



International
Labour
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ADVANCING DECENT WORK AND
INCLUSIVE INDUSTRIALIZATION
IN ETHIOPIA

ONE ILO Ethiopia

► Evaluation Report Summary 2024





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Contents

| | |
|---|-----------|
| Introduction: The ILO SIRAYE programme | 3 |
| Country context | 4 |
| Research methods | 5 |
| Implementation challenges and coordination | 7 |
| Key findings | 8 |
| Wages..... | 8 |
| Livelihoods and savings..... | 10 |
| Non-wage benefits..... | 10 |
| Occupational safety and health | 11 |
| Harassment..... | 12 |
| Training and skill development..... | 13 |
| Workers' voice and representation | 13 |
| Public sector impact..... | 14 |
| Main benefits and areas for improvement | 15 |
| Recommendations | 15 |
| References | 18 |

Introduction: The ILO SIRAYE programme

This report summarises an in-depth evaluation of the ONEILO-SIRAYE Programme in Ethiopia, a new initiative by the ILO to bundle interventions aimed at improving workplace practices and worker wellbeing. SIRAYE integrates multiple projects into a unified comprehensive programme, targeting sustainable and widespread improvements in Ethiopia's light manufacturing sector, with a special emphasis on the apparel industry.

The SIRAYE programme has three key development goals:

- ▶ Enhanced worker wellbeing: Focusing on rights, income, compensation, safety, equality, voice, and representation.
- ▶ Increased industry productivity and competitiveness.
- ▶ Improved accountability and transparency in government labour administration.
- ▶ To achieve these objectives, the SIRAYE programme leverages a broad portfolio of ILO interventions and projects, including Better Work, LABADMIN/OSH, SCORE, the Vision Zero Fund, and INWORK. These initiatives collaborate with a diverse array of partners and beneficiaries, such as employers, workers and their representatives, government officials at both national and regional levels, and civil society organizations. The programme aims to elevate factory-level working conditions, empower civil society organizations to drive positive change, and enhance the capacity for delivering decent work across all levels of government.

This report is based on two primary data sources:

- ▶ Quantitative surveys: We draw on two extensive matched firm and worker surveys conducted at the baseline in 2019 and at the endline in 2023. These surveys were designed and analysed by the evaluation team, with data collection managed by EconInsight Plc in Ethiopia.
- ▶ Qualitative interviews: We supplement the survey findings with in-depth, semi-structured interviews with workers, company managers, trade union officers, government officials, civil society representatives, and ILO staff. These interviews provide rich insights into the implementation and reception of the SIRAYE programme.

Together, these data sources offer a detailed and nuanced understanding of the SIRAYE programme's impact and effectiveness. We begin with an overview of the Ethiopian country context, before discussing our research methods and factors affecting the implementation of the programme. The section on Key Findings highlights the most important findings of the evaluation, before we conclude with recommendations for the stakeholders of the programme.

Country context

Over the past decade, Ethiopia's apparel industry has seen rapid growth, driven by foreign investment and active industrial policies aimed at integrating factories into global value chains. This growth has been facilitated by both private and government-owned industrial parks. However, the sector faces structural challenges and has recently been impacted by severe shocks.

Structurally, the reliance on foreign investment has created a bifurcated sector where exports are dominated by experienced foreign firms, while many Ethiopian firms lack the capabilities to successfully compete internationally (Whitfield, Staritz, Melese, et al., 2020; Whitfield, Staritz, & Morris, 2020). New industrial parks have also become hotspots for labor conflicts, with low wages and strict factory discipline leading to high labor turnover (Chu & Fafchamps, 2022; Oya & Schaefer, 2021).

The SIRAYE program was implemented during a period of unprecedented shocks, including the COVID-19 pandemic and political conflict in northern Ethiopia. The pandemic caused a major crisis in the global apparel sector, with global buyers canceling orders and supplier firms unable to compensate workers (Anner, 2022). In Ethiopia, this led to reduced sales and significant job losses. A survey of firms in Ethiopia's industrial parks across all industries conducted between May and August 2020 found that 68% of export-oriented and 86% of domestic market-oriented firms reported reduced sales, while government assistance had reached only comparatively few firms (Mengistu et al., 2020), while a survey in the Hawassa Industrial Park found that 41% of women workers employed in January 2020 were no longer employed by mid-2020, with many on placed on leave and facing financial hardships (Meyer et al., 2021).

