

Productive Employment and Decent Work for Youth and Women in Textile and Garment Manufacturing Sector in Ethiopia



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Forum for Social Studies

Productive Employment and Decent Work for Youth and Women in Textile and Garment Manufacturing Sector in Ethiopia

Research Report

Research Team

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Abbreviations

CETU	Confederation of Ethiopian Trade Unions
CSA	Central Statistical Authority
DWCPs	Decent Work Country Programs
EEC	Ethiopian Employers' Confederation
EIEC	Ethiopian Industry Employers' Confederation
ETB	Ethiopian Birr
ESS	Ethiopian Statistical Service
FDRE	Federal Democratic Republic of Ethiopia
GDP	Gross Domestic Product
GoE	Government of Ethiopia
GTP	Growth and Transformation Plan
ILO	International Labor Organization
IPs	Industry Parks
MoLSA	Ministry of Labor and Social Affairs
MoLS	Ministry of Labor and Skills
MoI	Ministry of Industry
NBE	National Bank of Ethiopia
SNNP	Southern Nations, Nationalities and Peoples
T & G	Textile and Garment
UNDP	United Nations Development Program
UN	United Nations

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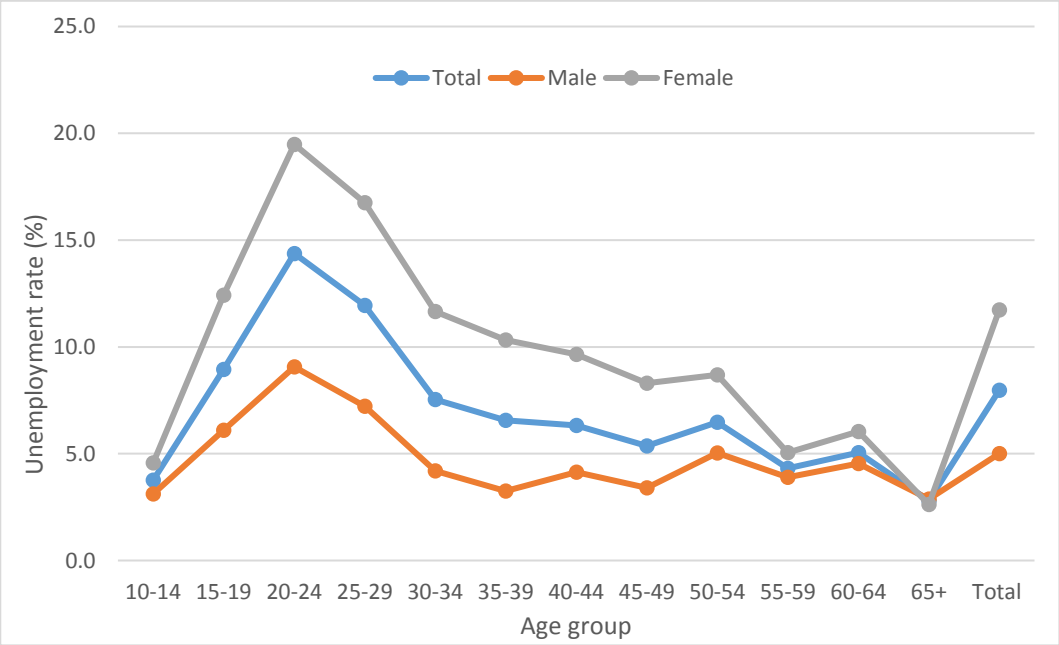
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1. INTRODUCTION

1.1 Country Context

According to the UN’s population estimates, Ethiopia had an estimated population of 129 million people in 2023, of which 69% were children and youth under the age of 30 (UNDESA, 2024). Each year the country’s population grows at 2.5% and unemployment, particularly among the youth is one of the major challenges that the country has been facing in recent years. The unemployment challenge in the country is more pronounced and disproportionately larger for the young people. Moreover, as Figure 1 demonstrates, unemployment rate in Ethiopia is considerably higher for both young females and adult women.

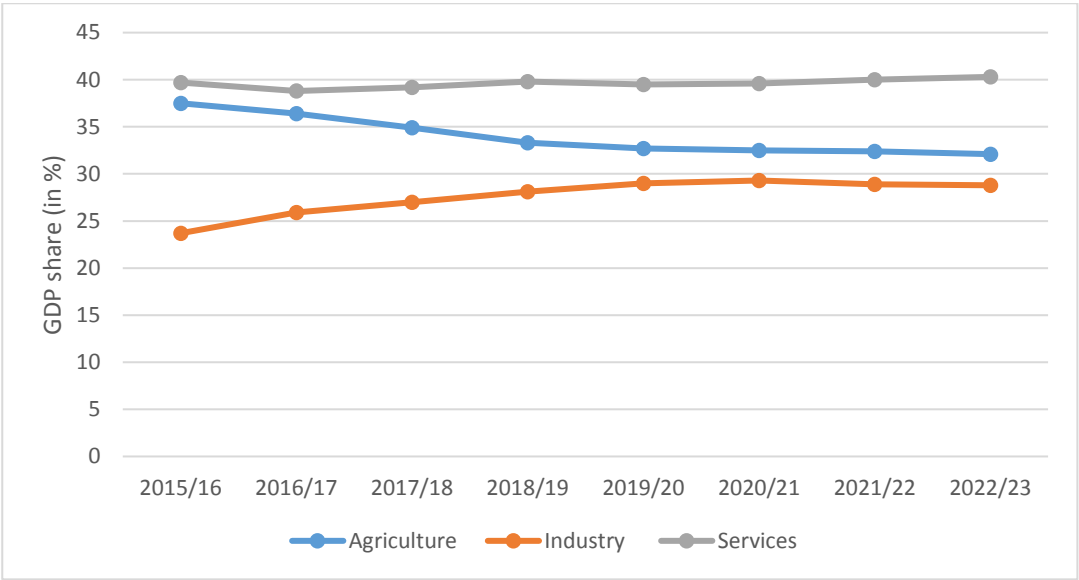
Figure 1. Unemployment Rate in Ethiopia by Age and Sex.



Source: LMS 2021.

Over the past two decades, Ethiopia’s GDP has been growing at a rapid rate, ranging from 5.3% to 13.6% per annum (World Bank, 2023). Agriculture has been the primary source of national income and employment in the country throughout most of this period. However, its relative share has decreased in recent years (Figure 2). For example, according to the data published by the National Bank of Ethiopia (NBE, 2023), the share of the country’s GDP derived from agriculture decreased from 37.5% in 2015/16 to 32.1% in 2022/23. Over the same period, the shares of services and industry sectors respectively grew from 39.7% to 40.3% and 23.7% to 28.8%, demonstrating steady structural change in the economy (NBE, 2023).

Figure 2. Trends of Composition of the Ethiopian GDP.



Source: Own computation based on data from the NBE (NBE, 2023).

The Government of Ethiopia (GoE) follows a labor-intensive industrialization strategy and promotes light manufacturing firms including textiles and garment (Mol, 2013). It is widely claimed by the government that the country’s low-cost labor availability is a source of competitive advantage for firms entering the sector. In addition, the GoE has an active industrial policy in place to attract and encourage foreign direct investment into the sector.

1.2 The Textile and Garment Industry

Ethiopia has a long history of textile and garment production and domestic use (Frodl-Dietschmann, 2023). In recent years, the sector has garnered an increasing policy attention in the country's structural transformation and industrialization process (Whitfield *et al.*, 2020). Promoting and supporting the textile and garment sector is one of the GoE's policy priorities for spurring transformation of the industrial sector and structural change in the economy. In 2002/03, the GoE adopted the country's first national industrial policy (Federal Democratic Republic of Ethiopia, 2002).

Several industrial policy and strategic documents argue that the textile and garment sector has high potential to create jobs for the rapidly growing labor force, increase industrial export and to strengthen linkages of the manufacturing sector with other-sectors including agriculture. To achieve these goals, the GoE has initiated and implemented various policy measures to attract industrial investment, especially foreign direct investment (FDI) in the textile and garment and other light manufacturing industries in the country.

The Ethiopian parliament has also issued several legal frameworks including an Investment Proclamation No. 769/2012, an Industrial Parks Proclamation No. 886/2015 and an Industrial Parks Regulation No. 417/2017. These interventions have resulted in several early successes in the textile and garment sector particularly in terms of creating formal wage employment for low/semi-skilled young people and adult women and of generating export-earnings for the country, among others (Hardy *et al.*, 2024). For example, before the COVID-19 pandemic broke out, firms across all industrial parks in Ethiopia employed about 86,000 workers, of which the Hawassa Industrial Park (established in 2015), which could provide employment for over 60,000 workers at full capacity, employed 28,000 (Meyer *et al.*, 2021).

Documents show that virtually all employment in textile and garment manufacturing industries in Ethiopia are found in urban areas. According to Fink *et al.* (2023), 80% to 90% of the Ethiopia's textile and garment production comes from industrial parks, which are located in major cities and towns in the country. However, sustaining the early success faced several challenges (Fink *et al.*, 2023), including the outbreak of COVID-19, the start of civil-war in Tigray region

in 2020, the suspension of Ethiopia from the African Growth and Opportunity Act (AGOA) as of January 2022, and lack of sufficient forex for import of industrial raw materials and for profit repatriation by foreign-owned companies (Mengistu et al., 2020; Meyer et al., 2021; World Bank, 2022). For example, according to a survey of 107 textile and garment firms, conducted between May and July 2020, located in 11 industrial parks, more than 75% the firms reported both lower sales and production volumes than they had planned before the COVID-19 pandemic broke out (Mengistu et al., 2020). For firms that reported a decline, production volumes and sales dropped by 56% and 57%, respectively.

Furthermore, following the conflict between the Ethiopian Federal Government and the forces of the Tigray regional state, which broke out in November 2020, four export-oriented industrial parks were shut-down and several thousand workers were laid off (World Bank, 2020). Yet there is limited evidence of whether and to what extent the textile and garments sector contributed to employment creation, particularly among youths and women. This study aims at analyzing the contribution of the sector in terms of providing decent employment for the youth and women and the challenges and constraints it is facing using available secondary data and desk review.

1.3 Objectives and Research Questions

The main goal of the African Policy Dialogues in Ethiopia (APD-Ethiopia) project is to bring together relevant stakeholders in the textile and garment (T&G) sector in policy dialogue forums in order to bridge the gap between knowledge generation and policy making or practice. The specific objectives include: (1) identify and analyze levels and trends of employment opportunities for youth and women and other vulnerable groups (e.g. rural-urban migrants) created in the textile and garment sector, (2) analyze gaps and challenges facing the subsector to creating productive and decent employment opportunities, especially for youths and women, and (3) establish a platform for policy makers, employees, employers and other relevant stakeholders to exchange ideas and engage in evidence-informed policy dialogues on decent employment for youths and women in the T&G manufacturing in Ethiopia. The study has attempted to assess the spatial and temporal trends of textile and garment employment in Ethiopia with a particular focus on levels and trends of employment of youths and adult women. The following are the main research questions that the study tried to address:

- To what extent have the textile and garment subsectors contributed to employment opportunities for youth and women in Ethiopia?
- How are the employment opportunities created in these subsectors distributed among people of different gender, age groups, geographies, educational and skills levels, and migration status?
- What are the main structural, technical, administrative and operational obstacles hindering productive employment and decent work opportunities in the textile and garment subsectors in the country?

The rest of the report is organized as follows. Section 2 describes the data sources and methodology used in the report. Sections 3 and 4 present the key findings of the report based on secondary data analysis and reviews of relevant literature, respectively. In Section 5 the report provides the summary and conclusions of the assessment.

