

How Does (And Doesn't) Education Enable Individual Skills Development and Employment

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Abstract

This narrative review examines the degree to which authors contend that education contributes to or hinders the development of an individual skill that leads to employment. Besides, it provides an overview of the kinds of training that allow people to develop their skills and find employment globally and within Ethiopia following a dependency model (employability on education and skill development). The literature review examines the importance of education for employment and developing skills and talents. A few of the most significant policy issues, employment strategies, and challenges are also reviewed accordingly. Consequently, it might be possible to conclude that a person's education should align with the kind of job that organizations and individuals are seeking around the globe, including in Ethiopia. In the end, following a thorough literature review, this research provides some recommendations to enhance education for upcoming progress.

Keywords *Economic Growth, Education policy, Employment Policy, Fundamental skills, Human Capital*

INTRODUCTION

Politicians, educators, business executives, and parents continue to make the case that education can result in people who are more productive, healthy, and socially engaged today, at least as far back as Aristotle's time (Lovenheim & Turner, 2018). It has been established that education is an essential tool for a nation's economic development and the advancement of human existence. Stevens and Weale (2004) stated that raising societal living standards and boosting individual incomes are the main drivers of any connection between education and economic development. It is clear that societies are motivated to invest in education to increase output and improve individual and public benefits.

However, there is less agreement regarding the kinds of educational policies and systems that produce the skills that are valued by society and the labor market, despite the consensus that investments in education can have high individual and social returns (Lovenheim & Turner, 2018). Providing citizens with the knowledge and abilities required to realize their full potential, contribute to a world that is becoming more interconnected, and ultimately translate better skills into better lives is a major concern for policymakers worldwide (Organization for Economic Cooperation and Development [OECD], 2016). As a result, the level of education and the acquired skills decide employment and income from a given job. The OECD's (2016) survey of Adult Skills revealed that highly skilled adults are twice as likely to be employed and three times more likely to earn a salary. On top of this, it was also reported that skilled adults are in good health and are active members of the social system.

This narrative review aims to assess the degree to which authors contend that education contributes to or hinders the development of an individual, a group, an organization, or a country taking Ethiopia as the center of discussion. Consequently, the literature might contribute to the scant evidence on the question, "How does (and does not) education allow individual skill

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development and employment?" Therefore, important issues from abroad and the local context, Ethiopia, are used to explain the role of education in economic growth and development, individuals' skill development and employability, the relationship between skills and work preparation, and skill typologies for success in life and work. Additionally, governmental concerns for addressing development through education are highlighted in Ethiopia's education and employment sectors. Finally, the relationships among education, skill development, and employment are reviewed and presented, followed by potential future suggestions.

LITERATURE REVIEW

Education For Economic Growth and Development

The impact of education on economic development, economic growth, and productivity is well-known (Lau et al., 1991). It is equally argued that human resources will lead to future economic growth (Sharma, 2016). To that effect, the ultimate goal of all education is to nurture and develop an individual into a responsible who contributes to the development of his or her country. One of the factors to achieve and ensure sustainable development of a nation is economic expansion and progress, which cannot be accomplished without education (Economic and Commercial Cooperation of the Organization of Islamic Cooperation [COMCEC], 2018).

Education's primary goal is to alter people's cognitive, affective, and psychomotor characteristics to better equip them for fulfilling lives and give them problem-solving skills. In this regard, Fullan and Scott (2014) claim that learning is the growth of the basic skills (interpersonal, cognitive, and personal skills) required for effective negotiation in an uncertain world aimed to assess problems in the intricate, constantly changing social and technical context of real-world practice and then match the right course of action. This shows the importance of educated human capital for economic development, progress, and personal growth.

Babatunde and Adefabi (2005) identified how human capital might influence the nation's long-term economic growth in their study conducted in Nigeria. Human capital is a direct input in the manufacturing process and affects technology. Consequently, the result establishes a long-run relationship between education and economic growth. The International Labor Organization (hereafter abbreviated as ILO) (2011b) suggested that sufficient education and skills can increase employees' employability, business productivity, and the inclusiveness of economic growth in nations. In a similar breath, Sharma (2016) claims that it is intuitively clear how education level and job prospects are related. This insight has raised interest in creating policies for skill development to bring about the change required to address development challenges. Many of these policies, which are expanding in scope and reach, are supported by initiatives to better connect the worlds of education, training, and employment (ILO, 2011b).

