ILR New Conversations Project

SUSTAINABLE LABOR PRACTICES IN GLOBAL SUPPLY CHAINS

Social Dialogue in the 21st Century

Mapping Social Dialogue in Apparel: **Ethiopia**

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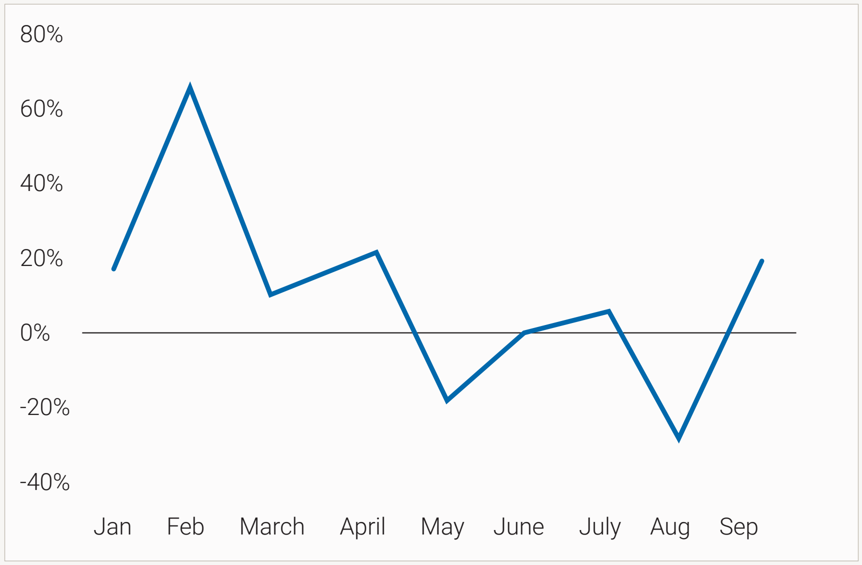
Ethiopia COVID-19 Garment Industry Impacts	
State of COVID-19[1]	As of January 28, 2021, • Confirmed COVID-19 cases: 135,045 • COVID-19 deaths: 2,083 • Deaths/100K Pop: 1.91 • Case-Fatality: 1.5%
Year on year US & EU imports from Ethiopia 2020 vs 2019 show an overall 7.5% increase from January to September.	
Length of apparel industry lockdown	• No mandatory closure of factories.
Job losses or workforce capacity reduction percentage	• Job losses among permanent employees • In the largest industrial park approximately two percent of the workforce have lost their jobs; another seven percent are temporarily without tasks and pay; and 26 percent are on paid leave.
Government support specific to apparel industry	• An emergency job protection facility fund has been established, supported by donors. • A number of facilities available to exporting manufacturing firms, which includes waiver of domestic freight and port fees, and temporary access to the local market.
Characterization of social dialogue activities	• A National Response Taskforce has been formed by the tripartite constituents, who are in regular and frequent contact. • Enterprise-level bipartite task forces follow up and monitor prevention and mitigation measures. • Regular collective bargaining has been suspended.

1. Data from the Johns Hopkins University Coronavirus Resource Center
2. Imports refer to imports of products with HS commodity codes 61, 62, 63, and 64. Data from UN Comtrade.

Introduction, objectives, and method

Ethiopia has in recent years embarked on a renewed supply-sided push for industrialization. Renewed, rather than new, is the appropriate term when considering the policy-led efforts, because while it marks a departure from the formerly espoused strategy of demand-sided agriculture development-led industrialization, it is not the first time that an Ethiopian government has sought to achieve structural transformation by 'big push'-style heavy investments in labor intensive industries in general, and the textile sector in particular. A case, however, can be made that the scale of recent investments made, and the amount of labor drawn into the industry is novel.

When attention is turned to the question of labor in the sector, there are also continuities and ruptures. Age-old problems such as the assumption, on part of planners, of the malleability of low-paid labor, has again proven problematic, in light of a last few years of serious labor unrest in the industrial sector. Wildcat strikes, walkouts and even violence are occurring at a level unseen since the middle of the 1970s (Admasie 2018a). But in recent years, the conditions of Ethiopian workers have fallen to such levels that it has garnered increasing national and international attention, and academics, trade unions, international organizations, donors, consumers on end markets, and upper-end-of-the-chain corporations alike have begun to showcase increasing concern. Efforts have been launched to find a way towards industrial peace based on better working conditions, and a functional social dialogue.

The Ethiopian government, which only a couple of years ago made light of any demands emanating from the unions, has become more inclined to take the views of labor seriously. Considering its importance for the government's structural transformation agenda, achieving industrial peace has taken on a high level of importance, and the government's efforts no longer appears to be solely geared towards the provision of cheap labor. Employers too are finding that industrial unrest is wrecking more havoc than the premium of rock-bottom wages warrants. As a result, both the government and employers are seeking a better and more consistent engagement with the trade union movement, in the hope that social dialogue can resolve the increasingly bothersome levels of industrial unrest.

Ethiopian industrial relations are, in other words, in the midst of a period of uncertainty and transformation – not the least with the promulgation of a new general labor law on July 4, 2019. The role of social dialogue appears to be becoming increasingly important for a range of actors. This provides an opportune moment to take stock of the motivations, capabilities, interests, and interactions of/between stakeholders. These interactions—and the early test brought on by the COVID-19 crisis, as well as the resolution of the militarized political crisis gripping the country in late 2020 —will generate a structure of industrial relations which is likely to have a significant impact on not only Ethiopia's urgent efforts to achieve structural transformation, but also on the capability of a generation of workers drawn into the industries to achieve acceptable living and working conditions.

The aim of this report is to describe and analyze the dynamics and trajectories of Ethiopian industrial relations and the characteristics and interaction of stakeholders in Ethiopia's manufacturing sector in general, and the textile and apparel subsector in particular.

The questions that this report aims to address are:

- What are the characteristics of the forces and actors that are shaping contemporary industrial relations in Ethiopia in general, and in the textile sector in particular;
- what are the capacities, resources, strategies, goals, and affiliations of these actors;
- and, what patterns of interaction and concrete outcomes have they generated?

Focus is on the garment sector, but it is appropriate to not narrow down the report to this level too excessively. The reasons for this are two. First, because the generalities of Ethiopian industrial relations often prevail on a sub-sectoral level. Second, and more importantly, because of weak lower-level institutions, a concomitant lack of resources, and a high degree of centralization, the level at which social dialogue plays out in Ethiopia, and key issues are resolved, tends to be the national – and workplace – scale, rather than a regional or sectoral one.

Social dialogue is here conceived of in accordance with ILO's definition (2005), as including "all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy." It aims to promote democratic participation of stakeholders, build consensus, foster industrial peace, and generate mutually beneficial outcomes. It can take place at a national, sectoral, or enterprise-level, and it can involve tripartite discussions as well as bipartite, between labor and management or trade unions and employers' organizations. Enabling conditions for a mutually beneficial social dialogue, according to the ILO (2005), include the following:

- Strong, independent representative workers' and employers' organizations with the technical capacity and access to the relevant information to participate in social dialogue.
- Political will and commitment to engage in good faith in social dialogue on the part of all the parties.
- Respect for the fundamental rights of freedom of association and collective bargaining
- Appropriate institutional support.
- That the representatives of the social partners are recognized as equal partners by each other.

It is thus clear, both from the overbearing definition and the enabling factors that the characteristics of social dialogue in any particular context is very much shaped by underlying balance of forces between actors, combined with the interest articulation of these actors. One obvious example of this is the way collective bargaining – a component part of social dialogue – is ultimately underlined by the credibility of the strike threat. Because, as Van der Linden (2008: 179) has shown, while strikes can occur without unions, trade unions themselves 'cannot exist without (the ultimate threat of) the strike weapon'. In addition to analyzing the degree to which enabling factors prevail, this report will therefore take into consideration how actors perceive of their interests, and how a dynamic balance of forces also impacts on social dialogue and industrial relations in Ethiopia.

The report will draw upon the existent body of literature on Ethiopian industrial relations, with an emphasis on the textile industry. Although this body is aged, it offers crucial contextual insights. But it needs to be updated, and sources drawn upon to describe and analyze contemporary industrial relations will include grey material – reports and documentation from different internal and external actors; oral interviews with representatives of stakeholder organizations; project documentation and reports, and, to a limited extent, journalistic accounts. Data collected, and findings generated, during the authors' previous research on Ethiopian labor relations will also be drawn upon.

The author of this report has an extensive background researching labor relations in Ethiopia and spent two years working in the Confederation of Ethiopian Trade Unions (CETU) archives and interviewing Ethiopian trade unionists during his dissertational work. He has also published academically on different aspects of Ethiopian labor relations (Admasie 2015; 2018a; 2018b; 2019; Assefa, Kassahun and Admasie 2016). He is a graduate of Addis Ababa University, the International Institute of Social Studies, Leiden University, University of Basel, and University of Pavia, and works as the Africa regional representative of the International Institute of Social History.

1. The Ethiopian wage labor regime in its historical context

1.1 Emergence, development and shifts

The number of wage workers in Ethiopia has been and remains relatively low. Wage labor, as a mass-phenomenon, came to Ethiopia relatively late. In the mid-1960s, only some 300,000 people were employed in the modern waged sectors. Except for a temporary expansion of workers during the period of military 'socialism' – associated with the regime's practice of overstaffing state-owned enterprises – the figures only grew slowly until the contemporary period of rapid growth began in the early 2000s (Admasie 2015). Between the ***National Labor Force Surveys*** of 2005 and 2013, official figures – known to 'hide' a significant number of informal wage workers – on number of paid employees grew from 2.5 million to 4.75 million (Central Statistical Agency 2006; 2014). There is every reason to assume that the pace of expansion since then has been comparable, putting the number of paid employees in the formal sectors somewhere around 10 million.

In terms of the manufacturing sector employees, data from the Central Statistical Authority's ***Statistical Abstracts***, indicates that the number has grown from 15,000 workers in 1955; 33,000 in 1963; 49,000 in 1968; 59,000 in 1975; 91,000 in 1985; 118,000 in 2005 and 173,000 in 2010 (Admasie 2018b). In 2014/15 the figure reached 380,000, and within the government's current second ***Growth and Transformation Plan***, it is envisaged to grow to encompass 758,000 workers by this year 2019/20 (MoFED 2016: 138). Around 300,000 of those jobs are expected to have been created in the textiles and garment sector, up from around 140,000 at the time of the 2013 Survey (MoFED 2016: 133).

From where have Ethiopian workers tended to be recruited? Traditionally, three factors have combined to generate a certain regional/ethnic factor to the division of labor (Killion 1985), although this variable has declined in importance over the past many decades. The first factor was the traditional cultural aversion to wage labor on part of the Northern highland nationalities which for centuries dominated Ethiopia. Any work outside of agriculture and military service was considered unfit for free people in highland culture. The second factor was demographic. A very fertile area, producing the ***enset*** crop, of the Southern highlands populated by several numerical smaller nationalities, created large pools of surplus labor. Members of these nationalities, most prominently the Gurage, took advantage of opportunities in new sectors such as trade. When wage labor opportunities developed in earnest, in the mid-20th century, they joined these sectors in large numbers. The third factor was the geographical pattern of industrialization, which saw industries emerge along the Ethio-Djibouti railway, with the major cluster on a corridor stretching southwards from Addis Ababa, and a secondary hub in the railway city of Dire Dawa. Urban centers, and the surrounding countryside, were largely populated by the groups that became associated with wage labor. Because of these three factors, the peoples of the Southern highlands – Gurage, Welayta, Kambata, and Sidama, but also the Oromo – constituted the major share of blue-collar workers for many decades, in manufacturing in general as well as in the textile industry. Meanwhile, however, because of discriminatory access to education, resources and position, the management and the skilled workforce was largely drawn from the Northern traditionally dominant nationalities. As mentioned, the regional and ethnic dimension of the division of labor and in workers' recruitment has declined in importance over time. Manufacturing workers are now drawn largely from all nationalities. Yet, it would be premature to completely overlook this factor. The decision to place Ethiopia's largest industrial park – the Hawassa Industrial Park – over 200 km South of the capital and 1,000 km from Djibouti's coast, far away from both domestic market hubs and ports, makes little sense if this factor is not considered.

There have been obvious gendered aspects of the division of labor as well. While the ratio of paid female workers to that of men is 1 to 2 in the civil service, and about 2 to 5 in other sectors (CSA 2014), the opposite is true in, for example, the textile and horticultural sectors. In those sectors, a pre-dominant female workforce prevails, although the managerial staff is predominantly male. In the textile industry, certain jobs – such as sewing – have traditionally only been found suitable for women. Even today, factory managers report that they only come across female applicants for certain jobs (Ayka Addis management, interview, 2015). Moreover, there is a gendered pay differential in the textile industry. Although gendered wage differences progressively narrowed between the 1960s and 1990s, they have not converged (Admasie 2018b). Today an unskilled female worker in the industry is on average paid around 11 percent less than an unskilled male worker, while the corresponding figure for semi-skilled workers is 25 percent (Schaefer and Oya 2019).

What kind of labor regime have Ethiopian workers been laboring under? Industrial relations in Ethiopia have been characterized by a number of features. The first is the persistence of a general tendency towards workplace authoritarianism. This aspect has taken different expressions. In older times, owners and managers often took a paternalistic attitude towards the workforce, which were in turn expected to show loyalty and gratitude. During the years of military rule, paternalism gave way for outright commandism in the workplaces, where indiscipline could cause persecution, and workers were unfree to resign as they pleased. In more recent times, a more contractual approach to work has prevailed. But problems that have marred the ability of workers to express voice remain significant. They include recurrent harassment of labor leaders, or even outright banning of unions, and lack of accessible pathways for swift legal redress when nominal rights are infringed upon.

What have these nominal labor rights been? Ethiopia has had four general labor laws before the current one was promulgated in July 2019 – issued in 1963; 1975; 1993; and in 2003, respectively (IEG 1963; PMGE 1975; TGE 1993; FDRE 2003). A number of generalities are observable. First, the stipulations relating to the individual rights of workers have been fairly consistent. While no prior general labor law had included any minimum wage stipulations, they had all upheld a 48 hours workweek. Similar provisions for overtime, annual leave, maternity and sick leave were included, although substantial improvements were registered from the 1975 labor law onwards. Similarly, the 1975 labor proclamation saw a strengthening of provisions for job tenure security, and all subsequent editions retained similar provisions. Second, trade unions have remained dependent on registration – which has always come with certain preconditions – and they have always been subject to the threat of legally sanctioned de-registration in the case of falling out of favor. Third, each edition has made it nearly impossible for workers to legally call a strike. Typically, they have included provisions that only a registered trade union may call a strike, that more than a simple majority is required to vote for a strike call for it to be valid, and, most importantly, that such a strike cannot be called before a workplace trade dispute commission and/or and intermediate conciliator or body has failed to resolve the dispute. After such conciliation has failed, a period – usually thirty days – has been required for a court or a labor relations board to review the case. The verdict of these bodies, furthermore, on whether a strike is permissible or not, has come with legal force. Not only has this route been arduous and time-consuming, but the likelihood that these labor relations boards and courts would sanction a strike – which its legality has depended on – is a dubious preposition to state the least. So far, in over five decades of practice, it is yet to occur. Fourth, all labor laws have made "unfair labor practices" such as solidarity striking and attendant practices illegal and subjected offending union officials to sanctions, including prison terms. Finally, the legal framework has consistently excluded significant parts of the workforce – notably civil servants and domestic workers – from unionizing, and they have denied workers engaged in the provision of "essential services" even the curtailed and theoretical right to strike.

How have legal provisions held up in actual practice? A general problem has been institutions' tendency to ignore labor legislation when deemed incommensurate with state priorities. The state has allowed for extensive harassment of workers aspiring to organize, and of trade unions officials even in those sectors where the workers' rights to organize has been granted.[1] This tendency is particularly strong in industries and workplaces considered of strategic value, or where owners enjoy preferential access to high state officials. Much the same way, established minimum conditions have often not been enforced. The most recent ILO Decent Work Country Profile for Ethiopia cites a number of lingering problems. These include poor job quality and security; gendered discrimination; the prevalence of child labor; and – in the industrial sector – a high and increasing level of occupational injuries (ILO 2013). Compounding this problem, the labor inspection tasked with enforcing minimum standards was found to suffer from severe capacity constraints and staff shortage. Assefa et al. (2016) also describe poor working conditions and employment quality in factories covered, while Blattman and Dercon (2016) present a list of health hazards reported by workers from across the diverse workplaces studied, corroborating the impression that the prevalence of such hazards constitutes the rule rather than the exception. All of the above

1. References abound to similar harassment in the past and in the present. See, for instance, Morehous (1969); Killion (1985); Tewodros (2010); Hanan (2011); ITUC (2009; 2011; 2014); Barrett & Baumann-Pauly (2019).
2. Dereje Feyissa paraphrased in Dijkstra (2015)

is taking place within an environment in which the government's "relaxed attitude towards foreign investors regarding labor rights"[2] precludes it from consistently enforcing even the minimal safeguards legislated. A cavalier attitude towards upholding standards, and lack of enforcement of minimum rules and legislation, are consequently persistent problems in Ethiopia.

