per cent for home-based registered enterprises and 74 per cent for registered enterprises.

**Figure 4.** Registration status and financial situation in Somali before COVID-19.



**Figure 5.** Registration status and financial situation in Tigray before COVID-19.



### Variations in financial status across host and refugee enterprises

Comparing financial status for host enterprises and refugee enterprises, the Tigray sample indicates that enterprises owned by Ethiopians fare better than refugee enterprises. Indeed, 75 per cent of Ethiopian enterprises were profitable in February 2020, before the coronavirus pandemic began, and only 30 per cent of refugee enterprises. The large proportion of refugee enterprises that were breaking even (60 per cent versus 14 per cent of host enterprises) mirrors this finding. In the Somali sample, only slight differences are noticeable in the profitability of host and refugee enterprises.

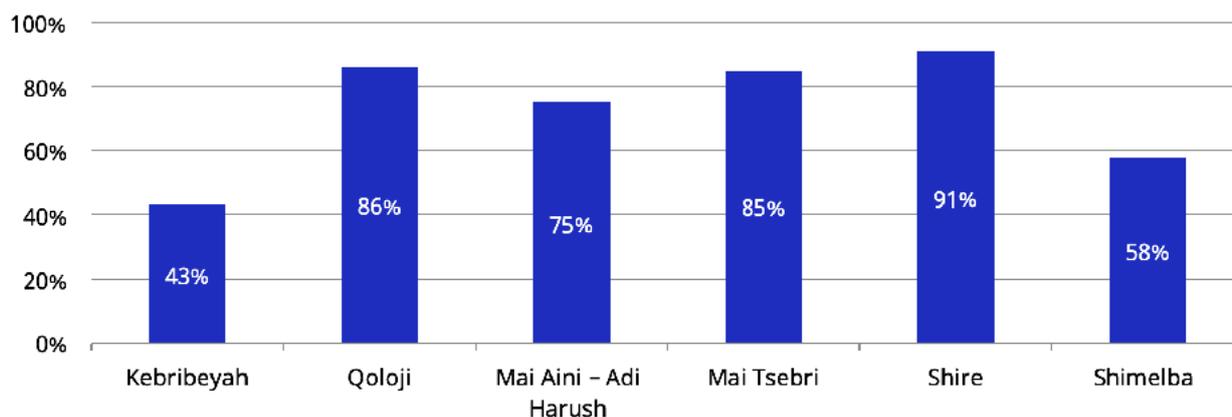
## 3.2. Impact and implications of COVID-19

Overall, it appears that enterprises in Somali and Tigray face challenges similar to those of other enterprises worldwide. Half of the enterprises interviewed recorded staff reduction since the beginning of the pandemic, and a large majority had to interrupt hiring procedures as a result of economic contraction and reduced profitability. In addition, findings show that informal enterprises, especially those carrying out home-based activities, have a significantly lower propensity than registered enterprises to sustain themselves in the long run if the current economic situation is prolonged. With women and refugee enterprises operating predominantly in the informal sector, as depicted in the previous section, it can be argued that the crisis will render already disadvantaged groups more economically vulnerable and undermine their resilience.

### Knowledge of business closures: a proxy for measuring the impact of COVID-19?

To get an overall sense of how the crisis is impacting the socio-economic environment in displacement-affected areas in the Somali and Tigray regions, the study sought to examine the extent of enterprises that are aware of business closures in their region, disaggregated by sub-locations (two for Somali and four for Tigray). Knowledge of business closures is primarily indicative and can only serve as a potential proxy for quantifying the adverse effects of the pandemic on business survival and medium-to-long term resilience. As the report is built on the responses of enterprises which, by definition, are still operational, it is difficult to conceive the full picture of the impact of COVID-19 on the economic fabric of the two regions of interest. However, examining this proxy can allow us to move a step closer to developing a more comprehensive analysis and avoid a biased depiction of local realities.

**Figure 6.** Knowledge of business closures across locations.



The data reveals that knowledge of business closures seems to be more prominent in host communities than in refugee communities. This could provide us with insight on the nature of businesses and their usual profitability level, which vary from refugee/IDP camps to host communities. For instance, when focusing on the case of Tigray, a possible explanation could be that businesses in Mai Tsebri and Shire might decide to shut down as a result of reduced profitability, while enterprises in Tigrayan refugee camps might not even be faced with this dilemma. Their “subsistence” nature could mean that, on the one hand, they record low

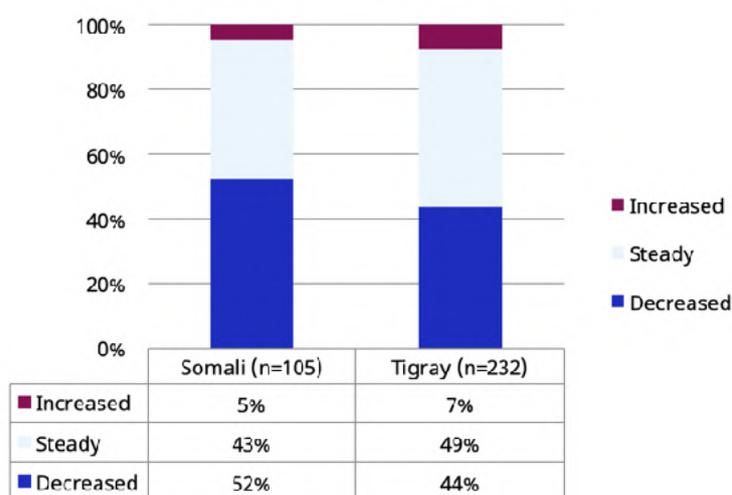
profitability rates in normal times, and on the other, they cannot afford to halt operations as their services are essential for maintaining the camp's economy alive. However, while the variation across locations is a compelling finding, it would be misleading and biased to use it as proof that certain locations have been hit harder by the pandemic than others.

## Impact of COVID-19 on human resources and staff size

### Employee evolution and potential explanatory factors

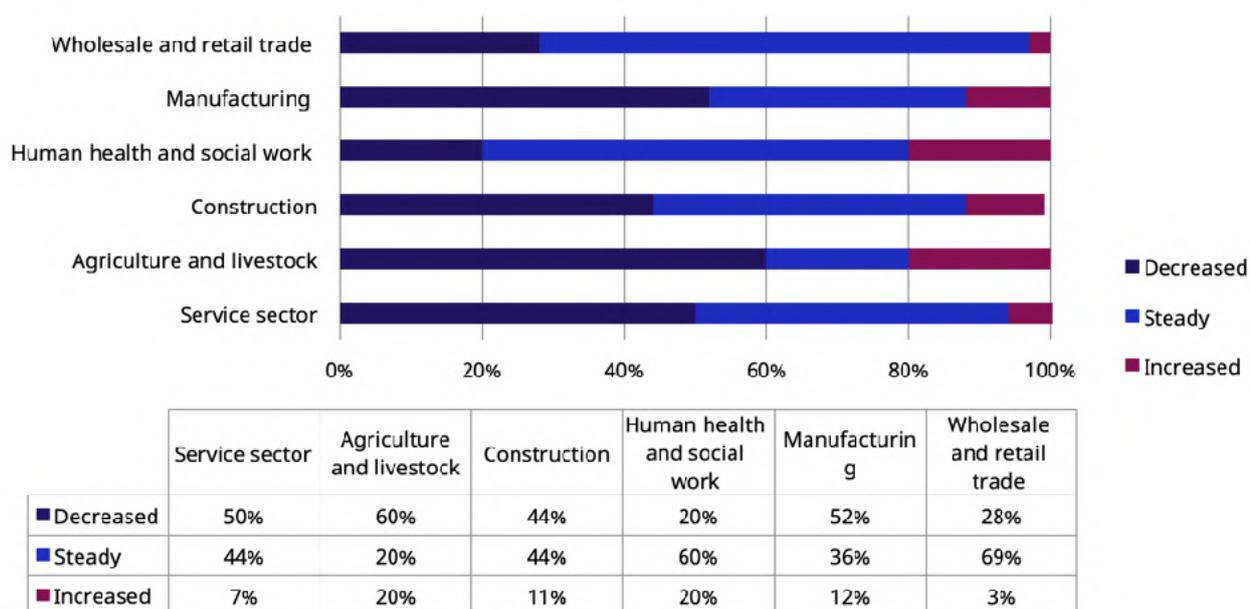
While 45 to 50 per cent of enterprises had to reduce their staff, staff has remained intact for an almost equal proportion across enterprises in Somali and Tigray; host enterprises are more likely to lay people off than refugee enterprises.

**Figure 7.** Employee evolution in Somali and Tigray since the beginning of COVID-19.



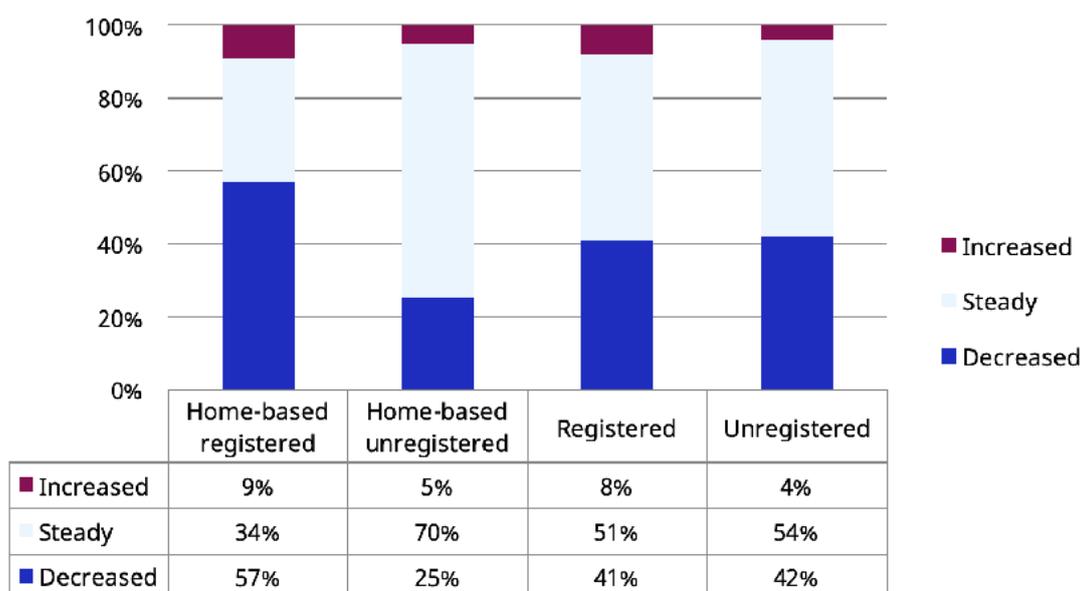
Contrary to initial assumptions, agriculture and livestock appears to be one of hardest hit sectors, alongside the manufacturing and tertiary sectors that suffered a significant loss of human resources as a result of the pandemic. The agriculture and livestock sector has suffered from a contraction of demand, both external (as livestock exports to the Middle East have been severely reduced because of the pandemic) and internal (as the demand for animal product usually triggered by restaurants was drastically reduced). As a result, in Tigray, 60 per cent of enterprises in the agricultural sector reduced their staff, 52 per cent in the manufacturing sector and 50 per cent in the services sector, compared with only 28 per cent for the wholesale and retail sector. Meanwhile, data for Somali indicates a higher proportion of enterprises that reduced their number of employees in the wholesale and retail sector, amounting to 45 per cent.

**Figure 8.** Employee evolution across sectors in Tigray since the beginning of COVID-19.



When looking at data disaggregated by registration situation, almost 50 per cent of registered enterprises in Somali reduced their staff compared with 61 per cent for unregistered enterprises. In Tigray, different patterns can be identified, as only 25 per cent of home-based unregistered enterprises decreased their staff while 42 to 57 per cent of enterprises with other registration statuses had to resort to lay-offs.

**Figure 9.** Employee evolution across registration statuses in Tigray since the beginning of COVID-19.



Finally, data for both Somali and Tigray suggests that host enterprises are more likely to lay people off than refugee enterprises. In Tigray, the percentages recorded are nearly 50 per cent for host enterprises compared with 30 per cent for refugee enterprises.

*“The net revenue is negative. I cannot pay the house rent and the monthly salary of my employees. The strategy I took was reducing one employee for the time being until COVID-19 will be over.”*

Male host, owner of a restaurant, Mai Tsebri

### Impact of COVID-19 on job creation and hiring

In addition to employee lay-offs, the pandemic has impacted enterprises’ recruitment plans, and by doing so, halted the process of hiring new employees. Around 45 per cent of enterprises stopped hiring across regions, 36 per cent in Tigray and 20 per cent in Somali did not change their recruitment plans, and only 11 per cent in Tigray and 6 per cent in Somali stopped hiring but continue doing replacement hires. When disaggregating this figure by registration status, data shows two different tendencies for each region. In the Somali region, unregistered enterprises have a higher likelihood to stop hiring than formal enterprises (52 per cent versus 43 per cent), while the Tigray region reveals the reverse pattern, with 46 per cent of registered enterprises that stopped hiring, compared with only 20 per cent of informal enterprises. For Tigray, this can be crossed with previous findings that signalled a lower likelihood for home-based unregistered businesses to reduce staff.

**Table 6.** Changes in recruitment across enterprises in Somali and Tigray as a result of COVID-19.

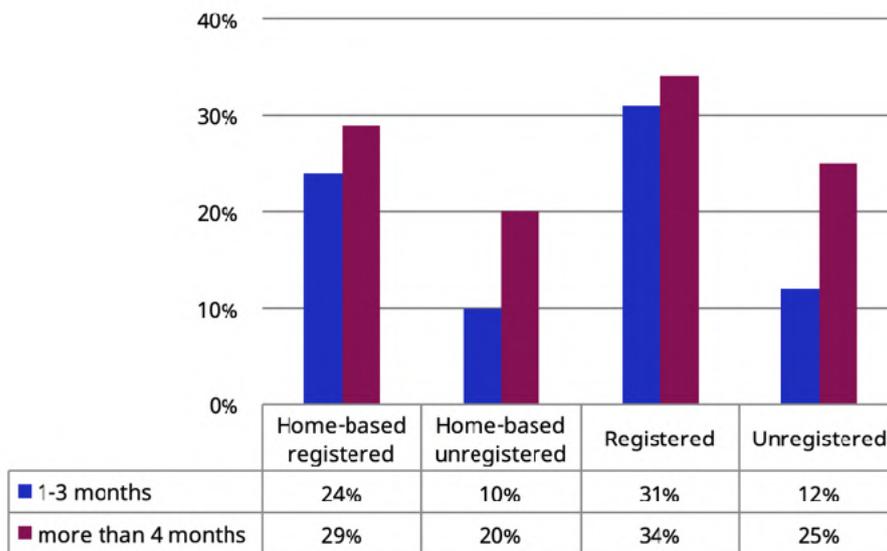
	Stopped hiring completely	Only replacement hires	Increased recruitment	No changes in recruitment plan	Unsure about plans
Somali (n=177)	48 %	6 %	0 %	20 %	26 %
Tigray (n=222)	44 %	11 %	1 %	36 %	13 %

One possible explanation for these opposite trends is that, while this section only focuses on recruitment processes, no insight is given on the type of employment that takes place in unregistered firms. Is it full-time or irregular? Are employees decently paid? What are the working conditions that characterize those employment opportunities? It might be that hiring in the informal sector is less costly for employers, as it implies no social contributions, tax payments or any other expenses generally incurred by employers, thereby explaining the higher propensity for informal enterprises to leave their recruitment plans unchanged. Again, a caveat to highlight is that the sample for unregistered enterprises is less representative than that of registered businesses (it amounts to a total of 44 enterprises in Tigray compared with 187 formal enterprises).