The fundamental presumptions serve as the foundation for investing in education, which has gained international recognition and a direct bearing on human capital development (Ansari & Khan, 2018; Enyi, 1999; Melles, 2000). That is, people with higher levels of education can make more money than those with lower levels of education (Pritchett, 2001), and an increase in people's productivity level results from higher earnings. However, in this regard, Ethiopia remains the lowest and least ranked among African countries, even less than the Sub-Saharan regions (Misganu et al., 2022). Economic development and individual productivity are related in the developed world. However, in developing nations like Ethiopia, the debate has turned to whether or not more education encourages economic growth or not.

On top of that, there is some debate over which factors- human capital or physical capital drive economic development. In most cases, physical wealth is regarded as the passive factor of production in economic development, while human capital is the active agent driving economic development (Melles, 2000). Similarly, Becker (1993) and Ding et al. (2021) argued that all nations

that have been able to maintain income development had experienced significant increases in the labor force's level of education and training. Cooray (2018) added that schooling has a significant economic impact on improving growth rates. In addition, panel data from 143 countries and regions were conducted from 1990 to 2014, and results showed that the elasticities of output concerning human capital were greater than physical capital (Ding et al., 2021). Consequently, for this review, it is claimed that higher economic growth rates result from a more educated population given the necessary physical capital and effective education policy directions.

RESEARCH METHOD

In order to examine the relationship between education, skill development, and employment, this research employed a literature review method. Various academic journals were selected for analysis, including those discussing education internationally and within Ethiopia's local context. This literature review aims to offer an unbiased and comprehensive understanding of this issue through a comprehensive analysis of past and present studies.

FINDINGS AND DISCUSSION

Education for skills development and employment: Theory vs practice

Education is a broader concept. Adam (2014) narrowly explained education as a teaching, training, and learning process, especially in schools or colleges, to improve knowledge and develop skills. So, the role of education is paramount to developing individuals' skills, knowledge, and performance capabilities. Similarly, education can prepare the human mind for future work. Schleicher (2006) explained that the significance of knowledge that can be attained through education is the development of a modern 'knowledge economy' that reflects a larger transition from an economy based on land, labor, and capital to one in which information and knowledge are the main components of production.

Education is important to create competent human resources who can overcome life's difficulties. This appears to be the case in many developed countries. However, in some developing nations, such as Ethiopia, this idea is merely regarded as a theory rather than one put to practical use because it is based on false premises (Negash, 2006). Negash (2006) agreed that given the severity of the issue, education had played no real part in reducing poverty; this has been going on ever since. Although few real-world solutions are offered in that response, numerous researchers have repeatedly reported the presence of the education-job employment mismatch in Ethiopia (e.g., Alemayehu, 2022; Demissie et al., 2021; Jote, 2017). As a result, youth unemployment has been periodically rising seriously (Alemayehu, 2022; Broussard & Tekleselassie, 2012; Tafere & Chuta, 2020), which has had a severe negative impact on the nation's economy. The lack of a relevant curriculum in higher education, among other issues, was recognized by Demissie et al. (2022) as one of the major contributors to the unemployment of graduates. As a result, to effectively produce skilled human capital, the focus must be paid to education at all levels.

Lovenheim and Turner (2018, p.256) defined human capital as a worker's skills, knowledge, and characteristics that have value in the labor market. This definition enables people to comprehend that each individual possesses a special set of skills and traits that cannot be separated from them and are highly sought-after in the employment market. The talents, education, training, and skills one possesses are collectively known as human capital, primarily gained through investing time, energy, and money (Frank et al., 2019). Human capital produced through education providing skill, ability, and job effectiveness are crucial.