How have workers reacted to such conditions? The idea, which has been expressed by a number of observers, that Ethiopian workers have tended to be pacified, and that that the industrial scene has been consistently calm is erroneous. Rather, wave like increases in unrest have occurred repeatedly in recent Ethiopian history (Admasie 2019). The most recent emergence of widespread unrest began around 2016. Because of the legal barriers to calling strikes, and because of harassment of trade union bodies, strikes have generally tended to be nominally organized as wild cats. Even in cases where the level of organization has been high, the organization behind such strikes have tended to be either of an ad-hoc nature or conducted clandestinely. It ought to be noted that the waves of unrest described, including the current one, have tended to occur in times of political transition, where there has generally tended to be less direct state intervention in labor affairs, or where the state institutions' capacities to displace unrest has been hampered. Assuming, however, as many observers do[3], that Ethiopia is currently entering a period of democratic opening and liberalization, relatively higher levels of unrest are likely to persist. Unrest in all previous waves was only brought down with repression. If that method is indeed taken off the table, it will require a much higher-quality level of social dialogue, and a firmer trade union influence over workers than what now is the case.

It has commonly been argued[4], that industrial workers in Africa have tended to constitute a materially privileged category. The evidence for this is not straightforward in the case of Ethiopia. An analysis of the wage movements in the Ethiopian manufacturing sector show that mean real wages grew by some 60 percent between the early 1960s and the mid-1970s, only to collapse thereafter (Admasie 2018b). In 2012, the last year for which there was CSA data, real wages were only around 80 percent of their 1963-level, and there are strong reasons to assume – including high level of inflations, and recurrent devaluations of the Ethiopian birr – that real wages have moved further downwards since.[5] While the income of industrial workers in the mid-1970s certainly put them in a relatively privileged position vis-à-vis self-employed categories, farmers, and agrarian workers, that is no longer evidently the case. Girma (2017: 47), in an example from the Southern Nations, Nationalities and Peoples' Regional State, calculated that a private farmer in the ***khat*** farms would make some fifty percent more than an industrial worker, and that an agricultural wage labor in Wondo Genet's khat farms fetched round 50 ETB/day in 2012, which would compare very well against manufacturing wages. Meanwhile, Blattman and Dercon (2016) found no income premium whatsoever associated with taking up employment in the manufacturing sector.

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3. See, for example, Ezekiel (2018).
4. See, for example, Bates (1981).
5. See also Schaefer and Oya (2019), who corroborate this.

1.2 Current and conspicuous features

Where do these trajectories leave us in the present? A few aspects are pertinent to the examination of the shape and dynamics of social dialogue.

The first is, as we have seen, that Ethiopia is currently in the midst of an expansion drawing greater number of workers into the manufacturing sector in general and the textiles subsector in particular. The shape of industrial relations is thus set to affect the livelihoods of an increasing number of people, and affect the stability of an increasingly important sector of the Ethiopian economy. This is something of which the government appears keenly aware.[6]

The second aspect is that the Ethiopian labor regime is founded on a low-wage model. As described, real wages in Ethiopia's manufacturing sector are significantly lower than they were 50 years ago, even though labor productivity has more than doubled in the intervening time (Admasie 2018b). The wage share of output value, as a result, has been reduced to less than a third of its 1963 level. Average Ethiopian wages are currently less than one tenth of those in China, with textile manufacturing wages often as low as around $26 USD/month (Barrett & Baumann-Pauly 2019). As noted, Blattman and Dercon (2016) has found that taking up manufacturing employment in contemporary Ethiopia does not appear to affect the income of job seekers positively at all. While working time tended to increase for those in their study doing so, this increase was offset by hourly wages that were significantly lower than the incomes that informal opportunities tended to generate.[7] Since working conditions in the manufacturing sector were also found to be hazardous, unemployed urbanites appear to have little to gain by taking up manufacturing employment even where the alternative was unemployment. This, in turn, is manifested in high personnel turnover rate: over three quarters of the fresh employees included in Blattman and Dercon's survey had quit within a year. Wages in Ethiopia are now generally so low that they are, according to the World Bank (2015: 55), unable to drop any further, and thus "preventing the market from clearing." What prevents wages from falling further is not, the World Bank has argued, high reservation wages, but rather "because [wages] are already clustered below the food poverty line" and any further downward movement would render workers incapable of meeting minimum nutritional requirements – in other words, they have hit rock bottom.

There is political direction behind contemporary low wages. Ensuring that "real wages do not exceed productivity growth," is official government policy (MoFED 2016: 106, 138). Because of the size of the public sector, inflation is a mechanism particularly effective in checking real wage levels in the Ethiopian economy, making them "particularly prone to political 'manipulation'" (World Bank 2016:51). Yet, these poor wages have attracted the attention of media, up-market consumers, corporation, donors and international organization. As an example, H&M corporation and Sida have been funding a multi-year project to the tunes of $3 million USD implemented by the ILO (2015)

6. See the discussion on the labor law below.
7. "We see no evidence of an industrial wage premium in these five firms. A simple (non-experimental) wage comparison adjusting for baseline characteristics suggests that industrial jobs seemed to pay almost a quarter lower wages than informal opportunities."' (Blattman and Dercon 2016: 4)

on “improving industrial relations for decent work and sustainable development of the textile and garment industry in Ethiopia,” while Siemens and several European donors are currently funding a similar ILO (2019) project.

The third aspect requiring consideration is that the protection of workers’ nominal rights remain poorly implemented and that such nominal rights are frequently infringed upon. Freedom of association is not uniformly respected, workers are frequently engaged without proper employment contracts or terminated without legally due cause, and verbal and physical abuse of workers frequently occurs, with few paths open for redress (Schaefer and Oya 2019; Barrett & Baumann-Pauly 2019).

The fourth aspect, probably not entirely unrelated to the previous, is that Ethiopia is currently in the midst of a period of quite serious labor unrest. Over the past two years, an unprecedented – at least in terms of the past 25 years – number of strikes have occurred, several of them being quite high-profile (Admasie 2018a). They include many dozen incidents, with several of them entailing workers numbering in the thousands, and in at least two industrial parks coordinated strikes across different enterprises have occurred. When, in 2017, a new draft labor law entailing significant curtailments of labor rights was submitted to the Council of Ministers for review, the trade union confederation issued a general strike threat, should the draft bill not be amended. Such a strike threat had not been issued by a national confederation since 1975.

Fifth, and partly as a result, the legal landscape governing industrial relations is currently in a state of flux, with a new “compromise” labor law - the Labor Proclamation No.1156/2019 – having been adopted on July 4, 2019 (FDRE 2019). The new law has incorporated demands of both labor and employers: for example, it extended both probationary periods and maternity leave. But it relaxed some of the most draconian provisions stipulating automatic dismissal after short periods of absence/lateness that the trade unions had taken issue with. Most crucially, while it did not establish a minimum wage level per se, it established a wage board responsible for instituting and regulating a minimum wage. The wage board is to have representation of the government, trade unions, employers, and other stakeholders. This board, and the level of the minimum wage, is likely to become a central arena for social dialogue and matter of attention for all stakeholders within Ethiopian industrial relations in the years to come.

2. The setting

2.1 The political-economic context

A number of features in the political-economic context, which are relevant to Ethiopian industrial relations and the various stakeholders, require mention.

First, Ethiopia has a strong tradition of highly centralized – even authoritarian, according to some observers[8] – rule. Despite a federal constitution, the ruling front has governed in a highly centralized manner and been quite intolerant towards opposition. The space for media and civil society has been narrow, and the government has sought to control, or at the very least pacify, what civil society exists. Since 2016, and the coming of a wave of general political unrest, some aspects of this has changed, and a process of political liberalization was ongoing until severe political convulsions recurred in 2020. But although Ethiopia may be in the process of open-ended change, the vestiges of centralized rule remain strong.

Second, together with political unrest followed by liberalization, there are also worrying signs of political fragmentation, disunity in the ruling front, and increasingly violent ethnic conflict. The number of internally displaced people – nearly 3 million in mid-2019 (IDMC 2019) – and the high-profile assassination of, among others, the president of a regional state and the chief-of-staff of the armed forces in June 2019 testifies to this trend (Jeffries 2019). There are also unilateral attempts under way to establish new regional states, and to annex territory from neighboring ones, that threaten more conflict (ibid). This unrest has also targeted investors, with representatives of two foreign companies investing in Ethiopia having been assassinated over the past year, many more threatened, and with strikes in Oromia and Hawassa, which to some degree appear to have political grounds (Arefaynie 2018; Barrett & Baumann-Pauly 2019; Telangana Today 2019).

Third, the Ethiopian government has, for the past decades, reserved a strong role for the state in the economy – assuring that the 'commanding heights' is under its control. State monopolies have been upheld in, for example, telecommunications, and foreign investors have been barred from entering bank and insurance industries. Moreover, a plethora of state-owned enterprises and conglomerates are in existence in sectors as diverse as tourism, hospitality, manufacturing, engineering and logistics. As a result, the domestic-owned private sector has remained relatively small and starved of credit. However, with the political liberalization initiated in the last year, economic liberalization is also planned. The government has announced its intention to embark on process of privatizations, and to open all sectors for FDI (EPRDF 2018).

Fourth, and related to the above, the Ethiopian economy is in a quite dire situation. Partly because of the failure of exports to meet their planned development – in fact,

8. See, for example, Abbink (2006).

they have actually declined quite considerably over the past five years – a catastrophic balance of trade gap has opened, where Ethiopia is importing merchandise for around six times the value of its exports. The result is a foreign currency debt build-up, which has been surprisingly fast since Ethiopia "graduated" from the HIPC scheme in the early 2000s with associated debt cancellations, and which is difficult to manage with the current low levels of export earnings. The IMF (2018) currently considers Ethiopia at "high risk" of debt distress. Exports have been further hit by the political turbulence in the last couple of years, and in the fiscal year of 2018/19 they had fallen to around $2.67 billion USD (down 6 percent since the previous year, and far below the $11 billion USD projected for 2018/19 in the government's 2nd Growth and Transformation plan) (Addis Fortune 2019), widening the balance of trade gap further.

Fifth, the Ethiopian economy has, however, been growing exceptionally fast over the last 15-20 years, which has seen millions of citizens lifted out of poverty. What has been driving this growth appear to be services and construction, with some contribution by agriculture and manufacturing (World Bank 2015). The growth, however, has failed to result in the envisaged structural transformation towards manufacturing – required both to close the balance of trade, and to generate employment for the growing ranks of unemployed youth, around 2 million of whom enter the labor market every year (Samuel 2019). Moreover, it appears that much of the growth, fueled by capital-intensive public infrastructural projects, has been debt-fueled, and as Ethiopia is now facing a situation of increasing debt-stress, it is unlikely that such levels of public investment can continue to drive growth. Rather, the government appears to be hoping for increasing incoming FDI flows, but such flows are vulnerable to the growing signs of political dysfunctionality. The rising importance of attracting FDI, however, has ramifications on the government's view of both the importance of achieving harmonious industrial relations, and its attitude towards the somewhat conflicting demands of employers and labor.

2.2 The Manufacturing sector

The Ethiopian government has ambitious plans for the country's manufacturing sector. Official plans aim to develop "an industrial sector that plays a leading role in the economy" (MoFED 2010: 44), turning Ethiopia into not only "a light manufacturing hub in Africa" (MoFED 2016: 82), but eventually "one of the leaders in overall manufacturing globally" (MoFED 2016: 78). There are several reasons why the government assigns the development of the sector such an important role in its plans. First, it is believed that the development of manufacturing, especially in the export-oriented fashion that the government seeks to do, will help close Ethiopia's current balance of trade gap. Second, it is assumed that manufacturing alone has the potential of absorbing the high number of annual entrants to the Ethiopian labor market. Third, it is believed that the country's low labor costs offer a significant comparative advantage.

There is quite a lot of excitement about Ethiopia's potentials in this regards, from policy-makers, observers, as well as investors. "Ethiopia is today seen as the leading example of a new industrialization drive in Africa and a hub for [FDI] into the manufacturing sector," a recent report (Schaefer and Oya 2019: 6) fittingly summarizes the dominant view. But Ethiopia's manufacturing sector remains very small, even by regional standards. "Ethiopia's manufacturing sector is still far from being an engine of growth and structural change [and] plays a marginal role in employment generation, exports, output, and inter-sectoral linkages," a senior government official involved in the design of its industrial strategy has stated (Arkebe 2018). In fact, modern manufacturing – excluding cottage industry – only accounts for between 4 and 5 percent of total GDP, employing a few hundred thousand workers (Alebel et al. 2017: 106-107; MoFED 2016: 138). But this should not detract from the importance that the government assigns to the sector, and thus the importance of assuring that peaceful industrial relations prevail in it, that FDI continues to flow into the sector and thus that the comparative advantage offered by low wages is not eroded.

Currently, the manufacturing development strategy is centered on promoting FDI for export production within industrial parks. This aspect is quite novel, as Ethiopia has traditionally tried to achieve industrialization by an inward-oriented model. The new strategy has been rather successful in attracting FDI, reaching an annual "high of almost USD 4 billion in 2016" and with total FDI stocks at over $18.5 billion USD in 2017 (Schaefer and Oya 2019: 18). These FDIs are concentrated in industrial parks, in which some 88,000 workers work in 2020 (Andualem, et al. 2020)). The parks offers a high concentration of infrastructure and government services to companies active within them, but unlike comparable special economic zones in some other countries, labor rights in industrial parks in Ethiopia are not ***formally*** circumscribed. Nominally, the same labor law that applies outside the parks is also in operation within them.

Side by side with the FDIs, Ethiopian manufacturing also has a sizeable state-owned and private sector, the latter which includes a quite significant section made up of ruling party endowment fund conglomerates (Vaughan and Mesfin 2011). Combined, they make up a sector wherein textiles and apparel, food and beverages, and non-metallic mineral products subsectors dominate (Arkebe 2018).

Proposed factors that have crippled the development of the sector are plenty, and those which have been most frequently cited over the years (Eshetu 2004; Mulatu and Yohannis 1988; World Bank 2015; Arkebe 2015; EEA/EEDRI: 2005) include war; demand-sided and supply-sided problems, including the weak demand generated by a poor and subsistence producing peasantry and a lack of investible surpluses; a constrained domestic private sector; shortage of inputs, weak internal linkages, and over-reliance on imported inputs; lack of skilled technical and managerial staff; low productivity and low technological capabilities; poor infrastructure; excessive protectionism for prolonged periods; and – curiously for an economy in which the abundance of cheap labor is consistently cited as an exploitable endowment – a very high level of capital intensity.[9] In addition to these factors, the most recent political uncertainty and labor unrest pose new problems, and have generated fears that FDI flows will be disrupted as a result (Barrett & Baumann-Pauly 2019).

9. See World Bank (2015: 26), where the Ethiopian manufacturing sector is found to be a full six times as capital intensive as that of Nigeria and Cote d'Ivoire. This feature probably, in part, arises from an incentive structure oddly favoring the import and deployment of capital goods.

2.3 Textiles and Garment sub-sector

In terms of employment numbers, textiles and garments has constituted one of the two major manufacturing subsectors in Ethiopia for the past six decades. During the first push for industrial development, in the 1960s, a number of textile factories, such as that of the Akaki, Dire Dawa, and Bahir Dar plants, were constructed to meet local demand. Under the import-substitution industrialization strategy pursued at the time, they were heavily protected by high barriers to entry for imports, reaching as high as 500 percent, but most plants were largely unprofitable (Eshetu 1973). During the 1980s, the military government built another plant in Kombolcha, and integrated the factories into a state-owned conglomerate – the Ethiopian Textiles Corporation – which was broken up again when the Ethiopian People's Revolutionary Democratic Front (EPRDF) came to power in 1991. The EPRDF government sought to privatise the textile companies, but because of their general unprofitability, the investments required in them combined with the low level of private capital formation in the country, and because of concerns with the unemployment any eventual closure would lead to, they were largely left to linger. Large, unprofitable, predominantly state-owned companies, producing goods for the domestic market: this was the state of the textile and garment subsector, when, in the early 2000s, the government identified the sector as a priority export sector, for which FDI ought to be sought (Admasie 2018b).

