



ONEILO-SIRAYE Programme Ethiopia: Evaluation Report

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LIST OF ABBREVIATIONS AND ACRONYMS

AGOA	African Growth and Opportunity Act
CETU	Confederation of Ethiopian Trade Unions
CSOs	Civil Society Organizations
EU	European Union
EWLA	Ethiopian Women Lawyers' Association
GoE	Government of Ethiopia
ILO	International Labour Organization
INWORK	Inclusive Workplaces
IPDC	Industrial Parks Development Corporation
LABADMIN/OSH Health	Labour Administration, Labour Inspection, and Occupational Safety and Health
M&E	Monitoring and Evaluation
OHS	Occupational Health and Safety
OSH	Occupational Safety and Health
PPE	Personal Protective Equipment
SCORE	Sustaining Competitive and Responsible Enterprises
TPLF	Tigray People's Liberation Front
TU	Trade Union
UN	United Nations

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1. Introduction

This report presents the results of a multi-method evaluation of the ONEILO-SIRAYE Programme in Ethiopia. SIRAYE represents a novel intervention approach for the ILO that combines multiple projects into a single programme, aimed at producing broad-based and sustainable improvement in the Ethiopian light manufacturing sector, with a strategic focus on the apparel industry.

The SIRAYE programme has three broad development objectives:

- Improved worker wellbeing in terms of rights, income, compensation, safety, equality, voice, and representation.
- Higher industry productivity and competitiveness.
- Enhanced accountability and transparency in government labour administration.

To achieve these aims, the SIRAYE programme combines ILO interventions and projects, in particular Better Work, the Labour Administration, Labour Inspection and Occupational Safety and Health (LABADMIN/OSH), Sustaining Competitive and Responsible Enterprises (SCORE), the Vision Zero Fund and INWORK. Collectively, these work with a broad range of partners and beneficiaries, including employers, workers and worker representatives, government officials at national and regional levels, and civil society organisations. The programme aims to improve factory-level working conditions, strengthen the capacities of civil society organisations to contribute to positive change, and to build the capacity to help deliver decent work across both national and regional levels of government.

This report draws on predominantly two key data sources. The first are two large-scale worker surveys and matched firm surveys, conducted at baseline in 2019 and at endline in 2023. The surveys were designed and analysed by the evaluation team, while the data collection was managed by EconInsight Plc in Ethiopia. The second data source consists of in-depth semi-structured qualitative interviews, conducted with workers, company managers, trade union officers, government officials, civil society representatives and ILO staff. Together these provide rich insights into the SIRAYE programme.

This report is structured as follows. Section 2 lays out key contextual factors about the developments in Ethiopia and the Ethiopian apparel sector over the evaluation period. Section 3 discusses the evaluation methods used to compile the data underlying this report. In Section 4, we discuss issues that impacted the implementation of the programme, as well as the coordination of the programme overall. Section 5 presents the main results of our analysis of the firm- and worker-level surveys conducted at baseline in 2019 and at the endline in 2023. In Section 6, we examine the results of qualitative interviews with workers, company managers, and government officials. Section 7 integrates the key findings of the report. Finally, in Section 8, we offer a set of

recommendations to improve the implementation and evaluation of future iterations of integrated ILO programmes, such as SIRAYE.

2. Sectoral and country context

Over the last decade, the Ethiopian apparel industry has expanded rapidly. Several waves of foreign investors have brought new capital and capabilities into the country. This success was supported by an active industrial policy, seeking to attract investment into the country and facilitate the integration of apparel factories in global value chains and production networks. A series of both private and government-owned industrial parks have facilitated the growth of the apparel industry. However, the sector also faces a number of structural challenges and has recently been buffeted by severe shocks.

While the strategy of relying on foreign investment to drive growth has helped facilitate a new export industry in Ethiopia, the result is a bifurcated sector. Apparel exports are dominated almost entirely by foreign firms with previous experience in apparel manufacturing and export, while many Ethiopian firms lack the capabilities necessary to compete in demanding international markets (Whitfield, Staritz, Melese et al., 2020; Whitfield, Staritz & Morris, 2020). At the same time, the new industrial parks became sites of new labour conflicts, and foreign firms have faced higher levels of workplace tensions. Low wages and strict factory discipline have led to high rates of labour turnover in the sector (Chu & Fafchamps, 2022; Oya & Schaefer, 2021).

The SIRAYE programme has been implemented mostly during a period of unprecedented shocks for Ethiopia, including the global health crisis of the COVID-19 pandemic, and the political and civil conflict in the northern part of the country, especially between 2020 and 2022. Indeed, since 2020, not just SIRAYE but the whole apparel sector in Ethiopia faced these two severe shocks.

The outbreak of the COVID-19 pandemic in early 2020 precipitated a major crisis in the global apparel sector. The asymmetric incidence of the associated costs highlighted the power imbalance between supplier firms and global buyers in the apparel sector. In March 2020, global buyers cancelled billions of dollars' worth of orders, citing force majeure clauses in purchasing agreements, and in many cases without compensating supplier firms. In Bangladesh, a leading supplier country, the impact on workers was devastating, with supplier firms that had lost orders already in process unable to provide severance or furlough pay to their workers (Anner, 2022). Ethiopia was also severely impacted, and the damage was not confined to exporters. A survey of firms in Ethiopia's industrial parks across all industries conducted between May and August 2020 found that 68% of export-oriented and 86% of domestic market-oriented firms reported reduced sales, while government assistance had reached comparatively few firms (Mengistu et al., 2020). Employment fell sharply, with harsh consequences for workers. A survey of women workers in the Hawassa Industrial Park conducted between April and June 2020 found that 41% of respondents who had been employed in January were no

longer employed. Of these, over half were on paid or unpaid leave, while only a small fraction had been terminated. Most respondents had no savings, and basic food and rent expenditures exceeded average monthly salaries (Meyer et al., 2021). While some of the worst effects of the COVID-19 pandemic on employment and production in Ethiopia were relatively short-lived (Abebe et al., 2020), the crisis had not been overcome when the apparel sector was hit by a second shock.

This second shock was the start of a large-scale military conflict between the Ethiopian federal government and forces from the northern region of Ethiopia, Tigray, in November 2020. The conflict has resulted in enormous humanitarian and economic damages. Although the conflict formally ended with a peace agreement signed between the TPLF and the Ethiopian government on 2 November 2022, the situation of insecurity and continuous armed clashes in different parts of the country, including Amhara and Oromia regions, has been very disruptive. It has continued to affect the Ethiopian economy as a whole, and various economic sectors to different degrees depending on location and activity.

The conflict also had a direct impact on the apparel sector. All apparel factories in Tigray closed or were destroyed during the conflict, and Ethiopia has lost access to the trade privileges granted by the US African Growth and Opportunity Act (AGOA). AGOA is a system of trade preferences that eliminates tariffs for around 6,500 product types. Access to AGOA had allowed apparel and footwear companies in Ethiopia duty-free access to US markets; the US government terminated Ethiopia's access to AGOA on 1 January 2022. The business model of many foreign investors in Ethiopia's industrial parks has been directly affected, especially given that many operated with razor-thin margins and depended on healthy growth in orders from the US market. The impact of the suspension has been severe. Arguing against the suspension, a senior Ethiopian government official explained that around half of the USD 300 million Ethiopia exported to the US in 2021 was covered by AGOA, and that around 200,000 workers in the leather and apparel industries would be affected. For example, a key firm, PVH – which acted as anchor for several other firms in Hawassa Industrial Park – closed its plant as a result of losing AGOA trade privileges. In July 2022, trade unions in the Hawassa Industrial Park reported that companies exporting to the US had all their orders cancelled because of the suspension, leading to large-scale job losses, and contributing to the closure of the park's leading factory.

As will be shown in the report below, workers, managers and unions all reported substantial uncertainty in the export segment of the apparel industry as a result of the continuing suspension of AGOA. There is no doubt that investor confidence, especially among foreign investors, has been dealt a major blow and will take years to recover. In fact, although investors and stakeholders in the sector explored alternative export markets since 2021, for many firms exporting to the USA, producing from Ethiopia has become increasingly untenable.

Employment trends in the apparel sector during this period have been erratic, but clearly the fast growth trajectory of the period 2015-19 has been halted. In Hawassa Industrial Park, from a peak of over 33,000 workers in March 2020, the number dropped to fewer than 25,000 in September, although it has gradually picked up again and reached over 30,000 by October 2022. In other leading industrial parks, such as the Eastern Industrial Park or Bole Lemi, the trend was similar, with a temporary drop in 2020, and a slow gradual recovery in the subsequent two years. Thus, there was significant resilience during that period, with less employment loss than originally anticipated, but certainly not the kind of growth that was expected in 2019.

The employment trends in industrial parks in 2023 are less clear, but qualitative interviews with management and workers suggest a more negative impact stemming from AGOA suspension and the continuation of the security problems, despite the peace agreement. News of firms downsizing or shutting down are becoming more common since the end of 2022.

The military conflict and continuous challenges with the security situation have unavoidably affected government administration, and its engagement with international partners like the ILO. Different key informant interviews noted that the fluidity and uncertainty of the situation had affected some parts of the administration, and the labour-related units in government were not immune to these challenges. Turnover of officials, changes in direction, loss of institutional memory, and less predictable communication from relevant stakeholders within government contributed to an environment that made the implementation of multi-component programmes like SIRAYE especially difficult.

3. Evaluation methods

In this section we lay out the main sources of evidence for this report, including the methods of data collection and analysis, as well as the timeline of data collection point.

3.1. Overall approach

Our preferred approach to impact assessment and programme evaluation is a multilevel integrated mixed method approach. This means that the strengths of different research methods are utilised to evaluate different aspects of the programme, and that the quantitative and qualitative aspects of the evaluation inform one another to produce a coherent whole. Observational quantitative methods are useful to produce estimates of development in key indicators across the programme period, while quasi-experimental research designs can also provide evidence that shows to what extent impacts are directly attributable to programme interventions. Qualitative methods, on the other hand, are not only useful in exploring causal mechanisms, i.e., why programme interventions produce an impact, and in clarifying the role of contextual factors, but can also be used to evaluate aspects of a programme that are not amenable to quantitative assessment.

The main source of evidence for this evaluation, however, comes from the comparisons between endline and baseline surveys, which help generate estimates of quantitative effects on a range of relevant outcomes. We used qualitative interviews for three main objectives:

- To explore public policy/engagement dynamics and outcomes.
- For process-tracing the different interventions under SIRAYE, and the key contextual factors affecting their implementation.
- To explore worker-level and management-level perspectives of key outcomes, to better understand the effectiveness of the programme and its strengths and weaknesses.

3.2. Comparative survey analysis

The main source of quantitative evidence for this evaluation draws from firm- and worker-level surveys conducted in 2023 as ‘endline surveys’, as well as corresponding firm- and worker-level baseline surveys conducted in 2019. These surveys were designed to capture a snapshot of the current reality for a full set of firms under ‘treatment’, and a control group of firms not covered by these interventions. At both baseline and endline, matched firm and worker surveys were conducted, meaning that both company managers and production workers were interviewed in each firm. Given the high rates of job turnover in the sector, the sampling at baseline and endline was independent, and we did not attempt to trace particular workers from baseline to endline. In other words, the surveys are pooled cross-sections, rather than a panel dataset. Moreover, as explained below, the nature of the programme rollout meant that the composition of the treatment and control groups changed between baseline and endline.

Table 1. Firm survey sample characteristics¹

Variable	Baseline 2019			Endline 2023		
	Treatment	Control	Full sample	Treatment	Control	Full sample
Number of total firms	13	55	68	25	13	38
Number of exporting firms	12	30	42	21	2	23
Share of exporting firms	84%	54%	58%	84%	15%	60%
Average export share (in %)	N/A	N/A	N/A	71%	15%	52%
Number of firms in industrial parks	11	14	25	18	3	21
Share of firms in industrial parks	84%	25%	35%	72%	23%	55%
Number of foreign firms	11	30	41	18	3	21
Share of foreign firms	84%	54%	58%	72%	23%	55%
Firms with production locations outside Ethiopia	69%	29%	35%	77%	15%	42%

The treatment group consists of firms enrolled in the Better Work segment of the SIRAYE programme, while the control group consists of firms that would have been eligible for inclusion but were not included.² The workers surveys at both baseline and endline combine purposive sampling of firms, with stratified random sampling of workers within

¹ Unless otherwise indicated, the sources for the Tables and Figures in the report are the surveys of firms and workers, at baseline in 2019 and endline in 2023.

² As some of the SIRAYE programme interventions target national or regional administrative systems, such as labour courts for instance, workers in control group firms will necessarily have been exposed to some broad aspects of the programme, but not to direct firm-level interventions.

each firm. The sample of workers within each firm was designed to be representative of the population of production workers in that firm. Firm surveys were supposed to take place in all firms in which workers interviews took place, allowing us to produce a combined dataset of matched firms- and worker-level data. At baseline, a total of 915 workers were interviewed. However, due to access issues, the firms survey did not cover all of the factories that the worker survey did. We discarded 132 observations from the worker survey, for whom we did not have firm-level data, producing a baseline worker-level dataset of 783 observations. At endline, we discarded all 30 observations for one firm, Sabahar Plc, an Ethiopian luxury apparel producer using traditional methods and paying very high wages to skilled craftspeople, as this firm was a highly atypical compared to the rest of the sample, and would have biased results in favour of the treatment group. This left a baseline sample of 1,074 workers (see Table 2).

Table 2. Worker survey sample composition

Variable	Baseline 2019			Endline 2023		
	Treatment	Control	Full sample	Treatment	Control	Full sample
Number of workers	189	594	783	732	342	1,074
Number of women	130	422	552	624	235	859
Share of women (%)	68.9	71	70.5	88.8	68.7	82.2
Number of men	59	172	231	79	107	186
Share of men (%)	31.2	28.9	29.5	11.2	31.2	17.7

3.3. Data and measurement issues

Our quantitative data analysis had to contend with two limitations: first, the available research designs and analytical methods were limited by the way in which the programme was rolled out; and second, some important variables are likely to be affected by measurement errors.

Regarding research design, the demand-driven nature of the SIRAYE interventions at firm level meant that the programme was rolled out to all interested firms. Combined with new firms entering, and firm closures (some driven by conflict), this resulted in shifts in the composition of the treatment, and especially the control group between baseline and endline.³ The result is that the group of control firms at endline was structurally different from the treatment group, in at least three major respects (see Table 1):

- Treatment firms were much more likely to be exporters, and exporting firms in the treatment group exported a much higher share of their total output.
- Treatment firms were much more likely to be located inside of industrial parks.
- Treatment firms were much more likely to be foreign rather than Ethiopian-owned.

Foreign firms that export are subjected to pressures common to global production networks in the apparel sector, including pressures from buyers with regard to price, quality, and delivery time, that affect non-exporting firms much less. As can be seen in Table 2, the sample of workers randomly selected from treatment firms at endline also contained a higher share of women than the control group. The two snapshots, baseline and endline, can therefore be compared only with caution. This means that for key variables, it is important to consider confounding factors. Moreover, it means that we are not able to use common methods of quasi-experimental causal inference.

With regard to measurement errors, the workers surveys measure a range of concepts that can be difficult for workers to distinguish in practice, such as the difference between having a workers' council or a trade union. For both baseline and endline surveys, the ILO recommended an Audio Computer Assisted Self Interviews (ACASI) survey. Prior learning from Better Work's impact assessment activities in other countries have shown that using ACASI enabled the collection of higher-quality data from survey participants. An ACASI consists of a written survey that appears on the screen of a tablet computer, with audio supplementation provided by earphones attached to the tablet. Trained facilitators are onsite to assist respondents with technical issues and to clarify questions. Allowing workers to complete the survey about their life and working conditions in an autonomous manner, without direct interaction with an enumerator, has proven to encourage more voicing from workers, particularly on sensitive topics. This method has been used with success in multiple Better Work country contexts, including among low-literacy users and in multiple languages. Despite the obvious advantages of this approach, the evaluation team noted some disadvantages, which affected the reliability of some of the information collected in this way, for both baseline and endline. In fact, it is sometimes useful to have an enumerator with clear knowledge of the contents and purpose of the

³ These shifts occurred as new firms were enrolled into the Better Work programme over time. Some of the firms who were in the control group at baseline had joined the treatment group by the endline. In addition, new firms started operations over the programme period. Of the 25 firms included in the endline treatment group, 11 had not been present in the baseline survey.

questionnaire to probe answers, and especially to facilitate the estimate of numerical variables that are often subject to all kinds of influences, such as take-home wages. The questionnaire was designed to be as clear as possible, and included careful definitions, follow-up questions and cross-checking of important information.

3.4. Process tracing and qualitative research on public sector dynamics

In order to better understand the mechanisms leading to the effects found through the quantitative surveys and the public sector-level impact of the programme, we considered process tracing as a way to capture the extent to which an intervention is conducted and how it is received, through assessing the various stages in the intervention chain and contextual factors affecting implementation processes. Specifically, process evaluations aim to examine the views of participants on the intervention; to study how the intervention is implemented; to focus on particular components of the intervention; to investigate contextual factors that affect an intervention; and to study the way effects vary in subgroups (Oakley et al. 2006). As shown in Table 3, we conducted a total of 99 in-depth qualitative key informant interviews with workers, company managers, civil society representatives and ILO staff. A full-scale process evaluation was not feasible, given resource constraints and restrictions on our ability to conduct fieldwork as a result of the COVID-19 pandemic. However, our qualitative and key informant interviews (conducted in different rounds since 2021) and the review of M&E material allowed for an exploration of aspects of the following questions, to a different extent according to each question:

- Intervention fidelity, i.e., how close to design or ‘manual’ and reasons for deviation, considering the significant shocks the sector and the programme had to face during the implementation phase.
- Implementation strength, in terms of resources devoted, length of intervention, etc.
- Acceptability, i.e., how participants accept/value the intervention, how seriously they take it and whether they are likely to adhere or not and why. This is quite important in the context of this programme, given that participation is voluntary and different organisations may be reluctant to adopt some aspects of proposed ILO interventions.
- Accessibility, i.e., simply whether participants are able to access the intervention, and whether there are obstacles for some to make full use of what is offered, as in the case of local labour bureaus or local level basic unions. Firm and worker-level perspectives were quite important in exploring this issue.

Given the challenges facing the country, especially in the period 2020-22, exploring public sector-level dynamics was particularly difficult. However, through M&E material and a set of carefully selected qualitative key informant interviews conducted in 2023, our team managed to get some insights into questions of engagement, intervention acceptability, and particularly see the extent to which some critical longstanding issues

– such as labour law enforcement, unionisation and minimum-wage setting for the apparel industry – were affected by the programme or not, and to what extent.

An important aspect of the evaluation’s qualitative research was the gathering of worker perspectives, on several issues arising from the process of programme implementation. These included: main benefits, constraints in access, changes in the context, and longstanding issues in the sector. We conducted two main rounds of interviews with workers, one focused on workers’ trajectories in the sector, their wellbeing and reasons for leaving or staying in their jobs, which took place between April and June 2023. The selection of workers was ‘nested’ in previously conducted waves of phone surveys, and allowed for a spread of worker profiles and a balance between ‘leavers’ and ‘stayers’, to gain a balanced perspective on different experiences in relevant firms. The second phase of semi-structured interviews with workers was conducted at the end of the evaluation period, and focused on two main aspects: (a) the experience with ILO training; (b) experiences of trade union membership, formation and activities. These two issues directly addressed questions of intervention fidelity and accessibility, as well as questions of public sector engagement and broader shifts in the sector’s labour relations, as experienced by workers and union representatives on the ground.