Nations at all levels call for improved skill policies to boost employment without compromising development. Connectedly, Balwanz (2012) claimed that the "skills for jobs" education reform discourse is shaped by high rates of youth unemployment and pressure to

increase post-basic education globally. Several recent reports and initiatives have echoed the skills for employment argument (Řihová & Strietska-Ilina, 2015). The discourse argues that post-basic education strongly focuses on skill development to lower the rate of young unemployment. Although matching skills and employment is a top policy concern, in Ethiopia, practical skills mismatch to jobs and aspirations to mindsets among graduates and parents still occur (Jote, 2017; Tafere & Chuta, 2020). As a result, both Jote (2017) and Tafere & Chuta (2020) advocated for reforms in Ethiopia's labor market structures and human resource development policies.

The International Labor Organization (ILO, 2011b, p. 1) strongly argues the importance of education in skill growth. Making high-quality education is widely acknowledged as a foundation for training, matching skills to the needs of businesses and labor markets, and adapting to changes in technology and markets are the pillars of a policy framework for developing a workforce with the necessary skills. This contradicts what has been occurring in Ethiopia (Kassa, 2006). A high-quality education creates a positive feedback loop whereby more education and training promote innovation, capital investment, economic diversification, competitiveness, as well as social and occupational mobility. The next generation should get the basic skills required to pursue further education by providing them with high-quality primary and secondary education and relevant vocational training and skill-development opportunities. As a result, countries throughout the globe put significant emphasis on the skill development of their workforces through education. The Table 1 below depicts a few chosen nations that have skill development policies.

Table 1. Selected countries' exercising skills development policies and strategies

Country	Year	Country	Year	Country	Year	Country	Year
Denmark	2007	Cape Verde	2008	Palestine	2010	Pakistan	2009-13
France	2009	Ethiopia	2008	Yemen	2005-15	Philippines	2005-09
Germany	2010-14	Niger	2006	Afghanistan	2007	Sri Lanka	2009
Ireland	2007	Rwanda	2008	Bangladesh	2011	Australia	2010,2011
Romania	2005-10	Senegal	2001-11	China	2010-20	New Zealand	2008
Spain	2008	South Africa	2011	India	2009	Barbados	2011-16
UK	2010	Swaziland	2010	Korea	2005-2008	Brazil	2003
Botswana	2010	Bahrain	2009-16	Laos	2008-15	Chile	2008
Burkina Faso	2008	Jordan	2007-12	Nepal	2007	Colombia	2010

Source: Fullan M, & Scott, G. (2014). Education plus. Seattle, Washington, Collaborative Impact SPC. In International Labour Office (ILO). (2011a). Skills for employment: Policy brief. International Labor Organization (p. 1).

The International Labour Organization (ILO) (2011b) further explained that everyone is increasing their skill expenditures. For instance, in 2009, India enacted a comprehensive National Skills Development Strategy. Similarly, South Africa is changing its training policies. Additionally, having strategies for skill-based training is highly desired globally for their untapped growth. Setting dynamic policies is also true in Ethiopia despite its reality being hampered by many factors. The labor market institutions that govern employment relations in Ethiopia are generally weak

(Kibru, 2012). In general, informal employment is widespread among young people worldwide, including in Ethiopia (ILO, 2020).

Skills, Preparation for Work, and Employability

A group of training exercises performed both before and during work has also come to be referred to as a skill. Winch (2011) defines skill as it pertains to the labor market as having learned a method for carrying out a specific task in a work environment. For the National Research Council (NRC) (2012), 21st-century skills are information that can be applied or transferred to new contexts. This transferable knowledge consists of both domain-specific topic knowledge and procedural knowledge about how, why, and when to use that knowledge to respond to inquiries and resolve issues.

When it connects to youth employment, the word "skills" tends to be used more about initiatives like graduate placement programs, leadership, internships, and vocational training designed to ease the transition from school to the workforce. It is argued that skills pertain to various kinds of knowledge about the job, including knowledge about the actual task at hand, how it is to be carried out, and the ability to handle conflict. Knowledge about the situation is the name for handling a conflict (Spinosa, 2006). Additionally, skills have been promoted as the 'solution' to society's growth issues and as a 'social and economic panacea' (Keep & Mayhew, 2010).