In the government's 2002 Sustainable Development and Poverty Reduction Program (MoFED 2002), and in its industrial policy from the same year, the textile and garment subsector was identified as one of two subsectors – together with leather – which should be prioritized for support so as to spearhead rapid export growth. Famously, then Prime Minister Meles Zenawi personally solicited Turkish investment in the sector when on an official trip to Ankara, which in turn led to the establishment of the flagship Ayka Addis textile factory in 2010. Around this time, and in the years that followed, several foreign investments entered the sector and transformed it. Duty-free entry of Ethiopian garments to the EU and US markets have helped to spur interest in investing in Ethiopia's textile and garment sector. Industrial Park development added to the momentum, with, for instance, the largest Industrial park in the country – the Hawassa Industrial Park, employing some 25,000 workers – solely dedicated to FDI companies producing textiles and garments. Meanwhile, the government has sought to privatize the remaining state-owned textile enterprises. Currently, the Ethiopian Chamber of Commerce has some 65 enterprises listed within the modern – i.e. non-handmade – textile and garment-producing sector. They produce garments for the local market as well as increasingly for customers in overseas markets in the global North, and high-profile brands such as H&M and PVH sources production from them.

In combination with the number of companies active in the sector, output growth has been high – around an annual rate of 50 percent for several years in the 2010s – as has the number of workers engaged in the sub-sector. In 2018 textile and garment producing enterprises employed around 100,000 workers. Enterprises established by FDI employed about 60 percent of them and produced 70 percent of the sub-sector's exports (Arkebe 2018).

The government remains highly committed to the development of the sector, which is indeed crucial for its ability to sustain economic growth momentum, relieve the acute hard currency shortage, and achieve structural transformation. Currently, the government's stated ambition is to develop the textile industry in the country to a state where it exports $30 billion USD worth of products annually (Xinhua 2017) – over 10 times the current level of total merchandise export. The establishment of industrial parks is one aspect of its support to the sector, and the specialized Ethiopian Textile Industry Development Institute. Another aspect is the associated tax incentives and duty-free status allowed for FDI companies entering the sector, as well as the one-stop services set up within the parks. What requires examination, however, is the degree to which the government's acute desire to accommodate foreign direct investors leads it to active or passive bias in its handling of tense and delicate relations between firms and employees. Certainly, there is evidence that its interventions have not been entirely even-handed.

Despite the government's attention to the sector, and despite the high level of interest exhibited by international investors, there are a number of problems plaguing the sector. The labor question is one. Wages are, as has been shown, generally very low in Ethiopian manufacturing. But they are particularly low in the new investments within the industrial park (Schaefer and Oya 2019). At the Hawassa Industrial Park (HIP), producers have formed a wage cartel, whereby wages are kept artificially low even for the standards of the Ethiopian labor market, and they are extra-legally preventing workers from forming unions. In combination with rising prices, because of the concentration of workers around the park, this makes for an unsustainable situation for employees – the majority of whom must rely on transfers from family members just to meet living costs. A recent NYU Stern study from HIP, moreover, reported cases of "lack of energy and fainting due to the workers not eating properly because they cannot afford to eat two meals per day" (Barrett & Baumann-Pauly 2019). Because of poor wages and conditions, the companies are facing labor unrest, a high-rate of turnover, and, partly because of this turnover, poor productivity. These problems have not been sufficiently addressed by the government, and there are indications that the perceived importance of the investments in the park, and in other parks, leads the government to turn somewhat of a blind-eye to the behavior of companies. What is emerging as a clear reality is that while the Ethiopian government needs to see through the development of the textile sector into a formidable export-oriented industry to achieve structural transformation, it needs to solve the labor problems besetting the sector to do so.

But this is not the only problem that the development of the sector faces. The somewhat slow growth of export is another. In relative terms, the growth of textiles and garment exports from a total value of $62 million USD in 2010/11 to $98.1 million in 2014/15 may sound impressive. But compared to the goal of generating $1 billion USD of export earnings that latter year (MoFED 2016), it is evident that export performance has fallen short of aims. The unprofitability of some foreign entrants in the sector is another, with domestic banks left to shoulder parts of the risks. Ayka Addis declared bankruptcy in 2017, with the Development Bank of Ethiopia currently attempting to recuperate some of its loans from its foreclosure (Birhanu 2019). Sketchy electricity provisions, difficulties to acquire foreign currency, poor backward linkages and lack of locally sourced inputs, poor labor productivity, and high logistical costs, are some of the problems frequently cited within the sector (Assefa et. al. 2016; Balchin and Calabrese 2019). The political unrest of the last two years, attacks on foreign investments and transports, as well as the heavy load-shedding scheme introduced by the Ethiopian Electric Power Corporation in the spring of 2019 have aggravated the problems.

3. Mapping the actors

3.1 The trade union movement and CETU

Ethiopian trade union history is, on the one hand full of zigzags, ups and downs, and, on the other, that of a steady but slow process of expansion. Although the first basic union in the country – the Syndicate of the Ethio-Djibouti railway company's workers – was founded in 1946, basic unions began to emerge in earnest out of traditional self-help organizations known as ***iddirs*** in the 1950s. By the early 1960s, they had multiplied to the stage where they could form a national organization. Because of its roots in the ***iddirs***, some Ethiopian unions have tended to retain certain functions not typically associated with trade unions but with self-help associations, including running credit associations, bakeries and cafeterias, consumers' associations and shops, nurseries and schools. But the main function of basic unions remain the representation of workers vis-à-vis employers and engaging in collective bargaining.

Ethiopian basic unions, numbering some 2,100 (CETU, interview) in September 2020, are organized within nine industrial federations, which, in turn, are organized under the national umbrella organization – the Confederation of Ethiopian Trade Unions (CETU). CETU's predecessors were the Confederation of Ethiopian Labor Unions (CELU), founded in 1962 and abolished by fiat in 1975; the All-Ethiopian Trade Union (AETU), latter renamed the Ethiopian Trade Union, which was established in 1977 and banned in 1991; and CETU which was formed in 1993 only to be purged in 1994 and reorganized in closer alignment with the government in 1997. The history of the confederation and the trade union movement is important, because the current confederation appears to be situated within the very same dynamics that have generated expansions and contractions in the autonomy of the movement in the past. What is this dynamic? Each successive Ethiopian trade union confederation has been brought into existence with the approval or by the design of authorities under the condition that it did not stray from a cautious deferential inclination. But in each case, pressures from below, exercised in wildcat strike activity and in re-emerging shop-floor opposition to deferential policies, have over time propelled the drift of the confederation into more autonomous stances. Each previous time, however, autonomy has eventually triggered a reaction from the government, where it has sought to, and succeeded in, re-reining in the autonomy of the movement. In previous cycles, this has entailed quite repressive measures – although more so in the 1970s than in the 1960s and the 1990s.

The current confederation was, as mentioned, founded in 1993. At that time, basic unions had been forced to re-elect leaderships – in response to the fall of the *Derg* regime and the perception that *Derg* loyalists were entrenched in the unions – while the confederation had been banned. After protracted attempts by networks of workers, and a quite unruly industrial scene posing problems for the government, permission to hold a re-founding congress was granted in 1993. However, the leadership that was elected proved anything but willing to submit to government dictates, and as the government embarked on a structural adjustment program, which would see large-scale retrenchments, CETU's executive committee vocally protested. This set the stage for a showdown between the government and CETU's leadership. The former used a small faction of pro-government trade unionists to incite a split, and the courts to banish the old leadership from their position. In addition, harassment and violence was used against confederation, federation, and basic union leaders that failed to submit. Quite a few were thrown in jail or exiled. In 1997, however, the proponents of autonomous trade unions had been purged from central institutions, and the confederation could be re-founded along state loyalist lines.

The "new" CETU, appeared illegitimate to both observers inside the country and outside. Its leadership explicitly took the strike weapon off the table stating that it could never resolve industrial disputes, and refused to denounce even the killing of a trade unionist – an official of the Ethiopian Teachers' Association as it happened – by security forces. The former invited ridicule in newspapers ('John W.': 2001) and the latter led it to be condemned and ostracized by the international trade union movement, which largely refused contacts with a confederation that was considered fundamentally compromised. As a result of its illegitimacy, and its unwillingness to take up assertive stands, the confederation remained unpopular with workers too. Membership numbers hardly moved over the 1990s and the first half of the 2000s. The industrial scene was tranquil, but the tranquility was not rooted in content partners, but in dispirited and disarmed workers. The nadir was probably reached in the early 2000s when the US Department of State (DoS 2003) reported that "publicized allegations of widespread corruption within CETU's leadership ranks and of CETU's close ties to the Government have paralyzed the organization." ICFTU's (2003) ***Annual Survey of Violations of Trade Union Rights*** from the same year reported that "the government blatantly interferes in trade union affairs in all sectors," with "many trade union leaders [having] been removed from their posts and/or forced to leave the country."

Beginning in the 2010s, however, a new batch of representatives began, on the one hand, a drive to multiply basic unions and expand their membership, and, on the other, overseeing a process of slowly recovering some level of autonomy. It was rather successful in both respects, and they were probably not unrelated – as a growing level of assertiveness and autonomy allowed the confederation to reach new ranks of hitherto unorganized workers. No less than 610 new unions were formed in the period between the 2014 and 2016 congresses alone (CETU 2016a), and the membership of affiliated unions grew from 300,000 to its current membership of around 650,000 in roughly the same period (CETU, interview). In September 2020, the number of workers organized in the affiliated unions stood at 750,000. With regards to autonomy, the contemporary resurgence of unrest and CETU's 2017 audacious wielding of the general strike threat against the government is probably the foremost illustrations of the trade union movements' recovery of this quality.

Partly, the confederation's success in regaining relative autonomy is related to the atrophy of the ruling front, and its mechanisms for exercising control over the trade union movement. The Ethiopian People's Revolutionary Democratic Front (EPRDF) used to have a clandestine "proletarian branch" which had direct, although undisclosed, links to the high bodies of CETU. In this manner, officials of the "proletarian branch" could vet or even select candidates, and they could indicate what policies were acceptable and which ones were not (Pellerin 2018). Accentuating the influence of the EPRDF was the fact that several – if not most – of the highest CETU officials were members of the constituent parties of the EPRDF. However, these control mechanisms began to wither as the ruling front was thrown into disarray in the second half of the 2010s, and there are currently no signs that they are in operation. This is not surprising, as political crises – of the imperial state in the 1970s and of the ***Derg*** military regime and its successor in the late 1980s and early 1990s – have been conjunctures when the trade union movement, in the past, have exercised the greatest relative levels of autonomy. It is also logical, since the inability of the state to exercise close control constitutes an element of opportunity. However, it is important to remember this basis of the current level of autonomy that the confederation enjoys, because with attempts to either rebuild the coherence of the ruling front or to replace it with a new vehicle of central political control, the temptation to rein in the trade unions may very well again become a central factor.

What are the features of the confederation in its current shape? As mentioned, CETU consists of 9 industrial federations, formed by around 2,100 basic unions, organizing some 750,000 workers – 336,934 of whom are women[10] (CETU, interview). It has 8 branch offices across the country, and its headquarters in Addis Ababa. CETU employs 187 staff members in the headquarters and branch offices, and another 110 employees in its income generating enterprises (CETU, interview). An ILO evaluation in 2017 stated that none of the branch office had more than 2 professional staff members in addition to the branch office heads (ILO 2017b). The head office has a legal unit, with knowledgeable legal advisors, which, according to an executive committee member, can match the expertise the government's offices can call upon (CETU, interview). It also has qualified public relations staff – who publish the newspaper ***Voice of the Worker*** – industrial relations staff, organizers, training and education staff, a human resources department, a women's affairs department, and a social affairs department.

Despite the existence of a planning and research department, CETU admits to somewhat lacking capacity in research (CETU, interview). As late as 2015, moreover, an ILO document described the financial and technical capacities of CETU as "very weak" (ILO 2015). This weakness is more pronounced in the branch offices than in the headquarters, where the capacity has been described as "significantly low as compared to their geographical area of coverage," lacking in qualified manpower, vehicles and office facilities (ILO 2017b). In two branch offices – Dire Dawa and Mekelle – it was found that the only means of transportation they commanded was a motor cycle, thus "seriously [limiting] their outreach activities" (ILO 2017b). As a result of understaffing in the branch offices the office heads reported that they often had to serve as "finance officers, project coordinators, and members of the regional labor relations board" at the same time, thus seriously restricting their capacity to fully execute any one of

10. There has been a significant rise in the share of women in the membership – in 2016 this figure stood at 34 percent (CETU 2016b), but by 2020 it had grown to 44 percent.

the tasks (ILO 2017b). Moreover, and perhaps ironically, the recent success that the confederation has had in terms of organizing new members has put new strains on the organization, because once new unions multiplied, it became more difficult for the under-resourced branch offices to provide follow-up training and technical support to the newly founded ones (ILO 2017b). This, it has been claimed, has led to industrial conflict in some places (ILO 2017b).

CETU is still, however, a relatively wealthy organization, yet acutely short on liquid means. It possesses valuable real estate, from which it generates significant revenue in terms of rents, and it also operates for-profit companies. Its real estate includes the old headquarter building in Addis Ababa, the "new" – built in the early 1980s – headquarter complex in the same city (both sitting on prime central locations), a branch office building in Jimma completed in 2019, and a training institute in Bishoftu. Reflecting the importance of real estate, it raised some 31m ETB from rent between 2014 and 2016. The only comparable revenue stream is the support funds it receives from international partners, amounting to roughly the same amount. Together, they made up over two-thirds of the revenue streams of a total 85 million ETB (excluding loans) in the same period, dwarfing the 10mETB received from membership dues (CETU 2016a).

The low level of revenue from membership dues testify to an enduring problem of raising liquid means. This is partly a result of the low wage level in Ethiopia. To overcome the financial shortages and to be able to cover more of its expenses from its regular budget, CETU plans, on the one hand, for increasing numbers of fee-paying members that will generate greater streams, but also for building more branch office buildings, so as to reduce rent costs and boost income.

3.1.1 The Industrial Federation of Textile, Leather and Garment Workers' Trade Unions

Basic unions in the Ethiopian textile and apparel industry are organized in the Industrial Federation of Textile, Leather and Garment Workers' Trade Unions (IFTLGWTU). The Federation encompasses 115 basic unions with a total membership of 55,000 workers (IFTLGWTU, interview). The Federation calculates that they have thereby organized around 15 percent of around 300,000 workers they estimate to be active in the sector. Officials are aware that this is a significant shortfall, which partly depends on the new FDI, which is restructuring the industry, and the difficulty the federation and the confederation have in accessing the industrial parks in which much of the workplaces established by this investment is located.

The federation has significantly less resources than the confederation. It has 4 elected full-time officials and 5 permanent staff members, as well as a part-time hired lawyer. Its activities include organizing, training, and establishing basic unions. It provides consultation and legal services to basic unions in the subsector, and assist them in negotiations and collective bargaining, as well as, when need arises, in handling disputes with employers (IFTLGWTU, interview). The federation also conducts training in collective bargaining, and campaigns for a living wage (Chiwota 2019).

The federation's finances are weak, and this is described by officials as its primary problem (IFTLGWTU, interview). Workers only pay one percent of wages as union dues. 60 percent of this revenue stays with the basic union, 30 percent goes to the federation, and 10 percent to the confederation. Since IFTLGWTU is a member of IndustriALL, a small part of the revenue it retains is also channeled as affiliation fee to the latter, although IFTLGWTU officials describes this as “not that much.” Moreover, FNV Mondiaal, IndustriALL, Solidaridad, FES and ILO country office are among the organizations that provide the federation with technical and financial assistance (Chiwota 2019; IFTLGWTU, interview). Despite this, however, the financial situation of the federation is described as poor. Federation officials explain this in terms of the “bad wages” in the sector (IFTLGWTU, interview). Problems related to collecting dues from actual members are described as having lessened, and a provision in the new labor law requiring employers to offer check-off systems is thought to be helpful in this regards. Currently, only some companies accept and implement check-off systems.