2 METHODOLOGY

Youths and women are likely to face varying degrees of labor market challenges and opportunities. In this project, we envisage to unpack employment and decent work outcomes in the textile and garment subsectors along key background characteristics of women and youth, such as gender, geographic/administrative location, educational attainments and skill-bases, and migration status. Analysis and evidence along these lines is of relevance for national and regional policy makers and other stakeholders interested to promote inclusive and decent work opportunities in Ethiopia. Toward this end, we draw on desk-reviews of relevant national and sectoral policies and programs and published evidence on employment of youth and women in T&G and garment industries in the country. We have also made an extensive use of Ethiopia's Urban Employment and Unemployment Survey (EUEUS), collected by the Central Statistical Agency (CSA) of Ethiopia, recently renamed Ethiopian Statistical Services (ESS).

The EUEUS collects nationally representative data on urban labor market information, each time drawing on a random sample of urban households in the country. We mainly focus on data on individuals' employment participation in

textile and wearing apparel (hereafter referred to as garment) production and its contribution to employment of the youths (15-29 years of age) and adult women (30 years of age and above). Our analysis is based on datasets collected in three rounds of EUEUS, namely the 2014 UEUS, implemented in April-May 2014 (CSA, 2014), the 2018 UEUS conducted in June-July 2018 (CSA, 2018) and the 2022 (1st round) UEUS, conducted in February-March 2022 (ESS, 2022a). The time of these surveys importantly contrast with some key events in Ethiopia. For example, 2014 EUEUS occurred before a major expansion of IPs in Ethiopia and the 2018 EUEUS occurred just a year before COVID-19 broke-out. On the other hand, the 2022 EUEUS was implemented nearly two years after the war in northern Ethiopia broke-out.

3. MAIN FINDINGS FROM SECONDARY DATA ANALYSIS

3.1 Total Employment in Textile and Apparel Sector

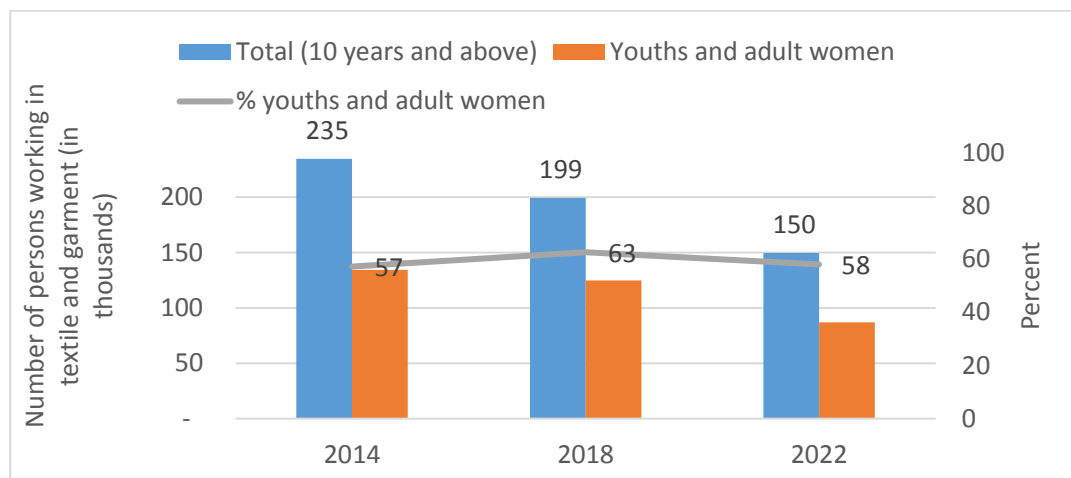
The textile and garment sector is an important source of employment in Ethiopia. Figure 3 displays the total number of all persons, and of youths and adult women in particular, working in textile and garment as their main job in urban areas of Ethiopia. According to the data, in 2014 the sector was the main source of employment for nearly 235 thousand persons aged more than 10 years old, of which the vast majority (57%) were youths and adult women. However, a closer look into the data collected in later years demonstrate that this figure had decreased to 199 thousand and 150 thousand in 2018 and 2022, respectively.¹ Youths and adult women are no exception. In 2014, around 135 thousand workers or 57% the total number of workers in the textile and garment sector were youths and adult women. In 2018 and 2022, the number of youths and adult women working in the sector had decreased to 125 thousand and 87 thousand, respectively, but their corresponding share in the sector's workforce had risen to 63% and 58%.

In the sector, youths and women work in various labor-intensive activities including preparing and spinning of textile fibers, weaving and finishing of

¹ Note that the figure for 2022 does not include the Tigray Region because of the lack of data.

textiles, manufacturing knitted and crocheted fabrics and made-up textile articles, and preparing wearing apparel (see Table A1 in Annex).

Figure 3. Total Number of Persons in Urban Areas Working in Textile and Apparel Sector.



Note: The 2022 UEUS did not cover the Tigray Region.

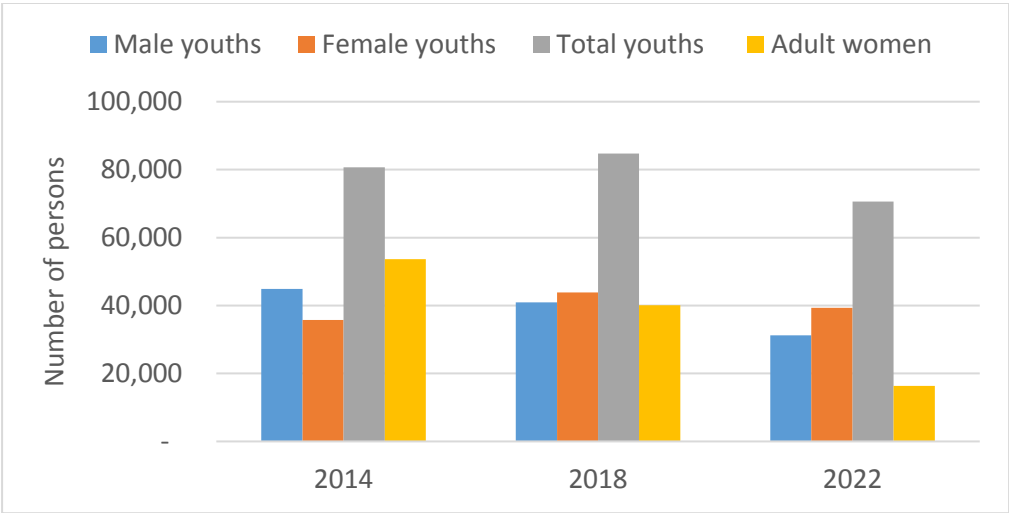
Source: Own computation based on various rounds of EUEUS.

The decline in total number of number of jobs, and total number of youths and adult women employed in textile and garment in particular, may be attributed to several factors including internal social unrests (2018), COVID-19 pandemic and the Tigray war that erupted in 2020 and later spread to other neighboring regions such as Amhara and Afar, as well as the continuing political conflict in Amhara and Oromia regions.

Further disaggregation of the data show that youths and women had variable employment trends in the textile and garment sector in the country. Figure 4 presents the total number of adult women and youths who worked in the textile and garment sector. As indicated in the figure, the total number of youths working in the sector had increased from 81 thousand in 2014 to 85 thousand in 2018, but slipped back to nearly 71 thousand in 2022, although the textile and garment subsector accounted for an increasing share of total manufacturing employment in urban areas of Ethiopia. For example, in 2014, nearly 21% of all youth jobs in the manufacturing sector was found in the textile and garment sector and by 2022 this figure had increased to 28% (see Table A2 in Annex), suggesting that the textile sub-sector remains a dominant source of

employment in Ethiopia. For female youths this share corresponded to 30% in 2022 up from 22% in 2014. By contrast, the employment role of the sector for adult women had dropped not only in its own right but also in comparison to all manufacturing types.

Figure 4. Total Number of Youths and Adult Women in Urban Areas Working in Textile and Apparel Sector.



Note: The 2022 UEUS did not cover the Tigray Region.

Source: Own estimations based on various rounds of EUEUS.

3.2 Spatial and Temporal Distribution of Textile and Apparel Employment

Table 1 presents the regional distribution of textile and garment jobs for youths and adult women in urban areas of Ethiopia. As indicated in the table, the distribution of employment generated by the textile and garment sector is uneven. More than 94% of the youths and adult women working in the sector in the years observed were found in just five regions of Ethiopia, namely Tigray, Amhara, Oromia, SNNP and Addis Ababa. In 2022, the Sidama region (formerly part of the SNNP region) had accounted for nearly 5% of all youths employed by the textile and garment sector. Two possible reasons could be given for the observed variation in the employment outcomes. First, most of the recently built textile and garment factories in the industrial parks are located in these regions. Second, these regions account for the lion's share of persons living in urban areas in the country.

Table 1. Shares of Youths and Adult Women in Urban Areas Working in Textile and Apparel Sector.

Region	Youths			Adult women		
	2014	2018	2022	2014	2018	2022
Tigray	15.8%	14.5%		24.5%	14.6%	
Afar	0.4%	0.1%	0.0%	0.0%	0.0%	1.9%
Amhara	20.6%	15.4%	22.5%	26.4%	20.2%	40.0%
Oromia	34.5%	39.2%	27.0%	24.3%	40.3%	17.2%
Somali	0.2%	0.5%	0.0%	0.1%	0.0%	0.0%
Benishangul Gumuz	0.4%	0.3%	0.0%	0.3%	1.1%	0.5%
SNNPR	9.1%	6.2%	9.2%	6.6%	3.8%	1.5%
Sidama			4.9%			0.6%
Gambella	0.2%	0.1%	0.1%	0.1%	0.0%	0.0%
Harari	0.1%	0.2%	0.1%	0.2%	0.0%	0.0%
Addis Ababa	18.1%	22.7%	35.2%	15.3%	18.4%	36.7%
Dire Dawa	0.6%	0.8%	1.0%	2.1%	1.5%	1.5%

Note: The 2022 UEUS did not cover the Tigray Region.

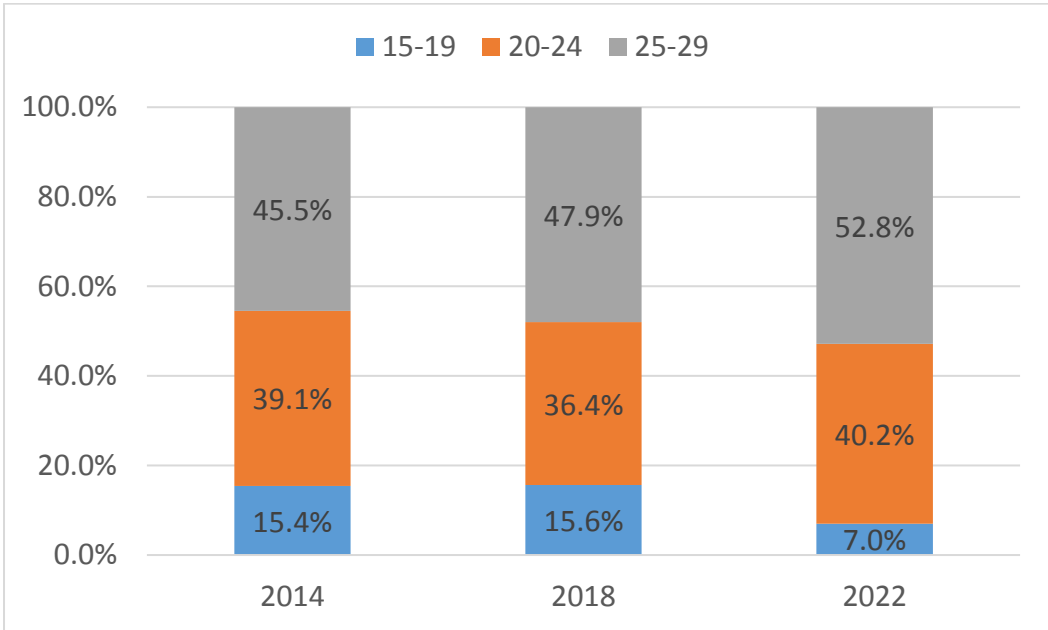
Source: Own estimations based on various rounds of EUEUS.