McGrath (2002) asserted that the rise of globalization and the growing dominance of market-led beliefs in society had caused the concept of skill to shift from an input-orientated concept of 'Education and Training' to an outcomes-orientated viewpoint. There are consequences for statisticians, researchers, and labor market research from the divergent views on skills and the effort to find a common language. The concept of skills is fundamental to the differentiating factors among labor force participants and, consequently, the degrees of bargaining for compensation purposes.

To work on something successfully and efficiently, skills are required. It may be necessary to specialize to perform a particular task requiring unique abilities, skills, and knowledge. The International Bank for Reconstruction and Development/World Bank (2010) underscored that skills are essential for enhancing employment outcomes for individuals and boosting national productivity and development. This is especially important given that emerging and developing nations today strive for higher rates of sustained development. To that end, education-based abilities should prepare people for the workforce.

Skills Needed for Success in Life and Work

One can learn living and career skills through formal, informal, and non-formal education and training. Misko (2008) advised that combining formal, non-formal, and informal learning is critical to close skill gaps in the workforce. However, all forms of education might not be equally crucial for all employees. Misko further explained that using various learning methods to help novices and experienced learners in workplaces and training facilities acquire the necessary skills and information is nothing new. This has resulted in a growing need to update approaches to workforce skill development.

On the other hand, UNICEF (2019) pointed out that young people must acquire fundamental, transferable, technical, and vocational skills to find, keep, and thrive in the workplace. Besides, digital abilities are becoming more and more in demand by employers. UNICEF assists national governments and partners in systematic skill-building across the life cycle and at scale using a variety of learning pathways, including formal, non-formal, on-the-job, and community-based.

As depicted in the Figure 1 below, skills can be mostly categorized into three: fundamental, digital, and job-specific skills, which serve as the core of the other groups. The report by UNICEF (2019) conceptualizes these skills as follows. Foundational skills consist of literacy and numeracy skills that are needed regardless of employment aspirations. They are essential for further learning, productive employment, and civic engagement. Transferable skills, such as creativity, communication, and problem-solving, are needed by all. Such skills enable young people to engage in lifelong learning and to adapt to the rapid changes in the economy and society, thereby proving their chances of finding and retaining work.

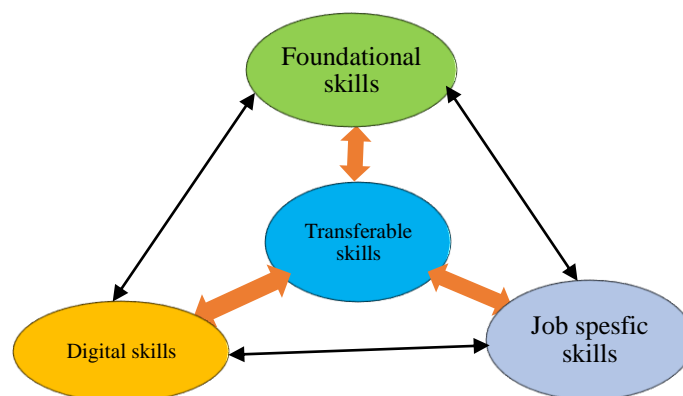


Figure 1. Types of skills and their relationships

Source: UNICEF. (2019, p.5). Transitions from school to work: UNICEF Technical Note.

The transferable skills link all kinds of skills. Transferable skills are divided into cognitive, social, and affective. The capacity to concentrate on problem-solving, make thoughtful decisions, and establish plans and goals are examples of cognitive skills, whereas social skills are being able to interact with others, which includes talking, working together, settling disputes, and negotiating. On the other hand, understanding and controlling one's feelings, managing stress, comprehending the emotions of others, and having the capacity to empathize with others are all examples of affective skills.

The additional competencies include digital skills crucial for fostering children's growth in digital literacy. Digitally literate young people can use and comprehend technology to manage information, communicate, collaborate, create and share content, increase their knowledge, and solve problems in a way suitable for their age, local language, and culture. Moreover, technical and vocational abilities are related to one or more job-specific professions. These abilities allow one to exist safely and increase their chances of success in the future.

