Michaela Fink

LABOR TURNOVER IN ETHIOPIA'S TEXTILE INDUSTRY

A Hotspot of Social Transformation

[transcript] Global Studies

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Preface

> […] there is no such thing as economic growth which is not, at the same time, growth or change of a culture; and the growth of social consciousness, like the growth of a poet's mind, can never, in the last analysis, be planned.
> *(Thompson, 1967: 97)*

A group of around sixty men and women stand together crowded at the roadside. When we get closer, the scene reveals itself to us travellers as a funeral party. The gathering of people wrapped in beige-coloured cloths seems to us European observers to have fallen out of time – almost like a biblical scene. Quiet chants, the weeping of wailing women and the sounds of the sistrum can be heard. We continue our trip on the bumpy tarmac road through the highlands of Tigray in northern Ethiopia. It was the last time we were able to travel in this area before the war broke out later. We are travelling with a team of GIZ Ethiopia who invited us to visit some of their programs. The impression of the village funeral remains and digs itself deep into my memory. I don't yet realise what significance this short scene will have in some way for our project to research the Ethiopian textile industry.

How can the traditions surrounding the funeral be adapted to modern times and the demands of urban life and world of work? This question emerges as an important crystallization point in many conversations. For example, in various interviews with peasants in the rural Gurage Zone, the difficult negotiation processes in dealing with funerals become obvious. On the one hand, there is a clear expectation in the community that even relatives who live and work far from their home must under all circumstances participate in the funeral of a family or community member – otherwise their bond with the family/community threatens to disintegrate. However, to this day, funerals in various traditional rural contexts in Ethiopia take several days, even up to two weeks. Employers in the country's modern industrial parks complain that workers are often absent from work for days or weeks without permission during social and cultural events or religious holidays – and there is a high number of such events. If there is a lack of transport back to the city, 'absenteeism' from the workplace even expands.

In industrialized Western societies, the end of life is not only associated with a growing business sector – death and dying are also characterized by tendencies towards productivisation.[1] Apart from this, death – at least in a materialistic worldview – can be seen as the least productive part of human existence. It stands in radical contradiction to the economic imperative of productivity. Death is the ultimate end of production and consumption. Moreover, in Western societies, the end of life is increasingly subject to a disposal mentality. It is therefore even more remarkable that death (as an 'unproductive event') and the mourning ceremony (as an 'unproductive time' from an economical point of view) represent a peculiar source of resistance to economic development, to economic interests (even the own) in traditionally oriented Ethiopian communities. Funeral traditions, particularly in rural Ethiopia prove to be a disruptive factor in the face of modern industrial labor. However, even if these traditions ultimately have little chance of survival in the process of modernization, it is worth taking a closer look.

A male farmer reports how the funeral service in his village was changed:

> "During mourning, based on our culture, those relatives of the person who has passed away should gather together, even if they are living in faraway places. Previously the mourning period was for more than a week and may last for 15 days. During those days nobody does anything. These days are consoling days. But nowadays we agreed in our community that this is a bad culture and it should not be like that."[2]

The village community finally agreed that the deceased's close relatives should be present for the mourning for only three days. This is followed by the condolences of the neighbors and of more distant relatives. The shortening of the mourning ceremony to a total of five days was made primarily to cater for people who have a regular job in the formal labor market. The decision was made at the Gurage traditional court, called "Yejoka" and located around Imdibir town. It is not an exaggeration to say that the negotiation process over how to deal with funerals is symbolic for a complex transformation process that is shaping social life in Ethiopia.

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1 The marketing of dying, death and mourning in Western industrialized societies ranges from death optimization practices in hospice and palliative care and medicalization to organ transplantations and the business of virtual immortalization on the internet, which promises to eliminate grief in the long term.

2 Interview with farmers in the Gurage Zone of Ethiopia (4.12.2022; interviewer: Gifawosen Markos Mitta; interview design and coordination: Dr Michaela Fink; research project on labor turnover and absenteeism in the Ethiopian textile industry, 2020–2022, Justus Liebig University, Gießen).

Ethiopia, with a population of approximately 134 million people (2025), is the second most populous country in Africa, lagging only behind Nigeria. The population is made up by more than 90 ethnicities and nationalities. A large proportion of the population is young. In 1970, Ethiopia had a population of only 28.4 million people (UN, 2015). Given the rapid population growth, Ethiopia faces a major challenge of having to create alternative employment opportunities beyond traditional subsistence agriculture. Despite the government's achievements in expanding the structures for formal labor, up to date small-holder farming and the family networks are the most important means of survival for many Ethiopians. However, small-holder farming is increasingly under threat: not only population growth, but also the impact of climate change exert huge pressure on the land. At the same time, the transformation of the agricultural economy (including land grabbing) is jeopardizing the livelihoods of small-scale farmers. Although rural-urban transformation is ongoing, Ethiopia is still a predominantly rural country with almost 80 % of its population living in rural areas (World Bank, 2020).

Ethiopia's "transformation from a subsistence agriculture-based economy to a more modern economy based on the higher productivity – and, thus, higher income – of manufacturing and services" (UNDP, 2022: i) is challenged by unrest and instability. The country faces a difficult mix of economic shocks, with the two-year Tigray-conflict (2021–2022) being the most severe. Since August 2023, a rebellion in the Amhara Region risks plunging Ethiopia into wider conflict (Tadesse, 2023). The country experiences multiple crisis. For 2024, UNICEF expected almost one million children and 350.000 pregnant and breastfeeding women suffering from malnutrition due to the weather phenomenon "El Niño" that caused droughts in large parts of the country. Added to this is a health emergency due to an outbreak of cholera, measles, dengue fever and malaria.

However, despite the various crises, the economic trend is still positive: with a growth rate of 8.1 % in FY 2023/24 Ethiopia remains one of the fastest-growing economies in the region (World Bank, 2025). The country's strong economic growth rate builds on a longer-term record of growth over the past 20 years where the average rate was over 8 % per year – one of the highest growth rates in the world. Yet despite impressive economic growth, Ethiopia is considered one of the poorest countries in the region with a per capita gross national income of only ETB 1,020 (ca. 7,41 USD in June 2025). (World Bank, 2023) Overall, there is a danger that economic achievements will be cancelled out by constant population growth.

Ethiopia is a fast-changing country, in particular due to reforms initiated by the current Prime Minister Abiy Ahmed (the Nobel Peace Price winner, who later fights with heavy weaponry against the Tigray People's Liberation Front and against militias in the Amhara Region). Part of the country's development strategy is an active industrial policy that encourages foreign investments and fosters

growth in the textile industry. Investors benefit from tax privileges and subsidized infrastructure services. Large industrial parks were set up as Special Economic Zones for export-orientated production. The extremely low wage level of the textile workers also plays a decisive role in attracting international manufacturing companies to move their production to Ethiopia.[3]

The strategy of the developmental state aims at providing employment opportunities for the growing young population (in particular unskilled women). The country's fast growing textile industry presents a significant opportunity for job creation. However, the sector holds manifold challenges related to high labor turnover and absenteeism, low product quality, and high cycle of production. Studies point to significant deficits in the realization of fair and humane labor standards in the textile sector (cf. the literature review in this book). A debate among government, business, and trade unions on ways to improve working standards and conditions has been accelerated by the International Labor Organization (ILO).[4] As a result of industrialization, labor migration also puts a lot of strain on the urban infrastructure. The lack of affordable housing around the industrial parks poses a key challenge for the labor migrants. At the same time, migration to urban areas is causing a shortage of labor in the rural agriculture with the consequence that farmers are increasingly reliant on casual labor.

For a labor-intensive sector such as the apparel industry, building a stable workforce plays a crucial role for the success and sustainability of the sector. Although the sector is still relatively young and in its developmental stage, the challenge of building a stable workforce seems to be greater than expected by international the manufacturing companies. According to the managers, the reasons for workers' absenteeism and turnover are predominantly their 'mindset' (poor work discipline) and the lack of experience with formal wage labor. Most workers come from rural areas, have an agrarian background, and have never worked in a factory before.

This book analyses the socio-economic causes of the high rates of labor turnover and absenteeism in the Ethiopian textile industry. By reflecting the phenomena in the context of social upheaval the book goes beyond a practical-oriented investigation. This involves the question to which extent the high fluctuation is an expression of frictional forces that – like a piece of a mosaic – must be seen in a larger context of social transformation processes in the East African country.

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3 In a global comparison of wages, Ethiopia is at the bottom of the list of textile locations. See Goodier, M. (2022): ANALYSIS: Best and worst countries for apparel worker wages since Covid. In: Just Style, March 1, https://www.just-style.com/features/analysis-best-and-worst-countries-for-apparel-worker-wages-since-covid.

4 See for example the ILO's Decent Work Country Program for Ethiopia (2019–2020), https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---program/documents/genericdocument/wcms_560920.pdf.

The book describes the challenges of the (mostly female) workers in the garment companies between rural, community-based orientations and the industrial working environment in which they find themselves. For these women, it is often a balancing act between the rural world they come from and their life and work in the city. They are attracted to modern values of career, consumption and urbanity. At the same time, it is hardly possible for them to achieve modest prosperity. Many find themselves in an in-between situation: they have left their village community and culture and follow the promise of a better life through a job in the factory, but without any guarantee of the hoped-for improvement in their lives. In attempting to understand the social transformation processes, simplistic dichotomies between rural-agrarian and urban-industrial lifeworlds shall be transcended through careful interpretations.

The book has been developed against the background of a three-years-research project (2020–2022), which was conducted at the German Justus Liebig University in Gießen.[5] The project was funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and carried out in the context of the Ministry's "Special Initiative (SI) for Training and Job Creation". (2019–2021)[6] The increasing importance of employment creation in African countries led the German Ministry to establish the Special Initiative. The project (and its academic cooperation partners in Ethiopia) supported and advised this initiative through the research.

A main interest of the of the research laid on the root causes of the high rates of labor turnover and absenteeism in the Ethiopian textile industry – phenomena that jeopardize the profitability of the companies and undermine the economic development of the country that strongly promotes textile production.

The study addresses the following guiding questions: what is the societal impact of Ethiopia's development path and how are conditions in the garment industry developing? What are the perspectives, motivations, expectations, and expe-

5 The book presented here builds on a publication by the author that appeared in an anthology on the Ethiopian textile industry (17–68), which was published in 2023. This anthology brings together project internal and external contributions on the topic of the Ethiopian textile industry (see Gronemeyer/Fink, 2023). In the research project on which the anthology is largely based, a combination of qualitative and quantitative methods (interviews and survey data) were used. The book provides further results from the study by the research team (R. Gronemeyer, T. Semela, D. Semela, H. Rössner, M. G. Mitta, and S. G. Teshale); eBook available at https://link.springer.com/book/10.1007/978-3-658-41794-9. For further publications of the research project see: https://www.uni-giessen.de/de/fbz/fb03/institutefb03/soziologie/professuren/gronemeyer.

6 The BMZ's initiative is ongoing but with a more targeted focus: "As of January 2023, the Special Initiative on Training and Job Creation will be called Special Initiative 'Decent Work for a Just Transition'" (2022–2025), https://invest-for-jobs.com/en/news/ new-focus-and-name-for-the-special-initiative; https://www.bmz.de/en/issues/special-initiative-decent-work-for-a-just-transition.

riences of (female) workers in the textile companies in the industrial parks? How do workers cope with the accelerated industrialization process and how do they perceive their life circumstances in the city? What challenges do they face in the transition from a primarily agrarian to an industrialized environment? Which life skills and which work ethics do they need in order to work in the textile industry? Or, in other words, which life skills that are acquired to adapt to agrarian living are now a hindrance in their industrial surroundings? Which factors contribute to the high turnover of the workforce? How do workers, managers and other stakeholders view the phenomenon? Which measures to stabilize the workforce are implemented by the textile companies and how effective are they? What is the link between the high fluctuation and social upheaval? What are the socio-economic effects of the rural-urban labor migration? How are current crises affecting the textile sector?

Although high turnover of employees is primarily a problem for employers and less so for employees, a mutual and intercultural understanding of motivations, interests and actions could help to improve working conditions, which should ultimately benefit both employees and employers. A strong focus of this book is on the perceptions of female employees with regard to their working and living conditions. For a comprehensive understanding organizational, socio-economic and cultural dimensions are considered. The book combines empirical insights with practice-oriented and theoretical reflections.

The chapters are structured as follows:

Chapter 1, the introduction
- discusses the dynamics and factors that impact Ethiopia's development path with a focus on the textile industry;
- provides an overview of the research project, its background, its approach and methodology;
- analyzes the current state of research on the Ethiopian textile industry and the issue of high rates of labor turnover and absenteeism;
- outlines a theoretical framework along a history of ideas that leads from the concept of development to the concept of social transformation.

Chapter 2 presents the results from the empirical research. Based on the interviews conducted as part of the project, the chapter discusses different perspectives on the problem of high labor turnover and absenteeism, in particular those of employees and employers. In addition to measures taken by the companies for reducing turnover, the chapter outlines actor-specific recommendations for workforce stabilization derived from the study.

Chapter 3 discusses the phenomena of high labor fluctuation in the context of social transformation in Ethiopia. The chapter supplements the interviews with textile workers with the views of rural communities and relatives of textile workers who where also interviewed. For reflection, the interviews are linked with theoretical references from social sciences, historical economics and cultural anthropology. By examining traditional orientations in Ethiopia in historical contexts, the chapter aims to add relevant perspectives to the debate on the 'mindset' of women workers in the textile industry. Following on from this, the promise of modernization is discussed, according to which the orientation towards gainful employment in the textile industry leads to a better life.

Chapter 4 briefly summarizes the most important findings of the book and discusses possible future scenarios, also taking into account recent crises. It also formulates concluding questions for further reflection.

Chapter 5 presents excerpts from a photo documentation of textile workers in their living environment and their workplaces. The photos were taken by the renowned photographer Pietro Sutera during a field trip with the research team to Ethiopia.

By focusing foremost on the voices of Ethiopian textile workers, this book aims to open up new scientific insights that can be useful for German development cooperation and for all stakeholders and organizations involved in the Ethiopian and international textile industry, as well as for academics with an interest in development studies and the global textile sector.

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1. Introduction

1.1 The emerging textile industry in Ethiopia – dynamics, challenges and prospects

Ethiopia faces a major challenge of having to create alternative employment opportunities outside of traditional agriculture. The reasons for this are primarily the population growth, the impact of climate change on agriculture, urbanization, and the transformation of the agricultural economy, which endanger smallholder livelihoods.

Despite the ongoing urbanization[1], the majority of Ethiopia's workforce is still predominantly based in rural and agricultural life worlds. A large proportion of the young generation rely on informal employment and small-scale farming. Creating alternative employment opportunities to absorb the entire surplus labor force will be crucial in the coming decades, as Oya states. (Oya, 2019: 672) The development economist considers the industrial manufacturing sector playing a central role in this process, although not an exclusive one as other sub-sectors could also generate high-productivity jobs. (Ibid.) According to Oya, however, the new jobs to be created should actually improve the standard of living. He writes:

> "[…] low productivity in 'subsistence' agriculture is not enough to push a transfer towards new capitalist sectors. […] the wage differential between the new industrial (capitalist) sectors and the 'subsistence' agriculture should at least offset the higher living costs in an urban or new environment, compensate for the 'forfeit of non-monetary benefits of rural life', and possibly compensate for more uncertainty in industrial employment if workers are not given permanent positions and turnover is high." (Ibid.: 673)

1 "Ethiopia will remain a predominantly rural country until 2050, i.e. more than 50 % of the population is expected to live in rural areas. However, it is urbanising fast: urban population is expected to double between 2015 and 2030. Although the country is currently characterised by a monocentric urban system, urbanisation is being propelled by intermediary cities." (OECD/PSI, 2020: 11)

The statement shows that traditional small-holder agriculture is under pressure from various sides: population growth is not the only pressure being exerted on land and agriculture; the traditional agriculture can also hardly generate the monetary income needed to maintain living conditions in contemporary Ethiopia, including rural areas. Aspects to mention here are the costs for schooling, health care, modern consumption goods, housing, and mobility. However, according to the World Bank (2022a), the rural land use fee and agricultural income tax are the major expenditures for rural landholders in Ethiopia. For subsistence farmers, even a small tax payment could increase poverty (ibid.: 14).

Other factors threatening traditional agriculture are linked to climate change and the modernization of the agriculture – including land grabbing: 'development' as a major goal of consecutive Ethiopian governments "has paved the way for large-scale land grabbing which dispossesses and displaces rural farmers and pastoralists and forces them to seek jobs in agribusiness-enterprises and urban areas." (Regassa, 2020; see also Wayessa, 2020) A critical analysis paper for the German NGO FEMNET argues that without a faster growth of the industrial sector, Ethiopia will hardly be able to absorb all the surplus labor force that is falling out of the agriculture due to the modernization process that is being pushed forward by the state with full force. (Salingré, 2017/18: 35) Increasing ethnic conflicts are largely conflicts over land and displacement (Weber, 2018: 2).

Overall, Ethiopia has seen considerable economic growth over the past decade and was long regarded as success model of state-led development in Africa. However, due to turmoil's and an uneasy transformation in recent years, this image has suffered serious damage. A 2018 statement underlines Ethiopia's important role in the Horn of Africa – both positively and negatively:

> "A stable, prosperous and peaceful Ethiopia, in which people's living conditions improve, would have enormous appeal in the conflict-ridden environment in the Horn of Africa. Conversely, a destabilisation of the country would have a devastating effect on the entire region, including massive refugee movements throughout East Africa and beyond." (Kaps et al., 2018: 15)[2]

Unfortunately, the latter scenario has materialized. Severe shocks have hit Ethiopia's economy and society in recent times: the COVID-19 pandemic, the conflict in northern Ethiopia that also destabilized other parts of the country, declining Official Development Assistance (ODA) during 2020–22, and climate shocks visible in severe droughts and floods. (UNDP, 2022a; UNDP 2022b: i)

However, leaving aside these recent crises, it is fair to say that Ethiopia's economy has experienced a tremendous boom in the years before. The government has

2 Own translation of the German quote.

drawn up comprehensive reform plans. Ethiopia's Growth and Transformation Plan (GTP) envisions transitioning from a developing country to a middle-income country, focusing on key sectors such as agriculture and light manufacturing industry (USAID, 2016).

The textile sector is one of the sectors subsidised heavily by the GTP I and II[3] The Ethiopian government has set itself the goal of making the country an economic centre for textile exports in Africa and has expanded the sector enormously. The GTP II (2016–2020) focussed on the expansion of the manufacturing industry, export orientation and increasing agricultural yields, among other things. Following the model of China's Special Economic Zones, export-oriented industrial parks were established in which the textile and apparel industry is an important sector. The textile industry is expected to create thousands of jobs, improving people's living conditions and contributing to the country's socio-economic development. (Fink et al., 2021: 58, 59). The government has invested heavily in the industrial parks to pursue the ambitious goal of transforming the agricultural-based economy into an industrialized one. (The Africa Report, 2022) It has succeeded in attracting foreign investors by creating various incentives such as low electricity prices, free water, so-called tax holidays of two to ten years, and low rent or lease. (The Africa Report, 2022; Business Opportunities Report Ethiopia, 2015, 28; EIC, 2017) Ethiopia also "presented a competitive advantage due to lower wages (minimum $35 to $40 a month compared to $68 for Bangladesh and $500 in China for the industry)." (The Africa Report, 2022) Many enterprises have shifted their focus from Asia to Ethiopia to benefit from the improved work safety in terms of infrastructure and higher working standards in general, other main advantages are the extremely low wages and and the lower production costs involved. The various benefits that Ethiopia offers to investors and manufacturers are described in detail in a report commissioned by the Netherlands Embassy in Addis Ababa. (Van der Pols, 2015)

The Industrial Parks Development Corporation (IPDC), the government agency responsible for IPs, gives preference to investors who meet the following priority conditions: 1) bringing knowledge transfer or training for it, 2) bringing expatriate managers to train the Ethiopian staff, 3) bringing specific skills or expertise that can be conveyed, 4) providing large employment possibilities. (Business Opportunities Report Ethiopia, 2015).

The government's declaired goal is to create 350,000 jobs in the textile and apparel industry (Rasche, 2018).[4] However, at the time of the study the sector counted just over 100,000 workers: mostly young, low-skilled (female) machine

3 For a brief overview of the objectives of the two development plans see Kaps (2018: 15).

4 For detailed information on Ethiopia's industrial parks see the website of the government-related Industrial Parks Development Coorporation (IPDC), https://www.ipdc.gov.et.

operators. The majority of them come from rural areas and has an agrarian family background.

The Hawassa Industrial Park (HIP) that went into operation in 2016 is considered the flagship of the Ethiopian textile industry with around 22 international apparel companies.[5] At full capacity, it is expected to employ 60,000 workers (at the time of the study, around 30,000 workers were employed). The raw textiles are mainly produced in India, China and Vietnam. In 2021, Ethiopia's textile and apparel sector's main export destinations were the United States ($259.81 million), Germany ($16.85 million), and Spain ($12.91 million). (Fibre2Fashion, 2022)

In a letter about the Ethiopian textile and garment sector, the German development agency Gesellschaft für Internationale Zusammenarbeit (GIZ) points out the importance of environmental aspects as well as that of social standards (particularly the payment of living wages, which cover the basic living expenses of workers). The letter does not conceale that the Ethiopian state has not yet introduced a statutory minimum wage. (GIZ, 2022)

The relatively young Ethiopian textile industry is associated with high expectations, as employment opportunities need to be created. However, it is also a major challenge for the country to ensure that the newly created jobs and working conditions – that are embedded in a globalised industry – are humane and fair. It is therefore not surprising that various studies report about poor working and living conditions of laborers in Ethiopian textile and garment factories (Salingré, 2018; WRC, 2018; ABA ROLI, 2017; Barrett/Baumann-Pauly, 2019; Mitta, 2019; Jego, 2019).

Despite the manifold obstacles, industrialization is considered as a key element for Ethiopia's transformation into a middle-income country. Since economic catch-up with advanced and developed countries is a challenge, Fukunishi and Yamagata (2014) analyse "the means through which the garment industry contributes to industrialization, globalization, poverty reduction, the empowerment of undereducated workers, in particular female laborers, and shared growth in contemporary low-income countries."

Staritz and Whitfield explain (2019: 705):

> "The apparel sector is regarded as a first step for low-income countries embarking an export-oriented industrialization process. Given its low fixed costs, relatively simple technology, and labor-intensive nature, the apparel sector employs large numbers of unskilled workers (mostly women) and provides upgrading opportunities into higher value-added activities within and across sectors."

5 HIP Investors Association, https://hipiaet.com.

Rehlen points out that the Ethiopian government has missed out to bring the entire manufacturing industry into the country. Instead, all required products have to be imported – the textiles, machines, every button or packaging. (Fink/Gronemeyer, 2023: 191) This results in high costs, ressources which on the other hand are not available to pay appropriate wages. Despite shortcomings in terms of both its productivity and working conditions, including the aspects of fair pay, the textile sector provides high potential for formal jobs.

According to literature, a decline in formal unemployment and underemployment can been observed in both rural and urban areas since the 1990s. However, this was apparently not directly linked to the country's rapid industrial development, but more to the increase of activities in services (mostly in low-productivity 'informal' jobs). (Oya, 2019: 669) According to Oqubay (2019: 669f., 672), the Ethiopian economy has made only limited progress in providing decent jobs for the growing young population – a situation that is jeopardizing economic and political stability.

In his multi-sectoral study on Ethiopia's development project, Lavers (2023/24) argues that the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF, 1991–2019) sought to maintain political order through economic transformation, aiming to secure mass consent through distribution of land and employment. However, Lavers states, the fast growing population and the limits of industrial policy in the contemporary global economy led to a distributive crisis. In his view, this was a central factor in the regime's collapse – the starting point of the outbreak of the civil war in November 2020.

The civil war has dealt a heavy blow to the country's development and its flourishing textile industry. Some of the major clothing factories in the northern province are no longer working or have even been destroyed. At the time of the study, 13 public and five private industrial parks were in operation nationwide.[6] A report of the World Bank Group (2022b: xii) confirms that in 2022

> "[d]ue to the internal conflict, operations at Mekelle Industrial Park (IP) and two private IPs (DBL and Velocity IPs) have been stopped, and one Industrial Parks Development Corporation (IPDC)-owned IP (Kombolcha) has faced disruptions for several months. Whereas most of the publicly owned IPs focus on light manufacturing sectors – predominantly apparel and leather products that target the

6 "Industrial Parks Development Corporation (IPDC)-owned parks: Adama, Bahir Dar, Bole Lemi I, Bole Lemi II, Debre Berhan, Dire Dawa, Hawassa, Information and Communication Technology (ICT) Park, Jimma, Kilinto, Kombolcha, Mekelle and Semera. Privately owned parks: DBL, Eastern, George Shoes, Huajian, and Velocity." World Bank Group 2022b: xii (executive summary). In 2024, the Ethiopian Investment Board designated 11 of the 13 industrial parks as "Special Economic Zones (SEZs)", see https://www.ipdc.gov.et.

> export market – the private IPs have a mix of sectors from apparel to cement and steel and serve both domestic and export markets."

As a consequence of the government's controversial role in the conflict, the United States – by far the most important buyer of Ethiopian clothing – suspended its market access benefits for Ethiopia. The African Growth and Opportunity Act (AGOA) is a United States Trade Act that provides duty-free treatment to goods of eligible sub-Saharan African countries. Since Ethiopia was excluded from the AGOA in January 2022, manufacturers are trying to find compromises, such as "offering to bear duty taxes in full or sharing 30 % to 70 % [of tariffs with clients]" (The Africa Report 2022). However, as a CEO of a Garment company states in an interview, with the company's "maximum profit margin being 10 %, it is not sustainable" (ibid.). Companies partly shifted their production from Ethiopia to branches in other countries (such as Kenya) in which the AGOA agreement exists.[7] Even after the conclusion of the peace treaty in November 2022, the US has not yet announced a return to the AGOA scheme. Textile companies still have to deal with the AGOA ban by partially relocating production to other countries, or by negotiating a deal with buyers whereby applicable taxes are shared.[8]

For more than a decade before 2016, Ethiopia's Gross Domestic Product (GDP) grew at a rate between 8 % and 11 % annually. Ethiopia had one of the fastest growing economies among all the 188 International Monetary Fund's (IMF) member countries. This growth has been driven by government investment in infrastructure as well as continued progress in the agricultural and service sectors. Three quarters of Ethiopia's population live from agriculture, but services have overtaken agriculture as the main source of GDP.[9]

However, a dramatic slump came with the coronavirus pandemic. In May 2021, the Ethiopian Investment Commission (EIC) announced a 45 % decline in exports from public and private industrial parks and due to the pandemic and the escalating Tigray conflict. (Sahlu, 2021)

A positive economic outlook by the African Development Group (2024) is associated with the expectation of post-conflict reconstruction. However, current developments also allow for a more sceptical view: the armed conflict between the Amhara regional forces along with the Fano militia and the Ethiopian government could escalate into another civil war (Abebe/Moges, 2024). Moreover, the situation

7 Information provided to the research team by a deputy factory manager at BLIP, Addis Ababa, August 2022. Also see: Ethiopia looses 11,500 jobs, 18 foreign companies following AGOA suspension. In: The Reporter, Feb 15, 2025, www.thereporterethiopia.com/43838.