3.3 Demographic Composition of Youths in Urban Areas Working in Textile and Apparel Sector

Figure 5 shows the age distribution of youths working in the textile and garment sector. The employment participation of youths in the sector reveals an interesting dynamics. Between 2014 and 2022, the share of 15-19 years old youths employed in the sector had decreased nearly by 8 percentage points from 15.4% in 2014 to just 7.0% in 2022, while the 25-29 years old youths saw their employment share increased by 7 percentage points from 45.5% in 2014 to 52.8% in 2022. The decline in the share of the youngest age-cohort in total youth employment in the sector might be due to increased enforcement of the minimum age requirement (i.e. 18 years and above) in the formal sector,

especially industrial parks. In each year, youths aged 25-29 years old make up the largest share of youths working in the textile and garment sector.

Figure 5. Age Structure of Youths in Urban Areas Working in Textile and Apparel Sector.

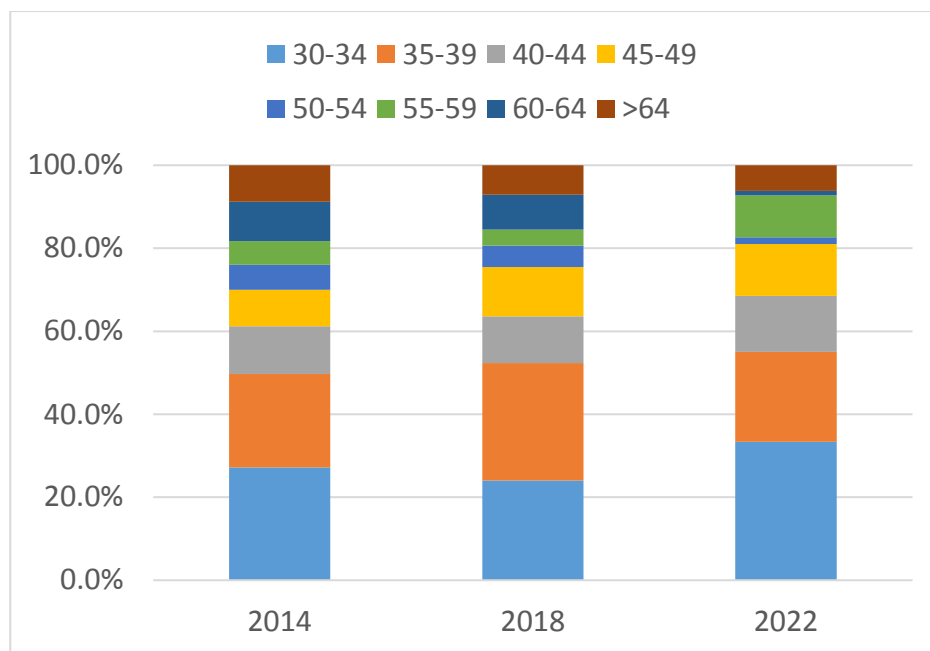


Note: The 2022 UEUS did not cover the Tigray Region.

Source: Own estimations based on various rounds of EUEUS.

The descriptive results also show that textile and garment is an important source of employment for adult women in all age cohorts, demonstrating the cultural and economic value of the sector for women (see Figure 6). Among adult women who worked in the sector each year, the vast majority were 49 years old or younger. In 2022, nearly one-in-three adult women who worked in the textile and garment belonged to the 30-34 age group.

Figure 6. Age Structure of Adult Women in Urban Areas Working in Textile and Apparel Sector.



Note: The 2022 UEUS did not cover the Tigray Region.

Source: Own estimations based on various rounds of EUEUS.

3.4 Educational Profile of Youths and Adult Women in Urban Areas Working in Textile and Apparel Sector

The survey asked the highest level of education attained by persons in the surveyed households. The descriptive results reveal that youths and adult women working in the textile and garment sector have limited education (Table 2). According to Ethiopia's UEUS data, about 9% of youths who worked in the textile and garment sector in 2014 and in 2018 did not have any formal education. As one would expect, women have lower level of education than youths. About 34%, 44% and 21% of adult women who worked in the sector in 2014, 2018 and 2022, respectively have not attended any formal education. In each year, the shares of college diploma-or university-degree holders who worked in the textile and garment sector varied between zero and 4% for youths and between 0% and 5% for adult women. The vast majority of youths (72%-

77%) and adult women (43%-54%) had incomplete secondary schooling or some primary schooling certificates.

Table 2. Education of Youths and Adult Women in Urban Areas Working in Textile and Apparel Sector.

Highest level of education completed	Youth			Adult women		
	2014	2018	2022	2014	2018	2022
Non-formal	1.1%	0.0%	0.0%	0.0%	1.5%	0.9%
Preschool	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Primary (grades 1-8)	36.5%	35.4%	40.5%	26.5%	19.4%	34.6%
Secondary not completed	35.7%	38.2%	36.6%	21.2%	23.2%	19.7%
Secondary completed	0.0%	0.0%	0.2%	0	0.0%	0.0%
Preparatory	3.0%	5.1%	3.5%	0.4%	2.1%	7.8%
Certificate not completed	1.1%	0.5%	1.5%	1.2%	3.0%	0.4%
Certificate completed	8.8%	7.4%	11.3%	1.7%	3.6%	7.5%
Diploma or degree not completed	0.3%	0.4%	3.7%	0.0%	0.0%	4.7%
Diploma completed	0.4%	0.9%	0.1%	1.1%	2.7%	0.0%
Degree completed	2.9%	2.6%	0.1%	0.7%	2.0%	0.0%
Above degree	0.5%	0.7%	0.8%	0.0%	0.0%	0.0%
Adult education, literacy campaign, ABE, other	0.4%	0.0%	0.0%	13.6%	0.0%	3.7%
Never attended	8.6%	8.8%	1.6%	33.6%	42.6%	20.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: The 2022 UEUS did not cover the Tigray Region.

Source: Own estimations based on various rounds of EUEUS.

3.5 Migration Status of Youths and Adult Women Employed in the Textile and Apparel Sector

The textile and garment sector is an important source of employment, particularly for internal migrants in Ethiopia. Table 3 provides summary statistics on the composition of youths and adult women who have worked in the sector by their migration status. Defining migrants simply as those who settled in their current location in the past five years or less, we find that nearly 40% of youths and 5% of adult women who were working in the textile and

garment sector in 2014 were migrants.² However, further analysis of the data disaggregated by gender demonstrates that working in the textile and garment sector in general is more likely to be the main job for migrant male youths (43%) than for migrant female youths (37%). This is in contrast to the employment situation in recently built textile and garment industrial parks where production workers are more likely to be migrant female youths (Oya and Schaefer, 2021; Meyer et al., 2021).

Table 3. Migration Status of Youths and Adult Women in Urban Areas Working in Textile and Apparel Sector in 2014.

Years in the current place of residence	Youths			Adult women
	Male	Female	Total	
0 (Less than 1 year)	5.9%	4.0%	5.1%	1.1%
1	4.2%	7.6%	5.7%	1.8%
2	9.3%	4.7%	7.3%	0.3%
3	9.8%	5.3%	7.8%	0.0%
4	4.7%	5.4%	5.0%	0.2%
5	9.1%	8.7%	8.9%	2.0%
6-97 years	18.6%	33.8%	25.3%	54.9%
Since Birth	38.3%	30.6%	34.9%	39.6%
Total (N)	44,874	35,786	80,660	53,620
Total (%)	100.0%	100.0%	100.0%	100.0%

Source: Own estimations based on EUEUS 2014.

² Data on individuals' migration status are not available in the UEUS conducted in 2018 and 2022.

3.6 Marital Status of Youths and Adult Women in Urban Areas Working in Textile and Apparel Sector

With regard to marital status, Table 4 presents summary statistics on marital status of youths and adult women working in the textile and garment sector based on UEUSs. As expected, most (54% to 63%) of the youths who worked in the textile and garment sector each year were never married. The proportion of married youths working in the sector increased by close to 10 percentage points from 29.8% in 2014 to 40.9% in 2022. Among adult women, the share of married women whose main job is working in the textile and garment sector decreased by around 9 percentage points from 52% in 2014 to 43% in 2022. The share of divorced or separated adult women who worked in the textile and garment showed a ‘U-shape’ pattern over time, first decreasing from 36.2% in 2014 to 31.9% in 2018 and then rising to 40.5% in 2022.

Table 4. Marital Status of Youths and Adult Women in Urban Areas Working in Textile and Apparel Sector.

	Youths			Adult women		
	2014	2018	2022	2014	2018	2022
Never Married	62.6%	64.1%	54.2%	8.1%	11.1%	2.9%
Married	29.8%	31.2%	40.9%	52.0%	49.1%	43.0%
Divorced	5.4%	2.7%	2.7%	9.7%	20.1%	27.8%
Widowed	0.4%	0.0%	0.0%	26.5%	11.8%	12.7%
Separated	1.2%	1.9%	0.0%	3.7%	6.4%	0.0%
Living together	0.6%	0.0%	2.1%	0.0%	1.4%	3.5%
Total (N)	80,660	84,744	70,577	53,620	40,051	16,318
Total (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: The 2022 UEUS did not cover the Tigray Region.

Source: Own estimations based on various rounds of EUS.

3.7 Hours Worked by Youths and Adult Women in Urban Areas in Textile and Apparel Sector

Based on secondary data, Table 5 shows the average weekly hours worked by youths and adult women in the textile and garment sector. As shown in the table, each year youths worked more hours in the sector than did adult women. The data also show that the average weekly hours of work in the sector among both youths and adult women had increased significantly during the observed time period. However, the speed of growth of working hours varied not only between youths and adult women but also within the young people themselves. Mean working hours grew by 57% in 2022 among adult women, a 16-hour rise from 2014. Among youths, female youths experienced a greater (45%) speed of work hour increment than male youths (36%) over the same period.

Table 5. Youths' and Adult Women in Urban Areas Average Hours of Work in Textile and Apparel Sector.

	2014	2018	2022	Change between 2014 and 2022 (%)
Male youths	39	53	53	36%
Female youths	33	46	48	45%
All youths	37	49	50	35%
Adult women	28	39	44	57%

Note: The 2022 UEUS did not cover the Tigray region.

Source: Own estimations based on various rounds of EUS.

3.8 Payments Received by Youths and Adult Women in Urban Areas from Working in Textile and Apparel Sector

Table 6 shows the amount of total payments (in current ETB) that youths and adult women had earned from working in the textile and garment sector. Total payment rose significantly for all workforce considered. For all youths, monthly total pay rose by 174%, from ETB 1,018 in 2014 to ETB 2,792 in 2022. However, it appears that male youths earned significantly more than female youths in each year and that the total monthly pay grew much faster for the former (290%) than the latter (135%), implying widening pay gender gaps among youths working in the sector.

Adult women appeared to earn less total payments than male youths but greater than female youths in textile and garment sector. As indicated in Table 6, their total payment (in current ETB) increased nearly threefold or by 284%, from ETB 1,010 in 2014 to ETB 2,873 in 2022.

Despite increases in monthly payments, there are several issues that could be cause for concern. First, women and youths earned comparatively lower in the textile and garment compared with the mean monthly payments that an average employed person in urban areas could earn in most sectors including manufacturing industries in country (see Table A3 in Annex). For example, in 2022, the mean monthly payments of youths (ETB 2,792) and adult women (ETB 2,873) in the textile and garment sector was considerably lower than the mean monthly payments that an average employed person was paid in agriculture (ETB 5,013), and construction (ETB 4,665), and manufacturing industries (ETB 5,091).

