



Evaluation Summary



International
Labour
Office

Evaluation
Office

Improving industrial relations for decent work and sustainable development of textile and garment industry in Ethiopia

Final evaluation

Quick Facts

Countries:	<i>Ethiopia</i>
Final Evaluation:	<i>May-June 2019</i>
Evaluation Mode:	<i>Independent</i>
Administrative Office:	<i>ILO CO Addis Ababa</i>
Technical Office:	<i>INWORK</i>
Evaluation Manager:	<i>Ricardo Furman</i>
Evaluation Consultant(s):	<i>Sten Toft Petersen (TL) and Jonse Bane Boka (TM)</i>
Project Code:	<i>ETH/15/02/SID and ETH/15/05/HNM</i>
Donor(s) & Budget:	<i>US\$ 3,094,710.66 (SIDA: US\$ 2,954,710.66; and H&M: US\$ 140,000)</i>
Keywords:	<i>Industrial relations, decent work, social dialogue, productivity, working conditions, livelihood skills, textile and garment industry, Ethiopia</i>

Background & Context

Summary of the project purpose, logic and structure

The textile and garment industry in Ethiopia is generating a new dynamism in the development of the manufacturing sector and is attracting foreign direct

investment and creating jobs. The industry is expected to pave the way for the country's industrialisation and to contribute to its pro-poor development goals. However, the industry faces challenges related to industrial relations, working conditions, productivity, and logistics, among other things, and it required action be taken to improve governance and to develop effective frameworks and practice.

In order to address some of these challenges the International Labour Organization (ILO), in collaboration with the tripartite partners and with financial support from the Swedish International Development Cooperation Agency (SIDA) and Hennes & Mauritz AB (H&M), developed a project, called "Improving industrial relations for decent work and sustainable development of textile and garment industry in Ethiopia". The project was implemented over the period 2015–2019. The project aimed to contribute to the country's overall development target, by supporting the development of a socially sustainable textile and garment industry, through improved labour relations, productivity, wages and working conditions. To this purpose, the project took a multi-pronged approach, to assist the government, social partners and major stakeholders in the industry in their efforts, working at national, sectoral and enterprise levels. The project also aimed to improve productivity, promote social dialogue (SD), and to improve wages and working conditions through the development of sound labour-relation practices and through the promotion of collective bargaining.

The intervention was built on the rationale (Theory of Change (ToC)) that:

- *if* labour relations, productivity, wages and working conditions are improved;
- *if* tripartite partners improve their capacity for securing compliance at sectoral and enter-prise level; and
- *if* a legislative framework and enforcement mechanism, in line with ILS, is in place;

Then a sustainable textile and garment industry can be developed in Ethiopia.

Based on this, the intervention was organised with activities at federal, sectoral, regional and enterprise levels:

At the national level, the project focused its efforts on facilitating social dialogue among the multiple stakeholders, under the leadership of the tripartite partners, and on developing a common vision and strategies to make Ethiopia an African hub for the socially-responsible production of garments.

At the regional and sectoral levels, the project helped (regional) labour administration strength its capacity for labour inspection and dispute settlement. It also assisted employers, workers and their organisations, at the sectoral and enterprise levels, to strengthen their organisational capacity and to develop sound industrial relations and social dialogue practices, in order to improve wages and working conditions in tandem with improved productivity.

At the enterprise level, the project focused its efforts on providing capacity-building support for employers and workers' representatives, in 10 participating enterprises, which had explicitly committed themselves to the principles of the ILO and to the development of a socially-responsible garment industry in Ethiopia. The primary objective was to improve and strengthen labour relations, particularly collective bargaining, to ensure fair sharing of productivity gains whilst improving social and labour compliance, in full respect of the ILO's principles.

Particular attention was paid to safeguarding the job security of women workers, to ensuring equal pay for equal jobs and to promotion.

Present Situation of the Project

The evaluation covered the period between August 2015 and June 2019, taking into account the fact that the implementation of project activities was completed by December 2018.

Purpose, scope and clients of the evaluation

In Ethiopia, the ILO delivers its work through a Decent Work Country Programme (DWCP). The current

project fit well into the priorities set out in the DWCP, as well as to the broader UN priorities as set out in the UNDAF.