8 Conversations with human resource managers at Bole Lemi Industrial Park, Addis Ababa, August 2022.

9 AGOA country info: Ethiopia, https://agoa.info/profiles/ethiopia.html.

in the Tigray region has not really calmed down yet. Although active fighting ended in the region, according to Human Rights Watch (2024) serious rights abuses against civilians continued throughout the year 2023. Up to this date, the situation in Tigray is still highly volatile.

Other smouldering conflicts are linked to Ethiopia's controversial geostrategic goals, which are causing further tensions in the Horn of Africa. As modern-day Ethiopia is famously landlocked, an ambitious goal of Prime Minister Abiy Ahmed is to gain access to the Red Sea via the harbor of Somaliland, creating tensions with Somalia as the port lies within Somalia's internationally recognised borders. (Tharoor, 2024) Another conflict concerns the gigantic GERD (Grand Ethiopian Renaissance Dam) project that has led to massive conflicts with neighboring Egypt.[10]

According to the German business agency GTAI (2023), Ethiopia offers "good prospects" for investors, but a "difficult environment". Although Ethiopia with its promising market has become the most important target country for foreign investment in East Africa, investors report difficult framework conditions, according to the GTAI. Following the ceasefire in Tigray, clothing manufacturers in Ethiopia are hoping for more foreign orders, but the upstream textile industry remains weak. Despite all challenges, Ethiopia's potential is considered being great: The GTAI emphasizes good conditions for production since from the fibre to the garment all production steps are covered. It lso highlights Ethiopia's cotton production, cheap electricity and the state that would help with concessions and space in large industrial parks, and particular low wages from which the labor intensive clothing industry would benefit. (GTAI, 2023/24) However, the GTAI also addresses the challenges with the workforce:

> "Labour productivity in the factories is still low, but staff turnover is even higher. According to Shanghai Textile 2022, half of its 1,500 new employees left after just one month, even if this was in a new factory. But even an established Ethiopian manufacturer currently states that it has to hire 4,000 people per year with 1,300 employees." (GTAI, 19.5.2023)[11]

10 "Egypt, the country most reliant on the Nile's waters, views the dam's construction with increasing apprehension. Annual precipitation in the land of the Pharaohs scarcely exceeds a few dozen millimeters, making the water flowing from the upper reaches of the Nile virtually the only source of Egypt's water resources, apart from its dwindling groundwater reserves. Nearly the entire population of 98 million resides along the Nile and its delta, which account for less than 3% of Egypt's total land area" (Polewka, 2023); see also Hallermayer (2024: 25).

11 Own translation of the German quote.

The GTAI cites further reasons that speak in favor of Ethiopia as a location for textile production. It argues that from an economic perspective, geographical proximity would also favor more European investment in the Ethiopian textile industry – including diversification of production to spread risks in the event of problems with one source of supply (like it happened in the case of Rana Plaza garment factory in Bangladesh in 2013). Moreover, according to the GTAI, alternatives would be necessary because of potential problems in the supply chain if a manufacturer or an entire country comes into disrepute because of child labor or poor environmental and social standards. (GTAI, 19.5.2023)

In summary it can be said that Ethiopia's industrial development is accompanied by difficult conditions. Ongoing crises are an obstacle to state-driven development. With regard to the jobs created, the state is faced with the challenge of attracting investors under global competitive conditions and at the same time wanting to create fair and humane jobs for the young population. Investors came from China, India, Bangladesh, Pakistan, the USA and Turkey, mainly because of the temptingly low wages and the almost unlimited availability of young labor. But now it turns out that precisely this advantage of the Ethiopian textile industry is also one of its biggest problems: so far, women have not been the cheap and disciplined labor force they were envisioned to be. In addition to political instability and deficits in logistics and delivery reliability, low productivity and high labor turnover are among the major challenges facing the textile industry.

Anecdotal evidence from conversations with factory managers and human resources managers at Hawassa Industrial Park (HIP) and Bole Lemi Industrial Park (BLIP) indicate that the problem of attrition is less acute than it had been in earlier stages of the industrial development.[12] (This observation was also confirmed by Oya and Schäfer, 2021: 10). However, building a stable labor force remains a key challenge for the garment companies.

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1.2 The research project

The aim of the research project was to analyze the causes of high (voluntary) turnover (and turnover intention) and high (unauthorized) absenteeism of employees. The project, which used qualitative and quantitative social research methods, focused mainly on interviews with workers (operators) and management personnel in garment factories, particularly in the industrial parks in Addis Ababa (BLIP) and Hawassa (HIP).

The study was conducted at the Institute of Sociology at Justus Liebig University (JLU), Gießen/Germany. The German Federal Ministry for Economic Cooperation and Development (BMZ) funded the study as part of the ministry's Special Initiative (SI) on "Training and Job Creation", which focused on selected African countries.

The study was supported by the "Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH" and its "Sustainable Textile Project (eTex)" in Ethiopia, which offers Ethiopian apparel companies support and consultancy on social and environmental standards.[13]

The study was carried out as a collaboration between the German research team and collegues in Ethiopia. On the JLU side, the team consisted of Prof Dr Reimer Gronemeyer (principle investigator), Dr Michaela Fink (research assistant), Prof Dr Ingrid Miethe (associated) and Hanna Rössner (student assistant). The partners on the Ethiopian side were Prof Dr Tesfaye Semela Kukem and Setisemhal Getachew Teshale, Institute of Policy and Development Research, Hawassa University, and Gifawosen Markos Mitta, Department of Governance and Development Studies, University of Wolkite (Ethiopia), who is since 2024 working at the Center for Development Research (ZEF) at Bonn University (Germany).

13 The BMZ supported the creation of fair and sustainable jobs in Ethiopian industrial parks through the GIZ project "Promoting Sustainable Growth in the Textile and Garment Industry in Ethiopia" (eTex I). The project aimed to achieve job-creating growth and improve the social and environmental sustainability of the textile and garment industry. The project was implemented from 2016 to 2020 by GIZ in close cooperation with its political partners. The BMZ's efforts were continued as part of the GIZ project "Sustainable Industrial Clusters (S.I.C.) (2021–2024)", see https://www.giz.de/en/downloads_els/S.I.C.%20_%20Factsheet.pdf.

Research problem

High rates of turnover and absenteeism are key indicators for employee dissatisfaction with their jobs and show a lack of commitment to the employing companies. Few studies have addressed the issue in the Ethiopian textile and apparel industry (see the literature review in this chapter). In the industrial parks, most companies have already implemented various measures to mitigate the problem. Overall, however, there seems to be a widespread frustration among managers because the implemented measures were obviously not as effective as expected. One company manager at Bole Lemi Industrial Park (Addis Ababa) stated in an interview in 2021 that managers have run out of ideas for developing an effective plan to retain their employees.

> "A prerequisite for higher incomes is higher labor productivity, which in turn usually requires better training. However, employers (and also employees) are only inclined to invest in training if a medium- to longer-term working relationship can be expected. High turnover in many industrial companies in developing countries ultimately means that training measures are not worthwhile for either side. In addition to the lack of investment in training, high staff turnover also leads directly to lower labor productivity, for example, through long training periods and job dissatisfaction." (BMZ, ToR, 2019)[14]

These few sentences from the BMZ's "Terms of Reference" for tendering the study sum up the problem that forms the starting point for the research project. As Halvorsen (2021: 3) rightly notes: "[…] the direction of causation is bidirectional as low salary levels reflect low worker productivity, which in turn is partly due to high turnover rates […]."

In the context of this research project, turnover is understood as voluntary job termination by employees. It is difficult to say to what extent the high turnover rates in the Ethiopian textile industry are also influenced by the involuntary job termination of employees (termination by the employer). Interviews with workers (and an informal conversation with the manager of a textile company at BLIP) suggest that job termination by the employer (apparently also in violation of the contract) may not play an insignificant role in causing high turnover. In the con-

14 Federal Ministry for Economic Cooperation and Development (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung), Department 113 - Special Initiative "Training and Job Creation"; departmental research "Labor turnover in developing countries", research topic and research questions (Terms of Reference, ToR), 2019 (own translation of the German quote).

versation, the manager reports ineffectiveness of workers as a major reason for dismissal.

Staff turnover, i.e. the termination of employment at the employee's own request, can be seen as an important indicator of employee dissatisfaction. In this study, three categories of causes were used as the basis for analyzing turnover and the intention to turnover as well as absenteeism:

1. Workplace factors (such as dissatisfaction with compensation, working conditions, supervisors, or team colleagues; insecurity related to job requirements; lack of development prospects etc.)
2. External factors (such as location and transport accessibility; availability of affordable housing and shopping possibilities; availability of more attractive job alternatives or further education opportunities etc.)
3. Personal factors (such as relocation, social/family obligations, e.g., nursing, childcare; own health problems/illness; marriage/maternity etc.)

The internal (workplace) factors in particular can be influenced by employers.

Even though many workers interviewed in the study state that they like the textile work as such, they express a high level of dissatisfaction with working conditions, especially with what they see as insufficient pay, which is according to them not enough to cover their cost of living. The majority of workers emphasize that the high workload is not commensurate with their pay, which often leads to them quitting.

In contrast, the managers see the low wages as justified by the fact that the textile workers are unskilled and therefore require high investment in training. Employers also point to the employees' work discipline, which they describe as insufficient and which would negatively impact on the company's productivity. Employers also see the employees' lack of discipline as a lack of experience with formal gainful employment. The majority of employees come from an agricultural background and, according to employers, are not yet adapted to the industrial world of work. The employers problematize the 'mindset' of the employees and blame their lack of industrial work ethic for the overdue breakthrough of the Ethiopian textile industry.

Research approach, methodology, and data collection

The findings presented in this book primarily relate to qualitative interviews conducted as part of the research project. Reference is also made to the results of a quantitative survey, which was also part of the project (see Semela et al., 2023).

The study was using a multi-perspective approach, analyzing socio-economic, organizational-psychological, structural-organizational and socio-cultural (and

gender-specific) factors that influence labor turnover (and absenteeism). The focus was mainly on the perspectives, experiences, motivations and interests of the (mostly female) textile operators. However, in order to generate a comprehensive understanding of the problem of turnover and absenteeism, interviews were also conducted with other groups (see list below).

Existing scientific findings on labor turnover and absenteeism in the textile industry were expanded and deepened through research into the still relatively young textile parks in Ethiopia. Based on the research findings, actor-specific recommendations for labor force stabilization were developed.

During the three-year research (2020–2022), the following interviews were conducted:

- 80 interviews with textile workers at Hawassa Industrial Park (Hawassa), Bole Lemi Industrial Park (Addis Ababa), Adama Industrial Park (Adama) and at several garment companies outside the IPs (incl. Desta Garment and Arba Minch Textile Company);
- 22 interviews with management personnel (human resources managers/ company managers, mostly at the IP's in Hawassa and Addis Ababa);
- 31 Interviews with relatives of textile workers, former textile workers, IP management personnel, with representatives of stakeholder associations (e.g. Investors Association at BLIP, Ethiopian Investment Commission, Industrial Parks Development Corporation, Friedrich Ebert Foundation, Industrial Federation of Textile, Leather and Garment Workers' Trade Unions), with representatives of the German development agency GIZ, as well as with other experts and with one recruiter;
- 1 workshop with 9 textile workers at HIP, conducted at Hawassa University;
- 2 focus group interviews in communities where textile workers or former textile workers live (one near Hawassa and one in the outskirts of Addis Ababa);
- 3 interviews with workers in the informal sector in Addis Ababa (comparative perspective);
- 6 Interviews with farmers in villages near Wolkite.

The interviews with managers were conducted on the premises of the factories, while the interviews with textile workers were conducted either in the factories (or on the factory premises) or in the workers' accommodation. For the field access, different brokers were involved.

The English-language guiding questionnaires for the qualitative interviews and the standardized questionnaire for the survey were translated into Amharic by the Ethiopian project staff. The interviews with workers were conducted in Amharic language. Where necessary, translators for other local languages were involved. The translation of the Amharic interviews into English was done during

the transcription process. Interviews with managers were conducted partly in Amharic and partly in English, depending on the nationality and language skills of the interview partner. The design of the interviews was continuously refined over the course of the project on the basis of the insights gained.

In 2021, a quantitative survey was carried out with 456 textile workers from the HIP (396) and BLIP (60) in order to verify and substantiate the results of the qualitative interviews. This method triangulation was applied to obtain the best possible results.

While the workers interviewed in the qualitative and quantitative surveys were almost exclusively young women, the group of managers interviewed consisted mainly of men – at the human resources management level the staff consisted of expats and Ethiopians. A large proportion of the women workers interviewed during the qualitative data collection stated that they were unmarried and did not yet have children. While many of the women workers migrated to the city, others were already city residents who sometimes live with their parents. The fact that many women workers in the industrial parks are still unmarried and childless was also confirmed by the quantitative survey (cf. Semela et al., 2023).

All interviewees were informed that the evaluation of the research data would be anonymized and that the data would be used exclusively for the purpose of the research. The interviewees were also informed about the content and objectives of the research project. The interviews were transcribed and evaluated using Maxqda (a program for analyzing qualitative research data). A content analysis of the data was carried out based on Mayring (2010). An inductive-deductive code system was developed to evaluate the interview transcriptions. The team of Hawassa University evaluated the survey data using SPSS (a program for the analysis of statistical data). Furthermore, the evaluation with SPSS and the interpretation of the results was supported by an external statistical consultant.[15]

Challenges and limitations with regard to the implementation of the (field) research work related primarily to the coronavirus pandemic (2020/21) and the civil war in Ethiopia (2022/23). Due to the prolonged travel restrictions, most of the interviews and the survey were carried out by members of the research team in Ethiopia, while the JLU team in Germany concentrated to a great extent on coordinating and supervising the field research and on evaluating the data.[16]

In July/August 2022, the team of JLU could travel to Ethiopia to revisit the industrial parks in Hawassa and in Addis Ababa and to conduct additional group

15 Johannes Herrmann, Statistical Consulting, Gießen (Germany), https://www.statistikberatung-giessen.de.

16 The majority of the field research was carried out by the project staff in Ethiopia (S.G. Teshale and G.M. Mitta). Prof Dr Reimer Gronemeyer (principle investigator of the project) and Dr Michaela Fink conducted several trips to Ethiopia (2018, 2019, 2020, 2022).

interviews with textile operators. During the research trip, interviews were also carried out with management personnel in factories. The research trip was accompanied by the German photographer Pietro Sutera (Frankfurt am Main) who created a professional photo documentation that provides impressive shots of the workers and their living environment as well as of the work in the factories. Excerpts from this photo documentation form the last chapter of this book.

Tab. 1: Data collection during the final research trip of the JLU team in July/August 2022. The interviewed workers represented 7 different companies in the industrial parks in Hawassa (HIP) and Addis Ababa (BLIP):

date	**Hawassa**	**interviews**
28.7.2022	Dafo (location)	focus group interviews with 7 textile workers
29.7.2022	HIP	arrangements with the (interim) general manager of the IP and conversations with management personnel in factories (mainly human resource managers)
29.7.2022	Jaffe (location)	focus group interviews with 7 textile workers
30.7.2022	Zero One (location)	focus group interviews with 4 textile workers
date	**Addis Ababa**	**interviews**
31.7.2022	Goro (location)	focus group interviews with 2 textile workers
31.7.2022	Goro (location)	focus group interviews with 3 textile workers
1.8.2022	BLIP	conversations with the general manager of the IP and with management personnel in factories (mainly human resource managers)

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1.3 Review of literature on the Ethiopian textile industry

Research on the causes of high labor turnover (and absenteeism) in the Ethiopian textile industry is still limited. However, the problem is addressed by several studies that describe the experiences of textile workers and managers based on qualitative data (Barret/Baumann-Pauly, 2019; Hardy/Hauge, 2019; Yost/Shields, 2017; Fink/Gronemeyer/Rössner, 2021) or on qualitative and quantitative data (Blattman/Dercon, 2018; Hailu et al., 2018). The studies argue that textile companies need to give their workers a voice and opportunities to exercise influence more significantly, so that the industry can continue to develop positively in economic, but also in social terms. The studies also argue for the implementation of personal and professional development opportunities for textile workers and the introduction of minimum wages. Several studies address the precarious working conditions in the Ethiopian textile industry (Salingré, 2018; Francis, 2017; WRC, 2018; ABA ROLI, 2017; Barret/Baumann-Pauly, 2019; Mitta, 2019; Jego, 2019).

With regard to labor turnover, Barrett and Baumann-Pauly (2019) found a turnover rate of 60 to 120 % within one year in the Hawassa Industrial Park (HIP). Another study, which refers to the company Shints ETP Garment PLC in BLIP in Addis Ababa, indicates an average annual turnover rate of almost 90 %. The figure refers to female employees at Shints and to a period between 2014 and 2016. (Hailu 2016: 4)

Problematic working conditions and insufficient remuneration are cited in the studies as the main reasons for the high turnover rates. Research indicates that managers are usually well aware of the fact that low remuneration is a central reason for high labor turnover. Nevertheless, a willingness to raise basic wages does not seem to be evident so far. Instead, companies are trying to get a grip on turnover through non-salary incentives. (Feldt/Klein 2016: 73) According to research, further factors causing high turnover and absenteeism rates are a lack of promotion and training opportunities, job insecurity, lack of affordable housing and transport, a negative relationship with superiors, low recognition by superiors and ignorance of contractual conditions (duties and rights) on the part of workers. Workers complain about 'unfair treatment' (even 'mistreatment') by supervisors, about low-quality (also spoiled or unbalanced) canteen food, which causes health problems. Beside these job-related factors, workers also see external influences playing a role. For example, the lack of safety on the way home (from the bus stop

to the accommodation) is mentioned as a crucial aspect affecting job satisfaction. (Cf. e.g. Mitta, 2019)

Hardy and Hauge (2019) conducted interviews with firm owners and managers in the textile and leather industry near Addis Ababa in their study. The results of the study show that high turnover rates are the most common problem and the most expensive factor in human resources, as well as the main cause for poor performance of firms. Company measures to counteract turnover in the firms were mainly related to non-salary incentives, such as subsidized lunches, health care and annual leave. Overall, however, the measures did not deliver the desired results. Hardy and Hauge describe turnover as an individual exit strategy of the workers, as they have not yet developed collective strategies to influence working conditions in the textile industry. The authors criticize the paternalistic tactics of many local and foreign companies, and the accompanying government restrictions on union activities and labor mobility. Such measures lead to a limitation of the individual and collective power of the workers, the authors write. The study concludes:

> "The lack of collective, union voice mechanisms, low pay for industrial labour, and easy access to alternative employment in the informal sector and abroad mean that workers tend not to hold jobs in the leather or textile industry for very long, which in turn limits the ability of some companies to compete successfully in the global market." (21)

Meyer (2018) notes in his study that nearly all workers interviewed in the Ethiopian textile and garment industry started their work with the expectation of 1) being able to put money aside or 2) having a temporary job until a better-paid job would be found. For the majority of workers, employment in the textile and garment industry was therefore only associated with a temporary perspective. However, according to Meyer, it is not uncommon for workers to stay longer in the textile industry than originally planned, despite the existing dissatisfaction. The reason may lie in the lack of alternatives, which would contradict the thesis of "easy access to alternative employment opportunities" (Hardy/Hauge, 2019). Especially for women with low formal education it might be difficult to find better alternative work.

Halvorsen (2021) also explicitly addresses the issue of labor turnover in the Ethiopian textile industry. Her study, which is based on qualitative and quantitative research data, refers exclusively to married female workers (and former workers) in various textile parks (mainly Mekelle, Hawassa and Dire Nawa). Overall, Halvorsen's study finds lower turnover rates compared to other studies. About one third of the textile workers sampled in the study left their job within the first six months of employment and half left within the first year of their employment.

Halvorsen identifies three main causes of labor turnover: 1) unrealistic expectations about pay and workload on the side of the workers, 2) poor working conditions, and 3) difficulty balancing family responsibilities with factory work. To reduce turnover, Halvorsen recommends, among other things, that applicants should be given a more realistic picture of the factory work during the recruitment process. In addition, working conditions should be improved and childcare options should be made available. With a view to future research, Halvorsen recommends that the effectiveness of possible measures to reduce turnover needs to be investigated in greater detail.

Abebe, Buehren and Goldstein (2020) emphasize Ethiopia's ambitious efforts to embark on industrial development, particularly by establishing export-oriented industrial parks, and to create jobs for the steadily growing young population. However, according to the authors, the experience with IPs has been complex: high turnover rates, low wages and health hazards have posed major challenges to the industry. In their experimental study, the authors agreed to cooperate with three garment manufacturers in the Bole Lemi Industrial Park (BLIP). Their intervention shows that simple job placement interventions can support female job seekers to overcome barriers to enter formal employment often faced by youth, women and migrants in the so-called developing countries. At the same time, however, Abebe and colleagues find that applicants have little knowledge of the nature of factory work at the beginning and that they adjust their expectations downwards after they are hired. Furthermore, after eight months, the employees (resp. the intervention participants) showed health impairments. They stated that they saw their factory work as inferior, dangerous to their health and temporary. Generally, the authors see a better earning potential for Ethiopian workers in the IPs compared to factory jobs outside the IPs due to the establishment of export-oriented and foreign-owned companies. On the other hand, the study underlines that the industry is still far from providing 'good jobs'.

In his master's thesis, Belayneh (2020: 46, 28f.) advocates the introduction of minimum wages based on the International Labor Organization (ILO) minimum wage conventions. According to Belayneh, minimum wages should be country-specific and adapted to the region. At the same time, instruments should be developed that allow high inflation rates to be taken into account when setting minimum wages. Belayneh refers to the recognized Anker method for calculating minimum wages. The Anker method determines the level of a living wage based on real costs in three areas: 1) nutritious food, 2) adequate housing and 3) other costs (e.g., for health care, education, clothing, transport, and contingency reserves). Based on his own interviews with representatives of the Ethiopian Investment Commission (EIC), Belayneh obtained information on monthly basic salaries in the textile factories. According to this, in the Bole Lemi Industrial Park (BLIP) and Eastern Industrial Park (EIP), basic salaries are between ETB 900 and

ETB 1,400; in the Hawassa Industrial Park (HIP) between ETB 850 and ETB 1,400. However, interviews with company managers in the HIP revealed that the basic salary for new entrants is ETB 750. Furthermore, according to the EIC the average turnover rate in the factories was over 80 % at the time of the interviews. Park-internal migration plays a significant role in the high turnover: workers move from one textile company to another within the parks for as little as ETB 50 or ETB 100 difference in salary. Belayneh concludes that multinational companies (MNCs) in Ethiopian IPs, regardless of their human rights obligations, pay wages that are below a minimum living wage. (45–47) He states, the living wage should be three times higher than the basic salaries paid in IPs. Belayneh justifies this with the real cost of living and also addresses the problem of the high inflation in Ethiopia. (30f.) The absence of a minimum wage negatively affects the fairness of wages in the IPs. Belayneh adds:

> "To this effect the research concludes minimum wages should be regulated to enforce the right to fair wage and protect from violation by MNC or any actor. MNC's obligation to respect human rights will not materialize unless the rights are protected by the state. For MNC's, minimum wage regulation will not create a new obligation rather it's enforcing what they have already pledged obligation on human rights instruments, soft laws and different voluntary initiatives." (46)

Belayneh's paper continues to recommend that the government should also legislate for the additional benefit packages. He notes that additional benefits, allowances, and overtime payments should not be seen as components of a fair wage. Moreover, the Ethiopian government should provide various incentives for companies to pay their workers fairly.

Overall, a World Bank study comes to a more positive assessment of the labor wages in the industrial parks. This could be related to the fact that the average salaries for operators collected for the study refer to the totality of Ethiopian industrial parks, including those representing sectors other than textiles and apparel. The authors of the paper (Meyer et al., 2021) distinguish three compensation categories for workers employed in production in IPs: base pay, variable pay, and non-monetary in-kind benefits such as free meals and free transportation. Meyer et al. report an average base salary for workers of ETB 1,800 per month, plus ETB 1,175 average variable compensation. The study, however, identified significant differences in the compensation of employees within and across industrial parks. According to the paper, the average base salary is lowest at Hawassa Industrial Park (HIP) and highest in Eastern Industrial Park (EIP). According to the authors, there are also significant differences in variable compensation within and between industrial parks (sums range from ETB 700 to ETB 2,100 per month). Variable compensation is comprized of performance bonuses, overtime pay, and other bonuses. (6)

The authors state that the average total compensation (base salary and variable additional payments) in industrial parks is just under ETB 3,000. However, compensation in industrial parks that are publicly owned is reported to be lower compared to private parks. For example, the average remuneration at Hawassa Industrial Park (HIP) is slightly above ETB 2,100, while at Bole Lemi Industrial Park (BLIP) and Kombolcha Industrial Park (KIP) the average remuneration is ETB 2,700. Companies located in privately owned industrial parks pay their workers more: here, the average base salary is 33 % higher than in publicly owned parks, with EIP even paying more than ETB 3,400. (Ibid.)

According to the authors, the differences in compensation are related to the fact that most of the companies in the public industrial parks are focused on clothing and textiles, while the companies in the private industrial parks are involved in various sectors: for example, in the production of chemicals and metal products – i.e., areas that tend to require a higher level of qualification of the workers, which is associated with higher wage costs than in the apparel sector. Another reason given by the authors is that the largest private industrial park, the Eastern Industrial Park (EIP), has been in operation much longer than other industrial parks, so the EIP may have been able to build and maintain a comparatively efficient and skilled workforce for this reason as well. (Ibid.)

Meyer et al. conclude that most industrial park firms pay their workers more than the local cost of living to meet basic needs (measured against the local poverty line). The average industrial park company pays a basic salary of ETB 1,800 per month, which is according to the authors well above the national poverty line of ETB 987 (per adult per month) on average (regional differences in the cost of living should be taken into account here). However, the authors note that various companies pay their production workers basic salaries that are not above the national poverty line. In terms of total benefits (basic salary, variable compensation and benefits in kind) all the companies surveyed pay their production employees above the level of the national poverty line. (12)

Job opportunities outside of industrial parks are considered an important benchmark for assessing salaries in IPs: what opportunities do workers in industrial parks have in the local labor market? Three sectors are highlighted: industrial jobs, service jobs, and agricultural work. While the first two sectors are important job alternatives in urban areas near industrial parks, subsistence farming comes up as an alternative livelihood activity in rural areas – but one that many workers have left behind. (12f.)

The data collected as part of this study were based on a telephone survey conducted by a survey firm. The survey reached 70 % of industrial park firms in 11 of 14 parks. Most firms were operational at the time of the survey (May 2020). In HIP and BLIP, both cornerstones of the government's industrialization agenda, 91 % and 90 % of firms were surveyed, respectively. Most of the respondents were hu-

man resources managers or company managers. The total number of industrial park companies at the time of the study was 153, spread across a total of 14 IPs nationwide. These included industrial parks under the Ethiopian government's Industrial Parks Development Corporation (IPDC) on the one hand, and parks owned by private investors on the other. The three largest parks had a total of 129 registered firms at the time of the study: 97 in the Eastern Industrial Zone (EIZ), 22 in the HIP and 10 in the BLIP. (3) With regard to the study it should be noted that the managers and human resources managers surveyed were highly likely to have indicated gross wages from which pension and tax contributions are withheld and paid.