While the Ethiopian economy was still in recovery a large-scale military conflict erupted between the Ethiopian government and forces from the northern region of Ethiopia, Tigray, in November 2020. This conflict caused significant humanitarian and economic damage, leading to the closure or destruction of apparel factories in Tigray and the loss of trade privileges under the US African Growth and Opportunity Act (AGOA). As the US was the largest buyer of apparel made in Ethiopia, the suspension of AGOA severely impacted exporting factories, leading to job losses and factory closures, particularly in the Hawassa Industrial Park. As a result, employment trends in the apparel sector have been erratic, with a temporary drop in 2020 followed by a slow recovery. For instance, employment in the Hawassa Industrial Park fell from over 33,000 workers in March 2020 to less than 25,000 in September, but gradually picked up again and reached over 30,000 by October 2022. However, the suspension of AGOA and ongoing security issues have continued to negatively impact the sector and news of firms downsizing or shutting down has become more common since late 2022.

The conflict and security challenges have also affected government administration and its engagement with international partners. Turnover of officials, changes in direction,

loss of institutional memory, and less predictable communication from relevant stakeholders within government contributed to an environment that made the implementation of multi-component programmes like SIRAYE especially difficult. Despite some resilience, the sector’s growth trajectory has been halted, and investor confidence has been significantly damaged.

Research methods

Our impact assessment and programme evaluation uses a multilevel sequential mixed method approach. This combines the strengths of different research methods to evaluate the SIRAYE programme across the different dimensions of intervention. Quantitative methods estimate development in key indicators, while qualitative methods explore causal mechanisms and contextual factors. The main quantitative evidence comes from comparisons between endline and baseline surveys, supplemented by qualitative interviews to explore public policy dynamics, process-tracing interventions, and perspectives from workers and management.

Quantitative evidence is drawn from firm- and worker-level surveys conducted in 2019 (baseline) and 2023 (endline). The treatment group consisted of firms enrolled in the Better Work segment of the SIRAYE programme, while the control group included eligible but non-participating firms. Both company managers and production workers were interviewed. Due to high job turnover, the sampling was independent at baseline and endline, resulting in pooled cross-sections rather than a panel dataset. Table 1 provides a overview of the firms and worker samples.

The quantitative data analysis faced limitations due to the programme’s rollout and potential measurement errors. The demand-driven nature of the SIRAYE interventions led to shifts in the composition of treatment and control groups. This affected the comparability of baseline and endline data. The surveys used of Audio Computer Assisted Self Interviews (ACASI) to improve data quality by providing workers with greater assurance of anonymity.

Table 1. Firm and worker survey sample composition

| | Baseline 2019 | | | Endline 2023 | | |
|---------------------------|---------------|---------|-------------|--------------|---------|-------------|
| | Treatment | Control | Full sample | Treatment | Control | Full sample |
| Firms | | | | | | |
| Number of total firms | 13 | 55 | 68 | 25 | 13 | 38 |
| Number of exporting firms | 12 | 30 | 42 | 21 | 2 | 23 |
| Share of exporting firms | 84% | 54% | 58% | 84% | 15% | 60% |
| Number of foreign firms | 11 | 30 | 41 | 18 | 3 | 21 |

| | | | | | | |
|------------------------|------|-----|------|------|------|-------|
| Share of foreign firms | 84% | 54% | 58% | 72% | 23% | 55% |
| Workers | | | | | | |
| Number of workers | 189 | 594 | 783 | 732 | 342 | 1,074 |
| Number of women | 130 | 422 | 552 | 624 | 235 | 859 |
| Share of women (%) | 68.9 | 71 | 70.5 | 88.8 | 68.7 | 82.2 |

To understand the mechanisms behind the quantitative findings and the public sector impact, we used qualitative process tracing. This method assesses the stages of intervention and contextual factors affecting implementation. Despite resource constraints and COVID-19 restrictions, 104 in-depth qualitative interviews were conducted with workers, managers, civil society representatives, and ILO staff. Please see Table 2 for a summary. These interviews explored intervention fidelity, implementation strength, acceptability, and accessibility.