Another key objective of qualitative research was the collection of viewpoints and perspectives from ILO staff, company management and government officials. These key informant interviews were designed to collect insights on the following aspects of process evaluation: intervention fidelity and strength (including main obstacles and ways around them); accessibility and acceptability, especially through evidence of engagement with public institutions; accessibility and acceptability at the level of firms, and especially the main motivations and drivers of companies’ involvement in the programme. These insights are critical to better understand not only the key mechanisms that led to different outcomes of the SIRAYE programme, but also to make sense of a range of contextual factors that affected different aspects of the implementation process and the take-up of recommendations and learning by firms and government.

Table 3. Overview of qualitative data collection

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

4. Programme implementation

In this section, we discuss the most important contextual factors that impacted the implementation of the SIRAYE programme, as well as the responses developed by the programme team. The discussion here draws on qualitative interviews with ILO staff, government officials, and company managers. The SIRAYE programme was undertaken during an exceptionally turbulent period, both globally and in Ethiopia. We have already noted, in Section 2, how the COVID-19 pandemic and then violent conflict within Ethiopia impacted the apparel sector. Here we focus on how these two factors, along with a prolonged reshuffling of the Ethiopian cabinet and senior civil service following the Ethiopian national election held in 2021, affected the SIRAYE programme, before we turn to coordination of the SIRAYE programme itself.

COVID-19 restrictions. As in many other countries, the COVID-19 pandemic in Ethiopia brought restriction on travel and indoor gatherings, as well as the need to ensure the safety of workers and the economic survival of companies caught up in a global economic crisis. Factory visits became impossible at various times and a large number of firms were at risk of permanent closure. The programme team reacted by moving trainings and other outreach activities online, as well as by postponing a number of planned activities. Instead, workplace safety became a major focus. In addition, the

team was able to mobilise funds to provide a wage subsidy to 14,000 workers for a period of five months. While we were not able to estimate the impact of this, it is likely the intervention prevented widespread loss of livelihood. This is an example of successful adaptive management, which was also highlighted in the midterm review conducted in 2021 (ILO 2022),

Conflict. In November 2020 an armed conflict broke out between the federal government of Ethiopia and Tigray regional state. The conflict lasted for two years, and as noted, led to the withdrawal of tariff-free access to the US market, which was a key factor for many international firms in choosing Ethiopia as a production base. In addition to the general deterioration in the security situation, the conflict also led to the loss of a major implementation SIRAYE cluster in Mekelle, the capital of Tigray region. The reduction in access to the US market put sustained financial pressure on many firms, precipitating job losses, and likely reducing the appetite of firms to focus on improving wages and working conditions. The reduction in the pool of firms that joined the programme, compared to initial expectations, was clearly influenced by this shock.

Government restructuring. Ethiopia experienced a change in government in 2018. Under the leadership of Prime Minister Abiy Ahmed, the new government embarked on a wide-ranging reform programme, that included several shifts in key cabinet positions as well as the restructuring of key line ministries, such as the Ministry of Industry and the Ministry of Labour and Skills, following the Ethiopian national election of 2021. Similar restructurings also took place in a number of regional administrations. These administrative shifts took place in multiple waves, leading to ministerial and senior administrative positions being filled and refilled on numerous occasions. At the same time, there appears to have a drop in the quality of coordination between the federal government in Addis Ababa and the governments of the regional states. This meant that the SIRAYE programme had to contend with changing interlocutors in government, as well as a prolonged period where lines of responsibility in the administration were unclear, or where positions were filled with interim appointments, in addition to having to adapt to different (and shifting) government structures in the regional states. As a result, key initiatives had to be (re-)introduced to successive office holders, causing delay and duplication of efforts, a fact that was repeatedly acknowledged in interviews with senior government officials.

Overall, the SIRAYE programme team displayed remarkable resilience in the face of extremely difficult, changing, and frequently unprecedented circumstances. This context should be kept in mind when evaluating the quantitative and qualitative development presented below.

SIRAYE programme coordination. A key strength of the SIRAYE programme is the close coordination among the different programme components. ILO staff consistently reported that they saw themselves as part of a team responsible for implementing the SIRAYE programme as a whole, rather than focusing narrowly on just an individual

component. The programme is characterised by joined-up thinking on how the different interventions can combine, across programme partners, subprogrammes and intervention levels, to deliver outcomes for workers and firms. This is particularly evident in the joint delivery of programme components, and in the way in which different interventions spanned interventions levels – from the factory, to the regional, and national levels of government and policy.

A good example of joint implementation is the close coordination between the Better Work and SCORE components. Better Work would often act as a factory-level entry point, but would then collaborate closely with SCORE and deliver programmes together. This can be seen, for instance, in the women’s leadership programme, shared between Better Work and SCORE. Experience and activities were shared among both programmes, with Better Work staff also following up on SCORE elements during factory visits. Crucially, insights gained on the factory floor would be fed back into the broader SIRAYE programming and planning processes during regular team meetings. For example, Better Work staff would feed factory-level findings into the planning for regional and national level interventions, and factory-level insights into OSH issues would feed into the Vision Zero Fund planning.

A good example of coordination interventions across different implementation scales can be seen in the activities to improve industrial relations and support collective bargaining. Interventions took place at the level of the factory, where the focus was on building capacities and systems for dialogue, advocacy, capacity building and policy support at the level of the regional and national governments and at the level of social partners, in the form of advocacy with workers’ and employer’s associations. Another example is the work around access to justice and dispute resolution, which combined information and advocacy with both firms and workers, capacity building programmes with labour inspectorates, and skill building with labour court judges, backed up by regional-level partnership (e.g., Hawassa Legal Aid Center). The coordinated manner in which SIRAYE was planned and implemented seems to have enhanced the value and reach of all of its components.

5. Survey data analysis

This section presents the results of the firm and worker surveys, which were conducted at baseline and endline. The surveys collected matched worker- and firm-level data for both the treatment and control group. We also incorporate selected results from eight waves of phone surveys that tracked subsamples of workers.⁴ We begin with a descriptive

⁴ A full discussion of the results of the phone surveys can be found at: http://www2.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/---sro-addis_ababa/documents/publication/wcms_893134.pdf

overview of key characteristics of the firm and worker surveys, before presenting more detailed assessments of wages, non-wage benefits, livelihoods, overtime, occupational safety, health, and harassment, training, worker voice, and worker satisfaction. Most of the information presented here comes from the worker-level surveys, where workers self-reported detailed information about their own circumstances. Where appropriate, we compare this information directly with firm-level data. Where we draw on firm-level data, this is clearly indicated.

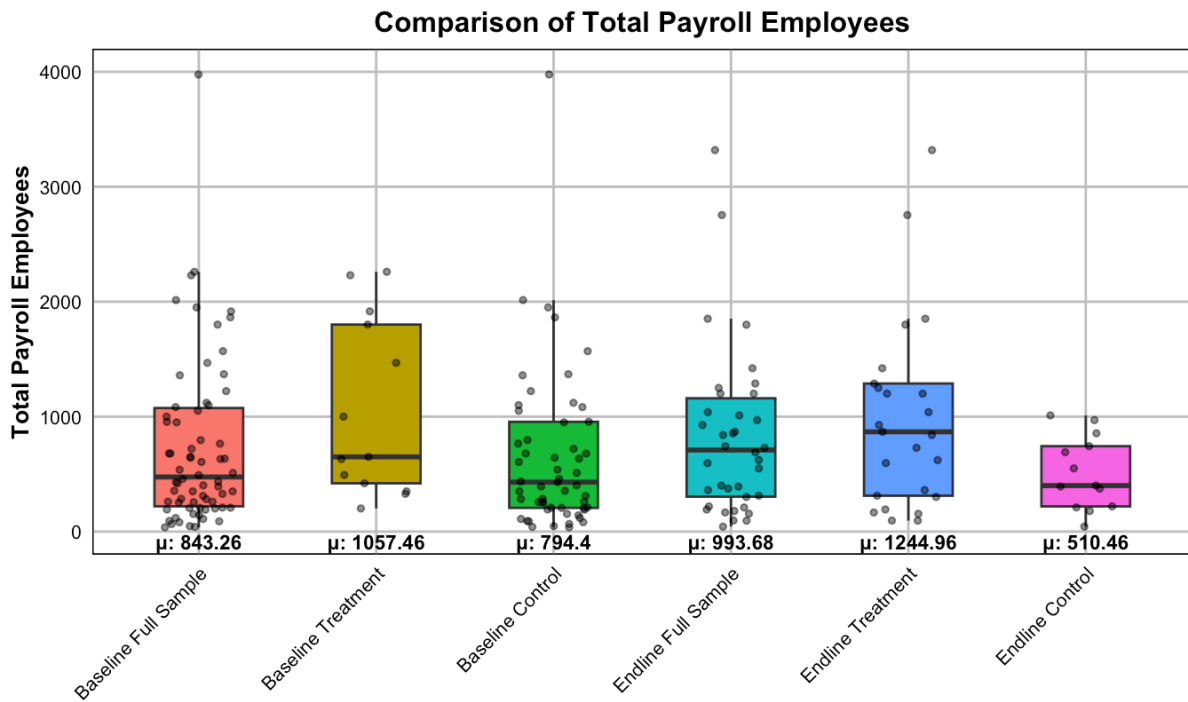
As we go through the results of our analysis, we always specify whether we are talking about the treatment or control group, at baseline or at endline. In the interest of brevity, where we talk of baseline or endline data without specifying treatment or control group, we are referring to the whole baseline or endline sample, respectively.

5.1. Firm characteristics

We begin by discussing key characteristics of our sample of firms, using data from the firm surveys. We discussed the most important structural differences between firms in the treatment and control groups in Section 3. Here our focus is on comparing firm size and sales performance. Due to the pronounced heterogeneity across firms, we present the relevant data in the form of box plots. In a box plot, the box contains the middle 50% of observations, meaning that the bottom of the box corresponds to the 25th percentile, while the top of the box indicates the 75th percentile. The horizontal line across the box shows the median (or middle) value of the distribution.

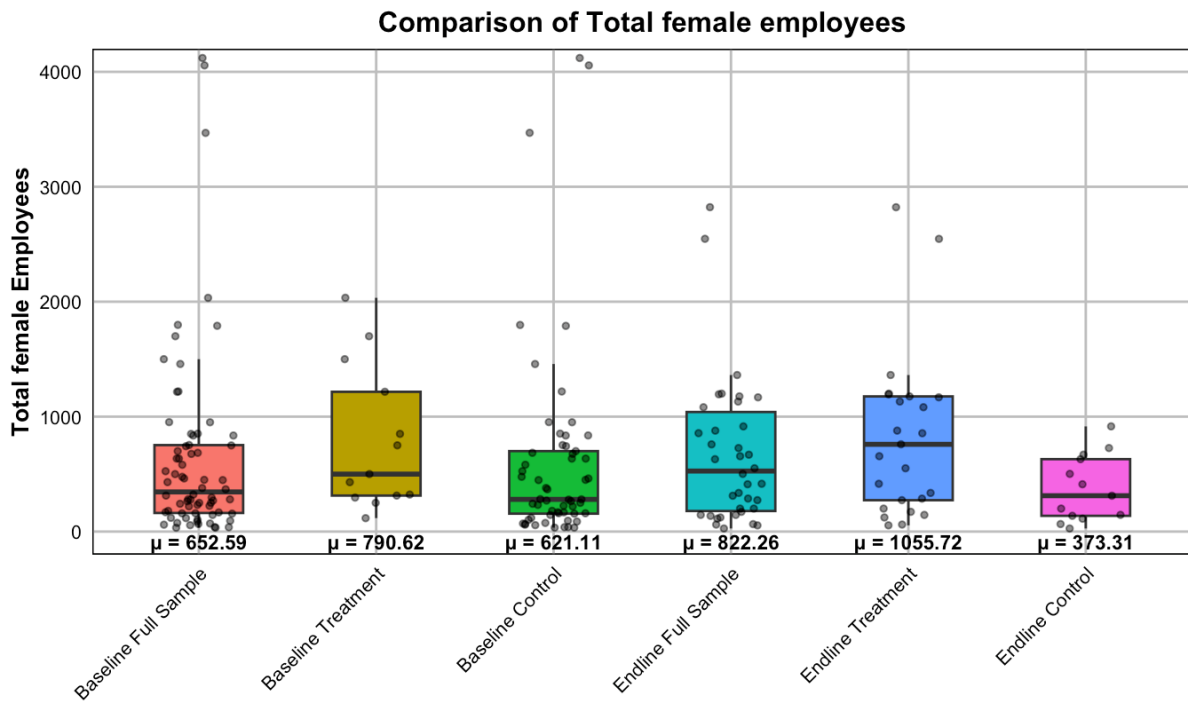
We begin by looking at firm size in terms of employment, shown in Figure 1. This figure also displays the mean (or average) employment below each box. Overall firm size increased substantially between baseline and endline, with baseline firms employing an average of 843 workers, compared to 993 at endline. However, all of this employment growth occurred in the treatment group, as the average control firm was smaller at endline than at baseline. By the endline, treatment firms employed an average of 1,244 workers, making them more than twice as large as the control firms, which employed just 510 employees on average. Endline treatment firms are therefore not only much more likely to be foreign firms, sited in industrial parks, and engaged in exports, they are also much larger on average. In addition, the endline control sample contains no firms of more than 1,000 workers in size.

Figure 1. Total employment across sample firms



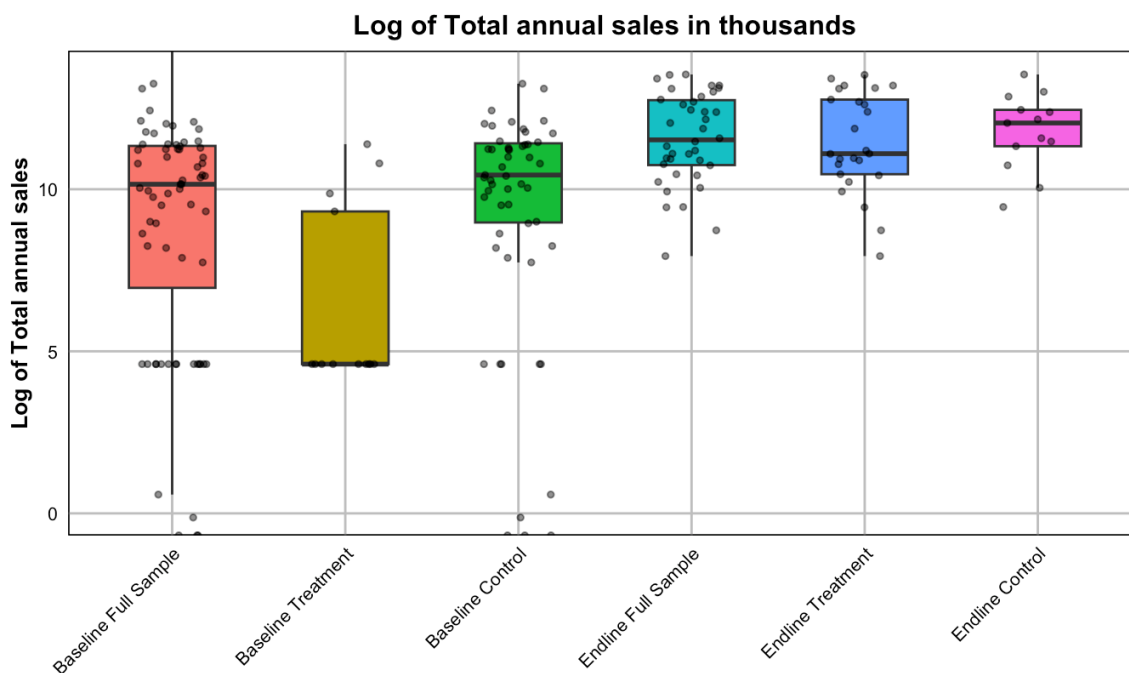
Looking at total female employment using firm-level data, we are able to confirm our earlier finding from the worker surveys discussed in Section 3. As shown in Figure 2, the distribution of female employment across firms groups displays similar trends to the distribution of total employment. However, while treatment groups at endline had a labour force that was on average 85% female at endline, the share of women in the endline control group was only 73% (slightly different from the shares extracted from worker surveys). Given that sexist hiring and promotion practices mean that men are greatly overrepresented in more senior positions, this has important implications for the comparison of wages, a point which we revisit in detail below.

Figure 2. Total female employment across sample firms



We next look at annual sales, as reported by company managers. Figure 3 shows total nominal annual sales by firm group. Due to the extreme variance in sales figures across firms of vastly different sizes, we present the data on a logarithmic scale. Three features are notable. First, there has been substantial growth in the sales performance of sample firms between baseline and endline. Second, this increase in sales has been especially strong for the treatment group. Third, the endline control group have larger average sales than the endline treatment group firms, despite being much smaller. Given that the endline control group firms are much less dependent on exports, this is indicative of the depth of the crisis that has befallen the Ethiopian apparel export sector, as a result of conflict and the loss of AGOA discussed in Section 2.

Figure 3. Total annual sales (in ETB, logarithmic scale)



5.2. Worker characteristics

We now turn to key characteristics of workers, in terms of demographic information and access to education, drawing on data from the worker surveys. As with the firm-level data, we first discuss the characteristics common to all groups, and that are therefore indicative of the overall labour force of the Ethiopian apparel sector, before considering important differences between the treatment and control groups.

Overall, the sectoral labour force is comparatively young, in their early to mid-twenties, and overwhelmingly female (as shown in Section 3). At both baseline and endline, a majority of workers were internal migrants who had moved from their home to take up factory work. The majority, across all groups, are unmarried. In terms of education, most can read or write in at least one language. Probably as a result of hiring criteria set by firms, workers on average have ten years of education. The fact that literacy is still not (near) universal is indicative of the deficits in quality in the Ethiopian education system.

Table 4. Worker characteristics at baseline and endline

Variable	Baseline 2019			Endline 2023		
	Treatment	Control	Full sample	Treatment	Control	Full sample
Mean age (in years)	23.9	24.5	24.3	24.3	28	25.5
Share migrated (%)	62	63	62.7	62.3	38.9	54.6
Share married (%)	22.1	25.7	24.8	24.6	42.7	30.5
Mean household size	4.75	3.75	3.99	2.95	2.91	2.93
Mean number of children	0.6	0.6	0.6	0.3	0.6	0.4
Share who can read and write (%)	82	82.8	82.6	92	95	93
Total number of years in education	10.2	10	10	10.5	10	10.3
Years in education for men	12.4	10.7	11.1	11.3	10.9	11.1
Years in education for women	9.2	9.7	9.5	10.4	9.7	10.2

Beyond the communalities, there are important differences between workers at baseline and endline, as well as between treatment and control groups. As with firm-level characteristics, it is important to keep these differences in mind for the analyses below. First, there are large differences in education between men and women across all groups, with men on average having around one more year of education. Second, the ability to read or write in any language has markedly increased for both treatment and control groups between the baseline and the endline. Third, the baseline sample has much larger average household sizes and more children across all groups than the endline sample, but remarkably in the treatment group, where the mean number of children is half at endline. Fourth, looking now only at the endline sample, workers in the endline control group are on average much older, less likely to have migrated, and much more likely to be married than workers in the endline treatment group. Taken together with the firm-level characteristics discussed above, there are clear differences between treatment and control groups that need to be taken into account when comparing across groups.