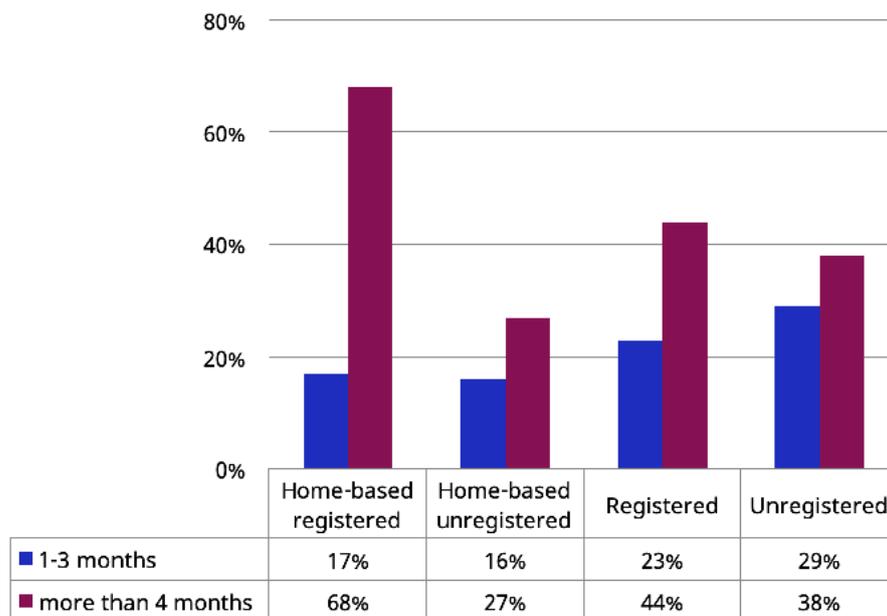
### Impact of COVID-19 on financial and operational resilience

Assessing the financial and operational resilience of enterprises in Somali and Tigray provides insight into the pandemic’s repercussions on businesses and can help determine which types of enterprise have suffered the most. In both regions, registration status can play a role in determining the extent to which enterprises can continue paying salaries (financial resilience) and can stay operational (operational resilience) if restrictions are extended. While the support received was limited, even for registered companies, this could suggest that registered businesses tend to have better management skills.

**Figure 10.** Financial resilience across registration statuses in Tigray as a result of COVID-19.



**Figure 11.** Operational resilience across registration statuses in Somali as a result of COVID-19.



Data collated in an evaluation of whether enterprises were in a position to continue paying salaries for the next one to three months, or for more than four months, revealed that generally male-led enterprises and host enterprises fare better than female-led enterprises and refugee enterprises. The data suggest imbalances between male and female business-owners on the one hand, and hosts and refugees on the other. This could suggest that males, and hosts in particular, have better knowledge, experience and management skills, leading to more structured and resilient companies. In Tigray, 32 per cent of registered enterprises can continue paying salaries for more than four months, and 22 per cent of unregistered enterprises. In Somali, 68 per cent of home-based registered enterprises can stay operational for more than four months, as can 38 per cent of unregistered enterprises and 27 per cent of home-based unregistered enterprises.

Moreover, larger enterprises are more resilient than smaller businesses. In Tigray, 37 per cent of microenterprises with five employees or less can stay operational for more than four months compared with 67 per cent of enterprises with six employees or more.

**Table 7.** Financial and operational resilience across host and refugee enterprises in Somali and Tigray as a result of COVID-19

Resilience	Financial (more than 4 months)	Operational (more than 4 months)
Somali region overall (n=196)	25 %	20 %
Hosts (n=138)	30 %	46 %
Refugees/IDPs (n=57)	16 %	32 %
Tigray region overall (n=232)	25 %	40 %
Hosts (n=166)	36 %	46 %
Refugees/IDPs (n=62)	18 %	30 %

Comparing host and refugee enterprises, data reveals that host enterprises have a higher propensity to be resilient in the face of the COVID-19 crisis compared with refugee enterprises. In Somali, 30 per cent of host enterprises can continue paying salaries for more than four months, and only 16 per cent of refugees. In Tigray, the same pattern is identified regarding sustaining business operations: 46 per cent of host enterprises can stay operational for more than four months compared with 30 per cent of refugee enterprises.

*“Before the pandemic it was good, but now business is slowing down. People do not behave as usual; they do not come to the area as often. In addition, there are businesspeople without a licence. They sell things at a lower price because they do not have to pay tax or other things.”*

Male host, grains trader, Mai Tsebri

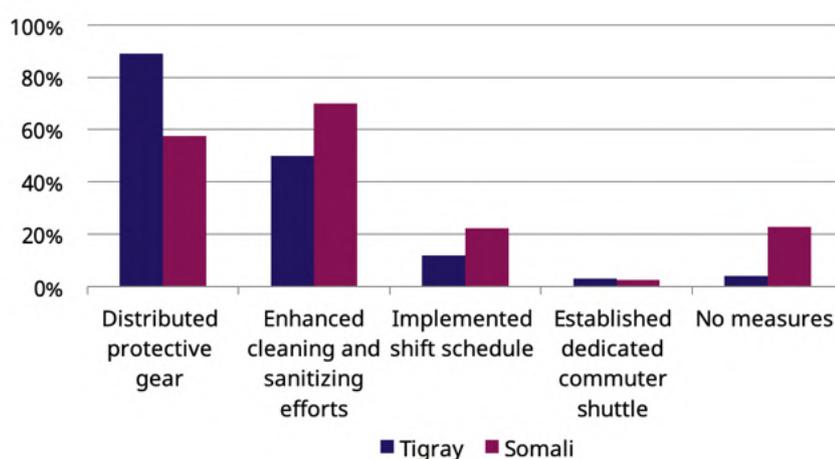
### 3.3. Coping measures and support

Enterprises have had to resort to various coping mechanisms to limit the spread of the coronavirus in the workplace. These include the provision of PPE to ensure the health and safety of employees, the implementation of a rotation schedule to minimize the number of employees on site at the same time, and the improvement of cleaning and disinfecting practices across facilities. However, enterprises in different industries took different measures, and in addition to workplace adaptation measures, they also saw themselves obliged to adjust their human resources plan as well as turn to financial and commercial measures.

#### Main measures taken in the workplace to slow down the spread of the virus

Across both regions, the two most prominent measures taken in the workplace to slow down the spread of the virus were to distribute protective gear (89 per cent of enterprises in Tigray and 57 per cent in Somali) and to enhance cleaning and sanitizing efforts across facilities (70 per cent of enterprises in Somali and 50 per cent in Tigray). Only a small percentage of enterprises (22 per cent in Somali and 12 per cent in Tigray) resorted to shift schedules to rotate staff and avoid being on full capacity on a daily basis. This could give us some indication of enterprises' resilience in the face of external shocks: a large majority of them cannot afford to lower staff levels for daily task execution and can only maintain their operations if working to full capacity.

**Figure 12.** Main measures taken in the workplace to contain the virus.



The percentage of enterprises that resorted to shift schedules in the Somali region (44 enterprises in total out of 196) varies from one industry to another, the services industry and the wholesale and retail trade sector being the most prone to deploying such measures, with respectively 28 per cent and 21 per cent of enterprises in each sector adopting staff rotation, particularly in comparison with the construction and agricultural sectors. In the latter sectors, it is more cost-effective for enterprises to lay off employees (permanently or temporarily), while ensuring that all those who are still employed are present in the workplace, than to put in place a staff rotation system that might generate higher expenses (especially if they do not receive any government support to keep paying staff salaries).

**Table 8.** Implementation of shift schedules across sectors in Somali.

	Implemented a shift schedule	Did not implement a shift schedule	Total
Service sector	14	36	50
Agriculture and livestock	2	18	20
Construction	0	2	2
Health and social work	3	5	8
Manufacturing	2	7	9
Wholesale and retail trade	23	84	107
Column Total	44	157	196

### The prevalence of human resources (HR) adaptations

The majority of enterprises in Somali and Tigray favoured HR adaptations: overall changes were made to existing recruitment plans, and for 42–43 per cent of enterprises in the two regions new hires were interrupted. In addition, only 23 per cent of enterprises in Somali and 31 per cent in Tigray enacted a business continuity plan in response to the coronavirus pandemic. These percentages are mirrored by the absence of specific measures of commercial and financial nature to ensure business continuity: less than 20 per cent of enterprises in Somali and 30 per cent in Tigray resorted to such measures. However, when enterprises adopted new measures, these were more likely to be financial, which notably imply cost reductions and applications for financial support, as opposed to commercial measures, which entail the revamping of business models and internal production processes.

### Commercial and financial measures: a solution of last resort?

Enterprises in both regions were more likely to resort to financial measures rather than to commercial adaptations (Table 9). Out of the 110 enterprises across Somali and Tigray that took measures to cope with the pandemic's economic impact, more than 90 per cent opted for financial measures and only 34 per cent implemented commercial adjustments.

**Table 9.** Distribution of enterprises across business continuity measures.

	Commercial measures	Financial measures	Both	Row Total
Somali	12	21	6	39
Tigray	6	52	13	71
Column Total	18	73	19	110

In Somali, out of the 39 enterprises that took measures to ensure business continuity, 18 resorted to commercial adaptations, whereas in Tigray, out of a total of 71 enterprises, 19

opted for commercial measures. Testing new business models seems to be the most prevalent commercial measure, while 9 enterprises in Somali were considering the introduction of new products and 6 in Tigray decided to accelerate technological, product and service innovation. While we do find that among enterprises that resorted to commercial adaptations, the majority operate in the wholesale and retail sector, the data does not allow us to determine which industries are more likely to take those types of measures.

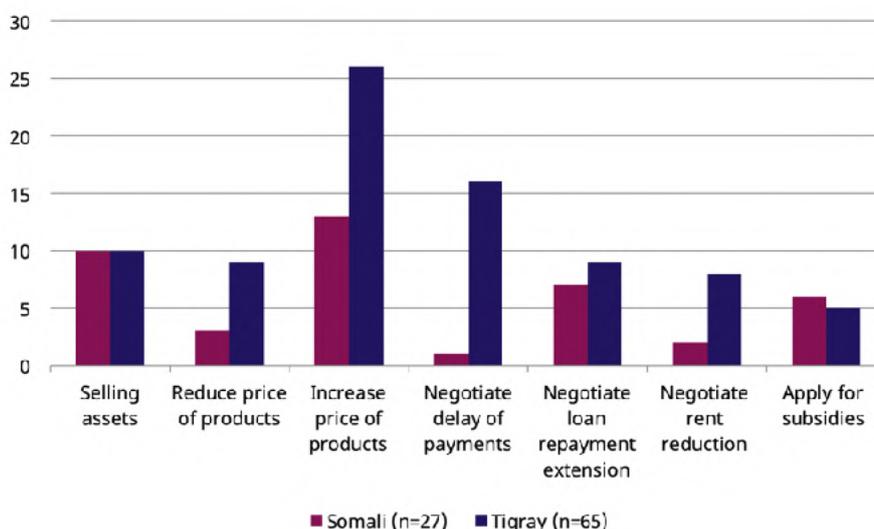


*“Demand for my products is decreasing from time to time. I introduced a new payment mechanism since the COVID-19: half of the price should be paid when the order is made, and the remaining amount after completion of the work. I also produce products on demand. These are the measures I took in the context of COVID-19.”*

Metal work worker, Mai Tsebri

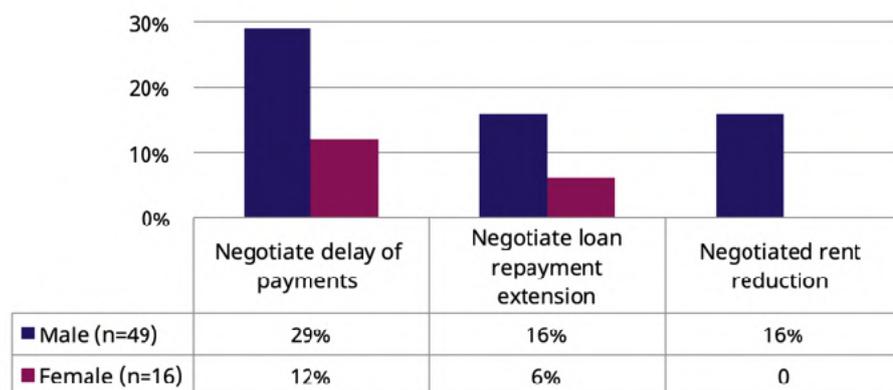
Looking at specific financial measures, enterprises in Somali tended to increase the prices of products and services (13 enterprises out of 27) and to sell a portion of their assets (10 enterprises out of 27), contradicting initial assumptions on the higher likelihood of enterprises to negotiate payment delays with their suppliers. In Tigray, the distribution of most favoured financial measures across enterprises signals a slightly different pattern. While just like in Somali, the most popular measure is to increase the price of products and services, with 26 enterprises adopting this practice, a fair number of enterprises decided to negotiate a delay of payment vis-à-vis suppliers (16 out of 65 enterprises). This strikes a notable difference with Somali where only one enterprise chose to adopt such a measure. Overall, applying for subsidies is found to be weakly adopted across enterprises, which may reveal a gap to be filled on the supply side, with the government and local authorities offering insufficient amounts of financial assistance.

**Figure 13.** Distribution of enterprises across financial measures.



All the enterprises that opted for negotiating with their supplier are registered enterprises. This could suggest that informal enterprises cannot afford to request payment delays from their suppliers as, given their registration status, they might be dealing with only a limited number of suppliers compared with registered enterprises. Resorting to such sensitive discussions may lead them to lose their only source of business activity. It is equally compelling to examine the propensity to adopt financial measures that require “negotiation skills” from a gendered perspective. Focusing on the case of Tigray, where a higher number of enterprises resorted to financial measures mobilizing such skills, Figure 14 shows that male entrepreneurs have a higher tendency to take such measures than female entrepreneurs: 29 per cent of men negotiated delays of payment, 16 per cent negotiated loan payment extensions, and 16 per cent negotiated reduction of exemption of rent, compared with 12 per cent and 6 per cent for the two first options, and no women for the last option.

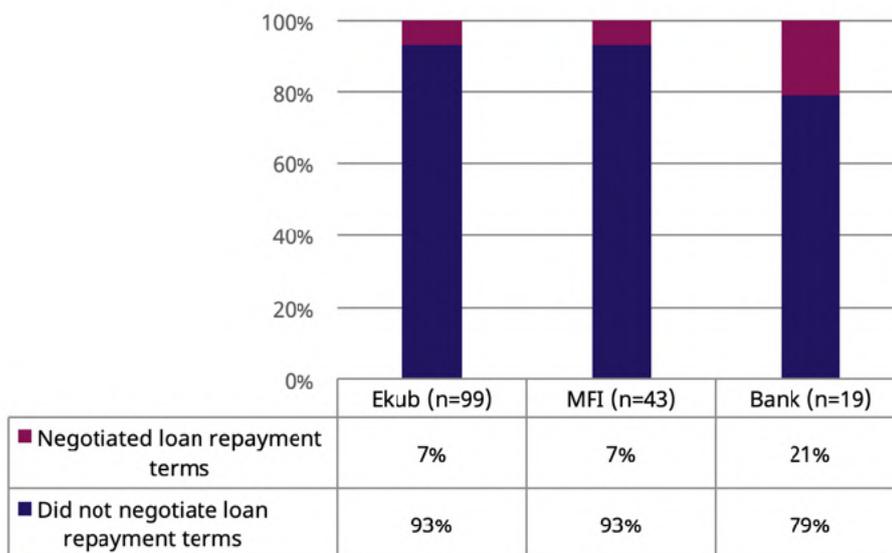
**Figure 14.** A gendered perspective on financial measures that require "negotiation skills" in Tigray.



Contrary to preliminary assumptions, entrepreneurs with financial commitments do not have a higher propensity to resort to financial measures. In fact, findings for Tigray indicate that only 36 per cent of the 149 enterprises that have existing financial commitments took financial measures. Moreover, only 6 per cent of those enterprises (9 out of 149) chose to negotiate with lenders for lowering financing costs and extending loans reimbursement. This can be explained by the fact that enterprises with financial commitments are to a larger extent indebted towards an *Equb* (42 per cent) or a Microfinance Institution (18 per cent), which tend to offer more flexible loan repayment conditions, rather than towards a bank (8 per cent).<sup>29</sup> As such, only 7 per cent of enterprises that took out loans from an *Equb* or a Microfinance Institution negotiated a loan reimbursement extension, compared with 21 per cent of enterprises with bank loans. This has strong implications for policymaking, as it suggests that enterprises are more likely to put formal financial institutions at risk than informal financing instances. It also encourages further reflections around the importance of grassroots participatory financing mechanisms in times of economic hardship, as they leave enterprises room for manoeuvre and adaptation in response to external shocks.

<sup>29</sup> An *Equb* in Ethiopia refers to a Rotating Savings and Credit Association that promotes peer-to-peer banking and lending.

