



PROJECT NAME: Sociale dialoog Ethiopie (SP)
PROJECT NR: NL0810101

Mywage.org/Ethiopia for living wages in the garment sector

Daniela Ceccon

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ADDIS ABEBA, 30th January 2019

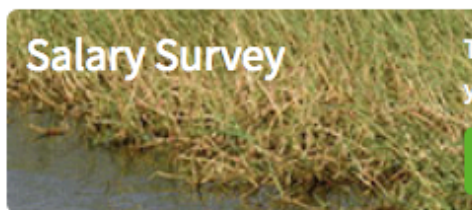


Mywage.org/Ethiopia

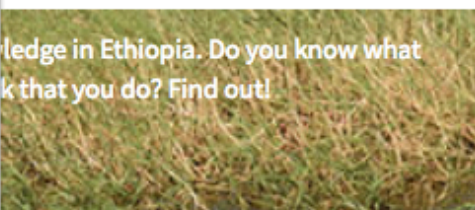
You Share, We Compare

Part of WageIndicator Foundation

- Salary +
- Labour Law +
- Career +



- Collective Agreements Database
- Domestic Work
- + Annual Leave and Holidays
- + Compensation
- + Employment Security
- + Fair Treatment
- + Family Responsibilities
- + Health and Safety
- + Maternity and Work
- + Sick Leave



How much does this cost in your area:
How much is the monthly housing cost of a
standard studio apartment in your
city/region?

Share your Cost of Living



Complete the Salary Questionnaire and Win a
Wage

News

10 Apr 2018: Ethiopia's new prime minister wants to makes changes in Ethiopia. What is his stance on decent work and wages for local workers?
Salary Check

Career

- Finding a job can be difficult, but you can make things easier by creating a really good CV. Find out how on Mywage Ethiopia
- How to write a very good cover letter

Check your Pay, Salary, Income with the
Salary Check tool.

Salary Survey



Mywage.org/Ethiopia - WageIndicator



Online Library – Mywage.org/Ethiopia collects, compares and shares labour market information through (online & offline) surveys and desk research. It serves as an online library for wage information, labour law and career advice



Global Organization – Mywage.org/Ethiopia is part of **WageIndicator Foundation**. WageIndicator Foundation is assisted by world-renowned universities, trade unions and employers' organisations and currently operates in over 90 countries.



Transparent - Mywage.org/Ethiopia is dedicated to labour market transparency, focusing on dissemination of information on wages, labour law, by utilizing internet technology.



Free of charge - All information in Mywage.org/Ethiopia is accessible online by everyone free of charge

Mywage.org/Ethiopia – Content (useful for all!)

- **Databases:**
- Labour Law Database
- Minimum Wage Database (public servants wages)
- Collective Bargaining Agreements (CBA) Database
- Wages in Context (Min Wages – Living Wages – Real Wages)



- Total survey + mini survey 2018 (online): 65 surveys.
- Total Cost of Living Surveys 2018 (offline): 80 surveys

- **Surveys:**
- Salary Survey and Salary Check → REAL WAGES
- Cost of Living Survey – online and offline → LIVING WAGES

- Total visitors 2018 : more than 50.000 visitors (growing)
- Total CBAs online 2018 from garment : 12 CBAs (+ around 50 summarized CBAs not from garment)

Mywage.org/Ethiopia for living wages in the garment sector – (2018-2020)

Textile and garment sector is growing: expected workforce of 100.000 on 2020



FOCUS = GARMENT SECTOR

ISSUES:

- No statutory minimum wage in garment sector + pay levels below living wages
 - Compliance with labour law is not checked



GOAL = Improve wages and working conditions

OBJECTIVES OF THE PROJECT

- 1) Living wages being paid in the garment sector
- 2) Improvement of compliance with labour law
- 3) Use and improvement of collective agreements

HOW DO WE DO THAT?

- 1) Collecting and analysing factory cases of non-compliance with the labour law (using the Decent Work Check tool developed by WageIndicator)
- 2) Making an inventory of Collective Bargaining Agreements in garment sector, analysing the clauses and proposing (gender-specific) improvements
- 3) Mapping cost of living levels in 3 selected industrial hubs (using the Cost of Living app) → present updated living wages in the site
- 4) Bringing the results of these 3 investigations forward in sectoral debates involving as many and diverse stakeholders as possible

1) COLLECTING AND ANALYSING FACTORY CASES OF COMPLIANCE AND NON-COMPLIANCE WITH THE LABOUR LAW USING THE DECENT WORK CHECK APP

1. Create offline Decent Work Check app in Amharic
2. Collect data about compliance with the labour law. We collected so far 1062 face-to-face observations from garment workers in 52 factories of the 3 regions (Addis Abeba – 24, Oromia – 17, and Hawassa - 11).



