

Civil Service Employment and Pay in Ethiopia: Challenges for Service Deliveries and Achieving the MDGs

Mohammed Mussa

Labor Markets and Employment in Ethiopia and
the Emerging Policy Agenda

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Objective

Assess and Describe the Civil Service Employment and Pay

Hypothesis

- Woredas are more disadvantaged
- Turn over high among professionals
- Incentives are issues, especially for professionals
- Lack of appropriate skills for the jobs

Sources of Data

- Federal Civil Service Commission (FCSC)
- Regional CSC/BoFEDs (Tigray, Amhara, Oromiya and SNNP)
- One woreda in each region (Woreda Capacity Building Coordination Offices)
- Parastatals, NGOs and the Private Sector
- Expert Opinions

Service Delivery Context

Draft Needs Assessments suggest that meeting MDGs will require massive scale up of service providers by 2015.

Health:

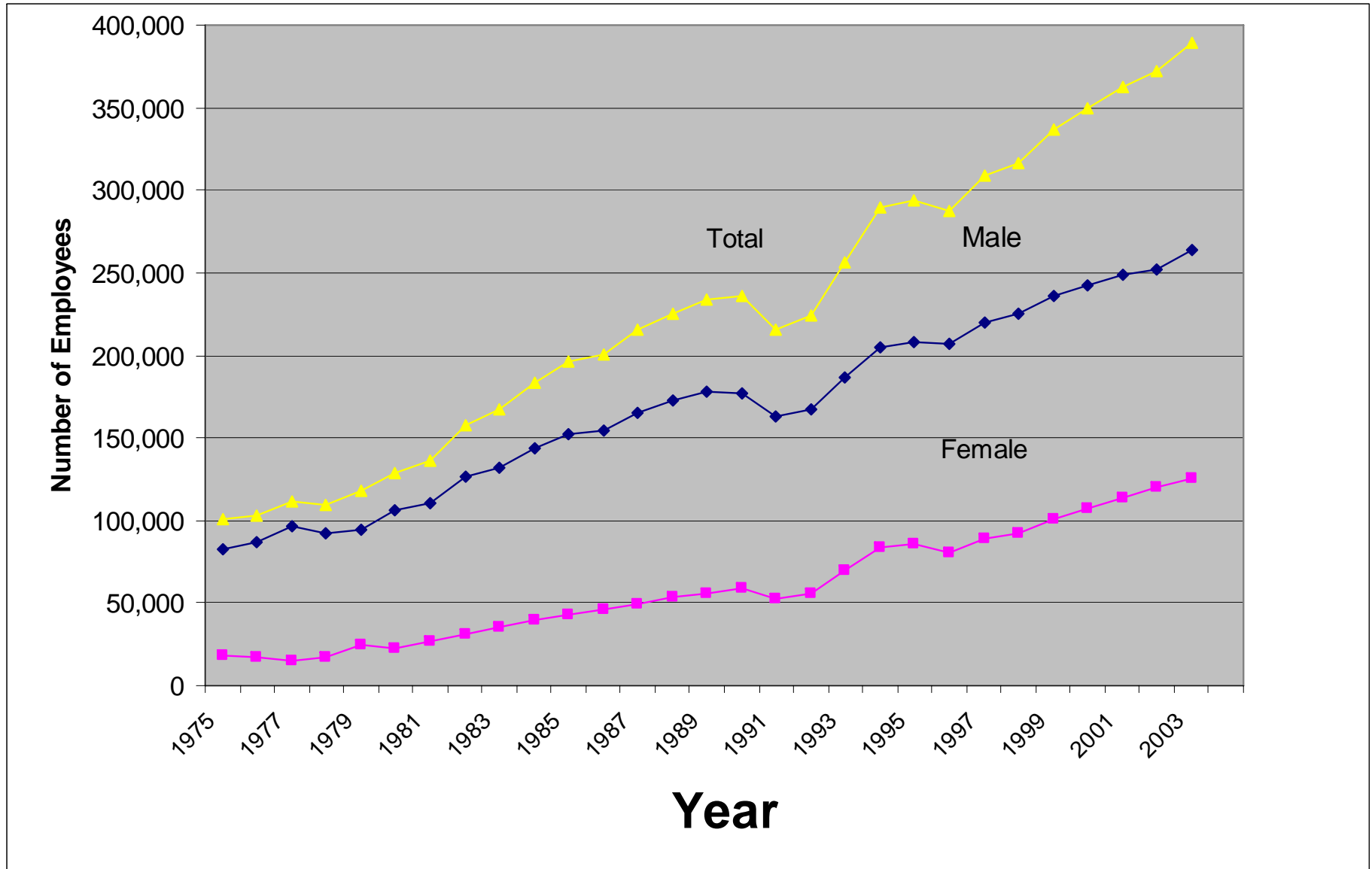
- Increasing the number of nurse midwives from 1,559 to 22,964
- Increasing the number of medical doctors from 2,032 to 9,626
- Increasing the number of Health Extension Workers from 2,800 to 23,225