**Figure 15.** Negotiation of loan repayment conditions depending on the nature of financial commitments.



### Type of support needed: insight into the state of business development

When examining whether enterprises in the Somali and Tigray regional states have benefited from support packages or measures to help them cope with the economic crisis generated by the COVID-19 pandemic, an overwhelming majority of enterprises appear to be unaware of assistance targeting businesses: the proportions are 77 per cent of respondents in Somali and 58 per cent in Tigray. When enterprises do benefit from support mechanisms, the three main measures they can be eligible for are, in order of priority: access to finance; reduction or exemption of rent and tax relief; or deferrals. In both regions, enterprises, especially those experiencing the most severe economic hardship, have indicated that the top three support measures that can help them better adapt to the current situation and get through the pandemic are direct financial support and access to credit, together with wage subsidies for enterprises in Somali, and technical assistance on developing business plans for enterprises in Tigray. While these responses are subjective and mirror personal needs that ought to be interpreted on a case-by-case basis, they can nonetheless give us some insight into what enterprises see as a major challenge to respond to external shocks and to keep their business running. The lack of financial resources stands out as the primary barrier to ensuring business continuity. One may also assume that enterprises in Tigray, especially in the two host towns Shire and Mai Tsebri, are generally better established than enterprises in Somali, which may take a rather “survivalist” form, as they are able to formulate the need for skills development and capacity building.



► **Impact of COVID19  
on individuals**

## 4. Impact of COVID-19 on individuals

Overall, it appears that Tigray has been faring better than Somali in terms of impact on employment and livelihoods. In addition, a difference in impact is noticeable, with host communities being less negatively impacted by the pandemic than refugees. However, these variations need to consider differences in individuals' access to the labour market and the socio-economic environment at baseline (prior to COVID-19), which put the Tigray region and host community members in a better starting position to cope with an unforeseen crisis and demonstrate resilience.

### 4.1. Livelihoods before the pandemic

While the general trends of the state of employment for forcibly displaced and host communities in Tigray and Somali were relatively similar before the pandemic, unemployment rates and the distribution of individuals across employment categories signal a more prosperous socio-economic environment in Tigray. This can help explain the higher resilience capacities in Tigray than in the Somali region.

#### Employment before the pandemic impact

Before the COVID-19 pandemic, there was no significant difference in unemployment rate between hosts and forcibly displaced people in both regions. Still, migratory background, gender and age have been shown to impact the type of work and contract situation of wage labourers.

**Table 10.** Employment status among the forcibly displaced and hosts before COVID-19.

	Unemployed	Working for wage or salary for a person, an enterprise, a company or the government	Working on a farm or with livestock owned or rented by the household	Working on own account or enterprise belonging to the household
Somali (n=427)	21 %	41 %	7 %	31 %
Hosts (n=278)	20 %	45 %	10 %	26 %
Refugees/IDPs (n=149)	23 %	33 %	1 %	42 %
Tigray (n=397)	9 %	63 %	3 %	26 %
Hosts (n=313)	4 %	68 %	3 %	25 %
Refugees/IDPs (n=126)	17 %	49 %	2 %	31 %

When asked about their type of employment, refugees and IDPs in both locations were more likely to work on their own account (42 versus 26 per cent in Somali and 31 versus 25 per cent in Tigray) and less likely to be employed, compared with hosts (45 versus 33 per cent in Somali and 68 versus 49 per cent in Tigray). This difference can be explained by the limited access to the labour market for refugees, in particular to the formal labour market. Hosts

have a higher propensity to be working on a farm or herding livestock, which is mainly due to restrictions in terms of land ownership for refugees and IDPs.

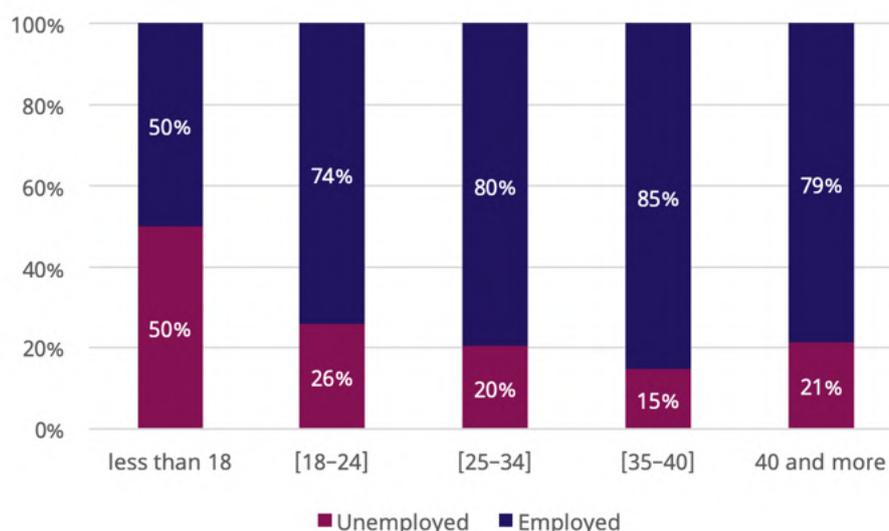
**Table 11.** Employment status among women and men before COVID-19.

	Unemployed	Working for wage or salary for a person, an enterprise, a company or the government	Working on a farm or with livestock owned or rented by the household	Working on own account or enterprise belonging to the household
Somali (n=427)	21 %	41 %	7 %	31 %
Female (n=186)	26 %	26 %	5 %	43 %
Male (n=241)	17 %	52 %	8 %	22 %
Tigray (n=397)	9 %	63 %	3 %	26 %
Female (n=227)	9 %	63 %	2 %	27 %
Male (n=212)	8 %	62 %	4 %	26 %

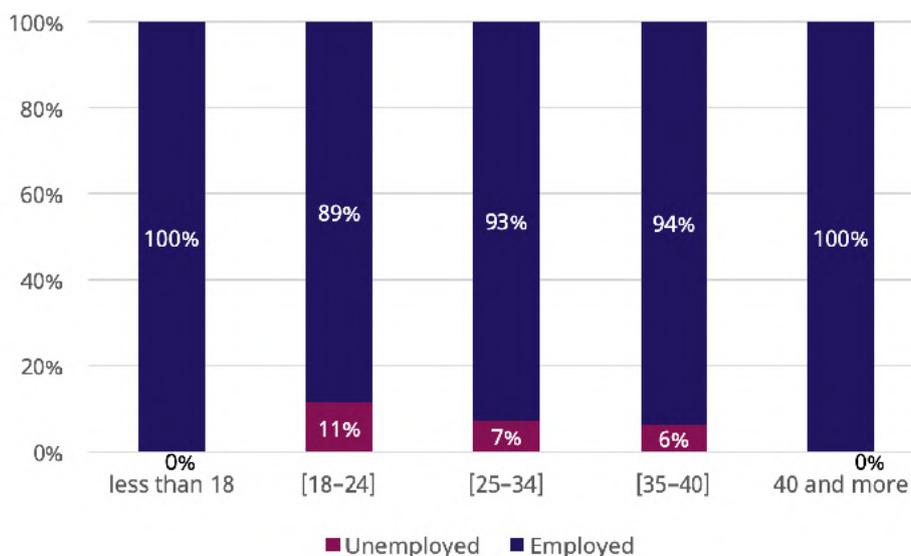
The gender-disaggregated data reveals specific gender-based patterns with women, regardless of their migratory background, often working on their own account or at a household-owned enterprise and having a higher unemployment rate than their male counterparts. Within the host community, female respondents had a higher unemployment rate than their male counterparts (24 versus 18 per cent in Somali and 6 versus 3 per cent in Tigray). This gendered unemployment pattern could also be seen within the refugee and IDP communities in the Somali (29 per cent among women versus 17 per cent among men) and in the Tigray region (14 versus 21 per cent).

The age of respondents who said they were unemployed before COVID-19 mirrors the overall differences in unemployment between the two regions and is aligned with Ethiopia’s high youth unemployment. The sample has slightly higher jobless rates of respondents between 18 and 35 years. The variations in the youngest and oldest age groups, less than 18 and 40 and more are also due to the age structure of the respondents (2% were aged less than 18 and 6% aged 40 and more) and are therefore less significant.

**Figure 16.** Employment status across age groups in Somali (n=437) before COVID-19.



**Figure 17.** Employment status across age groups in Tigray (n=439) before COVID-19.



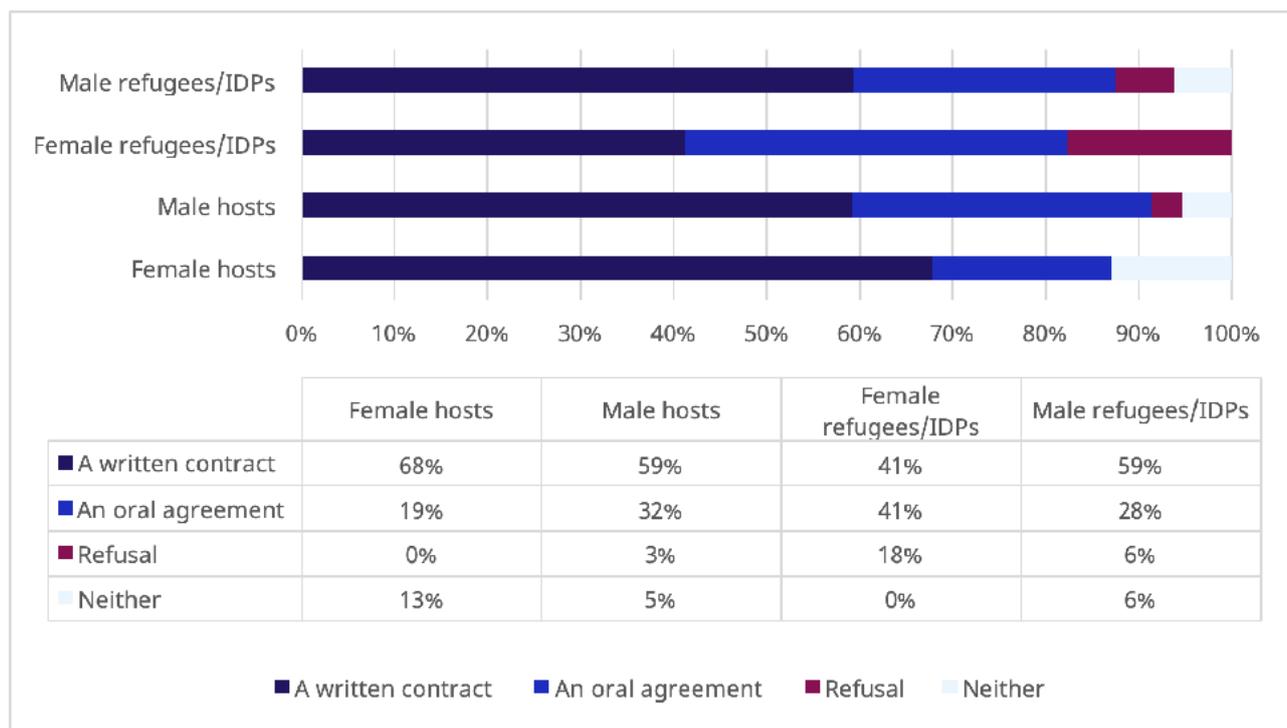
However, the high numbers of respondents across all ages and communities who stated they were employed need to be taken with caution, as people who are excluded from the formal labour market owing to their migratory status, social status and/or limited skills are often forced to take on any job to meet their basic needs, which might result in underemployment. Individuals might work on their own account or take on small and irregular work as daily labourers, as they cannot afford to remain jobless if they want to sustain their livelihoods. At the same time, people who reported not having a job might work on an irregular basis as daily labourers but were without a job during the specific time of the interview. Therefore, the concept of unemployment needs to be understood in this specific context, where stable, full-time positions are not the dominant form of employment.

### **Informality among forcibly displaced people and host communities**

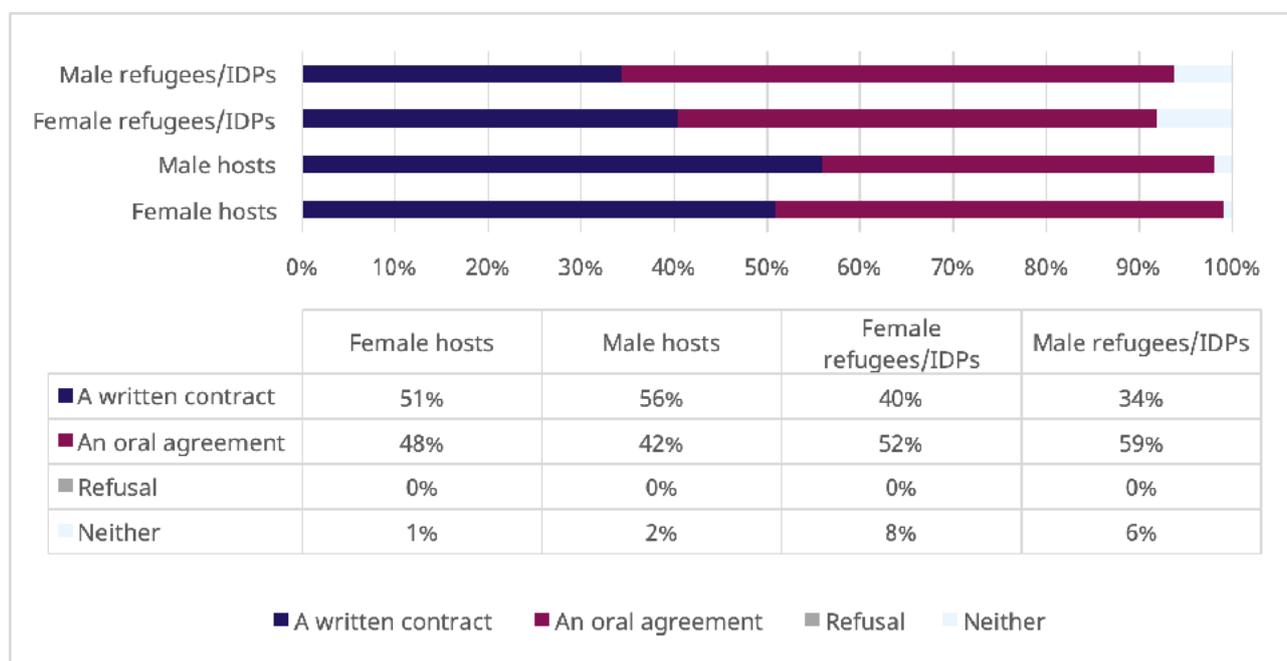
While irregular and informal work is generally high in Ethiopia, the gathered data showed that in general more than half the waged labourers were formally employed, and that gender is a more relevant determinant of a labourer's contract type than the migratory background.

However, observations during data collection revealed that the rigid binary between written contracts versus oral agreements often does not reflect real life and is an unfamiliar concept to many enterprises and labourers in the surveyed areas. Those observations, in particular in the Somali region, revealed that labourers might be working formally and permanently at an enterprise but without a written agreement, as it is not common to have written contracts in this specific context. Similarly, many respondents, as outlined in the previous section, work on their own account or at an enterprise or farm owned by the household, and even though they might work there permanently for a wage or just irregularly to support, the probability of having a written contract is very low. Therefore, the subsequent analysis of informality takes into account only the respondents who stated they were working for a wage or salary for a person, an enterprise or the government before the COVID-19 pandemic, as those labourers are most likely to follow the binary of formality and informality in their labour relations.

**Figure 18.** Informality in Somali before COVID-19 (n=173).



**Figure 19.** Informality in Tigray before COVID-19 (n=249).



In line with the fact that refugees have been excluded from the formal labour market in Ethiopia until recently, the data among people working for a wage or salary for a person, an enterprise or the government shows that hosts, especially male hosts, are more likely to have a written contract than an oral contract compared to refugees and IDPs. There are slight differences between women and men in the forcibly displaced communities, with men being generally more likely to be under a written contract than women. This trend can also be seen in the host population in the Tigray region. In contrast to the Tigray region, female host

community members in the Somali regional state were more likely to be employed with a written contract compared with their male counterparts (68 versus 59 per cent).

However, it must be noted that 14 per cent of waged employees among refugees and IDPs in the Somali region refused to answer or replied “neither” to the question on their contract type. While this refusal could be based on a fear of being exposed as working without a work permit, this pattern could not be proven in the Tigray regional state among forcibly displaced respondents.