Qualitative research gathered also worker perspectives on programme implementation, benefits, constraints, and sector changes. Two rounds of interviews were conducted: one focused on workers' trajectories, wellbeing, and job retention, and the other on experiences with ILO training and trade union activities.

Interviews with ILO staff, company management, and government officials collected insights on intervention fidelity, strength, accessibility, and acceptability. These interviews helped understand the mechanisms leading to different outcomes and contextual factors affecting implementation and uptake of recommendations.

Table 2. Overview of qualitative data collection

| Category | Workers | Managers | ILO staff | GoE officials | CSOs |
|---|----------------|-----------------|------------------|----------------------|-------------|
| Key informant interviews <i>October 2022 & July 2023</i> | - | 13 | 6 | 7 | 6 |
| Semi-structured interviews (wellbeing and job satisfaction) <i>April - June 2023</i> | 30 | - | - | - | - |
| Semi-structured interviews (trade unions and training) <i>December 2023 - February 2024</i> | 32 | - | - | - | - |
| Semi-structured interviews (SCORE component) <i>February 2024</i> | 5 | 5 | - | - | - |
| TOTAL | 67 | 18 | 6 | 7 | 6 |

Implementation challenges and coordination

Before we turn to a summary of our findings it is important to discuss some of the factors that affected the implementation of the SIRAYE programme. The SIRAYE programme faced significant challenges during its implementation due to the COVID-19 pandemic, violent conflict in Ethiopia, and government restructuring. Here we briefly explain how these factors impacted the programme's operations, and how flexibility and coordination were able to mitigate these challenges.

COVID-19 restrictions led to travel bans and indoor gathering limitations, making factory visits impossible at times. The programme team adapted by moving activities online and focusing on workplace safety. The SIRAYE programme also mobilised funds to provide a wage subsidy to 14,000 workers for five months, likely preventing widespread job losses. As noted above, the conflict between the Ethiopian government and the forces of the Tigray regional state, which began in November 2020, resulted in the loss of tariff-free access to the US market via AGOA and the destruction of a major implementation cluster in Mekelle. The conflict-induced loss of AGOA increased the financial pressure on firms, caused job losses, and reduced the number of firms joining the programme.

Government restructuring following the 2018 change in leadership and the 2021 national election led to multiple shifts in key cabinet positions and regional administrations. The lack of clear focal points and interlocutors in the Government of Ethiopia caused significant delays and duplication of efforts as the SIRAYE programme had to reintroduce initiatives to successive office holders.

Despite these challenges, the SIRAYE programme team demonstrated resilience. The programme's strength lay in its close coordination among different components. ILO staff worked as a cohesive team, integrating various interventions to deliver outcomes for workers and firms. This coordination was evident in joint delivery of programme components and activities spanning factory, regional, and national levels. An example of successful joint implementation was the collaboration between the Better Work and SCORE components. Better Work often acted as an entry point at the factory level and collaborated with SCORE on programmes like the women's leadership initiative. Insights from factory visits were shared among the team and fed into broader programme planning.

Coordination across different implementation scales was also crucial. Activities to improve industrial relations and support collective bargaining took place at the factory level and involved advocacy, capacity building, as well as policy support at regional and national levels. Efforts to improve access to justice and dispute resolution combined information and advocacy with capacity building for labour inspectorates and court judges, supported by regional partnerships. Overall, the coordinated approach of the SIRAYE programme enhanced the value and reach of its components, despite the challenging context.