Education:

- Lowering the teacher: pupil ratio from 1:70 to 1:40
- Increasing the number of primary school teachers from 134,000 to 500,000

1. Employment

1.1. Trend of Employment in Ethiopia



1.2. Employment by Category

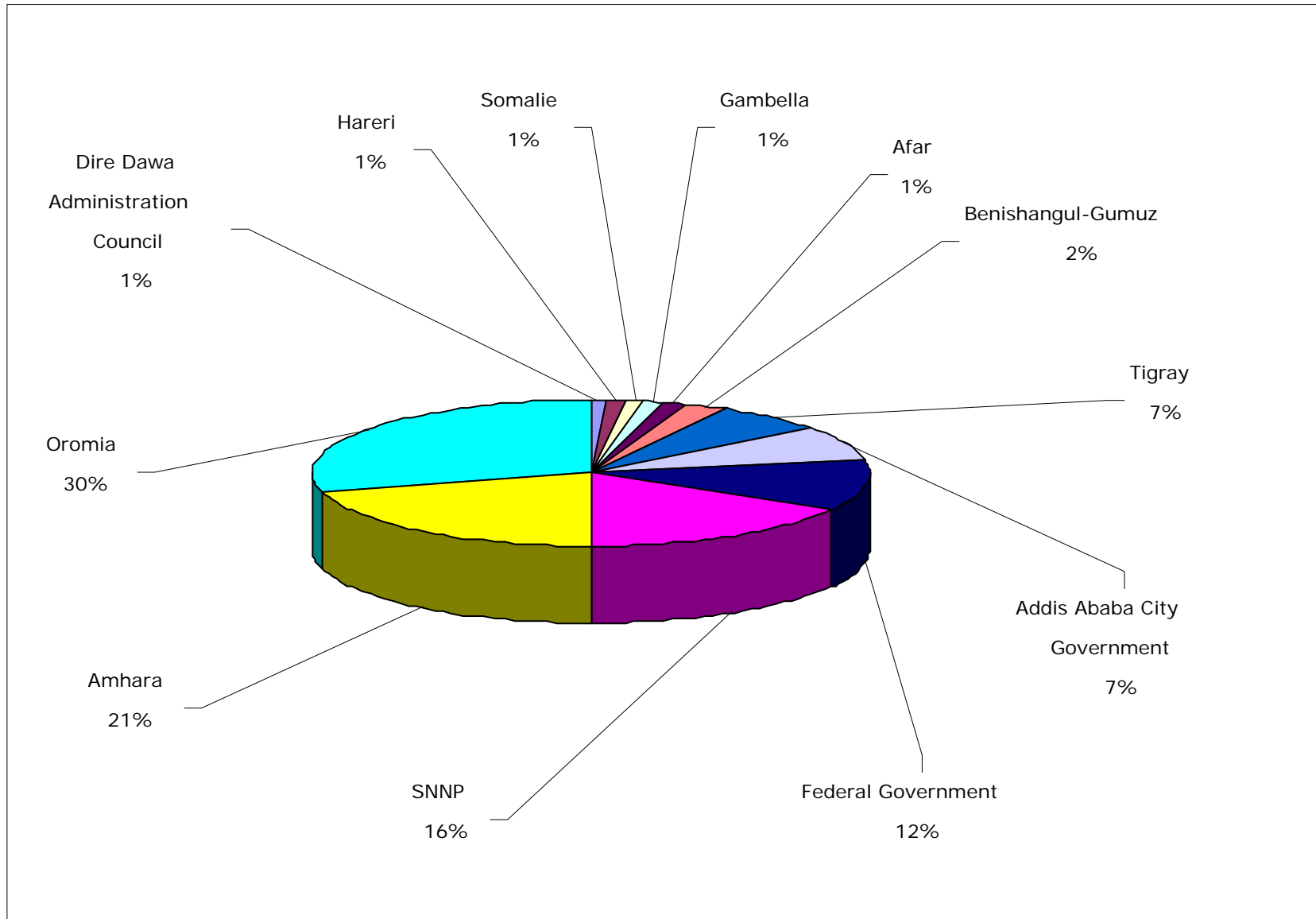
Table 1: Snapshot of the Ethiopian Civil Service Employment by Category, 1994/95 and 2002/03