Second, the observed increases in the nominal payments had generally not been able to catch up with the rising costs of living or inflation in the economy (World Bank, 2025). In fact, as indicated in Table 6, real mean monthly payments, which are adjusted for inflation, had decreased for both youths and adult women during the time period under investigation.

Table 6. Average Monthly Payments in Textile and Apparel Sector to Youths and Adult Women in Urban Areas (in ETB).

	Payment ⁺	2014			Change between 2014 and 2022 (%)
		2014	2018	2022	
Male youths	Nominal	978	2,533	3,812	290%
	Real	978	1256	775	-21%
Female youths	Nominal	1,044	1,426	2,453	135%
	Real	1,044	707	499	-52%
All youths	Nominal	1,018	1,777	2,792	174%
	Real	1,018	881	568	-44%
Adult women	Nominal	1,010	2,151	2,873	184%
	Real	1,010	1,067	584	-42%

Note: The 2022 UEUS did not cover the Tigray region. + Real mean total payments were calculated using 'Inflation-Consumer Prices' data published by the World Bank's World Development Indicators.

Source: Own estimations based on various rounds of EUS.

4. MAIN FINDINGS FROM THE DESK REVIEWS

4.1. The Ethiopian Constitution

The 1995 Ethiopian Constitution gives equality of men and women and prohibits any form of discrimination in employment, promotion or pay on basis of sex, religion, culture or race. The Constitution recognizes the historical legacy of inequality and discrimination suffered by women in Ethiopia, and entitles women to affirmative actions to remedy this gap so that they are able to compete and participate on the basis of equality with men in political, social and economic activities (FDRE, 1995). The Constitution also lays the foundation to protect rights of labor including the right to form trade unions and other associations to bargain collectively with employers or other organizations that affect their interests as well as the right to reasonable limitation of working hours, to rest, to periodic leaves with pay, to remuneration for public holidays as well as healthy and safe working environments. Women employees also entitled to paid maternity leave from their employers (FDRE, 1995).

4.2 The Ethiopian Labor Law

Ethiopia adopted a revised Labor Proclamation No. 1156/2019 (FDRE, 2019), which replaced a prior Proclamation which had been in place since 2003. The new Law authorizes the Ministry of Labor and Skills (MoLS) to establish key labor rules and standards. The Labor Law contains the rights and obligations of both workers and employers and also outlines procedures for settling disagreements between workers and employers when they arise. It has set a series of rules to govern conditions of work and how to address labor disputes. In what follows we provide a brief review of the provisions of the Ethiopian labor law on core labor rights and working conditions.

(i) Basic Labor Rights

Ethiopia has ratified 22 ILO conventions, among which eight fundamental labor standards are to be found (Table 7). These Conventions have been encoded into the country's Constitution as well as labor-related legislations (e.g. the Labor Proclamation No. 1156/2019; the Right to Employment of Persons with Disability Proclamation No. 568/2008). In what follows, we attempt to highlight

some of the major provisions that are included in these and similar other applicable laws.

Table 7. ILO Fundamental Labor Conventions Ratified by Ethiopia.

ILO Convention	Date Ratified by Ethiopia	Current Status
Forced Labor Convention, 1930 (No.29)	02 September 2003	In Force
Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)	04 June 1963	In Force
Right to Organize and Collective Bargaining Convention, 1949 (No. 98)	04 June 1963	In Force
Equal Remuneration Convention, 1951 (No. 100)	24 March 1999	In Force
Abolition of Forced Labor Convention, 1957 (No. 105)	24 March 1999	In Force
Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	11 June 1966	In Force
Minimum Age Convention, 1973 (No. 138)	27 May 1999	In Force
Worst Forms of Child Labor Convention, 1999 (No. 182)	02 September 2003	In Force

Source: Own estimations

(a) Freedom of Association

The Ethiopian labor law Article 113 entitles workers and employers the right to establish and organize Trade Unions or Employers' Associations. According to Article 114, a trade union could be established in an undertaking where the number of workers is ten or more. The Ethiopian labor law also allows Trade Unions to form Trade Union federations and federations to jointly form Trade Union Confederation. Article 141 of the law also states that having a social dialogue is a collective right for workers. The proclamation defines social dialogue as "a process of information exchange, dialogue or negotiation of bilateral or tripartite nature between employer and employees or involving the Government on economic and social issues of mutual interest towards arriving at common understanding." The law also states the contents, procedures, and conditions of collective agreements. The Ethiopian labor law provides workers the right to strike to protect their interests (Article 158(1)).

(b) Elimination of All Forms of Forced or Compulsory Labor

Ethiopia has also ratified ILO's Forced Labor Convention, 1930 (No. 29) in September 2003; and ILO's Abolition of Forced Labor Convention, 1957 (No. 105) in March 1999. Provisions of these conventions were codified into national law as part of the Labor Proclamation No. 1156/2019. Article 12(4) of the Ethiopian labor law states that an employer has an obligation to respect the worker's human dignity. In addition, the following acts are unlawful:

- Compel any worker to execute any task which is hazardous to his life (Article 14(1e)), and
- Coerce a worker in any manner to work or discharge an obligation
- Force workers to work beyond the maximum working hours set forth in the Ethiopian law (8 hours per day for adults and 7 hours per day for young workers) (Article 185(1a).
- Undermine the provisions of the law regulating weekly rest days, public holidays or leaves.

(c) Elimination of Worst Forms of Child Labor

Ethiopia ratified ILO's Minimum Age Convention No. 138(1973), on 27 May 1999 and ILO's Worst Forms of Child Labor Convention No. 182(1999), on 02 September 2003. ILO's Minimum Age Convention stipulates that the minimum age for admission into employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years. Ethiopia's Labor Proclamation No. 377/2003 initially set the minimum age for work at 14 years. The country's revised Labor Proclamation No. 1156/2019 raised the minimum age for employment from 14 to 15 years. In accordance with the international convention, the Ethiopian law prohibits employment (for wage or profit) of any person less than 15 years of age. In the Ethiopian labor law children aged 15 to 17 years old, also referred to as 'young workers' are allowed to be legally employed provided that the work is non-hazardous. Normal hours of work for young workers shall not exceed seven hours a day. The law also prohibits to assign young workers on overtime work, night work

between 10.p.m. and 6.a.m., work done on weekly rest days, and work done on public holidays.

(d) Elimination of discrimination with respect to employment and occupation

Ethiopia ratified the ILO Convention on Discrimination (Employment and Occupation) Convention, 1958 (No. 111), on 11 June 1966. Recently, Ethiopia enacted a new law, **“Right to Employment of Persons with Disability Proclamation No. 568/2008”** to promote and protect disability right in the country. Article 4 (1a) of the Proclamation states that “Unless the work dictates otherwise, a person with disability having the necessary qualification and scored more to that of other candidates shall have the right without any discrimination to: (a) occupy a vacant post in any office or undertaking through recruitment, promotion, placement or transfer procedures”. Sub-Article 3 also says “No selection criteria shall refer to disabilities of a candidate unless the nature of the work dictates otherwise”. Article 6(1) of the proclamation demands employers to take appropriate measures to promote conducive working conditions for persons with disabilities.

II. Working conditions

A better working condition is necessary for a productive and decent work. In line with international practice, the GoE has formulated and implemented several policy instruments to improve decent working conditions in the country. In the Ethiopian labor law (FDRE, 2019) condition of work is defined as “the entire field of labor relations between workers and employers including hours of work, wage, leave, payments due to dismissal, workers health and safety, compensation to victims of employment injury, dismissal because of redundancy, grievance procedure and any other similar matters.”

(a) Working Hours

According to Ethiopian law normal hours of work shall not exceed 8 hours a day (7 hours for young workers) and 48 hours a week. Likewise, overtime work cannot exceed 4 hours in a day and 12 hours in a week.

(b) Leave Provisions

The Ethiopian law allows several types of paid leave for workers including annual leave, maternity/paternity leave, sick leave, and other leaves. A worker is entitled to annual leave amounting to 16 working days for the first year of service and 16 working days plus one working day for every additional two years' service. Labor Proclamation No. 1156/2019 raised maternity leave to 120 days from 90 days in the repealed law.

(c) Health and Safety of Workers

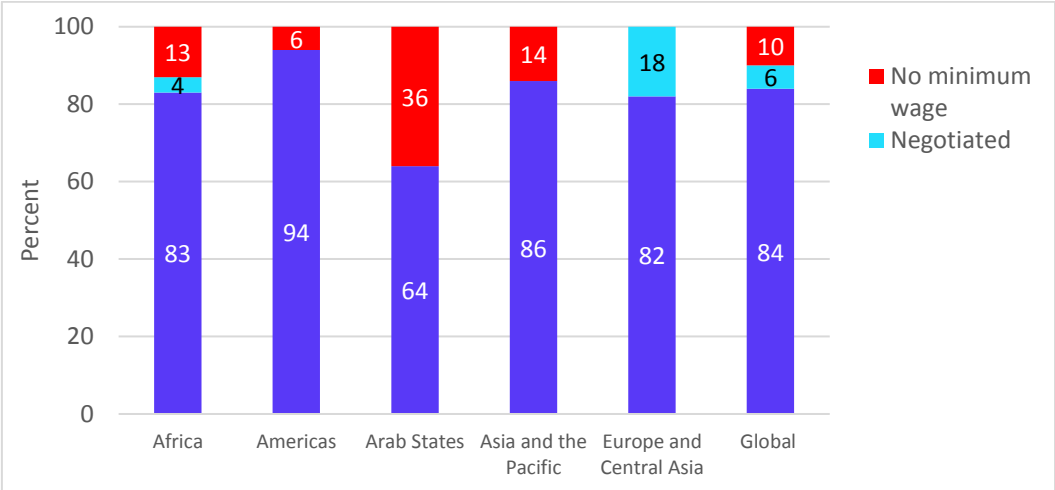
Article 92 of the Ethiopian labor law mandates employers to take the necessary measures to safeguard the health and safety their workers. The FDRE Constitution Article 42(2) also states that “workers have the right to healthy and safe work environment”, underscoring that employers are responsible to provide safe and healthy working environment for their workers. Toward this end, the GoE issues Occupational Health and Safety Directive in 2005, and a National Occupational Safety and Health (OSH) Policy and Strategy, which was approved by the FDRE Council of Ministers in July 2014. The OSH Policy and Strategy aims to implement labor rights as stipulated in Article 42(2) of the Constitution and also implement the requirements of International Convention Occupational Safety and Health Convention, 1981 (No. 155), to which Ethiopia is a signatory. The national OSH Policy and Strategy is applicable to all types of workplaces and activities in Ethiopia. The MoLS and BoLSA are responsible to regulate and oversee the implementation of occupational health and safety standards.

(d) Minimum Wage

With regard to minimum wages, Ethiopia's revised 2019 Labor Law Article 55(2), for the first time, states the need for a minimum wage policy in the country. Toward this end, the revised law legalizes the formation of a Wage Board comprising representatives of the Government, employees and trade union together with other stakeholders, to regulate minimum wage for workers (FDRE, 2019). However, this entity has not be formed yet and Ethiopia still does not have a minimum wage law. In addition, Ethiopia has not ratified the ILO's Minimum Wage Fixing Convention, 1970 (No. 131), which protects vulnerable workers from extreme levels of low pay. Globally, 90% of the ILO Member States have a minimum wage regulation in place (ILO, 2020). Figure 7 shows the

proportion of countries with a statutory (i.e., set by governments, with or without consultation with the social partners) or negotiated (i.e. set exclusively or primarily through binding collective agreements), by region. In Africa, 47 out the region’s 54 countries have a minimum wage regulation, either through a statutory (96%) or a negotiated (4%) process. Namibia and Zimbabwe belongs to the latter category (ILO, 2020).