Decent Work Check Survey

Birhanu Mekonnen

Assistant Professor at Addis Ababa University

ADDIS ABEBA, 30th January 2019

THE DECENT WORK CHECK SURVEY

- Preparing support letters
- Securing permission from factory authorities
- Arranging time and place with factory authorities to do surveys
- Interviewing respondents using offline application - tablets and smart phones
- In three regions – [Addis Ababa](#), [Oromia](#) and [Hawassa](#)

SURVEY AREAS

- In three regions – **Addis Ababa, Oromia and Hawassa**
- **Addis Ababa – 24 factories**
- **Oromia Region – 17 factories** (Adama – 3, Bishoftu – 1, Sululta -2, Sebeta - 3, Alemgena - 3, Lege tafo -2, Sendafa- 1, Gelan -1, and Dukem - 2)
- **Hawassa -11 factories** (all in the industrial park)

SAMPLING

- Totally, 1062 employees from 52 factories were interviewed.
- The number of interviewees ranges from 14 to 40
- Random sampling technique was applied to select interviewees
- We randomly sampled employees from different units/departments
- The selection process was done in consultation with:
 - Factory authorities
 - Trade unions leaders (in few cases)
- Exceptionally, in two factories, employers selected employees in advance

PROCEDURE

- Briefing selected employees about the objectives of the interview – what decent work is about
- Getting the consent of employees before interviewing

DATA GATHERING TOOL

- Structured interview using offline application - tablets and smartphones
- Demographic information
- Employment Security
- Working hours
- Salary
- Maternity and work
- Health and safety
- Social security
- Fair treatment
- Right to organize
- The interviews were in Amharic
- Time – 10 -20 minutes for a single interview
- Place – in factories – offices and outside of factory buildings
- 5 interviewers were involved in the data collection

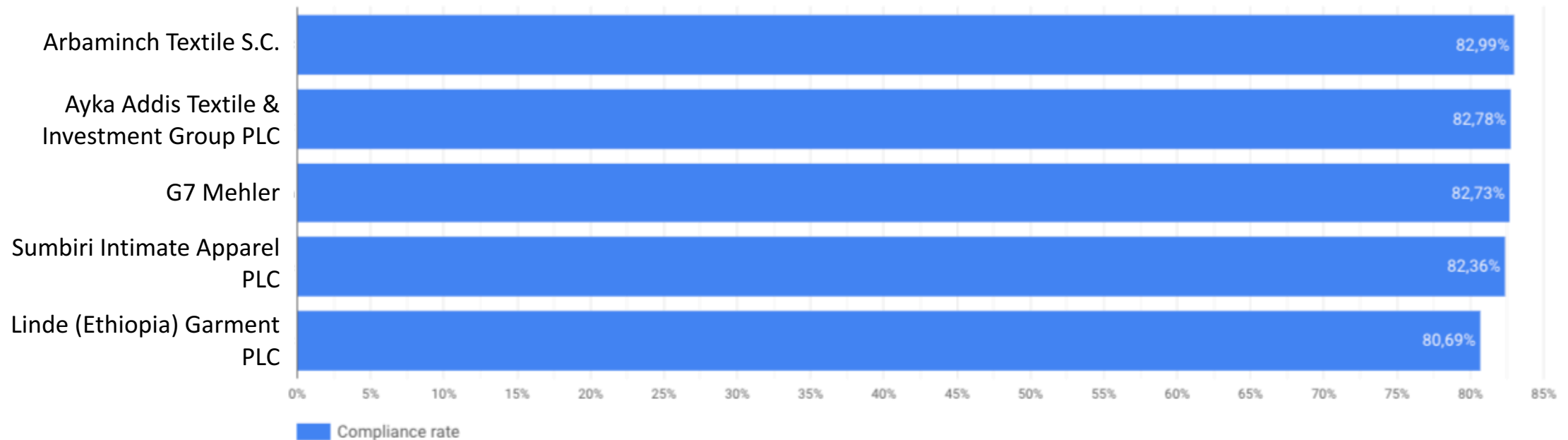
CHALLENGES

Despite support and cooperation by employers, the following challenges are worth mentioning:

- **Strong resistance** from some employers (especially in industrial parks except Hawasa IP)
- **Lack of awareness** by employers and employees about the relevant aspects of decent work in workplace
- **Pre-determined sampling** by employers – few employers didn't allow select employees randomly
- **Lack of trust** by employees – they assumed data collectors work for employers and they were **pessimistic** about change the surveys bring to their life.