Unlike the confederation, IFTLGWTU does not own any property. CETU does not share its revenues with federations, nor does the federation have its own enterprises or buildings. It solely depends on membership fees and external support. However, because its offices are housed in CETU’s complex in Addis Ababa, it is exempt from paying rent (IFTLGWTU, interview).

3.2 Ethiopian Employers

3.2.1 Employers’ Federations and Confederations

The Ethiopian Employers’ Federation (EEF) prides itself with being one of the oldest Employers’ federation of the continent. Established in 1962 by expatriate and Ethiopian employers, it was very active in the establishment of the Ethiopian industrial relations system that emerged in the 1960s. Following the revolution, however, the EEF was dissolved on the government’s order in 1977, and only re-established in 1997. Since its re-establishment the EEF has made progress in rebuilding its role in the industrial relations system.

The EEF operates 11 branch offices across the country, and includes a number of sectoral associations. Its members – numbering 850 in 2015 (ILO 2015), and, according to EEF officials, currently in the “thousands” (EEF, interview) – include private and public companies, domestic and foreign-owned. Big enterprises, such as Ethiopian Airlines, MIDROC and EELPA, as well as small ones with only a few employees are members. There is a large difference in the capacities of different branch offices, with some very small ones only having 50-60 member enterprises, whereas other large ones have ten times as many. Consequently, some smaller EEF branch offices have been said to be so “poorly organized in terms of manpower and office” – “severely understaffed and underequipped, verging on non-existent”, in fact – that they would require “basic technical support, before they can fully make use of other capacity building components, such as training” (ILO 2017b).

The EEF's key functions include rendering legal services and consultation to members, supporting them in labor disputes and in collective bargaining, representing employers in tripartite foras, lobbying, and providing training. The EEF produces model collective agreements for different sectors that are frequently used by member enterprises in collective bargaining. The model agreements include optional clauses and leave a lot of room for provisions and conditions to be established in the enterprise-level bargaining process. The EEF has traditionally been the recognized representative institution of Ethiopian employers and it continues to be represented in national and international tripartite foras, although its position has been challenged in recent years.

Due to disunity within the EEF and among affiliated federations, five federations – the Ethiopian Hotel & Service Giving Employers Federation, the Ethiopian Micro, Small & Medium Enterprise Employers Federation, the Ethiopian Cities Water & Sewerage Service Employers Federation, the Amhara Region Employers Federation and the Addis Ababa City Employers Federation – broke with the EEF in 2018 to form the Ethiopian Employers' Confederation (EEC). The EEC challenged the EEF's right to represent Ethiopian employers in tripartite foras, claiming that by the nature of it being a confederation, it should take precedence. Probably in response to the challenge from the EEC, but also responding to the need for greater coordination, the Ethiopian Industry Employers Confederation (EIEC) was formed under the auspices of the EEF in 2018. The EIEC brings together the EEF and 9 federations, but the EEF remains by far the largest and the leading force within the EIEC (EEF, interview).

The government and the ILO have not yet resolved how to handle the existence of two contending confederations, and in particular which one to consider representative of Ethiopian employers. Neither has CETU taken a decisive stand on the issue. For now, both organizations are represented in most tripartite foras, while, on the one hand, MoLSA is studying the situation in order to decide on which one accurately represents most employers, and, on the other, negotiations on a re-merger are ongoing.

The financial situation of EEF is unstable and revenue is described as insufficient. The EEF, unlike CETU, does not own any real estate or income generating enterprises, but must instead rent its offices.[11] Low revenue from membership fees contributes to this situation. Although the fee structure is under revision, companies currently pay a fixed membership fee of ETB 3,000; 5,000; or 10,000 according to size, which must be considered quite low, at least for the larger member enterprises. Nevertheless, many companies are reluctant to pay for membership, and only join the federation in periods where it needs its active support (EEF, interview). Other organizations, however, support the federation, both technically and financially. They include the ILO and the Confederation of Norwegian Enterprise (NHO). Some member enterprises provide additional sponsorship.

As a result of the federation's insufficient revenue streams, it remains understaffed – the federation is employing only "a few handful." As a result, staff members are forced

11. The federation, however, currently has an ambition to resolve this situation and has asked for a plot of land to be assigned to it to this end.

to cover many areas and functions, and board members are sometimes required to help with practical tasks. In addition to core staff and such voluntary contributions, hired services have also been used (EEF, interview). Within the ILO-led “Building Sound Industrial Relations for Sustainable Development and Competitiveness” project active between 2015 and 2016, seven staff members were hired for the EEF. While CETU managed to retain all seven staff members hired for it within the same project, EEF had to let all but two go after the completion of the project (ILO 2017b). Moreover, the staff members are described as “underpaid” when compared to the salaries fetched by comparably qualified staff in the private sector (EEF, interview).

3.2.2 Chambers of Commerce and Sectoral Associations

The Ethiopian Chambers of Commerce are primarily active in business advocacy and coordination – including export and investment promotion. As such, their activities converge with those of the EEF, but they are not active in tripartite fora nor in bipartite relations with CETU nor MoLSA.

During the years when the EEF was inoperative, the Ethiopian Chamber of Commerce (ECCSA) was delegated to take over the task of coordinating and representing businesses and employers to the degree possible, including representing employers at the International Labor Conferences of ILO. Particularly in the early 1990s, when a sizeable private sector re-emerged, the Chambers of Commerce’s role in this regard became important. Partly for this reason, there are areas of overlap of functions, but this does not appear to be the case in terms of social dialogue. Nevertheless, the ECCSA does aspire to “serve as a bridge between the business community and the Government” (ethiopianchamber.com). Regarding its relations with employers’ associations, the ECCSA’s (2014) strategic plan states that “these associations can be strong partners for ECCSA in coalition building.”

The Chambers of Commerce was reconstituted as the ECCSA in 2007, which includes nine regional chambers and sectoral associations, two city chambers and sectoral associations, one national chamber and six national sectoral associations (Bacry et. al 2009; ethiopianchamber.com).

Much like the employers association, the Chambers of Commerce have, over the past decade, witnessed their own infighting. ECCSA and its Addis Ababa Chamber of Commerce and Sectoral Associations (AACCSA) have for long periods had less-than-amicable relations and have not been capable of delimiting respective areas of responsibilities.

The ECCSA, and the AACCSA in particular, however, retains a sound financial standing. Partly, this is a result of being able to operate out of its own building, but also reflecting its strong finances, the AACCSA – claiming to represent some 15,000 member companies – has acquired land and is currently in the process of constructing a state-of-the-art building in the capital (addischamber.com). Moreover, the ECCSA and the AACCSA have been the beneficiaries of several donor agencies’ efforts to assist the development of the Ethiopian private sector in recent years, including partnerships with UNDP, CIPE, Sida, ITC and IFC (ethiopianchamber.com).

In the textile industry, manufacturing companies are organized under the Ethiopian Textile and Garment Manufacturer's Association (ETGAMA). According to IFTLGWTU officials, ETGAMA represent some, both foreign and Ethiopian, but not all textile factories. In 2015, ETGAMA had 80 member companies, including 20 vertically integrated firms (van der Pols 2015). Both foreign and Ethiopian enterprises are members. ETGAMA is a member of the ECCSA and has its offices in the latter's building. It does not, consequently, view itself as an employers' association, does not partake in tripartite forums, and does not have any direct relations with neither CETU, IFTLGWTU nor MoLSA. An ILO document states that ETGAMA "does not currently have the capacity and function of employers' association on labor related issues" – something that the document expresses hope can be built and strengthened in the future (ILO 2015). Neither does ETGAMA appear to be in close contact with the EEF – in fact, the same ILO document states about the textile subsector that "there is a total disconnect between employers at enterprise level, ETGAMA at the sectoral level, and EEF at the federal level" (ILO 2015).

3.3 State institutions

3.3.1 Ministry of Labor and Social Affairs and Bureaus of Labor and Social Affairs

The Ministry of Labor and Social Affairs (MoLSA) is the major regulatory body of labor affairs in Ethiopia. It advises the government on labor and social policy, and it oversees the federal labor law, and its implementation in the regions. It also oversees the implementation of the employment proclamation and the disability employment promotion proclamation.

MoLSA is structured around 3 directorates – those of harmonious industrial relations, employment promotion, and social welfare development promotion – in addition to eight supporting units.

Ethiopia is a federal state. And so in the regional national states and in the federally administered cities – Addis Ababa and Dire Dawa – there are 11 Bureaus of Labor and Social Affairs (BoLSA) as sub-units of MoLSA (molsa.gov.et). However, the labor law is implemented uniformly – there are no region-specific codes or guidelines for implementation (MoLSA, interview). The role of the Ministry is, in addition to advising the government and participate in tripartite foras, to capacitate regions to oversee the implementation of the labor code.

MoLSA and BoLSA operates both preventively (for example with regards to dispute prevention, accident prevention) and through dispute settlement and social dialogue. It works through alternative dispute resolution mechanism as well as through formal channels. The ministry has 490 employees, 22 of which work for the harmonious industrial relation department. However, this is estimated to constitute only 50 percent

12. The highest subdivision of the Federal Democratic Republic of Ethiopia is the regional states, followed by, successively, zones, districts, and finally kebeles – the smallest administrative subdivision.

of the staffing that the system was designed for, meaning that the Ministry is quite substantially understaffed (MoLSA, interview). In the BoLSAs, manpower varies from region to region. In some regions the BoLSAs operate at the district level, while in in other it cascades all the way down to ***kebele*** level.[12]

MoLSA and BoLSAs operate a labor inspection, which oversees the implementation of occupational health and safety standards. The labor inspection exists both at federal and regional levels. The federal level is responsible for capacitating regions and for reinforcing regions, and for labor inspection in national public enterprises, while the regional labor inspections oversee the enterprises operating in the region. According to workers' representatives and an ILO document, the capacity of the labor inspection is poor (CETU, interview; ILO 2015). The main problem is a lack of inspectors. An "insufficient number of labor inspectors throughout the country [leaves] them with little time to conduct onsite inspections in addition to their other tasks, not to mention the insufficiency of available equipment," it has been reported (ILO 2015). But occasionally inaccessibility is also a problem, with companies sometimes creating obstacles for inspectors. However, CETU officials testify to working closely with MoLSA and BoLSA in all regions and appreciate the quality of its staff (CETU, interview).

A rapid turnover among senior officials, as well as Ministers, seems to have impaired the efficiency of MoLSA in recent years. An ILO evaluation found that changes in MoLSA's leadership had "prevented the establishment of multi-stakeholders" forum [and] the establishment of national level thematic working groups' (ILO 2017b). But the same evaluation also found MoLSA's and BoLSAs capacities to enforce laws and its regulatory capacities wanting. The lack of occupational safety and health support services, and of trained labor inspectors were particular weaknesses that were mentioned. MoLSA, furthermore, does not have its own research unit. Staff members sometimes carry out or assist in research, but there is no standing research team (MoLSA, interview).

Under MoLSA is also the Labor Advisory Board. Its purpose is to promote and strengthen consultation and co-operation among the social partners through social dialogue. It also advises the Minister in the drafting of laws, and in their implementation (MoLSA interview). The board is chaired by the Minister of Labor and Social Affairs and includes representatives of the government and governmental agencies; the employers' organizations; and the trade unions (molsa.gov.et). The Labor Relations Board – of which there is a permanent as well as ad-hoc ones – is an adjudicating body made up of government, employers', and workers' representatives, in order to deal with collective labor issues. It is expected to rule on consensus, and in addition to handling cases, it initiates standards and handles differences in interpretation (MoLSA, interview).

3.3.2 Ministry of Industry, EIC & Industrial Parks Development Corporation

Institutions that are important for Ethiopia's current drive for structural transformation include the Ministry of Industry (MoI), the Ethiopian Investment Commission (EIC), and the Industrial Parks Development Corporation. Although the MoI and EIC have no direct or official role in industrial relations or social dialogue, they exercise indirect influence.

Whereas MoLSA is seen as a relatively credible and neutral arbitrator, MoI, and the EIC in particular, are viewed with much more distrust by representatives of labor. MoI and EIC are seen as institutions pushing for the liberalization of rules for enterprises, but in the opposite direction with regards to workers. Workers' representatives believe that MoI and EIC were behind an attempt to redraft a much harsher labor law than the one that had originally been agreed to in the Labor Affairs Advisory Board. Moreover both representatives of the IFTLGWTU and CETU testify to having been systematically blocked by the EIC from entering industrial parks.

EIC is the institution responsible for handing out permission to entry to the parks, without which no one can enter. But it has repeatedly turned down CETU and IFTLGWTU applications, which has meant that the latter have had to appeal to higher government institutions in order to gain occasional access. This has led CETU officials to conclude that EIC is "anti-union," while recognizing that a new commissioner has signaled what appears to be an improvement in its attitude towards labor (CETU, interview; IFTLGWTU, interview).

3.3.3 Ethiopian Textile Industry Development Institute

The Ethiopian Textile Industry Development Institute was established in 2002 to upgrade skills and technologies, offer training, research and marketing services, attract investments, and coordinate government efforts in the sector. According to IFTLGWTU officials, ETIDI has no direct relations with unions, and does not deal with industrial relations issues (IFTLGWTU, interview). It works closely with ETGAMA.

3.4 The international dimension: Global unions, ILO, multinational corporations, and INGOs

With growing international attention towards Ethiopian manufacturing in general and the textile and apparel subsector in particular, quite a few external organizations have launched engagements and various projects in the sector in recent years to improve labor conditions, encourage harmonious industrial relations, enhance the state of social dialogue, and boost the capacities of the tripartite constituents. This includes "traditional" players, such as global unions and affiliates, INGOs, as well as international organizations – but also multinational corporations sourcing production from Ethiopia, which are sensitive to the ways that industrial conflict and degraded living conditions among the workforce will affect the long-term sustainability of investments and international demand.

13. ICFTU merged with the World Confederation of Labor to become the International Trade Union Confederation (ITUC) in 2006.

Global unions, and international allies, have a long history of aiding the Ethiopian trade union movement. The first Ethiopian confederation, CELU, was formed with significant assistance from what was then called the International Confederation of Free Trade Unions[13] (ICFTU), and ICFTU, the AFL-CIO's African-American Labor Centre (AALC), LO-Denmark, and Friedrich Ebert Stiftung were among the organizations which operated permanent offices in Addis Ababa through the 1960s and the first half of the 1970s. As a result, CELU became quite heavily reliant on its international patrons. The situation changed with the abolishment of CELU and its replacement with the AETU. For the coming 14 years, the Ethiopian confederation affiliated with the World Federation of Trade Unions and allied with confederations from the socialist block. What did not change was the high level of assistance that the Ethiopian confederation enjoyed. While the AALC had funded the construction of the first headquarters of CETU, the impressive new headquarter complex was built with aid from the socialist block in the 1980s. CETU tried to re-affiliate with ICFTU in 1994, but because of concerns over its independence, it took ten years for it be granted admission. Since then, however, close working partnerships between the Ethiopian confederation and federations, on the one hand, and global unions and other partner organizations, on the other, have developed. This has been enhanced in recent years, as the Ethiopian industrial scene has garnered wider international attention.

CETU is affiliated with ITUC and its regional branch organization ITUC-Africa, and IFTLGWTU is affiliated with IndustriALL. Both ITUC and IndustriALL offer technical and financial resources that are much appreciated by the confederation and federation. CETU are working closely with ITUC, especially in the field of capacity building (CETU, interview). IFTLGWTU officials, meanwhile, consider IndustriALL its main partner with which they have been closely engaged for more than a decade, stating that they cooperate "in everything – if there is one strong problem in our unions, they can be called upon" (IFTLGWTU, interview). IndustriALL works with IFTLGWTU by supporting a fund to organize, giving training, and assisting in union capacity building projects. Such capacity building includes developing competence with regards to the labor law, issues of minimum wage etc. But IndustriALL's efforts are also appreciated in giving IFTLGWTU an opportunity to share experiences inside the country and outside (IFTLGWTU, interview).

The last point relates to another aspect of the international dimension: international alliances offer Ethiopian unions, federations and confederation the possibility of escaping the asymmetries of the local labor market, by taking their issues to a global level. IndustriALL has been active in bringing the situation of Ethiopian workers to a broader international audience by, for example, disseminating news and articles through its website.[14] The kind of impact such international advocacy work can have was vividly illustrated in the case of 65 Sheraton Addis hotel workers who were illegally terminated from their jobs for belonging to a trade union in 2014. Neither the basic union – which was rendered defunct by the dismissals – nor the industrial federation in the sector, the

14. See articles posted on <http://www.industriall-union.org/search?query=ethiopia&language=en>, but also, for example, Chiwota (2019) in Global Worker.