Compared to turnover, absenteeism is less in the focus of research, although high absenteeism rates in textile companies is a very costly factor. Feldt and Klein (2016: 74–77) explain the high absenteeism rates in the Ethiopian textile industry, among other things, by the fact that workers are not yet familiar with contract work and often do not understand their rights and obligations as employees. Workers are sometimes absent after their salaries have been paid out and only return to work when the money has been exhausted, so the authors. It is also common that workers do not return to work for days after holidays or family celebrations and many do not inform or request permission from their employer in advance. One manager quoted in the article explained that he had introduced an attendance bonus in his company. According to this, workers receive an additional ETB 150 per month for 100 % attendance. Even though only 50 % of workers qualified for the attendance bonus, absenteeism rates were reduced by the incentive. Feldt and Klein recommend, amongst other things, the establishment of childcare facilities in the parks to reduce absenteeism.

An evaluation report by the Deutsche Investitions- und Entwicklungsgesellschaft (DEG 2015: 5–7) evaluates the transformation of the DBL Group (a garment manufacturer in Bangladesh) into a worker-friendly company. According to the report, the measures introduced reduced turnover and absenteeism rates and significantly increased productivity. The company invested in occupational safety, which was an issue for many textile companies after the Rana Plaza catastrophe. The measures introduced by DBL Group followed a holistic approach. Social leaders were hired to ensure that supervisors kept their promises to workers. A feedback system was also introduced to allow workers to voice criticism. DBL Group set up a 'fair price shop' on the factory premises, where workers can buy food and hygiene products at the purchase price. In this way, the workers' real wages could be increased. As absenteeism is also related to (female) workers' menstruation, DBL Group introduced the regular provision of subsidized sanitary pads. Other measures included the provision of free health services (health clinic), the establishment of a day care center, a cultural club, the provision of accommodation, improved training for new entrants and training for managers.

In a recent study, Hailesillassie and Salenko (2022) examined stress among textile workers in in HIP. The study found a high prevalence of work-related stress among workers. Temporary employment, poor working conditions, lack of work experience and learning opportunities, and lack of organisational support were significantly correlated with work-related stress in the study. The study also draws attention to widespread khat (a local drug) and alcohol use among employees and a possible link to work-related stress.

In a paper, Oya and Schäfer (2021) analyse the causes of massive labor conflicts in Ethiopian industrial parks. To provide a theoretical framework, the authors develop 'labor regimes' shaped by global, national, and local forces. They discuss the background necessary to understand the interdependence of capital, the state, and labor in Ethiopia's emerging textile and clothing industry. Their own empirical study of the dynamics of labor conflicts and forms of resistance by workers from 2017/18 shows that many conflicts between workers and employers in factories result from a collision of productivity constraints on the part of manufacturing firms involved in sophisticated segments of low value-added global production networks with the expectations of workers with limited experience in industrial gainful employment. The authors note that existing labor conflicts are exacerbated by contradictory actions of various government agencies, a lack of formal unionization of workers, and the contingent interactions between factory-based grievances and local political conflicts. Following the authors' assessment, industrial parks as a whole "emerge as spaces of particular contestation." (1) The paper highlights the need to develop an understanding of labor regimes based on local political realities. The "findings have implications for the design of industrial policies and labour market institutions aiming to support firms and workers in emerging manufacturing clusters." (Ibid.)

Oya and Schäfer also see turnover ('exit') as the most common form of informal resistance on the part of employees. The authors agree with other studies when they state that high absenteeism and turnover is concentrated particularly in the first three months of employment when the workers receive low entry-level wages and no incentives. In their paper, they indicate that some senior managers view low entry-level wages as justified by low productivity. The authors note that at the management level of the Ethiopian industrial parks the initial expectation was that productivity would rapidly increase from 10 % to 15 % to more than 60 % within three to five years, leading to higher wages (via performance-based pay). However, this assumption has proven to be unrealistic, the authors say. (6) They highlight that, according to union representatives and workers, high absenteeism and turnover rates are a direct response to low wages. According to their paper, average net wages for textile workers in 2018 were ETB 1,675 in the Bole Lemi Industrial Park (BLIP), ETB 1,241 in the Hawassa Industrial Park (HIP), and ETB 1,685 in the Eastern Industrial Zone (EIZ). The authors note that – although managers

and government officials agree that high turnover rates are a significant impediment to industrial development in Ethiopia – available data are inconsistent and it is difficult to obtain consistent estimates of turnover rates. (7) Even though a comprehensive database is lacking, based on their own research the authors note that all industrial parks show similar turnover rates, while significant differences existed at the company level, suggesting that turnover was significantly related to internal company factors. According to the authors, who refer to statements made by several managers, persistently high turnover rates are primarily attributable to failures on the part of companies that should thoroughly investigate the causes and take effective corrective measures. (10) The authors' own long-term study suggests that the main reason for textile workers changing jobs was the search for higher wages. The interviews with workers and union representatives revealed that another cause of frustration was a lack of understanding of wage-setting systems on the part of workers, which led to a perception that the systems were unfair. This perception was particularly evident in relatively new industrial parks, such as HIP, and among workers who were newly working in a factory. (Ibid.) The complexity of bonus systems, deductions and other fluctuations in net pay angered many workers because their expectations of a stable wage were not met. Not only were wages low and fluctuating, but they were not enough to cover the workers' living expenses, let alone put money aside to support family members. Oya and Schäfer quote the testimony of a senior manager at HIP who reported workers' "expectations were unrealistic partly because of a lack of previous experience, and partly because of misleading word of mouth suggesting salaries would be higher." (Ibid.)

Finally, the authors point out that high turnover rates in the initial phase of industrialization processes are not uncommon in other countries either. Some of the managers interviewed confirmed this against the background of their experience in manufacturing companies in Southeast Asia. The phenomenon of high turnover rates and absenteeism highlights the frictions associated with processes of transition to industrial work, so Oya and Schäfer. However, management always assumed that the problem would settle within one to two years and that companies would be able to retain the best workers. The authors point out that companies tolerate a high turnover rate to a certain extent if this means that the most productive employees remain with the company. This is evident from the literature on traditional low-wage systems. In this respect, turnover may even be a deliberate corporate strategy. The authors suggest, this could explain why many textile companies in Ethiopian industrial parks do not make significant concessions to their employees despite the high turnover rates. (Ibid.)

A closer look at the available research results gives an impression of the complexity of the problem. Based on the current state of research, the following main causes for the problem of fluctuation can be identified:

Operational factors:

- inadequate remuneration of workers in relation to the workload and in relation to the local living costs;
- workers migrate between textile companies within the industrial parks if this offers them slightly better earning opportunities or more attractive working conditions;
- inadequate and non-culturally sensitive personnel practices;
- conflicts with executives, or treatment perceived as unfair by workers;
- health problems of workers caused by the factory work;
- lack of career opportunities for workers.

External factors:

- the Ethiopian industrial parks are a relatively recent development and the (predominantly female) workers are not yet adapted to the industrial work culture;
- lack of affordable housing in the vicinity of industrial parks;
- workers find alternative/better work and income opportunities in other sectors, including the informal sector, or start their own business.

Personal/social factors:

- personal reasons, such as relocation, maternity, family problems/commitments, further education/studies.

In general, the family support network appears to remain very stable for many Ethiopians. Social structures therefore allow a certain degree of independence from paid work. (Feldt & Klein 2016: 76) A manager with an Asian background, quoted by Feldt and Klein, summarizes his perception as follows: "they [the workers] are not worried. They think: 'I'll go back to work, they'll take me back. If not, it's okay, my family will take care of me.'" (Ibid.) This, he said, is not comparable to the Asian work culture:

> "We Asians, we depend on earning money. We need to have a job. People are scared, they really want to earn money. But here [in Ethiopia] people don't care. Either you increase their salary or they say, 'I'm going home, I don't want to work'." (Ibid.)

A 2017 report prepared by a research team from the School of International Relations and Public Affairs (SIRPA), Fudan University, reflects experience of Chinese textile companies in Ethiopia. The report summarizes the situation as follows:

> "[…] labor productivity in Ethiopia was lower than in other low-cost manufacturing destinations […], reflecting the fact that most factory have very limited experience of modern industrial employment. Absenteeism, ability to 'concentrate' on the job, unresponsiveness to financial incentives to work overtime, and high turnover were identified as problems. Moreover, cultural differences between management (typically foreign) and Ethiopian workers leads to misunderstandings. As a result of low productivity, the majority of the manufacturing businesses we interviewed are not operating at full capacity […], impacting profitability and over the long term sustainability." (SIRPA, 17f.)

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1.4 From development to transformation: metamorphoses of a concept, a theory, and a practice

> "We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. The old imperialism – exploitation for foreign profit – has no place in our plans. What we envisage is program of development based on the concepts of democratic fair dealing." (Esteva, 2010: 1)

On January 20, 1949, the day President Truman took office, the American president used these words to set in motion a process that ended the age of colonialism and initiated the era of development policy (ibid.). Although there were still many colonies at the time, Truman's words marked the turning point that heralded the process of inevitable decolonisation. At the same time, Truman's speech formulates the headline of the new era: two billion people were defined as 'underdeveloped' overnight. As a result of the transition from the age of colonialism to the age of development policy, two-thirds of the world's population were called upon to recognize themselves as underdeveloped. (Ibid.: 2)

Today we are beginning to see that this concept has been used to destroy the culture, the economy, and the sociality of indigenous societies. Now that the fatal consequences of this project are becoming apparent, we can finally talk again about the forward-looking significance of indigeneity.[17]

Critical voices that were initially raised against the concept of 'underdevelopment' met with little resonance. Julius Nyerere (Tanzania's first Prime Minister from

17 E.g. Mattioli, A. (2023) quotes in his book "Times of Revolt. A history of indigenous resistance in the USA 1911–1992" the Indian Manifesto of 1969, which states that the First People, "America's captive peoples" need nothing so much as a "cultural leave-us-alone agreement" (preface of the German edition, p. 11); see also Graber, D./Wengrow, D. (2021): The Dawn of Everything. A new History of Humanity (London/ New York: Allen Lane/Penguin Random House).

1961, later President) defined 'development' as the political awakening of a people to their own goals. However, development policy as it emerged in Truman's speech was not interested in finding its own way. Instead, the word 'underdevelopment' became a threat: the "life experience of subordination and of being led astray, of discrimination and subjugation" (Esteva, 2010: 3), which, according to Gustavo Esteva, characterized the concept of 'development', did not allow for anything like 'own objectives'. Rather, confidence in themselves and their own goals was systematically undermined (ibid.).

In retrospect, according to Ivan Illich, the era of development policy can be understood

> "as the epoch during which, at immense cost, a worldwide ceremony has been celebrated to ritualize the end of necessity. Schools, hospitals, airports, correctional and mental institutions, and the media can be understood as networks of temples built to hallow the deconstruction of necessities and the reconstruction of desires into needs." (Illich, 2010: 97f.)

Wolfgang Sachs sums up as early as 1992: "The last forty years can be called the age of development. This epoch is coming to an end. The time is ripe to write its obituary" (Sachs, 2010: xv). However, it is only in the 21st century, with the discussion about post-colonialism, that traditional development policy has come under pressure so that the term 'development cooperation' is now used and the countries addressed are perceived as 'partners.'[18]

In the era of development policy, the rift between North and South de facto widened and the number of hungry, homeless, and sick people increased. The number of development ruins also increased – and development policy, which had claimed to be development aid, became recognizable as a project designed to open up markets, get a grip on raw material deposits and establish political dependencies. (Cf. e.g. Dirmoser et al., 1991)

At present, nobody really takes the development policy promise of salvation seriously: "Make an effort and you will achieve the kind of prosperity we have." Climate change, the foreseeable shortage of water, limited resources and population growth suggest that the living conditions of many people are more likely to deteriorate rather than match the prosperity of industrialized nations (WEF, 2024).

It should be remembered that development policy has gone through various phases. The first phase of development policy was theoretically underpinned by modernization theories, which claimed that strong investments and moderniza-

18 At the same time, African intellectuals are at least being more clearly recognised and discussed. Cf. e.g. Mbembe, A. (2014).

tion processes would only have to be set in motion to provide a boost until the development process could then run independently – the theory of the most important representative of modernisation theory, Walt W. Rostow, was as follows: it's like an aeroplane that needs a strong push to take off, then it flies on its own (Rostow, 1990).

An early contradiction to the promise of development policy came from Latin America. André Gunder Frank and several other scholars discovered – especially with a view to Latin America – that development policy actually increased structural dependencies ('dependencia'), which in principle prevented the promised development. Latin American countries were fundamentally dependent on the export of individual products (coffee, bananas, sugar, etc.), which made them puppets of the world market and its price fluctuations. This then also made them dependent on the buyer countries (especially the USA) and ensured that only raw (unprocessed) products could be exported.

The dependency theory countered the promises of modernization with the fact that the existing structures systematically prevented 'development'. The Norwegian researcher Johan Galtung supported the dependency theory with his reference to the 'structural violence'in the relationships between the rich north and the poor South (Galtung, 1982 & 1975).

Following the theses of the dependency theory and supported by the criticism of the modernization theory, Dieter Senghaas proposed an "autocentric development," the possibility of which he illustrated using the example of Japan (Senghaas, 1979).[19]

The examples of the actual failure of development policy are legion, but the 'development industry'is still a powerful instrument in the regions that were once called the *Third World*. The activities of development agencies, which continue to the present, and their ambiguous role are particularly visible in Africa. "The development industry is peculiarly susceptible to the idea that African Societies can be shaped and reshaped as though they were made of wet clay," summarizes Africa researcher Stephen Ellis (2011).

The literature that is now available on the disastrous consequences of traditional development policy is extensive (cf. e.g. Patel, 2007; Mills, 2011; Gill, 2010). The fatal consequences of the 'green revolution' are repeatedly recalled, particularly in Asia (Shiva, 2017; Collins, 1985). The pressure of modernization on Indian smallholders led to them going into debt in order to buy industrial seeds, artificial fertilizers and pesticides. This started the debt spiral. Between 2006 and 2016, more than 140,000 farmers in India committed suicide. Forced modernization

19 Another important critical voice against the modernization paradigm is the American anthropologist James Ferguson (cf. Ferguson, 1999).

has made India's small farms dependent on the large seed, pesticide, and fertilizer companies (cf. e.g. Gronemeyer et al., 2015).

The talk of development is now only cautious. While actors still speak of development aid, the donor countries' own economic and political interests take centre stage. The illusions of modernization theory have evaporated: the world will not look like the USA or Europe. This is the moment when an ambivalent impression arises: on the one hand, there is the increasing weight of the BRICS countries in the global context, which suggests a future significance of former *Third World* countries. The term 'development' fits this process less and less, while the term 'transformation' fits it more and more clearly. On the other hand, unstable regions appear to be on the rise in Africa. West Africa is increasingly dominated by military dictatorships. In East Africa, the existence of Sudan is in question, and this threatens to destabilize the entire region. Seven million people there are internally displaced persons or have left the country. There is reason to fear a transformation towards catastrophe. Prunier strikingly illustrates that

> "[i]n the event that the Sudanese state finally collapses, the prospects are extremely poor. The entire Horn of Africa is now in a state of advanced disintegration. It is indicative of the tragic situation that Ethiopia still appears to be the most stable country in the region. This is despite the fact that it is torn apart by internal conflicts and is also at loggerheads with its neighbours Egypt and Somalia over certain dam and port projects." (Prunier, 2024)[20]

The story of 'development' fails. At the same time, the 'Western' gaze, freed from the arrogance of colonial and industrialized societies, falls on an Africa that is possibly more sustainable than the old, industrialized societies. Their involvement in destructive predatory colonialism is now beginning to show its destructive consequences in climate change: the people and regions in Africa are already visibly suffering from this.

But perhaps the continent harbors more prospects for alternatives than traditional development aid could ever see? More than fifty years ago, in 1971, the philosopher and theologian Ivan Illich gave a speech in Lima in which these alternatives are identified and summarized. According to Ivan Illich, the world is increasingly committed to widening the gap between rich and poor:

> "In the liberation of the world from idols of progress, development, efficiency, Gross National Product and Gross National Education, the *Third World* has a crucial responsibility. Its masses are not yet totally addicted and dependent on consumption, especially the consumption of services. Most people still heal, house, and

20 Own translation of the German quote; see also Clapham (2017).

> teach one another, and could do it better if they had slightly better tools. The *Third World* could lead the rest in the search for an environment which would be both modern and humane." (Illich, 2018: 134)

Illich's thinking has lost none of its relevance to this day. However, his development-critical writings in the 1970s were based on the conviction that the so-called developing countries still had the choice to take another path than the industrialized countries as the "*homo economicus* who is dependent on standardized 'needs'" (Illich, 1979) was not yet fully globalized.

Few decades years later, in his foreword to the new edition of the Development Dictionary (2009/2010), Sachs finds it striking that they (post-development critics) "had not really appreciated the extent to which the development idea has been charged with hopes for redress and self-affirmation." He argues that although the development project was an intervention of the West, it was "not just an imposition on the rest." On the contrary, the countries of the Global South today are mostly great advocates of the idea of development:

> "[…] as the desire for recognition and equity is framed in terms of the civilizational model of the powerful nations, the South has emerged as the staunchest defender of development. Countries in general do not aspire to become more 'Indian', more 'Brazilian' or for that matter more 'Islamic'; instead, assertions to the contrary notwithstanding, they long to achieve industrial modernity." (Sachs, 2010: ixf.)

However, Sachs counters, "the shiny side of development is often accompanied by a dark side of displacement and dispossession" (ibid.: xi). This is why, according to him, economic growth goes hand in hand with growing inequality. Sachs states that the globally orientated middle class, which is pushing for development in the name of greater equality, largely ignores the plight of the poor. In his understanding, this explains why social polarization has increased with growth rates in just about all newly industrializing countries in recent decades. (Ibid.) Sachs puts it even more strongly:

> "To invoke the right to development for the sake of greater equity is therefore an untrustworthy undertaking. This is particularly the case when governmental and non-governmental representatives call for accelerated growth in the name of helping the poor." (Ibid.)

He emphasizes another important point – namely that development thinking is orientated towards nation-states' transition from agrarian to industrial societies. Conventionally, the state was seen as the main actor, and national society as the main target of development planning. For this reason, development thinking

became increasingly unhinged, as both the actor and the target of development eroded under the influence of transnationalization. (Ibid.: viii) Therefore, the gradual replacement of the development paradigm by the transformation paradigm can also be interpreted in the context of the dissolution of the categories of state and society.

At the same time, the paradigm shift points to a deeper level. Following Sheldon S. Wolin, 'development' suggests a progressive change in which a previous 'deeper' identity is retained, while transformation implies the displacement or disappearance of an old identity and the acquisition of a new one (Wolin, 2008). Furthermore, the concept of transformation marks the end of linear thinking, which is linked to the idea of a progressive development.

According to Hölscher et al. (2018: 1), the term 'transition' refers more to chances in societal subsystems, 'transformation' refers to a fundamental and all-encompassing change. In transitions research, transformation is often seen as "as more radical, large-scale and long-term changes" and differenciated from "politically top-down and technocratic transitions." In a sense, however, both terms point to the need for fundamental change in order to achieve what is considered sustainable societies.

Transformation is a scientific buzzword, which is used in mathematics, biology and electrical engineering, economics, sociology, cultural studies, linguistics a.s.o.[21] In social science, the term 'social transformation' has increasingly replaced the term 'social change'. The word or idea of 'transformation' was strongly influenced by Karl Polanyi through his book titled "The Great Transformation" (1944), which "provides conceptual tools to explain the non-linear, non-teleological and inherently dialectic nature of social change" (De Haas et al., 2020). An important aspect of this conceptualisation of transformation is the conviction that economies are intrinsically embedded in societies and markets and can therefore not be separated from societies. Polanyi argues that "(Western) society has been subordinated to market laws so that society functions to fulfil economic purposes rather than the economy fitting the needs of society" (ibid.: 12–13). Counter-movements to this situation are inevitable; they can emerge in the form of social-democratic reform or totalitarian fascism or Stalinism. Polanyi's conceptualzation also stands in stark contrast to a Rostowian understanding of development as a linear process. It allows to see that modernization "has been anything but the smooth ride towards increased prosperity for all but has involved significant political, technological and cultural transformations that have been part and parcel of 'modernization'" (De Haas et al., 2020). According to the authors,

21 For the history of the term and theories of transformation, see for example the "Handbuch Transformationsforschung" by Kollmorgen et al. (2015).

> "[m]ost importantly, perhaps, Polanyi's view is not determinist and teleological, as it allows for a range of outcomes and does not see history as an inevitable succession of 'stages', as in Hegelian or Marxist views. The strength of Polanyi's social transformation approach is evident in its non-deterministic ability to understand the mechanisms underlying political change and conflict in modernising capitalist societies – not only in the 1930s but also in the more-recent context of 'neoliberal globalisation' (Stiglitz 2001) which has sparked powerful 'counter-movements'." (Ibid.)

Both terms – development and transformation – imply certain contents but at the same time ideological neutrality. Regarding the concept of development, Sachs argues it "is a concept of monumental emptiness, carrying a vaguely positive connotation" (Sachs, 2009/2010: xi). It can be filled with any content and even include radically conflicting perspectives – from drilling for oil to drilling to setting up tree nurseries. Overall, however, the term emphasizes, according to Sachs, the predominance of the economic world view. (Ibid.)

The gradual transition from 'development' (as a predominantly linear, teleological concept of change) to 'transformation' (as a non-linear, fundamental break with the status quo) outlined above can be found in both political and scientific discourses. At the same time, both approaches continue to coexist. Looking at the example of Ethiopia, political discourse emphasizes "structural transformation" (cf. e.g. Oqubay 2017: 3), while the Ethiopian small farmer or textile worker would rather talk about 'development' and associate it foremost with access to electricity, clean water supply, or tar roads.

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2. On the socio-economic causes of high employee turnover in the Ethiopian textile and garment industry

2.1 Introduction

Labor turnover and absenteeism in the textile and apparel industry have so far been studied mainly in countries where the industry already has a much longer history (i.e., Bangladesh, India, Sri Lanka, Myanmar, Kenya, Pakistan, Indonesia, and Lesotho). (See Fink, Gronemeyer & Rössner, 2021) The results presented in this book aim to contribute to a deeper understanding of the specific situation of the sector in Ethiopia – the country that, despite recent crises, is still considered an important beacon of hope for global textile and garment industry.

Interviews with female operators and human resources managers carried out as part of the JLU-study revealed mostly opposing views when explaining massive rates of turnover and absenteeism: while the majority of the female workers interviewed blamed the mismatch between low pay and high workload, managers often referred to the workers' *mindset*, which they negatively connoted with a "lack of experience with industrial work," "poor work ethic" and as a result low production levels. The interviews revealed a large discrepancy between the views and interests of workers on the one hand and the management personnel on the other. A company manager at the Bole Lemi Industrial Park (BLIP) in Addis Ababa points to the general conflict of differing interests between employers and employees:

> "The issue of labor productivity, as well as the measures taken to adress it, is at the heart of the problem of labor turnover in the industrial parks. Employers want their employees to maximise their productivity, and employees want their employers to pay them well. I seems that these two desires are unable to travel in the same direction." (BLIP-CM-2021-informal-conversation)

High availability of labor and low wage levels were main reasons for international textile and garment companies to settle in Ethiopia, however, voluntary work termination of laborers is now one of the major challenges for the companies. Companies generally expect high turnover rates in the first two to three years of

production, but assume that the workforce will stabilize thereafter. But for the international firms in Ethiopia's industrial parks, high turnover rates remain a continuous challenge even after several years. Furthermore, high absence rates of laborers significantly contribute to the instable workforce situation.

High labor turnover becomes even more challenging when drop-outs are not newcomers, but well-established employees. Replacement is a general challenge as there is a lack of experienced workers in Ethiopia's light manufacturing sector.

Ethiopia is still at the beginning of its industrial development – and has still a long way to go, as a thirty-year-old human resources manager explains. The manager, who works for a garment company in the Hawassa Industrial Park (HIP), estimates that it could take 30 to 40 years until Ethiopia has developed an industrial workforce qualified to operate in the textile industries. The manager sees his mission in Ethiopia also as an educational one: his task is to anchor the rules and norms of industrial work system among employees, a large proportion of whom are young women with a rural-agrarian background who are not yet adapted to the industrial environment. The manager admits that he had not expected the situation in Ethiopia to be so different from that in Sri Lanka, where he had previously worked:

> "Since I guess Ethiopia is not still industrialized country – because like when I am coming here, I was expecting same environment as Sri Lanka. Because I do not know, nobody told me anything about Ethiopia. They just told me to go and you do your thing. I still feel unknown to this. Because all the girls do not understand how you work, what are the work ethics. All these things you have to teach from the start because most or all the girls are coming from a farming background, also their families are farmers. So my task, my challenge is like to industrialize them, train them, like give them the positive side of this industry and the negative side of industry as well. My challenge is to market and promote this industry for the girls." (HIP-HRM-2020-2)

In a smaller survey conducted at the beginning of the research project, a HR manager at BLIP explained:

> "Since they are coming directly from home, they don't want to be confined in a work place for more than eight hours. This situation doesn't bring the expected compensation so that they get stressed and that eventually leads to absenteeism and turnover." (BLIP-Survey-2020-3)

In interviews with management personnel a constant complaint concerns the work attitude ('mindset') of the employees – e.g. "They can be fruitful in the production system. But they don't have the mindset to understand this." HIP-HRM-2021-4 In

the view of a representative of the investors' association at BLIP, workers in general lack a sense of purposefulness:

> "They [the workers] tell you hundreds of reasons. Today they are sick and tomorrow they come well. […] People should know the value of living and the value of money […]." (BLIP-Stakeholder-2021-2).

Another HR manager at BLIP complains:

> "Mainly, they try to ask for their rights without fulfilling their responsibility. There are also other disciplinary problems including being late to come to the workplace, lack of punctuality, and some lack of commitment. There are also problems related to workplace conflicts, particularly among workers. These are problems that are common everywhere." (BLIP-HRM-2020-2)

An HR manager at HIP mentions the gap between the demands of the industry and the workers who are not yet able to meet them:

> "It is a green fill country because the industrialization is just starting. So, industrialization, the culture which is associated with it and how people see their career going forward, their ambitions, how they see themselves, is a big challenge for me." (HIP-HRM-2020-3)

Most managers interviewed consider both the lack of experience with formal gainful employment and the agricultural background of the laborers as main causes for the high fluctuation. The firms established trainings to improve the work attitude of the workers and to create awareness about the processes involved in the industrial production. For example, employees are encouraged to notify their employer as early as possible of (foreseeable) absences, holidays or even their withdrawal. At the same time, companies have created incentive systems to achieve greater labor force stabilization. However, according to the managers, these measures have not yet brought the desired success. Companies have run out of ideas for an effective plan to retain their employees, states one company manager (BLIP-CM-2021-informal-conversation). To a certain extent, companies consider staff turnover and absenteeism to be normal sources of friction. However, the often very high turnover rates jeopardize the profitability of companies.