RESULTS / 1: WHICH ARE THE 5 FACTORIES WITH BEST RESULTS?

Select a topic ▼ Select a subtopic ▼ **FACTORY** ▼



RESULTS / 2: WHICH ARE THE TOPICS WITH HIGHEST COMPLIANCE RATES (where more than 95% of the interviewed factories is compliant)?



RESULTS / 3: WHICH ARE THE TOPICS WITH LOWEST COMPLIANCE RATES (where less than 50% of the interviewed factories is compliant)?



MAIN GENERAL ISSUES SPOTTED

1. Trade unions-related: discrimination based on trade union membership and activities + no right to strike
2. Health and safety: lack of training + no free protective equipment
3. Job security during up to 6 months of illness

After around one year, all factories will be re-surveyed to check improvements!

DEBATE IN GROUPS

Each group discusses one of the items, answering to the following questions:

Is there space for improvement?

Under which conditions?

What can employers do together with

- trade unions ?
- brands ?

ONE IDEA: Sample collective agreement with better conditions?

Propose three actions that employers and trade unions can do NOW to improve these issues.

2) MAKING AN INVENTORY OF CBAS, ANALYSING THE CLAUSES AND PROPOSING IMPROVEMENTS

1. Collect at least 15 CBAs from garment sector: we collected 15, but decided to publish only 12 so far. One is in oromipha, so more work is needed on that one. Other two are from other regions and miss many pages, we excluded them for now.
More CBAs are needed!
2. Code the agreements, assess clauses
3. Propose a model agreement for garment sector
4. Collect and analyse 15 new (improved) or renewed CBAs

CBAs can be found here: mywage.org/ethiopia/labour-law/collective-agreements-database

3) MAPPING COST OF LIVING WITH THE COST OF LIVING APP

1. Create offline cost of living survey app in Amharic
2. Collect data about cost of living (we collected so far 80 full offline observations in the 3 regions (Addis – 37, Oromia – 23, and Hawassa - 20).
3. Do calculation of wages in context and publish them in the site.



Cost of Living Survey

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ADDIS ABEBA, 30th January 2019

THE COST OF LIVING SURVEY / 1

- Securing permission from supermarket managers/owners
- Interviewing respondents using offline application - tablets and smartphones
- In three regions – [Addis Ababa](#), [Oromia](#) (Dukem, Alemgena, Ambo, Jimma, Adama, Tafo, Sululta, Sebeta, Bishoftu, and Gelan) [and Hawassa](#)
- 80 observations (Addis – 37, Oromia – 23, and Hawassa - 20)
- Data were collected from [supermarkets](#), [markets](#), [and shops](#)
- Sellers and buyers (residents) were interviewed to cross-check the accuracy of data - triangulation
- Areas around factories were selected purposefully.

THE COST OF LIVING SURVEY / 2

- CoL survey included the cost of:
 - Food items
 - Transport items
 - Housing items
 - Family expenses
- Tablets and smartphones were employed to collect data
- Offline application was used to collect data
- The surveys were done in Amharic
- 7 data collectors were involved in the data collection.

CHALLENGES

- **Suspicion** by sellers – sellers were over concerned about the CoL surveys. This made them lower the price of some items.
- Data collectors couldn't get **all items in one place**
- In the app, there were **items that are rarely consumed** in Ethiopia for cultural and religious reasons. These, however, have not been included in the calculations.

ACKNOWLEDGEMENTS

- CoL survey respondents
- Employees
- Employers
- CETU
- Trade union leaders
- Daniela Ceccon



THANK YOU!!!

LIVING WAGES IN ETHIOPIA

= gross monthly wage needed to cover the necessary living costs of an individual or a family.