5.3. Wages and working hours

Wages are a key indicator of worker wellbeing. In this section, we compare wages using take-home wages, as this is the most relevant measure for workers. Take-home wages include all cash bonuses and deductions. All wage data is self-reported by workers. We have not included non-cash benefits, such as free or subsidised meals or transport provided by employers, in our calculations of cash wages. Unobserved differences in quality make imputing prices for these subject to considerable uncertainty.

We begin by exploring average daily working hours. We then move on to comparing group means in wages across the treatment and control groups at baseline and endline, before presenting results from a regression analysis that controls for systematic differences between the treatment and control groups to offer a better comparison. Group means for wages are reported with 95%-confidence intervals in brackets.

Three notes of caution before we proceed: first, as noted in the methodology section, there are systematic differences between the treatment and control groups and the composition of both groups changed between the baseline and endline surveys. In consequence, the comparisons of means shown here should be interpreted with caution. The regression results presented below correct for some of these differences, and should be regarded as more reliable. Second, at both baseline and endline, the sample of men is substantially smaller than the sample of women. This is a result of collecting a sample representative of the population of production workers at factory level in a sector in which the workforce is overwhelmingly made up of women. As a result, the estimates for women’s wages are more reliable than those for men’s wages. Third, the sample of workers in the treatment group for both women and men at baseline was comparatively small. As a result, the estimated standard errors for this group are quite large, and even large differences between the treatment and control group at baseline are often not statistically significant, though they may be substantially important.

Table 5. Average daily working hours (incl. overtime)

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

Daily working hours declined for both treatment and control groups between the baseline and endline surveys, as shown in Table 5. Our measure of working hours includes overtime and other irregular hours. While workers at baseline had worked an average of 9.4 hours per day, by the endline this had fallen to 8.6 hours. Most of this decline was driven by a reduction of daily working hours in the treatment group. As a baseline, workers in treatment worked 10.4 hours per day on average, compared to 8.5 hours by the endline. This indicates at least some mitigation of the long hours culture often found in the apparel sector. However, almost all factories have six-day work weeks, meaning that an average work week for a treatment group worker at endline was 51 hours.

Turning to remuneration, we find that at baseline, the average take-home wage in the treatment group was ETB 2,242 (95% Ci 1,976 to 2,508) while the average for the control group was ETB 1,946 (95% Ci 1,825 to 2,065). Due to the large standard errors in estimating the treatment group wage, the difference between the groups is not statistically significant. If we look at baseline take-home wages for women and men

separately, we find that wages in the treatment group were higher for both women and men. Moreover, across both treatment and control groups, take-home wages for men were substantially higher than those for women, as men were more likely to hold semi-skilled positions (such as line manager) indicating sexist promotion practices in many firms. Women in the baseline treatment group had average take-home wages of ETB 1,926 (95% Ci 1,640 to 2,212), while women in the baseline control group had average take-home wages of ETB 1,663 (95% Ci 1,549 to 1,776). Men in the baseline treatment group received an average take-home wage ETB 2,916 (95% Ci 2,385 to 3,446), while men in the baseline control group received ETB 2,633 (95% Ci 2,353 to 2,913). Across all groups, we see that workers in the treatment group received slightly higher wages, but that the difference is not statistically significant.

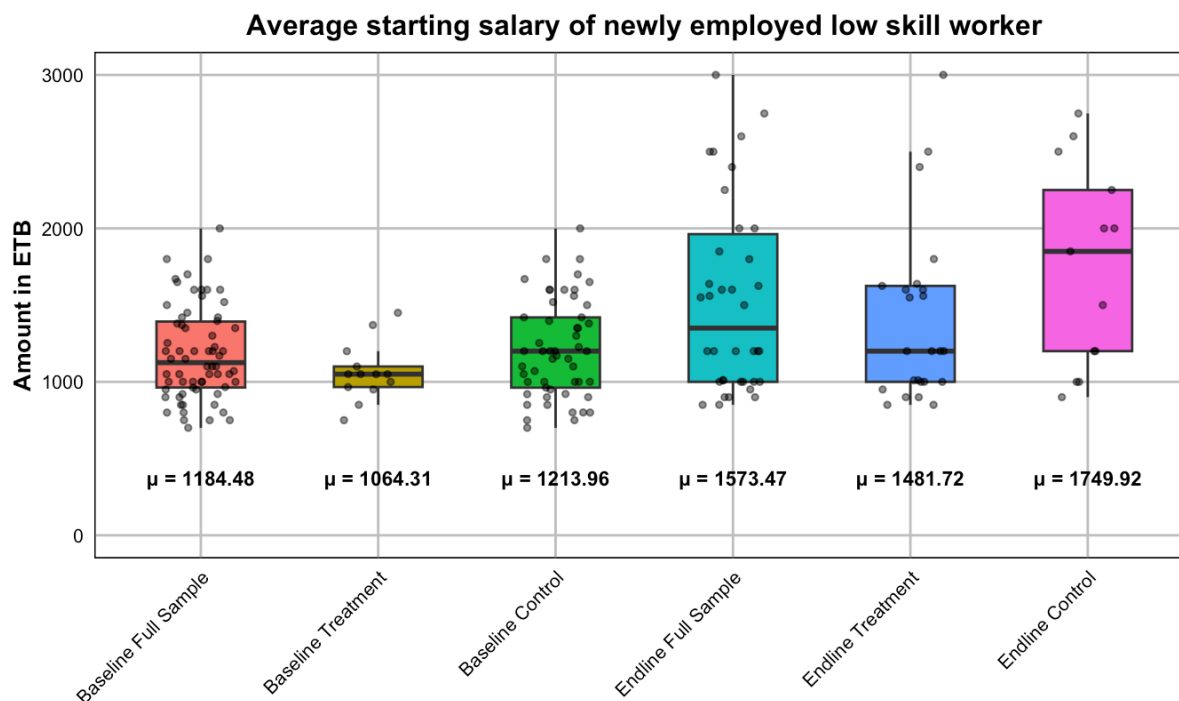
At first glance, the figures for average take-home wages at endline are quite different. Here, the overall means for the control group are higher than for the treatment group. As we shall show, this is largely due to the greater proportion of (higher-paid) men in the control group compared to the treatment group. At the endline, the average take-home wage for the treatment group was ETB 2,458 (95% Ci 2,362 to 2,554), while that for the endline control group was ETB 2,747 (95% Ci 2559 to 2935). Looking separately at endline wages for women and men, we find that there is almost no difference in women's mean take-home wages across the treatment and control groups. Women in the endline treatment group received ETB 2,367 (95% Ci 2272 to 2461), while those in the endline control group received ETB 2,236 (95% Ci 2098 to 2373). By contrast, there are large differences in endline take-home wages for men. Men in the endline treatment group had average take-home wages of ETB 3,180 (95% Ci 2791 to 3569), compared to ETB 3,866 (95% Ci 3412 to 4321) in the control group. Once again, men's wages are substantially higher than those for women. Looking at women's wages as the more reliable measure, estimated average take-home wages in the endline treatment group were slightly higher than in the control group, but the difference is again not statistically significant.

While wages in ETB have risen between the baseline and endline surveys, they have actually fallen in USD-terms. Converting to USD at the rate for mid-2019 shows that the baseline treatment group take-home wage for women of ETB 1,926 is about USD 66 (not correcting for purchasing power). Wages in dollar terms are lower than in 2019, due to the severe decline of the ETB compared to the USD. Converting the endline take-home wage for women of ETB 2,367 and using the December 2023 exchange rate gives just USD 43 (again, not correcting for purchasing power). However, such comparisons must be interpreted with caution, as they do not take into account changes in the relative price levels between Ethiopia and the United States, and therefore are a highly imperfect representation of workers' ability to purchase commodities locally.

Looking at firm-level data shows a similar picture. Figure 4 shows the average starting wage of a newly employed worker. As in the worker-level data, we see a substantial increase in starting wages across all firm groups between baseline and endline. At baseline workers on average started with earnings of ETB 1,184. By the endline the wages

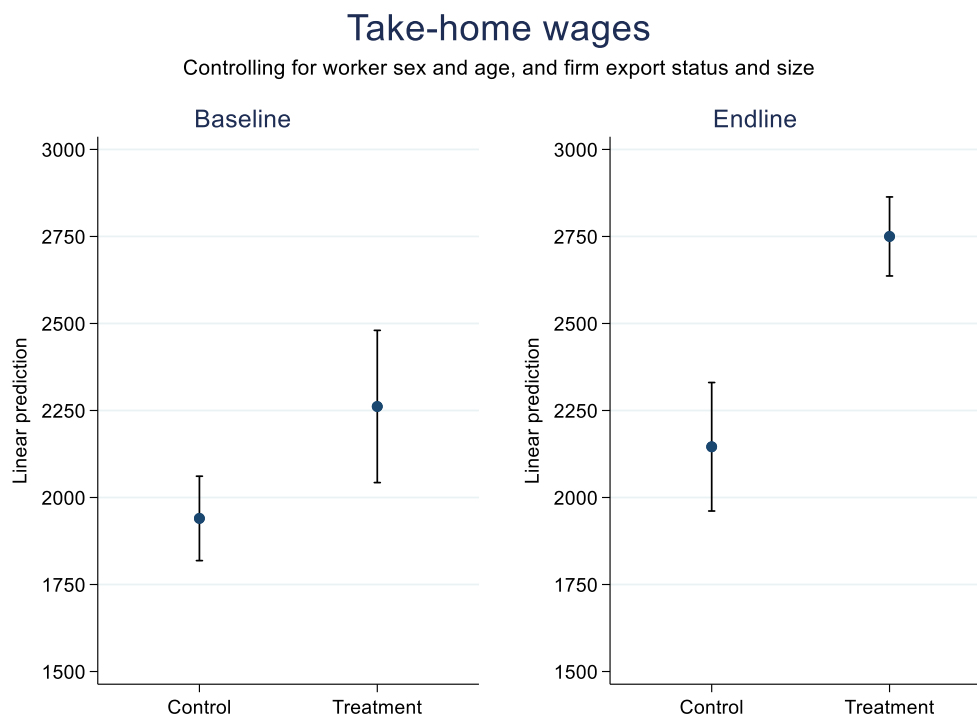
of a newly hired worker have increased to an average of ETB 1,573. The increase was much faster for firms in the control group, who also offer higher starting salaries wages than those in the treatment group. However, as noted, firms in the control group are different to those in the treatment group. In particular, they are less likely to be exporters tied into demanding and tightly controlled global production networks that put pressure on wages. Workers also do not remain on their starting wages for long, as can be seen by the much higher mean current wages reported by workers.

Figure 4. Average starting salary by firm group (in ETB)



These ‘raw’ comparisons of average wages do not take adequate account of observed systematic differences between workers and the firms in which they work, across the treatment and control groups at baseline and endline. In Figure 5, we therefore use OLS regression to control for workers’ sex and age, as well as for whether or not they work for a firm that exports, and the size of the firm (using the log of total employment). We ran separate regressions for the baseline (N=691) and the endline (N=1,044). The full regression models and results tables are presented in Appendix 2. Controlling for workers’ sex and age limits the distortions resulting from larger numbers of (better paid and more senior) men in some groups. Similarly, firms that export differ substantially in their management practices and labour regimes from firms that do not export. Controlling for these differences therefore provides a more reliable comparison of wages across groups.

Figure 5. Worker take-home wages controlling for observed differences



As shown in Figure 5, the controlled means for take-home wages are higher for the treatment groups at both baseline and endline, and the indicator variable for treatment was statistically significant in both analyses. Due to the aforementioned small sample size of the baseline treatment group, the controlled mean for that group is estimated with a higher level of uncertainty than those for other groups. Encouragingly, wages for workers in the treatment group have grown faster than for workers in the control group. The difference between the controlled means of the treatment and control groups was ETB 322, or 14.2% of the treatment group mean, at baseline. By the endline survey, the difference in controlled means between the treatment and control groups was ETB 604, or 21.9% of the treatment mean.

In summary, we can say that, controlling for observed systematic differences across groups, the estimated means of the treatment group was higher at both baseline and endline. Estimated mean take-home wages in ETB were higher at endline than at baseline for both treatment and control groups. The difference between treatment and control groups has grown in both absolute and relative terms, indicating faster wage growth in the treatment group. This is despite lower average daily working hours in the treatment group.

5.4. Non-wage benefits

In addition to cash wages, workers commonly receive a number of other benefits, such as free or subsidised transport to and from the factory, meals in a factory canteen, and

access to an on-site medical facility. In Table 6, we summarise the shares of workers receiving such benefits across the treatment and control groups at baseline and endline.

Across all groups, a majority of workers receive transport provided by employers, commonly in the form of chartered buses that run along particular routes before and after shifts. The share is higher for workers in the treatment group, by 65% to 50% at endline. Conversely, very few workers receive employer-provided housing. In Ethiopia, worker dormitories are very uncommon, and employer-supplied housing is typically reserved for senior members of staff. Given the high proportion of wages spent on house rent, according to qualitative interviews, the lack of social housing or employer’s provided accommodation remains a major challenge for workers’ wellbeing in the sector.

The provision of food in factory canteens was still a minority phenomenon at baseline, where 33% of the treatment and 42% of the control group received food at work. However, by the endline, the vast majority of the treatment group (98%) and most of the control group (60%) were receiving meals at work. The provision of transport to and from the factory and meals in a canteen benefit both workers and employers. Such non-wage benefits have advantages for employers, in terms of improving punctuality and reducing absenteeism, and they can provide a much needed, albeit non-pecuniary, income boost to workers struggling to make ends meet.

Table 6. Non-wage benefits received by workers

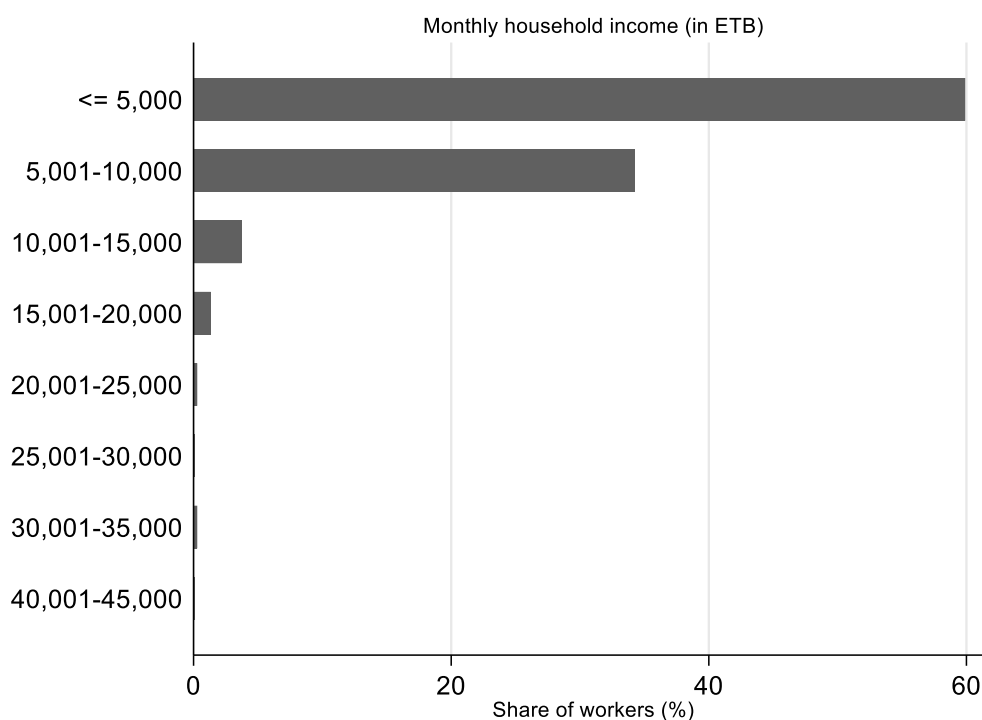
Variable	Baseline 2019			Endline 2023		
	Treatment	Control	Full sample	Treatment	Control	Full sample
Share of workers who receive...						
Transport (%)	66	58	60	65	50	55
Food (%)	33	42	39	89	60	69
Housing (%)	6	13	8	2	4	3

5.5. Livelihoods and savings

We turn now to looking at household income and wider livelihoods. Unfortunately, the data on household income at baseline was subject to substantial measurement error, as a result of the ACASI system used to collect worker data. At the endline, improved survey design was able to substantially enhance the reliability of the data, as well as the amount of detail we were able to collect. Even with these improvements, the concept of household income is difficult to convey with accuracy and consistency in a self-completed survey format without enumerators. The figures below should therefore be interpreted with caution.

At baseline, the average monthly household income was ETB 3,619, after removing outliers, or ETB 4,213 for the treatment and ETB 3,436 for the control group. At endline, the modal household income in the control group was ETB 4,000-5,000, compared to ETB 2,000-3,000 for the treatment group. This is reflective of the fact that the endline sample had much smaller households than the baseline sample, while within the endline sample, the treatment group was much less likely to be married and had only half as many children as the control group (see Table 4). At both baseline and endline, workers are overwhelmingly dependent on the wages generated by their factory job, though this dependency is higher for the endline sample. At the endline, only 3.8% of workers report generating income from an activity other than wage employment, while the corresponding figure for the baseline was 11%.

Figure 6. Household income distribution at endline



Average household income masks substantial variation across workers. At endline, as shown in Figure 6, 60% of workers reported household income of ETB 5,000 or less. However, 34% of workers at endline reported household incomes of between ETB 5,000 and 10,000, while almost 6% of workers had household income of more than ETB 10,000. Given comparatively low household incomes and high dependency on factory wages, it is not surprising that many workers struggle to save, despite the income growth documented above.

At endline therefore, we also collected data on how much workers are able to save at the end of each month. As shown in Figure 7, 77% of workers at endline are unable to save any of their income at the end of the month, and are effectively living hand-to-mouth. A

further 17% of workers are able to save some of their income, but report monthly savings of less than ETB 500, while less than 5% have savings between ETB 500 and 1,000. Very few workers report monthly savings above ETB 1,000. There are few differences across treatment and control, or among women and men, with regard to savings.