Some of the managers recognize that the low remuneration of employees (the operators) has a significant impact on the high turnover. However, given low productivity performance (and low profit margins), companies argue to have little room for manoeuvre to provide for higher wages. The beforementioned company manager at BLIP (BLIP-CM-2021-informal-conversation) estimated that 80% of

his employees quit due to dissatisfaction with their salary, while the rest would quit due to issues related working environment and working conditions. As a consequence of the high turnover rates, companies tend to keep investment in training new employees low, which in turn can leed to overstretching employees in the workplace and resigning.

The textile workers are expected to join the company for at least five years. However, according to interviewed managers, many withdraw within the first three months of employment. Overall, as the reseach results indicate, labor turnover ranges from 50 % to as much as 100 % per year, and absenteeism can be as high as 10 % per month. All this reduces the productivity of companies and moves Ethiopia's goal of becoming an industrialized country further away.

The life situation of the (women) workers in the Ethiopian textile industry is characterized by a drastic tension. The majority of workers are unmarried women who migrated from rural areas to the cities. Their knowledge, skills, experience, and work rhythms are shaped by the agricultural way of life, which is more community-oriented than individualistic. In a way, their 'mindset' contradicts the expectations placed on them in the industrial park where punctuality, regularity and adaptation to the clockwork of industrial production are required. The rural-agricultural lifeworld is characterized by intensive work phases and long breaks with time for social interaction and cultural activities, while industrial production demands regular delivery of labor. "They live for the day." This statement by a manager reveals a mutual cultural misunderstanding: the concepts of time in rural subsistence farming and industry clash. (Incidentally, there are extensive scientific studies on this cultural conflict, see, for example, Rifkin, 1989; Thompson, 1967). The unaccustomed uniform industrial work rhythm is at odds with the more eruptive labor demands of rural life. Managers regognize that it is difficult for the women to adapt to the factory work. Quite a few workers quit altogether and often disappear from the company without giving notice.

The women's ties to ceremonial events in their villages are strong. "When somebody dies, it is a serious thing" – this is emphasized time and again. A funeral can last up to more than ten days. Usually, after weeks, another ceremony is taking place that no member of the community should miss. The conflicts between loyalty to the village community and the demands of working in the textile factory are particularly acute when workers have relatives living in remote areas and visits home are very time-consuming.

From the interviews, significant socio-cultural differences between the workforce and the expectations and norms placed on them by the industrialized work environment became clear – also cultural differences between the workforce and international company managers: the latter bring their own cultural values and at the same time represent the norms of a globalized economy. However, socio-cultural differences seem to be not the main cause for high labor turnover and absenteeism,

but rather fundamental conflicts of interest between employers and employees. It is remarkable that expert discussions in research and politics focus primarily on the attitudes and mentality of workers, with little attention paid to those of managers.

In addition to the demands of cultural adaptation in the job, the women workers report about high workloads and tight deadlines. They are expected to work a regular 48 hours a week from Monday to Saturday (six days). On top of that comes overtime that many employees work to supplement their wages. In times with high order volumes, workers also report certain pressure to work overtime. The workers are granted a 30-minute lunch break, sometimes longer.

According to a company manager, an account is set up for the women workers into which their wages are transferred. They then have to learn how to use an ATM, an automated teller machine, and enter their PIN. In trainings, they are encouraged to manage their money wisely, save, and focus on their individual needs and interests.

The entry level wage is increased if a worker produces more than 52 T-shirts per hour, says a HR manager. Performance-related payments are calculated according to performance per line and per individual worker. Most companies pay more or less the same basic wage, which is very low given the low level of training. The average basic monthly wage is ETB 1,449. Low wages and increasing inflation are making it difficult for workers to afford food, housing and other basics. In comparison, working as a housemaid, which many already consider as the last choice, can be even more attractive as it is rewarded with a salary of around ETB 1,000 plus free board and lodging.

Recruitment of labor is followed by a training program on the sewing machine. The training lasts 10 days, in some companies even 40 days or longer. Employees are expected to have completed eighth grade and be at least 18 years old. After the training, the women are contracted. The majority of the workers live outside the industrial parks. So far, only one company (in the BLIP, Addis Ababa) offers accommodation for their operators on park grounds. Accommodation on the periphery of the city is mostly cheaper and therefore favored by the workers. However, this means to travel longer distances to get to work. In order to reduce monthly costs, employees often share an apartment with colleagues, usually with one to three colleagues from the industrial park. However, they consider their rent (which averaged ETB 479 per person at the time of the survey) to be too high in relation to their income. The accommodation is usually one room with very basic furnishings and running water in the courtyard – living conditions that are not unique to the apparel sector, but correspond to the average living conditions in Ethiopia. (Fink, Gronemeyer & Rössner, 2023: 12) The hygienic conditions in these shelters are poor and on their way home from work the women are at great risk of harassment, rape and robbery. These are everyday conditions that raise the question for the women: "what is the value of being here?"

A scientist at Hawassa University comments on the women workers: "They don't have a life anymore. They leave because they are exhausted."[1] The women walk to their workplace if their accommodation is close to the industrial park. Those who live at the periphery or even outside the city are picked up by the company bus that also brings them home after work. From the bus stop, they still have a walk home. Because of the unsafe routes, some companies have abolished shift work. However, on the other hand, many women workers at Hawassa Industrial Park (HIP) prefer shift work as this gives them the opportunity to attend college courses in the evenings and on Saturday after their work. The employees often see their factory as a temporary solution to gain a foothold in the city and further their education. Once this goal has been achieved, they would like to find a job that matches their qualifications.

Most of the workers in the Hawassa Industrial Park are Sidama, with the Woleita being the second largest group. The women speak different languages. Not all of them speak the official language, Amharic. Work in the textile factory is also taken up because it gives the women financial independence (for example from parents or a husband). In many cases, the women also want to escape the village life. For the families in the villages, on the other hand, it is important that one person in the family earns money in the city to be able to support the familiy. However, the results of the JLU study show that many workers can barely make ends meet on their wages. A significant proportion of workers even receive financial support from their families, who mostly live in rural areas. This support is provided in the hope that the work will pay off over time and that the flow of money will eventually reverse, moving from the city to the countryside. However, it is a relief for families if at least one family member can keep their head above water with their wages.

Information on the current scale of labour turnover and absenteeism varies to some extent in the research literature. For instance, recent studies on the expanding manufacturing industry in Ethiopia report employee turnover rates of around 80 to 100 % annually (Blattman/Dercon, 2018; Yost/Shields 2017). In her study, Halvorsen (2021: 3) documents a slightly lower rate compared to previous reports from the manufacturing industry.

Statistical information on labor turnover and absenteeism is available only sporadically. In general, such statistics are difficult to access for research purposes. Authorities and companies are reluctant to share those sensitive data with third parties. At the same time, the transmission of statistical reports by companies to the Industrial Parks Development Corporation (IPDC) is not systematic and reliable as representatives of the IPDC stated in a conversation with the JLU

1 Conversation with a Professor at Hawassa University (he works in the field of University-Industry-Linkage) during the planning phase of the research project in 2019.

research team. Human resources managers and company managers surveyed in the JLU study (2020–2022) confirmed that turnover and absenteeism of operators were still major problems in their company. It should be noted that rates in 2020 were significantly above average due to the COVID-19 pandemic.

According to HR managers at BLIP and HIP, companies mostly calculate their operation with a daily absenteeism rate between 2 % and 10 %. One HR manager indicated that 5 % absenteeism per day could be tolerated, but anything above that would be difficult. (HRM-HIP-2021-2) Another HR manager explained:

> "For example, today my absenteeism is 2.3 %. Normally we have our own company target, so we have to maintain under 3.5 % absenteeism. So today, it is 2.3 %. Monthly I will say it is 5 %." (HRM-HIP-2020-2)

Most answers from HR managers ranged from 2–4, 3–5, 4–5, 5–7, 5–8, 6–7, 8, or 5–10 % minimum and maximum daily absenteeism rates. Absenteeim affects the productivity significantly as one or two workers missing in a line can lead to a situation where the whole line has to be closed down for that specific day, especially if no 'stand by worker'/ 'jumper' is available to replace the absent ones. In times of high order volumes, absenteeism can considerably reduce the productivity. Sometimes shipping deadlines cannot be met due to absenteeism, thus the goods may have to be shipped by air freight, which is far more expensive for the companies. However, companies are forced to look for alternatives to retain their buyers.

Looking at the monthly turnover rates of operators, one HR manager reported to have 6.5 % in average (2–10 minimum and maximum) turnover in his company. Other HR managers reported monthly turnover rates between 3–8, 3–4, 3–8, 4–5, 4–6, 5–7, 6–7, or 9 %, meaning that annual turnover rates could be 50 % and more in the textile and garment companies. The statistics vary: one HR manager reports 15 % annual turnover rate for his company and notes that this "is very nice since others have around and more than 35 %." (HRM-HIP-2021-1) According to the general manager of BLIP, Addis Ababa, Mr Tinsae Yimam, labor turnover tends to be higher in bigger companies.[2] This may indicate that it is easier for companies with a smaller workforce to implement an effective system of human resources practices, which is an important factor for retaining employees. Another factor contributing to the variability is most likely the varying length of time that companies have been in business since their establishment. Companies that have been producing in the IPs for many years are very likely to have lower fluctuation rates than younger companies.

The problem of labor turnover is particularly illustrated by the following statement made by a HR manager at BLIP: "In six years we have employed more than

2 Conversation with the general manager at BLIP, Addis Ababa, 01.08.2022.

20,000 workers. If we say the current number of workers is close to 7,000, more than 13,000 workers have left their jobs." (BLIP-HRM-2020-1) "Staff is the biggest issue," that is the statement of another HR manager (at HIP). (HIP-HRM-2020-1)

The permanent recruitment and training of new workers is time-consuming and cost intensive (Moon et al., 2019). In their study on the Ethiopian textile and leather industries, Hardy and Hauge (2019: 16, 17, 18) describe turnover "as the most common and costly labour issue for firms." They emphasize that production has fallen short of expectations, with high staff turnover seen as the main cause of the poor performance. In their work, the authors interpret high turnover as a form of protest by employees, which incurs high costs for companies and ultimately forces them to create better working conditions.

Gelashe (2018: 6) explains: "excessive turnover creates an unstable workforce and increase personnel costs and organizational ineffectiveness." He describes the direct and indirect costs of turnover as follows:

> "Direct personnel costs associated to employee turnover include recruitment, selection, replacement and training of new people. The indirect personnel costs include an increased workload, reduced productivity associated with low employee morale, time consume till the new employee acquainted with the new organization culture, system and his new job responsibility […]. Another huge cost that might be associated with the employee turnover is the organizational loss of its intellectual capital which will affect heavily ist competitor […]." (Ibid.)

2.2 Employee turnover and absenteeism: major causes at a glance

The following table provides an overview of the main reasons for employee turnover (and turnover intention) and absenteeism, based on interviews with workers (mainly from HIP and BLIP) (table a) and human resources managers from HIP and BLIP (table b).

Causes for turnover (and turnover intention) and absenteeism: What do operators say?

Tab. 2: internal causes (T/A = turnover and absenteeism)

on-the-job factors	**T/A**
number one: basic wage is disproportionate to high workload, long working hours and the cost of living (also considering high inflation)	T/A

on-the-job factors	**T/A**
perceived unfair payment (for example, employees with longer service should generally be paid more than new recruits)	T/A
poor quality of the canteen food (or no canteen meals); offered food is suspected of being a source of illness (gastric problems, typhoid); the quality of drinking water provided by companies is also criticized (complaints about water pollution); workers request government to control quality of food and water	T/A
lack of acceptance of sick leave on the part of executives (bureaucratic hurdles and work pressure, especially in times of high order volume)	A
difficulty in obtaining leave approval (for rest or personal/family issues); some companies do not allow any vacation time during the first year of employment	T/A
HR practices: lack of respect and understanding from supervisors in dealing with workers; poor treatment by supervisors, yelling at workers ("they shout and insult workers for every small reason"); little understanding of the workers' needs; perception of unequal/unfair treatment including unequal/unfair pay (or deductions)	T/A
lack of promotion prospects/career development	T
unequal promotion opportunities and unequal distribution of incentives ("benefits are more for front-line workers than for workers in cutting, packaging or storing departments"; role of "good relation" with managers); workers request incentives should be given equally according to their performance	T/A
conflicts with superiors; communication problems between employees and superiors (also due to language barriers)	T/A
health problems resulting from factory work (in particular kidney problems, which employees attribute to the repetitive sitting posture)	T/A
lack of movement, exhaustion, no time to rest, not enough off-time to address personal matters	T/A
pressure to work overtime, especially when there is a high volume of orders or when daily targets have not been met; unpaid and forced overtime was reported on occasion	T/A
work-related stress (due to high workload, simultaneous tasks, conflicts, lack of movement)	T/A
false promises made during recruitment and by supervisors at work (regarding wages, incentives, fringe benefits, and promotion opportunities)	T/A
workers appreciate offered bus service, but complain about the service quality (poor treatment of workers by drivers, who leave workers while they are on time); company buses sometimes do not leave until the employees working overtime have left the factory; workers request all companies should provide transportation services	T/A
inadequate health service and treatment (health service in companies is "weak and useless")	T/A

on-the-job factors	**T/A**
delays in the payment of monthly wages mean that workers struggle to pay their rent and meet their daily needs	T/A

Tab. 3: external causes (T/A = turnover and absenteeism)

off-the-job factors	**T/A**
lack of affordable housing near the workplace; lack of accomodation within the IP, and as a result, long commute to work for workers who live at the periphery (it is not unusual to commute 1 to 2 hours to work, especially in Addis Ababa due to traffic jams and long waits for taxis to get to the bus station)	T
house owners are continuously raising rents because they believe that textile companies have money (workers are calling for government intervention here)	T
lack of transportation options (e.g., when moving to a more affordable area: no bus stop nearby; or when visiting relatives in the countryside on holidays/during vacations)	T
high costs for transportation (taxi)	T/A
more attractive employment opportunities outside the textile industry or within the industrial parks (migration between companies in search of "better pay and more freedom")	T
high inflation and deductions (tax and pension) minimize the already precarious salaries	T

Tab. 4: personal causes (T/A = turnover and absenteeism)

personal partly job-related	**T/A**
factory work is seen as a temporary solution (desire for a better-paid job; desire to start their own sewing business; disappointment with the nature of textile work: only individual work steps are learned, not sewing as a profession; many respondents work in factories to finance their education – university studies/school graduation – and intend to leave their jobs as soon as they have achieved their educational goals)	T
job termination in order to complete school education or to start a study/college program; absenteeism due to (further) education (courses, exam, learning)	T/A
social/family responsibilities (nursing, childcare, marriage, visiting relatives/visit by relatives, participation in cultural/religious celebrations)	T/A
migration to another area	T
lateness (possible causes: fatigue, lack of transport, no clock)	A
personal errands/issues (e.g. laundary)	A
illness	T/A
menstruation (lack of hygiene products, pain/feeling unwell)	A

Main reasons for park internal employee turnover

The most frequently reason for park internal migration cited by workers was the search for a better pay or benefits. Workers change companies even for minor opportunities for improvement (wage, incentives, overtime pay). It should be noted that workers also choose their employer according to whether the company is operating more wage-based or rather based on incentives. Some women prefer a secure, somewhat higher basic salary and forego the possibility of an increase through performance-related bonuses. Others accept a lower basic salary if the company offers attractive incentives in return, through which the salary can ideally be increased, based on the personal performance of the worker. These differences among the workers are related to different personal attitudes on the one hand and different life circumstances on the other (e.g., single, married, children, no children). Further reasons to change the employing company (or factory shed) are:

- searching for more personal freedom
- searching for more pleasant working atmosphere, better treatment/understanding by superiors
- changing the working position (from standing to sitting or or vice versa)
- getting better non-wage benefits (transportation service, canteen food or payment of allowances instead of services, etc.)
- getting better conditions regarding allowances (e.g., companies have different practices in dealing with incentives resp. disciplinary measures, like attendance bonus; see "salary schemes" below)
- escaping conflicts with superiors
- changing the work system (company with shift work or company with general shift)
- hoping for better promotion prospects

Causes for turnover and absenteeism: What do the HR managers (or company managers) say?

Tab. 5: internal causes (T/A = turnover and absenteeism)

on-the-job factors	**T/A**
low pay (cited by some managers as the main reason for high turnover; managers sometimes complain about the Ethiopian government's lack of commitment and call for more affordable housing, tax exemptions, and social benefits for employees to increase real wages)	

on-the-job factors	**T/A**
unethical practices of some textile companies: change of company name in order to 1) avoid taxation of income after tax-free period (tax-exempt period is extended in this way); 2) undermine salary increases for long-term employees as employees are given new contracts when the company changes its name lack of transparency on the part of companies regarding productivity/efficiency gains in order to keep workers' wages low involuntary termination: dismissal by the employer (e.g., due to inefficiency or lack of discipline on the part of the employee; dismissals apparently also in breach of contract)	T

Tab. 6: external causes (T/A = turnover and absenteeism)

off-the-job-factors	**T/A**
number one: poor work ethic among employees (and thus low productivity, which justifies low wages)	T/A
agricultural background of employees (different work habits in agriculture); lack of experience with formal wage labor (duties, rights, contracts, regularities, formalities such as medical certificates in case of illness, timely application for leave); problems adapting to factory work (punctuality, regularity)	T/A
park-internal competition (poaching), "They will change for 50 birr"	T
religious holidays, cultural festivities	A
pride/sensititivy of the Ethiopians (workers hardly tolerate harsh tone or other disrespectful treatment by superiors)	T/A
education (school graduation, college studies)	T/A
social, family responsibilities (marriage/motherhood, nursing, childcare, funerals, weddings)	T/A
pressure from families to terminate job in the factory	
migration to another area	T

2.3 Experiences of management personnel and (women) workers

For the textile companies, high rates of (unauthorized) employee absences are a major challenge. To compensate for the daily absences, the companies use "jumpers" who are trained on different machines and can therefore be used flexibly. A human resources manager in a garment company at Hawassa Industrial Park explains:

> "One production module has 20 employees. So out of 20 employees, 18 employees are machine operators. If one of them is absent, you have jumpers to cover. But, let's say, the percentage of jumper's is around 3 to 3.5%. So let's say, the absentee-

> ism is is more than 3.5 %, then we cannot balance, so the line has to stop. So still we don't know the correct equation for Ethiopia." (HIP-HRM-2020-2)

According to the same HR manager, absenteeism rates tend to be lower in companies that operate on a shift basis, as employees have more time to attend to their personal matters such as family commitments or college classes.

"The first fundamental challenge is employee turnover; the other major challenge is absenteeism," says another HR manager at HIP. He compares the situation to Asia, where, in his opinion, female workers understand industrial work processes, unlike Ethiopian workers. He believes that many female workers at HIP work in the factory while studying in the city. He believes that unexcused absences are often related to female employees attending college courses, taking exams, and studying for their degrees, which causes them to be absent from work for days at a time. He reports that companies sometimes dismiss employees because of their frequent unexcused absences. The company he works for operates with a six-days-week (48 hours). For example, if the absence rate on Saturdays is 20% because employees are continuing their studies, this poses a major challenge for the company, he says. (HIP-HRM-2021-4) Interviews with other managers and employees (especially in the HIP) confirm that many employees study alongside their work.

There are various reasons for the high absenteeism rate among employees. On the one hand, employees do not always seem to adhere to company rules and do not ask for permission when they want to take time off. Instead, they stay away without giving any reason, which means that the employer has no way of planning ahead for their absence and compensating for it.

Employers try to raise awareness among employees of the necessity and procedures involved in formal employment through training courses. However, the employees surveyed stated that requests for leave (e.g. for family reasons) were rejected by their employers in most cases, especially during busy periods. According to interviews with employees, this is one of the main reasons for unexcused absences. They say that even in cases of illness, absences are often not recognized by employers. The following statements from HR managers point to another problem that leads to absenteeism (and turnover):

> "Unauthorized leave is when a person disappears for a day and comes the next day with reasons. So, to avoid this, we try to tell them to use the authorized way as much as possible. We motivate them by giving annual leaves. Some companies do not do this, but here, based on their service, we provide annual leave." (HIP-HRM-2021-4)

> "The law says that a person has to work for at least five months before being allowed to use the annual leave days. But, when we see they [the workers] have a

> genuine problem, we allow them to make use of the annual leaves. One of the reasons for turnover is not allowing the workers to use their annual leaves. Some workers may have to go to their families when somebody passes among their relatives. When they go to their families, they may stay there for a week, or some may stay until fourty days." (BLIP-HRM-2021-2)

Apart from the fact that employees sometimes stay away from work for weeks at a time without permission, which is unacceptable from a company's point of view, the handling of annual leave – especially in the first year of employment – is of great importance when it comes to identifying the causes of staff turnover and absenteeism. Apparently, companies handle the holiday regulations differently. Not all companies seem to comply with the legal provisions according to which workers are also entitled to leave in proportion to their length of service in their first year of employment. The Ethiopian Labour Proclamation states that workers are entitled for 16 days of holiday in the first year of service and one additional day of holiday for every additional two years of service (77.1, a and b, Labour Proclamation No. 1156/2019). The proclamation also regulates vacation entitlements in the first months of employment: "[w]here the length of service of a worker is below one year, the worker shall be entitled to an annual leave proportional to the length of his service" (section 77.5).[3]

Another HR manager believes that the problem of unauthorized absences could be reduced by providing more intensive training for operators to make them more aware of the industrial work system:

> "They come back and ask if they could continue. But it is impossible to re-join after a long period of absence. The problem is that the workers did not get enough soft skill training, and some do not have an awareness about the company. A company has rules and regulations, and the rules should be obeyed. When they go to their families, the labor law allows them to stay for three days if a person passed away who was related to them to the extent of an uncle or aunt. Yet, the worker does not obey the laws. They might go to Wellega or Gonder and come again after fifteen days. They come again after we have removed them from our employee list. One of the reasons for turnover is this. The problem is that they do not bring any confirmation letters when they go to their families for reasons related to mourning. If they bring a letter [from the *kebele*[4]], we might allow them to get back to work, but

3 Labour Proclamation No. 1156/2019, https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/109825/136386/F-1056558301/ETH109825.pdf.

4 A *kebele* (Amharic ቀበሌ qäbäle) is the smallest type of administrative district in Ethiopia and usually consists of only one village unit.

> they do not bring any letter. The workers do not have an awareness of the rules and regulations." (BLIP-HRM-2021-2)

Even if the HR manager's reasoning is understandable, such training cannot resolve fundamental conflicts of interest between employers and employees regarding their different needs when it comes to vacation planning. According to most of the HR managers and company managers surveyed, absenteeism and staff turnover are particularly high after the holidays. Employees often return to work days or weeks after their vacation without giving any reason. Managers report that employees sometimes do not return to work at all after their vacation. Both employees and managers say that families often persuade employees to give up their jobs at the factory and stay with them or find other work in the city.
A worker at a company at BLIP explains her view on the problem:

> "Absenteeism is very common during spiritual holidays. Epiphany, Easter, and Christmas are the holidays in which absenteeism is so high. Previously, we attempted to make up for two days of rest during a holiday by working extra hours or working on the weekend. However, absenteeism continues to be a major issue. As a result of these factors, our bosses are no longer willing to let us work compensation before holidays. The problem is that most of the workers are going to families located far away and during the holidays it is quiet difficult to find transportation access. Due to this, they may not be available for a few days after the end of the rest days." (BLIP-Worker-2021-9)

Certainly, non-compliance with formal rules can be partly attributed to the fact that many employees have no experience of formal employment. However, employees' behavior could also be interpreted as a lack of commitment to the company, which may be due to difficult working conditions. This interpretation is based on numerous interviews with employees who work six days a week (Monday to Saturday) and find this to be a very high workload, especially when overtime and/or Sunday work are added to regular working hours and daily work pressure is also taken into account. When employees want to visit their families in rural areas, many have to plan a whole day for the trip. In interviews, employees report that they often do not have reliable transportation to get to their families. The long distances to their families and the lack of transportation options, combined with very limited vacation days (16 days of annual leave or little to no vacation in the first year of employment), also appear to be important reasons for the high absenteeism and dropout rates.

Some employees actually tell their employer that they are leaving the company. Interviews with employees reveal that employers sometimes try to cushion the impact of staff turnover by withholding the reference letter for the departing

employee (and thus their departure) until a replacement has been found. One HR manager comments on this as follows:

> "For example, many workers come to our companies for employement and argue that they have experience in one of the companies operating in the industrial park. When we ask them for their work experience, they tell us that the company is not willing to give the letter of experience. But the law says every worker is allowed to ask and be provided with the experience letter when they ask for it. But the workers do not know about their rights and responsibilities. They do not ask for it. In our company, what we do is that we give their work experience while they are working. But in some companies they do not give the workers their experience letter even after they left the company." (BLIP-HRM-2021-2)

According to HR managers' estimates, most job terminations (approx. 80 %) occur within the first three months of employment. After six months of employment, workers are more likely to join the regular workforce, whose employment may last for years. Many drop-outs occur directly after the training period. During this period (which varies among companies but can take up to 45 days), trainees receive only the basic wage and no performance-related bonuses. Out of disappointed expectations and because of the difficulty of living on the basic wage alone, many workers apparently take the training but leave the company immediately after completing the training. Keeping the training period as short as possible is therefore also a strategy for companies to reduce the number of dropouts, as a HR manager tells in the interview:

> "Last year it [turnover] was 4 %, which is very good for me. Now it will be around 6 % because we are on the training and they are not getting incentives, so I think this is making them look for other options. We are trying to speed up the training pace and start production soon to reduce the turnover." (HIP-HRM-2021-4)

A similarly difficult situation exists in the case of maternity leave. During this four-month break, workers naturally receive no attendance bonus, no performance-related allowances and no meal allowance (or free meal). (Also during the pandemic lockdowns in 2020, many companies sent parts of their workforce on paid leave. Again, workers received only their basic salary, with no allowances or incentives.)

A worker at a company in the Bole Lemi Industrial Park describes the generally difficult situation for newcomers who usually get paid on a entry-level basic wage and do not yet qualify for incentives:

> "When somebody gets employed, the salary is around 850 birr. The newly joined workers do not have any kind of incentives apart from their salaries. When they

> do not get additional money on top of their salaries for two or more months, they decide to leave the factory. That is why they change working place from one factory to another. It is not because they are interested to move from one factory to another. Particularly, the initial wage during employment is not good enough. In general, the wage is not satisfactory. It might be a little bit better when a bonus or incentive are added to the basic salary. However, still due to the high costs of living, the wage is not enough to make a living." (BLIP-HRM-2021-9)

A HR manager at HIP describes the impact of turnover on the productivity:

> "Operator's turn-over directly impacts productivity; if we see no turn-over and operators are on their work, the amount of the output increases. Therefore, operator turnover has a direct impact on the output and budget of the company. For example, if daily production is 400 [pieces] and if one operator quits the job, it takes time to replace her/him, and even after replacement, we may not get an effective operator as the former one. When we put the unskilled operator on the line the whole production is affected and the daily output amount may decrease to 300. And also training new employees affects or budget directly." (HIP-HRM-2021-1)

The challenges of replacement is also addressed by this HR manager:

> "The major problem is worker turnover. What is very difficult about this problem is that we have to replace the workers. The challenge is that it is difficult to find experienced and skilled workers. Every company is competing for this kind of workers and this makes the problem very severe." (BLIP-HRM-2020-2)

2.4 Motivations, working conditions, living circumstances and remuneration of workers

The interviews conducted as part of the JLU study show that the main motivation for workers to seek formal employment in the textile and clothing sector is to be financially independent from their families and even to support them. A common statement among employees is: "I want to change myself." Quite a few work in the factory so that they can study in the city or complete their education. Many workers say that they like the work as such and desire to learn the sewing as a profession. However, the majority of workers surveyed are critical to very critical of their working conditions, especially with regard to their pay.