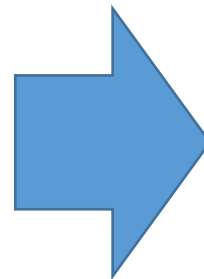
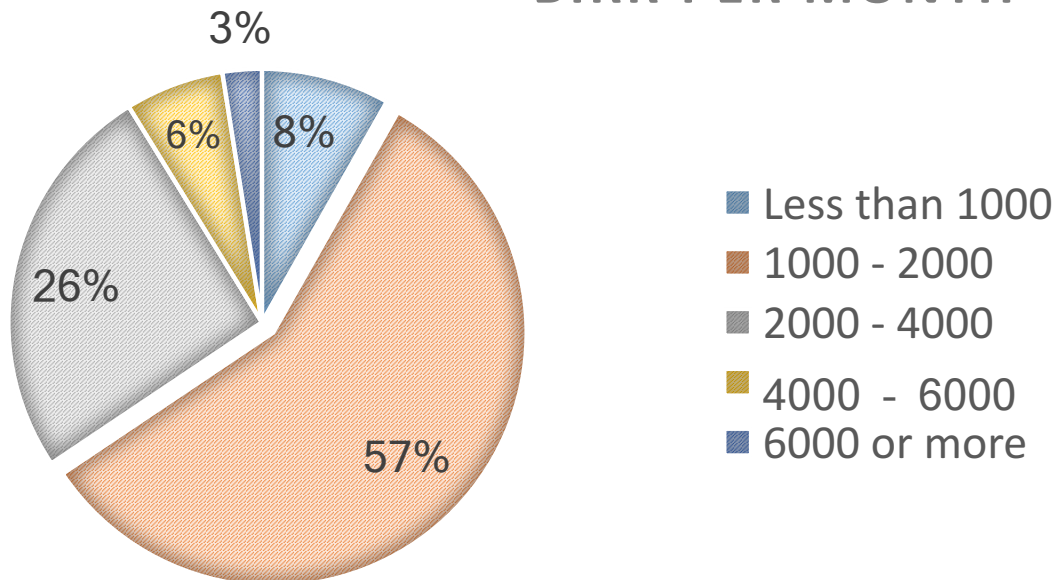
WageIndicator publishes it as a range. Living Wage is based on the data from the WageIndicator Cost of Living survey.

The Living Wage calculated by WageIndicator is composed of five parts: food costs, housing costs, transport costs, tax/contribution costs and other costs (mostly medical expenses).

Individual:	ETB 4130 - ETB 5090	€ 128 - € 158	\$ 146 - \$ 180
Standard family (2+2, national employment rate):	ETB 5040 - ETB 6470	€ 156 - € 201	\$ 178 - \$ 229
Typical family (national fertility and employment rates):	ETB 5450 - ETB 7150	€ 169 - € 222	\$ 193 - \$ 253
2+2 family (1 working):	ETB 9070 - ETB 11700	€ 282 - € 363	\$ 321 - \$ 414
2+2 family (1.5 working):	ETB 6050 - ETB 7770	€ 188 - € 241	\$ 214 - \$ 275
2+2 family (1.8 working):	ETB 5040 - ETB 6470	€ 156 - € 201	\$ 178 - \$ 229
2+1 family (1.8 working):	ETB 4750 - ETB 6040	€ 147 - € 188	\$ 168 - \$ 214
2+3 family (1.8 working):	ETB 5330 - ETB 6900	€ 165 - € 214	\$ 189 - \$ 244
2+4 family (1.8 working):	ETB 5610 - ETB 7330	€ 174 - € 228	\$ 199 - \$ 259
Global Living Wage Coalition - 2+3 family (1.65-1.71 working):	ETB 3272 (Non-Metropolitan Urban Ziway Region) - July 2016	€ 102	\$ 116
National employment rate in 2017:	1.9		
Fertility rate in the country:	4.5		

THE WAGES ISSUE IN THE GARMENT SECTOR

BIRR PER MONTH



4130 Birr is the minimum an individual needs to live in Ethiopia

BUT

92.5 % of the workers we surveyed in the garment sector earn LESS than that

5450 Birr is the minimum one working parent needs to earn in a family where there are 4.5 kids and two parents working almost full time (one full time and one 90%) **BUT 97%** of the workers in the garment sector earn LESS.

DEBATE: How to improve?

DEBATE

Discussion about the following issues:

Why are wages in this sector so low?

Is there space for improvement?

Under which conditions?

What can employers do together with

- trade unions ?
- brands ?

IDEA: pay scales in collective agreements?

Propose three actions that employers and trade unions can do NOW to improve wages.

4) BRINGING THE RESULTS OF THESE 3 INVESTIGATIONS FORWARD IN SECTORAL DEBATES

Organize debates (mini social dialogues) with employers and trade unions at factory level to discuss about

- a. living wages;
- b. compliance with law;
- c. CBAs.

And, of course, CHECK IMPROVEMENTS.

Distribution of FACTORY PAGES: we will contact you about publication of the results + your views and your commitment to improve.



WAGEINDICATOR WILL PUBLISH AND MARKET DEDICATED
PAGES IN

Mywage.org/Ethiopia

THANK YOU!

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