Figure 7. Monthly savings at endline

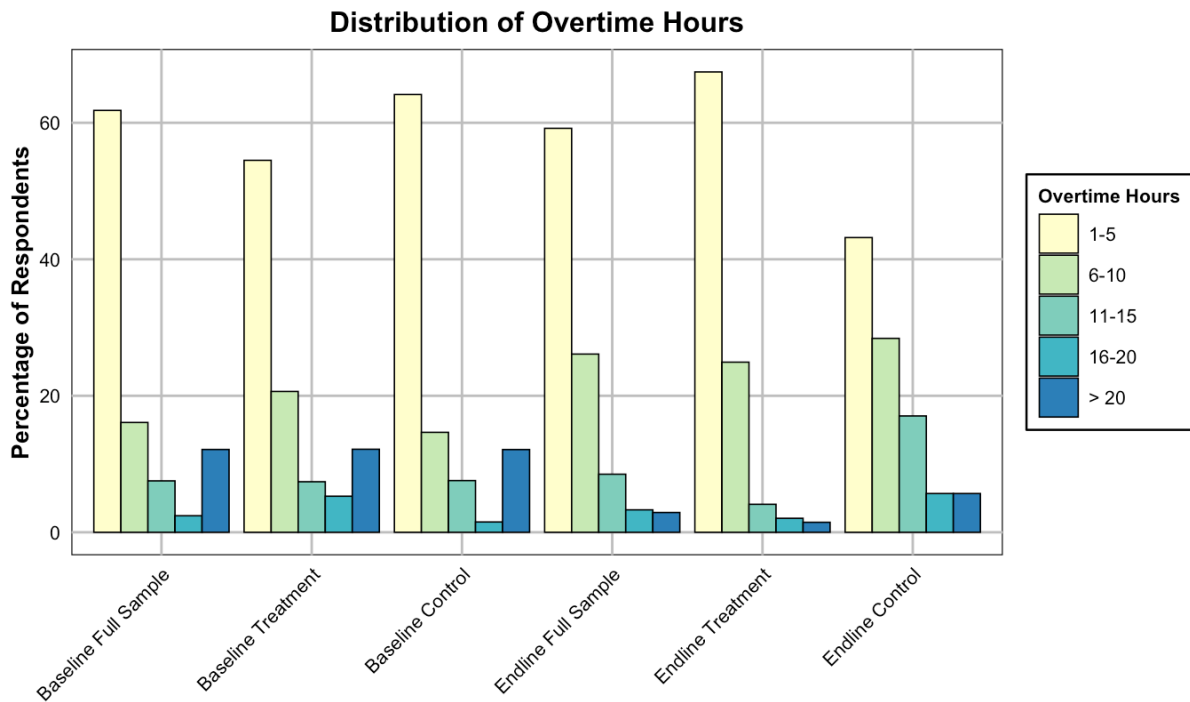


5.6. Overtime

We have already presented comparative data on working hours above. The measures presented above are inclusive of overtime. We did however also collect separate data on overtime. We asked all workers how many hours of overtime they work in average week. At baseline, 34% of the workers in the treatment group and 50% of those in the control group stated that they did not regularly perform overtime. By the endline, these figures had reversed, with 52% of the treatment groups reporting no regular overtime, compared to 49% of the control group.

The workers who reported working overtime were asked how many hours on average they typically work overtime on a weekly basis. We present the results in Figure 8. Across all groups, the vast majority of those who work overtime do fewer than six hours of overtime per week, or under one hour a day for an average six-day work week. Compared to the baseline, the endline overall saw an increase in the share of workers reporting moderate overtime (up to 10 hours per week) and a decrease in the share of workers stating that they perform more than 10 hours of weekly overtime. The fall in rates of extreme overtime has been most pronounced among treatment firms.

Figure 8. Weekly overtime hours for worker who perform overtime



5.7. Occupational safety, health, and harassment

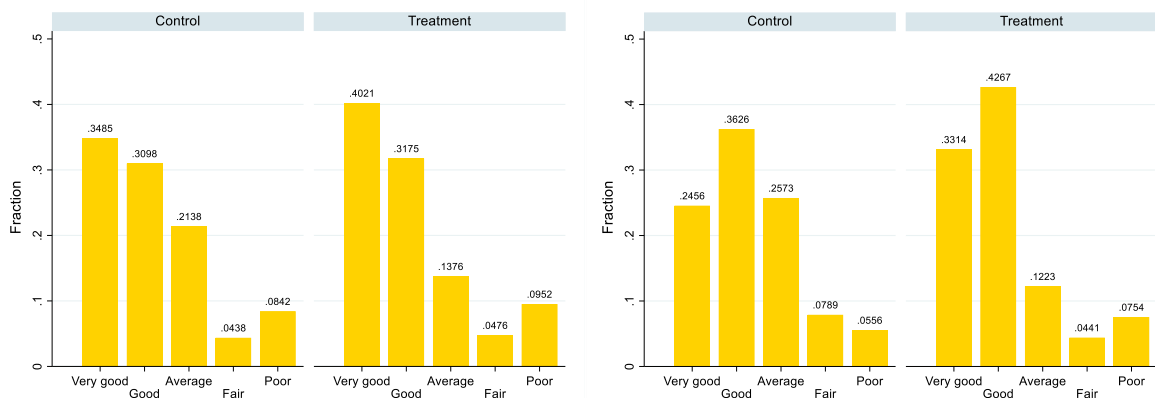
At both baseline and endline, workers were asked a series of questions with regard to occupational safety and health (OSH). We report the results in Table 7. At both baseline and endline, workers in the treatment group fared better on most measures, with the exception of acceptable noise levels, while at endline, only treatment firms performed worse in terms of acceptable levels of ambient temperature and ventilation. Encouragingly, there was an especially strong decline in the share of workers exposed to chemicals or other hazardous substances. At endline, treatment firms outperformed control group firms especially strongly with regard to making workers aware of OSH policies (by 51% to 36%), worker satisfaction with toilet facilities (by 70% to 59%), the presence of onsite medical facilities (by 77% to 30%), and holding fire and other emergency drills (by 83% to 45%). Overall improvements were stronger in the treatment group than in the control group.

Table 7. Safety and hygiene measures

Variable	Baseline 2019			Endline 2023		
	Treatment	Control	Full sample	Treatment	Control	Full sample
Worker made aware of OSH policies and rules	65	48	52	51	35	46
Exposure to hazardous chemicals (%)	33	35	34	18	15	17
Adequately equipped washing facilities (%)	59	42	46	51	42	48
Decent toilets with handwashing (%)	92	75	79	86	73	82
Satisfied or very satisfied with toilets (%)	62	58	59	70	59	66
Medical facility onsite (%)	75	54	59	77	30	62
Acceptable temperature and ventilation (%)	58	54	55	47	52	49
Acceptable noise levels (%)	37	44	42	43	46	44
Employer provides free drinking water (%)	64	58	59	81	73	79
Employer provides adequate PPE (%)	N/A	N/A	N/A	41	40	41
Factory holds emergency drills (%)	72	44	51	83	45	70

Workers were also asked to rate their level of overall health. At baseline, as shown in Figure 9, 72% of workers rated their own health as either very good or good, compared to 65% for the control group. By the endline, the share of workers rating their health as either very good or good had increased slightly to 73% for the treatment group, but fallen to 61% for the control group. Clearly, workers in the treatment group are in greater overall health.

Figure 9. Worker self-reported health at baseline (left) and endline (right)



Workers have the right to a workplace that respects their human rights and fundamental dignity. An important aspect of this is a workplace that is free from bullying and harassment. Effective workplace communications and awareness of sexual harassment were important aspects of training delivery by the SIRAYE programme. Workers were asked about different forms of abuse at both baseline and endline, and we show the results in Table 8. In order to overcome understandable reluctance to report such assaults on one’s own dignity, most questions asked workers about whether they were concerned about such behaviour, rather than whether they had personally been subjected to it.

Table 8. Worker concerns about verbal abuse and harassment

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

At baseline, workers in both treatment and control group firms reported high rates of shouting and similar forms of verbal abuse by managers: 56% of workers in the treatment group and 50% of control group workers reported that they were concerned about verbal abuse by managers. Sexual harassment was also widespread, with 15% of control group workers and 33% of treatment group workers reporting concerns about sexual

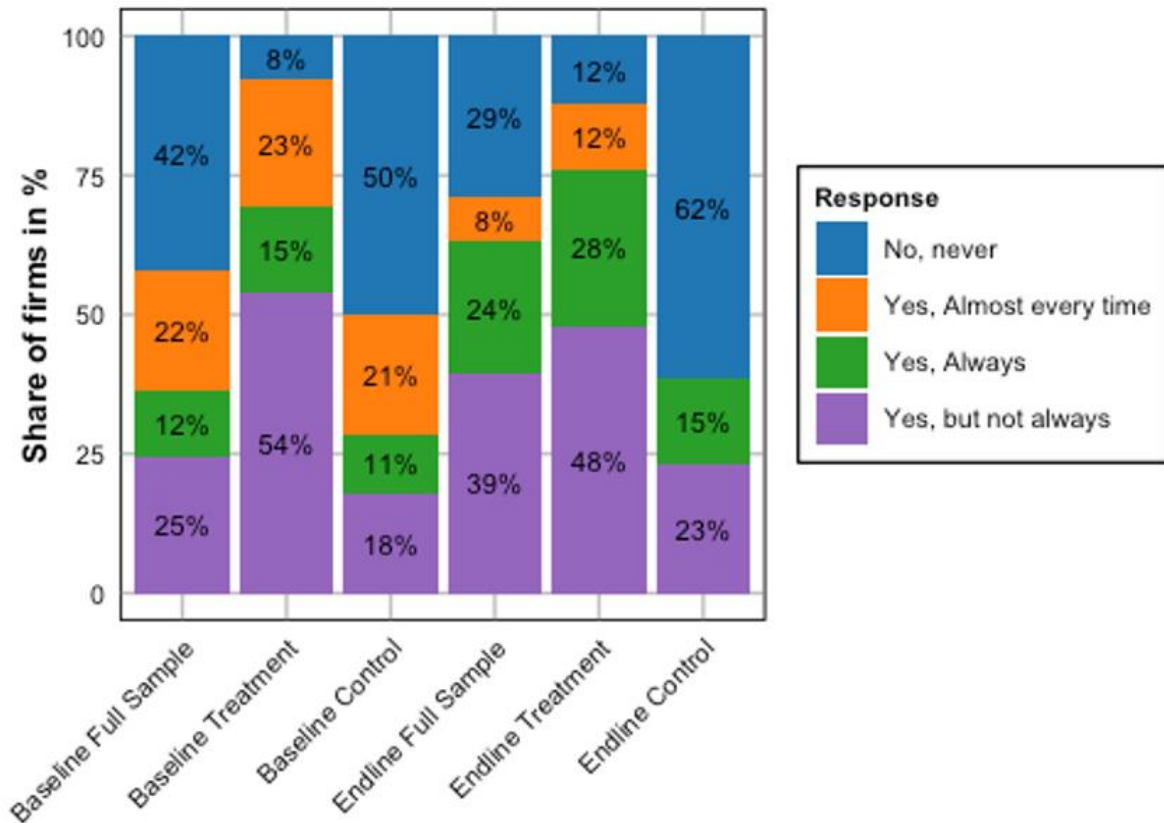
harassment in the workplace. Rates of concern about verbal abuse and sexual harassment fell for all groups between the baseline and endline, but the declines were much more pronounced for workers in treatment firms. By the endline, workers in the treatment were much less likely (by 30% to 43%) to report concerns about verbal abuse. The decline in concerns about sexual harassment was even starker, having fallen from 33% to 6% for the treatment group and from 15% to 8% for the control group. While data on sensitive issues such as sexual harassment is always subject to substantial measurement error, and should be interpreted with caution, these figures seem to indicate a pronounced shift of workplace culture in treatment firms.

The substantial decline in reported harassment may be due to a combination of two trends. First, instances of harassment may have indeed declined over time, as a result of greater control and compliance in firms, and better reporting mechanisms for affected workers, which expose such behaviours thereby disincentivising them. Second, more effective awareness and training may have led to perceptions that harassment is no longer so common, since managers are assumed to be more aware and vigilant. Our qualitative interviews did not provide contradicting evidence, and in fact abuse and sexual harassment were rarely mentioned. However, a more focused approach with careful facilitating role by experienced researchers in this area would have been useful, to further probe this finding and reveal any potential inconsistencies with the reality of harassment in factories.

To an extent, the results are also consistent with the findings of a recent interim evaluation of the gender component of Better Work Ethiopia, which reported that harassment had declined since 2020. The report also provided compelling examples of women being empowered to denounce instances of harassment via existing grievance mechanisms, and with the support of the Ethiopian Women Lawyers' Association (EWLA) and Hawassa University Legal Aid Center. Since the improvement in management-worker relations is one of the major objectives of Better Work, through compliance and training, these results are clearly positive.

Despite these welcome developments, sexual harassment remains a serious problem. Across both the treatment and control groups, around 9% of workers reported that they had at some point been offered favoured treatment at work in return for sexual favours or a sexual relationship. Such forms of sexual harassment may be less visible and harder to police. Efforts by the ILO to support avenues for workers to report such behaviour via centralised call centres in industrial parks are therefore especially important.

Figure 10. Buyer inquiries about factory-level working conditions

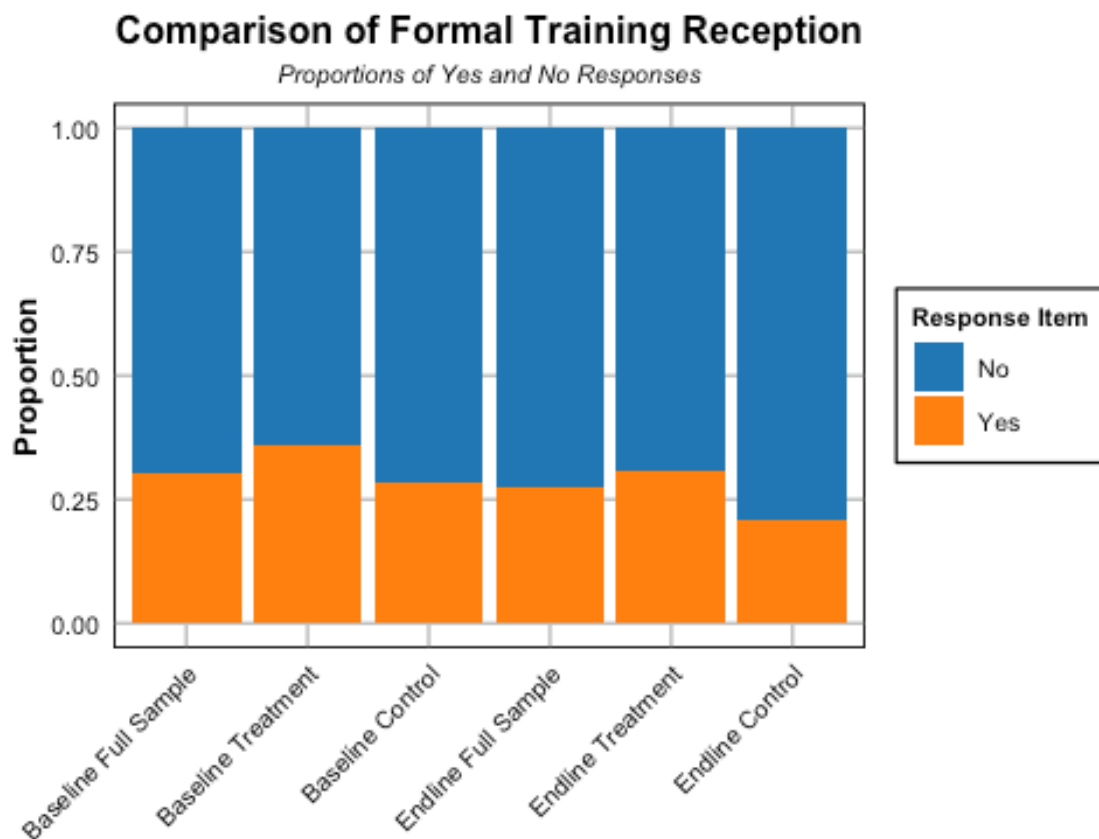


Before we move on, let us examine a key driver of positive change in treatment firms. As noted above, a basic principle of the SIRAYE programme is to use a demand-driven approach to developing interventions. For instance, Better Work engages both factories and their buyers to create demand for non-compliance assessments, and thereby improve standards. It is therefore useful to examine how feasible is this route to change in the Ethiopian apparel sector. Figure 10 draws on data from our firms' survey, to show how frequently buyers ask about factory-level working conditions. Buyers of treatment group firms – that is, firms enrolled in the Better Work programme – are much more likely to ask about working conditions than the buyers of firms in the control group. In addition, where at endline, control group firms received fewer buyer inquiries about working conditions, buyer interest in working conditions held firm across the treatment, and the share of firms reporting that buyers always ask about working conditions increased from 15% to 28%.

5.8. Training

Training and skill development are vital to allow workers to become productive in their job roles, and also to furnish them with transferable competencies and capabilities that will allow them to command higher wages, either in their firms or in the wider labour market. We therefore looked both at the incidence of training, and at the most important skills workers gained.

Figure 11. Workers reporting formal training



At both baseline and endline, workers reported that most of the training they received related to production techniques and quality control. This is of course to be expected, as these are vital to teach newly-hired workers. However, by the endline, the palette of training had been substantially expanded, with training now also delivered on productivity improvement, supervisory skills, soft skills and sexual harassment prevention.

Nonetheless, there were few differences across groups with regard to whether or not firms provided formal training, as shown in Figure 11. At both baseline and endline, workers in treatment firms are more likely to report having received formal training than those in the control group. However, across all groups, only a minority of around 30% of workers report having received *formal* training. This result is surprising, as firm-level data shows that almost all firms provide training to new workers. For instance, in the endline firm survey, 24% of treatment firms report training new workers for a period of 30 days. However, at endline, 32% of treatment firms report giving workers only one day of training. It is possible that workers do not perceive this as adequate training, or really as a structured training programme at all, and therefore respond in the negative when asked about formal training.

At endline, we also asked workers about informal, or on-the-job training. There were few differences across the treatment and control, with 52% of the former and 50% of the latter reporting that they had received informal training in their current job. However, there were stark differences in workers’ perceptions about the relative usefulness of formal and informal training, as shown in Table 9. Workers in the treatment group were much more likely (by 38% to 19%) to state that they found the formal training more useful, and much less likely (by 20% to 44%) to rate both forms of training as equally useful. This indicates that the perceived quality of formal training is higher in treatment firms than in control firms.

Table 9. Worker perceptions of the most useful forms of training (endline only)

Response	Endline 2023		
	Treatment	Control	Full sample
Formal training was more useful (%)	38	19	34
Informal training was more useful (%)	41	37	40
Both forms were equally useful (%)	20	44	25

At endline, we also asked all workers whether they had participated in any training provided by the ILO. In our random sample of treated workers, 13% or 92 workers stated that they had taken part in an ILO training. Of these workers, 42% declared themselves very satisfied with the training, 53% said they were satisfied, 3% were neither satisfied nor dissatisfied, and only one single person said they were dissatisfied. We then asked the 92 whether they had been able to apply the lessons from their training in their workplaces. Of the 92 workers, 27% said they had fully applied the training, 59% said they had mostly applied the lessons, 12% stated they had only sometimes applied the lessons, and just two people said they had never applied the lessons learnt. This shows that training sessions provided by the ILO have been of high quality, and were well-tailored to the practical workplace challenges faced by workers.

5.9. Worker voice

Worker voice is a vital ingredient in creating decent working conditions in any workplace. The most important aspects of workers’ collective voice are effective means for formulating and collecting that voice, and for making it heard. We therefore now turn to unionisation and collective bargaining. As discussed earlier, the period in question saw a major unionisation drive in Ethiopian industrial parks, which greatly increased the number of firms with active trade unions.