Category		1994/95 (1987)		2002/03 (1995)		Change	
		Number	Share (%)	Number	Share (%)	Number	ΔShare (%)
		a	b	c	d	c-a	c/a*100-100
Total		293,452	100	389,563	100	96,111	33
By Sex	Men	208,137	71	263,624	68	55,487	27
	Women	85,315	29	125,939	32	40,804	48
Federal and regional	Federal	45,963	16	45,514	12	(449)	(1)
	Region	247,489	84	344,049	88	96,560	39
Qualification	Total	225,843	100	326,109	100	100,266	44.4
	Below grade 8	34,463	15	48,900	15	14,437	42
	Grade 9-12	46,216	20	72,645	23	26,429	57
	Certificate	60,643	27	114,588	35	53,945	89
	Diploma	39,547	18	57,260	18	17,713	45
	BA/BSc	8,522	4	14,123	4	5,601	66
	Graduate	4,201	2	5,146	2	945	22
	Not Identified	32,221	14	13,447	3	(18,774)	(58)

Cont'd

Category		1994/95 (1987)		2002/03 (1995)		Change	
		Number	Share (%)	Number	Share (%)	Number	ΔShare (%)
By Age	Total	229,697		326,109	100		
	18-22	17,504	8	21,537	7	4,033	23
	23-27	41,366	18	57,148	17	15,782	38
	28-32	45,821	20	62,868	19	17,047	37
	33-37	38,444	17	52,306	16	13,862	36
	38-42	29,470	13	38,564	12	9,094	31
	43-47	16,962	7	31,833	10	14,971	88
	48-52	9,454	4	15,297	5	5,843	62
	Above 53	2,865	1	5,253	2	2,388	83
	Noted stated	27,811	12	41,303	12	13,492	49
By Salary Group	Total	230,555	100	284,252	100		
	2200 and above	-	-	385	-		
	1500-2199	457	-	6,941	2		
	900-1499	5,464	2	27,735	10	22,271	
	600-899	27,183	12	81,950	29	54,767	
	300-599	114,599	50	120,074	42	5,475	5
	200-299	30,133	13	35,742	13	5,609	19
	105-199	41,026	18	-			
	Not stated	11,693	5	11,425	4		

1.3. Regional Distribution of CS Employees (%)



2. Vacant Positions

2.1. Vacant Positions at Various Levels

Federal/Region	% of Vacant Positions
Federal	25
Tigray	30
Amhara	41
Oromiya	40
SNNP	35

2.2. Vacant Positions (%) by Sector and Region, 2004/05

Sector	Tigray	Amhara	Oromiya	SNNP
Health	41	20	35	20
Education	24	36	34	9
Agriculture	29	72	25	50
Water	46	24	18	8

2.3. Woreda Consolidated Vacant Positions in Arsi Zone (Oromiya)

Sector	Vacancies (%)
Health	55
Education	48
Agriculture	42
Water	72

2.4. Vacant Positions (%) at Regional and Woreda levels by Occupation (Tigray)

Occupation	Regional level	Woreda level
Professional	48.6	71.8
Administration	1.6	8.7
Sub-professional	35.5	38.1
Clerical	7.1	23.7
Hand Crafts	17.5	28.6
Manual	26.1	14.1
Appointee	3.3	0.5

3. Brain Drain: Status and Causes

3.1. Trends and Causes of Separation from CS (2000/01 – 2003/04) (%)

Causes	2000/01	2001/02	2002/03	2003/04
Personal	46	45	41	66
Retirement	20	21	24	2
Death	18	20	21	16
Transfer	5	6	4	4
Illness	0	1	1	0.4
Discipline	2	1	1	3.0
Inefficiency	1	0	0	0
Appointment	0	0	0	0.4
Order	0	0	0	0
Other	8	5	7	7.2
Totals	100	100	100	100

3.2 Staff Separated from CS in Tigray (2002/03)

Qualification Level	Total No.	Left	%
Below Grade 8	3623	137	3.8
Grade 9-12	5178	419	8.1
Certificate	10772	645	6.0
Diploma	4860	363	7.5
BA/BSc	1073	127	11.8
Graduate degree	151	31	20.5