### **Social protection among forcibly displaced people and host communities**

A key differential factor of working in the informal or formal sector is the limited access to health insurance, as well as social security coverage in the former. The gathered data shows that as forcibly displaced populations and women are often more likely to work informally, they are also less likely to hold some form of social protection.<sup>30</sup> At the same time, there are significant regional differences, with respondents in Tigray generally having a higher rate of health insurance and social security coverage than those the Somali region.<sup>31</sup> This might be due to the fact that Tigray has benefited from community-based health insurance pilot schemes since 2011, which has allowed a growing number of rural households to access health insurance over the past years.<sup>32</sup> The rate of health insurance in the Somali regional state is very low among both forcibly displaced and host communities with 7 per cent, as well as among women and men (5 versus 9 per cent). In Tigray, the data suggest an overall health insurance rate of 22 per cent, and surprisingly, respondents who identify as being refugees and IDPs were more likely than the host community to enjoy the health insurance benefits (33 versus 18 per cent). There is also more significant gender difference, with 19 per cent of women reporting to have health insurance compared with 26 per cent of men among the respondents in Tigray.

While social security coverage is almost non-existent among the respondents in the Somali region, 14 per cent in Tigray can access social security benefits arranged by themselves, other agencies or facilitated by their employer. However, social security coverage is seldom available to forcibly displaced communities in the Tigray region, where only 5 per cent reported to have some coverage, compared with 18 per cent of host community members – a similar situation to that of the Somali region. Out of the 61 respondents who have some form of social security coverage in Tigray, only 16 were aware of insurance against unemployment as part of their benefits; the most common services included insurance against work injuries, old-age pension and paid maternity leave. In times of economic crisis, such as the current devastating economic impacts of the COVID-19 pandemic, a lack of social protection and in particular a safety net to cope with unexpected income losses can become detrimental on individuals’ resilience capabilities.

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<sup>30</sup> According to the ILO World Social Protection Report 2017–2019, the percentage of population in Ethiopia covered by at least one social protection benefit (effective coverage) is 11.6 per cent. Sources: ILO, World Social Protection Database, based on SSI; ILOSTAT; national sources.

<sup>31</sup> The Somali region is among the four Developing Regional States, characterized by higher levels of poverty and socio-economic indicators way below national averages. UNICEF, Situation analysis of Children and Women: Somali region, 2019.

<sup>32</sup> For further details about the community-based health insurance, visit the USAID-funded HFG project at <https://www.hfgproject.org/hsfrhfg-project-activities-results-summary-august-2013-december-2017/>.

## 4.2. Impact of COVID-19 on livelihoods

While the data suggests that COVID-19 did not have a significant impact on employment across both regions, the income in June decreased for many employees as a result of the pandemic, and members of the forcibly displaced communities and informal sector were hit the hardest.

### The pandemic's impact on employment and livelihoods

Despite regional differences between Somali and Tigray, the impact of COVID-19 on respondents' employment and income were only slightly influenced by their migration background across both regions. The high likelihood of forcibly displaced and host community members working as usual or from home contradicts the hypotheses formulated prior to data collection, that forcibly displaced communities are at higher risk of losing their jobs in the pandemic because of their precariousness. However, while forcibly displaced individuals reported they have suffered only minimal impact on their employment situation, the precarious and informal labour relations that many refugees and IDPs find themselves in have forced them to take on multiple jobs, and they have been prevented from taking paid leave or being temporarily laid off.

**Table 12.** Employment status among the forcibly displaced and host communities as a result of COVID-19.

	Unemployed	Paid leave or paid sick leave	Permanently or temporarily laid off	Working as usual or from home
Somali (n=337)	4 %	8 %	23 %	66 %
Hosts (n=223)	4 %	7 %	22 %	66 %
Refugees/IDPs (n=114)	3 %	9 %	25 %	64 %
Tigray (n=363)	2 %	3 %	9 %	86 %
Hosts (n=259)	2 %	4 %	8 %	86 %
Refugees/IDPs (n=104)	5 %	2 %	13 %	81 %

Mirroring the regional economic differences before COVID-19, the unemployment rate is higher in the Somali region compared with Tigray (Table 12). Out of the 337 individuals who reported to be working before COVID-19 in the Somali region, the majority (66 per cent) was working as usual or from home, and this number goes up to 86 per cent in the Tigray region. In general, forcibly displaced persons in the Tigray and Somali region have been affected slightly more negatively than the host community, as they were more likely to be laid off and to be unemployed because of the pandemic.

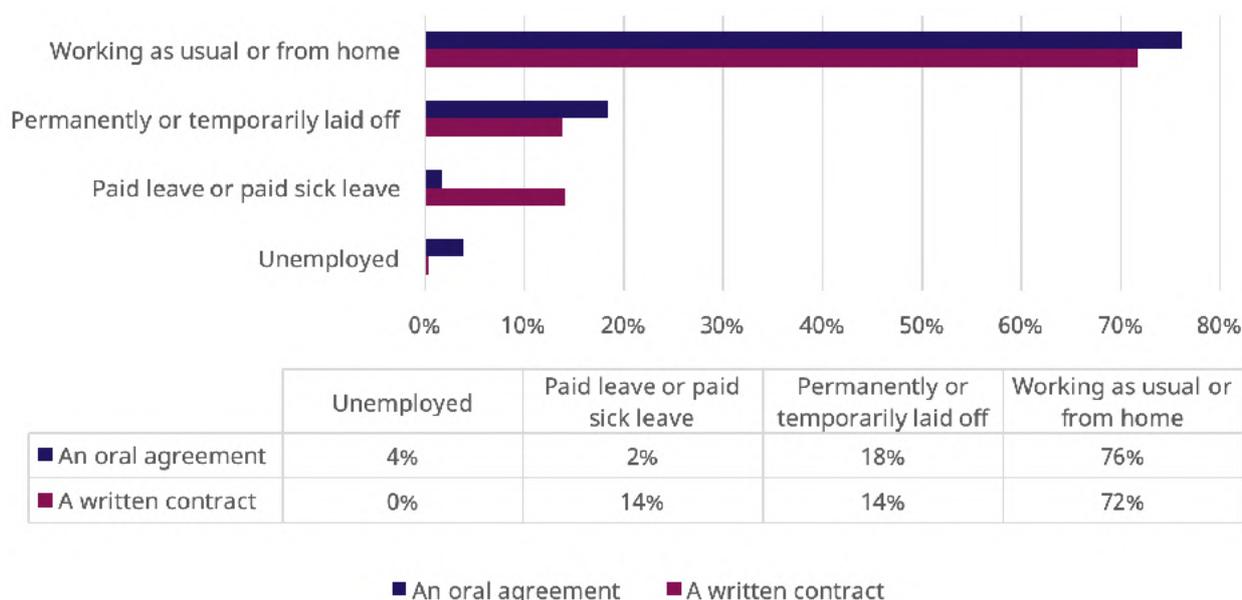
**Table 13.** Income changes due to COVID-19 among the forcibly displaced and host communities.

	Increased	Remained the same	Decreased	Don't know or refusal
Somali (n=427)	2 %	29 %	39 %	30 %

Hosts (n=278)	3 %	33 %	37 %	27 %
Refugees/IDPs (n=149)	1 %	22 %	43 %	34 %
Tigray (n=439)	4 %	46 %	41 %	9 %
Hosts (n=313)	5 %	47 %	41 %	7 %
Refugees/IDPs (n=126)	1 %	44 %	42 %	13 %

To better understand the impact of the pandemic on the livelihoods of forcibly displaced communities beyond the employment status, data was gathered on individuals' perception of their income change between February 2020 (before the pandemic) and June 2020 (with the ongoing impacts of the COVID-19 measurements). As Table 13 shows, Tigray fares overall better in terms of income changes, with 50 per cent of respondents stating that their income has either increased or remained the same, compared with 31 per cent in the Somali. In the Somali region, 43 per cent of forcibly displaced people saw their income fall, compared with 37 per cent of host community members. In Tigray, the percentage of refugees and hosts whose income decreased in the aftermath of COVID-19 is approximately the same, of around 40 per cent, similar to the number of refugees and hosts whose income remained stable. The two reasons most often stated for income losses are fewer working hours and reduced wage or salary by the employer, but respondents also emphasized the negative impact of the governments' COVID-19 lockdown measures.

**Figure 20.** Employment status across informal and formal workers as a result of COVID-19 across the two regions (n=395).



While reasons for income and employment losses are similar among all sub-groups, refugees and IDPs are more likely than hosts to work informally, have a decrease in their income and hold multiple jobs. Generally, host community members are more likely to work formally in both regions and, as Figure 20 shows, people with a written contract were more likely to have less severe employment impacts through paid leave or sick leave – benefits that are typically unavailable to people working without a formal agreement. Although among waged informal

workers, respondents had a higher proportion of working as usual than those with a formal contract, they saw their income decrease to a significantly greater extent.<sup>33</sup> For almost 80 per cent of waged labours with a written contract in the Somali region, their income increased or stayed the same, compared with 57 per cent in Tigray. On the other hand, around half of the informal labourers saw their income decrease in both regions. However, 30 per cent of forcibly displaced respondents in the Somali and 43 per cent in Tigray, compared with 18 per cent and 15 per cent respectively, had another source of income in addition to their primary employment to cover their basic needs. These different proportions prove the precarious labour relations that many refugees and IDPs find themselves in, where they are not formally employed because of their limited access to the labour market and are not being paid a living wage with their informal livelihood or employment.

Even though the data shows relatively stable employment rates and a significant majority of respondents working as usual despite the pandemic, people with limited access to reasonable living wages and support systems often have to take on any job to survive. People simply cannot afford not to work, particularly in times of crisis, when they do not have any other means of livelihood or support. Therefore, in a low-income country such as Ethiopia, formal labourers are often unemployed or earning a wage that does not meet their basic needs. With high levels of underemployment and salaries below the living wage, simple binary categories of employed or unemployed do not necessarily reflect the reality of forcibly displaced and host communities in the Somali and Tigray region.

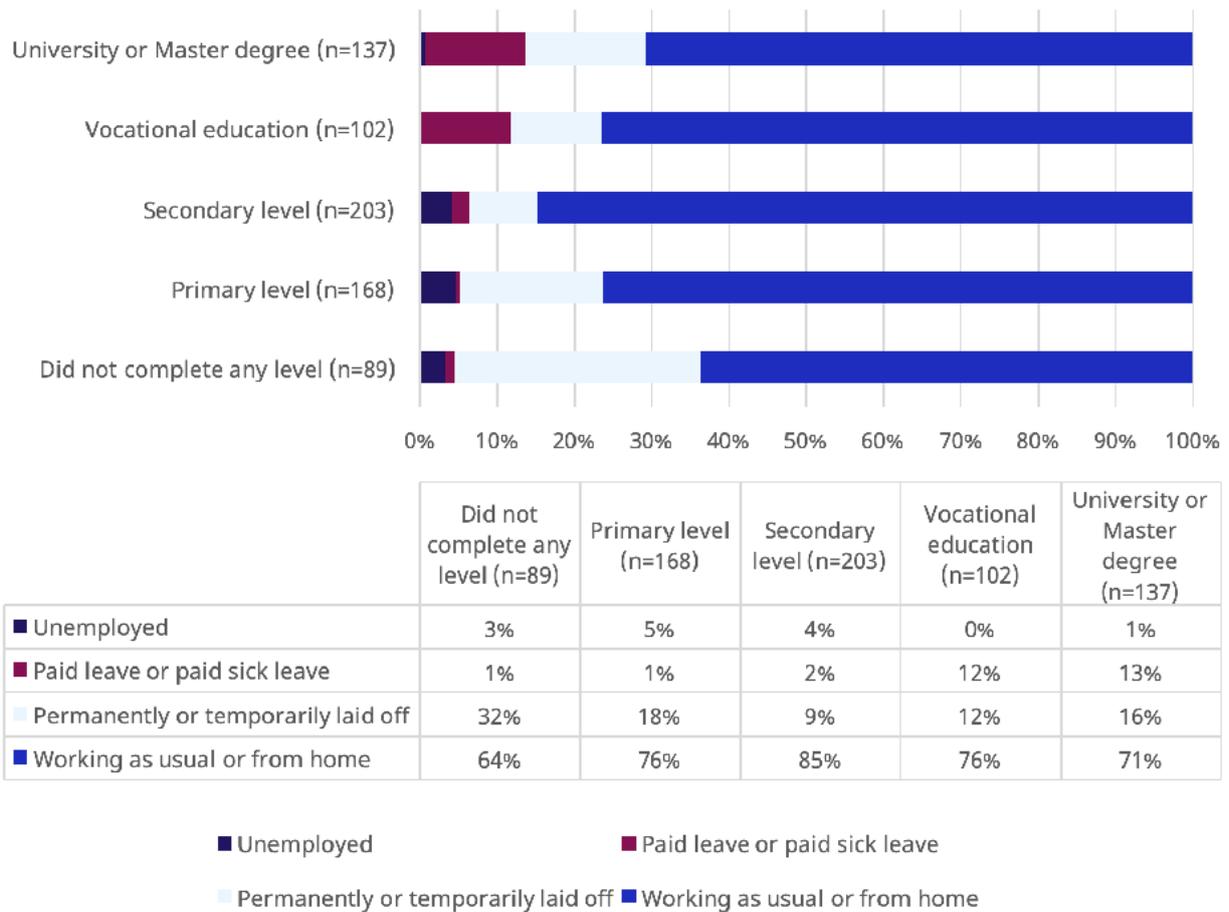
### **(Secure) livelihoods during the pandemic**

People who are already in precarious labour relations and work in specific industries have been shown to be more negatively affected by the COVID-19 pandemic – the gathered data in the Somali and Tigray regions indicate that the possibility of working as usual or having paid (sick) leave increases with higher education, and the likelihood of income remaining the same is higher for people working in public administration or health and social work activities.

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<sup>33</sup> While the Government of Ethiopia forbids laying off any employee during the pandemic, the extent to which this is monitored by the authorities is unclear, and enterprises might be forced to lay off formal employees. It shows that a major impact of COVID-19 on enterprises is that they don't have enough revenue to keep running their businesses. Enterprises therefore have to reduce expenses by laying off their most expensive employees, consisting of formal workers who, in addition to their wage costs, often create insurance and tax duties for employers, while reducing the salaries of less expensive informal workers.

**Figure 21.** Employment status across education levels as a result of COVID-19 in both regions (n=739).



As Figure 21 indicates, respondents with a minimum secondary level education have had a much less negative impact on their income due to the COVID-19 pandemic, and were more likely to work as usual or benefit from paid leave or paid sick leave from their employers. While almost none of the respondents who obtained a vocational training education or had a university or master degree became unemployed due to the pandemic, their likelihood of being placed on paid leave or sick leave is almost ten times higher than for respondents with secondary level education and lower. Similarly, of the employees who did not complete any formal education and only obtained primary level education, 32 per cent and 18 per cent respectively were permanently or temporarily laid off in June 2020, and had the highest overall unemployed rate. A similar pattern can be seen when looking at the changes of income among respondents with different educational levels, as employees above vocational education level were much more likely to have the same or an increased income in June 2020. Around 7 per cent of respondents with vocational education and a university degree saw their income rise during the pandemic, and more than 60 per cent of employees with a university or master degree stated not to have experienced a change in their income compared with around 40 per cent among those with vocational training and secondary education. Contrary to those findings, more than half the respondents who did not complete any formal or primary education experienced a decrease in their income in June due to COVID-19.

**Table 14.** Income change among different industries.

	Increased	Remained the same	Decreased	Don't know or refusal
<b>Industries occupied by individuals in the Somali Region (n=349)</b>				
Human health and social work activities (n=45)	2 %	73 %	13 %	11 %
Accommodation and food service activities (n=35)	0 %	23 %	46 %	31 %
Agriculture and livestock (n=65)	2 %	14 %	68 %	17 %
Construction (n=11)	0 %	27 %	45 %	27 %
Manufacturing (n=7)	0 %	29 %	57 %	14 %
Wholesale and retail trade (n=93)	0 %	13 %	70 %	17 %
Public administration (n=60)	8 %	80 %	7 %	5 %
Transportation and storage (n=9)	0 %	11 %	78 %	11 %
Other service activities (n=24)	4 %	21 %	54 %	21 %
<b>Industries occupied by individuals in the Tigray region (n=439)</b>				
Human health and social work activities (n=20)	4 %	46 %	41 %	9 %
Accommodation and food service activities (n=56)	5 %	85 %	10 %	0 %
Agriculture and livestock (n=11)	4 %	38 %	55 %	4 %
Construction (n=15)	9 %	45 %	27 %	18 %
Manufacturing (n=36)	7 %	20 %	73 %	0 %
Wholesale and retail trade (n=81)	3 %	50 %	44 %	3 %
Public administration (n=22)	2 %	46 %	42 %	10 %
Transportation and storage (n=12)	5 %	82 %	14 %	0 %
Other service activities (n=163)	0 %	33 %	67 %	0 %

In addition to the determinant factor of educational level on employment and income in times of crisis, employees in specific industries have proved to be less affected by the COVID-19 pandemic: overall, health, social, public and service industries seem to fare better compared with agriculture and livestock, wholesale and retail trade, and manufacturing.