Figure 7. Share of Countries with Minimum Wage Regulation, Global and by Region, 2020.



Source: ILO, 2020.

As in any other policy, the effectiveness of rules and standards set in the labor law hinges on the degree of enforcement and compliance. However, the World Bank’s (2022) report indicated that the institutions mandated to enforce labor standards in the country suffer from substantial capacity constraints and staff shortages. According to the report, Ethiopia had only 660 labor inspectors in 2020, down by 60 from 2019. In the revised/ 2019 Labor Law, MoLS is mandated to certify private labor inspection service providers.

4.3 The National Youth Policy

In 2004 the GoE formulated the country’s first National Youth Policy with the broad objective of encouraging the active participation of youth, defined as

people between 15-29 years of age, in the economic, social and political spheres of life of the country and to support democratization and good governance (MoYSC, 2004). To achieve this goal, the Ministry of Youth, Sports and Culture (MoYSC) and regional Bureaus were established to direct and coordinate youth related activities at the federal and regional levels, respectively. The National Youth Policy recognizes the growing unemployment and underemployment challenges that youth are facing and puts several policy instruments including expanding technical and vocational education and training, access to technology, and job creation. However, a recent report by the USAID (2019, p. 5) has indicated that “to date, there has been a lack of monitoring of the policy’s implementation and there is no evidence that the policy is under review.”

4.4 The National Policy on Women

The GoE formulated its first National Policy on Women (NPW) in 1993. The NPW underlines that Ethiopian women have long been discriminated in various spheres of development including employment and that these should be reversed by introducing appropriate structures within government offices and institutions. The NPW has the following specific objectives (TGoE, 1993):

- Ensuring equality between men and women and avoiding discrimination of women so that women can participate in the political, social and economic life of their country on equal terms with men
- Facilitating the necessary condition for rural women to get access to basic social services and to ways and means of lightening their workload, and
- Eliminating prejudices, customary and other traditional practices that prevent women from holding public office and from participating in decisions affecting their lives at all levels.

At the beginning, the implementation of the NPW was directed and coordinated by a Women’s Affairs Department, established in the Prime Minister’s Office. Sector Ministries and Regional States also opened their respective Women’s Affairs Offices to facilitate the implementation of the policy. Over the years, several institutions were mandated for implementation of this policy. At the present, the Ministry of Women and Social Affairs and its regional Bureaus are responsible to initiate policies, strategies and laws for women, youth, children,

persons with disabilities, elderly and other vulnerable groups in Ethiopia (FDRE, 2021).

4.5 The National Employment Policy and Strategy

In 2009, the GoE formulated the country's first Employment Policy and Strategy (NEPS). Overall, NPES has the following objectives:

- Promote employment opportunities that fully absorb the country's labor force,
- Maintain stable and favorable macroeconomic policies that facilitate the creation of decent employment opportunities, and
- Improve labor productivity and competitiveness.

NEPS sets out and adheres to the following fundamental principles:

- All citizens who are able to work have indiscriminate rights for employment opportunities,
- **Compliance** to labor standards is the basis for decent work,
- **Social dialogue** and work place cooperation are instrumental for labor productivity and competitiveness, and
- Labor market information is fundamental for effective human resource development and employment.

The NEPS recognizes that women, youth and other vulnerable (e.g. people with disabilities) face more pronounced unemployment and underemployment problems in the labor market. The Policy outlines several strategies to overcome these challenges and to enable them find decent and sustainable employment opportunities in the economy.

4.6 Decent Work Country Program in Ethiopia

Between 2006 and 2017, Ethiopia adopted three Decent Work Country Programmes (DWCPs) that were initiated by the ILO. The first DWCP programme covered the years 2006-2008 while the second, and third country programs were implemented over the years 2009-2012, and 2014-2017 and 2019-2020. The DWCS were aligned with the country's national development plans including the Growth and Transformation Plan (GTP). At present, the fourth DWCP, which covers the years 2021-2025, is under implementation. Like the previous DWCPs, the fifth country program is consistent with the Ethiopia's

policy and national development frameworks including the Homegrown Economic Reform (HGER), and the Ten-Year Perspective Plan. The fifth Ethiopia DWCP focuses on three country priority areas, namely people, prosperity, and social dialogue and tripartism (ILO, 2021). The programme was developed through a consultative and participatory process involving representatives of the Ministry of Labor and Social Affairs (MoLSA), the Confederation of Ethiopian Trade Unions (CETU), the Ethiopian Industry Employers' Confederation (EIEC) and the Ethiopian Employers' Confederation (EEC), and other local and international labor market actors and the ILO. Among others, the DWCP focuses on textile and garment manufacturing and other priority sectors and the ILO works to promote the decent work agenda through job creation, the improvement of working conditions and productivity, and respect for the fundamental principles and rights at work (ILO, 2021).

4.7 Industrial Policy in Ethiopia

4.7.1 Industrial Policy and Institutional Development

The GoE has developed and implemented several policy measures to stimulate industrial growth and development since 1990s. In 1998, the country's export promotion strategy, which also place heavy emphasis on manufacturing industries was adopted by the government. In 2002/03, the GoE formulated a comprehensive industrial policy. The 2002/03 policy identified and prioritized several light industries such as textiles and garments; meat, leather and leather products; other agro-processing industries (e.g. sugar and sugar related industries); construction industry; and the micro- and small-enterprises (SMEs). Later, floriculture was added into the priority list (Gebreeyesus, 2016). In 2013, the GoE developed an Industrial Development Strategy (2013-2025), outlining the role of the sector in structural change of the country's economy. More importantly, it set the following targets (Mol, 2013, p. 44):

- Increase the share of the industry sector as percent of the GDP from 13% in 2013 to 27% by 2025.
- Raise the share of the manufacturing sector as percent of the GDP from 4% in 2013 to 17% by 2025.

As stated earlier, light manufacturing sectors such as textile and garment has received high policy attention to achieve these policy targets. These sectors are entrusted to help the country to maximize its foreign exchange earnings

through manufacturing export growth including textiles and garments, create jobs for the rapidly growing labor force, and also create and strengthen industry linkages with the agriculture sector, especially cotton and livestock (Hardy and Hauge, 2019). In 2015, the GoE enacted an Industrial Parks Development Proclamation to further enhance industrial transformation and economic growth through the establishment of Industrial Parks in strategic locations to promote and attract productive domestic and foreign direct investment thereby upgrading industries and generate employment opportunity (FDRE, 2015).

According to the 2018 Ethiopia Human Development report (UNDP, 2018), industrialization can drive decent work for youth and women. More specifically, the report further states that:

‘Employment is the most direct channel through which industrialization can affect human development. Creating jobs can improve living standards and reduce poverty. However, this is not automatic and depends on the extent to which industry creates sufficient new jobs which are decent and inclusive’ (UNDP, 2018, p. 45).

To this end, over the years the GoE has designed several policy instruments and regulations that provided package of investment incentives in priority sectors, including textile and garment manufacturing industries. As summarized in Table 8, these incentives include exemptions from taxes, cheap and clean energy, low-cost loans, and low-cost land lease.

Table 8. Summary of Ethiopia’s Industrial Policy Instruments in the Textile and Related Industries.

Policy instruments	Results attained
<i>Expansion of ‘industrial bureaucracy’</i>	• Several new government agencies have been set up to provide state support to prioritized industries more effectively. Examples of such institutions include the Ethiopian Investment Commission (established in 1992, revitalized in 2014), the Industrial Parks Development Corporation, and the Ethiopian Industrial Inputs Supply Enterprise. The Ethiopian Textile Industry Development Institute (ETIDI), and the Ethiopian Leather Industry

	Development Institute (LIDI) were set up specifically to support growth in the textile and leather industries. • Launched providing a one-stop government services within Industry Park's premises, including dedicated power substations.
<i>Credit allocation: Development Bank of Ethiopia (DBE) and Commercial Bank of Ethiopia (CBE)</i>	• These are state owned banks that provide subsidized credit to prioritized industries. The DBE provides investment capital, whereas the CBE provides working capital.
Export Promotion	• Several incentives are in place to encourage exports in prioritized industries including textiles and garments. These incentives target export-oriented firms, and include: reduced interest rates on loans from the DBE and the CBE, subsidized leasing of land, subsidized salaries for foreign 'experts', and tax exemptions. Currency depreciation can also be understood as an export promotion instrument.
FDI attraction	• Several measures have been put in place to attract foreign direct investment (FDI) in prioritized industries, including textile and garment manufacturing industries, in order to create employment, generate export earnings, and transfer technology. Such measures include favourable access to infrastructure (e.g. industrial parks and rail transport), tax exemptions, and subsidized land leases (in some cases, free land).
Infrastructure investments	• Infrastructure investments, especially power generation and transport, geared towards industrial development. • Installed dedicated power supply stations inside industry parks.

Source: Adapted from Hardy et al., 2024; Hardy, V. and Hauge, J. 2019, and UNDP, 2018.

4.7.2 Industrial Parks Proclamation

Industrial Parks (IPs) play a central role in Ethiopia's industrial transformation. IP establishment in Ethiopia is supported by industrial policy and legislation. The GoE issued and adopted the Industrial Park Proclamation (No. 886/2015) and Regulation (No 417/2017) in 2015 and 2017, respectively. In line with the country's industry policy and strategy, these Laws provide package of economic incentives to attract and encourage foreign and domestic private firms to invest in industrial production inside the Parks. Industrial Parks are sites with the necessary infrastructure and services (e.g. road, water, and electric power, telecommunications, banking and custom clearance) to develop comprehensive, integrated, multiple or selective functions of industries.

Article 28/2015 of the Industrial Parks Proclamation states labor relations in the industry parks is governed by the country's Labor Proclamation. It also authorizes the MoLSA, now MoLS, to establish the rules and procedures on labour issues in consultation with the Ministry of Industry (Mol) on the basis of tripartite modality.

So far, several industrial parks have been established by the government and private investors across different parts of the country. Industrial parks in Ethiopia have generated employment opportunities for thousands of unskilled or semi-skilled migrant workers from rural areas or nearby towns (Oya, 2019). Using cross-sectional data from survey of sample manufacturing and construction firms in Ethiopia, Schaefer and Oya (2019) estimated that shares of migrant workers in 2018 at the Hawassa, Bole Lemi and Eastern Industrial Parks were 75%, 85% and 87%, respectively. While massive job creation was seen as a success in the existing policy discourse on this issue, several scholars (e.g. Oya, 2019; Schaefer and Oya, 2019; Oya and Schaefer, 2021) have questioned its contribution in the long-term. A recent study by the World Bank found the following regarding labor challenges facing industrial parks: "The obstacles of transitioning workers into an industrial work force were underestimated and gaps to the safety and protection of workers remain" (World Bank, 2022, p. 71). The study also showed that most workers are ill-prepared to adapt to a factory working culture and transition into the factory

employment. According to Oya (2019, p. 684), sustained success of Ethiopia's labor-intensive industrialization through light manufacturing, such as textiles and garment, faces the following challenges:

- (a) The process of smoothly managing labour transfer from agrarian-based settings to clusters of industrial production, especially industrial parks, and the resource costs and frictions of such transfers, especially housing provisions;
- (b) Strengthening and shaping the process of skill development (both schooling and on-the-job training) to speed up the transition to a more productive industrial labour force; and
- (c) Dealing with contrasting expectations from employers and new industrial workers and the inevitable conflicts that such encounters often generate, particularly when wages are too low and wage good inflation too high.

While there are ongoing efforts by the government, development partners and investors to make transition into urban living easier (e.g., through provision of integrated social services such as housing, transport, and health services) for young migrant workers coming from rural areas to work in the industry parks, these are limited and fragmented in implementation (World Bank, 2022).