As already mentioned, regular working times in most textile and clothing companies are six days per week (Monday to Saturday) with 48 hours per week. In addition, there is overtime, which is not mandatory under Ethiopian labor law.

According to the labor law, overtime work may not exceed four hours per day and twelve hours per week (Labor Proclamation No. 1156/2019, § 67.2). Interviews with employees show that the pressure to work overtime is sometimes high, especially during periods of high order volumes. However, there are also employees who categorically reject overtime, for example because they are married and have one (or more) children, or because they need a long time to get home from work. Many female workers say that they do not want to get home in the dark because it is unsafe for them. Other workers refuse to work overtime because they cannot, or just do not want to work more than the regular hours. Still other employees work overtime voluntarily to supplement their income.

For women workers who have a husband or partner who also has an income, the pressure to work overtime may be less strong. At the same time, married women workers who might have also children, tend more to regular working times.

The Ethiopian government has made great efforts to promote industrial development, but has not created enough adequate housing to accommodate the growing urban population. The lack of affordable housing near industrial parks poses a challenge for textile workers. Since many workers who have moved from rural areas to Hawassa or Addis Ababa are unmarried, they share apartments with one or a few colleagues in order to reduce their living costs. According to the information provided in the interviews, rents remain too high in relation to workers' wages. Many workers pay a monthly rent of approximately ETB 480 per person; however, depending on the location it can be significantly higher. A textile worker employed at a company outside the industrial park in Addis Ababa comments:

> "How could a person live in Addis Ababa with a salary of 1,500 birr? How could a person paying 1,000 birr for the housing rent survive with 500 birr that is left? What kind of life is this? If somebody eats breakfast in the morning, he/she may not eat lunch. What is being paid [in the company] does not match our efforts." (OutsideIP-Worker-2021-8)

Dispite her dissatisfaction, the woman continues to work in the factory because of her mother:

> "This situation even tempts me to migrate from my country. I spent a difficult life in an Arab country, but I still wish to go there as I believe living in Arab countries is better than living in Ethiopia while working here in the factory. I decided to stay in Ethiopia because of my mother. I love my mother and living away from her is so difficult. That is why I am suffering in the factory." (Ibid.)

The workers' accommodations usually consist of a single room with very basic furnishings and running water in the courtyard. Many of the workers surveyed

are dissatisfied with their accommodations. To save on rent, workers often live on the outskirts of the city, but still share accommodations with colleagues. They have to travel long distances to work, partly because long traffic jams are a daily occurrence in Addis Ababa.

For many textile workers living in the outskirts of Addis Ababa, the journey to the industrial park usually involves walking to the taxi rank, where they have to endure long queues. The taxi takes the workers to the bus station, where they are picked up by company buses in the morning and brought back in the evening. Some of the workers interviewed even say that it takes them 1.5 to 2 hours to get to work. With an eight-hour working day, these employees could be busy with their work for eleven to twelve hours per day (not including overtime).

During an interview, an employee points out that the company bus only leaves once all employees who have worked overtime have left the factory. However, it is not clear if this practice is widespread among companies.

Company buses are not available in all areas of Hawassa or Addis Ababa where workers live. Employees who do not live within walking distance of the industrial park are completely dependent on taxis to get to work if there is no bus stop nearby. In such a case, companies pay a lump sum for travel expenses, but according to the workers, this hardly covers the actual costs, as the lump sum does not reflect price increases due to inflation. During the COVID-19 pandemic, taxis could not be fully occupied, causing the cost per person to almost double during this period, which, according to the employees surveyed, was not fully compensated by the companies.

From the worker's perspective, shift work (which is much more common in the HIP than in the BLIP) has advantages and disadvantages. Among the advantages of shift work is that it is more likely to allow worker's to maintain family and social relationships, participation in church life, taking care of personal matters (including the search for an alternative work), pursue individual educational goals (school graduation, college studies), or run a small business alongside the factory work. A negative aspect of shift work mentioned by workers is the lack of safety on the way home in the dark.

Most of the workers surveyed are very dissatisfied with the vacation and sick leave policies of the garment companies. Workers complain about too few vacation days and too little understanding from their supervisors when they request time off around public holidays. Further, workers complain about a lack of recognition by employers for sick leave, which they see as the most common reason for (unauthorized) absence. HR managers, on the other hand, often have a certain distrust when workers claim they cannot come to work due to illness. In case of absence due to illness, workers have to provide a medical certificate to the employer. If this is available, no deductions are made from the salary and the attendance bonus.

Other points of criticism raised by employees relate to the quality of the canteen food (or the lack of canteens), the quality of in-house health centres/clinics, the one-sided working posture (sitting or standing), the lack of movement and the health impairments caused by this (e.g. back pain, swollen legs). A strikingly high number of female employees complain of kidney problems, which they associate with sitting in the same position for long periods of time. However, kidney problems can also be the result of insufficient fluid intake during working hours and overly strict toilet breaks.

In addition, many workers criticize the lack of respect from their superiors (especially "yelling"), communication problems due to language barriers, lack of promotion opportunities, false promises (regarding pay/incentives and promotion opportunities) in the hiring process (many are recruited through the local *kebele*) or in the employment relationship on the part of superiors ("We expect the promises to be kept, but as we count the months, we may not see the promises fulfilled for years.") BLIP-Worker-2020-4

The initial motivation to earn a living working in the textile factory was disappointed by many of the workers interviewed. In addition, new arrivals are often unaware of the difference between gross and net wages. This could be due to a lack of communication during the recruitment process. Furthermore, workers are often not aware in advance that performance-related allowances, such as attendance or productivity bonuses, are not part of the guaranteed monthly wage but must be earned each month.

A surprising finding from the interviews is that a significant number of employees say they receive financial support from their families (rather than the other way around) – a fact that was also confirmed by the survey.[5]

The main criticism of the employees surveyed concerns remuneration, which they consider to be far too low and insufficient to cover their living costs in the city, which are constantly rising due to high inflation. The perceived discrepancy between pay and performance was a key issue in almost all interviews with employees. They frequently stated:

> "There is a mismatch between workload and salary" / "It's not proportional"

> "The salary is just for survival." / "It's not more than having the etikett to have a job."

Despite high frustration levels, the women workers are trying to gain a foothold in the job. If they come from rural areas, they tend not to want to return to their villages. They often say that the job in the factory "better than sitting at home." It comes up time and time again: the appeal of urban life is enormous. While almost

5 Cf. at the end of this chapter, p. 89.

all respondents complain about the hard work and poor pay, the same interviews also contain statements such as "It's very hard, but we don't want to go back home" or "Everything is better in the city."

Life in the city is usually associated with amenities such as electricity and clean water, a hygienic environment, and opportunities for education and personal development. It is also associated with financial independence and the hope of earning enough to feed one's family and pay for one's children's education.

There are three types of compensation for the machine operators: 1) base pay, 2) variable pay, and 3) non-monetary, in-kind benefits. Meyer et al. (2021: 6) points out that this is in line with the "International Labor Organization's (ILO, 1998) definition of income related to paid employment, which consists of the payments, in cash, in kind or in services, which are received by individuals as a result of their involvement in paid jobs." According to the ILO standards, these

> "payments include total cash remuneration, including direct wages and salaries in cash for time worked and work done, including all incentive, shift and premium pay, and the monetary value of renumeration in kind and services such as food, drink, fuel, clothing, the imputed rental value of free or subsidized housing, etc." (ibid.).

Tab. 7: Direct wages and variable remuneration are often used together to pay textile workers. The following table shows the total remuneration and its individual components:

base wage	**incentives**	**non-wage benefits**
entry level	productivity/performance bonus	free canteen meals
advanced level	attendance bonus	free bus transportation
	meal allowance	health care centre (some)
	transport allowance	
	loyality bonus (some)	
	housing allowance (some)	

Companies either offer meal allowance or free canteen meals. The same applies to transportation: workers receive either an allowance or free transportation on the company bus. Sometimes workers can choose between the options themselves.

Posters detailing the remuneration systems for employees are displayed on the walls of the factory buildings. The information is available in English and Amharic (or Sidama in the HIP). However, the information is not always fully translated into the local languages. With more than 80 different ethnic groups living in Ethiopia, linguistic diversity poses a major challenge for companies. The following ta-

bles show examples of such remuneration systems at two textile companies – one in the HIP and one in the BLIP. The remuneration systems within the industrial parks are heterogeneous, but the differences are minor. Nevertheless, employees change companies even for minor improvements.

Salary examples from Hawassa Industrial Park and Bole Lemi Industrial Park:

The following information is drawn from two posters displayed in factories (one in the HIP and another in the BLIP). They present examples of wage systems.

Hawassa Industrial Park (HIP) – information sheet for workers

Tab. 8: Salary breakdown (data in ETB)

Basic salary	Attendance bonus	Tax	Pension contribution (7%)	Total deduction	Net earning
850	250	50	59.50	109.50	990.50
900	250	55	63	118	1,032
950	250	60	66.50	126.50	1,073.50
1,000	250	65	70	135	1,115
1,050	250	70	73.50	143.50	1,156.50
1,200	250	85	84	169	1,281
1,500	250	120	105	225	1,525

Overtime payment:

- hourly wage multiplied by 1.25 (from 6 AM up to 10 PM), by 1.5 (from 10 PM to 6 AM) – on regular working days
- hourly wage multiplied by 2 on Sundays
- hourly wage multiplied by 2.5 on Holidays

Note:

- All allowances are deductible of tax, exept meal allowance.
- Attendance bonus is only payable for employees who are eligible i.e., for employees who are present for the whole month (working days).

Tab. 9: Tax breakdown:

total income	**percentage**	**deductable fee (in ETB)**
0–600	0	0
601–1,650	10 %	60
1,651–3,200	15 %	142.50
3,201–5,250	20 %	302.50
5,251–7,800	25 %	565
7,801–10,900	30 %	955
+10,900	35 %	1,500

Tab. 10: pension contribution breakdown:

employer	**employee**	**total**
11 %	7 %	18 %

Bole Lemi Industrial Park (BLIP) – information sheet for workers

Tab. 11: Salary breakdown (data in ETB)

Items	**Amount**
basic salary per month	1,000
attendance allowance per working day	7.691
transport allowance per working day	7.692
housing allowance per working day	5.77
total salary per month	**1,550**
income tax (10 %)	95
pension contribution (7 %)	70
total deduction	165
net payment	**1,385**
company pension contribution (11%)	110

Overtime calculation:

- normal OT hours – 1.5 1.5*1000/26/8=7.22 birr/hour
- (starting time from 17:20 – 22.00)
- night OT hours – 1.75 1.75*1000/26/8=8.41 birr/hour
- (starting time from 22:00 – 6:00 morning)
- Day Off OT hours – 2 2*1000/26/8=9.61 birr/hour
- Holy day OT hours – 2.5*1000/26/8=12.01 birr/hour
- Overtime calculation is basic salary devided by 26 working days devided by 8 hours*OT hrs.
- E.G., someone working overtime in monthly total 13 normal hrs.
- Assumption 1) 1000.00 basic salary:
- hourly rate is 1000/26/8hours*1.5 7.22 is OT hourly rate
- If you find OT hourly rate amount to multiply by total working hours
- solution = 13hrs*7.22 OT rate: 93.86 birr

Working days per month (26 days, except the holiday):

- Normal working hours of 48 hours per week. Except rest days and statutory holidays. Monday to Saturday are working days with 8 hours a day. Where urgent work demands, overtime may be worked in compliance with applicable laws.

Attendance:

- Be at work on time.
- Normal shift: 8:00–12:00, 13:00–17:00
- Breakfast time: 7:20–7:50, Lunch time: 12:00–12:50
- Late coming employees are subjected to deduction of his/her salary.
- Absenteeism will be subjected to bonus and daily payment deduction.

Absence deduction:

If any employee is absent from work in a month's period cumulatively (including sick leave, personal leave, maternity leave etc., except absenteeism, annual leave, maritial leave, funeral leave etc.), deductions will be made on his/her full attendance allowance in the following solution:

1. day of absence deduction: full attendance allowance *10 %
2. days of absence deduction: full attendance allowance *30 %
3. days of absence deduction: full attendance allowance *60 %
4. days of absence deduction: full attendance allowance *100 %

Salary classification usually takes place at the end of the induction period, the length of which varies from company to company. Newcomers are paid based on the company's entry level wage, but sometimes also according to their skills and previous work experience (if a letter of experience from a previous employer is available). Some companies also offer annual salary increases, but from the workers' point of view they are very small and do not really serve as an incentive. The monthly salary is usually increased through productivity/performance bonuses (if employees qualify for them) and regular practical tests to evaluate the efficiency and quality of the delivered work. These tests usually take place every three to four months. Remuneration in the companies is essentially based on skills and performance and has only little to do with the length of employment. In intereviews, workers often complain that workers who are relatively new in the factory may receive a higher pay than long-serving employees, which they consider as unfair.

Advancement opportunities are non-existent for the majority of the operators, as companies only need a limited number of jumpers, line managers, product/quality managers or supervisors. The middle management level (human resources managers) is mostly filled with male Ethiopian staff (or expats).

Most of the operators interviewed wish for an increase in the basic wage (not necessarily an increase in incentives). They desire more security, which the incentive system does not provide. Nevertheless, as mentioned before, some workers prefer companies that pay higher incentives in exchange for a lower basic salary. These are mostly unmarried women who hope to increase their earnings in this way through appropriate performance. However, workers do not always qualify for the monthly performance-based allowances. Furthermore, given the six-day working week, many find it difficult to regularly meet the requirements for the attendance bonus. Employers, on the other hand, prefer the system of incentives instead of an increase in the basic salary to secure and to increase the productivity.

The productivity (or performance) bonus and the attendance bonus are the most common types of incentives. Companies pay their workers who qualify for the bonus between ETB 300 and ETB 500 per month (for the productivity/performance bonus) and between ETB 200 and ETB 250 per month (for the attendance bonus). However, the attendance bonus may range between ETB 100 to ETB 500 in the industrial parks. The most common measures taken by employers to respond to absenteeism are reducing or eliminating attendance bonuses or deducting wages. While some companies deduct the entire attendance bonus for one day of absence, others have introduced a sliding scale of deductions from the bonus. The latter is explained by a worker:

> "The bonus is 100 birr and if you are absent, for instance, if you are absent for one day it will be 75 birr, and if there is a 2 day absence the bonus will be 50 birr. If there is a 4 day absence, there will be no bonus." (BLIP-Worker-2020-10)

The way companies deal with employee absences varies from company to company: in general, employees seem to assume that no deductions will be made from their bonus if they submit a doctor's note. In reality, however, quite a few employees report that money was deducted from their salary or bonus despite submitting a medical certificate to the HR department.

Workers find it particularly difficult to get time off for funerals without deductions. However, funerals in particular can take several days (including travel time). One worker explains that in case of absence, the attendance bonus, the daily rate of the meal allowance plus a day-salary would be deducted (BLIP-Worker-2020-6). Other workers report that there is no attendance bonus paid by their employer, so money will be deducted from the basic salary only.

A world bank study states that most studies on wages in the industrial parks "only focus on base pay and largely do not take into consideration bonuses as well as overtime and incentive pay, all of which are commonly used in export-oriented manufacturing" (Meyer et al. 2021: 2). However, in the study of the JLU many workers interviewed expressed their dissatisfaction with the bonus and incentive system. On the one hand, this may be related to the above-mentioned problem of non-qualification for the incentives. At the same time, workers express their perception of unfair distribution of bonus payments, some even suspect fraud or assume arbitrariness on the part of HR managers. In addition, a frequent statement is that front-workers would be preferred over those in the packing department in the incentives. In some interviews with female workers, the problem of taking advantage of workers through good (also sexual) relationship with HR managers is addressed. Workers feel dependent on the incentives because their basic wages alone barely cover their living costs. At the same time, they can never be sure that incentives will be paid. As mentioned before, bonuses (productivity bonus, attendance bonus) depend on the individual qualification – and, according to quiete a few workers, also on the subjective "goodwill" of the superiors. Belayneh (2020) strongly emphasizes that additional benefits, allowances, and overtime pay should not be considered part of a fair wage on the part of employers.

One particularly critical employee comes to a sobering conclusion. Like most companies, her employer operates a six-day week, with Sundays off. The normal working day is eight hours long. She reports that sitting (or standing) for long periods in the same position is very stressful for employees. Although this is not actually allowed, some line leaders and supervisors (the immediate superiors) allow employees to get up and move around occasionally. She explains that employees must maintain good relations with their supervisors. If managers catch employees walking around, the supervisors and managers are instructed to send them back to their workplace. The supervisors and line leaders are usually former operators (as employees at the bottom of the hierarchy are called) who have been promoted to a higher position. The worker is disappointed about them, especial-

ly since most of them are fellow countrymen. "They should at least feel like we are their own blood. But they do not have such feelings. They do not understand that we are tired or have been working so hard." That's what she says. Whenever employees make mistakes, managers would insult them and threaten them with dismissal instead of giving them advice and support. In her view, the human resources managers are no different ("The whole human resource staff is doing this."). (BLIP-Worker-2020-5)

> "When I come to the workplace every single day, I say 'we come to our prison house.' Trust me, there is no way even to breath properly. You cannot not say 'I am suffering,' or 'I have a problem,' while working in this company. You cannot ask questions when there is a deduction from the salary. The other thing which annoys me mostly about Ethiopians is that they are not educated people. In the past, our mothers and fathers were not educated – but they were able to recognize things. The current generation is not able to think or understand anything! We counted letters for nothing. I do not know what to say. There might be many workers with the same resentment like me, or even bigger." (Ibid.)

Like most other workers, she considers poor wages as the major problem:

> "Salary is, of course, the main problem of the workers. At this time, if you want to be employed as a waitress, the starting wage is 1,000 birr. Here it is 800 birr. They say there are some incentives, like food allowance. But it should be mandatory to give us that money. But they give it to us when they want and deny it when they do not want. The bottom line is: our basic salary is 800 birr. They give us a transportation allowance and food allowance based on their best will. The food allowance is 360 birr. […] If they are willing to pay, they pay us up to 1,400 birr, but still, there are many deductions from this amount. Pension and others are being deducted from our salary. What is added to the basic salary is being taken away. So, the salary is never enough for us. If we miss one working day, they deduct 400 birr from our income. That is 300 birr from the attendance allowance and a one-day salary deduction from the basic salary, as well as a deduction from the daily meal allowance. So, in total, 400 birr will be deducted for a one-day absence." (Ibid.)

> "[…] we incur more cost than what we get. Our salary is mainly for transportation cost, nothing else. That is why the workers leave the factory job." (Ibid.)

The employee plans to resign from her job, but only once she has gained further qualifications. She believes she is on the right track: "I feel I have acquired the skill of sewing. Within eight months, I can operate all the machines and know how to

sew with them." Generally, learning about the profession depends on the support of your bosses," she says. (Ibid.)

Due to constant inflation, it is difficult to assess what would be an appropriate "living wage" for the Ethiopian textile workers. According to a press report published in 2021, "macroeconomic woes, especially inflation and a continuously depreciating birr over the past three years, has lowered household incomes and made the going tough" (Addis Fortune, Aug 7, 2021).[6] In 2022, the Ethiopian Statistics Service reported an inflation rate of 34.7 %, food inflation was even as high as 43.4 % (Addis Fortune, April 7, 2022).[7] Prices for basic foodstuffs are particularly affected by the steady inflation. In February 2023, the price for teff (a staple grain in Ethiopia) reached above ETB 7,000 per quintal (100 kg) in Addis Ababa, which resulted in a price per kilogram of teff of ETB 70 (The Reporter, Feb 18, 2023)[8], while the price for 5 litres of cooking oil was ETB 1,200 in November 2022 (The Reporter, Nov 19, 2022)[9]. According to an informant in Wolkite, the price for one liter of edible oil was ETB 220, and the price for 1 kilogram of teff was ETB 60 in February 2023. Housing rents differ widely based on the location, however it can take ETB 4,000 a month to rent a small room in the Addis Ababa (Addis Fortune, Aug 7, 2021). According to data from the National Bank of Ethiopia (NBE), inflation remained high also in 2023 (28.7 % in December 2023). According to the NBE, the annual inflation rate was 29.4 % in January 2024 and *15.5 % in January 2025* (Ethiopian Business Review, June 8, 2025).[10] However, it is important to note that, although inflation has fallen slightly recently, it remains a significant economic challenge, particularly affecting real wages, as rising prices (especially for food and house rent) erode the purchasing power. This is also reflected in the foreign exchange rate: while the basic wage of employees at the time of the study was around US$26, it stood at US$10.61 in June 2025.

In a group interview, three female workers who are colleagues in a company in the Bole Lemi Industrial Park calculate their 'potential' wages in relation to the amount they believe would be needed to make a monthly living. At the time of the interview, the female employees had been with the company for 1, 3 and 5 years

6 How much monthly income provides decent living? By S. Berhane, in: Addis Fortune, August 7th 202, https://addisfortune.news/how-much-monthly-income-provides-decent-living-2.

7 Holiday Markets Daze, Confuse Consumers. In: Addis Fortune, April 22, 2022, https://addisfortune.news/2022/04.

8 Teff prices skyrocket, farmers blame authorities, hoarding intensifies. By H. Tesfaye, in: The Reporter, February 18, 2023, https://www.thereporterethiopia.com/31147.

9 Ministry seeks disbursement of $50 mln for crude palm oil import. By S. Bogale, in: The Reporter, November 19, 2022, https://www.thereporterethiopia.com/28019.

10 Ethiopia's inflation rate drops, but conflicting reports emerge. In: Ethiopian Business Review, June 8, 2025, https://ethiopianbusinessreview.net/ethiopias-inflation-rate-drops-but-conflicting-reports-emerge.

and earned a basic salary of between ETB 1,600 and ETB 1,800. According to them, the entry level basic wage in the company is ETB 1,400. In the group interview, the workers explain:

> "In the current job, we could get up to 3,300 birr, including the overtime job. We are working until 6:30 PM and we also work on Sunday. If we do not work overtime, we could earn up to 2,200 to 2,600 birr. We get the 2,600 birr if we do not have any absent days in a month. The amount of salary that would help us make living depends on the way somebody manages his living. But I would say we need a minimum of 5,000 birr to make living."
>
> "If somebody refuses to work on Sunday while there is an order, the employer will deduct money from our income. They do not pay us the discipline bonus. We could lose up to 1,000 birr if we are absent on Sunday."
>
> "There will be a deduction from the attendance bonus, performance bonus, and discipline bonus, and we will not be given the lunch allowance for that particular day."
>
> "Currently we have a lot of orders. Whenever there are such orders, we could get only one day rest throughout the month."
>
> "There is nothing called rest day. As long as there is an order there is no rest, even though the national calendar says it is an off day. They force us to come to work." (FGI5-BLIP-2022)

It is not entirely clear from the above whether overtime is also required by the employer in excess of the deductions, which would be contrary to the law.

The overwhelming majority of employee's surveyed rate their own work performance very highly, while managers tend to have the opposite view. A company manager at the Bole Lemi Industrial Park states:

> "Their [the workers'] attitude does not match what is required from them as industrial workers. There is a feeling among the workers that they have worked a lot even if they did not work a lot." (BLIP-CM-2022-4)

In a conversation at the Bole Lemi Industrial Park in 2022, a HR manager stated that although companies had recently increased their productivity, they were not communicating this openly in order to maintain their argument for low wages. He points to another unethical practice in which companies change their names in order to extend their tax-free period and give employees new contracts so that

they have to start from scratch. In this way, the companies could avoide small salary increases for the employees, which in some companies amount to ETB 100 to 200 per year.[11]

According to a recruiter surveyed, employees lack long-term prospects in their job:

> "The work in the garment industry is performance-based. Success comes from the workers' efforts. For instance, if we look at the payment: the insentives have a bigger package than the basic salary. If an operator works hard based on his her efficiency, he/she can succeed in a short time. I know operators who reached the executive's level. Their payment was small, but now they are getting a bigger salary. So here, one can succeed by working hard only. If one operator meets the daily target, she/he can get a promotion, and the incentive is also based on her/his daily performance." (HIP-Recruiter-2021)

However, for the majority of employees, opportunities for advancement are very limited. Although they are entitled to bonuses and (small) annual wage increases, promotion to a higher position is only available to a few, as demand for such positions is low. The textile industry relies heavily on low wage labor and the production is mainly based on the work of machine operators. It cannot therefore be the actual goal of company management to ensure that as many women as possible climb the career ladder and gradually increase their salaries. It is not for nothing that the sector advertises itself as offering low-threshold jobs for 'unskilled' labor. In the interviews, employees emphatically emphasize their desire for career advancement and learning the profession, while the HR managers usually claim the opposite, like this manager does:

> "[T]he problem is that the workers do not see this job as career development. I think one of the reasons for turnover is this issue. They do not have the vision of upgrading themselves in this profession. They come here temporarily maybe until they finish their education or until they finalize the process of the visa to go to an Arab country. And some are coming here just for the sake of being free from living with their families. Some others are coming with the intention of not being dependent on their husbands. These are mostly the reasons why they join the factory. They do not see it as a profession with which they could be able to develop their career." (BLIP-HRM-2021-1)

But managers also have some self-critical perceptions:

11 Conversation with the HR manager during factory visits in the Bole Lemi Industrial Park, Addis Ababa, August 2022.

> "It is not the only wage that causes turnover. If the method of handling the human resources is not good enough, the workers leave their job." (BLIP-HRM-2021-2)

The same HR manager (he works in the BLIP) addresses the importance of canteen food:

> "The major change we want to make is on offering food at the workplace. We are planning to offer breakfast as well. Out buyer is a Jew, and he is very positive and human. He says that he does not want to see employees being hungry and work in the factory. He says that 'please offer them food' and 'the workers should never be hungry.' He is right, if we make a comparison between the workers and a cow, the cow may not give you milk if you do not give her enough food. It is the same in the case of the workers. While the workers are with an empty stomach, they may not deliver how loud you shout or devise a system. So, solving such problems the workers face is the strategy we would like to follow in the future." (BLIP-HRM-2021-2)

This manager finds it very difficult to expect high performance from workers when he knows that many of them are going hungry. He believes that the Ethiopian government should set a common wage framework for industrial parks, as he knows that workers cannot live on their wages.[12] Demands for a minimum wage have not yet been met, even though they are sometimes voiced by human resources managers themselves. The suffering of the workers is often "heartbreaking," this HR manager admits. He goes on to explain that the government doesn't get it when it says that workers in industrial parks have a chance to improve their lives, when in reality their jobs don't let them build a better life. If wages do not last until the end of the month and workers cannot even feed themselves properly, let alone buy clothes or other everyday necessities, what is the point of this employment, he asks. (Ibid.)