3.3 Push and Pull factors in the Civil Service

Pull Factors	Push Factors
<ul style="list-style-type: none">• Job security	<ul style="list-style-type: none">• Low salary scale
<ul style="list-style-type: none">• Assigned by training	<ul style="list-style-type: none">• Low per diem
<ul style="list-style-type: none">• Educational opportunities	<ul style="list-style-type: none">• Demand in other organizations
<ul style="list-style-type: none">• System better developed	<ul style="list-style-type: none">• No insurance coverage
<ul style="list-style-type: none">• Serve the nation	<ul style="list-style-type: none">• No medical coverage
<ul style="list-style-type: none">• Belongingness and recognition	<ul style="list-style-type: none">• Job dissatisfaction
<ul style="list-style-type: none">• Pension	<ul style="list-style-type: none">• Lack of conducive environment

4. Federal and Regional Initiatives

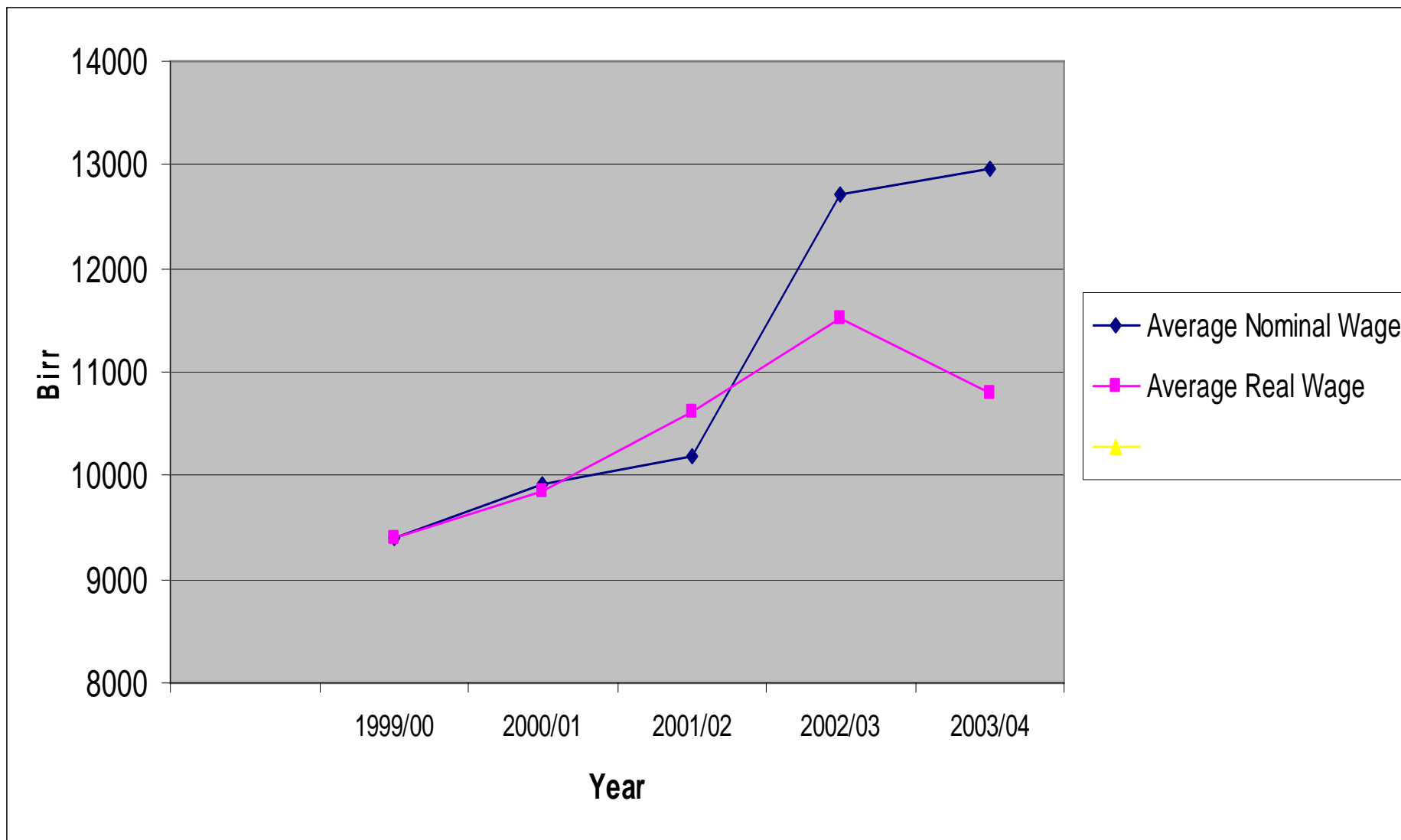
Fed/Region	Initiatives
Federal	Draft Policy on Remuneration Condition of Service
Tigray	<ul style="list-style-type: none"> ▪ Fast track career ▪ Distance education by merit ▪ Some schools have bonuses for teachers
Amhara	<ul style="list-style-type: none"> ▪ Responsibility allowances: for health workers (Birr 50 -100); for teachers (Birr 90 -125); ▪ Training priority for employees in remote areas
Oromiya	<ul style="list-style-type: none"> ▪ 45 woredas identified for better salaries and benefits ▪ Allow staff transfer (among teachers and health workers) ▪ 20-40% hardship allowance for 12 woredas
SNNP	<p>3 step increases for 17 disadvantaged and 9 climatically harsh woredas</p> <p>Training priority for employees in remote woredas</p>