4.8 Working Conditions in Textile and Garment Industries

4.8.1 Wages and Benefits

It is widely agreed that adequate wage has the most direct and tangible impact on everyday lives of workers. However, Ethiopia does not have a national or sectoral minimum wage policy. In the absence of a minimum wage policy, wages in textile and garment factories are mainly unilaterally determined by the employers. As a consequence, textile and garment wages are not only low but also variable among different firms in the sector including between firms inside and outside industrial parks in the country (Semela et al., 2023; Oya and Schaefer, 2021). For example, based on a workers survey, Semela et al. (2023) found that the average monthly basic salary, at the time of their field survey (July-September 2021), of a sample of workers in two publicly-owned industrial parks, namely HIP (N=396) and BLIP (N=60) was Ethiopian Birr 1,349 and 2,110, respectively. The authors found that the average monthly expenses of the

sample workers on food, house rent, and transport were respectively ETB 779, 371 and 280 at HIP and 1,624, 1,335, and 222 at BLIP. In Eastern Industrial Park (EIP), the first IP and also biggest privately-owned park, which also produces textiles and garments besides other manufacturing products, a textile worker received a monthly salary of ETB 3,400 (Meyer et al., 2021). The authors say the higher wage paid by firms in EIP was product-composition (i.e., EIP is focused on non-textile/garment sectors such as chemicals and metals) and age (i.e. EIP has been operational for a longer period than other industrial parks). The authors argued that “EIP has been able to retain a more productive and experienced workforce than other industrial parks” (2021, p.21).

Furthermore, textile and garment wages are not only low but also not regularly revised to keep ahead of inflation. According to Fink et al. (2023, p. 9), most workers in the textile and garment factories in Ethiopia believe that “there is a mismatch between the workload and their salary, which is further exacerbated by high inflation”. Oya and Schaefer (2021, p. 10), based on interviews of workers and trade union representatives, also indicated that ‘the lack of understanding of wage setting systems on the part of workers led to perceptions of unfairness.” The authors further state that “wages were not just low and variable, but also insufficient to fund the lifestyles workers expected” (Oya and Schaefer, 2021, p. 10).

There is no dispute that low wage levels is one of the major complaints among workers and trade unions (e.g., Semela et al., 202; Oya and Schaefer, 2021). Available evidence indicates that several textile and garment industries provide non-wage compensations such as free and subsidized food and allowances for housing and transport to their workers (Semela et al., 2023; Meyer et al., 2021; Oya and Schaefer, 2021). For instance, in a survey of 303 manufacturing and 534 construction workers in Ethiopia in 2017, Schaefer and Oya (2019) report that larger shares of workers in manufacturing than in construction received these benefits from their employers (see Table 7). However, subjective assessments of the quality and quantity of these services are uneven among textile industry workers in the country. For instance, using micro-level survey data from 456 textile and garment workers in Hawassa and Addis Ababa in 2021, Semela et al. (2023; p. 97-99) find that even if many workers received free transportation (81.4%) and food (i.e., 40.4% breakfast, 51.8% lunch, and 18.9% both breakfast and lunch) services from their companies, more than 70% of the respondents rated the quality of food as very bad or bad. The authors’ findings also show

that quantity and variety of meals served were rated as very bad or bad by 63.8% and 69.2% of the respondents, respectively.

Table 9. *Share of workers who received non-wage benefits by sector and company origin*

	Manufacturing			Construction		
	Chines	Other foreign	Ethiopia	Chines	Other foreign	Ethiopian
Meals	84.8	64.3	13.1	4.9	0	2.5
Accommodation (or allowance)	7.4	0.5	2	19.4	13.6	16
Transport (or allowance)	82.8	74.9	54.2	71.8	55.9	88.3
Paid holidays	72.5	76.2	88	12.9	33.9	21.9
Health checks at workplace	24.1	42.8	44.9	1.7	18.6	19.3
Medical care	30.3	58.7	70.1	13	39	52.9
Paid sick leave	54	64.4	89.2	22.8	35.6	41.2
Clean showers	39.8	27.7	39.3	10.5	11.9	18.5

Source: Schaefer and Oya 2019.

4.8.2 Unionization of Textile and Garment Workers

The Ethiopian Constitution and Labor Law promote freedom of association for workers. Apart from being a right, a trade union or association is a necessary condition of social dialogue and collective bargaining. However, although the number of trade unions in Ethiopia has increased in recent years, rate of trade union membership is still low in the country (14% in 2023). The number of trade unions in Ethiopia had more than doubled over the last decade or so, reaching about 2,120 in March 2022 (DTDA, 2024). Membership to the Confederation of Ethiopian Trade Union (CETU), the largest trade union in Ethiopia, had reached 800 thousand workers by March 2023 (Ibid.). The rate of unionization of textile and garment workers in Ethiopia is believed to be on the rise. For instance, according to the ILO (2023) 16 out of the 20 factories at the Hawassa Industrial Park, had formed trade unions. Unions in the textile and apparel industry are organized in the Industrial Federation of Textile, Leather, and Garment Workers

Trade Union and their membership size represents about 13% of total CETU membership (World Bank, 2022). The federation supports basic unions in organizing, assisting negotiations, providing consultation and legal services, and campaigns for a living wage. However, the federation has limited resources including human resources to discharge its functions as desired.

In 2018, 20% of the total textile and garment workers in Ethiopia were estimated to be unionized (Oya, 2019) (World Bank, 2022). Low trade union density is due to a combination of factors, including workers' own lack of interest or awareness about the benefits of unionization and employers' internal resistance to trade union movement. High labor turnover is also a cause as well as consequence of limited rate of trade union membership across different textile and garment manufacturing industries.

While trade union membership is necessary, it does not guarantee to protect workers' rights and create sustainable industrial growth. There are several reasons for this. Fink et al. (2023) state that trade unions in the Ethiopian textile sector do not have the necessary resources to operate and influence their cause effectively. Moreover, UNDP (2018: p. 35) documents several internal and external challenges that are limiting trade union membership and its effectiveness in the manufacturing sector in Ethiopia:

- Limited in number and technical capacities.
- Most general managers want to weaken unionization, for instance, by providing preferential treatment to workers that do not join a union.
- Women's working conditions are not sufficiently promoted as key agenda in collective bargaining.
- Workers' associations/trade unions do not exercise their rights and obligations properly in accordance with labor laws and directives related to working conditions.
- Lack of skills within trade unions. In some cases, trade unions tend to be right-oriented rather than contributing to the productivity of the enterprise.

4.8.3 Social Dialogue

Social dialogue is a key instrument for enhancing smooth industrial labor relations. It offers a principal method for determining industrial relations and is understood as a means of making arrangements under which wages and other

conditions of work are settled. However, as indicated by an ILO (2016) study, social dialogue is not much developed in the Ethiopian industrial relations. The study findings show that not more than 50% of workers are active in social dialogue. This is primarily due to the low rates of trade union and employers' associations, which are pre-requisites for undertaking social dialogue (ILO, 2019). In addition, voice and representation of youth and women industrial workers in social dialogue is undermined by the fact that most social dialogue activities are implemented far from the sites of industrial undertakings, at the national or sub-national levels.

4.8.4 Labor Strikes and Complaints

The Ethiopian labour law sets out the procedures for a peaceful settlement of work place disputes and establishes the framework for bipartite and tripartite consultation on labour market and related issues. Although the legislation permits workers to strike and employers to lock-out legal strike action in Ethiopia continues to be hard to achieve in practice. Workers and employers who demand to strike or lock-out are obliged to fulfill several restrictions. For instance, the party initiating the strike or the lock-out should give an advance notice to the other concerned party. Labor strikes and work stoppages were common across Ethiopia's manufacturing industries until recent past (World Bank, 2022; Oya and Schaefer, 2021; Hardy and Hauge, 2019; ILO, 2016). The dominant cause of labor strike among many firms in the country were low wages and workers' lack of involvement in wage setting systems (ILO, 2016; Oya and Schaefer, 2021). However, there are inter-firm heterogeneities in the sector. For example, Oya and Schaefer (2021) documented varied labor strikes between factories operating inside industrial parks, which mostly host foreign owned firms, and outside industrial parks. According to the authors, whereas 95% of the reported labor strikes in firms outside parks were about wages, between 26% and 67% of the reported labor strike cases inside the parks were due to multiple factors such as excessive working time, low quality canteen food and ill-treatment by supervisors.

Frequency of labor strikes in Ethiopia also varied by the type of manufacturing firm. According to a recent a quantitative survey of manufacturing firms by Chu and Fafchamps (2022), foreign-owned firms, especially Chinese-owned firms in Ethiopia experienced a higher frequency of worker complaints, protests, and strikes, even controlling for firm size and age.

4.8.5 Occupational Safety and Health of Textile and Garment Workers

Lack of occupational safety and health has been one of the major concerns expressed by workers in textile and garment industries. For example, according to the findings of Mitta (2023), workers reported health problems caused by contamination of food and water they are provided by their employers in the industry parks. Semele et al. (2023) found that 44.7% of the sample workers (N=456) they surveyed from 20 textile and garment firms in Hawassa and Bole Lemi Industrial Parks in July-September 2021 reported having some work-related physical illness, of which over 90% of health problems self-reported by the respondents related to kidney (54%), typhoid (15%), headache (14%), and back-pain (10%). In another sample survey of 413 individuals who were working in textile and garment firms in Hawassa Industrial Park by August 2021, Sime *et al.* (2022) reported 47.5% prevalence of **work-related stress** among the sample workers. According to the authors, the prevalence of work-related stress was larger among women (72.9%) than men (27.04%) workers.

In addition, based on qualitative interviews of 80 garment workers across Hawassa industrial parks, at Bole Lemi Industrial Park, at Adama Industrial Park and at a few garment factories outside the Industrial Parks, Fink (2023) found a significant number of the workers in the sample complaining about kidney problems, which they causally attributed to the one-sided sitting position. According to the author, the kidney problems could also be caused by insufficient fluid intake and too strictly regulated toilet visits in the garment factors. Other interviewees in Fink's sample also complained the one-sided standing position as causing leg and foot problems. To reduce these problems, garment factories have started introducing higher seats so that they can alternate their working position (Fink and Rossner, 2023). In a randomized assignment of young Ethiopian job seekers (mostly women) into factory jobs and self-employment, Blattman et al. (2022) obtained evidence that those assigned to factory jobs had serious health problems after one year. However, the authors find that the negative health effect was temporary and seems to disappear over time as by the end of the five-year period there was no significant difference between factory and self-employed workers (Blattman et al., 2022).

4.8.6 Socio-Demographic Characteristics of Workers Employed in Textile and Garment Industries

Most production workers in Ethiopia's textile and garment industries, particularly recently built industrial parks are unskilled or semi-skilled, rural-urban migrants and predominantly young women. Drawing on a sample survey of 955 job applicants to 29 manufacturing firms, primarily textile and garment in Mekelle, Hawassa, Dire Dawa, Bishoftu and Kombolcha Industrial Parks, Halvorsen (2021) finds that the average age of the applicants was 25 years. In another case study inside (Bole Lemi I, Eastern Industrial Zone, and Hawassa) and outside industrial parks in Ethiopia, Oya and Schaefer (2021) found that 75% of their sample (N=531) were women and the mean age was 25 years. The gender imbalance in the workforce of Ethiopia's industrial parks is by design rather than by chance. As noted in the World Bank (2022), the labor sourcing strategy used by the Hawassa Industrial Park aimed to meet a labor composition targets of 20% men and 80% women. This led to dissatisfaction among village chiefs, local government and young men (Ibid.). In another assessment, Yaebeyo (2019) note that employers preferred single women. As the author indicates these are discriminatory practices and are not consistent with the Ethiopian labor law.