Perhaps because of the greater salience of trade unions over time, between baseline and endline, workers were more likely to report that managers held less positive attitudes to trade unions. As shown in Table 10, reported managerial attitudes started out quite positive, with 56% of the treatment group and 45% of the control group stating that managers were broadly in favour of trade unions. By the endline, reporting managerial support for unions had fallen to 40% in the treatment group and 30% in the control group. The reported decline in managerial attitudes was much stronger in the control than in the treatment group, as shown in the much stronger increase in negative sentiment in the control group. Where the share of workers reporting negative managerial attitudes to trade unions rose from 23% to 32% in the treatment group, it more than doubled from 21% to 54% in the control group. This means that, by the endline, overall workers' perceptions of managerial attitude towards trade unions was positive or neutral in the treatment groups, while it had turned negative in the control group.

Table 10. Managerial attitude to trade unions according to workers

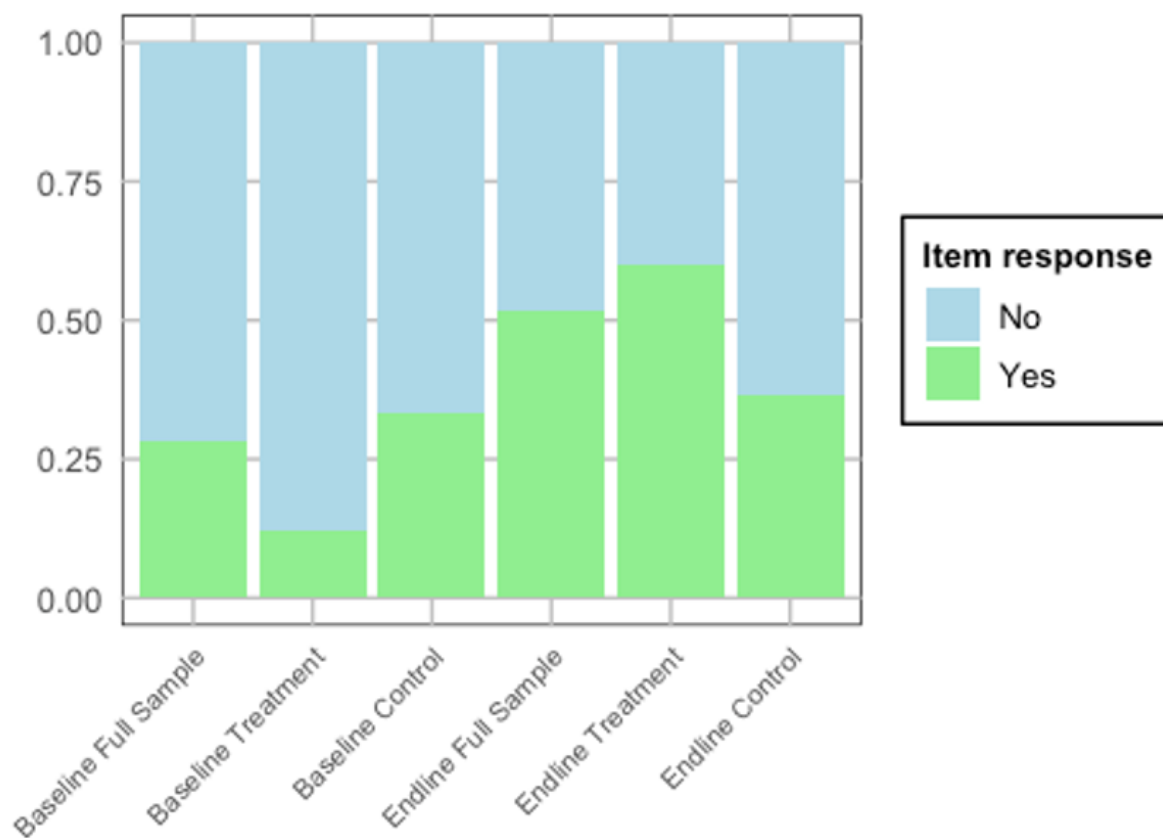
Response	Baseline 2019			Endline 2023		
	Treatment	Control	Full sample	Treatment	Control	Full sample
In favour of trade unions (%)	56	45	47	40	30	37
Not in favour of trade	23	21	21	32	54	40
Neutral about trade unions (%)	21	35	31	16	27	23

We also asked workers about the victimisation of trade unionists by company managers. At baseline, 37% of the control and 35% of the treatment group stated that they knew a colleague who had lost their job because of trade union activity. Similarly, 13% thought that managers frequently harassed, punished, or threatened workers for trade union activity, while 29% thought that this happened sometimes. Treatment and control groups were very similar in this regard. By the endline, this kind of victimisation had fallen substantially. Only 12% of the endline treatment group, and 9% of the control group stated that they knew a colleague who had been fired for trade union activity. Likewise, only 2% thought that managers frequently harassed, punished, or threatened workers for trade union activity, while 16% thought they did so sometimes. The numbers are similar for treatment and control groups.

Despite worker perceptions regarding managerial attitudes to trade unions, a major unionisation drive occurred in Ethiopia, leading to a much higher share of firms with active trade unions, as illustrated in Figure 12. Where just over a quarter of firms, and only

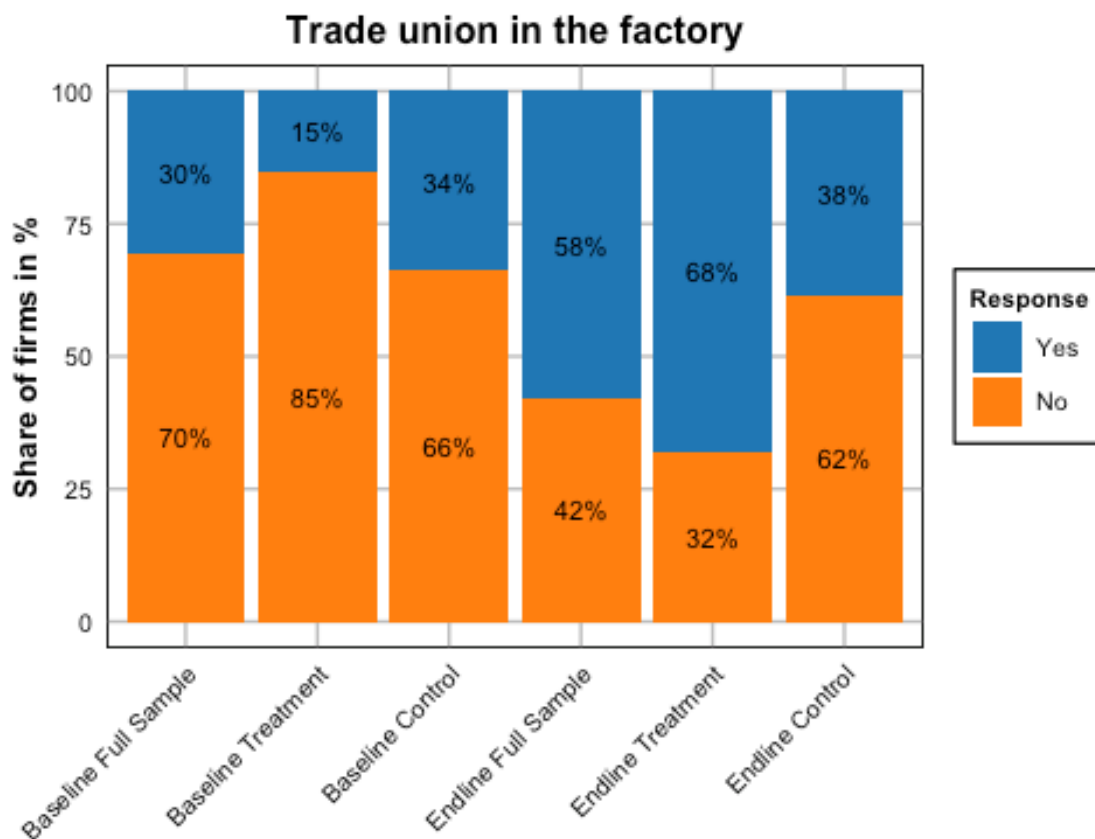
about 12% of treatment firms, had trade unions at baseline, by the endline, over half of all firms had unions. The increase occurred almost exclusively in treatment firms, almost 60% of which had trade unions by the endline. Treatment firms were much more likely to be sited in industrial parks where Siraye activities were focused. We take up this point again in Section 6.

Figure 12. Share of workers reporting a trade union in their factory



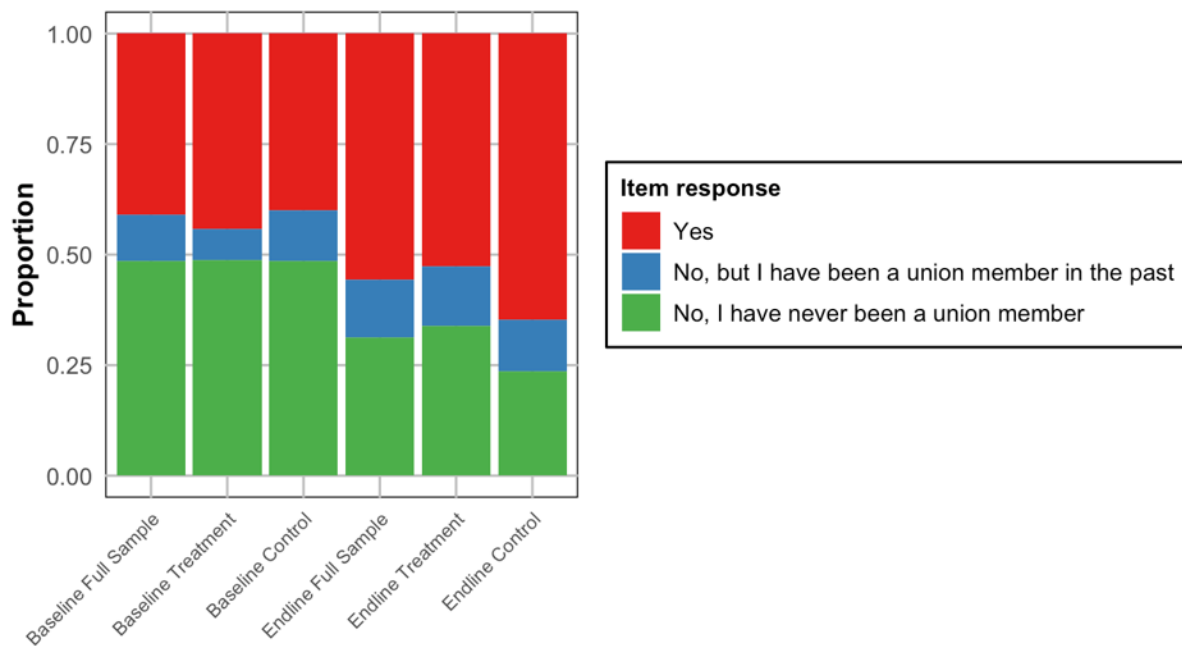
We cross-checked the worker-level data on trade unions with data from management-level interviews, which we depict in Figure 13. The firm-level data confirms all major findings of the worker-level data. The share of factories with a trade union increased sharply, from just 30% at baseline to 58% at endline. At baseline, treatment firms had been the least likely to be unionised and just 15% reported a union in their factory, compared to 34% of control firms. However, by the endline, this picture had completely reversed. Treatment firms were now much more likely, by 68% to 38% to report having a trade union. The shift in treatment firms has been remarkable.

Figure 13. Share of managers reporting a trade union in their factory



Workers who reported a trade union in their factory were then asked a series of follow up questions about union membership, collective bargaining, and industrial disputes. We begin with a discussion of union density in firms in which workers reported a trade union. Figure 14 shows the proportion of workers in firms that have trade unions self-reporting to be members of a trade union. Overall trade union density in firms with trade unions increased substantially from the baseline to the endline, and had reached over 50% for both treatment and control groups by the endline. Trade unions density was somewhat higher in control firms than in treatment firms at endline. However, this measure only refers to firms in which workers reported the presence of trade union, and that share was substantially lower for control firms, as shown in Figure 12.

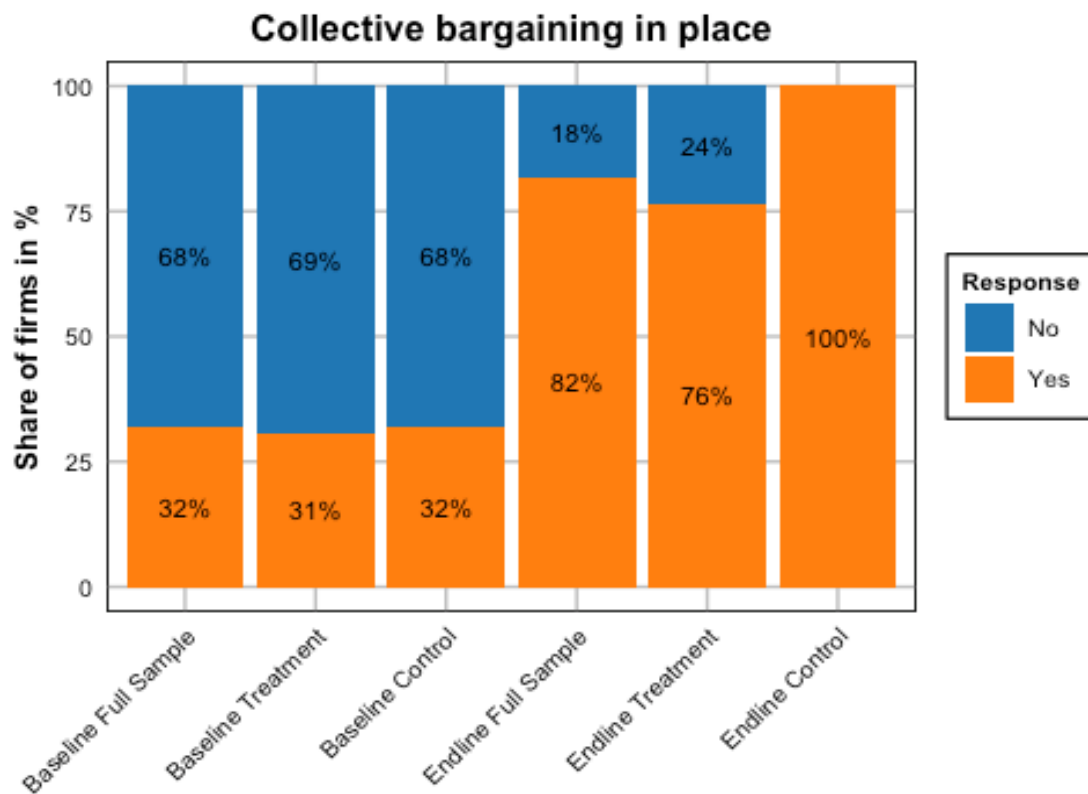
Figure 14. Trade union membership (in unionised firms only)



We next asked about collective bargaining, by which we mean the presence of a formal negotiation process involving company managers, and a clearly defined group of worker representatives, normally a trade union. We asked workers about the presence of a collective bargaining agreement. However, the data here has major limitations. As noted before, the worker-level data are self-reported, with only minimal intervention by an enumerator. This means that there is likely to be measurement error in questions regarding more technical issues, such as the presence of a collective bargaining agreement, which is easy to confuse with less formal forms of consultation over wages. We therefore draw on firm-level data collected from management interviews to report on collective bargaining. Moreover, the comparison between the treatment and control groups here is not especially informative. As explained in Section 3, the composition of the treatment and control group changed between baseline and endline, and the higher share of older Ethiopian firms at baseline makes baseline firms more likely to have collective bargaining agreements in place.

As shown in Figure 15, the share of firms with firm-level collective bargaining agreements in place increased dramatically from baseline to endline, from 32% to 82%. While treatment firms were still less likely to have collective bargaining agreements in place than control firms at endline, the increase in collective bargaining is particularly impressive for treatment firms. As discussed in Section 3, treatment firms were mostly located in closed industrial parks, where there had long been informal barriers to access for trade unions, and full unionisation was therefore still incomplete at the time of endline data collection. Therefore, the large increase in collective bargaining agreements among treatment firms represents a major achievement. Collective bargaining is a relatively new practice for most firms in Ethiopia's industrial parks, and its impact on future wages and industrial relations is not yet clear, but very likely positive.

Figure 15. Firm-level collective bargaining



Irrespective of whether or not they reported a trade union in their factory, workers were asked about the extent to which they thought managers take workers' interests into account when making decisions. Table 11 presents the results ('I don't know' responses excluded). The overall share of workers who thought that managers always or sometimes take worker interests into account declined slightly, from 44% at baseline to 42% endline. This happened in a context in which all firms, but especially those in the treatment group, were subject to extraordinary pressures due to the reduction in demand from the US market following the suspension of AGOA. At endline, workers in the treatment firms were more likely than those in the control group (by 44% to 39%) to say that managers always or sometimes took workers' interests into account when making decisions.

All workers were also asked about access to grievance procedures. Table 12 summarises the results. At baseline, workers in control and in treatment firms were almost equally likely, with 56% to 55% respectively, to report having access to a grievance procedure. By the endline, workers in treatment were significantly more likely, by 60% to 47%, than those in control firms to report having access to a grievance process. Access to a grievance process increased for treatment firms, but decreased for control firms between baseline and endline. However, usage rates and workers' satisfaction levels with the outcome of the procedure were higher in control firms.

Table 11. Perception that managerial decisions take account of worker interests

Response	Baseline 2019			Endline 2023		
	Treatment	Control	Full sample	Treatment	Control	Full sample
Always (%)	17	12	13	7	7	7
Sometimes (%)	32	31	31	37	32	35
Rarely (%)	25	30	29	29	29	29
Never (%)	26	28	27	30	26	27

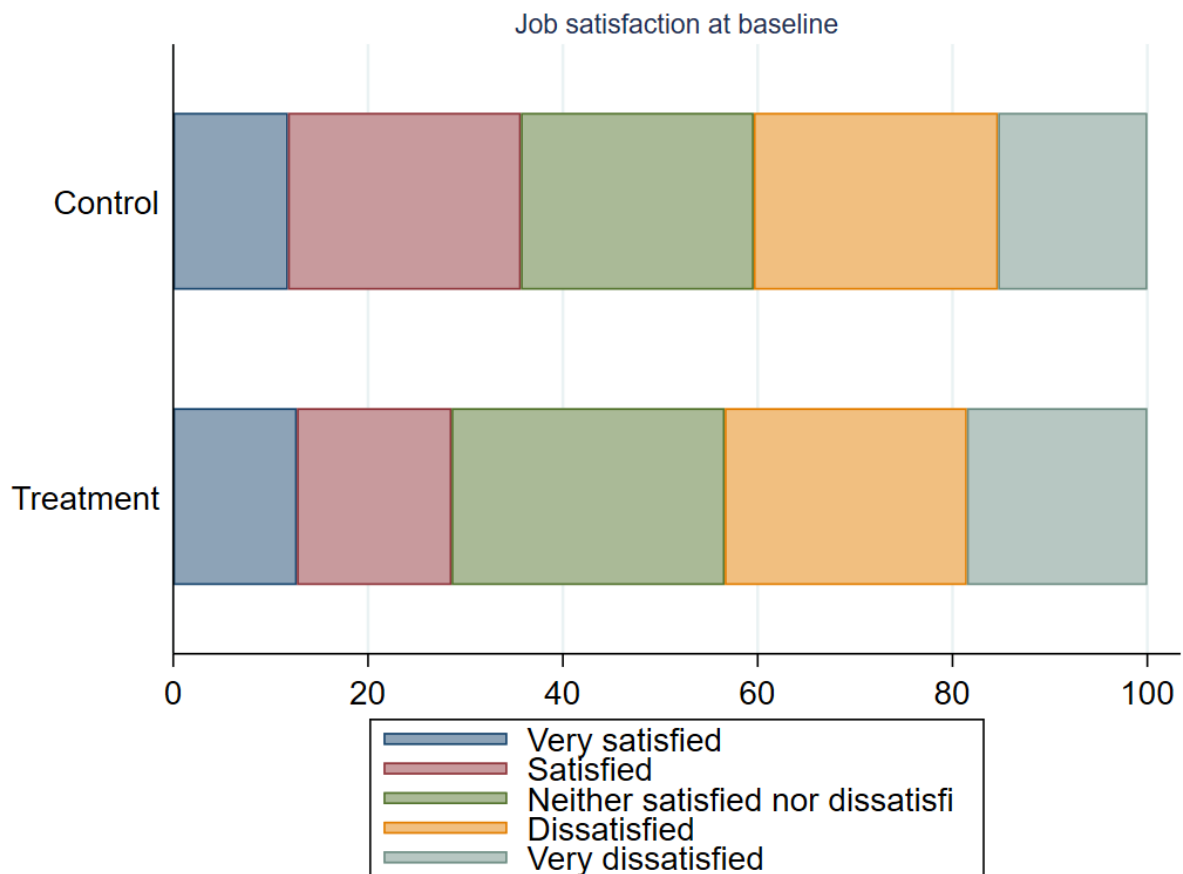
Table 12. Workers access to grievance procedures

Response	Baseline 2019			Endline 2023		
	Treatment	Control	Full sample	Treatment	Control	Full sample
Access to grievance procedures (%)	55	56	56	60	47	56
Personally has used procedure (%)	68	54	57	50	57	52
Satisfied/very satisfied with outcome (%)	68	57	64	61	71	64

5.10. Worker satisfaction and turnover

In this section, we explore the overall levels of satisfaction and wellbeing expressed by workers. We look first at overall levels of satisfaction, and then at what this means for turnover. We then turn to a more in-depth exploration of worker satisfaction and engagement at endline.