5. Salaries and Non-salary Benefits

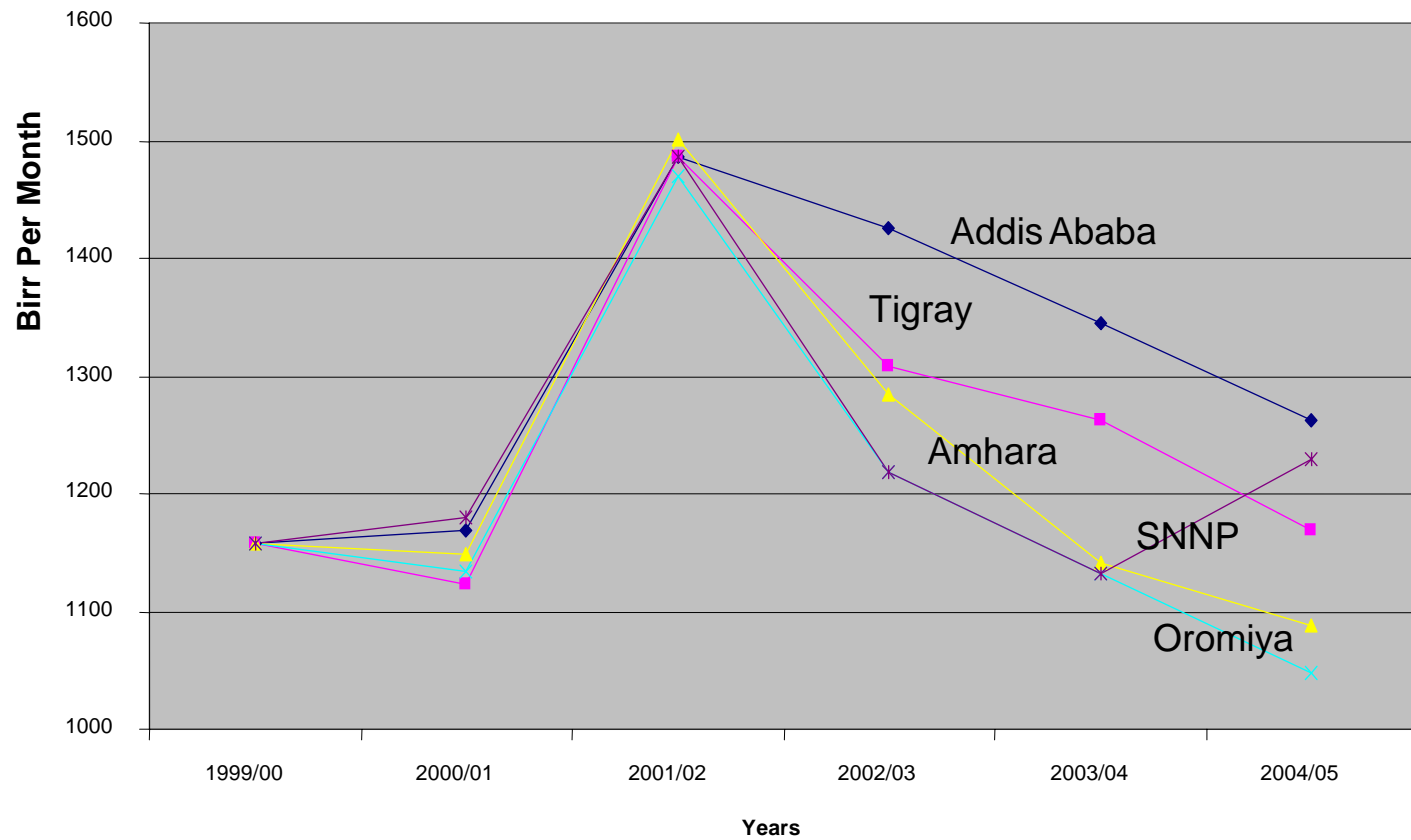
5.1. Compression of Wages

Occupation	1994/95- 2001/02		2002/03- 2004/05	
	Base	Ceiling	Base	Ceiling
Manual: professional	1:7.2	1:5.9	1:5.2	1:5.0
Sub-prof: professional	1:2.2	1:2.5	1:2.1	1:2.0
Administrative : professional	1:1.3	1:1.3	1:1.3	1:1.3

5.2 Average Nominal and Real Wages



5.3. Trends of Real Wage by Selected Regions (for Professionals)



5.4 External Salary Relatives

Discipline	Employer	Salary Relatives	
		Minimum	Maximum
Social Science	Parastatals	1:1.3	1:3.8
	Private sector	1:1.6	1:1.7
	Local NGOs	1:2.5	1:5.5
	Int'l NGOs	1:5.9	1:10.8
Engineering/law	Parastatals	1:2.4	1:2.9
	Private sector	1:1.7	1:3.3
	Local NGOs	1:3.1	1:4.2
	Int'l NGOs	1:5.4	1:9.5
Medicine	Private sector	1:2.6	1:4.2
	Local NGOs	1:2.9	1:3.3
	Int'l NGOs	1:9.1	1:9.7

5.5 Non-Salary Benefits by Type and Employer

Types of Benefits	Civil Service	Parastatals	Private Sector	National NGOs	International NGOs
Pension	6% contribution	Pension according to Trade Union agreement	Provident fund	Provident fund of 10% contribution	Provident fund contribution from 10%-15%
Medical	50% coverage (for diagnosis and beds only and no drug cost)	100% coverage for local and USD 7,000 - 10,000 for treatment abroad	100% for local treatment	Some have	100% for local treatment Cover part of treatment cost abroad
Insurance	None	100% coverage	100%	Some have	100%
Allowances	Transport allowance of Birr 99 for department head and less for others	Rep. allowance (Birr 100-450) and fuel allowance (80-125 litres)/month)	Vehicle	Transport service Vehicle	Transport allowance Dependency allowances
Per diem	Max Birr 70 per day	Birr 85 – 100/day	Birr 160 -200	150-200 per day	150-200 per day
Training opportunities	Distance education Scholarship for some	Local training Some get distance education	100% tuition for BA and MA holders Short term training	Local short term training Int workshop participation	Short term training (local and international)
Bonuses	None	1-2 months salary	1-2 months salary	-	-