The problem lies in instigating and considering all the required skills in the educational system so that the new generation will prepare for the world of work. Even though policy documents contain motivational language that falls short of ideal preaching, Ethiopia's educational policy links education to the nation's political climate borrowed from the outside (Sileshi & Abdiyo, 2022). Other educational stages, as well as technical and vocational education, do not adequately teach the practical skills required by the labor market (Ministry of Foreign Affairs, 2020). The educational system has a long history of teaching theoretical concepts (Ministry of Education (hereafter abbreviated as MoE, 2023). As a result, the author would like to propose that Ethiopia's

educational policies and strategies must be revised realistically beyond the addition of ideal sentences in the document to impart new skills to the new generation necessary for employment in the workforce.

Education, Policy, and Employment in Ethiopia: Continual Challenges

Ethiopia embraced modern education almost a century and a half years ago (Abdela & Pillay, 2014; Joshi & Verspoor, 2013; MoE, 2002). Nevertheless, the education and training offered during these long years had little to no positive impact on the welfare of the populace or the advancement of the country, with little hope of expanding access and involvement (Goshu & Woldeamanuel, 2019; ILO, 2019). Most people's lives have not changed significantly due to the education offered, which was unable to address the problems encountered by farmers and pastoralists (MOE, 2002). In light of this, researchers have proposed that national policy issues, programs, and directives could emphasize skill development for better employment through the provision of high-quality education (e.g., Goshu & Woldeamanuel, 2019).

The country's Education and Training Policy, launched in 1994 and effect to the year 2022, was intended from the outset to address the problems in the previous policy directions (e.g., the lack of accessibility, relevance, and equity, as well as the provision of quality education and the misalignment of educational objectives with societal demands) (Federal Democratic Republic of Ethiopia [hereafter abbreviated as FDRE], 1994). On top of that, various programs have been launched following this policy to address the problems outlined. Of these, the Education Sector Development Programs [ESDPs] are established side by side to amend the education policy problems. Besides, the fifth medium-term plan, known as ESDP V, will serve as Ethiopia's primary strategy document for educational growth from 2015/16 to 2019/20 (MOE, 2015). The fifth ESDP is followed by the ESDP VI (MoE, 2021) in line with the newly revised education and training policy which became into effect in 2022 throughout the country in the form of a draft and set as an official document since 2023 (MoE, 2023).

According to the education sector development analysis report and the government's Growth and Transformation Plan I (GTP I), which was a five-year national development plan from the years 2010/11-2014/15, aims to achieve the Millennium Development Goals (MDGs) by 2015 and transform Ethiopia into a middle-income nation by 2020–2023 (JICA & IDC, 2012). The ESDP-IV, which runs from 2010/11-2014/15, adopted the General Education Quality Improvement Program components, first introduced in 2008 and aiming to achieve countrywide development. In addition, the Growth and Transformation Plan II (GTP II) (FDRE, 2016) sought to achieve an average annual real GDP growth rate of 11% in a macroeconomically stable environment while concurrently pursuing aggressive measures for rapid industrialization and structural reform. However, all policy papers ideally include: accelerating human development, increasing technological capacity, and ensuring its sustainability it remains only as paperwork. Similar reasoning is given in the ESDP V, which states that the long-term objective of education should be to create skilled labor capable of transforming the country from its current status as a low-income level nation to a middle-income level nation (MoE, 2015). This is also iterated in the current ESDP VI and the new education policy (MoE, 2021; MoE, 2023).

The main objectives of the national strategies and policies that have been created and implemented since then, such as the Sustainable Development and Poverty Reduction Program (1995-2005), the Plan for Accelerated and Sustained Development to End Poverty (2005-2010), the First Growth and Transformation Plan (2010-2015), and the Second Growth and Transformation Plan (2015-2020), are all to reduce poverty, as stated in the all the documents (MoE, 2015; MoE, 2021). The truth, however, is the exact opposite. Numerous university graduates are currently without jobs across the nation, which requires serious consideration. Practically, education may

appear to be the cause of the economic, political, and social crisis rather than serving as a tool for development as is desired if it is unable to address the skills that graduates will need to create job opportunities.