However, as the numbers of respondents are very low in some industries such as manufacturing or transport, those numbers need to be interpreted carefully.

### Gendered impacts of the pandemic

Overall, gender did not have a significant impact on the employment status or changes in income and household chores among the respondents in the Somali and Tigray region as a result of the COVID-19 pandemic. While the impact of COVID-19 on the employment status of female workers is comparable to that of their male counterparts, women had a slightly higher proportion of experiencing a decrease in their income in June 2020. Gender has shown to have had less impact on employment status as a result of COVID-19, with an overall rate of 68 per cent of men reporting to be working as usual or from home, compared with 73 per cent among women, in both regions. Women also had almost the same likelihood of being on paid leave or sick leave and permanently or temporarily laid off, with 4 per cent and 13 per cent respectively, compared with men, 5 and 11 per cent. However, when asked about the change of their income, comparing pre-COVID-19 with June 2020, male respondents in general had a slightly higher likelihood of not experiencing income losses, as Table 15 shows.

**Table 15.** Income variations across women and men since the beginning of COVID-19.

	Increased	Remained the same	Decreased	Don't know or refusal
Somali (n=437)	2 %	29 %	39 %	30 %
Female (n=187)	3 %	22 %	40 %	35 %
Male (n=250)	2 %	34 %	39 %	25 %
Tigray (n=397)	4 %	46 %	41 %	9 %
Female (n=202)	2 %	45 %	42 %	11 %
Male (n=195)	6 %	47 %	40 %	7 %

As the employment status and income changes are not significantly different for women and men in both regions, it is not surprising that changes in household chores and the likelihood of being able to stay at home during the pandemic were also not necessarily dependent on the respondents' gender. Contrary to assumptions that women would be more likely to stay at home due to patriarchal societal norms, which perceive women to be more homebound and responsible for household chores, there were no significant differences between women and men among the respondents regarding those two variables. In the Somali region, almost similar proportions of around 65 per cent of women and men reported having an increase in household chores due to COVID-19. A slight difference is visible in the data gathered in the Tigray region, which shows that 42 per cent of women reported having more household chores during the pandemic compared with 38 per cent of men. Regarding specific measures to protect themselves from the virus and the possibility of staying at home to do so, only 13 per cent of respondents in Tigray stated that they stayed at home for self-protection, and this figure rises to 45 per cent for the Somali region. The relatively high number of respondents in the Somali region staying at home could be explained by the fact that some individuals may have no choice but to stay home or were initially working from home. At the same,

many people who are earning a low income or below the living wage may simply not afford to stay at home, be it women, men, refugees, IDP or host community members.

### 4.3. Coping with the pandemic's impact

#### Impact on individuals' lives

COVID-19 has proven to have severe but also varied impacts on the livelihoods of people in the Somali and Tigray regions, and individuals benefited from different measures to cope with the economic impact but also with their personal fears and worries, and potential discrimination against refugees. Overall, forcibly displaced communities were more negatively impacted than host communities, but refugees and IDPs are generally receiving – and are more dependent on – cash and in-kind assistance owing to their encampment and/or limited access to the labour market. Despite relatively homogenous socio-cultural groups among forcibly displaced and host communities, the majority of refugees in Tigray were afraid of being discriminated against in the context of COVID-19, compared with 27 per cent in the Somali region – a finding that needs to be contextualized in the broader political context of Tigray, where the regional government imposed much stricter COVID-19 measurements than the rest of Ethiopia.

The gathered data among forcibly displaced and host communities in the regions suggests that the majority are following protection measures similar to those taken all around the world: washing hands increasingly and avoiding social gatherings. While, in line with global trends, respondents emphasized their fears about themselves or family members contracting the virus, as well as the degradation of the economy, the data suggests regional differences with respondents in Tigray more likely to share worries about their mental health and emerging socio-political problems.

**Table 16.** Stated fears and worries relative to COVID-19.

	Economic crisis or unemployment	Social or political crisis	Health crisis	Getting infected by or dying from COVID-19	Negative impact on mental health	No fears
Somali (n=427)	263	10	59	65	6	49
Hosts (n=278)	184	10	37	38	4	28
Refugees/ IDPs (n=149)	79	0	22	27	2	21
Tigray (n=439)	222	33	20	166	59	19
Hosts (n=313)	161	23	17	126	44	8
Refugees/ IDPs (n=126)	61	10	3	40	15	11

To obtain individual perceptions on the impact of the COVID-19 pandemic on their lives, an open question was posed, and respondents were asked to share their biggest fears and worries in the context of the pandemic. The data showed regional variations. Overall, the respondents shared similar thoughts, and the answers were subsequently categorized and disaggregated among forcibly displaced and host communities, as shown in Table 16. Within the category "economic crisis or unemployment", respondents also stated their fears of the continuity of school closures and the potential impact it would have on their education, as well as the permanency of lockdown measures by the government. The worry of a potential health crisis due to the pandemics was raised more often among respondents in the Somali region, who also feared that the virus would spread in the IDP and refugee camps where the health facilities are not in a state to cope with it. In stark contrast to the Somali region, 59 out of 297 individuals in the Tigray region responded that they worry about developing depression and fear the negative impact the pandemic and lockdown could have on their mental health. It is worth nothing that refugees in Tigray were forced to stay in camps for weeks after the beginning of the pandemic, with no possibility of going to town. On the other hand, more respondents in the Somali region stated to have no fear and not worry about the pandemic.

*“The impact of COVID-19 upon our day-to-day activity is really challenging. The cost of transportation has been multiplied by two because of COVID-19. I cannot search for a job by moving here and there because of the transport cost and the fear of the COVID-19.”*

Unemployed host youth, Shire

**Table 17.** Specific measures used by individuals to protect themselves from COVID-19.

	Staying at home	Avoiding social gatherings	Social distancing	Washings hands more frequently	Avoiding public transport	Behaviour has remained the same
Somali (n=427)	194	257	303	380	88	10
Hosts (n=278)	126	172	202	244	44	8
Refugees/ IDPs (n=149)	68	85	101	136	44	2
Tigray (n=439)	59	187	187	379	65	18
Hosts (n=313)	36	137	145	275	59	10
Refugees/ IDPs (n=126)	23	50	42	104	6	8

The question on specific measures used by individuals to protect themselves from COVID-19 gave multiple-choice answers, and the findings suggest that individuals are adopting measures similar to those recommended by the Ethiopian government and international health organizations. Washing hands is the main measure used by individuals to protect themselves from the virus, followed by avoiding social gatherings and respecting social distancing. A relatively small number in both regions responded that they avoid public transport, something that is probably not possible for most individuals with low incomes. Almost half of the respondents in the Somali region stated that they stay at home to protect themselves, compared to only 59 out of 397 respondents in the Tigray region. However, the decisions of individuals to stay at home, keep social distances or avoid public transportation are not necessarily personal choices but depend on their socio-economic status and financial situation.

## **Financial resilience and support**

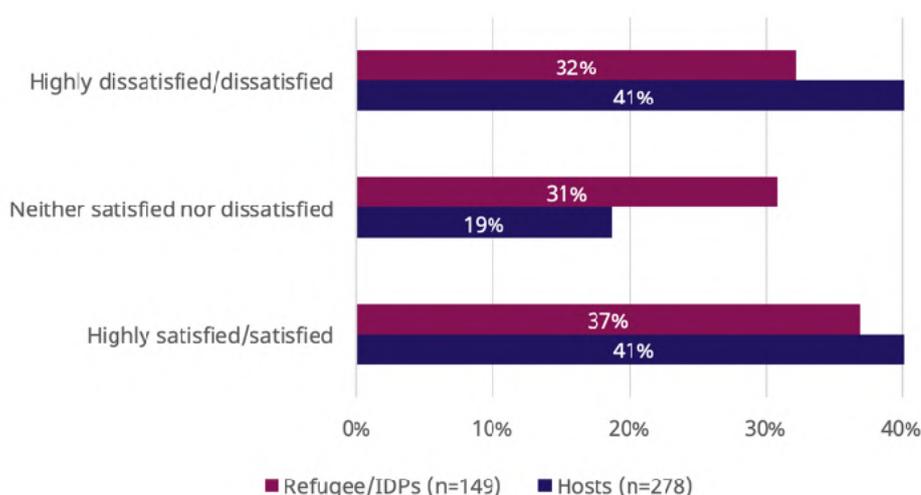
Financial resilience in terms of savings, is essential to cope with the crisis, as is support from external sources. The data shows that the likelihood of having sufficient savings to cope with income losses in the long term are very low in both regions, and only a small number of respondents benefited from external COVID-19 support programmes.

The proportion of respondents who stated they had savings were only 11 per cent in the Somali region compared with 24 per cent in Tigray, and these numbers are often lower and less sustainable for displaced populations. While the percentage of refugees or IDPs and host community members in Tigray revolve around 24 per cent, only 9 per cent of displaced respondents in the Somali region have savings, compared with 12 per cent among host community members. If these savings can be used to compensate for a reduction of income, they can often last no longer than one to three months, especially for refugees. In Tigray, out of the 107 individuals who have savings, 38 claimed that they can only last for one to three months while 32 claimed that they can hold out for four to six months. Similarly, in Somali, out of the 49 individuals who have savings, 17 can last only from one to three months while 11 claim that they can last more than six months.

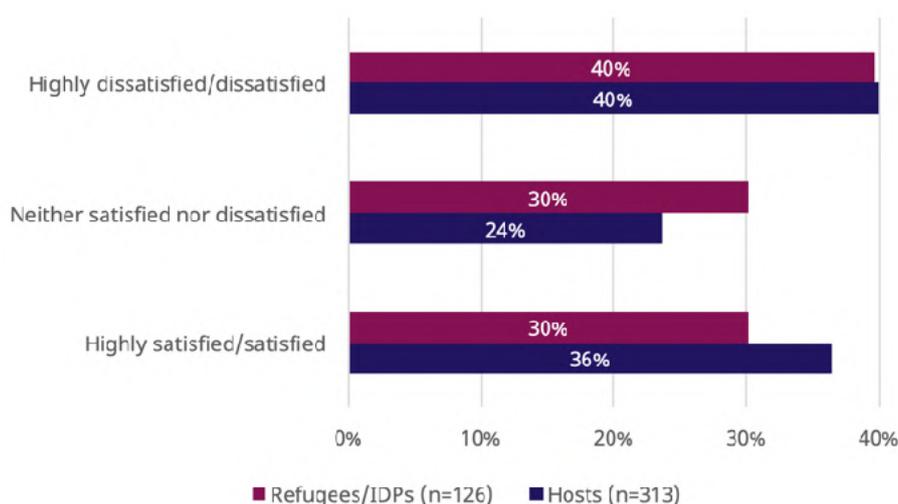
While forcibly displaced respondents were more likely not to have savings, this is because their encampment and/or limited access to the labour market is often dependent on receiving cash or in-kind assistance, and therefore their likelihood of receiving such external support during the COVID-19 pandemic is also higher. The proportion of respondents receiving either cash or in-kind assistance is generally higher in the Somali region than in Tigray. Overall, 24 per cent of respondents in the Somali region received some form of cash assistance to help cope with the economic hardships resulting from the pandemic, compared with 21 per cent in the Tigray region. Similar numbers for receiving in-kind assistance were noted, with 24 per cent in Tigray and 43 per cent in the Somali region. In the Tigray region, 41 per cent of refugees and IDPs received cash assistance and 63 per cent received in-kind assistance, compared with 12 per cent and 9 per cent among host community members, respectively. Similar patterns could be seen in Somalia among forcibly displaced persons, with 40 per cent shown to receive cash assistance and 74 per cent in-kind assistance, while the data among host community members states 16 per cent and 27 per cent, respectively. The main source of support was received from international organizations and the Ethiopian government.

Even though the proportion of respondents who received assistance from the Ethiopian government was relatively low, when asked about the overall satisfaction with the governments' response, no significant majority was satisfied or dissatisfied, as shown by figures 22 and 23. Furthermore, satisfaction levels were similar among the Somali and Tigray region. However, in both regions, host community members were slightly more satisfied with the government's response, and a larger proportion of forcibly displaced individuals were neither satisfied nor dissatisfied with the government's response compared to the host community. While respondents among forcibly displaced communities were more likely to receive cash or in-kind assistance, as discussed before, the main source of that support are international organizations and not the Ethiopian government.

**Figure 22.** Satisfaction with government measures in response to COVID-19 in the Somalia region.



**Figure 23.** Satisfaction with government measures in response to COVID-19 in the Tigray region.

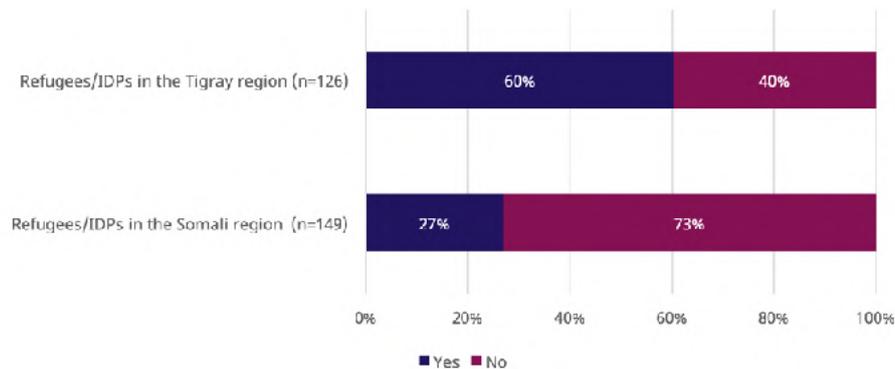


### Social dynamics between the forcibly displaced and host communities during a crisis

Given the different likelihood of receiving any form of assistance outside the family network for forcibly displaced and host community members, there is a risk of emerging negative social dynamics as questions of scapegoating and conflicts over resources might appear in

times of economic crisis. Despite the fact that in both contexts the host and refugees are relatively homogenous in terms of ethnic and socio-cultural characteristics, more than half of forcibly displaced community members in the Tigray region fear discrimination towards them as a result of the COVID-19 pandemic, compared with only 27 per cent in the Somali region (Figure 24).

**Figure 24.** Fear of discrimination as a result of COVID-19 among the forcibly displaced in Somali and Tigray.



When refugees and IDPs were asked whether they were afraid of discrimination in the context of COVID-19, a striking difference appeared between the two regions, with 60 per cent of forcibly displaced respondents in the Tigray region stating that they fear some form of discrimination. Within the refugee communities in Tigray, there was no significant variation between the Adi Harush–Mai Aini and Shimelba camps, with both locations having a proportion of around 60 per cent. However, while more forcibly displaced respondents in Tigray expressed fear of discrimination, when considering responses to the question “Since the pandemic, have you witnessed a change of behaviour in host communities towards refugees or IDPs?”, results show that only one-third of refugees in the Tigray region noticed that host community members started to show fear or animosity towards them, while two-thirds responded that there had been no difference in behaviour.

A possible explanation for the higher likelihood of forcibly displaced community members in the Tigray region of fearing discrimination might be that refugees there experienced severe mobility restrictions during the height of the pandemic. Refugees in Tigray were forced to stay in the camps and no longer allowed to travel to Mai Tsebri and Shire, while Somali refugees were allowed to carry on living “as usual”. In general there were more regulations and stricter enforcement by the regional government in Tigray than in other regions in Ethiopia, as outlined at the beginning of the report. The stark regional variations in the restrictions and fears among forcibly displaced communities in Tigray are in line with the noted regional differences encountered along the study findings and underline the importance of not homogenizing socio-economic and political contexts in a given country, but rather recognizing differences within a national context.