In terms of **age distribution**, the World Bank (2022) reported that across the IPDC/state parks, about 75% of the manufacturing workers are under the age of 25. In terms of educational attainment, the majority (76%) of the respondents surveyed by Halvorsen (2021) completed ten years of education (51%) and above (25%). About 23% of the respondents had less than ten years of education. Similarly, 43%, 41.4%, and 2.6% of the sample workers (N=456) that Semela et al. (2023) surveyed from 20 textile and garment firms (17 from Hawassa Industrial Park and 3 from Bole Lemi Industrial Park), respectively had completed grades 10-12, diploma, and first Degree at the time of their interview. About 13% had only a primary schooling or less (i.e. 10% 7-9 grades and 3% grade 6 or less). These results suggest that some workers in the industrial parks still do not meet the educational standards set by the National Industrial Labor Sourcing Program, which has the requirement of the **grade 8 completion and of above 18 years of age** (World Bank, 2022).

With regard to marital status, Semela et al (2023) also reported that the majority (77%) of workers in the Industrial Parks included in their study were

single women. The share of married workers in the sample stood at only 22%. Moreover, about only 15% the workers they surveyed had at least one child. These findings largely corroborate with the results we reported previously based on the UEUS data. Semela et al. (2023) also have indicated that most (56.6%) of the workers in their sample were students prior to joining HIP/BLIP, implying lack of prior work experience for the current job. In fact, as the authors show only 13.4% had a prior factory-work experience (within outside of HIP/BLIP) and about 19% had never worked before.

Textile and garment workers in Ethiopia also vary in terms of employment relationship with their employers. For example, according to Sime et al. (2022), slightly more than half of their sample workers (N=413) at Hawassa Industrial Parks by August 2021 were temporary workers. This is in line with an earlier work by Schaefer and Oya (2019) who found that a significant share of textile and garment manufacturing workers in Ethiopia do not have a written contract for their employment.

Textile and garment workers by disability status: No prior study has explicitly documented access of textile and garment employment opportunities for persons with disabilities. A recent World Bank report focusing on Ethiopia's industrial parks concluded that "the recruitment system is not conducive to placing people living with disabilities into employment" (World Bank, 2022, p. 81). The report also suggests that the number of persons with disabilities who are working for formal wage employment is very low. The majority of factories working with the ILO Better Works Programme in Ethiopia have less than 10 workers with disabilities (World Bank, 2022). However, as the World Bank report indicates, the factories would have liked to hire more. In collaboration with development partners such as UK Aid and the ILO, the Ethiopian Center for Disability and Development (ECDD) has started to address these structural barriers in the National Industrial Parks Labor Sourcing program (World Bank, 2022). According to the same report, ECDD has sourced and screened over 1,100 youth with disabilities and have placed 113 across different industrial parks including Bole Lemi (43) and others (70).

With regard to **workers' migration status**, Oya and Shaefer (2021) found that most production workers in the industrial parks are internal rural-urban migrants. More specifically, 75%, 85% and 87% of the manufacturing workers that the authors they surveyed in 2017 respectively, in Hawassa, Bole Lemi and

Eastern Industrial Zone migrated to find their current job. The high prevalence of migrant workers across government industry parks (e.g., Hawassa and Bole Lemi) is because of local government agencies actively supporting such recruitment. There are concerns regarding the viability of this labor sourcing strategy. A recent World Bank (2022) study provided the following remarks on this issue:

Labor sourcing models have the capability of equalizing the migration opportunity by providing supportive measures such as transport and direct job placement that minimize the costs of seeking employment for job seekers. On the other hand, sourcing labor from rural areas where urban unemployment is already high might contribute to frustrations among the urban unemployed.” (2022, p. 80).

However, the workforce of textile and apparel sector in Ethiopia’s urban areas comprise both migrant and non-migrant workers (see Table 3) and accommodate more balanced gender groups than do IPs.

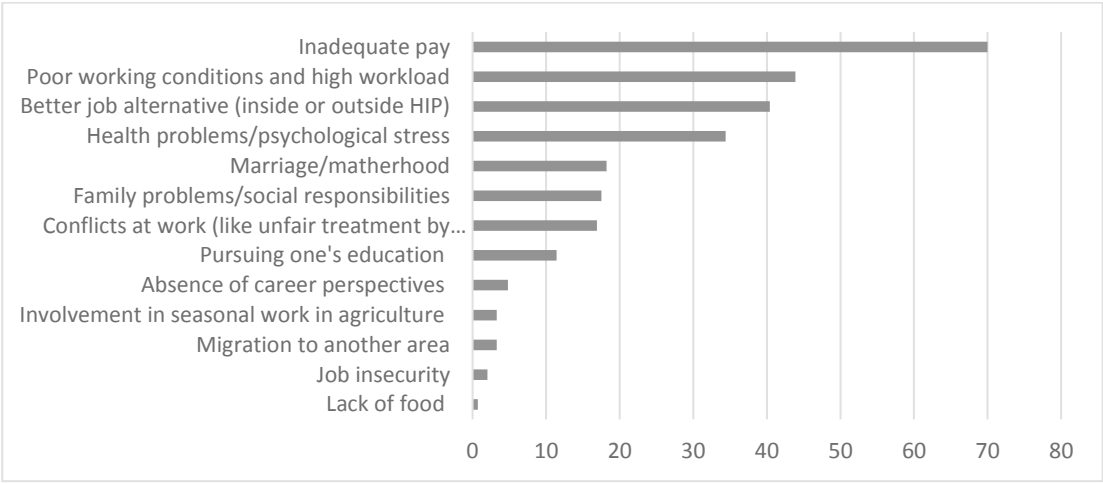
4.8.7 Key Labor Challenges among Textile and Garment Industry Parks: Absenteeism and Turnover

Absenteeism and turnover are widely observed problems in Ethiopia’s textile and garment manufacturing firms. However, quantitative data on rate of absenteeism is difficult to find. On the other hand, available evidence on rate of labor turnover varies by source. For example, Barrett and Baumann-Pauly (2019) find that for labor turnover/attrition at the time of their survey in 2019 was around 100%, forcing firms to replace all of their workers every 12 months. However, according to information reported in Oya and Schaefer (2021), the annual turnover in Chinese factories operating in the country, especially in Addis Ababa, were only 1%. Another study (CCOO Industria, 2018), cited in Oya and Schaefer (2021), reports a monthly turnover as high as 15% in many factories in other industrial parks in Ethiopia. According to Blattman and Dercon (2018), annual rate of labor turnover in textile and garment factories range from 80% to 100%. These results, though varied by data sources, show that labor turnover is high and that textile and garment factories have not been able to provide a stable working environment for youth and women job-seekers entering the sector (Semela et al., 2023; Hardy and Hauge, 2019; Oya and Schaefer, 2021; Halvorsen, 2021).

Previous empirical studies in Ethiopia have analyzed why textile and garment workers leave their jobs. Low-wage is the most frequently reported reasons for labor turn over (e.g., Mitta, 2023; Semela et al., 2023; Oya and Schaefer, 2021; Hardy and Hauge, 2019). However, labor turnover is also correlated with a host of non-wage factors as well. Textile and garment workers interviewed by Semela et al. (2023) in HIP and BLIP, reported that several economic, institutional and socio-cultural factors driving labor turnover apart from low pay (Figure 8). More specifically, inadequate pay, poor working condition and heavy workload, finding better job alternative, illness and work-related stress, marriage/motherhood were the five top reasons reported by the sample workers.

Not all workers’ exit or turnover decisions in the textile and garment factors are voluntary. Using survey data from HIP, Mitta (2019) finds that employers too have important roles in workers’ turnover. His findings demonstrate that workers who complain about their wages or other working conditions are more likely to be fired by their employers.

Figure 8: Main reasons for labor turnover in HIP and BLIP.



Source: Semela et al., 2023, p.103.

In the case of absenteeism at HIP and BLIP, Semela et al. (2023) found illness, family responsibility, exhaustion or fatigue due to work, education, and conflict

at work as the five top reasons reported by the sample workers (Figure 9). Fink (2023) summarizes the main causes of workers' turnover and absenteeism in Ethiopia's the T & G factories as follows:

- (1) **Workplace causes:** Workplace factors relate to issues internal to a factory and may include dissatisfaction with wages and other compensations, working conditions, job insecurity, lack of career development, etc.
- (2) **External causes:** External causes of labor turnover include limited access to transport facilities, lack of affordable housing; availability of more attractive employment opportunities; need to pursue further education, etc.
- (3) **Personal causes:** Personal causes of labor turnover and absenteeism relate to relocation and family/social obligations (e.g. marriage, maternity/childcare, illness, nursing, etc.)

Figure 9: Main reasons for absenteeism (N=456) at HIP and BLIP.



Source: Semela et al., 2023, p. 101.

4.8.8 Consequences of Low Pay and Poor Working Conditions in Textile and Garment Industries

Workers and employers, in theory, may improve poor working conditions through social dialogue and collective bargaining. Ethiopia's labor law provides the legislative framework to materialize this and to settle labor disputes and problems related to working conditions when they arise. However, the existing

Labor Law has not been sufficiently implemented on the ground. In addition, industrial employers and workers do not have a common understanding of their obligations and each-others' rights and obligations (Chu and Fafchamps, 2022; Feldt and Klein, 2016). It is not uncommon to hear one side blaming the other. For example, managers of in the textile sector "complain about the workers' 'mindset' or their work culture or work ethic" (Fink et al., 2021, p. 14). On the other hand, workers across industry parks complain about a number of issues including maltreatment by their supervisors, long working hours, unhealthy working conditions, and the low-wages they are paid (Semela et al., 2023; Rossner, 2023). As a consequence, labor relations in the manufacturing industries including textile and garment have soured over time (Hardy and Hauge, 2019; Chu and Fafchamps, 2022).

In a qualitative study by Mitta (2023, p. 149), the feedbacks received from one of the respondents working at the Ethiopian Investment Commission (EIC-BLIP), succinctly explains the underlying labor challenges that textile industries are facing regarding:

In the textile industry the workers are supposed to sit in one place and there are certain timelines like working time and lunch break. Similarly, there are other standards and procedures which need to be obeyed. Agriculture a family run thing which does not require such standards. As a result, workers must receive basic training before joining the industries so that they can have some idea of what they will be doing when they join the industries."

In the aforementioned study, one respondent from CETU also reaffirmed that "the workforce in the Ethiopian industrial parks is lacking the required working culture in the textile and garment industries. For this, the respondent provided four basic reasons: First, the workers have agricultural background, second, their inability to see the job as their future career, third, their educational background is not fitting the job, and fourth, the inadequate interventions to enhance work culture by all stakeholders" (Mitta, 2023, p. 149). Oya (2019) makes a similar observation that transferring labor surplus from agriculture to more productive sectors such as manufacturing entails creates a challenge to the society and GoE. As a result, the author concludes that "finding and retaining workers depends on successful management of different expectations,

developing the required skills, paying fair wages and creating the infrastructure that makes the transition easier to bear” (Oya, 2019, p.674).

A number of prior empirical studies show that workers are using actions such as wildcat strikes, absenteeism, labor turnover (i.e., workers leaving the factory), and withholding of work-effort including foot-dragging and reluctance to do overtime, when working conditions fail to meet their expectations (e.g. low-wages that do not cover the rising costs of living, job insecurity, unfair treatment by supervisors, lack of prospects of promotions, etc.) (Fink, 2023; Semela et al., 2023; UNDP, 2023; Oya and Schaefer, 2022; Hardy and Hauge, 2019; Oya, 2019). As a consequence, high rates of absenteeism and labor turnover have become a characteristic feature of the Ethiopian textile and garment sector. Despite the proliferation of this problem across industrial parks and textile and garment factories more specifically, there have been little efforts to solve the problem through open social dialogue and collective bargaining.