Tourism, Hotel and General Service Industrial Federation (THGSIF), was capable of pressuring the local hotel management to reinstate the workers. Meanwhile, the government was reluctant to intervene and risk offending the owner of the hotel, who happened to be the largest private investor in the country. The THGSIF, however, drew on its international affiliation with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) to put pressure on Starwood Hotels and Resorts International – the corporation that owns the Sheraton brand (Muluken 2016). After much publicity had been generated with the "Shame on Sheraton" campaign, a complaint had been filed with the OECD, and Starwood had intervened, all employees were compensated in 2016, demonstrating the ways in which Ethiopian unions can draw upon international alliances to enhance their relative position.

In 2018, the Horn of Africa Confederation of Trade Unions (HACTU) was formed by the confederations of the IGAD[15] member countries, with CETU's president elected chairman. This confederation is still in its infancy and it remains unclear what its role will be. Its first congress was held with a workshop around the theme of peace & security, and was financed by the Friedrich-Ebert Stiftung (FES) (Dawit 2018). In addition to the global unions and FES, a number of INGOs and international trade union organizations are active in supporting Ethiopian trade unions to improve social dialogue capacities. LO Norway ran a 4-year capacity building project with CETU and its nine industrial federations entitled "Educating Trade Unionists and Developing Social Dialogue in Ethiopia" between 2015 and 2018. The project aimed to train officials to engage with employers; create a more conducive working relationship among the social partners; and train trainers on, among other things, industrial conflict resolution, labor law, occupational health and safety, collective bargaining and social dialogue. It also included joint activities between workers' and employers' organizations (https://projects.ituc-csi.org). In 2018 LO Norway also completed a 4-year project focusing on training trade unionists in the construction sector in collective bargaining, and the 3-year project "Decent Work for Women Workers." The latter project aimed to strengthen CETU's capacity to implement gender policies and promote decent work for women through collective bargaining, occupational health and safety, social protection, and protection from harassment and sexual abuse (https://projects.ituc-csi.org). The Solidarity Center – which was formed by merging AALC with other AFL-CIO-affiliated organizations – has taken up were the AALC left off with regards to Ethiopia. It continues to support CETU, particularly in the latter's drive to organize larger parts of the workforce, with a sectoral focus on the construction, agriculture and textiles subsectors (https://www.solidaritycenter.org). The membership and organization drive is also supported, at different levels, by the ITUC, IndustriALL, ILO's country office, and LO Norway (CETU, interview; IFTLGWTU, interview).

Ethiopian employers' organizations are also involved in capacity building measures with international partners. The Confederation of Norwegian Enterprises, for example, is working with the EEF seeking, among other things, to enhance the latter's ability to provide its members with services relating to social dialogue and collective bar-

15. The Intergovernmental Authority on Development, a regional cooperation organisation.

gaining (nho.no). The Ethiopian Chamber of Commerce and Addis Ababa Chamber of Commerce, meanwhile, have been partnering with Sida, the International Finance Corporation, the UNDP, the Confederation of Danish Industry, and the government of the Netherlands for different capacity-enhancing projects (ethiopianchamber.com; addischamber.com). In the textile subsector, the Solidaridad Network, which recently established a country office in Addis Ababa, is working with ETIDI and ETGAMA under its Better Mill Initiative, which seeks "to support local [textile] factories in cleaner production and improved labor conditions" (https://www.solidaridadnetwork.org).

Bringing together the Ethiopian tripartite constituents, the ILO have led several projects which draw on the support and services of donor agencies, multinational corporations, and INGOs. Between 2015 and 2016 the ILO thus led the project "Building Sound Industrial Relations for Sustainable Development and Competitiveness," in collaboration with CETU, EEF and MoLSA. The project, which had a total budget of 800 000 USD, sought to boost the capability of the social partners to engage in social dialogue, to establish tripartite forums on regional levels (a feat it could not achieve due to legal unclarity), to improve implementation of international labor standards, to organize workers and employers within the EEF and CETU, and to enhance the capacity of both institution (ILO 2017b).

In 2015, the ILO also launched the 3-year project "Improving industrial relations for decent work and sustainable development of textile and garment industry in Ethiopia," with a budget of 3.1 million USD. The textile subsector was chosen since, on the one hand, it "is generating a new dynamism in the development of the manufacturing sector attracting foreign direct investment and creating jobs [and] is expected to pave the way for the country's industrialization." But, on the other, it was recognized that "it faces challenges related to industrial relations, working conditions [and] productivity" (ILO 2017a). The project was designed "in close consultation" with the tripartite constituents and stakeholders including MoLSA, CETU, IFTLGWTU, ETGAMA, and EEF. Its starting point was the argument that a multipronged strategy – of assisting the government, social partners and stakeholders of the industry at national, regional and enterprise levels – would help to create a virtuous cycle of improvements in wages, working conditions, and respect for workers' rights on the one hand, and a standardization of best practices across the industry leading to more productive and competitive enterprises on the other (ILO 2015). At the national level, the project sought to facilitate better social dialogue; at the regional and sectoral level, it sought to strengthen the capacities of the labor administration, and employers' and workers' organizations; and at the enterprise level it sought to build capacity through training for workers, workers' representatives and management. Key findings of the project included the need "to enhance capacities of regulatory bodies to better enforce labor laws and upgrading and reorganization of the Government institutions (MoLSA, BoLSA) to meet the contemporary demand of the industry," to reform the labor inspection service and

16. BetterWork has a role in the core aspects of the project; Vision Zero works towards enhanced occupational safety and health and will cooperate with Ethiopian stakeholders to assure that workers are covered by prevention, protection and compensation systems; SCORE will train management with the goal of improving productivity and working conditions; while LABADMIN will work towards building the capacity of the labor inspection.

the labor disputes machinery, and to improve the production of reliable statistical data of labor administration to enable better enforcement (ILO 2017a). Moreover, the project evaluation confirmed that despite the project's efforts to strengthen the tripartite institutions on all levels, problems such as staff turnover and staff shortage – both somewhat related to low wages, financial constraints, and work overload had weakened them (ILO 2017a). At the time of the mid-term evaluation it was yet too early to tell if the one-stop industrial relations service center it aimed to institute at MoLSA would be successful, and due to changes in MoLSA's leadership, the multi-stakeholder dialogue forum it aimed to institute had not yet been launched (ILOA 2017a).

The most ambitious ILO-led project yet was launched in April 2019, with a budget of 5 million USD. The "Advancing Decent Work and inclusive industrialization in Ethiopia" program brings together ILO components Better Work, Vision Zero Fund, SCORE and LABADMIN[16] to promote decent work and inclusive industrialization with a particular focus on the textile and apparel subsector. Again finding the subsector key to Ethiopia's developmental efforts, although plagued by "poor working conditions resulting in low productivity, high turnover and absentee[ism,] as well as weak regulatory institutions, coupled with the limited capacity of the workers' and employers' organizations [which] creates a poorly functioning labor market and uncompetitive businesses," the intervention seeks to generate "improved respect for workers' rights leading to greater incomes and compensation, and enhanced safety, equality, and representation [lifting] industrial productivity and competitiveness" (ILO 2019). Building on the achievements of the prior project, the project aims to facilitate social dialogue, to support the tripartite constituents in their work to establish a minimum wage, and to enhance MoLSA and BoLSAs' regulatory capacity and capacity to prevent and resolve labor disputes. Ways it will be seeking to do so include strengthening the capacity of the labor inspection, establishing a compliance system, and institute a workplace injury prevention, protection and compensation system. Additionally, and like the preceding project, it will also operate at a factory level in selected enterprises in order to improve working conditions, productivity, and industrial relations (ILO 2019).

Better Work, which is a global ILO program to improve working conditions and competitiveness in the textile industry, has recently begun operating in Ethiopia. Its core objectives in the country correspond to those of the project mentioned above, and most of its activities therefore appear to take place within the project. However, in addition to the project interventions, Better Work offer services to registered enterprises under the Factory Service Model. Under this model, Better Work undertakes advisory factory visits, design specialized coaching programs and establish means of improvements in response to the needs identified, and organize industry seminars for enterprises to learn from peers. Finally, Better Work conducts assessments of progress in meeting international labor standards and national labor laws, and identify areas for further improvement. Better Work cooperates with the government, trade unions, and employers, and partner with brands sourcing from the Ethiopian market such as PVH, H&M and The Children's Place. Its interventions in Ethiopia are funded by several European governments and development cooperation agencies. In addition to two managers, it has a staff of 6 officers (Better Work.org).

4. Union-state-employers interaction

Representatives of all tripartite constituents affirm that, generally speaking, cordial relations prevail between them on higher levels. Particularly between CETU and EEF/EIEC, there appears to be a genuine willingness to work together to resolve problems before they escalate and to defuse conflicts.

However, this does not always translate to a mutual understanding on an enterprise level – particularly in new enterprises – where EEF/EIEC officials concede that relations can become 'bitter' until such a time that more senior representatives become involved (EEF, interview). One example given by representatives of the EEF/EIEC, was the case of a dispute between Ethiopian Airlines' Pilots' Association and Ethiopian Airlines' management in July 2019. While the management and the Pilots' Association had failed to come to an agreement, the Minister of Labor and Social Affairs intervened, escalating the dispute to a level that appeared unnecessary. But as the leadership of EEF/EIEC and CETU were called upon, they pleaded to the government that this was a bipartite affair and for them to resolve, and consequently began working on defusing the situation and bring about a resolution.

So while an overall willingness to find amicable solutions does not always generate untroubled relations on the local level, neither does it always result in cordiality when the stakes are high. A good example of this is the negotiations on the amended labor law that was recently concluded.[17] And while the labor administration – particularly when it comes to its role in conciliation – is generally quite appreciated, it is not considered a neutral arbitrator by representatives of the workers, or surprisingly enough, of the employers. With regards to the labor law, CETU negotiators were convinced that the government was fully on the side of the employers and acted in somewhat bad faith (CETU, interview). But there are other indications of a latent bias in favor of employers.

The example of how a uniform – very low – wage structure was set in the Hawassa Industrial Park (HIP) illustrates this latent bias. In HIP, employers have formed a de-facto wage cartel, were uniform wages are paid to all workers in the park, irrespective of enterprise. The wage has been set at around $26 USD, and it is reinforced by a refusal to allow workers to unionize or allow workers' organizations to enter the park.[18] Apparently, however, the government had a key role in establishing such poverty wages – which "do not cover the workers' basic needs" – assuring "Asian suppliers and Western buyers [considering entering the market] that Ethiopian sewing machine operators would contentedly accept extremely low base pay," and fixing this at the prevalent rate of roughly $26 USD/month (Barrett & Baumann-Pauly 2019). This intervention of the government led two researchers to conclude that "the government's eagerness to attract foreign investment led it to promote the lowest base wage in any garment-producing country," and thus set the stage for the unrest that duly followed (Barrett & Baumann-Pauly 2019).

17. The details of which are found below.
18. More on the latter below.

The fact that the state does not enforce the right of workers to unionize to escape the ungenerous wage structure unilaterally imposed by the employers only reinforces the impression that the government is not treating workers and employers even-handedly. In fact, responding to a strike that broke out in the park, employers' representatives explain it in terms of the government's biased role having emboldened investors active in the park and encouraged them to violate labor rights:

> *The government has been attracting FDI advertising "cheap labor". They also tell investors that they guarantee against labor problems. So newcomers with direct access to EIC etc. refuse unionization, and the government turns a blind eye. But whenever there is problem, it is CETU, usually, that go to solve it.*

Confirming suspicions of bias, a senior MoLSA official expressed such latent bias, if not hostility, when discussing the state of freedom of association in Ethiopia. "The key obstacle [to freedom of association] is not employers but the workers themselves," he stated, "they are engaged in socialist perspectives – they believe in public enterprises, not private, not market, but communality."

In the past few months however, there appears to have been somewhat a change in the tone of the government towards workers. One example of this is the expressed willingness of the new EIC commissioner to let unions into the industrial parks (CETU, interview). Another example is the Minister of Labor and Social Affairs' statement, in July 2019, that "we support living wages, not low wages. We are not for cheap labor" (industriall-union.org) – a statement which runs against all previous policy. However, whether this constitutes mere rhetoric from a relatively unstable government attempting to shore up its position and reduce acute levels of industrial unrest in the short-term, or whether it reflects a genuine policy change remains to be seen. Regardless, it is rhetorically far removed from the former Prime Minister Hailemariam Dessalegns' habit of discussing labor policy in terms of low wages and "sacrifices" (Jobson and Norbrook 2014; Mills 2016).

To some extent, the new rhetoric, and the novel willingness of the government to come to an understanding with organized labor may reflect a genuine change of hearts. But it may also reflect a substantial shift in the balance of forces that has manifested itself in protracted unrest, and in CETU's ability to effectively veto a draft labor law. In this respect, one question – drawing on the history of industrial relations in Ethiopia – that justifiably ought to be considered is whether, unlike all previous governments, the current government, once stabilized, would be able to resist the temptation to eventually rein in the trade union movement's autonomy. The question is warranted both in light of how previous governments have acted towards the trade union movement, and in light of the undeniable success CETU has had when pressuring the government in the last couple of years – appearing perhaps as a thorn in the side of the latter. However, for the time being at least it appears that the newfound level relative autonomy of the movement will be retained at least in the medium term. The fact that most senior members of executive committee of CETU were re-elected at the October 2019 Congress is a strong indication of this.

4.1 Freedom of Association

Infringements in the freedom of association of workers is a widespread problem in Ethiopia, particularly in the textile industry which has seen a lot of workplaces develop within the shielding walls of industrial parks. Attempting to organize in Hawassa, for example, the IFTLGWTU has been said to have "hit a brick wall" (Chiwota 2019), with unions "de-facto banned" from both HIP and the Eastern Industrial Zone park in Dukem (Schaefer and Oya 2019). According to the laws of the country, there ought not to be any problem, IFTLGWTU officials state, "but on the ground, there are lot of challenges, with the employers. Especially foreign companies forbid workers from organizing [and have] totally closed the parks" (IFTLGWTU, interview). This is something that is confirmed by an EFF official, who state that "some foreign investors abuse the [rights of workers], but we are not with them. EEF's position is that employees' rights should be respected" (EEF, interview).

The problem experienced in the parks does not only result from the employers' negative attitude towards unions, but also the governments' reluctance to enforce workers' rights, and, worse still, the EIC's refusal to permit CETU and IFTLGWTU representatives and organizers even the right to enter the parks (CETU, interview; IFTLGWTU, interview). The difficulties workers face in organizing are described in the following terms by a CETU official:

> *The problem is practice. Mostly it is the resistance of employers. Mostly this is in multinational companies – famous ones too. Next to multinational companies, the big local owned construction companies, hotel sector companies, and chemical and plastic manufacturing companies. The textile sector is [also] difficult.*
>
> *All the Chinese owned companies are difficult. Not one Chinese company permitted the establishment of a union. All industrial parks are unorganized, although owners of textile companies in the industrial parks are from all over the world, China, Europa, America. The textile companies outside the industrial parks are organized. Most of them.*
>
> *This is the first problem – the resistance of employers.*
>
> *The second problem is, after organizing, the hidden hand of the employers. After a union is established, they start harassing the union leaders. They fire them or transfer them. Regardless of the inclinations and actions of the union leaders.*
>
> *The third problem is enforcement. Here is the government's, MoLSA's [responsibility]. The government does not take any measure.* (CETU, interview)

Because of a possible change in government attitude, however, there may be a solution around the corner. In light of repeated labor unrest in the parks, and the conclusion drawn that the lack of unions have not only generated grievances that fuel the strikes, but furthermore made it impossible to engage in dialogue with the workers on how to resolve it, the government appears to be taking the issue more seriously. The EIC have been discussing the issue of access to the park with CETU lately, and have communicated that they will allow workers to organize in the parks. MoLSA has taken the responsibility to arrange a key stakeholders' meeting to build consensus and communicated that freedom of association has to be respected. But little has changed on the ground, and employers in the parks, while principally accepting this right, has demanded more time. In Hawassa, meanwhile, the political turmoil is being upheld as a reason for delaying the formation of unions in the park (IFTLGWTU, interview) – and in 2020 the COVID-19 epidemic temporarily froze the process. So far, no unions have been formed, and workers' representatives have not excluded the possibility that firmer action on their part may be needed to realize the right of workers to organize in the parks (CETU, interview; IFTLGWTU, interview). The IFTLGWTU president has vowed that "we will not be deterred by hostile employers and state institutions that deny us access to factories and industrial parks" (Chiwota, 2019), and another IFTLGWTU official has expressed the same commitment, stating that the "IFTLGWTU will continue persuading its international partners as well as the global brands to pressurize the Government to help form trade unions" (Apparel Resources News Desk, 2019).