*“There was high mobility of people here and there before COVID-19 but now such mobility is restricted especially for the refugees, thus, there is no business activity now. Most of my customers are refugees. After COVID-19 they are not allowed to move out of the camp, thus my daily income is reduced by 75 per cent.”*

Host employer, Mai Tsebri



▶ **Key findings and  
recommandations**

## 5. Key findings and recommendations

This rapid assessment reveals the impact of COVID-19 on the economic situation of enterprises and individuals in displacement-affected contexts in the Somali and Tigray regional states of Ethiopia. One of the major findings of this report is the role that informality plays in exacerbating the adverse effects of the pandemic, especially as unregistered enterprises and informal workers contribute to entertaining the grey area it represents; it also keeps policymakers from devising appropriate policy solutions to help those economic actors cope with the crisis. This aspect is key, as findings from our samples have shown that women and the forcibly displaced have a higher propensity to be either operating a business in the informal sector or carrying out an activity as informal workers to ensure their livelihoods.

Overall, the data gathered on enterprises suggests that half of the respondents had to reduce their staff, and a considerable number of them had to change their recruitment plans, thereby affecting job creation in the regions of interest. While it remains unclear whether an enterprise's registration status has a significant impact on staff reduction and internal hiring decisions, informality proved to be a determinant factor of enterprises' financial and operational resilience in the face of external economic shocks. Indeed, registered enterprises revealed themselves capable of coping with the challenges posed by the pandemic for a longer period than informal enterprises: they have both a higher propensity to continue paying salaries and to keep their activity operational for more than just a few months, should current labour market restrictions and the subsequent economic contraction they are generating be made to last.

From the viewpoint of individuals, data indicate that a large majority of employees have been relatively protected when it comes to changes to employment status. Given the pandemic context, it is worth noting that "only" 10 to 20 per cent of respondents claimed to have been temporarily or permanently laid off, and the proportion of individuals working as usual in the aftermath of the peak of the crisis overwhelmingly outweighs individuals with other employment situations, with Tigray faring better than Somali. Yet, one key factor to be highlighted is that employment status does not provide much insight into the precariousness of employment and the quality of working conditions. If respondents are able to keep their jobs, no further details are given on the prevalence of underemployment, with informal workers and notably disadvantaged groups such as women and refugees having to juggle between multiple part-time jobs at once. Moreover, crossing this data with previous findings on enterprise resilience raises questions on the survival rate of those jobs that have remained intact. A closer look at the impact of COVID-19 on salary levels reveals that almost half of the respondents saw their income decrease as a result of the pandemic. Data disaggregated by contract type sheds light on the constant centrality of informality in determining the extent to which the pandemic's negative repercussions will be felt. Informal workers exhibit a stronger likelihood to be unemployed (no respondent with a written contract stated to be without a job), while formal workers have a much tendency to benefit from paid leave.

As such, the strength of this report resides in its capacity to portray a much broader picture of the impact of the COVID-19 crisis. Limiting oneself to assessing the pandemic's effect on employment and dismissals can be restrictive and does not reflect the realities on the ground. Rather, it is essential to focus our attention on the lived experiences of employment,

be it formal or informal, full-time or casual, to build a more comprehensive understanding of how the crisis affects labour markets in Ethiopia.

The following recommendations are intended to provide some practical guidelines to ensure that entrepreneurs and individuals, especially those who have been hit the hardest by the pandemic, such as women and forcibly displaced communities, benefit from tailored support to cope with the economic crisis triggered by the pandemic to avoid exacerbating inequalities. These recommendations do not aim to be exhaustive but rather to pinpoint key measures for which a pressing need has been identified in light of the report's findings. These policy action points should enable the Government of Ethiopia and relevant authorities in the regional states of Tigray and Somali to deploy technical and financial resources, so as to strengthen the resilience of regional labour markets and bolster their capacity to meet the challenges of COVID-19 effectively.

## Short-to-medium-term recommendations

### Financial and business development measures

1. Provide SMEs access to financial mechanisms, such as readily accessible free loans. A majority of enterprises stated that the main support measures that can help them are access to credit and direct financial support. Despite the presence of microfinance institutions, access to finance remains very limited in both Somali and Tigray regions, which prevents small businesses from expanding and developing their activities. High interest rates and tight reimbursement schedules discourage business owners. In addition, local financial institutions use interest rates, while Islam forbids them. Available financial mechanisms are not adapted to the local context, which constrain the development of the private sector in normal times, but even more so at a time of pandemic where many businesses are running out of cash flow.
2. Devise tailored financial support and financial inclusion solutions targeted at women and refugee entrepreneurs, whose access to finance is even more limited. Female and refugee entrepreneurs are over-represented in the informal sector, a large proportion carrying out unregistered home-based activities. Even if their small-scale businesses do not contribute significantly to job creation, they nevertheless manage to provide an income to the household and ensure the livelihoods of their family members. Yet their size and informal structure render these businesses considerably less resilient to economic shocks. For this reason, it is important to devise financial assistance devices that are tailored to their needs (for example loan graduation schemes) and that can participate in easing their transition towards formality.
3. Provide support to young enterprises to help them survive the crisis. Recently established businesses are less resilient and have been suffering from the pandemic to a greater extent than older enterprises. While fiscal measures might be helpful for registered businesses, a significant share of enterprises is informal and would therefore not benefit from such an intervention. A wage subsidies programme, combined with a direct rent supplement, would help young enterprises cover their main operational costs. Considering rents is essential, as inflation has been

particularly high, and they represent one of the biggest business expenses. Covering such costs while they generate low or no revenues might lead to bankruptcies.

4. Provide workspaces for home-based businesses, targeting in particular women, youth and refugees, whose businesses are less resilient. They should include business management support services, and a space for experience-sharing sessions where business owners can discuss the best practices to make their companies more profitable.
5. Support inclusive financial institutions such as microfinance institutions and financial cooperatives. Enterprises are largely indebted towards informal financing institutions. They have a higher tendency to negotiate loan repayment conditions with banks; less so with rotating savings and credit associations or informal moneylenders, as they tend to provide more flexible reimbursement terms. On the one hand, this implies that enterprises are more likely to put formal financial institutions at risk of insolvency. On the other, it signals a pressing need to bolster the range of financial services and products that more inclusive institutions can offer to their clients. This is of particular relevance in terms of policymaking, as inclusive financial institutions are better suited to fill the financial gaps that small-scale, informal businesses face in times of crisis and demonstrate much-needed adaptability relative to formal banks.
6. Provide business development and management training to strengthen enterprises' resilience and capacity to deploy other measures to cope with the crisis. More enterprises prefer to opt for human resources adaptations (temporary or permanent dismissals, changes in recruitment plans) rather than resort to business continuity measures, including commercial adaptations. These involve modifications to internal production processes and the restructuring of business models. Because entrepreneurs are equipped with weak, sometimes insufficient, business development and management skills, implementing commercial measures can prove to be challenging for them. Developing business development training packages in partnership with local actors such as business development service (BDS) providers is of utmost importance. That training should focus on business continuity plans, reconversion schemes, and appropriate occupational safety and health precautions.

## Policy measures

7. Provide tax exemptions for registered companies who commit to keeping their employees. The data shows that workers who have a contract are more likely to lose their jobs than employees working without a contract. This might be explained by the costs associated with the contributions for old age and disabilities that employers are required to pay for their employees. This measure has strong policy implications, as it can prevent fragile registered businesses from exiting the formal economy and falling into informality.
8. Carry out contextualized assessments of the root causes of informality in Somali and Tigray, looking at the parameters that influence refugees' and hosts' situations differently. Refugees and IDPs are more likely to be working in the informal sector than their host counterparts, owing to the hurdles they face in entering the formal

labour market, such as the difficulty of getting a work permit or a business licence. Yet, and as the report has strived to highlight, informality is one of the main explanatory factors for the precariousness that refugees live in, be they unregistered business-owners or informal workers. Contextualized assessments of the root causes of informality in Somali and Tigray should be carried out in order to better understand the challenges faced by forcibly displaced people in transitioning to formality. These assessments can be spearheaded by the ILO, and then rolled out in a collaborative fashion by key stakeholders on the ground, including government agencies such as MoLSA and ARRA, as well as employers and workers' organizations.

9. Support MoLSA in organizing awareness-raising campaigns in refugee hosting areas about the process for registering companies, and create an incentive by providing newly registered enterprises with business management training and coaching sessions. With the practical application of the Refugee Proclamation being underway, local authorities can look into organizing awareness-raising campaigns on the benefits of business registration in refugee hosting areas. In the framework of its Microfinance for Decent Work Initiative, the ILO has pushed for the participation of financial service providers in organizing sensitization campaigns. Their local anchorage, together with their capacity to create the right incentives for business registration – linking the opening of a bank account to business management training, for instance – puts them in a good position to run such campaigns. Setting up one-stop shops for business registration can also contribute to wider information-sharing, while centralizing the procedural aspects of formalization.
10. Reduce inequalities by promoting refugees' integration: inequalities are likely to be exacerbated in the current economic recession. Support ARRA and MoLSA in promoting joint ventures between Ethiopian nationals and refugees in areas where refugees' skills are looked after, such as manufacturing (metal and woodwork) and design, or hospitality. Create incentives by offering counselling services to newly established Joint Ventures.
11. Promote freedom of movement for refugees to avoid a sudden decrease in demand. Refugees account for an important share of the customers for businesses located in refugee hosting areas. In the Tigray region, refugees' movements have been restricted following the start of the pandemic. As a result, exchanges and transactions between refugees and hosts have stopped, and many businesses in the host communities have suffered from reduced demand. While improved access to water and soap, and awareness-raising and large-scale screening are essential to reduce the spread of infections, movement restrictions have a severe socio-economic impact that further aggravates the business climate.

### **Multi-sectoral measures**

12. Provide in-cash support for the displaced to boost demand. As rations and humanitarian support have reduced significantly, the negative impact of COVID-19 on remittances is likely to put the displaced at risk of food insecurity. Providing in-cash assistance rather than in-kind will allow the displaced to buy from local businesses and will therefore contribute to the local economy.

13. Build the capacity of existing health facilities in refugee or IDP camps and channel funds to create new ad-hoc facilities. This is particularly important as data shows that refugees, who work to a larger extent in the informal sector, do not have access to healthcare coverage, including sickness benefits. This means that they are at higher risk of being unable to cope with the health consequences of the virus if contaminated and can more easily spread the virus if they are not administered a proper treatment.
14. Target support measures for youth by providing access to remote learning platforms and counselling services. Youth is disproportionately affected by the pandemic by the combined effect of the closure of educational institutions and reduced demand for labour. Even before the pandemic, the youth was characterized by a higher level of under- and unemployment and was facing a highly competitive labour market where candidates who have experience are often given priority. COVID-19 has made it even more difficult for the youth to look for jobs, especially as digital technology is not widely used owing to poor connectivity and affordability issues. Supporting youth centres by providing access to the Internet connection would give the youth the opportunity to engage in remote learning activities that can be used to help them get a job. However, counselling services are key to ensure that learning activities selected by beneficiaries will be contextually relevant and can be used efficiently for their job search.

## Long-term recommendations

15. Assess the impact of COVID-19 on child protection, and child labour in particular. While child labour remains a reality in Ethiopia and in the Somali region, the closure of schools is likely to have had a negative impact on children's involvement in economic activities and household duties. In collaboration with partners, especially UNICEF, a localized assessment on the impact of COVID-19 on child labour would enable UN agencies to take targeted measures and avoid an increase in the number of children dropping out of school, as Ethiopia is about to gradually reopen schools in the country.
16. Support commercial and financial adaptations through skills building, in addition to experience sharing and mentoring activities. The data shows that a very small number of enterprises have resorted to commercial adaptations during the pandemic. Reducing staff has often been the only adaptation made by businesses, which leads to an increase of the already high unemployment level. Business owners who do not have the experience and knowledge required to adapt their business model could benefit from collective discussions around mitigation strategies as well as from targeted training sessions on business continuity plans. This is particularly true for SMEs who tend to have fewer business skills available in-house.
17. Target support measures for vulnerable caregivers, such as school feeding programmes in schools and subsidies for households caring for elders. Reduced income is even more challenging for households who have to provide for large families. The high level of inflation of basic items such as food products is putting a number of households at risk of food insecurity. In addition, the time spent at home taking care of family members prevents working-age individuals from engaging in

income-generating activities. Therefore, targeted support for vulnerable families identified by local authorities is key to helping them get by.

18. Support MoLSA in establishing accelerators or innovative labs at the woreda level, aimed at providing enterprises with a platform where they can exchange ideas and challenges faced in developing new products, services and solutions for their clients. Providing market information and technical support to business owners to help them transition to new business models at times of crisis would provide an opportunity to build the capacity of businesses in the area and create an ecosystem of innovative enterprises. Incubators based in Addis Ababa could be engaged as partners, so as to share their experience with local level stakeholders.
19. Target support to reduce inequality and build resilience beyond a quick recovery. Results show that inequalities experienced by forcibly displaced communities, women, youth, individuals in precarious labour situations and other vulnerable groups are worsening in times of crisis. To build the resilience of communities to cope with the ongoing and future crises, government, development and humanitarian actors need to focus on long-term policies and programmes aimed at reducing social and economic inequalities. This can include, among others, the expansion of Ethiopia's PSNP and Urban Productive Safety Net Project (UPSNP), the continuous rollout of the CRRF, and targeted support to youth, women, refugees, and other vulnerable groups to overcome social barriers in their access to educational and labour opportunities.

## 6. Annexes

### Annex A – Hypotheses tested

#### Impact of COVID-19 on enterprises

<b>Hypothesis 1</b>	Manufacturing and hospitality services are likely to be heavily affected by the pandemic, while the impact on agriculture should be limited.
<b>Hypothesis 2</b>	The pandemic will likely result in a reduction in the number of employees and/or number of hours worked. However, the number of job losses should be limited as the state of emergency regulations forbid enterprises to dismiss employees.
<b>Hypothesis 3</b>	The displaced (refugees and IDPs), who might be over-represented in the informal sector, are more likely to lose their jobs.
<b>Hypothesis 4</b>	Beyond job losses, the pandemic affects job creation as enterprises are likely to cancel or postpone new hires.
<b>Hypothesis 5</b>	The informal sector is more affected by external shocks than the formal sector.
<b>Hypothesis 6</b>	Enterprises in the agriculture or livestock sector are less resilient compared with enterprises in other key sectors such as wholesale and retail trade, as they may not have the financial reserves needed to face an external shock and sustain themselves in the long run.
<b>Hypothesis 7</b>	Formal or registered enterprises have a higher propensity to be resilient than informal enterprises.
<b>Hypothesis 8</b>	Larger enterprises might be less resilient than smaller enterprises as their size may require them to resort to more drastic measures in the long run.
<b>Hypothesis 9</b>	Young enterprises are less resilient, while older enterprises are more likely to cope with the financial consequences of the pandemic thanks to more significant financial reserves.
<b>Hypothesis 10</b>	Women-led businesses are less likely to be less resilient than men-led businesses as a greater proportion of them lie in the home-based informal sector.
<b>Hypothesis 11</b>	Refugee enterprises tend to be less resilient than host enterprises since they operate to a greater extent in the informal sector.
<b>Hypothesis 12</b>	Enterprises are more likely to use HR adaptations (for which they have more flexibility) to cope with the pandemic, rather than commercial and financial adaptations.
<b>Hypothesis 13</b>	Women and men owners are equally prone to laying people off.
<b>Hypothesis 14</b>	Due to school closures, women employees are likely to be unable to come to work.

<b>Hypothesis 15</b>	Commercial adaptations and changes of business model will be limited to specific sectors. Traditional sectors such as livestock raising will not be affected by commercial adaptations.
<b>Hypothesis 16</b>	Larger enterprises are more likely to resort to commercial adaptations than smaller enterprises as they may have the competences and mindset to do so.
<b>Hypothesis 17</b>	Most enterprises affected by COVID-19 are likely to request a delay in payments to their suppliers.
<b>Hypothesis 18</b>	Male owners are more likely to resort to financial measures that require “negotiation skills” than female owners, and this can also be explained by their propensity to have registered businesses in comparison with their female counterparts.
<b>Hypothesis 19</b>	Enterprises which took out a loan are likely to negotiate with lenders for lowering the financing cost or extending the repayment cycle, putting financial institutions at risk.
<b>Hypothesis 20</b>	Wage subsidies, direct financial support and preferential tax policies are the most popular type of support.