4.9 External and Macro-level Challenges Facing Textile and Garment Manufacturing

Over the past few years, especially since 2020, the T &G sector has faced several external negative shocks. These include the following (Gronemeyer, 2023; Oya, 2019):

- Outbreak of Coronavirus (COVID-19) pandemic in 2019
- Internal conflict/civil war that erupted in Tigray in November 2020
- Suspension of the US Africa Growth and Opportunity Act (AGOA) in January 2022: Before the suspension, over 70% of Ethiopia’s garment exports were to the US and this was estimated to have generated about 56,000 jobs.³
- Rising cost of living or inflation
- Foreign exchange shortage, especially to repatriate profits (UNDP, 2023) and import essential industry inputs, exacerbated by continued dependence of IPs on imported raw materials.

³ <https://www.thereporterethiopia.com/28902/>

5. SUMMARY AND CONCLUSIONS

Ethiopia has a longstanding history of textile and garment production. However, modern factory-based textile and garment production has expanded only recently. Ethiopia's industrial policy gives priority for investment in light manufacturing industries including textile and garment. A number of measures have been taken by the GoE to attract investors into the sector. Light manufacturing industries such as textiles and garments are expected to contribute to the country's economic growth and industrial transformation by creating jobs for rapidly growing workforce and by raising export of industrial products. For example, the GoE has established several Special Economic Zones and Industrial Parks (IPs) across the country and leased them out for a number of foreign companies and domestic investors involved in textile and apparel production. There are also IPs developed and operated by the private sector itself.

This study has explored the trend of textile and garment employment in Ethiopia focusing on youths and adult women. Based on our analyses of official datasets from three rounds of EUEUS, we find that the textile and garment sector is an important source of employment in Ethiopia. However, data show that many jobs created in the sector were variable across regions and have not been sustained overtime.

In 2014, working in the textile garment sector was the main/primary job for over 235 thousand urban persons aged ten years and above, of which around 134 thousand (57%) were young people and adult women. The number of persons working in textile and garment as their main job decreased to 199 thousand in 2018 and to 150 thousand (excluding Tigray region) in 2022. Despite these sharp declines, youths and adult women remain more represented in workforce of the sector. Our results also demonstrate that total jobs created in the sector are unevenly concentrated across different regions. This might be due to the selective placement of the recently built textile and garment manufacturing industrial parks in the country (World Bank, 2022) and other demand and supply-side shocks that have negatively affected the sector (Hardy et al., 2024; Meyer et al., 2021).

In terms of intensity of effort, working hours of youths and adult women in the textile and garment sector have shown increasing trends over time. However,

the intensity of hours of work are variable. Overall, it appears that young men worked the longest hours. In 2022, young males' weekly working hour was about 53 hours, exceeding the normal 48-hour work week limit set by the Ethiopian labor law. The corresponding figures for young females and adult women were 48 hours and 44 hours, respectively. Working hours among these groups also show substantial variation in terms of the speed of growth between 2014 and 2022. More specifically, adult women experienced the fastest growing working hours followed by young females over the same time period.

With regard to earnings, the data show total nominal monthly payments to workers had increased. However, in each time period, adult women tended to receive more than young males or young females. Nonetheless, monthly payments received by both groups had significantly decreased in real terms in the textile and apparel sub-sector. The situation in the context of IPs is no exception. Although the textile and garment factories in the IPs have created new wage employment opportunities for thousands of youths and women, these were not sufficiently attractive and decent for workers. More specifically, it has been widely documented in the literature that textile and garment production workers in the Ethiopia's industrial parks are confronted with low pay and poor working conditions (e.g. inadequate occupational safety and health, accommodation, and food). Besides, available evidence also demonstrates low job satisfaction and high labor turnover of textile and garment workers across the IPs. On the other hand, textile and garment employers in IPs complain about scarcity of employable skills, including soft skills, and poor work discipline or work ethics of new workers and their low productivity (Oya, 2019). Addressing these problems require continuous dialogue and collaboration among relevant stakeholders including employers, workers and policymakers.

Based on our observations and findings, the following policy recommendations are proposed by actor/stakeholder group:

A) Recommendations for the Ethiopian Government (Federal and Regional)

- **Design and implement a living wage strategy:** Most workers in the textile and garment industries are paid very low wages and this is one of the main causes of high labor turnover in the sector. To overcome this challenge, representatives of the government, employees and trade unions and other stakeholders need to engage in a candid and

meaningful discussion to design and implement a living wage. This would enable workers to mitigate some of the challenges arising due to rising cost of living. This will also contribute to maintaining a stable, skilled and fairly compensated workforce, which is essential for long-term industrial growth and productivity.

- **Encourage and support accommodation services delivery by industries:** The Ethiopian Government can institutionalize technical and financial incentives for firms that provide housing accommodation services for their employees at subsidized costs.
- **Incentivize firms hiring persons with disabilities:** The study has shown that employment of persons with disabilities (PWDs) by textile and garment firms in industrial parks remains very low. One way to improve this would be to offer employers incentives for hiring PWDs.

B) Recommendations for the Ministry of Labor and Skills (MoLS) and Regional Bureaus

- **Establish labor information system:** The Ministry of Labor and Skills and the Ethiopian Statistical Services (ESS) should establish and implement a regular system to gather, analyze and disseminate labor statistics on working conditions (e.g., wages, working hours, etc.) and new jobs created in the sector.
- **Raise awareness and knowledge about Ethiopia's Labor Law:** The Ministry of Labor and Skills and its regional bureaus need to create platforms for raising awareness and knowledge of labor actors, including workers and employers on the provisions of the national labor law. This helps improve labor relations between workers and employers.
- **Strengthen labor inspection and enforcement:** The Ministry of Labor and Skills needs to improve its labor inspection capacity in the textile and garment sector to protect and improve workers' rights.

C) Recommendations for the Ethiopian Statistical Service (ESS)

- **Establish labor information system:** The Ethiopian Statistical Services (ESS), in collaboration with MoLS, should establish and implement a regular system to gather, analyze and disseminate labor statistics on working conditions (e.g., wages, working hours, etc.) and new jobs created in the sector.

- **Further research on textile and garment employment:** Lack of up-to-date and nationally representative data dedicated to textile and garment employment is a perennial problem. Undertaking a national level study of textile and garment employment would thus be crucial to gain a better understanding of and make evidence-based decisions about the labor market conditions of women, youth and other marginalized groups working in the sector.

D) Recommendations for Employers in the Textile and Garment Sector

- **Provide proper information about the jobs:** Employers in the sector should provide adequate information about the job, working conditions and remunerations for job seekers. This is an essential mechanism to minimize unrealistic wage expectations by workers.
- **Promote career pathways and skill development:** Employers of textile and garment industries should have a long-term plan for career development of their workers and reduce employing workers on a temporary basis.

E) Recommendations for Tripartite Actors (Government–Employers–Workers/Trade Unions) and Other Stakeholders

- **Establish and strengthen a tripartite framework for the textile and garment industry:** Creating a tripartite platform where representatives from government, employers and workers and other stakeholders is necessary to address emerging labor relation challenges in textile and garment manufacturing industries.

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ANNEXES

Table A1. Specific Activities Performed by Youths and Adult Women in Textile and Apparel Sector.

Main activity	Youths										Adult women				
	2014					2018					2022				
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	2014	2018	2022
Preparation and spinning of textile fibres	3.1%	7.0%	4.8%	0.3%	6.8%	3.7%	16.5%	25.0%	21.2%	16.5%	25.0%	21.2%	23.4%	13.6%	17.8%
Weaving of textiles	42.5%	11.0%	28.5%	24.0%	12.1%	17.9%	25.9%	3.5%	13.4%	25.9%	3.5%	13.4%	33.3%	20.9%	3.2%
Finishing of textiles	6.5%	26.7%	15.5%	8.3%	8.3%	8.3%	6.4%	23.1%	15.7%	6.4%	23.1%	15.7%	10.7%	10.2%	10.0%
Manufacture of knitted and crocheted fabrics	11.7%	9.3%	10.6%	18.3%	18.0%	18.1%	17.0%	16.4%	16.7%	17.0%	16.4%	16.7%	1.4%	4.9%	10.8%
Manufacture of made-up textile articles, except apparel	0.8%	1.5%	1.1%	4.9%	6.3%	5.6%	3.4%	8.4%	6.2%	3.4%	8.4%	6.2%	0.0%	3.5%	16.4%
Manufacture of carpets and rugs	0.0%	3.2%	1.4%	0.0%	0.2%	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%	0.5%	0.0%	4.4%
Manufacture of cordage, rope, twine and netting	1.4%	0.6%	1.1%	0.3%	1.2%	0.8%	3.7%	0.0%	1.6%	3.7%	0.0%	1.6%	3.7%	0.0%	6.9%
Manufacture of other textiles not elsewhere classified	1.1%	27.8%	12.9%	0.3%	3.8%	2.1%	1.0%	5.2%	3.3%	1.0%	5.2%	3.3%	13.3%	14.2%	9.3%
Manufacture of wearing apparel, except fur apparel	25.3%	5.0%	16.3%	31.5%	34.8%	33.2%	23.9%	15.5%	19.2%	23.9%	15.5%	19.2%	10.4%	26.5%	20.7%
Manufacture of articles of fur	0.0%	1.2%	0.5%	2.9%	4.7%	3.8%	0.0%	0.6%	0.3%	0.0%	0.6%	0.3%	0.8%	1.4%	0.4%
Manufacture of knitted and crocheted apparels Description	7.7%	6.6%	7.2%	9.2%	3.9%	6.5%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.7%	4.8%	0.0%
Total %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total N	44,874	35,786	80,660	40,898	43,846	84,744	31,206	39,371	70,577	31,206	39,371	70,577	53,620	40,051	16,318

Note: The 2022 UEUS did not cover the Tigray Region.

Source: Own estimations based on various rounds of EUS.

Table A2. Absolute and relative shares of youths and adult women employed in textile and garment manufacturing

			2014	2018	2022
Youths	All types of manufacturing	Total	388,725	405,911	248,050
		Male	223,731	222,118	118,532
		Female	164,994	183,792	129,518
	Textile and apparel	Total	80,660	84,744	70,577
		Male	44,874	40,898	31,206
		Female	35,786	43,846	39,371
	Share of textile and apparel (%)	Total	21%	21%	28%
		Male	20%	18%	26%
		Female	22%	24%	30%
Adult women (>29)	All types of manufacturing	Adult women	555,389	514,227	393,921
		Adult women	53,620	40,051	16,318
	Textile and apparel	Adult women	53,620	40,051	16,318
		Adult women	53,620	40,051	16,318
	Share of textile and apparel (%)	Adult women	10%	8%	4%

Note: The 2022 UEUS did not cover the Tigray Region.

Source: Various rounds of UEUS reports.

Table A3. Mean Amount of Total Payment (in current ETB) per Month for Paid Employees of Urban Population Aged Ten Years and above.

		2014	2018	2022	Change between 2014 and 2022 (%)
All employed persons (all sectors, all persons)	Total	1,630	3,132	5,091	212
	Male	1,966	3,757	5,930	202
	Female	1,136	2,323	3,928	246
Agriculture (all persons)	Total	1,278	2,505	5,013	292
	Male	1,536	2,878	5,578	263
	Female	885	1,907	3,347	278
Manufacturing (all persons)	Total	1,389	2,314	4,524	226
	Male	1,556	2,699	5,534	256
	Female	1,058	1,749	3,017	185
Construction (all persons)	Total	1,894	3,247	4,665	146
	Male	2,046	3,484	4,753	132
	Female	1,260	2,324	4,193	233
Accommodation and food service activities (all persons)	Total	838	1,422	2,613	212
	Male	1,118	1,861	3,277	193
	Female	680	1,232	2,281	235

Note: The 2022 UEUS did not cover the Tigray Region.

Source: Various rounds of UEUS reports.