In an effort to ensure as much validity and reliability as possible, the findings were verified, using multiple methods and multiple sources. Data was collected through a desk review of more than 100 documents, during a country mission to Ethiopia. A total of 90 people were interviewed.

The overall purpose of this independent, final evaluation was to promote accountability and to strengthen learning among the ILO and the key stakeholders.

The final evaluation focused on the project's entire implementation period and assessed all of the results and key outputs that have been produced, since the start of the project.

The primary clients of the evaluation are the ILO national constituencies and partners, the ILO, and partners, as well as other relevant stakeholders and donors. The Office and stakeholders, involved in the execution of the project used the evaluation findings and lessons learnt use, as appropriate.

The evaluation team has integrated gender equality as a cross-cutting concern throughout its deliverables and process, with special attention being paid to women workers. Likewise, it assessed tripartite issues and ILS.

Methodology of evaluation

The evaluation was implemented with a consultative and transparent approach. It used the following methods and tools: (i) a desk review of project documents, available reports and other relevant literature; (ii) semi-structured interviews with key informants and stakeholders, including factory workers and factory managers/supervisors; (iii) focus group discussions with workers, factory managers and supervisors; and (iv) direct observation, made during field visits to Addis Ababa, SNNP (Hawassa), Tigray and Oromia.

The evaluation team carried out a desk review and conducted Skype interviews with IndustriAll and ILO officers at HQ. Field visits to project sites in Ethiopia, Addis Ababa, Mekele and Adwa (Tigray), Hawassa (SNNP) and Bishoftu (Oromia) included consultations with development partners, Government officials, employers and workers' organisations, implementing partners, beneficiaries and other key stakeholders.

Delayed effects: Many of the project's results had a mid- to long-term nature and could not be fully observed in less than a year, following the project's

completion. The full effect of the intervention will be visible when a scale-up is implemented.

Access to direct beneficiaries: Due to complicated logistics, it was not possible for the evaluation team to visit all of the target factories, so some important inputs and perspectives may not have been obtained. Access to direct beneficiaries was also hampered by the fact that six months had passed since the final implementation of activities many of the trained personnel (in some cases more than two thirds) had left the target factories because of the huge turnover in the factories. However, it was possible to interview a sample of the overall groups of beneficiaries, who were still employed in the factories.

As mentioned above, the evaluation was conducted six months after the final activities had been implemented, which meant that it in some situations was hard for the interviewees to remember activities had taken place within the project.

Main Findings & Conclusions

Overall, Ethiopia has made significant progress in the promotion of decent work. Good progress was achieved in the improvement of working conditions.

There is no doubt that the project was very relevant and became even more relevant during the implementation period, at the same time as the number of industrial parks being established in the country increases. The project set out some very ambitious goals – goals that need long-term engagement to be achieved. The project had two pillars; one focused on working conditions and the other on productivity. The project seems not to have been able to create a complete understanding of the mutual benefits of decent work and high level of productivity, among the social partners. The project was strategic, demand driven and timely; however, it required long-term engagements to achieve any tangible impact and to ensure sustainability at each level of the intervention.

1.3.1 *Relevance and strategic fit*

The project was consistent with the priorities affirmed by the Government of Ethiopia in its Growth and Transformation Plans (I and II), in donors' strategies, in UNDAF for Ethiopia and in the ILO's DWCP for Ethiopia. The project also corresponded with the needs of the direct beneficiaries; this because the project's implementation methods were defined, based on the needs that were identified in a baseline study undertaken at the commencement of the project.

1.3.2 *Validity of design*

The project design was generally valid, as it targeted issues of utmost importance for the development of a sustainable textile and garment sector in Ethiopia, although it was quite ambitious in terms of its scope, budget and duration.

All components of the project were interlinked. However, in some areas of the logical framework, there was room for improvement, in particular as concerns the creation of better links between factory- and national-level interventions. Although assumptions and risks were defined in the project document, insufficient attention was paid to the level of importance of the management of target factories' commitment and willingness to cooperate with the project and to implement the necessary improvement plans.