Figure 16. Workers' job satisfaction at baseline

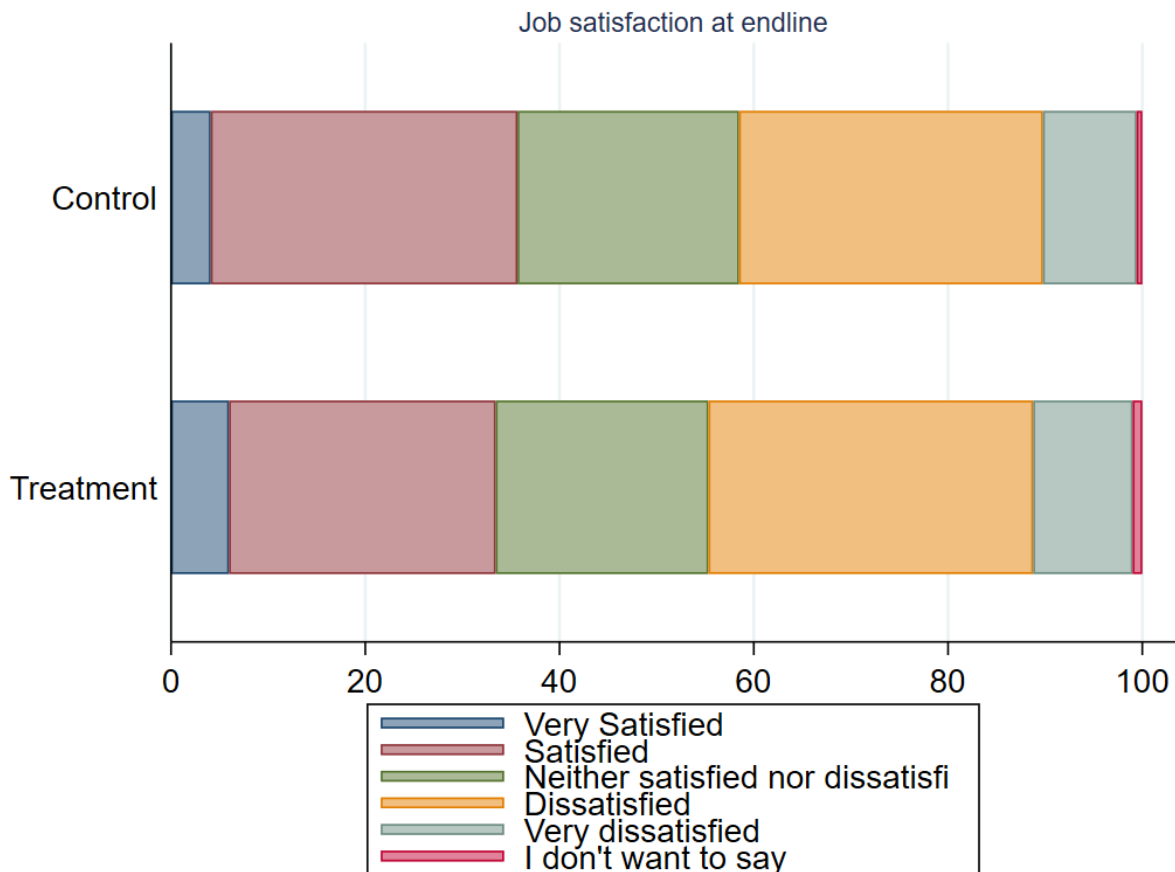


Workers were asked about their overall level of satisfaction with their current working conditions, at both baseline and endline. At baseline, as shown in Figure 16, there was little difference in the share of very satisfied workers between the treatment and control groups, but workers in the treatment group (16%) were much less likely than workers in the control group (24%) to declare themselves satisfied at work. Workers in the treatment group were also four percentage points more likely to state that they are very dissatisfied.

By the endline, as shown in Figure 17, workers in the treatment group were slightly more likely to declare themselves very satisfied (by 6% to 4%), though somewhat less likely to describe themselves as satisfied (by 28% to 32%). This means that the gap in dissatisfaction narrowed, with workers in the treatment group moving closer to workers in the control group, between the baseline and endline surveys. However, it is also notable that the share of workers describing themselves as very satisfied declined between the baseline and endline, possibly as a result of the broader crises in Ethiopia discussed in Section 2. This is compensated for by an increase in workers stating they are satisfied. Overall, at both baseline and endline, 34% of workers were either very satisfied or satisfied. Conversely, 33% and 34% of workers declared they were either dissatisfied or very dissatisfied with their current working conditions, at baseline and endline respectively. Overall, there was some improvement in self-reported worker satisfaction

between baseline and endline, driven by an improvement in treatment firms, which also increased as a share of the overall sample at endline.

Figure 17. Workers' job satisfaction at endline



Given that plurality of worker is not satisfied with their working condition, we next ask what this means for their attachment to their job and for future turnover. At baseline, 61% of the treatment group and 67% of the treatment group stated that they would like to find a different job. When asked where they saw themselves in three years' time, only 12% of the baseline control group and 16% of the treatment group expected to still be working in the same factory. A further 8% (control) and 11% (treatment) expected to work in the same sector, while 11% (control) and 17% (treatment) were expecting to work in a factory, but outside the apparel sector. A majority of the control group (53%) and a plurality of the treatment group (43%) expected to be running their own businesses.

When asked about their expected tenure at endline, the most popular answer (apart from 'I don't know') was 'for six months to one year' for both the treatment (26%) and control groups (31%). Asked about their plan in three years' time, only 23% of the treatment group and 27% of the control group expected to still be working in a factory of any kind. Again, the most popular alternative for both groups was to be running their own businesses.

Given the importance of workplace satisfaction, we decided to expand the endline survey in order to capture a greater range of measures of how workers feel at work. To collect data on worker engagement, we chose a subset of questions from the Gallup Q12 Employee Engagement Survey. These are a suite of standardised questions that are designed to provide insight into how attached employees feel to their workplace.⁵ The questions we adopted asked workers whether they know what is expected for them at work, whether they have recently been praised, about the value of the company mission, about whether anyone at work encourages their development, and whether they have a best friend at work. Around 98% of workers across the treatment and control groups responded that they understood the requirements of their job. Similarly, there were few differences between the treatment and control groups when it came to the importance of the company mission (about 65% said it made their job feel important) or whether workers had a best friend at work (about 89% did). Conversely, workers in the treatment group differed strongly from the control group in those questions trying to capture managerial quality. In the treatment group, 47% felt that there was someone at work who encouraged their development, while only 38% of the control group felt the same. Similarly, 24% of the treatment group reported having been praised at work in the last seven days, compared to just 13% in the control group.

We also asked workers at endline about how their overall wellbeing had developed since starting their current jobs. Overall, 46% reported that their wellbeing had improved a lot or a bit since starting their job, while 39% reported no change, and 16% reported wellbeing that was a bit or a lot worse. Workers in treatment firms fared better than those in the control group in most response groups. More workers in the treatment group reported that their wellbeing had improved a lot (by 8% to 4%), or improved a little (by 41% to 35%), while fewer treatment group workers reported no change in wellbeing (by 36% to 46%), or slightly worse wellbeing (by 10% to 12%). However, workers in the treatment groups were slightly more likely to report that their wellbeing had become a lot worse (by 6% to 2%).

To understand what endline workers value about their jobs, we asked workers to name the single factor they liked most about their current job. In both the treatment and control groups, friends at work was the most popular response, with 27.6% and 34.2% respectively. However, beyond this answer, some interesting differences between the treatment and control groups emerge. In the control group, the second most chosen answer (27.5%) was because the job increases independence, which was the best thing for only 16% of the treatment group. Instead, workers in the treatment group emphasised the ability to learn new skills (22.9%) and to advance their careers (19.35%), indicating

⁵ For more information on the Gallup Q12 questionnaire, see <https://www.gallup.com/q12/>

the importance of training and carer ladders within firms. By contrast, only 13.7% and 12.3% of the control group chose these responses.

Table 13. What workers like most about their jobs (endline only)

Share who answered (%)	Control	Treatment	Total
Friends at work	34.21	27.60	29.76
I can be independent	27.49	16.07	19.81
Learning new skills	13.74	22.90	19.90
I am able to advance my career	12.28	19.35	17.03
The work itself is interesting	5.26	4.41	4.69
The factory environment	4.68	2.42	3.16
I get a reliable salary	2.34	6.83	5.36
Other	0.00	0.43	0.29

Similarly, we also asked workers to tell us what they most disliked about their current job. The endline least-liked factors are listed in Table 14. In both the treatment and control groups, over 80% of workers complained about low salaries, making this by far the most salient concern. A much smaller number of workers (around 5% in both the treatment and control groups) listed long working hours as their primary concern. The differences between the treatment and control groups in regard to dissatisfaction are very minor. While a further 5% of the treatment group complain about shouting by supervisors and managers, workers in the control group were slightly more likely to complain about strict rules, and production targets that were too demanding.

Table 14. What workers like least about their jobs (endline only)

Share who answered (%)	Control	Treatment	Total
Low pay	80.41	81.51	81.15
Long working hours	5.26	5.55	5.45
Strict rules	3.22	1.56	2.11
Lack of opportunities to advance my career	2.34	0.85	1.34
Production targets are too high	2.05	0.71	1.15
Overtime	1.75	0.43	0.86
Other	1.75	0.28	0.77
Shouting by supervisors and managers	1.17	5.26	3.92
The food is bad	1.17	1.56	1.44

Factory is too hot	0.58	2.13	1.63
Sexual harassment	0.29	0.14	0.19

Taken together, the figures show that there has been little to no improvement in overall job satisfaction between the baseline and endline surveys. Worker concerns are driven by low pay and long working hours, both of which are longstanding characteristics of production networks in the global apparel sector.

6. Public sector impact and qualitative perspectives

This section focuses on the results of work done on the public sector component of the evaluation, focusing on the key areas of interest for SIRAYE, and the ones where some significant progress was made. We also discuss areas that received less attention or limited effect, and address implications.

6.1. Workers’ perspectives on the jobs, leaving the sector and wellbeing

This section reports findings from a round of 30 qualitative semi-structured interviews with semi-skilled and lower-skilled workers on three main questions: (a) their trajectory and motivations towards apparel jobs; (b) their experiences of working conditions in the sector; and (c) for those who leave, reasons for quitting and new options. Most workers were directly engaged with the production process. This group includes production line workers and machine operators, as well as production supervisors and engineers. To ensure we captured perspectives from across the labour force, we also interviewed some back-office personnel, including accountants and HR officers.

We aimed to give workers voices on these aspects, that are hard to capture through quantitative surveys, on issues that have been much debated within the sector.

How workers got these apparel jobs. A number of workers shared their employment trajectories and how they got their jobs. The most significant finding is that most interviewees had no prior labour market experience, either because they came straight from studies, or from unpaid family work in rural areas. Therefore, these were their first ‘formal’ jobs and first time they earned a salary. Obviously, this was particularly the case for the younger workers in the sample. How they got access to the first job varied from firm to firm and location to location. In many cases, they got there by contacts, networks or word of mouth. However, in places like Hawassa IP, or in other government industrial parks, candidates were sourced through government offices (BOLSAs or other recruitment centres) and channelled to the industrial parks or directly to hiring firms. Less frequently, workers directly applied for jobs in specific companies that were near their areas of residence. The main motivation in the words of most respondents was “to

come out of unemployment” and to receive a stable source of income to support their families. However, they were also overwhelmingly surprised by the low level of starting wages and their lack of familiarity with bonus payment and overtime systems – all quite common features in apparel firms.

Low wages and their consequences. There is an overwhelming consensus among workers responding to qualitative SSIs about the low levels of pay in the sector. This applies to a wide range of firms, Ethiopian and foreign, textile and garment. It is a sector-wide problem. Most interviewees complained about the low wages, compared to alternatives, and emphasised that this would be their main reason for leaving. Should a better opportunity arise, they would quit. Of course, there was recognition that such opportunities did not abound, so respondents voiced being stuck in low paid jobs. Although this complaint applies to various kinds of workers, ordinary production workers especially continue to struggle with low remuneration, in particular those who had to move from distant areas to towns where industrial park jobs were made available. In the words of a production line worker, “I have to rely on my parents for financial support, although their assistance is irregular and not guaranteed”. The additional costs of living close to the jobs, in the form of rent and food, meant that the low salary was often not enough to support these and other needs. Indeed, even among those workers on higher salary levels because of their skills and experience, accommodation rent was a major leakage in their household income, underscoring how important it is to build a sufficiently large social housing park around areas of large-scale industrial employment. Affordable housing would have an immediate positive impact on real wages, and would probably allow more workers to generate savings from their jobs. It is fairly clear from several interviews that the growing inflation in Ethiopia, and how it has eroded wages, is a major source of concern and underscores the frequent complaints about low wages (relative to cost of living).

Hard work. Some workers found the job physically challenging. For example, K reported that “*spending the entire day on my feet, operating the machine, was incredibly difficult and exhausting*”. For some ‘leavers’, the physical and mental demands of the job were important motivating factors to quit the industry altogether. This, coupled with generally poor remuneration and repetitive work, contributed to some dissatisfaction and willingness to change occupation. Generally, women respondents were more likely to comment on the physical demands of the jobs than men.

Management-employee relations. For most interviewed production workers, the quality of their job is affected by their relations with management, especially with supervisors, who are the ones with whom they engage most often. There were mixed views on the quality of these relations and their communication with supervisors. Some reported that relations were harmonious and conflict-free, while others decried an excessively harsh environment, where instructions were sometimes given without due respect and basic communication skills. Some operating at higher skill were frustrated by the lack of freedom to make decisions and contribute to company’s strategies,

especially in foreign-owned firms, where some Ethiopian skilled workers or middle-managers felt they were only expected to follow instructions. These perceptions depended on the factory, and arguably on whether there had been enough work through training and audit visits to improve communication and management-employee relations, including encouragement to take initiative. Interviewees with roles in HR departments did report improvements on these aspects, as a result of the training received from the ILO, and the follow-up visits from facilitators to help supervisors and middle managers improve their relations with ordinary workers in the production line. Finally, there were cases where the quality of management-employee relations ultimately hinged on the quality of senior managers and owners, how they understood the Ethiopian socio-cultural context, and how respectful and flexible they were towards ordinary workers. Generally, in those contexts where an improvement had been achieved, or where these relations and communication were already positive and harmonious, workers felt part of the company, able to do their jobs better, and more likely to meet performance targets.

What reasons for staying in the job? For those who continue in their jobs and show some commitment to persist, the motivation responds to two main reasons. First, the fact that they see this as a source of stable even if low income, but better than relying on activities that have uncertain returns. Second, the fact that often the jobs, especially for those workers who are skilled or semi-skilled, offer a great opportunity for further learning and career advancement, and better chances of better jobs later in life. The idea of the factory as a learning space was a significant insight from several interviews, especially from those who had stayed for a number of years in their jobs.

What reasons for leaving apparel jobs? The vast majority of respondents in qualitative SSIs reported low wages or the lack of balance between remuneration and effort as a major reason to leave. However, there are also some interesting variations. For example, some young women left because of marriage, and they basically left the labour market, despite being willing to keep the factory job. The alternative of self-employment is seen by some of these women as too insecure, but the lack of availability of a factory job as close to home as possible acted as a deterrent. There were also cases of workers who left the job because of excess pressure, or a harsh working environment, where time discipline, speed and strong hierarchical relations contrasted with other occupations that offered more freedom and time flexibility.

The two shocks post-2020 had very different impacts on jobs. Workers were asked to share their work experiences through the two shocks of the COVID-19 pandemic and the conflict. In the majority of cases, the first shock did not seem to significantly impact on jobs, or at least only temporarily. Most workers kept their jobs, were subject to health control restrictions, and stronger OHS awareness during the pandemic in 2020. In some firms, operations were temporarily suspended, but some workers continued basic operations at a fraction of the salary while their jobs were protected. This confirms that extent to which government action with their international partners succeeded in cushioning some of the worst effects of restrictions associated with the pandemic in

2020. The impact of the conflict and subsequent implications (removal of AGOA access), in contrast, seemed to have affected employment and prospects more strongly. Many workers who were still in the sector at the time of interviews (April-May 2023) voiced real concerns over their future, given the political instability and especially the threat of AGOA for exporting firms. They frequently reported that company management were threatening to leave the country or downsize operations as a result of the loss of orders and markets. This was also a source of alarm among elected union representatives, who reported a weakened bargaining position since AGOA access was suspended, as many workers feared losing their jobs.

6.2. Workers' perspectives on training

Besides compliance tools, audits and performance indicators, a key mechanism to achieve impact in the programme was training. Training targeted different groups of beneficiaries, but workers were a priority. This section reports a summary of views and perceptions from workers who participated in SIRAYE training sessions.

6.2.1. Overall a very positive outcome

Workers' perceptions about training, its value and delivery were overwhelmingly positive, as virtually all interviewees report both a positive experience and useful outcomes, individually and collectively.

There was a clear emphasis in SIRAYE training on issues of workplace safety. Most workers learned much from these sessions, and thought that training on safety issues was particularly effective, having an impact on daily tasks, workers' safety, and less waste for the company. Several workers noted that many safety aspects covered in the training were not known to most participants, so there was real value added in the content.