Employment in Ethiopia: Policies and Challenges

Ethiopia adopted the national employment policy with the inspiring goal of "making Ethiopia a middle-income country where democracy, good governance, and social justice flourish based on equity and participation of its citizens" (FDRE, 2016, p.2). The overarching objective of the subsequent education policies, including the current one, is to ensure that full, productive, and freely chosen decent employment is encouraged in Ethiopia (MoE, 2021; MoE, 2022). Ensuring the harmonization of macro and sectorial policies and strategies for matching the supply of and the demand for labor, thereby promoting acceptable employment opportunities, is one of the repeatedly included goals of the national employment policy. To do this, several national policies and strategies have directly or indirectly supported the growth of human resources and the creation of jobs. To support and direct efforts to develop human resources and generate jobs across such diverse sectors, a unified policy framework and operational guidelines defining responsibilities and accountability among sectors and openly describing an agreed-upon set of actions are necessary (FDRE, 2016).

According to the fifth report on the country's economy by the Ethiopian Economic Association (EEA) (2007), a significant portion of Ethiopians lack jobs or stable sources of income. Seemingly this is contrary to the recent improvements in the growth of the national economy. Connectedly, Broussard and Tekleselassie (2012) noted that despite notable increases in educational attainment, job creation had not kept pace to offer work prospects to those seeking new education. Therefore, unemployment is one of the greatest challenges facing Ethiopia's economic development. Creating more employment opportunities through enabling the educational system should thus be one of the most important development goals of the country.

As further reported by Ethiopian Economic Association [EEA] (2007), the job profile of Ethiopian workers showed that over 90% of the workforce is engaged in either self-employment (which is the source of low income) or unpaid family activities. The informal sectors of the labor market are where most self-employed people can be located. The majority of Ethiopian unpaid contributing family employees are employed in simple jobs. The proportion of employment in the private industry to all employees is still very low (4% in 1999) and declining (3% in 2005) even by now decreased too much. Furthermore, De Gobbi (2006) asserted that the low level of work in the private sector indicates the sector's sub-performance and/or insufficient use of labor-intensive production technologies.

Studies on youth employment and challenges in Ethiopia (e.g., Alemayehu, 2022; Guarcello & Rosati, 2007; Kibru, 2012) showed that unemployment and underemployment remain significant despite some recent improvement series of social problems in Ethiopia. Of course, the government has introduced various policies and strategies for employment generations. Among the policies and strategies on the demand side of the labor market are the special incentives and support provided to the private sector as well as the public employment generation initiatives. Due to Ethiopia's large informal economy, low labor demand, and absence of a government budget, these interventions' ability to significantly affect employment has been limited.

However, Ethiopia presently works to create highly skilled, motivated, and creative human resources to produce and transfer advanced knowledge for socioeconomic development and poverty reduction to become a middle-income country by 2025 (MoE, 2010). Accordingly, the 650/2009 Proclamation states that HEIs must produce knowledgeable, skilled, and attitudinally mature graduates in the necessary quantity and caliber across the pertinent areas and disciplines

for the nation to become competitive on a global scale. Additionally, HEIs aim to advance a focus on knowledge and technology transfer in line with national priorities (MoE, 2010; MoE, 2022). However, all these remain as paper plans and are impractical.

The key issue here is whether the educational system can produce skilled, productive, employable, and proficient human capital to work for themselves or the government. For many young people without jobs nationwide, the policy documents' lovely words alone cannot be 'loaves of bread dropping from the heavens'. Instead, reexamining the school system is necessary to make the supply and demand must agree. The OECD (2012) and OECD (2017) documents assert that the 21st century's worldwide currency is skills that create job opportunities. The rapid and significant changes in skill requirements on the one hand and combating skill mismatches and shortages on the other should be significant tasks for the labor market and training policies across all nations (OECD, 2017).