In their research, Oya and Schäfer (2021: 11) point to the existing global framework conditions that conflict with fair wages:

> "Many conflics result from the collision of productivity imperatives on the part of firms tied into demanding, but badly remunerated segments of global production networks with the expectations of workers with limited prior experience in industry, who assumed international firms would pay better."

From the employees' point of view, the problem of staff turnover can be solved quite easily. One employee sums it up simply:

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12 See also: Ethiopia textile industry faces wage and skill challenges, https://www.globaltextiletimes.com/news/ethiopia-textile-industry-faces-wage-and-skill-challenges.

> "Workers will be happy and there will be no staff turnover if the salary is adjusted and increased, if the working times have changed and if they the [companies] serve healthier food." (HIP-Worker-2020-8)

The central points of criticism are repeated in the interviews with both the women workers and the ex-workers interviewed, e.g:

> "I was excited about working in the public sector. Since I was jobless, like everyone else, I was thinking of changing my life. Even if there are people who helped themselves in that situation, the salary was not equivalent to the time and workforce spent there. […] My expectation and what I found was different. There was labor exploitation, high workload, there was no freedom, everything was tough." (HIP-exWorker-2021-1)

> "I joined the factory because of a lack of other alternative jobs in the market. The job is not interesting. It is full of arguments. We stay there from 7:00 AM to 7:00 PM. There is no freedom as well. They [the managers] do not permit the workers to go home even if somebody gets sick at the workplace. […] Moreover, the payment is very low." (BLIP-exWorker-2021-FGI)

The atmosphere and collegiality in the workplace, as well as the relationship with supervisors, are assessed differently by workers in the interviews. However, there is particular agreement on the main points of criticism regarding the imbalance between workload and pay, as well as dissatisfaction with the canteen offerings.

Implemented measures to reduce turnover and absenteeism

In the past decade, companies implemented various measures in order to reduce the high rates of labor turnover and absenteeism. The measures are partially effective, but have not yet brought the desired success overall. The measures include in particular the following:

- Incentives, additional benefits (productivity/performance bonus, attendance bonus, discipline bonus, free lunch or meal allowance, or free transportation by company busses or transportation allowance)[13]

13 Companies handle non-wage benefits differenty. One reason why many companies prefer to offer canteen meals (instead of paying a meal allance) is to avoid workers saving the allowance and work with hungry stomach, which would increase the risk of workplace accidents and reduce worker productivity.

- Training for employees (for a better understanding of the industrial processes, also training on family planning), training for managers (soft skills, employee retention)
- On the initiative of BLIP, a cooperative was founded in which textile workers can become members. In August 2022, the association counted 5,000 members. The cooperative runs a store on the premises of the industrial park, where food is sold at reduced prices.
- Free accommodation with meals for textile workers on the premises of the industrial park (Shints, Bole Lemi Industrial Park). The Industrial Parks Development Coorporation (IPDC) is trying to motivate more investors to build accommodation for workers on the grounds of the industrial parks.
- Some companies have adapted the attendance bonus so that workers do not lose the whole bonus if they are absent for one day in a month (instead, decuctions from the bonus are staggered), so that the workers' motivation to attend is maintained for the rest of the month.
- Construction of an "Education Center" so that workers can complete their secondary education on the grounds of the industrial park (Shints, BLIP)
- (Informal) poaching measures in form of agreements between companies not to hire workers from other companies (not effective, and not legal as workers have the right to chose their work freely)
- Workplace daycare centres for children of employees at the Bole Lemi Industrial Park
- Health care centers for employees
- Human ressource personnel: predominantly occupied with Ethiopians to promote cultural sensitivity and good communication
- Introduction of human relations personnel to improve complaint management system
- Modification of working hours by some companies (abolition of night shifts, 5-day week instead of 6-day week with unchanged number of hours: 48 hours/week, work on Saturdays/Sundays is paid on an overtime basis)
- "Informal payments" to keep "good" workers (problematic informal strategy)
- Arrangements/collaboration between HIP and college for examinations to be held on premise of the industrial park
- Support with the search for accomodation (cooperations with communites, or with municipalities that rent out private housing)
- Keeping the training period short (as most of the turnover is linked to the early stage of employment, when workers do not receive incentives/bonus payments)

Key findings from a standardisized survey of women workers at Hawassa Industrial Park and Bole Lemi Industrial Park

In the following, some key results of the survey in which 456 textile workers at HIP and BLIP participated are summarized (for the full report see Semela et al., 2023):

Salary

- At the time of the survey, the average (median) monthly base salary is ETB 1,449 (equivalent to approx. US$26 at the time of the study, and US$10.6 in June 2025).
- The average starting base salary in textile companies is ETB 864.
- Reported salaries in BLIP are significantly higher than in HIP: while the average starting salary in HIP is ETB 841, in BLIP it is ETB 1,016. The differences in average salary are significant: the mean value of the basic salary is ETB 1,349 in the HIP and ETB 2,110 in the BLIP.[14]
- Bonuses and other additional payments from the employer form a significant part of the actual income of the workers. If these are taken into account, the differences between the two IPs still exist: while the average income including bonuses in HIP is ETB 1,770, in BLIP it is ETB 3,012.

Living expenses

However, this difference between the two industrial parks is greatly put into perspective when the average cost of living is taken into account. The average cost of rent and food is significantly higher in Addis Ababa than in Hawassa, as confirmed by the survey. (The average expenses based on all respondents at HIP and BLIP: rent = ETB 479, food = ETB 887, transportation = ETB 277)[15]

The majority of the study participants *disagreed* with the statement that the compensation paid was sufficient to cover living expenses: 34.2 % (n=156) selected the response "strongly disagree" and 54.4 %, (n=248) responded "rather disagree." In addition, the majority of respondents (89.5 %, n=408) agreed with the question-

14 To put this into perspective, however, it should be noted that the survey represents a much greater diversity of companies in the HIP (17 of 22) compared to the BLIP (3 of 10). Most interviews of the survey (396) were conducted at Hawassa Industrial Park, which hosts 22 textile and garment companies (with up to 30,000 workers at the time of the study), while a smaller proportion of the interviews (60) was conducted at Bole Lemi Industrial Park, which hosts 14 multi-sectoral companies (with about 18,000 workers at the time of the study), 10 of the companies producing garment. (Cf. Semela et al., 2023: 77f.).

15 The amounts refer to the actual average monthly expenditures, they do not say anything about what is needed to cover the basic needs.

naire's statement that the cost of living would not be affordable at all without the allowances (incentives, overtime pay, etc.).

Support from families

66.9 % (n=303) of 100 % (n=453) of respondents, despite working in the textile factory, receive financial support from their families (according to the interviews, this is mainly related to rent payments, college fees and transport costs). This applies particularly to workers in the HIP (71.9 %) and less to workers in the BLIP (32.8 %). Only 19.6 % (n=89) stated to provide financial support to their family, while 11.5 % (n=52) of the respondends indicated that there is no mutual support between them and their families.

Employee (dis)satisfaction (concerning the relation between workload and salary)

To the statement "My pay is proportionate to the amount of work I do, my job performance, and the length of my employment" (see Table 10, Semela et al., 2023), 47.8 % (n=128) answered with an emphatic no ("strongly disagree") and 46.5 % (n=212) answered with no ("rather disagree"). That means 94.3 % (n=340) of the respondents were not satisfied with their payment.

Housing

19.7 % of the respondents (n=90) rated their accommodation as "bad" and 24.8 % (n=113) as "very bad." A great majority of workers (70.2 %, n=320) would like to stay in dormitories on industrial park ground if it was offered by the company, although this is not an option for married women.

Turnover intention

The survey also assessed the participants' intention to leave the textile factory (turnover intention). Overall, it is clear that far more than half of the employees surveyed see no future in their current employment relationship (over 60 %).

The statement formulated in the questionnaire "I plan to stay with this company for a long time" was denied by 54.4 % (n=248) of the respondents by choosing the answer category "rather disagree," while 8.3 % (n=38) of the respondents even "strongly disagreed" with the statement.

2.5 Fair and sustainable jobs? Suggestions for the way ahead

Compensation plays a central role in employee retention, albeit not the sole one. So far, this aspect has not yet been seriously addressed by companies. To improve the unstable labor situation, "social sustainability/ social compliance" should be considered in greater depth. The Ethiopian Investment Commission (EIC et al., 2020: 37) identifies the following key problems and challenges of Ethiopia's Textile and Apparel Sector:

- Investors often underestimate the importance and impact of labor and social issues. Only when they have reached full operational strength they try to manage the symptoms of dysfunction, such as absenteeism, turnover and strikes.
- Employers rarely conduct a thorough causal analysis to determine the true causes of conflict and, as a result, operate with low efficiency and profitability.
- Government agencies often fail to provide the necessary social infrastructure for the production site. The initiative to develop investment zones usually comes from the Ministry of Trade or the Ministry of Finance, without sufficient consultation with the ministries responsible for the labor market, housing, transportation and social services.
- Workers have difficulty adjusting to the rhythm and discipline of factory work.

The report concludes that "[e]ven countries that have a statistical oversupply of labour and attractive nominal wage rates may not be able to ensure a competitive supply of labour to zone factories because of dysfunctional labour, housing, transport and other markets" (ibid.).

The following table outlines actor-specific recommendations, which were developed from the research findings. The recommendations are largely in line with those formulated by stakeholders in the Ethiopian textile industry (cf. Mitta, 2023).

Companies

- Increase basic wages to at least living wage level (also against the background of high inflation and presumed increase of productivity in companies); employees should be able to cover their living expenses from their basic salary; employers should not view wage incentives and overtime payments as a fixed component of monthly remuneration; according to interviews with operators, the basic wage is far too low to cover basic living costs in the city; even when incentives and non-wage benefits are included, the vast majority of workers perceive their remuneration as inadequate; companies should also address the

challenge of new recruits who only receive the basic entry level wage and are not entitled to performance-related bonuses.

- Create commitment: Include conditions for incentives, wage increases and loyalty bonuses in writing as standard in contracts for all employees.
- Reduce compulsory working hours (consider implementation of 45 hours instead of 48 hours per week; extra work will be paid on overtime basis).
- Install preventive measures against possible abuse of bonus payments.
- Since the payment of incentives and bonuses by supervisors can be handled subjectively and abused, a control system should be introduced to ensure a neutral assessment of operators' qualifications for incentives and bonuses; bonus payments should be transparent and objective.
- Improve quality and diversity of canteen food (also in order to keep employees healthy and to maintain their efficiency); when planning meal times, take into account that some employees may have long journeys to work and should therefore not fall into the second shift for breakfast, for example; canteen meals should be offeren in all companies.
- Take more account of workers' needs in terms of holidays/off-days and sick leave.
- All companies should provide leave entitlements also in the first year of employment according to the legal requirements (allow for leave days in relation to the time of employment); implement more employee-friendly regulations on sick leave.
- Optimize HR practices: respect and cultural sensitivity in dealing with employees (no shouting or insults by managers); complaints management should be improved (including evaluations).
- Give workers a voice (to retain them): "voice" instead of "exit"; do not prevent formation of trade unions; promote effective implementation of "workers' representatives" in the mutual interest of employees and employers; a good, long-term working relationship can only develop if both parties cooperate at eye level.
- Health promotion for employees: allow some movement (prevention of kidney, vein and back problems, and stress), as well as sufficient hydration with clean water; avoid overly restrictive toilet policy; provide sufficient fresh air; check the quality/suitability of seating (sometimes workers in factories and canteens sit on cold, uncomfortable concrete benches).
- Optimize recruitment processes: ensure realistic and comprehensive information is provided to applicants by government representatives or private recruitment agencies (provide information in writing to applicants; ensure that remuneration system, tax and pension deductions are well understood by the applicants).

- Invest in accommodation for employees on the industrial park premise (example of Shints).
- Provide free hygiene materials (especially sanitary pads).
- Optimize the bus transport system: Evaluate employee satisfaction with the bus transport system and make improvements where necessary; employees who do not want to or cannot work overtime should not have to wait for the bus service until overtime workers leave the factory; find a solution for those who want to leave on time.
- Recognize employees' previous experience/tenure in the textile sector when making the salary classification (salary classification should not only be implemented on the basis of existing skills, but also on recognized times of employment in the sector); provide certificates when worker's want to quit the job (respect the workers' right to receive an experience certificate; consider to provide certificates while workers are still employed).

Industrial Park Management / Industrial Parks Development Corporation (IPDC)

- Implement regulations and control measures for the companies regarding the following issues:
- Control of companies so that the formation of workers' associations/unions is not suppressed, or workers who engage in this are not discriminated against or even dismissed.
- Control of unethical practices of companies (termination practices, change-name practices).
- Expand *workplace child daycare facilities*.
- Implement control system to ensure that workers' leave entitlements are applied by companies in accordance with national and international standards (e.g. leave entitlements in relation to time of employment, also within the first year of employment).
- Introduce an IP representative for absenteeism in order to harmonize operational requirements of companies and needs of employees to a greater extent; request more transparency from companies in dealing with absenteeism and sick leave of employees; initiate regular meetings between HR management and workers' representatives.
- Follow the example of BLIP and initiate cooperatives that sell food and hygiene products at purchase price on the grounds oft he industrial parks (income generating measure for members of the cooperative; increase of the real wages of the workers who use the service).

Ethiopian Government

- Introduce a minimum wage for workers in the textile sector on the basis of a living wage;
- consider measures to protect workers' basic salaries against sharp declines in value (inflation adjustment); introduce regulation for the additional benefit packages.
- Introduce sector-specific, tariff-regulated standards for salary increases based on the lenght of employment in the sector.
- Control quality of canteen food and water offered to workers by companies.
- Reduce taxation of low wages of textile workers in industrial parks/special economic zones
- Consider to increase annual leave days for industrial workers.
- Build accommodation on the site of the industrial parks and rent it out to workers at a subsidized price.
- Implement measures/subsidies to increase the real wages of workers (e.g. in the area of transport/public transport, "job ticket").
- Pension levy system: investigate the effectiveness of the transfer of deposits in the event of a change of employer in the private sector; in general pension levies only make sense if workers can live on their salary in the present.

German Development Cooperation / German Corporation for International Cooperation (GIZ)

- Measures to improve the social sustainabiliy of the textile industry:
- Support and coordination of measures to increase the real wage of textile workers (actors: companies, government, stakeholders/NGOs).
- Improve safety of employees on their way to work (from the bus stop to the accommodation) (e.g. lighting, security measures).
- Support expansion of employee health care services in the industrial parks (evaluate the effectiveness of existing services).
- Support creation of family-friendly workplaces (childcare centres within the industrial park; improving transportation options for workers to visit their families during holidays).
- Offer training to promote mutual understanding between employer and employee (sensitization/harmonization); continuation of existing training programs for managers (soft skills, cultural sensitivity, leadership skills, complaint management, employee retention).
- Support the IPs in fighting unethical practices (e.g. prevent advantage-taking through practices such as name-changing in order to ensure fair treatment of employees, among other things).

- Campaign against sexual harassment and abuse of workers by superiors (bonus payment system is open to abuse).

Non-Governmental Organizations (NGOs)

- Further strengthen workers' rights/ support formation of trade unions.
- Promote self-help cooperatives for workers in the industrial parks.
- Implement needs-based social projects for textile workers.
- Campaign to promote transparent global supply chains and fair and sustainable jobs.
- Networking of stakeholder groups on the ground to develop joint strategies to improve working conditions in the textile sector.

The above-listed recommendations focus very strongly on the improvement of workers' remuneration. The gap with wages of textile workers in other countries[16] indicate that there is room for manoeuvre in Ethiopia's textile industry. Given that company productivity has apparently increased in recent years, better pay should be appropriate.

The Ethiopian government offers various incentives to investors. It can therefore be assumed that Ethiopia will remain an attractive location for the global textile industry even with rising labor costs. Interestingly, the Ethiopia FDI Policy Report (2022: 11) points out that high labor productivity in other countries like Vietnam or Bangladesh make up for higher wages paid in the sector:

> "Labor quality and productivity is not a major problem in Vietnam or Bangladesh. Monthly wages are $344 in Vietnam and $154 in Bangladesh compared to less than $100 in Ethiopia (2020 data including bonuses, overtime and social security) but high labor productivity in the former two more than compensates this wage gap."

Conversely, this means that better wages could reduce turnover and increase productivity, ultimately benefiting both employees and employers. If Ethiopia's state-owned industrial parks will be privatized in the future (as reported in a newspaper article[17]), the role of the state would certainly change. However, this would not invalidate the results of this (and other) research.

A final statement made by a female employee may summarize the views of many of her colleagues in the form of clear recommendations to the management:

16 Cf. footnote 3 in the preface of this book.

17 Ethiopia ready to privitaze industrial parks. By S. Mengesha, in: The Reporter, October 15 2022, https://www.thereporterethiopia.com/27160/.

> "The first thing is improving the wage structure. […] Moreover, the company should be able to include newly recruited workers within the framework of incentive packages. Otherwise, it will be difficult for them to make a living. Most of the newly joining workers leave the job due to such reasons. […] I would like to add that the bosses must try to care for the workers. In many companies within the industrial park, most of the top-management are expats. Although our company has mainly local bosses, they do not care about the workers. They should also attempt to improve the salary. They must also try to revise the annual leave permission systems. They should try to make the workers as comfortable as possible. If employees are pleased, they are less likely to leave the firm and, as a result, will improve production to the level required by the organization." (BLIP-Worker-2021-9)

Companies have already taken steps to retain workers. However, measures taken to date, which have mainly been based on incentives, have not yet brought the desired success, particularly as they have not addressed the core problem of low basic wages. Perhaps it can be said that effective measures should start at the grassroots level: by understanding and acknowledging each other's perspectives. Both employers and employees could contribute to a visible solution. More dialogue would be an important prerequisite for this. However, the question of remuneration remains the a key issue.

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3. From an agrarian to an industrial lifeworld: understanding labor turnover in the context of social upheaval

3.1 Introduction

This chapter discusses the high rates of labor turnover and absenteeism in the Ethiopian textile industry in the context of social upheaval. The results of the interviews with textile workers presented in previous chapters are supplemented by the views of rural communities and relatives of textile workers who where also interviewed. The chapter examines living conditions in rural areas, which form the backdrop for the majority of the textile workers. The chapter includes experiences of farmers that allow for a deeper understanding of urban-rural relations. By linking empirical data with theoretical approaches, the chapter aims to contribute relevant perspectives to the debate on the 'mindset' of women workers in the textile industry – a term frequently used by managers to problematize the work attitude of the employees. Following on from this, the promise of modernization is discussed according to which the orientation towards gainful employment in the textile industry leads to a better life for the laborers. The chapter begins with statements from executives in the textile industry.

The results of the JLU study[1] show that managers in textile factories primarily blame the lack of industrial work experience and poor work ethic of migrant workers from rural areas for low production levels in the textile and clothing companies. In interviews, managers often attribute what they perceive as a lack of discipline and understanding of the industrial work system to the rural, agricultural background of the workers.

An HR 30 year old manager at Hawassa Industrial Park (HIP) (he is from Sri Lanka) expresses his experience with the women workers as follows:

1 The interviews cited in the following were conducted by the project team (mainly by Mitta & Teshale) as part of the JLU research on labor turnover and absenteeism in the Ethiopian textile industry in the time from 2020 to 2022.

> "All the girls don't understand the work and what are the work ethics. All this things you have to teach from the start because most, or all the girls, are coming from like the farming background. Also their families are farmers. So my task, my challenge, is like to industrialize them, to train them, like give them the positive side of this industry as well as the negative side."

A HR manager at BLIP (Ethiopian himsef) highlights the lack of career focus among the employees:

> "But the problem is that the workers do not see this job as career development. I think one of the reasons for turnover is this issue. They do not have the vision of upgrading themselves in this profession. They come here temporarily, maybe to finish their education or their process of the visa application to go and work in an Arab country. And some are coming here just for the sake of being free from living with their families. Some others are coming with the intention of not being dependent on their husbands. These are mostly the reasons why they join the factory. They do not see it as a profession with which they could be able to develop their career. Apart from that, they do not have the problem of commitment. The other challenge is they mostly focus on social and family cases. We Ethiopians are intimate to our families. Whenever there is a funeral or death of a very nearer relative or distant relative, they [the workers] ask for annual leave; and if they are not given, they just get absent from the work duty. They prioritize their social responsibilities over their jobs in the factory."

Another HR manager at HIP points to the gap between the industrial parks and local communites:

> "As per the previous experience, Ethiopia issues are totally different. Most of the challenges are beyond our control, and there is huge gap between community and industrial parks. Communities do not understand the concept of factories."

Oya (2019: 674) confirms that these are recurring themes in conversations with foreign managers about their experiences with employees:

> "In Ethiopia, the perceived lack of work ethic and discipline is a major complaint among newly arrived factory managers, especially those from Asia, who invest in developing 'social skills' among new workers, i.e. precisely timekeeping, understanding incentives, and reactive speed to boost productivity."

A older report from China (2017: 17f.) also links the low productivity of Ethiopian textile firms to the employees' lack of experience and industrial mindset:

> "[…] labor productivity in Ethiopia was lower than in other low-cost manufacturing destinations (for example, one apparel manufacturer stated that productivity was around 25–30 % of levels in Vietnam), reflecting the fact that most factory have very limited experience of modern industrial employment. Absenteeism, ability to 'concentrate' on the job, unresponsiveness to financial incentives to work overtime, and high turnover were identified as problems."

The report also points to cultural differences between the predominantly foreign management and Ethiopian employees, which lead to misunderstandings. Due to low productivity, most of the production facilities surveyed were not operating at full capacity, which affects profitability and, in the long term, sustainability.

The interviews conducted as part of the JLU study also point to other causes for the high turnover and absenteeism rates. A HR manager from India who works at HIP sees the main causes for the high turnover rates in the working environment (unfamiliar factory work, stress due to high workloads) and in a lack of security (on the way between work and accommodation). He also attributes the high rates of absenteeism primarily to social obligations (numerous religious holidays, funerals or weddings that are associated with ceremonies lasting several days). In conversation, he critizes the workers' "mindset", their lack of work discipline, time management and commitment towards the work. He notes with frustration: "if thursday is a holiday, then they won't come on friday either. If friday is a holiday, then they will be absent on Monday as well. If there is a funeral, they are gone for days or weeks."

Another foreign HR manager at HIP also emphasizes Ethiopia's enormous potential as an important location for textile production. However, he also cites the workers' lack of career orientation as a major challenge:

> "I think stability of manpower is one issue. Second, I consider Ethiopia a green fill country because the industrialization is just starting. So industrialization, the culture which is associated with it and how people see their career going forward, their ambitions, how they see themselves, is a big challenge for me."

Sometimes HR managers draw comparisons with experiences they have had in other countries:

> "I had an experience visiting the working condition in Asia at different times. Once I have stayed for six months. And there the employees have understood the work culture, but here [in Ethiopia] I can't find that." (HRM at HIP)

> "This company is a Chinese company, and the work culture needs to be different from what the Ethiopians are used to. When we look at Ethiopian workers, the way

> they use their time and the focus they provide for their jobs, it is different." (HRM at Adama Industrial Park, AIP)

However, there are also HR managers who see the challenges with the labor force in the context of low pay:

> "The sense of belongingness is indeed very low. It is not because the workers do not want to have the required sense of belongingness, but it is related to their income levels. […] The workers assume that they can get a better salary each year in the same way as the government employees. When they lose hope, they develop a sentiment that the company is no longer theirs. Anyway, this thing differs from one person to another. As far as I am concerned, the problem is not emanating from the lack of good work culture but is because of salary-related issues." (HRM at AIP)

The same HR manager believes that sweeping negative characterizations often serve to fend off demands from employees:

> "I think that this kind of accusation comes from the investors and is usually made to deter claims coming from the workers. Every owner is trying to make a profit. So, it is a mechanism used to deter further demands coming from the workers. It is true that, if I talk to you by siding with my company, I would say that there is a problem. […] But if a single individual makes a certain mistake, they [the managers] generalize the issue and make a claim: 'All Ethiopian People are like this.' I do not accept such claims."

Another HR manager at AIP emphasizes the need for a thorough investigation to understand the root causes of the problem in order to be able to improve the situation by adapting to Chinese work culture:

> "Staff work culture is poor. For the employees, working eight hours per day is very daunting. Yet, salary issues should not be ignored. It could be asked if their salaries do enable them to survive for the month. I think it is indeed difficult to sustain living with the salaries they are being paid. Extensive research on this issue and measures are needed. We need to know the main causes to tackle the problem. This is not something that can be left with the HR managers. It should also be of great importance to the general management. In my view, absenteeism is related to the working culture of our operators. If you look at the Chinese: even if members of their families pass away, they will still be at work. This is what we should be able to adopt. The main reason is our work culture. The workers are expected to work 48 hours per week. But the workers are not able to do that. If you want to see the

> Ethiopian's work culture, go to the government offices and see how long they work in a day. When it comes to private companies, it is a must to work for 8 hours as the company's profitability depends on the labor of the workers."

Overall, debates on the challenges of the Ethiopian textile industry show a one-sided focus on the 'mindset' of workers, who are blamed for the poor performance of textile companies, while the 'mindset' of managers themselves, who view their employees through their own cultural lens, is not really reflected. However, some companies have implemented soft skill trainings for HR managers to make them more aware of Ethiopian customs.

Oya (2019) identifies the complex structural barriers to building a stable workforce in a country like Ethiopia that is transitioning from an agrarian to an industrial economy. The process involves various factors and dynamics that are closely intertwined, as Oya states. Among other things, Oya mentions the 'work culture':

> "socio-cultural barriers and the problem of 'work cultures' and work ethic; sourcing workers, managing and especially housing migrant labour; scarcity of employable skills (including soft skills); mismatch in expectations between employers and workers, largely related to wage-setting mechanisms, non-wage conditions, and labour productivity."[2]

From an economic point of view, one can agree with Oya "that the process of building an industrial working class is uneven, protracted, and requires interventions and important economic and social shifts over long periods of time" (ibid.). By incorporating historical experiences of early and late industrialization into his analyses, Oya seeks to gain a deeper understanding of the changes taking place in contemporary Ethiopia. He argues that this process cannot be reduced to economic changes alone, but that the emergence of an industrial workforce is largely linked to social and cultural changes:

> "The development of skills and adaption to industrial work environments depends on the process of change in social norms, i.e. on the social construction of a work ethic for industrial capital […]." (Oya, 2019: 674)

Oya and Schäfer (2021:10) understand high fluctuation and absenteeism rates as an expression of friction associated with the transition to industrial work as it can be observed also in other countries:

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2 See the abstract of Oya's chapter "Building an industrial workforce in Ethiopia" (full reference see the references at the end of this chapter).

> "high turnover rates were not uncommon in early stages of similar investments in other countries […] Some managers reported having faced comparable rates [to Ethiopia] in their operations in Southeast Asia, illustrating the frictions that accompany processes of transition to industrial work […]. The most experienced suppliers in GPNs [Global Production Networks] seemed the least concerned by the evidence of high turnover […]. Their expectation was that, after one or two years, worker turnover would stabilise and eventually decline as the firm was able to retain the best workers."