Key findings

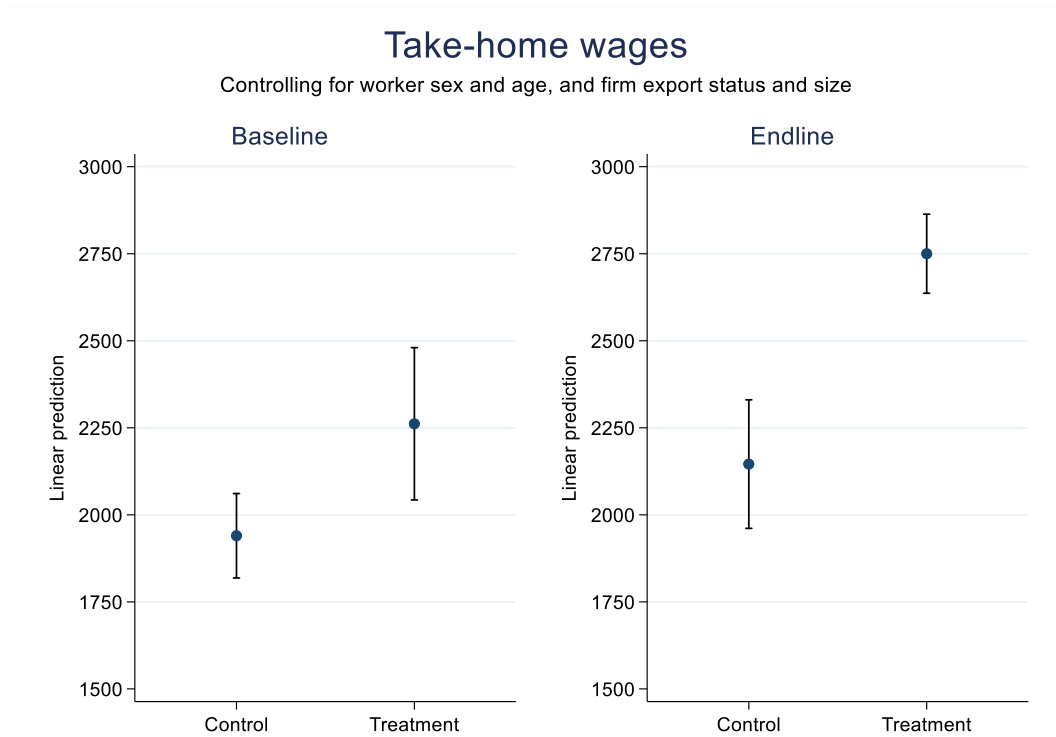
Wages

Wages directly impact the livelihoods of workers and their households and therefore are a key indicator of worker wellbeing. In this section we compare wages using take-home wages, as this is the most relevant measure for workers. Take-home wages include all cash bonuses and deductions. We have not included non-cash benefits such as free or subsidised meals or transport provided by employers in our calculations of cash wages. All wage data is self-reported by workers.

In Figure 1 we use OLS regression to control for workers' sex and age, as well as for whether or not they work for a firm that exports, and the size of the firm (using the log of total employment). We ran separate regressions for the baseline (N=691) and the endline (N=1,044). Regression analysis allows us to control for some of the systematic differences between the treatment and control groups. Controlling for workers' sex and age limits the distortions resulting from larger numbers of (better paid and more senior) men in some groups. Similarly, firms that export differ substantially from firms that do not in their management practices and labour regimes. Controlling for these differences therefore provides a more reliable comparison of wages across groups.

As shown in Figure 1, the controlled means for take-home wages are higher for the treatment groups at both baseline and endline and the indicator variable for treatment was statistically significant in both analyses. Encouragingly, wages for workers in the treatment group have grown faster than for workers in the control group. The difference between the controlled means of the treatment and control groups was ETB 322, or 14.2% of the treatment group mean, at baseline. By the endline survey, the difference in controlled means between the treatment and control groups was ETB 604, or 21.9% of the treatment mean.

Figure 1. Worker take-home wages (in ETB) controlling for observed differences



Higher wages have not been driven by longer working hours. In fact, daily working hours, including overtime and other irregular hours, declined for both treatment and control groups between the baseline and endline surveys, as shown in Table 3. While workers at baseline had worked an average of 9.4 hours per day, by the endline this had fallen to 8.6 hours. Most of this decline was driven by a reduction of daily working hours in the treatment group. As baseline workers in treatment worked 10.4 hours per day on average, compared to 8.5 hours by the endline. This indicates at least some mitigation of the long hours culture often found in the apparel sector. However, almost all factories have six-day work weeks, meaning that an average work week for a treatment group worker at endline was 51 hours.