Apart from the substance of training provided, one particular benefit of these programmes was the valuable interaction with colleagues from different companies, allowing them to share experiences. This was mentioned by several respondents, implying that training sessions are not only valuable as a way of transferring knowledge, but also as a way of peer learning and sharing community experiences. These opportunities for peer learning also seem to have a positive effect on workers' adaptation to the factory work culture, as they could see many similarities with the experiences of many other workers in similar companies.

Working cooperatively and communicating 'peacefully' were also considered two important benefits of ILO training. Some workers reported having changed the way they communicated with others, especially supervisors vis-à-vis production workers. This suggests that efforts to improve management-worker relations at the level of communication were successful (see more below on 'collective benefits').

One worker suggested there was win-win in training programmes due to their impact on communication inside the factory, noting:

... my ability to communicate effectively with the production workers has resulted in increased efficiency and productivity, which benefits the company. On the other hand, as efficiency is one of the basis for promotion and salary increment, my team will also benefit.

Another worker was even more emphatic:

The training has changed my attitude towards work. After the training, I started loving my job. The training made me to do my job with love and passion. The training enabled me to know what preparation I should make before I start doing my work. It also helped me to know how to perform my job better by applying the 5s industrial rules. All these skills are useful to me, as they make me able to do my job properly and efficiently. Another important benefit I got from the ILO SIRAYE training is that my communication with employers and other workers has improved. Before the training, I was shy so that I couldn't create good relationship with my colleagues. After the training, I have become interactive so that, currently, my relationship with workers and employers is good.

6.2.2. Collective benefits

Perhaps one of the most important insights from conversations with workers about training was how they perceived the distribution of benefits. Several workers reported that a lot of the training received was especially useful for the company, rather than simply the individual participants, thanks to the collective engagement facilitated by awareness raising through training. For example, most production workers who participated in training primarily focused on safety issues and avoiding accidents. Individually improving on these aspects had obvious collective benefits for the firm, in the sense that a less risky individual behaviour in the factory reduced the risk for others too.

Another aspect of collective benefits was the beneficial impact of training on management-employee communication, already referred to above. Generally, workers found that communication, and relations with supervisors and other managers had improved after they had all gone through some of the training.

This is reflected in the following quote from a female supervisor:

... my ability to communicate effectively with the production workers has resulted in increased efficiency and productivity, which benefits the company. On the other hand, as efficiency is one of the basis for promotion and salary increment, my team will also benefit.

Another quote encapsulates the empowerment effect of some of these training sessions on soft skills and internal communication, and their follow-up:

... how workers had fear of their supervisors as God, and now view them as colleagues. This shift proves a newfound understanding of their own self-respect and place within the company.

It is indeed a core objective of SIRAYE to turn textile and apparel factories into more harmonious workplaces, where mutual respect and effective communication contribute to the wellbeing of workers and to more efficient management of the firm. Some of these qualitative responses suggest these mechanisms have been broadly effective, and contributed to attenuate some of the worst excesses of the high-pressure work environment many textile and apparel workers face, due to the structural features of labour regimes in these sectors.

6.2.3. Training mechanisms and their advantages

The success of training depended much on how it was conducted, and the quality of the trainers and facilitators. Workers who responded to questions on their experience with ILO training talked about the substance of the training, and the main pros and cons of the delivery. Many workers reported two types of training sessions (one online because of COVID, one in person), and some follow-up after these sessions. They also reported that unfortunately, there was limited continuous engagement – something they would have appreciated, since they could see the beneficial impact of these main sessions.

It is true that the pandemic context in 2020 and 2021 had a somewhat negative impact, in the sense that most interviewees preferred in-person sessions. Erratic internet connection was often mentioned as a constraint for the online sessions, but also, that in-person interaction was more effective in terms of keeping workers' attention and their absorption of all the information provided in these sessions. Having the chance to run similar training sessions in person showed them how much more they could get out of the training, compared to the online sessions in 2020.

In terms of delivery, most workers also emphasised the importance of two aspects. First, the use of visual aids, like short videos, to illustrate relevant situations, was a very effective mechanism, as many employees are more responsive to visual prompts than excessive narrative text or oral presentations. As they are accustomed to personal devices and watching video content on a regular basis, their capacity to remember key messages was enhanced by these tools, especially on OHS. Second, the quality of the facilitators was crucial. If they were engaging, fun and good communicators, even when the topics were serious (like accident prevention or harassment in the workplace), workers felt that they learned much more than when trainers were less engaging and lacked creativity. Overall, the impressions among workers were very positive in this regard. When this good practice was achieved, key positive outcomes in terms of improvements in practices and enhanced safety occurred, thanks to more attention to detail on the part of workers, helped by engaging and clear training sessions.

6.2.4. Some possible improvements

Not all the views were positive or uncritical. One of the most common preferences and requests from interviewed workers was some continuity in training mechanisms. The on-off nature of some of the sessions and their short follow-ups was seen as problematic, and a missed opportunity for more systematic improvements and a wider outreach to a larger cohort of workers in each factory. Precisely because workers saw the benefits, most wanted more: partly to consolidate good practice, partly to deepen on certain aspects and move towards 'continuous improvement'. In a way, many workers seem to suggest that a 'Kaizen-like' approach of continuous improvement was preferable. This meant continuity and predictability in training efforts. Whether focused on OHS or improvements in management-employee relations, it was reported that what was missing in the programme was this kind of continuity and permanent engagement with the core mission of the programme. An interviewee with significant training experience in the programme noted:

It's been a while since I received those trainings, and I believe that continuous training is necessary. Trained workers may leave or switch positions, so updating knowledge through continual trainings is crucial for maintaining effectiveness in the workplace.

Some also reported missed opportunities in terms of having more of a diverse set of participants, including skilled and experienced workers, who could have been better used to enhance the impact of training on the company. There was a view that a more systematic training-of-trainers approach would be welcome, focusing on key individuals within the factory who could provide that kind of continuous training. It is not clear from these interviews whether an approach of 'training of trainers' was used, but in most interviews, this was not highlighted and therefore it may have been missing.

Another potential drawback was the lack of any positive impact on salaries or promotion. Some workers expected some kind of upgrading as a result of having attended training and learned new skills, but according to managers, those skills were within their expectations and did not deserve special reward.

Finally, a number of respondents highlighted the centrality of gender issues in training, given sheer dominance of female workers, especially among production workers. The point here is that having gender as cutting across different thematic training sessions was recommended, even if gender-focused training was certainly found useful. There was appreciation of the sessions specifically focused on gender issues, especially around questions of harassment, but a more holistic approach and mainstreaming of gender across all themes was advised.

6.3. Workers' representation and the emergence of trade unions in factories

A critical area of intervention in the ONE ILO Programme is 'workers voice and representation'. This is recognised as a core labour standard, and an important instrument for a sustainable improvement in working conditions. Apart from the interviews conducted at higher office level, whether trade unions or government, we also interviewed a sample of workers with experience of basic unions at factory level, some with executive roles and some as ordinary union members, in order to gauge their perspectives on three main questions: 1) how were local basic unions formed in factories? 2) how did company management respond to the presence of unions? 3) what effect had the formation and work of trade unions in workplace industrial relations? We also explored the extent that SIRAYE's contributions to this process were meaningful, and in which ways. Several union officials we interviewed were semi-skilled or skilled workers, and quite were a few middle management employees, therefore not comparable to the low-skilled production workers. In addition, some of the TU interviewees are HR executives, which raises questions about possible conflicts of interest, given their positionality.

Setting up the basic union: obstacles and opportunities. On the process of setting up a local union (considered perhaps one of the most important hurdles in local industrial relations in industrial parks), interviews provided a common narrative of management opposing/resisting union formation and frequent delay tactics. Resistance to unions is well documented, so these obstacles were not surprising. However, some good examples of pro-active management cooperation to set up the TU and help with the day-to-day conduct of union matters were also reported. In some cases, factory management are persuaded by a delegation of TU and government agency representatives. The process usually started with a visit from a delegation of different representatives, including TUs and government, as in:

- Confederation of Ethiopian Trade Unions (CETU), Hawassa branch
- National Trade Union Federation of Textile and leather Industries
- Regional bureau of work and innovation
- The IPDC

This delegation first persuades company management to set up basic union. Once consent is given, they speak to workers and organise elections, which leads to a basic TU executive committee. Training often follows, as explained below. When company managers accept the presence of a union, the expectation is often that this will help ease relations, reduce the incidence of labour conflict, set up grievance processes in accordance with the law and to compliance requirements from buyers, for example.

Management resistance to trade union work. However, consent to set up a basic union does not mean end of resistance from management. Many interviewees suggested that the most important way of management's manipulation is putting pressure on workers to

discourage them from being members of the union. In some cases, this led to a reduction in membership. A basic union leader reported:

In the first few months after the establishment of the union, the total number of members of the union was more than 900. As a result of the adverse effect of the indirect influence made by the management, the number of members of the union decreased ... because there is fear among workers of the company as they think the management may take measure against them because they are members of the company basic union.

These forms of resistance and the targeting of union leaders was decried by some interviewees. For example, an executive said that:

Management seems determined to hinder our progress by finding reasons to let go of any workers they identify as active union members, be it through claims of inefficiency or lack of discipline.

Another union representative working in an international firm complained

..we see a troubling pattern of targeted discrimination against union members. My own experience is a good example. As the company's trade union chairperson, I've been denied any training, salary increases, or even position changes. Their message is clear; choose between union activity and career advancement. We also have another evidence that a skilled quality worker was rejected from hiring in this company because of her trade union membership in her previous company.

In a number of firms, officials still struggle to engage ordinary workers and expand membership. Management's resistance also induces workers not to engage with the union committee when they attempt to mobilise, or even just gather views among workers. Fear and rumours often hamper such efforts. Therefore, these reports suggest that some firms may have accepted the establishment of a union in order to comply with industry requirements, but had no appetite for promoting or supporting membership among workers. Not all interviewees reported this matter, so we cannot generalise that this was a common approach in the sector, although it is plausible in light of accumulated evidence on firms' resistance to unions in the apparel industry.

The contributions of training. The SIRAYE programme contributed to the process through lobbying company management and initial training for newly elected union executives. mainly experienced as attendance to standard training sessions in one day. ILO Training often immediately followed the setting-up of the union and focused on three sets of issues (but sometimes only one or two of these were delivered):

- Awareness of labour rights and representation, including gender issues.
- Conflict management/resolution.

- Collective bargaining

Few respondents also appreciated valuable training support from the union federation in collaboration with the ILO, focused on leadership and processes – much needed in the early stages of union formation at factory level.

Despite the fact that training and support to set up a basic union was greatly appreciated by most interviewees, there were several issues raised that suggested newly formed unions struggled to do their job, especially in environments that were sometimes hostile to the collective action organised by these unions. The following problems were emphasised by a majority of respondents:

- ✓ Management's limitation of the number of union members allowed to participate.
- ✓ Lack of continuity in training, which union leaders need in order to speed up the consolidation of union work. A one-off training is a very good start, but the lack of continuity means that those who join afterwards or become union leaders have not benefited from the training and existing union executives may not have the knowledge and skills to provide that training.
- ✓ There were areas where union officials felt unprepared and not sufficiently trained, especially on collective bargaining.
- ✓ Lack of coordination among multiple providers of training. TU federations also provide training on aspects like awareness of labour rights, representation, collective bargaining. It is not clear from the interviews whether there is coordination and concerted action among these different training providers on what is covered and any follow-up.

Other constraints. Even in cases of positive developments there was concern that factory unions were in their infancy and still needed plenty of education and knowledge to be able to engage workers more effectively. The lack of sufficient knowledge, experience, and material support were unanimously commented in interviews. Some representatives felt the shortage of experienced leaders within the union was a hindrance. *“There is a higher turnover of knowledgeable workers leaving the company”*, he said. The lack of collective bargaining is regarded as an important constraint on more effective industrial relations: *“Assistance is needed from a knowledgeable person to prepare a collective bargaining agreement.”* The lack of experience and external support also led to a proliferation of informal arrangements, as it was difficult to create formal structures given resource constraints.

Workers councils. In a few cases, workers referred to the operation of a workers' council in the factory. They mimic a basic union in terms of process, but there is no formal membership and process is initiated by management, so obviously no resistance by management in the way reported by basic union leaders. One challenge facing workers' councils/committees was the lack of support from external organisations, whether it be the trade union federation or even the ILO. Such councils are not legally recognised in Ethiopian labour law, and are therefore not generally eligible for ILO support. There were,

however, very few reports on these committees and it is hard to ascertain whether ILO support was generally missing there. Despite these constraints, some representatives of these committees reported some gains for workers, but on aspects that did not threaten management significantly (better handling of absenteeism, better communication with workers, addressing issues with transport, etc.). On core aspects like wages, collective bargaining, and formal representation, there were no gains.

Despite challenges the benefits of trade union presence are felt. In successful cases of TU formation at factory level, there are some tangible gains, mostly summarised by interviewees as:

- Reduction or elimination of strikes.
- Better grievance handling (more consultation, less confrontation).
- Fewer disputes/grievances as these are resolved earlier through better communication.

An elected representative declared that:

... previously a two-day absence from work resulted in automatic dismissal, however, the union successfully negotiated to recognising valid reasons behind such absences.

Finally, some union officials and a number of workers argued that the lack of minimum wage legislation also weakens union capacity to fight for better wages. They recognised the efforts made by the trade union federation in that regard, but they were concerned by the lack of progress and government's reluctance to even consider sector- or industrial park-level minimum wages.

6.4. Managers' perspectives on ILO interventions

One of the key areas of interventions for the SIRAYE programme is to work directly with factories to improve compliance, productivity and worker skills. The SIRAYE programme provided company advisors to assist with compliance and rolled out training programmes for workers which companies could opt into. As part of the evaluation, we conducted a series of 13 in-depth semi-structured interviews with companies enrolled in the Better Work programme, across two phases of data collection (see Appendix 1 for details). In each company, we interviewed the company manager(s) assigned to work directly with the SIRAYE programme, as well as other relevant staff, such as HR managers, where feasible and appropriate.

Assistance with compliance. For companies integrated into global production networks, supplying global buyers and brands adhering to standards set by these buyers is a necessary condition for getting orders. The Better Work programme supports such efforts, by providing a set of globally-recognised standards that buyers increasingly rely on. Crucially, the SIRAYE programme does not only check compliance with these standards

at company level, but provides detailed feedback and recommendations to company managers as to how they can work towards compliance in areas where factory visits identify shortfalls.

This contrasts sharply with how compliance is normally managed in the sector. Many buyers rely on third-party auditors to check for compliance with a range of standards. According to our interviews, these third-party auditors are effective at identifying compliance shortfalls, but do not generally see the provision of further assistance to factories as part of their remit. By contrast, the Better Work enterprise advisors not only check for compliance, but also work closely with factory managers to improve conditions on the factory floor. Company managers universally praised this method of working, and stated that this was huge advantage of working toward Better Work compliance as compared to other compliance systems. Managers noted the knowledge, competence and responsiveness of the programme's enterprise advisors, as well as the value of having repeated factory visits, and being given detailed feedback and improvement plans each time. Some managers also noted that the Better Work compliance was more demanding than other compliance programmes, especially in areas such as workers' rights, indicating that they made improvements in this area they otherwise would not have.

Training provision. The SIRAYE programme offers a series of training for workers, covering areas from soft skills to leadership courses for women. The provision of training by the SIRAYE programme is demand-driven. Companies enrolled in the Better Work programme generally already have an in-house training programme, and can select which of the SIRAYE training courses they would like to take part in. Companies then integrate the trainings offers by SIRAYE into an overall programme, designed to equip their workers with necessary and desirable skills.

Company managers consistently highlighted the high quality of SIRAYE training programmes, and saw these as valuable extensions of their own training efforts. In all interviews, company managers noted that the training sessions were well organised, led by engaging and competent trainers, and provided relevant and important knowledge and skills. Companies covered by SCORE interventions praised the remarkable effects of some of the training on their productivity and efficiency in key production lines (improvements ranging between 30% and 90%), and how SCORE trainers promoted a number of important changes in quality control reporting, efficiency target monitoring and the introduction of Kaizen principles.⁶

Company managers also noted the flexibility and resilience of the training programme during the COVID-19 pandemic, during which trainings had to be delivered online due to government restrictions on travel. However, some managers also found online training to

⁶ See Section 7.2 for more details.

be less effective than in-person training, as online training could be impacted by connectivity issues and generally made it harder to keep workers engaged.

Productivity. Managers in foreign-owned exporting factories and domestic factories offered very different perspectives on the productivity-improving aspects of SIRAYE. Domestic firms were generally much more likely to engage with the most direct productivity component of SIRAYE, the SCORE programme. As noted above, they were generally very appreciative of that programme (see also Section 7.2). Foreign-owned exporting firms are multinational enterprises with established production systems, frequently honed over decades of experience in multiple countries. Such firms typically see less value in training that directly targets productivity. However, such firms were very willing to engage with ILO interventions that improved industrial relations, workers' leadership skills, or OSH, and of course, improvements in these areas also improve overall productivity, as several managers noted. One reaction from the SIRAYE team to the initial reluctance from some foreign-owned firms was to emphasise training programmes that indirectly targeted productivity improvement. An example of this is the women's leadership training, which provided training and mentoring to women on the factory floor, to help prepare them for leadership positions. This programme proved very popular with foreign export firms, and was appreciated by company managers who stated that it allowed them to find effective middle management staff. Foreign-owned companies also took part in programmes teaching soft skills and intercultural communication, which improved relations among workers on the factory floor, or training to prepare both workers and managers for collective bargaining. Managers stressed how better industrial relations and better relations among workers on the factory floor improve productivity, both by improving cooperation and by reducing downtime.

Buyers as drivers. As noted, company managers consistently found a lot of value in all aspects of the SIRAYE programme and praised the quality of its implementation and the professionalism of the ILO staff with whom they interacted. At the same time, the interviews also found that buyers are a key driver of engagement with the ILO programme. On the one hand, this speaks to the strengths of the both the SIRAYE programme and Better Work globally, in demonstrating the value of their compliance programme to the global buyers and brands that dominate the production networks in the global apparel sector. Clearly, many global buyers are using Better Work compliance as a key tool to ensure their supplier factories meet a clear set of minimum standards. On the other hand, having buyers as key drivers of engagement does produce risks to the sustainability of the intervention. For instance, it is quite possible that supplier firms may cease engagement with the Better Work programme if their buyers no longer demand it.

6.5. Government officials view of the SIRAYE programme

The SIRAYE programme engaged with government officials at both the national and subnational (i.e., regional) scales, in pursuit of a number of important objectives. The approach taken by the programme was to try to create demand for change on the part of

government officials, through awareness raising and the presentation of experience from other contexts. The next step was then to provide capacity building and avenues for dialogue among key stakeholders. This dialogue was supported through further capacity building, and the provision of technical inputs where required.

All government officials were extremely positive about the achievements of the SIRAYE programme, perceiving SIRAYE as a trusted partner and a repository of relevant and valuable skills, even if views on policy did not always align. Government officials praised SIRAYE for seeking to align with government priorities while continuing to push for its medium-term goals. Government officials confirmed that ILO staff were present and active in key technical committees and provided important inputs into reform processes. The multi-pronged approach taken by the programme in engaging stakeholders in the private sector, government, and the trade unions movement was credited by a high-ranking government officials as having played an important catalytic role in helping to bring about a major unionisation push in Ethiopia's industrial parks. This is also consistent with findings of the midterm evaluation report (ILO 2022).