## Impact of COVID-19 on individuals

<b>Hypothesis 1</b>	Individuals are more likely to be employed based on an oral agreement rather than a contract; therefore, they might not benefit from the protections that employees working with a contract have (in particular regulations around dismissals).
<b>Hypothesis 2</b>	Most workers do not have health insurance, social protection or benefits.
<b>Hypothesis 3</b>	Women and refugees have a higher tendency to be laid off.
<b>Hypothesis 4</b>	Individuals working under an oral agreement are more likely to be laid off (temporarily or permanently) than individuals with a written contract.
<b>Hypothesis 5</b>	Women, who might be over-represented in the informal sector (notably home-based), are more likely to lose their livelihood.
<b>Hypothesis 6</b>	The displaced and women are more likely to work in the informal sector.
<b>Hypothesis 7</b>	The level of income has decreased since the beginning of the pandemic, with refugees and women being more hard-hit than hosts and men.
<b>Hypothesis 8</b>	Time spent on domestic chores has increased since the pandemic, especially for women.
<b>Hypothesis 9</b>	Hosts are more likely than refugees to have savings in their household.
<b>Hypothesis 10</b>	While savings can be used to compensate for a reduction of income, those can last no longer than one to three months, especially for refugees.

<b>Hypothesis 11</b>	Most people have not received any form of assistance.
<b>Hypothesis 12</b>	Individuals prefer cash assistance.
<b>Hypothesis 13</b>	Very few people can afford to stay home, men more than women.
<b>Hypothesis 14</b>	Washing hands is the main measure used by individuals to protect themselves from the virus.
<b>Hypothesis 15</b>	The displaced (refugees and IDPs) are likely to be discriminated against in the context of COVID-19.

## Annex B – Questionnaires

### Questionnaire for Enterprises

Introduction and request for verbal consent

My name is \_\_\_\_\_ and I am working as a field assistant for the International Labour Organization (ILO) on a survey regarding the effects and impacts of the COVID-19 virus pandemic on the Ethiopian labour market.

The coronavirus (COVID-19) pandemic, and the measures that governments are taking to curb the spread of the virus, are having a severe impact on enterprises across the world as well as in Ethiopia. To help mitigate the impact, the government and its development partners need to know how enterprises and their employees are affected. This will allow for prioritization, better design and targeting of response measures.

Hence, we kindly ask you to support these efforts by helping us fill out this survey. All your responses will be kept confidential and will only be used for research purposes.

Date	Date of Interview	dd.mm.yyyy _   _   . _   _   . _   _   _   _		
Q101	Interviewer Name	_____		
Q102	Telephone number of the individual respondent	_____	10 digits starting with 0	
Q103	Name of the individual respondent	_____		
Status	Interview status	Completed Connected but person refused Telephone unreachable Number is disconnected Wrong number (person no longer found on this number) Telephone switched off Number not in use Call not answered Other	1 2 3 4 5 6 7 8 9	

## Section 1: Enterprise profile

To start with, we would like to ask you a few questions about the situation of your enterprise prior to the coronavirus (COVID-19) pandemic and the lockdown measures introduced by the Ethiopian Government.				
101	<p>What kind of business, service or activity is carried out at your workplace?</p> <p>If respondent does not understand, give examples</p> <p>What are the main goods/products or services produced at the place where you work? Record if business is wholesale trade, retail trade, manufacturing, or services</p>	_____		
102	<p>Which industry does this enterprise represent?</p> <p>Interviewer: Please conduct the classification.</p> <p>Do not ask the respondent!</p>	<p>Agriculture</p> <p>Manufacturing</p> <p>Construction</p> <p>Wholesale and retail trade</p> <p>Accommodation and food service activities</p> <p>Human health and social work activities</p> <p>Other service activities</p> <p>Public administration</p> <p>Other, specify _____</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p>	
103	<p>Is the owner of your enterprise male or female?</p>	<p>Male</p> <p>Female</p>	<p>1</p> <p>2</p>	
104	<p>What is the ownership structure of your establishment?</p>	<p>Fully Ethiopian</p> <p>Fully refugees or IDPs</p> <p>Equal share: Ethiopian and refugees or IDPs</p>	<p>1</p> <p>2</p> <p>3</p>	
105	<p>What was the main market for your enterprise?</p> <p>Mark all that apply</p>	<p>Local area market</p> <p>Broader domestic</p> <p>Regional</p>	<p>1</p> <p>2</p> <p>3</p>	
106	<p>In February 2020, before the first case of coronavirus in Ethiopia, approximately how many persons were working <u>full-time</u> and <u>with a contract</u> in your company or enterprise?</p>	<p> _ _ _ </p> <p> _ _ _ </p> <p>I don't know</p> <p>Refusal</p>	<p>Male</p> <p>Female</p> <p>8</p> <p>9</p>	

107	In February 2020, before the first case of coronavirus in Ethiopia, approximately how many persons were working <u>without</u> a contract?	_ _ _   _ _ _  I don't know Refusal	Male Female 8 9	
108	In February 2020, before the first case of coronavirus in Ethiopia, was your enterprise using e-commerce or website platforms for marketing and sales?	Yes, for sales Yes, for marketing Not suitable to our business No, but maybe in the future Refusal	1 2 3 4 9	
109	And today, does your enterprise use e-commerce or website platforms for marketing and sales?	Yes, for sales Yes, for marketing Not suitable to our business No, but maybe in the future Refusal	1 2 3 4 9	
110	Does your enterprise offer childcare facilities, flexible working arrangements or leave?  Mark all that apply	Childcare services Flexible working arrangements Leave No	1 2 3 4	
111	What is the registration status of your enterprise?	Home based (registered) Home based (unregistered) Unregistered/ informal Registered Other	1 2 3 4 5	
112	For how long has your enterprise existed?	Less than 1 year 1-2 years 3-4 years 5-10 years More than 10 years I Don't know Refusal	1 2 3 4 5 8 9	

113	Today, in August 2020, approximately, how many persons are working <u>full-time</u> and <u>with a contract</u> in your company /enterprise?	_ _ _   _ _ _  I don't know Refusal	Male Female 8 9	
114	Today, in August 2020, approximately, how many persons are working <u>without</u> a contract?	_ _ _   _ _ _  I don't know Refusal	Male Female 8 9	
115	In February, before the first case of COVID-19 in Ethiopia, to your knowledge, how many employees were Ethiopian or non-Ethiopian? Refugees or Internally Displaced?	_ _ _   _ _ _   _ _ _  I don't know Refusal	Ethiopian Refugees or IDPs Others 8 9	
116	To your knowledge, how many employees are Ethiopian or non-Ethiopian? Refugees or Internally Displaced?	_ _ _   _ _ _   _ _ _  I don't know Refusal	Ethiopian Refugees or IDPs Others 8 9	
117	How many of your employees would you describe as low-skilled workers?  Low-skilled employees refers to those whose tasks involve no specialized knowledge or competence for the enterprise	_ _ _  Don't know Refusal	98 99	
118	Approximately how many of your employees have a contract with duration of one year or more?	_ _ _  Don't know Refusal	98 99	
119	How much did you spend on wages and salaries in February 2020?	Amount in ETB  _  _ _ _ _ _ _  Don't know Refusal	98 99	

120	<p>Approximately what was the amount of operating revenue for the enterprise during 2019?</p> <p>Operating revenue is revenue generated from a company's primary business activities. For example, a retailer produces revenue through merchandise sales.</p>	<p>Amount in ETB  __  __ __ __ __ __ </p>		
121	<p>How would you describe the financial status of your enterprise prior to the lockdown period, that is, before February 2020, compared with other businesses in the community?</p>	<p>Profitable</p> <p>Breaking even</p> <p>Was losing money</p> <p>Other, specify ____</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p>	
122	<p>Do you have any existing financial commitments?</p> <p>Mark all that apply</p>	<p>Micro-finance loan</p> <p>Bank loan(s)</p> <p>Bills of exchange</p> <p>Deferred cheques</p> <p>Open letters of credit</p> <p>None</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p>	

## Section 2: Impact and implications

<p>In the following, we would like to ask you about how the coronavirus (COVID-19) pandemic and the government's response to it is affecting your enterprise at present.</p>				
201	<p>Currently, what is the operational status of the enterprise?</p>	<p>Operating as usual</p> <p>Operating with reduced hours</p> <p>Operating with reduced staff</p> <p>Operating with reduced hours and reduced staff</p> <p>Workplace closed temporarily</p> <p>Other</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p>	
202	<p>So far, and since the onset of the coronavirus crisis in the country, what has been the economic impact on your enterprise?</p> <p>Mark all that apply</p>	<p>Loss of revenue</p> <p>Reduce demand or sales</p> <p>Increased costs of production</p> <p>Access to cash or liquidity problems</p> <p>Problems importing materials needed</p> <p>Increased revenue</p> <p>No economic impact</p> <p>Other, specify ____</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p>	

203	How many employees have been <u>permanently</u> laid off due to the coronavirus measures?  This refers to employees which the enterprise does not intend to take back later	Male  __ __   Female  __ __		
204	How many employees have been <u>temporarily</u> laid off due to the coronavirus measures?  This refers to employees that the enterprise intends to take back later	Male  __ __   Female  __ __		
205	Does your enterprise pay employees who are not able to come to work owing to health prevention measures? ( <i>For example, the cleaning lady sent back home by her employer to limit contact</i> )  This doesn't include those that are diagnosed with the coronavirus	Full payment More than 50 per cent 50 per cent pay Less than 50 per cent pay No payment	1 2 3 4 5	
206	Is your enterprise providing salaries to temporary or seasonal workers with regular tasks for the enterprise who are left without work as a result of the coronavirus crisis?  For example, daily labourers, casual workers	Yes, full salary  Yes, partial salary  No salary  Not applicable, we do not have any contract/gig workers  Other (specify)	1 2 3 4 5 6	
207	Has your enterprise stopped payments to Social Security (old age, invalidity) as a result of measures related to coronavirus?	We do not pay social security (even in "normal times")  Yes, for all  Yes, for some  No, we still pay  Refusal	1 2 3 4 9	
208	Has your enterprise stopped payment for health insurance for your employees as a result of measures related to coronavirus?	We do not pay health insurance (even in "normal times")  Yes  No  Refusal	1 2 3 9	

209	For how many more months is your enterprise in a condition to continue paying salaries to all current workers under existing conditions?	Less than one month One to three months Three to six months More than six months	1 2 3 4	
210	How long would your enterprise still be able to stay operational if the present situation continues?	Less than one month One to three months Four to six months More than six months Don't know	1 2 3 4 5	
211	With regards to the coronavirus crisis, what are the biggest obstacles facing your enterprise in the coming months?  Mark all that apply	Reduced sales or demand Restrictions on foreign currency Bank shutdowns Political or social instability Low liquidity or cash flow problems Difficulties in buying goods and materials because of import restrictions Transportation problems Loss of investment Other	1 2 3 4 5 6 7 8 9	
212	How confident are you that the enterprise is economically robust enough to come through the crisis and resume profitable business after the crisis is over?	Highly confident Confident Neither Unconfident Highly unconfident	1 2 3 4 5	
213	Have you been feeling anxious or stressed because of the impact COVID-19 might have on your business?	I have not been feeling particularly anxious I have been feeling quite anxious I have been feeling very anxious because of COVID-19 I have been feeling very anxious but not especially because of COVID-19	1 2 3 4 5	
214	Do you know businesses that had to close because of COVID-19?	Yes, several businesses (>3) Yes, only a few (1 or 2) No, not one	1 2 3	

### Section 3: Coping measures and support

In the following, we would like to know more about how your enterprise is coping with the coronavirus pandemic and the government's responses to it, as well as the needs that you might have to be able to better cope with the situation caused by the pandemic.				
301	<p>What measures has your enterprise taken to reduce the spread of the coronavirus at the workplace?</p> <p>Mark all that apply</p>	<p>Disseminated protective gear (that is, hand sanitizer, masks, gloves) for employees to use at their discretion</p> <p>Enhanced cleaning and sanitizing efforts across facilities</p> <p>Implemented a shift schedule to rotate staff and minimize the number of people at the worksite</p> <p>Established a dedicated commuter shuttle for our employees</p> <p>No measures have been taken yet</p> <p>Other specify_____</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p>	
302	<p>What general measures has your enterprise taken because of the coronavirus with regards to existing staffing?</p> <p>Mark all that apply</p>	<p>Had to reduce staff number</p> <p>Had to lower staff salary levels</p> <p>Had to reduce working hours</p> <p>Had to shift to another type of product/service</p> <p>No measures</p> <p>Other specify_____</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p>	
303	<p>Has your enterprise changed its existing recruitment plans as a result of the coronavirus measures?</p>	<p>Yes, we stopped hiring completely</p> <p>Yes, but we do replacement hires</p> <p>No, there are no changes to recruitment plans</p> <p>Increased recruitment</p> <p>Unsure about plans</p> <p>Other, specify ____</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p>	
304	<p>Has your enterprise developed a business continuity plan following the coronavirus crisis? ( that is, specific measures meant at adapting the rules of the company to cope with the situation)</p>	<p>Yes</p> <p>No</p>	<p>1</p> <p>2</p>	<p>Ask if 103 &gt;3</p>
305	<p>What measures has your enterprise taken to ensure business continuity?</p> <p>Tick all that apply</p>	<p>Financial Measures</p> <p>Commercial measures</p> <p>We have not taken any specific measures</p>	<p>1</p> <p>2</p> <p>3</p>	<p>Ask if 103 &gt;3</p>

306	What kind of financial measures have you taken?	<p>Sold some assets</p> <p>Reduced prices of products and services</p> <p>Increased prices of products and services</p> <p>Negotiated delay of payments</p> <p>Negotiated with lenders for lowering the financing cost and extending the repayment cycle</p> <p>Negotiated with the lessor for the reduction or exemption of rent, equipment rental fees</p> <p>Applied for subsidies</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p>	Ask if 305 =1
307	What kind of commercial measures have you taken?	<p>Considered new business model</p> <p>Introduced e-commerce</p> <p>Considering introduction of new products</p> <p>Decided to accelerate technological, product and service innovation</p> <p>Planned to withdraw from market</p> <p>Shut down certain production lines, outlets</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p>	Ask if 305 =2
308	<p>Are there any support packages or measures the enterprise is benefiting from?</p> <p>Mark all that apply</p>	<p>Not aware of any support packages</p> <p>Access to finance or creditTax relief or deferral</p> <p>Relief or deferral of credit or loans payments</p> <p>Reduction or exemption of rent, equipment and rental fees</p> <p>Business stimulus package or investments</p> <p>Government subsidizing pay</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p>	

309	<p>What type of enterprise support would be most needed to cope with the situation at this stage?</p> <p>Tick the three that are most relevant to you.</p> <p>Maximum three options allowed</p>	<p>Technical assistance on development of business plans</p> <p>Technical assistance to support introduction of e-commerce</p> <p>Access to credit</p> <p>Wage subsidies</p> <p>More flexible rules on lay-offs and dismissals</p> <p>Emergency unemployment insurance scheme</p> <p>Preferential tax policies</p> <p>Direct financial support</p> <p>Social security policies for supporting employment, work resumption and production resumption</p> <p>Policies for coordinating the supply chain</p> <p>Policies for reducing production and operating costs</p> <p>Other, specify _____</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p>	
310	<p>Is your business providing support to the community in the context of COVID-19?</p> <p>Mark all that apply</p>	<p>Through in-kind support (such as food or hygiene products)</p> <p>Through financial support</p> <p>Providing direct services to affected communities</p> <p>Cannot or not relevant</p> <p>Other. Please specify_____</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	

## Section 4: Follow-up information and comments

Lastly, we would like to ask you a few questions that might help us to follow up the valuable information that you have provided in the coming months as the coronavirus pandemic progresses.				
402	Please provide contact information	Telephone number E-mail address	10 digits  xxx@xxx.xx	
403	Please add any additional comment	_____ _____ _____ _____		

## Questionnaire for Individuals

<p>Introduction and request for verbal consent</p> <p>My name is _____ and I am working as a field assistant for the International Labour Organization (ILO) on a survey regarding the effects and impacts of coronavirus (COVID-19) pandemic on the Ethiopian labour market.</p> <p>The survey is useful for providing relevant policy recommendations. You have been selected randomly and we kindly request your voluntary participation. The information you provide is strictly confidential and will only be used for research purposes. This interview may take a maximum of 30 minutes; we appreciate and value your time. If you have any questions, I will be happy to provide you with honest answers.</p>
---