Table 3. Average daily working hours (incl. overtime)

| | Baseline 2019 | | | Endline 2023 | | |
|--------------------------|---------------|---------|-------------|--------------|---------|-------------|
| | Treatment | Control | Full sample | Treatment | Control | Full sample |
| Mean daily working hours | 10.4 | 9.1 | 9.4 | 8.5 | 9 | 8.6 |

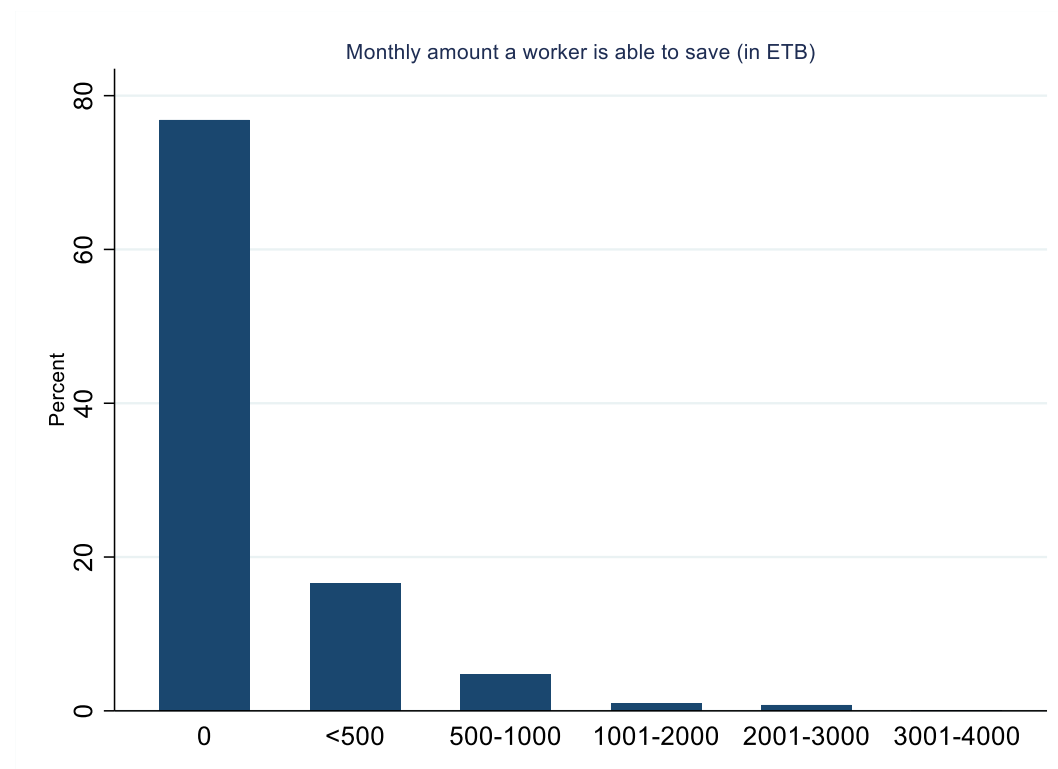
In summary, controlling for observed systematic differences across groups estimated take-home wages of the treatment group were higher at both baseline and endline. The difference between treatment and control groups has grown in both absolute and

relative terms, indicating faster wage growth in the treatment group. This is despite lower average daily working hours in the treatment group.

Livelihoods and savings

Workers need wages that allow them to sustainably fund a decent livelihood. While nominal wages in ETB have risen between the baseline and endline surveys, workers' livelihoods have been impacted by high levels of inflation and the depreciation of the Ethiopian *birr*. In US dollar terms, i.e. not correcting for local purchasing power, the monthly take-home wage for women in the treatment group fell from about USD 66 at baseline to about USD 43 at endline.

Figure 2. Monthly savings at endline



With livelihoods under pressure from low real wages and increased living costs most workers are unable to save any money from their monthly salary. As shown in Figure 2, 77% of workers reported no savings at the end of the month, while 17% were able to save less than ETB 500 (about USD 9) and only 5% reported savings greater than this. This inability to save impacts workers' capacity to build up reserves as protection from future shocks or to invest in education that could increase their earnings in the future.

Non-wage benefits

In addition to wages, companies frequently provide a range of non-wage benefits, such as a free or subsidised transport and food, to their workers. Companies supply these services to help recruit and retain workers, as well as to ensure that workers arrive at

work on time and remain at factory throughout their shift. Transport subsidies in particular allow firms access a much deeper pool of potential employees, while the savings are important to workers struggling with growing living costs.