Without adequate investment in skills, people linger on the periphery of society, technological advancement does not translate into economic growth, and nations can no longer thrive in a world where the value of knowledge is increasing. The global economic crisis, coupled with high unemployment rates, particularly among young people, as mentioned in the document, has increased the urgency of fostering better skills. At the same time, there is a need to handle the growing income gap, primarily caused by the pay gap between highly and lowly skilled workers. Effective investment in skills throughout the life cycle, from early childhood through compulsory schooling and throughout working life, is the most promising response to these problems (OECD, 2012). In most nations, a sizable portion of company owners laments the difficulty they have in finding employees with the skills needed to run their operations. In addition, many college graduates struggle to locate employment opportunities that match their qualifications (OECD, 2017).

CONCLUSIONS

It is possible to conclude that if the educational system at all levels is unable to meet the needs of society and continues to produce a large number of jobless and hopeless graduates, the future will only get worse, and achieving the MDGs and SDGs will remain an ideal that only exists on paper. Thus, to address the issues of unemployment and the reduction of extreme poverty, our educational system and plan must be updated to fit the recent demands of the market in the world of work.

LIMITATION & FURTHER RESEARCH

Although this research successfully utilized a literature review to address the question of "How does (and does not) education allow individual skill development and employment?" the study has certain limitations. These limitations are attributable to secondary data sources and the methodologies employed, which could be refined and improved by future research.

Suggestion

Ethiopia's government and key players should consider where the nation will end up with these turbulent and constantly emerging challenges coming from various directions. Given an educated human capital with pertinent information, skill, and attitude, the future will be bright. In cognizant of this, education should be a top priority because it is a human right and a driving factor behind development (UNESCO, 2017). Education promotes societal inclusion, creates a sense of optimism, fosters dignity, thwarts extremism, and saves lives.

According to Joshi and Verspoor (2013), Ethiopia's labor force situation and productivity are the problems. Labor productivity is found to be below average when compared to some nations. Joshi and Verspoor claimed that on average, labor efficiency in medium-size and large firms in

Ethiopia is about 50% of that in similarly sized firms in China and Vietnam, in large part because of less training, smaller-scale operations, poorer organization of functions and tasks, and less reliance on productivity bonuses. Even in the best-managed firms in the country, labor efficiency is only slightly more than 70 percent of the Chinese level. The lower wages of low-skilled workers, however, more than compensate for Ethiopia's lower efficiency. In small and micro (often informal) firms in the country, labor efficiency is less than 20 percent of the Chinese level, largely due to the lack of both task specialization and scale, as well as inferior equipment.

Joshi and Verspoor (2013) further clarified that the country's input effectiveness varies widely. Even though well-run businesses in Ethiopia achieve high input efficiency, average waste and product rejection rates frequently approach 15% each, compared to just 5% in China and Vietnam. This is primarily because of inadequate worker training. Moreover, the International Development Research Centre (IDRC) added that the educational system has not given young people the fundamental skills necessary for the workplace or given them enough instruction in particular skills. Although they complain that young workers are undertrained, employers continue to be reluctant to invest resources in their training. Technical Vocational Education and Training (TVET) programs are insufficient and fall short of offering the skills required.

The need to frame the educational system is one of the suggestions made by some researchers (e.g., Abel, et al., 2016). The current structure, as they claimed, does not produce high-quality human capital or the kind of human capital that the market requires. Additionally, there are grievances on all sides regarding the standard and applicability of the education that students obtain. A few comprehensive measures needed to raise the caliber of teaching and learning in classrooms include curriculum modifications towards a more practical orientation, teacher training, infrastructure upgrades, and increased public investment in primary and secondary education. Other related studies confirmed all these results (Martin & Lee, 2018).

Thus, these call for a careful examination of the curriculum, content, methodology, and other crucial components of our educational institutions for higher education. The levels of graduate unemployment and underemployment have not decreased as a result of the rapid expansion of higher education, especially in developing nations. These have expanded due to economies and labor markets being unable to keep up with the higher education sector's rapid change (Martin & Lee, 2018).

Therefore, it is more crucial than ever to create a competent national skills development policy or review the current working policy to comply with global human capital performance standards. In addition, our educational system must emphasize the development of information, skills, and abilities that can be used practically in the workplace. In this regard, ILO (2011b) states that a skills development strategy is required to reduce issues such as skill mismatch, limited social partner participation, poor training quality and relevance, restricted access to training opportunities, and poor systemic coordination.

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