Restrictions in the freedom of association of workers, however, does not only occur in the parks. "Some enterprises consider the formation of trade union as a threat hence they use different means to restrict workers from unionizing," an ILO report states. There is a perceived "strong resistance of private employers, including those in textile and garment sector, against unionization and collective bargaining" (ILO 2015). But generally, things are at least relatively better outside the parks. In public enterprises, unions are uniformly permitted (IFTLGWTU, interview). Most Ethiopia-owned enterprises also tolerate them. But there are legal obstacles to large parts of the Ethiopian workforce to organize, as they fall outside the labor law. This is something that has been pointed out by the ILO repeatedly over the past decades, but for which no solution has been found. Categories of workers which do not fall under the labor law, and thus are barred from organizing, include civil servants, teachers, law enforcement officers and domestic workers (FDRE 2019).

4.2 Social dialogue and collective bargaining

Representatives of all tripartite constituents, and independent observers, express the view that the state of social dialogue in the country is wanting and not very well developed (CETU, interview; EEF, interview; IFTLGWTU, interview, MoLSA, interview). The ILO too confirms that "while the value of social dialogue is recognized by all tripartite partners, institutional framework and organizational capacity for effective social dialogue is seriously underdeveloped" (ILO 2015).

Generally speaking, it has been claimed that "partners [have] low capacity to engage in social dialogue" (ILO 2017b). Capacity problems include "low level of education among many union leaders, widespread lack of awareness about labor legislation at the basic union level, and lack of interest among some employers to engage in social dialogue" (ILO 2017b). Another problem, hampering the quality of social dialogue, is what EEF officials describe as the low level of both unionization and association, which constitutes a problem for both sides. In this regard, they view it as incumbent on both CETU and the employers' federation to shoulder a big task in both expanding the number of workers and employers organized in the respective organizations, and to enhance the understanding of both workers and employers at the enterprise level of the function of social dialogue (EEF, interview).

According to a senior MoLSA official, "the culture of social dialogue in labor is very poor – because it is not knowledge based." But moreover, he argues, "most workplaces are not conducive for unions, and they create hostile environment for unions. Unions also create hostile environments for employers. So generally the relations and environment is poor. Trust is not built, no give and take. The dialoguing parties are not strong" (MoLSA interview). MoLSA has studied and done surveys to look into how to improve the situation. The surveys showed that the gap in awareness is high. Moreover, a MoLSA officials states, there is "no inclusiveness in the workplace to make a conducive environment for unions, and the unions are not showing that their presence is not only for requesting certain things but also mobilizing" (MoLSA, interview).

However, the quality of social dialogue varies between different levels. On a workplace level, the lack of trade unions in many enterprises, itself a reflection of transgression on workers freedom of association, renders genuine social dialogue impossible in the first place (ILO 2015). As a result, a recent study found "very low rates of collective bargaining between workers and management" to prevail (Schaefer and Oya 2019). However, where there are unions, there is generally also collective bargaining and agreements. In the textile and apparel sector "90 percent of organized workers have collective agreements – unless the union is very new," according to IFTLGWTU's president, and the situation appears to be replicated in other sectors (IFTLGWTU, interview; MoLSA interview; CETU, interview). In the few cases were employers refuse to engage in collective bargaining with an existent union, the federation, the CETU branch office or CETU's central staff contact them, or, CETU officials state "we go through the [EIEC/EEF], which are helpful, [or] we can also get help from BoLSA." "As a federation, as much as possible, we want unions to solve problems at the factory level," the IFTLGWTU President states (IFTLGWTU, interview).

The content of resultant collective agreements vary, but in the textile industry, they generally improve on the minimum legal conditions (IFTLGWTU, interview). CETU officials confirm this to be the case across the labor market, stating that most collective agreements are better than minimum standards, with, for example, higher number of leave days or including incentive mechanisms such as bonuses. "Some of the CBAs are more or less minimum," however, "but include the engagement of the union and promotion procedures etc.," they state (CETU, interview). A MoLSA official expresses more skepticism, stating that "in my observation only a few [collective agreements] have these aspects [of improving on minimum standards]" (MoLSA, interview).

Enterprises with generous collective agreement include the bottling company BGI, which runs a HIV initiative and has an employee income augmentation scheme, as well as Almeda textile, which, like a number of other companies, has day care services (EEF, interview). Kombolcha Textile Factory and Bahir Dar Textile Factory are upheld by the IFTLGWTU as enterprises with very good agreements, including beneficial annual salary increments, day care and longer maternity leave etc. Kombolcha textiles is a public enterprise, while Bahir Dar textile factory was recently purchased from the state by a ruling party endowment found – ***Tiret***. These factories, moreover, pay relatively better wages and enjoy sound industrial relations. They are considered "model factories" by IFTLGWTU officials (IFTLGWTU, interview).

On a regional level, no systematic social dialogue takes place. ILO (2017b) states that "even though there were initiatives to form tripartite industrial relations bodies at the regional as well as [district]-levels, the lack of legislation governing the initiative has caused the initiative to cease." It was, however, "found out that dispute resolution committees … exist at the [district] level." Only two labor relations boards existed in the vast regional state of Oromia in 2015, which an ILO project added four new ones to (ILO 2017b).

EEF officials, however, state that social dialogue does take place on sectoral levels, as federations of workers and of employers occasionally come together (EEF, interview). But this appears to be the case consistently only in the hotels and tourism subsector (MoLSA, interview). It is not, to be sure, the case in the textile and apparel subsector, where IFTLGWTU representatives state that although the federation hopes that minimum wages will be set at the sectoral level, there is not yet any sectoral social dialogue (IFTLGWTU, interview). This may soon change, as the new labor law is said to include provisions for decentralized social dialogue, expected to commence after the law is published and gains legal force (CETU, interview). When comparing the text of the new law with the previous, however, it is not clear in which way the new law removes any perceived legal barrier to decentralized social dialogue (FDRE 2019).[19]

At the national level, institutions for social dialogue exist, and sustained engagement takes place both inside and outside such institutions. The tripartite Labor Advisory Board is chaired by the Minister of Labor and Social Affairs, and exist as an advisory institution at the federal level. It has 15 delegates: 5 from CETU; 5 from the employers' associations[20]; and 5 from different ministries.[21] The issues that are discussed are various[22] and an agenda item can be proposed by any stakeholder. Discussions are described as "tough" (CETU, interview), and although the board only issues recommendations, such recommendations are almost always accepted by MoLSA (CETU, interview). However, as the board can only advise the Minister of Labor and Social Affairs, rather than the government as a whole, the agenda is inherently limited to the ministry's area of competence. To broaden its possible agenda and enhance its relevance CETU has proposed that it should be advisory to the government as such, not the Minister of Labor and Social Affairs alone (CETU, interview).

The quality of the social dialogue can be questioned, both in terms of the technical capacity of the partners, and in terms of the content. It has been stated that there is no national social dialogue "on [the] broader social and economic agenda" (ILO 2015),

19. The new law does include the possibility of the establishment of a Labor Relations Board in each regional state, and of appointing conciliators on regional and district level, but this does not appear to be significantly different from the stipulations of the previous one. Moreover, the law gives a broad mandate to the social partners to engage in social dialogue, but mentions only one permanent advisory board.
20. In the past, all five were from the EEF, but the delegates are now divided between the two confederations.
21. Generally, state ministers from the Ministry of Justice, MoI, and MoLSA participate.
22. Including, according to a CETU official, revision of laws, implementation issues, revisions of guidelines, and occupational safety and health issues (CETU, interview).

and this appears to remain the case, as the workers' and employers' organization are only called upon when affairs directly affecting them as institutions are discussed. A telling example is the large-scale privatization agenda of the current Ethiopian government, which was only recently revealed, and on which no consultation has taken place with social partners. It was a similar campaign of privatizations in the early 1990s, and a parallel refusal on part of the government to discuss the issue with social partners, that led to the breakdown of relations between the government and the trade union confederation and eventually the repression of the erstwhile leadership of the latter.

4.3 Industrial conflict

"Strike action," Schaefer and Oya (2019) state "is widespread in Ethiopia and near-universal among the firms we sampled," with "workers in all but two companies in our sample [reporting] strike action having taken place during their tenure." This level of industrial unrest is both novel and acute. The industrial scene was considerably more tranquil only a few years ago. Unrest is probably most pronounced in the textile and apparel subsector, where two industrial parks which exclusively contain textile industries – HIP and Bole Lemi – have seen the most substantial strings of strikes, either in terms of sustainment or in terms of coordination, or both (Admasie 2018a; Barrett & Baumann-Pauly 2019). There appears to be several factors behind the upswing in industrial conflict. Most of the strikes are wildcats. But some formal ones have occurred as well, particularly in the construction sector (CETU, interview). "We don't go to strike when negotiating a collective agreement," a CETU official stated, "we don't go to strike when organizing, that's the culture in Ethiopia. We go to strike only when our interests are abused. For example after a CBA is signed, when salary increment is too low, or safety materials are not supplied. In that case, we plan a strategic strike. Sometimes we give a notice, sometimes not," he stated (CETU, interview).

In Schafer and Oya's (2019) study on construction and textiles subsectors a number of patterns and variations among strikers were found. The first thing that was noted was that "strikes were almost universally about wages levels," but in foreign-owned companies, workers were also noted to strike because of "other disagreements with management, such as disputes around overtime, fringe benefits, the quality of canteen food, communication styles, and respect for national holidays." The second important feature noted was that workers at Ethiopian-owned companies were considerably less likely to have witnessed a strike than those at foreign-owned ones, and this can hardly be attributed to a more lenient attitude towards industrial action in non-Ethiopian owned enterprises. In fact, judging by the relatively lesser tolerance towards unions in foreign-owned companies, the opposite is likely. Third, strikes were found almost twice as likely to occur in industrial parks, "where companies were universally non-Ethiopian," and where, as has been noted, unionization was not permitted. Moreover, it was found that the absence of collective bargaining, which follows from the absence of unions, "increases the likelihood of labor conflict," and conversely that "union presence appears to lower the prevalence rates of strikes." These last points led the authors of the study to conclude that "an improvement in labor relations and reduction in labor conflict may need concerted action towards normalizing the freedom of association and the presence of trade unions at the workplace." Because, they stated, "while managers often regard the presence of unions as risking of further workers' disruption, evidence suggests tensions and negotiations may be eased by effective and experienced union representation at firm level and by a better functioning tripartite system at national and sector level" (Schaefer and Oya 2019).

Schaefer and Oya are not alone in having noted how the denial of freedom of association is generating industrial conflict in Ethiopia, both because unorganized workers are more likely to strike – partly due to their desire to be allowed to form unions – but also because no organized part can be called upon to represent workers in negotiations and defuse tensions. After a strike in Hawassa in March 2019, IFTLGWTU claimed that "the strike was a result of trade unions being denied permission to assemble and organize in the park," and a federation official stated that "it was not surprising to see the workers go on strike, as in the absence of unions concerns like low salary and poor working environment were rampant" (Apparel Resources News Desk, 2019). Similarly, when a coordinated wildcat strike broke out across the Bole Lemi industrial park in Addis Ababa in 2018, shutting the park down, the President of IFTLGWTU attributed it to the lack of freedom of association: "the issue in Bole Lemi is that workers were not organized. If they were, workers [would] not strike," he stated. (IFTLGWTU, interview). In the Ayka Addis textile factory, furthermore, the ILO (2017a) noted that "there used to be frequent strikes" before a union was permitted, "but because of bipartite discussion," ILO was informed, "that resulted from the training and the formation of the union, there is no strike these days."

But, as noted above, insufficient wages is clearly another issue that generates tension and industrial conflict, as are poor conditions, and the strikes have a record of actual impact on wages (Admasie 2018a). In HIP, striking workers communicated that their absence from work "should be regarded as a strike over low wages and other grievances" (Barrett & Baumann-Pauly 2019), and in the wake of the above-mentioned strike wave in Bole Lemi, wages grew by an average of 40 percent (Schaefer and Oya 2019). MoLSA officials, however, would not be drawn on the reasons for growing industrial volatility, stating merely that "the situation needs research – there are ups and downs in industrial relations [in Ethiopia], because it is not based on knowledge" (MoLSA, interview).

4.4 The emerging labor law: an illustration of interaction

The process of drafting and deciding on the recently passed labor law provides a revealing illustration of the dynamics of the interaction between the tripartite constituents, and the shift in the balance of power which has occurred over the past few years. With regards to the latter point, it needs to be noted that it is only a few years since the government would respond to complaints on infringements on rights from labor leaders with reproach and ridicule[23], and trade union opposition has never before – although not for lack of trying – been successful in having an Ethiopian government

23. See, for example, Tamrat (2014).

significantly amend any proposed labor law or major policy. The following narrative, which is largely corroborated by other participants in the process and articles in the media, is provided by a senior CETU official.

> *Law revision discussions started in 2011 (on the governments' initiative to better productivity and working conditions – but more to attract new investments). A draft bill was presented by MoLSA. It was discussed in the Labor Advisory Board for 5 years. CETU was not happy with the bill. CETU did not see the need to revise the existing [labor law].*
>
> *A draft that was [eventually] agreed upon in the Labor Advisory Board and was sent to the Cabinet of Ministers in 2015, but in 2016 the Cabinet rejected the bill. They said it was not investment-friendly enough.*
>
> *A new bill was drafted. It was anti-union and anti-workers. There was no further input from the Labor Advisory Board. The committee that drafted [the amended bill] was from EIC and MoI. They said it was influenced by East Asia, but only the clauses that were favorable to employers were added. Some parts from the 2015 draft were included, but 25 articles were changed.*
>
> *When we saw the new draft, we sent our comments (CETU's – which referred to regional standards, international conventions in 42 articles, including 18 new) on the draft. The first point [we raised] was, in general, it is [not in accordance with] the tripartite principle. We agreed in the Labor Advisory Board, but the new draft has been produced outside of [the tripartite] process. The government said the first draft did not incorporate employers' interest, but the employers are part of the Labor Advisory Board and had agreed on the first draft. Second, it's anti-union.*
>
> *After that we discussed for almost two years in the Labor Advisory Board. In that discussion, we arrived at a conclusion, but CETU reserved itself against 42 articles. The Labor Advisory Board's conclusion and CETU's reservation was sent to the cabinet.*
>
> *At this time, the Executive Committee of CETU decided that we needed another strategy, because dialogue was not going any further. First, we discussed it in the Executive Committee, federations and branch offices. We set a strategy that was to go to discuss with all members across the country. 13 seminars in all regions were held. All basic unions were invited. All adopted our reservations – not to accept [the new draft]. After adoption, the members gave us a recommendation – [to] go to the [General] council [of CETU] and based on the council decision [to] go all the way to [arrange a strike] strike and a national demonstration. Members were promising to give any kind of support.*
>
> *The council decided to write a final warning to the government, requesting it to reconsider CETU's comments. If not, we will first [arrange a] demonstration, then a national strike. This was the second letter [we sent]. The first one was when the Labor Advisory Board's conclusion was sent, without a threat, [but it received] no response. This time, there was a response. The Prime Minister established*

an ad-hoc committee of 3 ministers to lead discussions with CETU's Executive Committee, the Executive Committee of EEF, and MoLSA. This ad-hoc committee referred the draft back to the Labor Advisory Board after MoLSA accepted it needed changes.

In the Labor Advisory Board, after ups and downs, give and take, we arrived at a conclusion, with only one article reservation: [the issue of] freedom of association for civil servant, which is still not given. This draft was accepted by the Cabinet of Ministers in June 2019.

Although not [included] in the final Labor Advisory Board draft, CETU managed to get its second reservation – the equality of maternity leave of civil servants and other employees – added in the House of Peoples' Representatives, after CETU's campaign in the public hearing. [Maternity leave] was expanded from 90 consecutive days to 120 consecutive days.