The provision of food greatly expanded between the baseline and endline. As shown in Table 4, this expansion was driven by firms in treatment group who by the endline were much more likely than control firms to provide food to their employees. Transport provision has remained high across both surveys, indicating the continued importance of recruiting from outside the immediate vicinity of the factory. Treatment firms continue to be more likely to offer transport services than control firms and the distance to the control group has widened between surveys.

Table 4. Non-wage benefits received by workers

| Share of workers who receive... | Baseline 2019 | | | Endline 2023 | | |
|---------------------------------|---------------|---------|-------------|--------------|---------|-------------|
| | Treatment | Control | Full sample | Treatment | Control | Full sample |
| Transport (%) | 66 | 58 | 60 | 65 | 50 | 55 |
| Food (%) | 33 | 42 | 39 | 89 | 60 | 69 |

Occupational safety and health

A safe and healthy working environment is a fundamental right of workers and a key component of the decent work agenda. We therefore tracked developments across several key indicators of occupational safety and health, summarised here in Table 5. By the endline, firms in the treatment were performing better than control firms across most measures, except for exposure to chemicals and ambient temperature, ventilation and noise. Treatment firms performed especially well on critical safety measures such as regular fire drills, adequate sanitation, and the provision of medical facilities. However, not all areas saw improvements from baseline to endline. Despite the recent experience of Covid-19, only 51% of the treatment firms provided adequately equipped washing facilities by the endline, and less than half provided working environments with noise, temperature and ventilation levels workers found acceptable.

Table 5. Safety and hygiene measures

| | Baseline 2019 | | | Endline 2023 | | |
|---|---------------|---------|-------------|--------------|---------|-------------|
| | Treat-ment | Control | Full sample | Treat-ment | Control | Full sample |
| Worker made aware of OSH policies and rules (%) | 65 | 48 | 52 | 51 | 35 | 46 |
| Exposure to hazardous chemicals (%) | 33 | 35 | 34 | 18 | 15 | 17 |
| Adequately equipped washing facilities (%) | 59 | 42 | 46 | 51 | 42 | 48 |
| Decent toilets with handwashing (%) | 92 | 75 | 79 | 86 | 73 | 82 |

| | | | | | | |
|--|-----|-----|-----|----|----|----|
| Satisfied or very satisfied with toilets (%) | 62 | 58 | 59 | 70 | 59 | 66 |
| Medical facility onsite (%) | 75 | 54 | 59 | 77 | 30 | 62 |
| Acceptable temperature and ventilation (%) | 58 | 54 | 55 | 47 | 52 | 49 |
| Acceptable noise levels (%) | 37 | 44 | 42 | 43 | 46 | 44 |
| Employer provides free drinking water (%) | 64 | 58 | 59 | 81 | 73 | 79 |
| Employer provides adequate PPE (%) | N/A | N/A | N/A | 41 | 40 | 41 |
| Factory holds emergency drills (%) | 72 | 44 | 51 | 83 | 45 | 70 |

Harassment

A safe working environment should be free from bullying and harassment. Unfortunately, both verbal abuse by managers and sexual harassment are long-standing concerns in the global apparel sector. As illustrated in Table 6, the baseline survey showed that Ethiopia is no exception. At baseline, 56% of treatment group workers and 50% of control group workers reported concerns about verbal abuse by managers. Sexual harassment was also widespread, with 33% of treatment group workers and 15% of control group workers expressing concerns. The results at endline were much more encouraging. Concerns about verbal abuse fell significantly, especially in treatment firms. Concerns about sexual harassment dropped particularly sharply, from 33% to 6% in the treatment group and from 15% to 8% in the control group.

Table 6. Worker concerns about verbal abuse and harassment

| | Baseline 2019 | | | Endline 2023 | | |
|-------------------------------------|---------------|---------|-------------|--------------|---------|-------------|
| | Treatment | Control | Full sample | Treatment | Control | Full sample |
| Shouting and other verbal abuse (%) | 56 | 50 | 51 | 30 | 43 | 39 |
| Sexual harassment (%) | 33 | 15 | 19 | 6 | 8 | 7 |

The sharp decline in reported harassment may be due to a number of reasons: an actual reduction in harassment due to better control, compliance, and reporting mechanisms, or an increased reluctance to report issues. Our surveys and interviews were not able to substantiate the underlying developments, and a more focused approach will be needed to further probe these findings. However, the results are broadly consistent with the findings of a recent interim evaluation of the gender component of Better Work Ethiopia, which reported that harassment had declined since 2020. That report highlighted how women were being empowered to denounce harassment with support from the Ethiopian Women Lawyers' Association (EWLA) and Hawassa University Legal Aid Center. Despite potential measurement errors, these figures therefore suggest a significant cultural shift in treatment firms.