Date	Date of interview	dd.mm.yyyy _   _   . _   _   . _   _   _   _		
Q101	Interviewer name	_____		
Q102	Telephone number of the individual respondent	_____	10 digits starting with 0	
Q103	Name of the individual respondent	_____		

Status	Interview status	Completed	1	
		Connected but person refused	2	
		Telephone unreachable	3	
		Number is disconnected	4	
		Wrong number (person no longer found on this number)	5	
		Telephone switched off	6	
		Number not in use	7	
		Call not answered	8	
			9	
		Other	10	

## Section 1: Employment situation before lockdown

<p>The Ethiopian government has taken various measures in order to contain the spread of coronavirus (COVID-19), including establishing partial movement restrictions from mid-March. I would like to ask you about your employment situation prior to the lockdown of the country, referring to the period before mid-March 2020.</p> <p><i>Employment refers to any job (income-generating activity) conducted for at least one hour.</i></p>				
101	Before coronavirus (back in February 2020) what was your main employment status?	Working for wage/salary for someone, an enterprise, company or government	1	→ 116
		Working on own account or enterprise belonging to the household	2	→ 116
		Working on a farm or with livestock owned or rented by the household	3	
		Did not have any job and seeking for job	4	
		Did not have any job and not seeking for job	5	
102	<p>What was your job or occupation?</p> <p>Write down (a) <u>job title</u> and (b) main <u>tasks</u> or <u>duties</u></p>	_____		
103	What kind of industry, business, service or activity is carried out at your workplace?	Agriculture	1	
		Manufacturing	2	
		Construction	3	
		Wholesale and retail trade	4	
		Accommodation and food service activities	5	
		Human health and social work activities	6	
		Other service activities	7	
		Public administration	8	
		Other, specify _____	9	

104	What type of employer do you work with?	Government Local private company or business Foreign private company or business Non-governmental organization or civil society Organization Family business A private household Self-employed (own account worker) Refusal	1 2 3 4 5 6 7 9	
105	Approximately how many persons used to work in your main workplace? (February 2020, before COVID-19)	_ _ _   _ _ _  Refusal I don't know	Male Female 9	
106	Approximately how many persons <u>currently</u> work in your main workplace? (August 2020)	_ _ _   _ _ _  Refusal I don't know	Male Female 9	
107	In your main job, are you employed on the basis of a contract or an oral agreement?	A written contract An oral agreement Neither Refusal	1 2 3 9	
108	Is your contract or agreement limited or for an unlimited period?	Limited period contract or agreement Unlimited period contract or agreement Refusal	1 2 9	
109	Is your main job full-time?	Yes No	1 2	
110	Is your main job your only job?	Yes No	1 2	
111	What type of transportation do you <u>usually</u> use to get to your workplace?	On foot or bicycle Motorbike Private car (owned, rental, friend, and so on) Public bus Taxi services or Bajaj Transportation provided by employer	1 2 3 4 5 6	
112	How much time, on average, do you use to reach the workplace (one way)?	_ _   _  Refusal	Minute s Hours 9	

113	For how long have you had this job?	Less than one month Months Years Refusal	0  _ _   _ _  9	
114	Was this job activity temporary or permanent?	Permanent Temporary Seasonal Irregular Refusal	1 2 3 4 9	
115	In your main job, how many days did you work during the month of February 2020?  Work refers to any job (income-generating activity) conducted for at least an hour	Temporarily absent In days Refusal	0  _  _  9	
116	In total, how many months have you worked during the last 12 months?  Work refers to any job (income-generating activity) conducted for at least an hour	Less than one month Months Don't know Refusal	0  _  _  8 9	
117	What was your <u>actual</u> take-home amount (net salary) from the main work during the month of February?	Refusal=9  Amount in ETB	_ _  _ _	
118	Do you have any health insurance (or receive subsidized health services) provided by your employer?	Yes No Don't know Refusal	1 2 8 9	
119	Do you have social security?  Social security includes insurance against work injuries, old age, disability and death, paid maternity leave or unemployment, for instance.	Yes, facilitated by my employer Yes, arranged by myself Yes, arranged by other agencies No, don't have any coverage Don't know Refusal	1 2 3 4 8 9	

120	Which benefits are you aware of that you can obtain from your social security coverage?  Mark all that apply	Insurance against work injuries	1	
		Old-age pension	2	
		Disability and death pension	3	
		Maternity insurance (paid maternity leave)	4	
		Insurance against unemployment	5	

## Section 2: Livelihood implications

201	At present, what is your main work status?	Paid leave	1	207 207  Skip 207
		Paid sick leave	2	
		Temporarily laid off and expecting to return to work	3	
		Working from home	4	
		Working as usual	5	
		Permanently laid off	6	
		Did not have any job and seeking for job	7	
		Did not have any job and not seeking for job	8	
		I am discouraged and don't think I can't get any job with the pandemic	9	
202	Apart from your job, do you have other sources of income?	No, my job is my only source of income	1	
		I have other sources of income, specify_____	2	
203	What was your total net salary from your main work during the month of June?	Not yet paid	1	
		Don't know	8	
		Refusal	9	
		Amount in ETB	_____	
204	What was your income situation during the month of June compared with your usual pay?	Decreased		→ 205
		Remained the same		
		Increased		→ 206
		Don't know		→ 207
		Refusal		→ 207
205	What was the reason for the <u>reduction</u> of your income from work during the month of June?	Employer reduced my wage or salary level	1	
			2	
		Fewer hours or days worked	3	
		I became unemployed (laid off)	4	
		Other, specify_____		

206	What was the reason for the <u>increase</u> of your income from work during the month of June?	I worked more hours or days Expected usual increase in wage or salary Other, specify_____	1 2 3	
207	How would you describe the level of food consumption of your household since the pandemic began, compared with the period before? Increased, decreased, or remained the same?	Increased Remained the same Decreased Don't know Refusal	1 2 3 8 9	
208	Compared to the situation before the coronavirus crisis, would you say that the tasks and work that you perform at home have increased?	Yes, significantly Yes, moderately No change, remain the same I work less Don't know Refusal	1 2 3 4 8 9	If 3 – 9 then → next section
209	Which task has increased the most?	Caring for children Caring for elderly Meals preparation Home schooling Other specify_____	1 2 3 4 5	

### Section 3: Coping measures and assistance

301	What specific measures have been taken at your workplace to minimize the risk of coronavirus (COVID-19)?  Mark all that apply	Disinfection Frequent hand washing Provision of protective equipment (masks) Enforced distancing Reduced gatherings None Other, specify_____	1 2 3 4 5 6 7	Only for those with jobs
-----	---	--	---------------------------------	--------------------------

302	Which of the following measures have been taken by your employer?	Workplace is closed down and no more business Some employees have been temporarily laid off Some employees have been permanently laid off None, business runs as usual Employees still work, but less than before (reduced number of working hours) Other, specify _____	1 2 3 4 5 6	
303	Are there any other measures taken by your household to manage the financial impacts of the situation related to coronavirus?	_____		
304	Does your household have any savings that can be used to ease problems caused by the coronavirus situation?	Yes No Don't know Refusal	1 2 8 9	For 2-9 → 306
305	For how long do you think these savings will last, given that the situation remains the same as today?	Less than one month One to three months Four to six months More than six months Don't know Refusal	1 2 3 4 8 9	
306	Since COVID-19 began, have you or any member of your household received <u>cash</u> assistance from anyone?	Yes No Refusal	1 2 9	→ 308 → 308
307	From which source(s) have you received the cash assistance?  Mark all that apply	Local government authorities Local charitable organizations Religious organizations International organizations (UNHCR, WFP, etc.) Other, specify ____	1 2 3 4 5	
308	Since COVID-19 began, have you or any member of your household received <u>in-kind</u> assistance from anyone?	Yes No Refusal	1 2 9	→ 310 → 310

309	From which source(s) have you received the in-kind assistance?  Mark all that apply	Local government authorities Local charitable organizations Religious organizations International organizations (UNHCR, WFP, etc.) Other, specify ____	1 2 3 4 5	
310	Which government measures do you consider most relevant in minimizing the effect of the coronavirus crisis on your own employment situation?  Mark all that apply	Free access to testing and healthcare for COVID In-kind distribution of hygiene kits and protective materials In-kind food distribution Cash support for vulnerable groups (for example, elderly, disabled) Cash support for families who lost source of income Emergency loans for families Support for businesses Other, specify ____	1 2 3 4 5 6 7 8	
311	In general, how satisfied are you with the government measures designed to mitigate the impact of the coronavirus on your employment situation?	Highly satisfied Satisfied Neither satisfied nor dissatisfied Dissatisfied Highly dissatisfied	1 2 3 4 5	
312	What is your biggest fear or worry as we enter this time of uncertainty due to the coronavirus disease?	_____		
313	What specific measures are you taking to protect yourself from coronavirus (COVID-19)?  Mark all that apply	I am staying home I do not attend social gatherings I keep a distance of at least two meters from others I wash my hands more frequently than before I avoid public transportation My behaviour has remained the same	1 2 3 4 5 6	

314	Select one or several of the following reasons why your behaviour has not changed	There are too many people in my house	1	
		I cannot avoid public transportation	2	
		I do not want to avoid social gatherings	3	
		My job does not allow me to adapt my behaviour	4	
		I am not afraid of COVID-19	5	
		Other, specify	6	

## Section 4.1: Background (All respondents)

401	What is your nationality?	Ethiopian	1	
		Somali	2	
		Eritrean	3	
		Other	4	
402	Gender	Male	1	
		Female	2	
403	How old are you?	_ _		
404	What is the most advanced level of education you have completed?	Did not complete any level	1	
		Primary level	2	
		Secondary level	3	
		Vocational education (VTC)	4	
		University degree	5	
		Master's degree	6	
405	Are you the main provider in your family/household?	Yes	1	
		No	2	
		Refusal	9	
406	How many persons usually live in your family or household?	Children [<18 years old]		
		Male  _ _		
		Female  _ _		
		Adults [Age 18-64]		
		Male  _ _		
		Female  _ _		
		Elderly persons [Age 65 and above]		
		Male  _ _		
Female  _ _				

407	How many <u>male</u> members of your family are currently working (engaged in income-generating activities, irrespective of temporary absence)?	None  _ _	0	
408	How many <u>female</u> members of your family are currently working (engaged in income-generating activities, irrespective of temporary absence)?	None  _ _	0	
409	Has any member of your family or household been laid off from work owing to measures related to the coronavirus?	Yes No Refusal	1 2 9	
410	How many <u>male</u> members of your household have lost their jobs owing to measures related to coronavirus?	None  _ _	0	
411	How many <u>female</u> members of your household have lost their jobs owing to measures related to coronavirus?	None  _ _	0	

## Section 4.2 Background (Only for the displaced – IDPs and refugees)

412	Were you forced to leave your place of origin or prior residence?	Yes No	1 2	
413	For what reason(s) did you or your household leave your province of origin?	1 Conflict, violence and/or persecution 2. Natural disaster (drought, flooding...) 3. Human-made disaster 4. I am a refugee from another country 5. Refusal	1 2 3 4 9	→ 415
414	[for IDP] When did you arrive in Qoloji camp?	Year of arrival Month of arrival Refusal	_ _ _ _ _   _ _  9	→ 416
415	[for refugees] When did you arrive in Ethiopia for the first time?	Year of arrival Month of arrival Born in Ethiopia Refusal	_ _ _ _ _   _ _  1 9	

416	Since the pandemic, have you witnessed a change of behaviour from host communities towards refugees or IDPs?	Yes, hosts show fear towards refugees Yes, host communities show animosity towards refugees No, host communities' behaviour towards refugees has not changed	1 2 3	
417	Do you fear discrimination, as a result of COVID-19?	Yes No	1 2	

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## ABOUT SAMUEL HALL

Samuel Hall is a social enterprise that conducts research in countries affected by issues of migration and displacement. Our mandate is to produce research that delivers a contribution to knowledge with an impact on policies, programmes and people. With a rigorous approach and the inclusion of academic experts, field practitioners, and a vast network of national researchers, we access complex settings and gather accurate data.

**Our research connects the voices of communities to change-makers for more inclusive societies.** Samuel Hall has offices in Afghanistan, Kenya, Germany and Tunisia and a presence in Somalia, Ethiopia and the United Arab Emirates. For more information, please



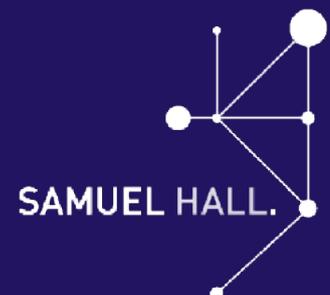
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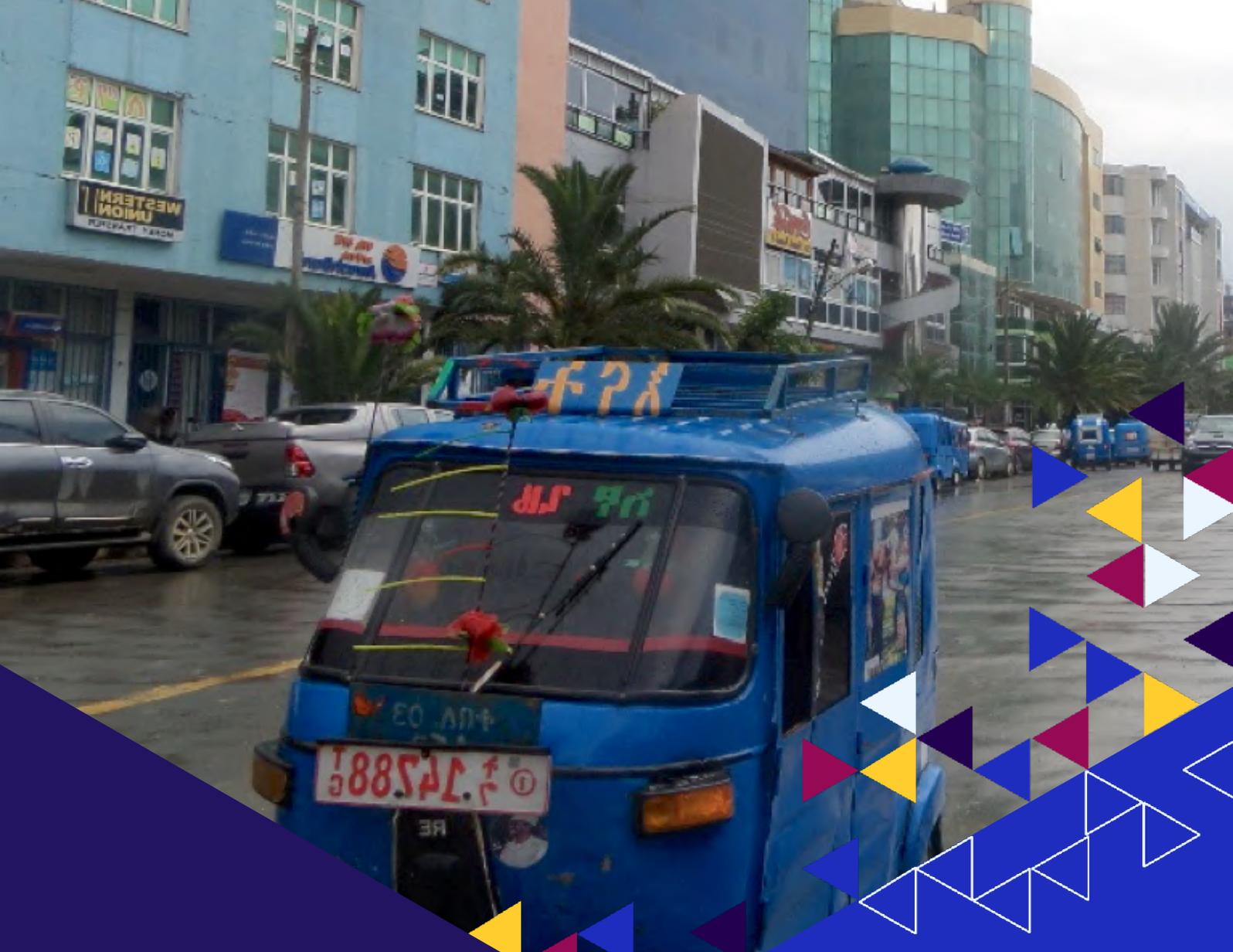


[development@samuelhall.org](mailto:development@samuelhall.org)



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