The biggest achievement of CETU was establishing a minimum wage board and a minimum wage. The wage board will include representatives of the government, employers, and CETU. The Wage board will give consultation, the cabinet will decide. (CETU, interview)

EEF officials corroborate this description stating that that they have been through "hell and heaven" in the negotiations, which were sometimes characterized by severe bitterness – particularly around the time CETU threatened strikes. But by mutual concessions they arrived at a final draft which everyone purportedly were "fairly satisfied" with (EEF, interview). MoLSA officials agree that "generally the law is an improvement, for both workers and employers" (MoLSA, interview)

But what were the changes proposed to the original bill and what were the changes concluded? The draft bill which was recrafted outside of the tripartite process and which was tabled to the Council of Ministers in 2017 despite CETU's protests contained stipulations which seriously degraded workers' rights, but it contained no significant improvements. The most serious reductions of labor rights included the extension of the probationary period from 45 to 90 days and the reduction of the maximum annual leave period. But job security was also eroded as the draft bill included stipulations that workers who were absent from work without permission for a single day could legally be terminated without notice nor severance pay. The same applied to workers who reported late for work for two consecutive days or for eight days in a twelve-month period.

By contrast, the final law removed the cap on leave days while actually increasing the base number by two, and set the probationary period to 60 days. Moreover, it extended the number of days that was required for absence to be considered grounds for dismissal to five, and it made it significantly more difficult to terminate workers for lateness.[24] Even more surprisingly, perhaps, the new draft contained new stipulations for

24. The stipulation allowing for dismissal after two consecutive days of lateness was removed; eight cases of lateness was made to be considered ground of dismissal only if it took place in a six-month period rather twelve; and a warning would have to be issued in writing before such measures would be permitted. These figures pertain to the October 24, 2020 update of data presented by Our World in Data, <https://ourworldindata.org/coronavirus>.

which CETU alone among the tripartite constituents had been advocating. As noted, these included the formation of minimum wage board, and, post-revised, an extension of the maternal leave period. The bottom line of the new bill was thus transformed from one which seriously degraded labor rights, to one in which gains and losses are distributed more evenly between social partners, but hands CETU a significantly greater institutional leverage than has been the case in the past.

5. Conclusions: Rigidities, fluidities and dynamics in Ethiopian industrial and labor relations

Ethiopia's economy is based on a low-wage, export-oriented model, and it has roots in the subjugation of trade unions that followed the 1974 revolution, and was repeated in the 1990s. Some aspects of this situation are now entrenched, and as the model constitutes the basis of Ethiopia's current, urgent, drive to industrialize, they are unlikely to change in the medium-term. But the current level of wages in the manufacturing sector have dropped to a level where they no longer can be considered sustainable, and an outburst of industrial unrest appears to confirm this.

Trade unions have for decades been co-opted, controlled, and operating in a hostile environment, wherein they have only been able to represent the interest of workers to a limited extent. There have been great asymmetries in the balance of power between workers and employers, which have been underpinned by the role of the state. Freedom of association of workers has been, and is being, flouted, with state bias in favor of particularly FDI employers quite apparent. But the balance of forces has begun to shift, with growing workers' assertiveness apparent in the actions of unorganized workers, basic unions, as well as federations and confederation.

This shift, unless aborted, means that earnest social dialogue – not just formal – is becoming increasingly important to solve emerging tensions. The wage board to be set up, and issues surrounding it, is likely to become a focal arena and forum for this. A recent study "concluded that a garment worker needs at least 4,130 Birr (US$146) per month to survive" (Chiwota 2019). However, that is roughly 5 times the incoming salary of most workers in the subsector. Squaring that equation is going to be a tall order under any circumstances.

The tripartite constituents in Ethiopia lack in capacity. This is most strongly pronounced with regards to the employers' organization, which lack funds, technical capacity and staff, as well as unity. But the government's labor administration and the workers' organizations have shortcomings too, most glaringly in the lack of capacity in producing in-house high quality research, but also in the staffing of its regional branches and in the labor inspection. Moreover, Ethiopia lacks a tradition of social dialogue. More often than not, whatever party has dominated within a given level, has sought to push its advantage rather than seek an amicable resolution.

Despite this, there appears to be a genuine will among the tripartite constituents to resolve differences in a way that safeguards industrial peace. The developmental agenda of the government is taken seriously by all actors, as is the need to boost productivity. At least in the rhetoric of government and employers' organization officials, there is an increasing recognition that workers interests must also be taken seriously and the illegal ban on unions in the industrial park may be coming to an end. That provides somewhat of a useful ground for higher-quality social dialogue. But for this to happen, the tripartite constituents' capacities to engage in high-quality social dialogue would require strengthening, and the political will of, particularly, the government to engage with the partners in an even-handed manner would need to be demonstrated more firmly, in a sustained manner.

There is a resurgent interest from international partners, organizations and multi-national corporations in the Ethiopian industrial scene. There is also a pronounced willingness among the tripartite constituents to enhance the quality of social dialogue and work together towards harmonious industrial relations. But there is, meanwhile, a great urgency in the manner in which Ethiopia is pursuing structural transformation, and a determination to build on what is perceived to be the comparative advantage residing in low labor costs. Meanwhile, there is a growing restlessness within the workforce with wages and conditions so poor as to render workers unable to meet the costs of a reasonable standard of living. Such restlessness takes its expression in an increasingly volatile industrial scene, marked by frequent strikes, as well as high turnover rates hurting productivity. Ethiopia is only in the initial stages of its planned drive towards structural transformation, and sustained industrial unrest on an increasing scale could threaten to derail this drive. But if living wages and decent working conditions are not forthcoming, the benefits of such transformation can justifiably be questioned in the first place. The situation requires high quality engagement and a great deal of political will from all tripartite constituents to defuse conflicts and channel oppositions into constructive engagement. Despite an alignment of interest, on the one hand, in expanding employment and productivity, these forces are also, after all, pressing in somewhat opposite directions. In that opposition – coupled with the perceived urgency of achieving structural transformation – lies the danger that temptation to re-curtail the autonomy of the trade union movement, as the state did in 1964, 1975 and again in 1994, will eventuality grow too strong to resist. In that respect, Ethiopian labor history has tended to repeat itself. But the social and economic costs associated with such a turn of events would, this time, likely be exceptionally high. For that reason, the current willingness of the tripartite institutions to engage in higher quality social dialogue and to resolve industrial problems amicably appears to constitute a significant opportunity.

6. Addendum: Covid-19, Work and Social Dialogue in Ethiopia

6.1 General and workplace effects of the pandemic and measures to contain it

The COVID-19 pandemic has deeply affected many aspects of Ethiopian social and economic life, although the spread of the virus in the country still appears to be relatively contained. Ethiopia recorded a first confirmed case of COVID-19 in mid-March 2020, and until late October 2020, 92,000 cases had been confirmed, resulting in 1,400 fatalities. These numbers amount to a case rate of 800 per million inhabitants and a fatality rate of 12 per million, and are thus significantly lower than the global average of 5,400 per million and 147 per million respectively.[25] Partly, this may be explained by an early and robust response from authorities in initial phases. The measures taken included, merely three days after the reporting of the first case, the closure of schools and bars; ban on public gatherings; encouragement of social distancing; and restriction of entry into the country as well as some inter-regional transportation within the country. They were reinforced by additional measures with the declaration of a State of Emergency in early April (Hirvonen 2020). But even if Ethiopia has been relatively successful in containing the spread of the virus so far, the economic effects are likely to be serious. It has been estimated that that the effects of the pandemic are likely to take between 5.6 and 16.7 percent off the country's GDP; that 2.5 million employment opportunities are at risk, and that the income loss of workers and self-employed is likely to be very significant – disproportionally affecting women, youth and vulnerable communities, and being aggravated by a "chronic lack of safety nets and adequate comprehensive social protection measures as adaptation strategies" (Measho 2020).

Although no lock-down has been imposed in Ethiopia, the government's response has included the adoption of WHO-recommended protocols, the construction and expansion of care facilities, postponement of elections, imposition of a state of emergency, and the establishment of a workplace response protocol. The COVID-19 Workplace Response Protocol, which was negotiated with CETU and employers' associations, was issued by the Ministry of Labor and Social Affairs on March 18 (MoLSA 2020). It calls upon employers to provide sanitary materials, PPE, information and training; ensure social distancing; set up COVID-19 follow-up, control and reporting systems in consultation with trade unions; and establish joint workplace taskforces with representatives of labor. The joint management-labor taskforces, which are headed by enterprises' chief executives, are tasked with monitoring conditions, organizing and following up mitigation efforts; ensuring that infected workers are isolated and cared for; and

25. These figures pertain to the October 24, 2020 update of data presented by Our World in Data, https://ourworldindata.org/coronavirus

contact tracing. Moreover, the protocol establishes a consecutive series of "step-by-step" administrative and legal measures, which are made permissible for enterprises negatively affected by the spread of COVID-19. They include, in ascending order:

- Suspension of negotiation of collective bargaining agreements.
- Freezing of wages for a 12-month period.
- Suspension of payment of bonuses, benefits and allowances.
- Revision of salary scales, in consultation with trade unions.
- Requesting employees to take paid annual leave, including administrative leave for the first six months of the subsequent year.
- Provision of loans for non-essential workers and issuance of letters that assures their right to return to work, when the situation improves.

The protocol agreement appears to hand advantages to employers in handling the difficulties arising from the pandemic. Particularly the final clause, which appears to allow for the temporary suspension of employment contracts. However, the protocol needs to be read and viewed in the context of the legally binding state of emergency proclamation (SoE) that was issued only a couple of weeks later. Among many other things, it establishes that it is prohibited for organizations and corporations covered by the labor law "to terminate employment contracts except in accordance with the protocol established by the Ministry of Labor and Social Affairs" (FDRE 2020). In practice, this means that any such last-resort terminations would have to be negotiated with trade unions and MoLSA. Indeed, it can be argued that by closing the possibility of regular retrenchments, the combined effects of the protocol agreement and the SoE proclamation, is to make the job security of formal sector workers greater – and labor representatives indeed testify to the fact that this has been the effect (CETU, interview; IFTLGWTU, interview). However, there are also concerns (IFTLGWTU, interview) that with the expiry of the SoE in September 2020, retrenchments may again be attempted, although the legal and practical grounds for such retrenchments remain unclear and untested. By the end of October 2020, the potential effects of its expiry on employment remained uncertain.

In the industrial parks, park management and the IPDC have taken measures to prevent the spread of COVID-19 which include the banning of visitors from entering the parks, establishment of taskforces and command-rooms at park management-level; and, in individual industrial parks, health centers as well as installation of thermal cameras to detect abnormal body temperatures (Addis Fortune 2020; ILO 2020c). The taskforce coordinates its activities with Ethiopian Public Health Institute, which conducts testing and assists in tracing. Individual factories in the park have been reported to monitor and raise awareness of the virus and on preventive measures; enforce social distancing on and off work; disinfect and fumigate public areas and provide sanitary facilities and PPE; and check temperatures at the gates and on the factory floor (ILO 2020d).

There are, however, concerns that sufficient precautions have not been taken, and that some employers are only laxly enforcing rules, while neglecting their responsibility to restructure work to allow for social distancing and to provide sufficient PPE and sanitary facilities.

Many factories are reported to be "operating in their normal way without cutting staff or working in shifts" (Addis Fortune 2020), and nearly half of garment workers responding in one survey found the manner in which their employers ensured social distancing or disinfected work spaces insufficient (ILO 2020b). Most factories surveyed by the ILO (2020d), moreover, had no plan for what measures to take in case of suspected cases (ILO 2020d). In one report, workers in the Bole Lemi industrial park surveyed reported lack of hand sanitizers and gloves, while workers in Hawassa Industrial Park had access to such PPE, but instead reported difficulties in upholding social distancing (Tsinu et al. 2020). That same report found that "there was a consensus that given the context of factory work that this was inadequate" and "widespread concerns that factory managers were not doing enough to ensure compliance with prevention measures" (ibid). These concerns were echoed by a BoLSA official (ibid), and by trade union officials (CETU, interview; IFTLGWTU, interview; IndustriALL 2020a), one of whom stated that:

In terms of Covid – we are not satisfied. Much remains to be fulfilled. The quality and quantity of PPE material is insufficient. Social distancing, especially in the garment sector, is not upheld. People are working too close to each other. Transportation allowance is not respected according to the protocol agreement.

While the parks are closed for visitors, most workers live outside of the park, and are reliant on off-park services and transportation. The off-park living arrangements of workers, moreover, risks undermining precautionary measures as workers are generally "renting small rooms with other workers in slums near the industrial park" (Eyoual, et al. 2020) and often commute to work under conditions under which social distancing cannot be upheld (ILO 2020b). The situation is not much better for workers who are provided housing in the parks, since rooms are reported to be shared by up to 16 workers, with beds as close as 50 centimeters apart (Tsinu et al. 2020; IFTLGWTU, interview).

Meanwhile, the trade union movement has been active in promoting awareness and mitigating the spread and the effects of the virus on the workforce. CETU and the industrial federations have (Measho 2020; IndustriALL 2020a):

- Conducted on-spot visits to industrial parks to educate workers and monitor adherence to the workplace response protocol.
- Trained union representatives and distributed the protocol agreement to all basic unions, branch offices and federations.
- Operated a phone-in complaints and feedback mechanism at headquarters and branch offices, to reach out to workers in unorganized workplaces. The daily number of calls have reportedly been averaging at 50 to 60 since May.
- Launching broadcast media campaigns, and distribution of print materials.
- Established and operated workplace health and safety committees.

6.2 Economic effects and textile and apparel manufacturing

The economic effects of the pandemic risk becoming severe. As mentioned, national GDP is likely to suffer a significant cut, and in the absence of effective welfare provisions, it is bound to affect poverty reduction efforts negatively. The pandemic will affect various sectors differently, and it has been claimed that manufacturing is likely to be hit hard – particularly export-oriented industries, such as textiles and apparel (Measho 2020). In fact, it has been claimed that the COVID-19 pandemic could "jeopardize Ethiopia's industrialization agenda" with its focus on "export-oriented light manufacturing" (Andualem, et al. 2020). While fears where generally higher in the earliest phase of the pandemic, and while challenges certainly remain, it appears that a worst-case scenario has so far been avoided.

The World Bank conducted a series of surveys with firms based in Addis Ababa between April and August 2020. In the first such survey, covering the period between early April and early May, some 42 percent of businesses had completely ceased operations and managers expected to retrench 20 percent of their staff within the subsequent three months (Girum, et al. 2020a). At that time, meanwhile, half of the surveyed managers in another survey expected to have to lay off staff in the upcoming quarter (ILO 2020a). But as the reporting concluded in August, it turned out that the number of firms that had laid off workers only exceeded the number of those that had hired new ones by a margin of ten percent of firms surveyed. The laid off workers were primarily temporary engaged, and the lay-offs largely occurred in the early phase of the pandemic, as average capacity levels had slumped to 35 percent (Bundervoet, et al. 2020). Most lay-offs occurred in the service sector, where informal conditions predominate (CETU, interview). In industry, workers typically have formal contracts and were thus better protected by the SoE ban on retrenchments. Still, however, only five percent of firms in industry "reported to have retained workers primarily to comply with the SOE" by August (Girum, et al. 2020b). But 90 percent of firms reported a reduction in cash flow, and 70 percent had experienced reduced access to credit (ibid).

By no means where such problem confined to Addis Ababa. Textile and apparel factories located in the industrial parks have experienced what has been referred to as "a combined demand and supply shock" (Andualem, et al. 2020). Cancellations of large orders occurred in the early phase of the pandemic, followed by a reduction of new ones. For example, it was reported that the US retailer The Children's Place (TCP) "cancelled millions of dollars' worth of clothing orders from suppliers in Ethiopia because of the coronavirus pandemic, pushing companies into debt and leaving employees facing pay cuts" (McNamara 2020). According to the TCP, however, the cancelled orders amounted to less than three percent of orders from Ethiopian suppliers, and in face of publicity, TCP claimed to have "agreed to take in all finished orders [and] increase our Ethiopian 2020 order volume by double digits" (McNamara 2020). Such examples aside, it appears that supply-sided impacts of the COVID-19 crisis have posed more serious problems than demand-sided ones. Access to raw materials and inputs – both foreign and domestic, but particularly the former which no less than

60 percent of export-oriented firms and 83 percent of domestic-oriented firms report facing scarcities in – is a particularly serious one (Andualem, et al. 2020). But surprisingly perhaps – given the widespread fear that a fall in labor demand would occur – scarcity of labor constitutes another major problem cited by firms, as workers have either returned to rural homes or opted to stay at home to avoid the risk of infection (Andualem, et al. 2020).

