Decent Work in the Garment sector In Ethiopia

Daniela Ceccon, Eyuel Mekonnen, Gashaw Tesfa
OECD Forum on Due Diligence in the Garment and Footwear Sector 2022 - side session
25 February 2022
The project in Ethiopia

- Inspired by and based on a similar project in Indonesia
- Funded by Mondiaal FNV (part of the FNV Dutch trade union confederation)
- Carried out by WageIndicator with a team of researchers / PhD students from Addis Abeba University together with Industrial Federation of Textile, Leather and Garment Workers' Trade Union (IFTLGWTU) - Confederation of Ethiopian Trade Unions (CETU)
- Phase 1: Jan 2018 - Dec 2020
- Phase 2: Apr 2021 - Mar 2023
- Regions involved: Addis Abeba, Oromia, Hawassa (Southern region)
- Data published in Mywage.org/Ethiopia
The Project Flow / Steps

1. Factory identification
   - Trade Union and WageIndicator team.

2. Data collection - 1st wave
   - Surveys run by the WageIndicator team with HR managers / workers. Cost of Living survey with people living in the region.

3. Data-driven Social Dialogue
   - Organized by the Trade Union with the HR/CEO of the factory and the team from the Federation, led with data-assistance of the WageIndicator team.

4. Data collection - 2nd wave
   - Surveys run by the WageIndicator team to check improvements.
The Project Flow / Steps 1-2: Factory Identification and 1st Wave of Data Collection

**Factory identification**
- Usually factories with a Trade Union, but there will be a pilot with non-unionized factories

**Cost of Living Survey in the areas where workers live**
- Cost of food, housing, transportation and other expenses to calculate the Living Wage for the region

**Factory survey - Corona Factory Survey - CBA collection**
- Factory info - Workforce composition - Information on Covid measures / impact - Collective Agreement texts

**Decent Work Check survey**
- Around 30 workers (based on workforce composition) are interviewed about working conditions and wages
The Project Flow / Steps 1-2: Factory Identification and 1st Wave of Data Collection

DATA

The factory page with the results is shared with both the HR/CEO of the factory and the Trade Union well ahead of the social dialogue meeting.

FACTORY PAGES:
https://mywage.org/ethiopia/labour-law/garment-factories

- Employment Security
  - The employer provides written employment contracts

  - 23 compliant 8 non compliant (74%)
  - Average compliance rate of all surveyed factories: 89%

  - The employer pays severance pay to a worker on contract termination (without worker’s fault)

  - 16 compliant 6 non compliant (72%)
  - Average compliance rate of all surveyed factories: 67%
The Project Flow / Steps 1-2: Factory Identification and 1st Wave of Data Collection


<table>
<thead>
<tr>
<th>Occupation</th>
<th>Total number of surveys</th>
<th>Median Hourly wage</th>
<th>Median Monthly wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample maker</td>
<td>4</td>
<td>Br11.00</td>
<td>Br2,250.00</td>
</tr>
<tr>
<td>Sewing machine operator</td>
<td>5</td>
<td>Br9.00</td>
<td>Br1,870.00</td>
</tr>
<tr>
<td>Tailor</td>
<td>9</td>
<td>Br8.00</td>
<td>Br1,797.00</td>
</tr>
<tr>
<td>Ironing machine operator</td>
<td>6</td>
<td>Br7.50</td>
<td>Br1,614.50</td>
</tr>
<tr>
<td>Grand Total</td>
<td>24</td>
<td>Br9.00</td>
<td>Br1,800.00</td>
</tr>
</tbody>
</table>
The Project Flow / Step 3: Data-driven Social Dialogue

Participants from:
- Textile Federation
- Basic union (workers’ representatives)
- Bureau of Labour & Social Affairs (not always)
- Factory management (HR manager)

Data is presented, each topic is discussed and solutions are proposed and reported. It is agreed when changes are expected.
The Project Flow / Step 4: 2nd Wave of Data Collection

Decent Work Check survey - 2nd wave

Workers are interviewed again after the agreed amount of time (at least 2 months later).

Check for IMPROVEMENTS

<table>
<thead>
<tr>
<th>WORKING HOURS</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the company, workers are not forced to work more than 60 hours per week under threat of penalty</td>
</tr>
</tbody>
</table>

| 19 compliant 0 non compliant |
| (100%)                        |
| (wave started on 2019-12-31)  |

Average compliance rate of all surveyed factories: 91%

Previous score for this factory:

| 11 compliant 4 non compliant |
| (73%)                        |
| (initial wave)               |
The Project Results in Phase 1

**PHASE 1:**

13 CBAs collected, annotated and published

15000 prices collected in the three regions

1910 workers from 61 factories interviewed

33 social dialogue meetings held

---

**Better Working Conditions**

Recorded in 18 factories (30% of the total), and agreed in six more factories, which altogether makes 39% of the factories involved. This means an improvement of working conditions for more than 17000 workers in the garment sector.

**Wage Increase**

Agreed in four social dialogues, recorded in 16 factories (26% of the total)
Median monthly wage variation from wave 1 to wave 2 of the Decent Work Check survey (N: 1875 workers who reported their wage). Phase 1 of the project (2018-2020).
Challenges

Some of the challenges we had/have to face in Ethiopia:

1. Instability of Ethiopia’s economy. Inflation in 2021 has been of 25%, so capturing prices with the Cost of Living survey is challenging. We try to overcome this by collecting prices ongoing and updating the Living Wage quarterly.

1. Fear of surveys and consequent social dialogues by some CEOs / HR managers, as they fear of workers’ rights’ awareness and salary increase demand. We try to have a transparent conversations with factory CEOs and HRs, underlining how compliance is beneficial for all, and how data can be a way for them to spot specific issues which can sometimes be easy to implement (for example, health and safety training).

1. Many factories have to face the impact of Ethiopia’s removal from the African Growth and Opportunity Act (AGOA), which cannot be solved in a social dialogue, but we try.
A special thought goes to the project manager, Birhanu Mekonnen. Without him and his precious work, this would not have been possible.
Good to know:

Factory Pages
https://mywage.org/ethiopia/labour-law/garment-factories

Survey results in visuals

Project page (phase 2)

Contacts:
Daniela Cecon
danielacecon@wageindicator.org

Eyuel Mekonnen
mekonneneyoel666@gmail.com

Gashaw Tesfa
gashawta07@gmail.com