Training and skill development

Training was a key route to impact for the SIRAYE programme. We therefore conducted in-depth qualitative interviews to capture the experiences and assessments of workers and managers with regard to training. Workers overwhelmingly reported positive experiences and useful outcomes from the training sessions, particularly in workplace safety. Many workers noted that the safety training was effective and had a significant impact on their daily tasks, safety, and company efficiency. The training helped facilitate valuable interactions among colleagues from different companies, promoting peer learning and community experience sharing.

Training also improved cooperative working and communication, especially between supervisors and production workers. Some workers reported that better communication led to increased efficiency and productivity, benefiting both the company and the workers. Beyond the impacts on individuals, workers also reported collective benefits to the company as a whole, including improved safety practices and better management-employee communication. Workers felt more empowered and respected, contributing to a more harmonious workplace.

The success of the training depended on the quality of trainers and the delivery method. Workers preferred in-person sessions over online ones due to better engagement and information retention. Across all delivery modes, visual aids and engaging facilitators were seen as crucial for effective training. Workers suggested continuous engagement and follow-up sessions to enhance the training's impact further.

One of the most common preferences and requests from interviewed workers was some continuity in training mechanisms. The on-off nature of some of the sessions and their short follow-ups was seen as problematic and a missed opportunity for more systematic improvements and a wider outreach to a larger cohort of workers in each factory. Precisely because workers saw the benefits, most wanted more, partly to consolidate good practice, partly to deepen on certain aspects and move towards "continuous improvement". Workers emphasized the need for continuous training rather than one-off sessions, highlighting missed opportunities for systematic improvements. They suggested a 'Kaizen-like' approach for ongoing training, including diverse participants and a training-of-trainers model. Workers were also concerned about a perceived lack of impact on salaries or promotions, and suggested the need for gender mainstreaming in all training themes.

Workers' voice and representation

Our surveys and interviews documented significant advancements in workers' voice and representation through the expansion of trade unions in industrial parks. Initial efforts to establish basic union representation encountered management resistance. However, collaboration between SIRAYE, the national government, union federations and some private sector representatives helped overcome these obstacles by highlighting

international experiences and showcasing the benefits of enhanced worker-management communication.

Despite the establishment of basic unions at the factory level, management resistance persisted in a number of firms which discouraged worker membership, raising concerns about firms' genuine commitment to effective union representation. Among workers, training initiatives improved union awareness and acceptance, aiding in the identification and support of effective union representatives. Nonetheless, union representatives expressed the need for ongoing training and broader participation.

Union representatives continue to face challenges, primarily due to insufficient knowledge, experience, and material support. By contrast, workers' councils, often initiated by management, are not seen as effective substitutes for established trade unions, particularly in areas like wages and collective bargaining. These councils faced less resistance but, as entities not recognised in Ethiopian labour law, lacked external support and appeared more isolated.

Despite these challenges, there was a consensus among workers and trade union representatives that the presence of trade unions led to fewer strikes, improved grievance handling, and generally fewer disputes, as issues were resolved earlier through better communication.

Public sector impact

Government officials consistently expressed extremely positive views on the achievements of the SIRAYE programme. Officials highlighted SIRAYE's efforts to align with government priorities while persistently advocating for its medium-term goals. Even when policy views did not align, SIRAYE was lauded as a source and repository of relevant and valuable skills. In Interviews, government officials highlighted SIRAYE's significant contribution to the unionization efforts in Ethiopia's industrial parks through a comprehensive, multi-pronged approach that effectively engaged stakeholders from the private sector, government, and the trade union movement.

Public sector representatives particularly valued the coordinated approach across multiple ILO interventions, which supported SIRAYE's programmatic approach. This coordinated effort was seen as instrumental in achieving the program's objectives and fostering a collaborative environment among various stakeholders. The SIRAYE programme's ability to navigate and integrate diverse perspectives and priorities was highlighted as a key factor in achieving outcomes. The programme was praised for its strategic engagement which allowed it to help improve the labour inspection system and advance the unionization agenda within Ethiopia's industrial parks, demonstrating the potential for sustained impact through collaborative efforts.