1.3.3 *Project effectiveness*

Despite the challenging environment, the project demonstrated good achievements towards reaching the anticipated results at a factory level and even exceeded some targets, whereas fewer visible results have been observed, so far, at a national level. The project promoted gender mainstreaming aspects wherever applicable; however, it lacked a comprehensive gender strategy. Gender issues were considered through the incorporation of women's issues in soft skills, labour inspection and disputes settlement training, as well as into factories' HR policies.

1.3.4 *Efficiency of resources use*

The project was efficient overall and was performed well. The budget's usage rate was very close to 100 percent. Nevertheless, the project suffered some delays in implementation at both national and regional levels, because of a number of external factors that were beyond the project's control.

1.3.5 *Impact*

The project showed positive signs of short-term impacts on participating enterprises at the individual and institutional levels, through capacity building and awareness-raising on soft skills, conflict solution, SD, CB, OSH, HR and also strengthened various organisational structures such as the trade unions, women's committees, OSH committees and HR departments. In the targeted regions, the quality of the LI's work was reported to have improved and the now developing IR Service Centres in the IP's could have a big impact on future work. The project also contributed to significant positive legislative initiatives; e.g., the labour legislation that was applied in IPs and the progress that was made in establishing a minimum wage. Limited impact was observed at regional and

national levels in the area of strengthening the capacity of MOLSA and social partners.

1.3.6 Sustainability

The project's sustainability varied, depending on the partner. At the national level little movement was reported in the SD, in general, and in the sector, in particular. Neither the employers' associations nor the trade unions built up sufficient capacity to be modern representative social partners. The IR Service Centres have a good chance of becoming sustainable, as many resources have been allocated by BOLSA, to make them operational. Many of the initiatives taken within the project, at a factory level, on awareness-raising of OHS and life skills are being continued by the factories, beyond the project.

Recommendations

Main recommendations and follow-up

Recommendation 1:

Strengthen quality control in the project design phase. A number of the shortcomings of the current project could probably have been avoided if assumptions had been more critically reviewed and the targets made less ambitious accordingly. Likewise, the Results Framework should have been sharpened to ensure that it could function as a management tool.

Recommendation 2:

Prioritise building dialogue. In potential future interventions in Ethiopia, high priority should be given to contributing to the development of social dialogue. It would be of the utmost importance to have strong social partners with a good common understanding, in order to meet the challenges of the aggressively expanding textile and garment industry.

Recommendation 3:

Inclusion of workers' rights. Efforts should be made to find a mechanism that ensures that workers' rights' issues remain an integrated part of the factories' introduction (soft skills) training.

Recommendation 4:

Develop stronger ownership. The outcome and impact results of the current project could have been optimised if a stronger ownership had been established at a national level. The focus on the regional and factory levels might have been appropriate in the short term, but without strong national social partners, it will be difficult to secure sustainability going forward, and up-scaling at the national level will be difficult to realise.

It is therefore recommended that it is a priority that the strongest possible involvement of the constituents is ensured at a national level, in any future project.

Recommendation 5:

Involve the Ministry of Industry. The evaluation recommends that in and future potential interventions in the textile and garment sector strong efforts are made to involve the Textile Working Group of the Ministry of Industry in all relevant aspects of the interventions.

Recommendation 6:

Secure free, democratic and transparent elections of committee members in the factories. Today many workers' representatives are selected by management and have managerial positions in the factories; this can have a long-term negative impact on the committee's authority among workers.

Recommendation 7:

Attention to be paid to health risks. Focus in the current project was on accidents and less attention was paid to occupational health issues in the awareness raising. In future interventions attention should be paid to the occupational health aspects also.

Recommendation 8:

Build trade union capacity through national structures. The direct capacity building of local trade union leaders does not build up capacity at the federation level; this should be considered in future interventions.

Recommendation 9:

Empowerment of potential female leaders and senior staff. The evaluation team recommends that priority is given to the skills and knowledge of female managers, at different levels in the factories, and to female labour inspectors and leaders in trade union and employers' associations. This issue should be dealt with in a possible new project.

Lessons and Good practices

Lessons learned

- Working directly with factories and regions only can lead to a loss of ownership at a national level.
- Lack of gender-disaggregated data in the design phase can lead to a low prioritization of the empowerment of women.

Emerging good practices

Life skills' training for young workers has a positive impact on productivity, staff turnover, absenteeism, and worker's self-estimation.