The government has intervened to shore up the economy in general and the export-oriented firms in the industrial parks in particular. Although it has not provided any direct financial support to firms, some of the measures have indirectly subsidized enterprises quite heavily and opened new lucrative opportunities. They include (Andualem, et al. 2020):

- Waiver of train and freight transport costs to ports.
- Waiver of terminal charges in Djibouti port.
- Cancellation of all tax debt older than five years.
- Permitting the carrying forward of losses.
- Permitting banks to renegotiate, refinance and reschedule loans and advances.
- A liquidity injection to state and private banks.
- Allowing exporting manufacturers to access the domestic market.
- Postponement of rent payments and service charges.
- Deferral of private pension contributions.
- Exemption from personal income tax for enterprises that have been forced to seize operation but continue paying wages.

The incentives have been heavily tilted to exporting firms. There have been reports of several textile and apparel factories which have switched to the production of PPE, one of which is producing no less than 1.2 million face masks a day (ILO 2020a; Tsion 2020). But there are limitations: the majority of firms report have received no support (Andualem, et al. 2020), and workers affected by reductions of hours or loss of work are neither entitled to nor receive any direct government support whatsoever.

Export-oriented textile and apparel firms have been seriously affected, although textile and apparel exports have not yet – at least – been as seriously hurt as originally feared. In early April, managers of textile firms interviewed by the ILO (2020a) reported that the average capacity utilization had already decreased by 30 percent in the first quarter of the year, and that prospects looked dark. In June, moreover, a research team found that textile and apparel firms operating in HIP "have been badly affected by the COVID-19-induced negative demand shock," with "average production volumes [having] dropped by about 40 percent" (Hardy, et al. 2020). Whereas 13 textile factories has temporarily ceased operation (Voice 2020), until October 2020, however, no textile factory has gone out of business (CETU, interview; IFTLGTWU, interview), and whereas sales of firms located in industrial parks had dropped by 42 percent (Andualem, et al. 2020), total volumes of textiles and garment exports do not appear to have been as seriously affected. In September, as the Ethiopian budget year came to a close, ETIDI reported that "the sector ha[d] shown remarkable performance despite the impacts of COVID-19 pandemic." Foreign earnings in the sector had grown by $17.2 million USD compared to the previous year fetching a total of $ 171.7 million USD, and exports in the first month of the new budget year had only missed targets – set before the beginning of the pandemic – by 6.7 percent (Dargie 2020).

But it is of course too early to draw any upbeat conclusions. Andualem et al. (2020) note that "firms in industrial parks are now entering a new uncertain phase: Over the next six months, firms expect that orders will decrease by an average of 20 percent and employment by 17 percent compared to the same period last year."

6.3 Effects on workers and work

Ethiopian workers have been seriously affected by the pandemic, although worst-case fears of the likely impact have not yet materialized in this case either. The pandemic has resulted in job losses, income falls, and workers falling ill. Job losses have so far mostly occurred in the service sector, and particularly in the informal economy (Hirvonen 2020; CETU, interview). Hospitality, construction and retail are sectors that were initially affected particularly hard (Girum, et al. 2020b), although it has been found that drops in employment rates appear to have been limited in scope and time (Meyer, et al. 2020). But workers in the industrial parks – particularly temporary engaged ones – have also been affected by job losses. A research team surveying 4,326 female workers in HIP found that "many firms had to decrease their workforce" – affecting 41 percent of the workers surveyed, who were either put on paid leave, in accordance with the protocol agreement, or had been terminated (Hardy, et al. 2020; Meyer, et al. 2020).

There appears to be no question that a great deal of workers in HIP – as in other industrial parks – have temporarily or permanently been compelled or chosen to leave their jobs; and in many cases left the park and returned back to rural homes. The circumstances and legality under which this has happened, has, however, been described in different ways. In the early phase of the epidemic in Ethiopia, it was reported that close to 14,000 workers – or roughly half of the workforce – in HIP had been given paid leave (Seneshaw & Tewodros 2020). Some of these workers, however, were subsequently called back. By late May, a research team surveying female workers in HIP firms found that whereas 56 percent of 3,163 respondents were still working, 24 were on paid leave; 11 percent had voluntarily left the park; 2 percent had been terminated; and only "relatively few" had been put on unpaid leave – which, if all other categories are subtracted from the total, would indicate some 7 percent. "Taken together," they write, "this evidence conveys that the majority of women are still holding and being paid for their positions in HIP" (Eyoual, et al. 2020).

Representatives of the trade unions, on the one hand, argue that no formally contracted permanent employee has been terminated since the protocol agreement was signed and the SoE was imposed – reflecting that fact that most, but far from all, employers have adhered to it (CETU, interview; IFTLGWTU, interview). But on the other, the unions have forwarded complaints that the provisions of the protocol and SoE have frequently been violated. In a paper on the employment effects of the COVID-19-crisis, a CETU executive committee member (Measho 2020) wrote that by September 378 cases of complaints had been submitted to CETU from workers and unions, most of which revolved around violations of the protocol agreement by enterprise management. The most common violations involved insufficient preparedness and prevention measures, the imposition of leave without pay, suspension of workers from work without pay, partial termination of contracts and reduction of salaries. This final point has serious ramifications, in both formal and informal sectors.

In addition to job losses – permanent or temporary – a large share of the workforce has been experiencing declining incomes. Again, this is a problem that has a disproportionate impact on workers in the largely informal service sector, where the gross salary is generally low, and workers are frequently reliant on commissions (CETU, interview). But this is also a problem in the formal sector: in the World Bank's survey of firms in Addis Ababa, it was found that 'real wages of workers, particularly those considered to be skilled, have significantly declined since the COVID-19 hit'. The wages of workers categorized as high- and low-skilled were found to have dropped by 14.1 percent and 3.7 percent respectively in the first couple of months of the pandemic, after which they stabilized and flattened (Girum, et al. 2020b). There have been reductions in earnings recorded among textile and garment factory workers in industrial parks too. ILO found that 59 percent of surveyed garment factory workers reported a reduced income in March and April – with a significantly higher percentage of workers in foreign-owned and export-oriented factories than locally-owned ones having experienced cuts (ILO 2020b). Such cuts have led to a surge in food insecurity – now affecting as much as between 40 and 60 percent of workers in HIP (Eyoual, et al. 2020; Meyer, et al. 2020). The most frequently cited factors are cancellations of benefit payments and reduction of working hours (ILO 2020b), which also explains why cuts are greater in the foreign-owned factories that typically provide a larger share of payouts as bonuses and benefits. In HIP, Eyoual et al. (2020) found that from among those still on the job, 34 percent are working fewer hours than before the pandemic, while another 24 percent are working more hours. This led them to conclude that "while there is some underemployment occurring, there is also a sizable percentage of workers who are working more during the COVID-19 pandemic than they previously did."

Another way in which workers are affected by the pandemic is the risk of infection by the COVID-19 virus, to which they are exposed in workplaces. There have been cases reported in some 15 textile and garment factories (ICTLGWTU, interview). A particularly serious outbreak occurred in Bole Lemi Industrial Park in July and August, where 278 workers became ill (IFTLGWTU). The outbreak originated in Shints garment factory, which is owned by the Korean company Shin Textile Solutions. It employs some 1,400 workers who live in the type of congested factory dormitories described above (Addis Fortune 2020; IFTGWTU 2020). It is reasonable to assume that these conditions contributed to the outbreak, as it has been reported that all 16 inhabitants of one room caught it (IFTLGWTU, interview). But incidentally, Shints is also known for its union-busting practices, which may have contributed to the late response (IndustriALL 2020a). On July 25, IndustriALL Global Union wrote to the Korean mother company condemning it for "actively discouraging workers from joining the union, harassing union members and leaders, stopping the union from holding meetings at the factory, and not collecting union dues and surrendering them to the union as per labor laws" in their Ethiopian factory (IndustriALL 2020c). As a result of these repressive practices, the basic union membership had dropped from 3,800 to 2,500, and the basic union believed that health, safety and COVID-19-preventive work was undermined at the factory (IndustriALL 2020b). IndustriALL's letter noted that Shints had disregarded the COVID-19 workplace protocol, and stated that "as a result of your negligence, 60 workers who are currently in quarantine have tested positive to the coronavirus at your factory" (IndustriALL 2020c). In the subsequent weeks, this figure grew to 120 (IFTLGWTU, interview).

There are set procedures for how cases of infection are handled in workplaces. Workers who are suspected of illness are tested by the Ethiopian Public Health Institute, which cooperate with taskforces and traces contact. Labor inspectors are not involved in the COVID-19-related work. Workers who fall ill are paid sick leave and most of them are treated and quarantined in special-purpose centers. In a few very serious cases, they have been taken to the capital's Millennium Hall, which has been converted into a central high-capacity treatment center. There have been reports of fatalities among workers, including at least one basic union leader (IFTLGWTU, interview).

In conclusion, even if it appears to be the case that by and large formal sector enterprises have abided to the protocol agreement and SoE declaration, there have been violations. And there are worries that the expiration of the SoE will bring about a worsening of the situation, since it releases employers from the most stringent legally binding provision not to terminate workers (IFTLGWTU, interview). A World Bank policy note argues that "targeted and sustained support to firms and workers over the coming months, especially after the temporary ban on laying off workers comes to an end" (Andualem, et al. 2020). On a similar note, the president of the IFTLGWTU has stated that "our fear is that when this State of Emergency will end, many workers might lose their job" (Dijkstra 2020); whereas a CETU official has offered a warning that "employment in Ethiopia is likely to be hit hard" in formal as well as informal sectors (Measho 2020). Clearly, the risk of more severe rounds of retrenchments remains considerable. Responding to this concern, an emergency job protection facility was set up in late October, with an initial funding of $6.5 million USD provided by the UK and Germany (Voice 2020). Textile and apparel firms located in the industrial parks will be able to seek funding from the facility to subsidize wages, in a manner ostensibly "similar to the furlough schemes operating in many countries including the UK and Germany." But an additional concern relates to the effects of measures taken on real wages. Manufacturing wages were appallingly low even before the pandemic struck. In its wake, wages have been frozen and collective agreement bargaining suspended, whereas the process of establishing a minimum wage board has been deferred. In light of rapid inflation, these factors are bound to push real wages further below the level where they can meet the basic needs of workers.

6.4 Social dialogue in the context of the pandemic

Sustained tripartite engagement and dialogue has been important in order to resolve or mitigate problems generated by the pandemic, at both national and workplace levels. At the very same time, the problems posed have generated a need for closed engagement and the solutions themselves have generated novel spaces for social dialogue.

At the national level, intense dialogue commenced with the coming of pandemic. Although the COVID-19 workplace protocol was issued by MoLSA, it was drafted and negotiated with, and agreed upon by the tripartite constituents. The Covid-19 National Response Taskforce that was formed as a result is a tripartite institution which includes representatives of MoLSA, EIEC, EEC, and CETU; and through this institution they remain engaged to follow up on the implementation of the protocol and address complaints. Consultations are frequent, and representatives of the tripartite constituents meet daily on virtual platforms (CETU, interview). Trade unionists confirm that the government has been responsive and willing to accommodate the interests of both employers and labor, describing the discussion as "very good and very genuine." They are also satisfied with the outcome, one official describing it as "the outcome of CETU's struggle" (CETU, interview; IFTLGWTU, interview). That outcome included the removal of several clauses from draft versions of the protocol agreement in response to CETU's opposition, including a clause that would have permitted immediate retrenchments of workers (CETU, interview). But the government's willingness to accommodate concerns is not without limitations – they were not consulted, for example, on the content of the SoE provisions, and there is no dialogue on the legal implications of its expiration, despite the possibly great ramifications this could have.

While, as in general, there is no sectoral social dialogue on COVID-19-releated effects, the effects on enterprise level – where bilateral engagement has been intensified in most cases – has been profound. First, ordinary social dialogue has been frozen. Two factors, in turn, explains this: that collective bargaining has been suspended for one year and that physical gathering has been prohibited. Second, there have been changes in the functions and content of social dialogue since the SoE and the protocol agreement have taken precedence over the labor law and collective agreements, and since the role of unions increasingly has become to safeguard the rights of workers within this framework.

In enterprises with unions, close consultation on joint preparedness and prevention activities; on managing the impact of pandemic; and the modification of working conditions is typical (CETU, interview). In one survey, 78 percent of workers confirmed knowledge of workplace bipartite consultations in the planning and implementation of precautionary safety measures (ILO 2020b). There are multiple direct benefits accruing to employees of unionized workplaces, emanating from the unions' role in preventing outbreaks and mitigating effects of the epidemic. First, unions effectively disseminate information among workers, and pick up and relay information back on inconsistencies and violations of protocol. An IFTLGWTU (interview) official described this in terms of basic trade unions typically being the first to inform factory management, industrial federation, and authorities when there are local outbreaks at a factory, and thus ensuring that mass testing of staff occurs. They are reinforced in this by the respective industrial federation, which conducts on-spot visits and intervenes if there is disagreement, unwillingness by employers to correct inconsistencies or violations, or if cases of infection have been reported among the workers. In such cases, the federation offers consultation, and although there is not always total agreement IFTLGWTU officials affirm that there is generally some improvement. Moreover, union officials have observed that management at unionized workplaces tend to be better at following protocol agreement provisions and at providing PPE – and there are also cases where subsidies, such as flour and edible oils, and even monetary contributions to economically affected workers have provided in unionized factories (CETU, interview). This contrasts starkly with the un-unionized textile factories in HIP, where the removal of bonuses and benefits have led to sharp cuts in pay.

As indicated above, unions have an important role to play in reporting and negotiating breaches of the protocol. Within CETU's awareness raising campaign directed towards workers, information was provided on how to report complaints, and 10 designated telephone numbers were simultaneously set aside for the purpose. Workers – whether unionized or not – and basic unions can call, mail, fax or text CETU's headquarters or branch offices, or contact the relevant BoLSA directly. CETU has outlined three steps that it follows whenever it receives a complaint. First, it engages in bilateral dialogue with the concerned enterprise management. This has been the most effective measure, as 250 of 378 reported complaints have been resolved by such bilateral discussions (Measho 2020). If the problem cannot be resolved at this level, however, or if the employer refuses to engage in dialogue on the matter, the concerned industrial federation or CETU calls on MoLSA or BoLSA and the concerned employers' association to attend to the issue. CETU officials state that the response from BoLSA and MoLSA is generally immediate, and that few employers refuse to act based on the Ministry's or boards' recommendations. But in cases where employers are intransigent, MoLSA and BoLSA can draw upon other government institutions to persuade. In the final instance, the National Tripartite taskforce is called upon to resolve the complaints. So far, only 20 complaints have reached this level. There exists a possibility, however, that serious infringements are brought to the attention of the command post established to implement the SoE, which is strictly a government body, and which has the power to close down enterprises and arrest individuals. In practice, however, almost all cases have been resolved amicably within bilateral and tripartite discussions, and most of them at enterprise level (Measho 2020).

6.5 Addendum conclusions

Ethiopia appears to have dealt with the public health risks posed by the global COVID-19 pandemic aptly. So far, it has escaped worst-scenario fears of the spread of the virus and the economic implications have been contained. But the period ahead is littered with risks and hazards. This is very much the case in the fledgling textile and apparel sector, in which firms have been affected by a fall in demand and concomitant breakdown of global supply chains; and wherein the workforce – already pressed to the limits of what is socially and economically possible – are at risk of having to face both retrenchments and further decline in income. Trade unions are cognizant of the risks ahead, and active in attempting to find solutions to them. So far, the state has appeared to be responsive to the needs of both labor and capital, whereas tripartite and bipartite social dialogue have been useful in disarming potentially potent contradictions and finding mutually acceptable solutions. Whether it will be possible to retain mutual acceptance of priorities very much depends on forces and value chain dynamics external to Ethiopian industrial relations and budgetary priorities; but given the fact that output and export targets have yet to be substantially deviated from, there are reasons to be cautiously optimistic that the COVID-19 pandemic, at the very least, will not constitute the rock on which amicable industrial relations founders, nor possibly even their greatest near-time stress-test. And given the nature of the factors – particularly low labor costs – that make the sector attractive to foreign capital, it appears equally unlikely that the pandemic would seriously inhibit the continued growth of Ethiopian textile and apparel manufacturing or jeopardize the country's industrialization agenda in the medium term. In regards to that growth agenda, it is plausible that the importance of the questions of freedom of association and collective bargaining in the industrial parks, and the setting of an overall minimum wage, retain primacy.

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