Referring to literature on classic low-wage labor regimes, the authors suggest that high turnover may be tolerable to a certain extent from a management perspective if it means that the most productive and qualified employees remain with the company. (Ibid.) The authors refer to Hardy and Hauge (2019), who suggest that this could be the reason why many companies in Ethiopia do not make any serious concessions to their employees. (Ibid.)

In order to understand the phenomenon of high employee turnover, various perspectives must be taken into account: economic, organizational, socio-cultural, and psychological. The employees surveyed as part of the JLU study mainly referred to economic (wage-related) and organizational (workplace-related) aspects in their explanations. Socio-cultural aspects, on the other hand, became more apparent in conversations with communities about work in the textile companies, but here too, economic arguments were at the forefront. The following sections discuss results of *1) focus group interviews with two communities, 2) interviews with relatives of textile workers, and 3) interviews with farmers*, and link these to theoretical approaches.

3.2 The textile work from a community perspective

Tula is a small village around twenty kilometres away from Hawassa, a regional centre south of Addis Ababa in Ethiopia. The place is characterized by small farming households. The main crops are cereals, khat, enset and coffee. Khat is the Ethiopian drug of everyday life, while enset is a root (also known as a false banana) that is staple food for 20% of the Ethiopian population. Enset is an important plant: highly resistant to drought and available throughout the year. Five women and four men sit together in Tula to talk about how they see the work in the textile industry.[3] The religious diversity of the country is reflected in this group: Protestants, Orthodox and a Muslim. The community is an example of religious

3 The two focus group interviews were carried out (and later transcribed and translated) by Setisemhal Getachew Teshale and Gifawosen Markos Mitta as part of the JLU research project. The

coexistence in Ethiopia, which is as impressive as it is fragile. And the group of textile workers, former workers and village observers of the textile industry argue intelligently, pragmatically and with a wealth of experience, clearly weighing up the pros and cons of working in the industrial park. "It's good to have a job and a better life. It's better to be independent than to sit at home and do nothing," says a women who is working in a textile company at the Hawassa Indusrial Park.

The HIP is a symbol of hope for the Ethiopian government: jobs are being created in the country. Foreign investors are attracted by low wages, cheap electricity and the park itself, which offers halls and infrastructure, including bus transport to the textile park for the workers. The industrial park in Hawassa is designed to create 65,000 jobs. So far, around 30,000 jobs have been realized.[4] Companies from China have built the industrial park. The government hopes to become competitive on the global textile market. The plan seems to be working out: more than 20 international companies – e.g. from China, India, Pakistan, Sri Lanka and Indonesia – have settled in the park. But difficulties piled up. The coronavirus pandemic has hit the textile industry hard. The military conflicts (first in Tigray, later in the Amhara region), the cancellation of the duty-free agreement by the US government in 2022 as a result of the war[5], and the constantly high inflation are threatening the economy and the country's stability. And the industrial jobs created are characterized by tensions, which are reflected in the high labor turnover. The wages are low, which has attracted the textile industry. But what good is that if the workers do not stay and productivity levels are low?

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interview in Tula (the vicinity of Hawassa) took place on 12.06.2021 and the one in Tafo (Oromo Special Zone) on 08.08.2021.

4 "Before Covid-19 outbreak we had 35,000 workers. The number dropped to 26,000 after the outbreak and now we are building up our capacity and thankfully we reached 30,000." Analysis: Despite low income, Industrial parks workers remain hopeful; IPDC, EIC say conditions are improving, promise more reforms. Addis Standard, 12.07.2021, https://addisstandard.com/analysis-despite-low-income-industrial-parks-workers-remain-hopeful-ipdc-eic-say-conditions-are-improving-promise-more-reforms/.

5 Ethiopian textile industry at risk if U.S. suspends trade deal over Tigray war. In: Reuters, 28.10.2021, https://www.reuters.com/world/africa/ethiopian-textile-industry-risk-if-us-suspends-trade-deal-over-tigray-war-2021-10-28. - The suspension of AGOA is still in place in 2024: "The continuation of these sanctions […] affect Ethiopia's trade privileges under the African Growth and Opportunity Act (AGOA), which once allowed the country to export goods to the U.S. duty-free, generating over $100 million annually. Although Ethiopia has been working to lift the AGOA ban and restore trade relations, the ongoing sanctions reflect Washington's stance that Ethiopia must address human rights violations and restore peace in the region before those privileges can be reinstated." U.S. Extends Sanctions on Ethiopia, Keeping AGOA Trade Privileges Suspended. Addis Insight, 7.9.2024, https://addisinsight.net/2024/09/u-s-extends-sanctions-on-ethiopia-keeping-agoa-trade-privileges-suspended.

The textile industry in Ethiopia is the subject of controversial debate in Germany. Some see the textile industry as an important step for Ethiopia's development: it creates jobs, promotes industrialization and reduces extreme poverty. Others see wages below the minimum subsistence level, unacceptable working conditions, in short: exploitation. What some see as progress, others call modern slavery. The controversial debate of the villagers in Tula shows parallels to the debate in Germany: the proponents argue with the gain of jobs, with the financial independence of the women; the sceptics look at the poor wages and the difficult working conditions. A Muslim who runs a small shop in Tula, i.e. has no personal experience in the textile industry, summarizes his opinion as follows: the good thing, he says, is that anyone can get work there. However, he states, the salary should be appropriate and cover daily expenses.

Other problems the group discussed relate to night shifts and difficult housing situations: workers share rented rooms with four or more. A woman who belongs to the Sidama, a mother, housewife and a member of the Orthodox Ethiopian Church, talks about a friend who is employed at the industrial park: whe is not doing well there. Her salary is 2,000 Ethiopian birr (that is about 15 US-dollars; however inflation makes such comparative figures almost impossible). The friend says she's only staying there until she finds a better job. On the weekends, the two women study together at a college.

The conflict between the company management and the workers in the Ethiopian textile industry becomes visible in the village conversation: from the point of view of foreign companies, wages are so low that it is worthwhile for them to relocate production from Asia to Ethiopia. The employees complain about the workload: standing or sitting six days a week and for many the job means longer journeys on the company bus. If workers live close to the park, women usually share a small rented room. However, the rent still eats up a considerable part of their income, as accommodation in the city is expensive. In general, the monthly wage of 2,000 birr (sometimes more, sometimes less, depending on bonuses and incentives) is not enough to live on. This is reported by the group in Tula.

The other meeting place is called Tafo. Many textile workers live in this location at the outskirts of Addis Ababa. Tafo is a slum of the metropolis. In the past, the settlement used to be reached by crossing a large primeval forest-like area – a piece of wilderness that is rapidly disappearing. Mud huts have replaced the forest. In Tafo, a group of nine people, men and women, came together for the group interview. They all belong to the Orthodox Church and the Oromo ethnic group. Some members of the group are former textile workers. One man, whose wife works in the textile industry, complains:

> "The textile factory around our living place is very exploitative. The girls are suffering a lot. Yet, the factories do not pay enough. Moreover, the factories do not respect the rights of the workers. At anytime and moment, they order them to do that and this as they wish. The workers do not have the right to say no and reject the orders being given by the bosses. If the workers reject any order, they immediately fire them. If you look at the job properly, it has features of slavery. […] In the past, people were farming the land for the landlords. The same is true in textile factories. The only change is the change in the type of the job. This way of management will not bring development to the country."

When women resign from the job, they are often denied a certificate of employment and experience, forcing them to stay on for two or three more months until a replacement has been implemented. (This was reported in the focus group interview as well as in interviews with textile workers and even one HR manager addressed the problem.)

A former textile worker from Tafo resumes:

> "I was looking for jobs and I finally ended up in the textile factory. I tried to work there for about two years, but I left it because the job is not very interesting, the salary is very low, and the employers were also very bad. The employers are arguing a lot and they force us to work more than the daily working time. We had to come to work before the actual starting time and go home beyond the time specified to end the job. On top of that what we were being paid does not match what we do."

When someone feels sick at the workplace, she contiues, the managers don't let her or him go home, "they wait until a worker faints before they let someone go."

At the same time, the group agrees that working in the textile industry is still better than just "sitting at home." However, they demand that wages should be commensurate with the workload and performance of employees. They also emphasize inflation, which exacerbates the situation. Sometimes, they say, monthly wages are barely enough to cover rent.

In this conversation on the outskirts of Addis Ababa, this is a recurring argument: the poor pay and the disregard for the rights of the female textile workers. And everyone agrees on the general trend: Life has become more difficult as everything has become more expensive. It's a hand-to-mouth existence. "We just work to survive." For example, onions used to cost 5 to 10 birr, now (at the time of the interview) it's 30 to 40 birr. The price for kilogramme of teff (the most important staple food in Ethiopia) has increased from 15 to 50 birr since 2012. The price of

cooking oil has also risen sharply.[6] Again, the women who was previously working in the industrial park, comments:

> "Those people whose partners have a job can survive as they can help each other with the expenses needed. But, the last few years have made life very difficult for those who do not have partners who can share the burden of increasing living costs."

Life in the village community suffers under these conditions. It has become more difficult to support each other as neighbors, but to support each other is still the norm in the family. Many people hold on to the numerous holidays in Ethiopia – which employers experience as a problem. But the workers argue it is their only time to relax and socialize. "Even if the factories don't benefit from the public holidays, I benefit from them," says one 22-years-old textile worker in Tafo. "Companies are making good use of their time, and I must do the same. Because I do not have much rest on the days I have to work, I need to make the most of the holidays and get some rest."

Among the group in Tafo, there are three young women (all job seekers, college students and relatives of textile workers) who emphasize how essential the national holidays are for the community. One of the women emphasizes the great importance of holidays – she also mentions the conflict with the factory work:

> "The time around the national holidays are very exciting and beautiful. During holidays, the calendar is closed and holidays are strongly celebrated."

> "National holidays and religious holidays enable people to come together to see each other after a long period. They are very important."

> "To be honest, our country has a lot of holidays. Every single day of the month has a religious name, and this has had an impact on factory work. There are a lot of holidays. People celebrate holidays such as the epiphany a few days before the actual day of the holiday. I am not saying that holidays should not be celebrated, but the government should limit the number of holidays. People must work if there is

6 In 2024, the value of Ethiopia's currency has fallen by 30 % against the US dollar after the government relaxed currency restrictions. This has led to significant price hikes for basic commodities. The price per kg of teff for example increased to an amount of ETB 140/150. Ethiopian currency falls sharply after big policy change. In: BBC News, Addis Ababa, 29.7.2024, https://www.bbc.com/news/articles/cxr2k24z29xo.

> work. I understand that holidays should be celebrated, but in a way that does not interfere with factory work."[7]

A 26-year-old young man, also Orthodox and Oromo, questions in this conversation in Tafo the advantages of life in the city:

> "Life in the countryside is better than life in the city. In the countryside, nobody pays rent and there is a rural way of life. There are sheep and cows. Everything is there in the countryside. In the city, we have to look for jobs… What's the advantage of city life other than having access to electricity? But everything is expensive in the city, so there's no advantage to living in the city."

The number of buses waiting outside the industrial park in Hawassa or Addis Ababa for the end of the shift is impressive. The women are picked up from their homes, but they have to get to the assembly point. Some take a taxi to make it to the assembly point on time. Whenever they are a few minutes late, the bus is gone and so is the attendance bonus. The life of female factory workers in a place like Tula and Tafo: the women walk, run, rush to the meeting point at dawn or try to get a taxi. If all goes well, they reach the bus and then sit and stand in the hall all day with 2,000 other women (and men). Many sew, others cut, iron or pack. And they are annoyed that the man who recruited them made false promises: they were promised – the women in Tula claim – accommodation, food and monthly wages of 3,000 Ethiopian birr. (Sometimes the women do not realize that the recruiter is talking about a gross salary, while they receive the lower net salary.) Instead, they are confronted with an unexpectedly high workload, low pay – and managers who often take a very harsh tone towards employees, say participants in the group interview in Tula. Whether they know about the textile industry from their own experience or from the stories of relatives or friends, they all agree on that: the pay is too low; the food, if there is any, is not good; the workload is immense. A 30-year-old woman in Tula, who is independent and lives on her own, says:

> "The women who work in the textile park complain that they have to stand all day in the factory and many complain of kidney pain. When they ask for a solution, the person in charge doesn't try to help. I have a friend who got sick and left."

7 At the end of the European middle ages, numerous religious (non-working) holidays were also celebrated in Germany throughout the year. Sources indicate that there were 250 working days and 110 public holidays. In the course of the reformation and counter-reformation, the number of public holidays underwent major changes. With industrialisation and secularisation at the latest, the number of public holidays in Germany was greatly reduced for economic reasons. Cf. Popelka (1931). – It will be interesting to see how the Ethiopian state is going to deal with the large number of public holidays in the future.

What is life like in a location such as Tula? A man from the group (Sidama, Protestant, farmer and owner of a small business) says that the people in his community spend their time chewing khat. They lack money to buy food – and food is getting more expensive every day. They rely on enset, which is their staple food. "We struggle to survive every day. And this is a big challenge." Farming has become difficult since rain is not enough and the fields are too small nowadays. And there is not enough money to buy food every day, such as oil or bread, which they do not grow or produce themselves. This was different in the past, he tells. People were able to buy basic things and make a living. In both places, in Tafo and in Tula, a deterioration in living conditions can hardly be denied. However, the group agrees that no one goes hungry in Tula because they have enset.

At the time of the interview, the group in Tula reported that they were still suffering from the effects of the pandemic. Because Tula is close to the industrial park in Hawassa, many textile workers from other parts of Ethiopia were renting rooms in the village. However, as a result of the pandemic, these workers have returned to their places of origin. The community has thus lost the income it had from renting accommodation to workers from other regions. With renting out accommodation, people in Tula could get around ETB 400 to 500 from the women who ususally shared a room with four or five other women. During the pandemic the companies also stopped paying bonuses, they say. With the attendance bonus, the workers could earn more, "but because of the pandemic, there was no attendance bonus and no incentives, so everybody returned back home." Now the people in Tula no longer heard so much about the industrial park.

The social and cultural advantages of communal life are strongly emphasized in the conversation. Even those who no longer live in the village usually attend to funerals, weddings and visit their family when they are on holiday. Social ties and obligations are important to the villagers: "we are used to share everything." And festive events are still celebrated: Chamballala (the Sidama New Year), Christmas, Easter, the Muslims have other festivals (like Ramadan, Mawlid, Eid al-Fitr, or Eid al-Adha). The younger generation has an open ear for the life experiences of the older generation. Mutual respect between the generations still exists today, say the interview participants. "The good thing about this village is that the young and old generations respect and love each other," so the 30-year-old woman. The relationship between men and women is much better today than it was in the past "where women were not asked whom they wanted to marry, but now the interests of both partners count," says a 25-year-old man. And when it comes to school, boys and girls now have equal rights, he adds.

From the point of view of the inhabitants of Tula and Tafo, working in the textile industry is an ambivalent matter. Inflation and climate change have worsened living conditions in the village. Textile work at least offers the opportunity to earn

some money. However, there should be a better pay, they say: workers should at least earn 2,000 to 2,500 birr (as a take home salary) to get by. But many get less.

The villagers in Tula know that their rural life world in which and from which they have lived is shattering. And the envoys from the industrial park, who recruit female workers, bring new values of the modern world into the village: individualization ("I have my own money, even as a woman"), mobilization (which opens up access to urban life and modern education), alienation from local food and subsistence, from the safety net of the community, also from the dominance of the family. For the individual worker, there is a shift from rural life cycles, necessities, ties and hierarchies to a rhythm determined by industrial clocking, technology and monetization. The urban world overturns village modesty and self-restraint and demands new modes of behavior. Old virtues become superfluous and new virtues become a prerequisite for survival.

The absences, the fluctuation in the companies make the areas of friction visible: the women have to choose between attending the factory or or attending their aunt's funeral in the village, which would cost them the attendance bonus. What is more important? The rift goes through the community and probably also through the individuals. What matters more? Integration into the community and mutual care, or the chance of a small career in the textile company, of job qualifications, of independence, of access to education in the city?

The managers say that the mentality (the 'mindset') of women workers is not adapted to industrial work. For the employees, it will probably be difficult to decide between two cultural alternatives: one that prioritises the values of the community and the other that focuses on the individual. At this stage, the workers are more likely to opt for the familiar and protective community for the time being, which can be vital in the event of a personal or economic shock, as has been shown during the coronavirus lockdowns. However, the villagers are realists: they see the future not in the hook plow, but in the urban workplace. They say: "living at an urban place like Hawassa will give us a better life." But none of them fall prey to illusions: "It's better to earn money in the city. However, you have to work a lot there and it's not easy."

A 48-old Sidama in Tula thinks he knows why the industrial park prefarably employs women: "I think they mainly employ women because they are not free enough to fight for their freedom." The recruiters lure the women, he says, with false promises. "I have seen many of the women and when they return home, they have lost their beauty."

Absence and fluctuation can be interpreted as an expression of the contradictions and pain of transition. In the course of industrialization, a similar development took place in Europe more than 100 years ago. Where will Ethiopia develop? Will the wages for factory workers be raised? Will most people prefer to live in the city? Will the women become the reliable work force with long-term employment prospects that the government and companies are hoping for?

At present, the two worlds are still largely isolated from each other. Many employers see the 'mindset' of the workers as the main reason for high staff turnover and want to change the workers' attidute with incentives and special training programmes. The workers, on the other side, feel unfairly treated by superiors and complain about a lack of understanding for their situation and their needs. It could be an important step for employers and employees to start talking to each other. For the workers, the first priority is a better pay. A 26-year-old man from the group interviewed in Tafo, whose wife is a factory worker in a textile company, points out that textile work should be profitable for both sides:

> "The most important thing is improving the pay. The employers know what makes them profitable and the employees also know what they deserve for their labor. I believe that they can mutually benefit each other."

3.3 Interviews with relatives of textile workers

A series of interviews conducted with relatives[8] of textile workers express similar views like those of the communities. The relatives also weigh up the pros and cons of factory work. Overall, families support the women's decision to work in the textile industry. However, where drop-outs occur, this often has to do with disappointed expectations and in many cases it is the families who urge the women to quit their job.

When it comes to deciding how to spend their household income, couples usually make their decisions equally. From numerous interviews conducted with female textile workers (without the presence of family members), there was never any mention of a decision-making dominance of husbands or families.

Textile workers whose partners have their own income tend to be under less pressure than single workers with no family support. For the workers and their partners, the work in the textile factory is associated with the hope of modest prosperity and gradual social advancement. Despite dissatisfaction, many stay in their jobs because they hope for long-term improvements. This contrasts with the widespread view among managers that employees generally do not have long-term prospects in their jobs ("they live for the day").

8 The Interviews with relatives of textile workers where carried out in locations in Hawassa and Addis Ababa in 2020 and 2021 by Setisemhal Getashew Teshale and Gifawosen Markos Mitta as part of the JLU research.

Most of the relatives interviewed as part of the research project live relatively close to the industrial parks.[9] For employees whose families/relatives live nearby, it is easier to reconcile their social/family life and their work than for employees whose families live in more distant areas. The following examples provide some insights into the interviews with family members of textile workers.

"Her only focus is her job and I support this"

A husband of a textile worker (he is 47 years old) considers his wife's work as an important support for the household income. He himself has a job as a broker and security guard and tries to cover the essential costs of living with his salary. He assumes that his wife is happy with her work at the factory, otherwise she would quit the job, he says. He supports his wife's decision to work in the textile factory at the Bole Lemi Industrial Park, although he would like her to find a job closer to their home not least to save on taxi fares. (This couple lived relatively far from the park.) The husband sees it as important that his wife is learning a profession. He hopes that one day she will be able to start her own business:

"She is tirelessly working, and I try to encourage her and keep her morale up. I am telling her that once upon a day God may change our life. I wish she will have her own business one day and get the best benefit out of it. But currently, she is trying to help her family with what she gets."

Once they can afford buying a sewing mashine, the woman wants to start her own business and work from home. At the time of the interview, she had been working in the textile factory for more than four years. "Since we started to live here, she goes to work in the morning and when she comes back from work, she stays at home," the husband says. She is not involved in social activities outside the family, he tells:

"She does not have any relationship or friendship with anyone in the neighborhood. Her rest day is on Sunday. After a few hours of rest, she starts to wash the clothes or she goes to visit her family. […] Her only focus is her job and I support this."

Although she is often exhausted, she does not complain and fulfils her domestic duties as best she can, the husband says. He describes her as someone who doesn't

9 There were pragmatic reasons for talking to relatives of textile workers near the industrial parks: On the one hand, there was not enough time to travel to far away regions. On the other hand, there were also travel restrictions related to the safety of the research team.

like "sitting around with the neighbors and gossiping" anyway. He strongly emphasizes her focus on the job:

> "She does not like missing a single day of her work. When she gets exhausted, I tell her to skip work, but then she asks me back: 'Would you pay me the 400 birr which will be deducted from my salary?' Her stance regarding her job is very strong."

A domestic worker looks after their small child. If one of the partners has to stay at home for whatever reason, the man is more likely to let his wife work in the factory.

Some of her colleagues have quit their factory jobs. The husband tells he has already suggested to his wife to look for another job too, one with less travelling time. However, she responded that she plans to start her own business anyway. Overall, the husband reports, in their location there is little interest in working in the textile factories. In the past, recruitment attempts were virtually unsuccessful. The interviewee suspects that this has something to do with the distance to the park, but also with the low pay. He explains that "people look for alternative jobs even if the difference in salary is 100 or 200 birr. […] People might work many difficult jobs, but they don't want to work in the factory." Everyone seeks decent work and a better life, he says.

"It is her family who is trying to help her"

The 27-year-old sister of a textile worker reports that ten people live in her family's household. All adults (except the sister, who works in the textile factory) live from day laborer jobs. In the family, they support each other. The woman reports that (at the time of the interview) her sister has been working in the textile factory since nine months. Before that, she had worked as a waitress. At first, she was happy to have finally found a permanent job, the sister says. She even moved in to a rental house in an area nearby the Bole Lemi Industrial Park. However, when she realized the salary was not enough to cover all costs, she returned back to the family who lives further away from the park. The sister draws a sobering conclusion about the textile work:

> "It is like a 24-hour job. The work and the salary do not match. The only good thing about this job is learning the profession of sewing. If somebody wants to start a personal business, it could help. Apart from that, there is nothing one can profit from the job."

The woman is not happy that her sister works in the textile factory because she believes that the job only incurs costs and that the family has to cover the transportation costs because the factory is further away. "She is not able to be independent.

It is her family who is trying to help her." Besides, the sister is not happy in her job. The interviewee reports that she would be permanently exhausted and sick from the factory work. Poor working conditions, poor pay that you can't live on. That is her conclusion.

Since the family supports her sister, she tries to repay them by working overtime at the factory and doing housework on Sundays. Nevertheless, according to her sister, the situation is very difficult and only bearable because the family members help each other. The interviewee reports that neighbors encourage her sister to work at the factory. They say it is better than just sitting at home, as at least she can learn a profession. The woman disagrees. She believes that "at present, it is only a personal business that could enable a person to earn money with their work." She reports that she has friends who used to work in the factory but gave up their jobs and now work in small private businesses in their immediate vicinity, where they earn better.

Her sister sometimes misses work because she is exhausted. "She comes home very late and might not even eat her dinner. She has also some health problems." When it's vacation time, she's happy that her sister can be home. But sometimes, she explains, you have to work at the factory even during vacation, and you get paid overtime for that. At least this helps her sister buy a few basic things. However, she finds the work underpaid and exhausting. That is why everyone is looking for alternatives. She also criticizes the fact that breaks and toilet times are not sufficient. Her recommendations to management are clear, although she does not believe that the company has any interest in its employees:

> "It would be great if they could increase the wages for the workers and give them more time to eat their lunch properly. But I think they are only trying to achieve their own goals. They do not care about the workers."

As proof, she cites the fact that her sister has 400 birr deducted from her salary for one day of absence per month, which she believes is disproportionate to her salary. She expresses her anger about this: "Is it not a shame? How much are they paying them at the beginning while they deduct 400 birr for one day of absence? This has to be changed!"

> "Although she is suffering, her income is helping us to survive"

Another husband of a textile worker (he is 26 years old) considers his wife's salary to be the main source of income and therefore supports her in continuing to work in the factory – although "she is not happy at all." With her salary, they cover the house rent. The couple used to have their own shop selling coffee and tea. How-

ever, after the business failed, they couldn't afford to start over. He helps his wife with the housework because she comes home late from work, sometimes as late as 8 p.m. He also burns charcoal for her so she can cook. He greatly appreciates that his wife manages the household chores even though she has little time to rest. She even goes to work on holidays to avoid pay cuts and dismissal. His dream is to open a small kiosk or café. He says he would have no problem if his wife earned only half her current salary, but spent more time at home with him. He mentions two acquaintances who also work in the textile factory in the Bole Lemi Industrial Park. They do not rent an apartment, but have their own house, yet have not been able to improve their standard of living, he says.

From his wife he knows that many female workers quit their job in the textile factory because of the long working hours: "they argue why would we suffer by working from morning to the evening." He is confident that his wife will give up her job as soon as they can start their own business again, that could be maybe in four or five years. The couple tries to save 100 to 200 birr of their monthly income (he earns 2,000 birr a month). He would appreciate it if the textile company would reduce working hours for its employees. He doesn't want his wife to come home late at night, partly because "there are gangsters in the neighborhood." He usually picks her up at the bus stop on the paved road and brings her home safely.

"People here are talking both bad and good about the work in the park"

A 40-year-old mother of a textile worker (she is a housewife and visually impaired) says that her daughter works as a quality controller in a textile factory at Hawassa Industrial Park. Mother and daughter live in the same village, and the mother looks after her grandchildren while her daughter is at work. The daughter only misses work when her children are ill and need to go to the doctor, which her mother cannot do. Since her workplace is nearby, her daughter can usually attend family celebrations without this causing any conflicts with her work.

Because of her disability, the mother doesn't leave the house, but she says she does notice people talking good and bad about the work in the textile factories: "they say the work is hard and the pay isn't good. But people work there anyway because it is available work." She also hears that workers occasionally complain that their salaries are paid late.

The mother supports her daughter's decision to work in the textile factory. However, the daughter is not satisfied with her job, as she says. She would like a better job for her daughter nearby. According to the mother, the daughter's and her husband's income supports the family – at least they have something to eat. Some time ago, the daughter had started studying, but when her mother had the accident and lost her eyesight, the daughter wanted to support her, so she dropped

out of college and took a job at the textile factory. The mother says: "I am not able to help her to find a better job or to finish her study, but I wish a better life for my daughter." Overall, she believes that textile workers would not give up their jobs so easily, as there are hardly any alternatives.