6. Conclusions and Policy Issues

Conclusions

- No of employees has generally increased
- Vacancies at various levels (Woreda level is worse)
- Staff turn over is high,
- Low salary scales and non-salary benefits are responsible for staff turn over

Policy Issues

- What will be the implications of large-scale hiring in the public sector on the total labor market—especially wages?
- What wage levels are required to attract qualified people to new service delivery jobs?
- Do the large numbers of unemployed/ underemployed have appropriate skills to fill new service delivery jobs?
- How to motivate skilled service providers to work in underserved/rural areas?

7. Recommendations

Short-term

- Vacant positions need immediate attention, especially at woreda level where service deliveries should be strengthened and improved
- Regional initiatives of introducing incentive mechanisms for staff retention, especially for disadvantaged woredas should be encouraged and supported.
- Sharing of regional best practices and approaches on staff retention
- Primary schools construction by community schools should be coordinated with government budget to cover the teachers' salaries.

Long-term

- Performance-based evaluation and remuneration systems in the long term which will enhance incentives and improve the efficiency and also the service delivery system at all levels of government;
- Attention should be paid to the professional levels among which attrition rates are high (about 5% of the total employment) so as to attract and retain them;
- Create conducive working environment by making the technical positions apolitical.
- Attempts should be made to periodically revise the scales in conformity with the cost of living. Similarly, the non-salary benefits, particularly the allowances and per diem need to be revised considering the cost of living in different regions.
- Monitoring public/private salary differentials for jobs that require the same skills and experience, and reducing and eventually eliminating wage gaps for comparable jobs.