Main benefits and areas for improvement

The SIRAYE approach, based on joint implementation across different programme components and ILO sub-teams, was praised by all policy stakeholders and proved effective in avoiding siloes and leveraging enhanced coordination to achieve key goals. This integrated strategy facilitated collaboration among the different stakeholders, including national and regional government agencies, employers, and workers' organizations. By promoting a unified framework, the SIRAYE programme ensured that efforts were not fragmented, leading to more cohesive and comprehensive interventions. This approach was instrumental in aligning the objectives of different parties, fostering a shared vision, and streamlining processes to address labour issues more efficiently. Perhaps the best examples of this are the efforts to increase worker voice from the factory floor to the national government. The success of this strategy underscores the importance of coordinated action in tackling complex labour challenges and achieving sustainable improvements in labour standards and workers' rights.

Important achievements were made in the areas of workers' representation and company compliance, largely due to targeted training and coordinated actions involving multiple stakeholders, in particular buyers. Training programs raised awareness and improved understanding of labour standards among workers, company managers, and trade union representatives. This education empowered workers and strengthened their representation, which helped to improve compliance with labour laws and standards. The collaborative efforts of various stakeholders, including trade unions, employers, and government agencies, played a crucial role in these successes. By working together, these groups were able to address issues more effectively, resulting in tangible improvements in workers' rights and workplace conditions.

Despite these successes, several challenges remain. One major issue is the setting of a minimum wage, which has seen little progress and continues to be a significant obstacle to securing living wages across the sector. Additionally, wages are not growing fast enough to meet workers' needs, especially in the face of rising inflation, which has eroded gains in pay. Another challenge is managing company resistance to more effective union activities on the factory floor. Strengthening union capacity at the factory level is essential, but it requires overcoming opposition from some employers who are reluctant to embrace stronger worker representation. Addressing these challenges is crucial for ensuring sustained improvements in labour conditions and workers' wellbeing.

Recommendations

This final section presents the main recommendations of the evaluation team, focusing on significant gaps and lessons learned for future phases of SIRAYE and similar

programmes. The primary objective is to engage with learning relevant to policy and practice, especially given the challenging context of SIRAYE Phase 1. These recommendations aim to address key challenges and leverage collaborative efforts to improve working conditions and labour standards in Ethiopia's apparel industry.

Recommendations are organized by stakeholders, including the ILO, the Ethiopian government, labour organizations, trade unions, apparel employers, global buyers, and other partners. Most recommendations require collective action involving all stakeholders.

To the Government of Ethiopia (with the ILO and the private sector, especially global buyers):

- ▶ Renew the push for a minimum wage as a central objective. Despite political challenges, efforts should continue to establish a minimum wage mechanism, even if limited to the apparel industry. This should consider recent cost of living increases and link to living wage campaigns nationally and internationally. Stronger partnerships with global buyers may support this goal.

To the private sector (with the assistance of the ILO):

- ▶ Address the drivers of low pay. Job satisfaction remains low due to inadequate pay. Efforts should focus on helping workers maximize wage potential within firms' constraints and – crucially – engage global buyers on wage issues.
- ▶ Support firms to join global framework agreements with global buyers. Supplier firms often face low margins and pressure to limit the sharing of productivity gains with workers. Working with international trade union federations can help consolidate labour standards. Global binding agreements between buyers, unions, and governments should prioritize social sustainability over commercial imperatives.

To the ILO:

- ▶ Build greater buyer-independent demand for factory interventions. While engaging global buyers has been successful, efforts should also convince supplier firms of the intrinsic value of improving working conditions to mitigate sustainability risks.
- ▶ Ensure greater continuity in training. Training has been effective but needs mechanisms for continuous improvement due to high labour turnover. Options include in-house training hubs or systematic approaches by Better Work and other ILO services.

To the ILO and labour organizations (including international trade union federations):

- ▶ Provide long-term support to basic unions at the factory level. High labour turnover necessitates constant renewal of training for factory-level unions.

Training should be frequent and tailored to different phases of a union's existence to enhance collective bargaining and improve pay frameworks.

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