7. Discussion

As noted in the introduction, the SIRAYE programme aims to achieve three broad objectives:

- Improved worker wellbeing in terms of rights, income, compensation, safety, equality, voice, and representation.
- Higher industry productivity and competitiveness.
- Enhanced accountability and transparency in labour administration.

These three broad objectives are translated into four main operational objectives:

1. A labour/enterprise system achieving sustainable and inclusive compliance with national labour law, guided by International Labour Standards, protecting the workers' wellbeing in the target areas/sectors, mostly through high-level dialogue, public engagement, compliance audits and labour inspection interventions.
2. Increasing productivity through the establishment of responsible and sustainable workplace practices, through SCORE training on productivity improvements, and Better Work contributions proto training of workers and managers for enhanced soft skills, gender equality and diversity, and career advancement.
3. Benefitting from improved and inclusive industrial relations and minimum wage policy, through enhanced trade union presence, movement towards minimum wage settings, gender mainstreaming, and improvements in grievance and complaint handling.
4. Workers in targeted industries benefitting from a sustainable prevention, protection and compensation system, through basic improvements in OHS.

The quantitative and qualitative evidence presented in this draft focuses on some but not all aspects of these four objectives and their associated interventions. In terms of the broader development objectives, the evidence in this report is essentially relevant to the first one, i.e., improved worker wellbeing in terms of rights, income, compensation, safety, equality, voice, and representation.

The ILO monitoring system already reports on a range of specific indicators and targets for each of these objectives. In this draft we make reference to some of these, insofar as they inform the broader discussion on impact.

7.1. Sustainable and inclusive compliance with national labour law, guided by International Labour Standards, protecting the workers' wellbeing

The M&E system reports significant achievements with regards to training in labour inspectorates, but no implementation of new information systems for labour inspection. With respect to factory level assessments and remediation, including the establishment of public compliance reporting, the M&E matrix shows that targets were not achieved in terms of numbers of factories covered, reflecting the complex context in which Better Work services were implemented, especially in the period 2020-22.

What does our impact and process evidence tell us about this component? Although the number of production workers employed in factories benefitting from the programme service and worker-employer dialogue was only 68% of the targets, we have found some positive achievements for those who were covered by these interventions through both compliance audits and training. Our evidence on workers' representation and management-worker relations suggests there have been advances across various aspects and especially in terms of:

- The greater presence of unions and union membership, together with the adoption of compliance requirements has generated better outcomes in terms of compliance with core labour standards and national law and a more worker-friendly environment than at the baseline in 2019. The effects are not always of great magnitude but generally significant.
- Training on key aspects of labour standards, for ordinary workers, HR executives, and trade union representatives, has contributed to these goals, and workers' perspectives tend to be positive on the accessibility and relevance of these interventions, although they rightly expect more continuity and scaling up.

On workers' wellbeing more broadly, the evidence is mixed and not always so positive. There are still serious gaps between the wages and wellbeing that workers expect from these jobs, and what they achieve. Although wages have improved, household income is generally higher, and workers in treatment firms have seen more improvements in these

outcomes. The differences with control settings are not very significant, and the struggle to make ends meet continues, now exacerbated by rampant inflation, which has eroded any improvements in pay. This translates into a very limited capacity to save, as 77% of workers at endline are unable to save any of their income at the end of the month, and are effectively living hand-to-mouth.

The combination of the spiralling cost of living and relatively low wages has meant that many workers still remain dissatisfied in the sector, whether in treatment or control firms.

However, there are other aspects of the labour regimes directly linked to workers' wellbeing, for which the quantitative evidence suggests better working environments are found after four years of interventions. For example:

- The number of working hours has been reduced especially in treatment firms.
- The incidence of overtime is not high and has declined mainly in treatment firms, with 52% of the treatment groups reporting no regular overtime, compared to 49% of the control group. Also, the number of overtime hours is limited and the proportion of workers with severe overtime is very low across the board, and especially in treatment firms.
- Non-wage benefits have not changed significantly, but by 2023, the practice of food allowances is widespread in treatment firms and remains roughly unchanged in control firms. In a context of food inflation, this is important for workers; it also contributes to less absenteeism and workers being late.
- Incidence of abuse and harassment dramatically declined, mostly in treatment firms. This is a very important aspect of labour relations, and also workers' wellbeing, since, apart from low pay, one of the major sources of grievances in the sector was precisely the high levels of abuse and harassment driven by a high-pressure and stressful working environment.

7.2. Increased its productivity through the establishment of responsible and sustainable workplace practices

The M&E targets and indicators suggest a fairly strong performance, especially in terms of numbers of firms covered by SCORE training, and reporting productivity increases.

On Better Work services, on the one hand, the number of factories covered was only 69% of the planned targets, but qualitative perspectives on the achievements of these trainings are positive, as reported in the section on workers' perspectives. Thus, workplace cooperation skills have been enhanced through Better Work trainings, and workers have noted the collective benefits of such interventions across different areas within the factory. In particular, training on soft skills, OSH, and better HR management were widely regarded as having improved efficiency and productivity in the factory.

There was some evidence of productivity gains gathered through interviews with managers covered by SCORE interventions. Although our sample was limited, there was a clear consensus that productivity and efficiency had increased as a result of the training offered through SCORE, especially around the establishment of performance targets, measuring the time required for each activity, and adjusting operator numbers and their roles in the line accordingly. Performance Improvement Consultation Committees (PICC) were regarded as particularly effective, initially introduced as pilots in some production lines, then rolled out to all production lines due to their rapid results in efficiency improvements. Kaizen methods were also introduced, but were harder to implement due to lack of continuity among those receiving this training, and the longer timeframe involved in rolling out Kaizen across different production areas. Overall, the quality of SCORE training was widely praised and the quick results highly appreciated.

Constraints were also frequently reported. The most important one was high labour turnover, especially among managers and workers who were direct beneficiaries of SCORE training and responsible for its dissemination in the factory. Although some of the changes in terms of performance targets and production line adjustments were consolidated, it was harder to maintain a continuous improvement and training approach, given the departure of key workers. Some company managers also referred to challenges in deploying all components of SCORE with the same emphasis and care, despite the best efforts from trainers. The main priority was occupational safety and health, alongside productivity enhancement measures.

The managers we spoke to all worked in Ethiopian firms with limited engagement in global markets. Their production organisation standards before SCORE interventions were rolled out were very different from the globally integrated firms incorporated into the overall Better Work programme. Indeed, many of the practices introduced by SCORE are well established in the exporting firms in our sample, especially on productivity and efficiency, as well as continuous improvement, a la Kaizen. Therefore, the SCORE programme was rightly targeted at Ethiopian firms with some potential to improve and become more competitive. However, the continuous difficulties these factories face in penetrating global markets suggest there is still some way to go, but SCORE interventions clearly suggest there are ways to accelerate the process.

7.3. Improved and inclusive industrial relations and minimum wage policy,

More harmonious and inclusive industrial relations. Improvements in industrial relations have been reported above, especially with regards to management-worker relations, and communication within the factory. Generally, more respect, and less abuse and harassment are noted in both quantitative and qualitative evidence. Treatment firms are also generally outperforming control firms in many of these aspects. Apart from the positive effects of training and awareness raising, the presence of unions may be a contributor to some of these positive changes.

Unionisation expands. The expansion of union presence, especially in industrial parks (where they were generally absent before 2019), is a significant change. Moreover, the setting up of unions was followed by an expansion in membership, despite reported attempts by management to discourage workers from joining the union in some firms. Management resistance to unionisation, according to workers' perspectives, remains strong. However overall, workers report some significant gains from a more unionised labour regime, especially in the following aspects:

- Reduction or elimination of strikes.
- Better grievance handling (more consultation, less confrontation).
- Fewer disputes/grievances, as these are resolved earlier through better communication.

Qualitative perspectives from union representatives and workers suggest that, once the first hurdle is overcome, i.e., allowing for the setting up of a local union in the factory, the next challenge is its consolidation and effectiveness with its core mission. On the latter, most interviewees agreed that there is much to be done. Training of union representatives and union members needs to be more systematic and continuous, and basic unions require more tangible external support in order to better perform in their representation work. There were concerns that unions at factory level remained weak, and lacking knowledge and experience to tackle some of the main challenges for bargaining: (a) wage improvements, (b) collective bargaining.

Despite this perceived lack of capacity, the firm survey showed that the share of firms with firm-level collective bargaining agreements in place increased dramatically from baseline to endline, from 32% to 82%. While treatment firms were still less likely to have collective bargaining agreements in place than control firms at endline, the increase in collective bargaining is particularly impressive for treatment firms. Obviously, basic unions and other forms of worker representation contributed to this outcome, and stakeholders like the ILO and other partners may have also made the difference. The priority should therefore now move to further strengthen the capacity of basic union representatives to use collective bargaining for better outcomes in wages (both cash and 'social' wages).

No progress on minimum wage setting. The area with least progress is, without a doubt, minimum wage setting. A national, or even sectoral or industrial-park specific minimum wage has not been established, despite substantial efforts from trade unions, SIRAYE and other partners to secure a setting system by the end of the programme. The programme invested in capacity building sessions on minimum wages with partners, the targets for which were comfortably exceeded, but good performance on inputs does not guarantee impact. Despite increases in average take-home wages, the persistent perception of low pay is also associated with the lack of a minimum wage that better reflects the basic needs of textile and apparel workers. Its absence also complicates compliance in this field. Most global buyers demand compliance with minimum wages, given the difficulties

of reaching a consensus on a ‘living wages’, but they cannot impose them, although in some cases, such as Inditex, buyers may refuse to take orders from countries where minimum wage policy does not exist. Therefore on this matter, public engagement has not been successful, and the context of shocks, upheavals, insecurity, and administrative instability has clearly further impaired progress.

7.4. Sustainable prevention, protection and compensation system, through basic improvements in OHS

The quantitative survey picture suggests some improvements in OHS outcomes and better performance of treatment firms. Apart from noise levels and temperature, treatment firms fared strongly compared with control firms, especially with a strong decline in the share of workers exposed to chemicals or other hazardous substances. At endline, treatment firms also outperformed control group firms especially strongly with regard to making workers aware of OSH policies (by 51% to 36%), worker satisfaction with toilet facilities (by 70% to 59%), the presence of onsite medical facilities (by 77% to 30%) and holding fire and other emergency drills (by 83% to 45%). Overall, improvements were stronger in the treatment group than in the control group. This is consonant with the perspectives shared by workers in qualitative interviews with regards to the importance and effectiveness of training on OHS matters. Trade union representatives also benefited from such training. Workers noticed how these trainings had helped most workers be much more aware of health and safety risks, and interestingly, the period of COVID-19 pandemic further contributed to make these issues particularly salient, and firms much more attentive to basic prevention. Therefore, it was one of the few aspects where one of the reported shocks was actually beneficial.

8. Recommendations

This section presents the main recommendations of the evaluation team. We suggest areas where gaps and lessons learned are most significant for future phases. The main objective is to engage with learning relevant to policy and practice, especially given the difficult context in which SIRAYE Phase 1 was implemented. We organise our recommendations by different sets of stakeholders, including the ILO, the Ethiopian government, labour organisations and trade unions, apparel employers, global buyers and other partners. We indicate the primary stakeholders, in the sense of those who can lead processes of change around the listed recommendations, but most recommendations will require concerted collective action involving all stakeholders, from global buyers to suppliers, ILO and other international agencies, the Ethiopian government, and trade unions and other labour organisations.

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

- **Renew the push for a minimum wage as central objective of the programme.** While political factors have so far stalled the implementation of a minimum wage in Ethiopia, the SIRAYE programme should renew efforts to help establish a minimum-wage setting mechanism, even if limited to the apparel industry. The setting of the minimum wage needs to take account of recent rapid rises in the cost of living, and should ideally be linked to living wage campaigns, both nationally and internationally. A stronger partnership with global buyers to introduce a minimum wage framework may also contribute to this goal.

To the private sector with the assistance of the ILO

- **Address the drivers of low pay.** While job satisfaction has increased over the project period, only a minority of workers declare themselves satisfied with their jobs. Dissatisfaction is overwhelmingly driven by low pay, or at least a mismatch of expectations and the realities of remuneration in the sector. Therefore, addressing the drivers of low pay continues to be a priority. This means both assisting workers in making full use of the limited scope firms based in Ethiopia have to raise wages, as well as engaging with global buyers on the issue of wages.
- **Support firms to join global framework agreements with global buyers.** The structure of the global apparel industry means that supplier firms frequently face low margins and may come under pressure to undercut efforts at sharing productivity increases with workers. Social downgrading therefore remains a constant risk. Working with international trade union federations can help to consolidate to consolidate gains in labour standards. Much of the literature on social upgrading in the global textile and apparel industries has highlighted the great potential of global binding agreements between global buyers, trade unions and governments, where social sustainability considerations are put above purely commercial imperatives. Reciprocal control mechanisms must be built within these global framework agreements, and the ILO and Better Work are well positioned to participate and influence them.

To the ILO

- **Ensure greater continuity in training.** While the training provided has been relevant, effective and widely praised, gains are likely to dissipate over time. The programme should therefore consider how mechanisms of ‘continuous improvement’ can be implemented in a context of high labour turnover. Whether this takes the form of in-house training hubs at factory level through a process of training of trainers, or a systematic approach by Better Work and other ILO training services will depend on what factory management prefer or are able to accommodate.
- **Build greater buyer-independent demand for factory interventions in export factories.** Internationally, SIRAYE, and Better Work have been successful at building demand for certification by engaging with global buyers, and this route should of course be maintained. In addition, efforts should be made to convince

supplier firms of the intrinsic value of improving working conditions, as a reliance on buyers as drivers may bring sustainability risks. Exporting foreign firms often have established production systems and labour regimes, as well as comparatively high levels of productivity. They are therefore less likely to respond to interventions aimed at productivity improvement, as they may not perceive themselves to be in need.

- **Build on the resilience and adaptive management experienced by SIRAYE.** There are also lessons from ONEILO SIRAYE's implementation process and navigation of critical challenges between 2020 and 2023. Adaptive management, resilience and a multi-pronged coordinated approach to challenges in the apparel sector were three major strengths of the programme. It is difficult to imagine a more challenging set of circumstances affecting a programme in four years of implementation. This report suggests that the ILO and other partner organisations with a stake in the improvement of working conditions in apparel in Ethiopia may want to learn from this experience, and broaden its scope, scaling it up to other efforts. It is precisely adaptive management, resilience and coordination that are sorely needed in interventions in this industry, especially given the frequent challenges it faces.

To the ILO and labour organisations (trade unions including international federations of TUs)

- **Provide long-term support to basic unions at factory level.** High levels of labour turnover mean that training provided to factory-level trade unions requires constant renewal, to ensure that current trade unions have the capacities need to operate effectively. This means that the frequency of follow-up needs to be increased. In addition to repetition, training must also be tailored to different phases of a factory-level unions existence, beyond the process of formation. A stronger factory-level union is more likely to engage with collective bargaining successfully, and enhance their chances of negotiating a better pay framework.

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10. Appendix 1: Key Informant Interviews

Respondent	Type	Date	Location
Better Work Lead	ILO staff	28/10/2022	Online
ILO Monitoring & Evaluation Lead	ILO staff	28/10/2022	Online
SCORE Programme Lead	ILO staff	28/10/2022	Online
SIRAYE Programme Lead	ILO staff	28/10/2022	Online
Jay Jay Textiles	Private company	31/10/2022	Addis Ababa
LabAdmin & Industrial Relations & SIRAYE Programme Leads	ILO staff	31/10/2022	Addis Ababa
Vision Zero Fund Lead	ILO staff	31/10/2022	Addis Ababa
GMM Garment	Private company	01/11/2022	Addis Ababa
Ethiopian Investment Commission	Government	01/11/2022	Addis Ababa
Kaizen Excellence Centre	Government	01/11/2022	Addis Ababa
Ministry of Labour and Skills	Government	01/11/2022	Addis Ababa
Desta Garment	Private company	02/11/2022	Butajira
Silver Spark	Private company	03/11/2022	Hawassa
Indochine Apparel	Private company	03/11/2022	Hawassa
JP Garment	Private company	03/11/2022	Hawassa
Hirdaramani	Private company	04/11/2022	Hawassa
Hirdaramani (Second interview)	Private company	04/11/2022	Hawassa

JP Garment	Private company	04/11/2022	Hawassa
JP Textile	Private company	04/11/2022	Hawassa
Hawassa Legal Aid Centre	NGO	04/11/2022	Hawassa
Ethiopian Investment Commission	Government	24/07/2023	Addis Ababa
Kaizen Excellence Centre	Government	24/07/2023	Addis Ababa
Ministry of Industry	Government	24/07/2023	Addis Ababa
GMM Garment	Private company	25/07/2023	Addis Ababa
HIP Investors' Association	NGO (Business Association)	25/07/2023	Online
Textile & Garment Trade Union Federation	NGO	25/07/2023	Addis Ababa
Ministry of Labour and Skills	Government	26/07/2023	Addis Ababa
Hawassa Legal Aid Centre	NGO	26/07/2023	Online
Adama Chamber of Commerce	NGO (Business Association)	27/07/2023	Adama
Ethiopian Horticultural Producers and Exporters Association	NGO (Business Association)	27/07/2023	Addis Ababa
Augusta Garment	Private company	28/07/2023	Addis Ababa
Lucy Garment	Private company	28/07/2023	Addis Ababa
Ethiopian Women Lawyers Association	NGO	28/07/2023	Addis Ababa

11. Appendix 2: Analysing workers' wages

We used regression analysis to estimate differences in wages between workers in treatment group and control group firms, while controlling for important observable confounders. At both baseline and endline we estimate the following model using OLS with standard errors clustered at firm level:

$$y_i = \beta_0 + \beta_1.treat_i + \beta_2.gender_i + \beta_3.resp_age_i + \beta_4.resp_age_i.resp_age_i + \beta_5.exp_i + \beta_6.lab_i + error$$

Where:

The dependent variable (y) is the log of the respondent's monthly take-home salary (in Ethiopian birr), $treat$ is dummy that takes 1 for the treatment group and 0 for control, $gender$ is a dummy that takes 1 for female and 0 for male workers, $resp_age$ is the respondent's age in years, exp is a dummy that a 1 if the firm is a current exporter and 0 otherwise, and lab of the log of the firm's total number of workers.

11.1. Baseline wage regression results

Dep var: log of monthly take-home wages (ETB)

Treatment assignment	321.6*
	(128.5729)
Respondent's gender	-791.6***
	(123.8162)
Respondent's age	137.3***
	(34.6101)
Resp's age squared	-1.473**
	(0.4541)
Factory is exporter	-44.73
	(139.7733)
Log of labour force size	70.39
	(64.9469)
Constant	484.0
	(909.2127)
Observations	691
R^2	0.124
Adjusted R^2	0.116
F	16.09

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

11.2. Endline wage regression results

Dep var: log of monthly take-home wages (ETB)

Treatment assignment	604.3*** (125.9649)
Respondent's sex	-1058.1*** (114.9049)
Respondent's age	131.0*** (39.6594)
Resp's age squared	-1.305* (0.5861)
Factory is exporter	-1035.6*** (146.8466)
Log of labour force size	317.4*** (53.2632)
Constant	-870.1 (745.5340)
Observations	1044
R^2	0.208
Adjusted R^2	0.204
F	45.52

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$