"If it is not for the money, the job helps her to improve herself"

"I appreciate the work opportunity in the park," says a 50-year-old woman whose daughter has a job in a textile factory. It reduces the worries and responsibilities of us parents, she says, and it helps her daughter to be more independent. She believes without the industrial jobs, the communities would experience more theft, drug addiction and prostitution. On the other hand, the mother is concerned about the working conditions in the factory: "they [the workers] are not allowed to take a rest while working, which exposes them to different illnesses." She also claims that the time and energy the workers invest is disproportionate to the pay. Despite of these conditions she supports her daughter's decision to work in the factory. She says: "If it is not for the money, the job helps her to improve herself and maximize her social capital." When the daughter decided to work in the textile factory, she as the mother gave her permission simply "because there was no better opportunity." The mother sees it as an advantage that her daughter lives at home and therefore does not have to spend money on rent and food, so she can cover her expenses from her income, including the fees for her college studies, which the daughter attends alongside her work. "I am happy because covering the costs would be my duty if she was still jobless," the mother notes.

The household consists of eleven people: "in addition to our children, their cousins, their aunt, and their grandparents also live with us." The mother runs a small business. She sells injera and other market products in front of her house. The father works as a security guard. The daughter works shifts in a textile factory. The family accompanies their daughter to the bus stop when she goes to work or comes home from work. Overall, the mother believes that her daughter is happy because she is acquiring skills. She remarks: "I see her keeping her beauty while going out for work." However, the mother also states clearly that this job does not help her daughter "change her life, but only secure her livelihood." The mother hopes that her daughter will find a better job after graduating from college.

The mother sees no conflict between her daughter's job and family life: "since she lives with us, we spend holidays and family activities together. Unless there is something special going on, she gives priority to her job, and we are happy with that." Many textile workers who have come to Hawassa from other regions live in her village. The village community benefits from this by renting rooms to the

workers. However, the community also notes that the workers are unable to improve their standard of living despite their work.

In conversations with relatives of textile workers, the hopes and wishes of the families become clear once again: an improvement in their standard of living through gainful employment and job opportunities that are compatible with family life. However, their experiences and observations suggest that working in a textile factory is hardly enough to ensure survival, let alone improve their standard of living over time. Work in the textile industry is seen as a temporary solution – because there are no alternatives, because better career and earning opportunities only arise after a university degree, and because the profession must first be learned before self-employment can be established on this basis. There is agreement that the high workload and difficult working conditions are out of proportion to the pay.

3.4 Ethiopia's Great Transformation: between community orientation and striving for modernization

The Ethiopian government is striving to transform the country's economy from an agrarian to an industrial one in order to create jobs for the younger generation. Against the backdrop of problematic developments such as those in Bangladesh's textile industry (where the Rana Plaza textile factory collapsed in 2013, bringing the precarious conditions there to public attention), the Ethiopian state presents itself as a model for positive development. However, the interviews show that there is still a long way to go before fair and humane working conditions are implemented in practice. Therefore, in this relatively early phase of Ethiopia's industrial development, it seems important to ask who actually benefits. The argument often put forward by stakeholders that the efforts will pay off in an advanced stage of industrial development is understandably unsatisfactory for workers in the current situation. In interviews, textile workers emphatically stress that they feel underpaid. However, social and cultural factors also play a role in the unstable work situation.

The question of social transformation (or social change) in newly emerging industrial economies has been researched in numerous studies and different disciplines. In the analysis of industrializing countries in the Global South, for example, the underlying assumption is often linked to the origins in Western models of industrialization and nation-state formation. Khondker & Schuerkens (2014) for example present various theoretical approaches to the study of social transformation and sociology of development since the emergence of this sub-field in sociology. By discussing different paradigms of social change and social transformation, they challenge eurocentric assumptions about a seemingly linear trajectory. However, while a linear trajectory can be questioned, there seems to be a clear relation-

ship between industrialization in the Global South and deindustrialization in the Global North in the wake of globalization.[10]

In general, the term transformation implies an idea of how society and culture change in response to factors such as modernization, economic growth, war, or political upheaval (cf. Castles, 2001). A classic in this context is Karl Polanyi's work "The Great Transformation" (1944) in which he describes how change in Western societies was forced by industrialization and modernization. More recent societal changes are for example associated with decolonization, the formation of nation states and industrial development in the Global South (c.f. Castles, 2001).

Industrialization, with the related goal of economic growth, is not limited to the economic sphere, but goes hand in hand with socio-cultural changes. As Thompson (1967: 97) writes, "there is no such thing as economic growth which is not, at the same time, growth or change of a culture; and the growth of social consciousness."

Francis Fukuyama (1992: 76f.) also points out that

> "[i]ndustrialization is not simply the intensive application of technology to the manufacturing process and the creation of new machines. […] Economic growth produced certain uniform social transformations in all societies, regardless of their prior social structure."

Fukuyama emphasizes the essential characteristics of industrialization. These are (ebd.: 77f.)

1. the need for a *rational organization of labor* (which dictates "certain consistent, large-scale changes in social structure"),
2. *urbanization* ("because it is only in cities that one finds an adequate supply of skilled labor required to run modern industries, and because cities have the infrastructure and services to support large, highly specialized enterprises"),
3. *mobilization* ("workers cannot remain permanently tied to a particular job, locale, or set of social relationships, but must become free to move about, learn new tasks and technologies, and sell their labor to the highest bidder").

10 Neoliberal globalization has shifted mass production to emerging industrial economies who are mostly part of the Global South. This has led to substantial changes in the situation of workers in the advanced industrial countries of the North. Deindustrialisation in the Global North is closely linked to indsutrialisation in the Global South. See for example "Deindustrialization and Reindustrialization Re-Connected. Comparing Developments in the Global South and the Global North from the 1970s to the Present Day," Conference from 31.5 to 2.6.2023, Research Center for the History of Transformations (Vienna, Austria), www.recet.at/event-news/events/detail/deindustrialization-and-reindustrialization-re-connected.

In the process of industrialization, traditional social groups such as tribes, clans and extended families are fundamentally eroded, Fukuyama claims. Since these groups are not organized according to the rational principles of economic efficiency they tend to lose out to those who are, and 'modern' bureaucratic forms of organization take their place. Instead of family ties or status, education and skills are the basis for hiring workers whose performance is measured according to fixed universal rules. Fukuyama describes the institutionalization of rational work organization as a characteristic feature of modern bureaucracies. Complex tasks are broken down into hierarchical, more simply structured tasks that can then be routinely processed. According to Fukuyama, this logic extends to all areas of society and follows the same pattern in all industrialising countries:

> "Rational bureaucratic organization is likely in the long run to pervade every aspect of society in an industrialized country, regardless of whether the organization in question is a government agency, labor union, corporation, political party, newspaper, charitable trust, university, or professional association. […] This 'unplanned revolution' has replicated itself in all industrialized countries, regardless of whether that country was capitalist or socialist, and inspite of differences in the religious and cultural backgrounds of the pre-industrial societies out of which they emerged." (Ibid.: 78)

In this sense, Fukuyama propagates a universal model of industrialization and the associated social transformation processes. A prerequisite for industrializing countries is the creation of a subject that meets the requirements of the industrial world of work and must therefore first be removed from its social ties. One example of this is that, for strategic reasons, textile companies in Ethiopia's industrial parks sometimes hire workers from other regions of the country. Experience shows that these workers have lower absentee rates and are more willing to work overtime and in a focused manner. As their families live further away, this group of workers is less available for family demands.[11]

While the early stages of European industrialization were associated with clear positive ideas about development, this has faded in late capitalism, where positive development goals (such as job creation and the promise of prosperity) must be defined in a much more ambivalent overall context. This process is reflected in the gradual replacement of the term 'development' by the term 'social change' or 'social transformation'. While 'development' is more teleological and based on Western ideas, the term 'change' is broader and referring to more pro-

11 These are statements and observations formulated by some HR managers in interviews conducted as part of the JLU study.

found transformations – it also tends to be more neutral and less focused than the term 'development'. Castle (2001: 1) attempts to specify the terminology:

> "[…] the idea of social transformation studies does imply a rejection of some central assumptions of development studies. The very notion of development often implies a teleological belief in progression towards a pre-fixed goal: the type of economy and society to be found in the 'highly-developed' western countries." (Ibid.)

However, this does not exclude the possibility that transformation can be associated with concrete goals and positive connotations. Yet social transformation implies neither a predetermined outcome nor that the process is fundamentally positive. (Ibid.)

Looking at Ethiopia, one could say that the social transformation with its positive development goals is taking place in a late capitalist phase in which the Western model of development still dominates, but the belief in its positive impact has been shattered. The global development project has not led to greater prosperity for all, but to a growing global gap between rich and poor and to impoverishment of masses. In addition, the textile sector is considered to be one that devours enormous resources and one that is based on exploitative working conditions.[12]

While state-directed development in Ethiopia encourages women to break away from their social ties and join a mobile, flexible, and individualized workforce in the textile and garment industry, informal social security systems are being weakened. Young women (and men) are flocking to the cities in search of education, careers, financial independence, and freedom from the social control of their families and communities. In their jobs, they learn that individual career goals and having their own savings account are more important than social responsibility. However, many of the women workers take jobs in the textile industry because as 'unskilled' workers they see no alternatives. Hardly any of the women workers achieve even modest prosperity through their work in the factories.

3.4.1 Farmers' perception

And what is the situation in rural areas? Perceptions of rural and urban dwellers have already been discussed in other parts of this book. Without creating a simplistic juxtaposition of urban and rural life, the interviews with peasants in the

12 Further information on the problematic consequences of the global textile industry can be found under "The global textile industry in focus", https://www.weltladen.de/aktuelles/2022-04/fashion-revolution (in German language).

Gurage Zone in Ethiopia[13] can once again provide exemplary insights into living conditions in rural areas and into how rural dwellers perceive the urban living and working environment. The respondents in several interviews conducted as part of the JLU study were Muslims and Orthodox Christians living in the villages of Agena and Wodiso in the Gurage Zone, a region in central Ethiopia.

Agena is a village, but also part of a small urban place, while Wodiso is a remote village near the small town of Gubre and the University of Wolkite. Wolkite is the zone's administrative center. The interviews show similarities, but also point to significant differences in terms of food security. Overall, the respondents know very little about the textile industry that is far removed from their lifeworld. However, they are connected with urban workers since most young people in their area have migrated to cities to find jobs in the informal or formal labor sector. In the interview, a woman farmer in Wodiso says:

> "Most of the youths of the Gurage ethnic group are working in the city and this has become a trend. The youths mostly do a quick (shop) business in the cities all over the country. Some are staying in the village pursuing their education and helping their families. In general, most youths prefer to go to the cities and aspire to help their families back home."

Her husband explains:

> "There are more opportunities to earn money in the city. This attracts many young people. The pressure on land plays another role in migration. At the same time, young people see that it is difficult to find work in rural areas, even if you have finished school. Many therefore drop out of school and set off for the city to find work there. And also because agriculture is not easy, many young people leave."

In the village of Agena, agriculture is particularly threatened by three factors: monkeys, land grabbing, and climate change. This is what three male farmers (aged 40, 45, and 50) say in an interview. Monkeys often eat the crops and destroy the chat trees in Agena. However, the sale of this local drug is very important for the farmers, as it provides them with a modest income. Monkeys are protected by the state, say the farmers, it is forbidden to kill them. This leaves the farmers helpless, as agriculture is their livelihood.

13 The interviews with farmers were conducted by Gifawosen Markos Mitta in December 2022 in the Gurage Zone of Ethiopia. Alltogether, six interviews were conducted with a total of 12 persons two villages (Agena and Wodiso). The interviews were carried out as part of the JLU study in order to reflect on rural life situations from which most of the textile workers come.

Another point of conflict for farmers are organized youth groups that "plunder their land." This conflict affects many local farmers, the interviewees say. This is linked to an administrative restructuring of land and borders imposed from above.[14] One of the farmers laments: "our farming and grazing land has become lower and we are not able to hold on to our properties due to the lawlessness of the organized young people in our village."

The peasants farm in the traditional way, using manual labor, oxen to plug, and cow dung as fertilizer. In Agena village, they mainly produce tomato, cabbage, enset, maize, coffee, teff and chat. Chat, coffee, enset and teff are grown all year round. The farmers report about a massive lack of manpower in agriculture. Since most of their young people are living in the city, they depend on day laborers from other regions.

The farmers interviewed report that they used to have enough land to feed themselves and even earn income from the surplus. However, this is no longer possible due to various factors. Above all, the loss of land means that they can no longer produce enough food for their own needs. The drastic loss of their grazing land has also forced them to reduce their livestock (goats, cows, oxen). Traditionally, farmers use the animals for milk and dairy products. Milk and corn porridge are staple foods for young children. Cow dung is needed to fertilize the soil. Now they are focusing more on growing avocados, mangoes, and oranges, which do not require much land. Life has become a struggle for survival, they say. They

14 The Gurage youth called 'Zerma' has been active since the 2018 transition, especially in the protest against the Governments cluster approach – an "administrative restructuring" that serves "to harden existing official borders and informal boundaries between groups, and invokes further claims of territorial control and entitlement." (Debelo and Hidoto, 2024: 10) Conflicts about land are of great importance in Ethiopia. The study by Debelo and Hodoto focusses on this field of tension in the context of the socalled post-2018 political transition. – According to an informant, organized youth groups in Ethiopia aim to secure their own interests that often differ from what they claim. The 'Zerma' officialy claim to fight for the rights of the Gurage people, but in fact got engaged in land grabbing activities within the Gurage territory (the communal lands that are located in the outskirts of the expanding towns). The informant explains that "due to prevailling lawlessness in the country, the youth groups act as if they are mini-goverments in their locality." On the conflict also see: Security forces arrest several senior gov't officials, youth, activists in Gurage zone following intensified crackdown on dissent. In: Addis Standard, 4 March 2023. These activities take place against the background of a comprehensive agricultural transition: the Ethiopian government expropriates communal land, however, this happens often without resistance of communities since they receive monetary compensation. The Ethiopian government has the constitutional right to carry out such expropriations, which are taking place on a large scale throughout the country. Ethiopia is awarding huge tracts of land to agricultural investors. The large-scale farms promise millions in profits from the export of food from one of the poorest countries in the world. For background information see also: Ethiopia's land policy gap worsens land grabbing problem, Ethiopian Business Review, 26 Dec 2024, https://ethiopianbusinessreview.net/ethiopias-land-policy-gap-worsens-land-grabbing-problem.

cannot afford to buy products from the market, "not even a bisquit." They often have to make do with their staple food, kocho, a flatbread made from the fibers of scraped leaf sheaths and powdered tubers of the enset plant. The farmers live from what they grow, but they are constantly on the brink of hunger.

Modernization is not a term that means much to farmers, and they say: "we haven't been modernized yet." Access to clean water and electricity is what they wish for their village, and that is what they primarily associate with the term modernization. Transportation is available locally, but it is unaffordable for them. Strong bonds still exist within the community, but these are under threat, as are their cultural ties:

> "We were not able to preserve our culture. If you look at our previous experience, we were plowing the land of a family together with neighbors and doing the same for the other the next day. However, as individualism is becoming dominant we lost that culture which formed strong bonds with one another. Many of the youths were migrating to the city and they are bringing back a different culture other than our own and this has also been making it difficult to preserve our culture."

The increasing monetization of small-scale farming livelihoods is fueling the desire to earn money in the city. So it is no surprise that many farmers would prefer to live in the city. Even urban shoe shiners or chewing gum sellers on the street can make more money we as farmers, they argue. A frequently heard statement is: "if we were young, we would try to move to the city ourselves." They do not believe that city life is inherently better than rural life, but rural life has increasingly become a struggle for survival. They understand why young people move to the city: they want a better life, independence, they want to support their families, but often the reason for their departure is simply the struggle to survive. One of the three interviewed farmers emphasizes: "we want to live like our fathers and grandfathers have lived. The only problem here in the rural area is the lack of enough production for our survival."

Although many younger people have moved away, farmers report that the village community remains very strong. This is illustrated by the example of funerals. Family members who live in the city are obliged to return home for a funeral. Those who do not comply lose respect within the community. "We live a communal life," they emphasize. "It is common for young people from the city to come home for the holidays. The families in the village miss their children in the city and vice versa." If relatives in the city do not have money for the trip, they borrow it from friends. And that is what the community expects.

At the same time, the farmers observe that their cultural identity is under threat. They experience that "the more young people come into contact with the outside world, the more they forget their culture." The traditional respect for el-

ders is also fading: "Today the youth have started to loot our lands. This shows how times have changed."

Other interviews with villagers in Agena confirm the aforementioned challenges. Regarding the problem with the monkeys, one farmer (a 50 years old man) says: "the land is fertile, but the monkeys are the problem. The whole village is full of them. They are the main consumers of what we are producing on our land." Rising costs in agriculture are linked to the demand for industrial fertilizers, rental costs for agricultural machinery, and also to increased living costs overall. For most respondents, renting a tractor is beyond what they can afford. According to the farmers, renting costs for tractors have risen enormously due to recent inflation. In addition, government support has also been withdrawn. In the past, the state supported farmers by providing tractors that were cheap to rent. At the same time, farmers received fertilizer on credit. But these benefits are no longer available, the farmers explain. Modern healthcare is only available to farmers in theory. Here too, the costs exceed what a simple farmer can manage. Only few farmers can afford health insurance, which costs ETB 500 per year. Not to mention the medicines that have to be purchased at the pharmacy. Access to clean drinking water alone would be an enormous improvement for the health of the villagers. This is what the farmers say in the interview. "We hope in the future many changes will come to our village," emphasizes one of the farmers. At the same time, this farmer recognizes with remarkable clarity the disadvantages to be expected from progress and the emergence of the modern world: the loss of presence, the disappearance of culture, the gap between generations. Even though modern life and its comforts are still far removed from his village, the changes it brings are already dramatically noticeable. The farmer succinctly summarizes his observations and experiences:

> "The current generation does not listen to what their families tell them. They have mobile phones and they follow football games played in Europe. The relationship between old and young is getting bad. The young people are going into a direction we have never seen before. They are focusing on technology and films. Our culture is being disregarded by our children. Modernization has been diluted our culture through the youths who have access to it."

One could dismiss this description as the familiar complaint of older people about young people. At the same time, however, residents of highly developed countries, for example, are experiencing more than ever the devastating effects of modern lifestyles on social cohesion. And again, the same farmer who describes the decline of culture in the course of modernization finds city life appealing:

> "I think life in the city is by far better than life in rural areas. Working in the city could change the living standard of the person who migrates to the city. I believe

> that a person living in the streets of the city is living a better life compared to one who lives in a rural area."

When asked what drives young people to the city, he cites the longing for independence as the main reason. The second reason he gives is the wish to support the family. This farmer also confirms that young people are expected to visit their families during vacations and on Muslim or Christian holidays. He also considers it natural that young people in the city should support their families financially. His words convey the hope that, despite all the separation, the bonds between family members in the city and in the countryside will remain intact to a certain extent and that families in the countryside will benefit from the support of their children who live and work in the city.

Overall, the often very clear statements in the interviews reveal the strong ambivalence of farmers toward the modern urban lifestyle. As for the description of peasant's life in Agena, similar statements were made in all four interviews with farmers: the farmers talk about the lack of electricity and water supply in their village, which they perceive as a major problem. For them, access to clean water and electricity is the epitome of modernization. Secondly, they associate modernization with communication, technology, education, democracy, and a modest level of comfort in their own homes. They mention the all-overshadowing problem with monkeys (e.g. "I could produce and sell a massive amount of fruits, but it is almost totally damaged by the monkeys."), and they lament about the youth who is taking their lands. They report about massive food insecurity. They explain that healthcare services are too expensive and therefore only used in very serious cases of sickness. They talk about their children who move to the city because they want to become independent, but also because they wish to support their families. They agree that children in the city should support the needs of their family. They mention chat and coffee as their major source of monetary income. Du to the crisis in agriculture, they long for a life in the city, but feel too old for such a departure, for which they also lack the starting capital. They mourn the loss of their culture (e.g. "The culture is still there, but since most people are experiencing city life, our culture is deterioring."). They value the importance of culture and religion for social cohesion (e.g. "It increases the togetherness of people and it helps to solve common problems in the village;" "Religion and culture is in the center of our life, it keeps us together and strengthens our moral values."). They clearly see the pros and cons of living in the city or in the countryside. There a statements like: "Life is better in rural areas as we do not have to pay house rent. If there would be access to electricity and water, I prefer to live in the village. If you life in the city, you pay for everything." On the other hand, they describe what they see as the benefits and disadvantages of modernized times: "We hear that technology is also advancing in our country and this brings modernization. The only drawback is that the cost

of living is getting higher and higher." They expect their children to be present at major social events, like funerals (e.g. "If somebody misses a funeral, the relationship becomes weak and their bond will break.") They emphasize that the families miss their children who moved away and vice versa. They agree that their children are supposed to come home during the holidays, even if they come empty-handed. However, attending a funeral is considered more important than visiting the family during holidays. The farmers talk about the loss of respect of the younger people towards their elders which they see as a deep cultural rift and a consequence of modernization processes.

The deterioration of livelihoods is evident in many statements of the farmers (e.g. "People in our village are becoming beggars;" "We can only pray to God. In the current situation, there is not enough food.") Their subsistence-based way of life is under threat. Modernity is present, but largely unattainable for ordinary people like the farmers. They lack the money to access health care services, mobility, agricultural machinery, etc. The promise of a better life in the city is in the air – but for them it remains theoretical. One of the farmers explains:

> "Working in the city could be profitable, but you need capital. Recently, the house rent is very high. And it is not uncommon for landlords to demand the annual rent in one go. So in general, it could be profitable, but it is impossible. (…) If it is possible to live in the city, I believe living in the city is better. You could have access to everything, keep yourself clean and live a better live."

For the farmers, modernity essentially means the gateway to a world that promises prosperity, a world to which they have no access, however. It is also a world in which everything is subject to the dependence on money. Modernity attracts and repels them at the same time. The elders see the young people staring at their smartphones, being no longer interested in the traditions they come from and that are fading out anyway. "Why talking about something that is gone already?" That was the rhetorical question posed by a farmer's son in an interview.

In the second village a similar yet different picture of agricultural life emerges. In conversations with the farmers in the village of Wodiso neither problems with monkeys nor the phenomenon of land grabbing come up. Access to land does not seem to be a problem. The land is fertile, like in the village of Agena. In Wodiso, subsistence agriculture yields enough for the farmers to sell surpluses at the market in Gubre. However, the interviewed farmers do not cultivate their whole land because they cannot afford the necessary amounts of fertilizer.

Amongst the interviewees were a father, a mother and a son (65, 55 and 19 years old, Orthodox Christians). Alltogether the family has nine children, five of them living with the parents in the same household. The father proudly reports that

one of his children has already graduaded from University, while the others are still studying or working in a government office or having their own business. He himself is a teacher by profession, but is now retired. From his salary alone he wasn't able to pay for the education of his children, that's why he was and still is active in farming. One of their sons who participated in the interview goes to school and in the afternoon he helps with the fieldwork. The son describes farming as something that is "challenging, but rewarding." "The good side of farming life is that we find our daily meals in our garden," he emphasizes. The costs of living have increased a lot, they explain. However, they are still able to sustain themselves with basic needs. "We have enough land to make a living."

The farmers grow enset, coffee and chat on a permanent basis. Seasonal ceral crops include teff and maize. If those seasonal crops would get damaged by diseases, the farmers are still able to sell parts of the permanent crops to earn some money. They also farm with livestock like cows, oxen, donkeys, goats, sheeps and chicken. However, they are challenged by expenses that small-scale subsistence agriculture is basically unable to cover. These costs primarily relate to the education of children (including contribuitions to building and maintainance of schools), the repayment of loans, or the purchase of clothing. They also have to pay for social groupings such as Idir[15], and they are expected to make church contributions. High expenditures also arise in connection with festivities: "in our culture, we incur a lot of costs during holidays," one of the farmers explains. "And our children are asking for money to watch football games," he adds. But this, he doesn't support as it would "kill most of the working times of the youths during weekends."

Due to the high living expenditures, the interviewed villagers at Wodiso primarily grow food for sale. However, since fertilizer has become very expensive (100 kg = ETB 5,000 in 2022[16]), they do not cultivate all of their land but lease parts of it to generate additional income. Furthermore, they receive financial support from familiy members who work in Addis Ababa and Wolkite (in the area of tele-

15 "Eder or *Idir* (Amharic: እድር), is a social institution in Ethiopia used for mutual aid and grants cooperative insurance within specific community," see https://en.wikipedia.org/wiki/Eder_(finance).

16 An article from July 2023 mentions prices of ETB 6,700 to ETB 10,000 per quintal (100 kg) of fertilizer. See Fedaku, B.: Fertilizer Shortages: Thwart Agricultural Hopes. In: Ethiopian Business Review, July 2023, https://ethiopianbusinessreview.net/fertiliser-shortages-thwart-agricultural-hopes; another article, published in April 2025, also reports on skyrocketing prices for farm inputs in the context of the violent conflict in the Amhara region of Ethiopia. See Endris, Y.: In-depth: Sowing Under Shadows of Violence: Amhara farmers face bleak harvest as conflict deepens fertilizer shortages, drives up input prices. In: Addis Standard, April 14, 2025, https://addisstandard.com/sowing-under-shadows-of-violence-amhara-farmers-face-bleak-harvest-as-conflict-deepens-fertilizer-shortages-drives-up-input-prices.

communication, at University, and self-employed). The family father states he does not want to get money from the daughter, who is working in a government office. "Her salary is not enough to make a living in the city," he says. Instead, he rather supports her with teff. He has no illusions about life in the city: "life has become very difficult in the city. Only those who are able to build up their own business are better off."

Decisions about daily expenses are made jointly by the family. But the woman has the final command in the house, says the farmer with a wink. In the village, different strategies in farming can be observed: some farmers keep their teff for home consumption and sell livestock, coffee and chat on the market. However, many are forced to even sell their teff to cover daily costs.

The farmers' statements range from "We have enough to get by" to claims that high inflation is leading to repeated supply shortages. This is particularly at times when books and other materials have to be bought for schooling or when loans need to be repaid. In those times of crisis, farmers use cabbage as the "major escaping food item." Cabbage is grown in summer when it rains. It grows faster than other vegetables. The cabbage is eaten together with corn dishes. To ensure their survival, farmers must coordinate their nutritional strategies effectively. Potatoes, for example, are cheap to buy in summer. ("In Ethiopia, potatoes, particularly Irish potatoes, are playing a significant role in mitigating food insecurity, especially in drought-prone areas."[17]) As for livestock, goats and chickens are kept for personal consumption during the holidays, while other animals are kept for sale. Cows provide milk and dairy products, oxen are used for cultivating the land. However, interviews indicate that farmers in Wodiso occasionally can afford to rent tractors for cultivation. Their oxen they usually sell on the market during holidays.

In terms of eating habits, dinner is of great importance: "in our culture, we eat whatever is available for breakfast, but we may not eat lunch. Only dinner is a must." The farmers' staple food is enset, which is used to make various foods.

Gebretsadik et. al (2018: 30) emphasize the importance of diversification of farming systems in Gurage. They authors also point out challenges, which correspond to those mentioned in the interviews:

> "Enset, coffee and chat based homestead agroforestry and crop raising are the dominant land uses in the area and the major sources of livelihood and income. Water shortage, coffee leaf/stem drying, enset stem/root decay and wild animals'raid are among most serious problems that are currently constraining the practice of homestead agroforestry. (…) Agroforestry provides a wider range of

17 Irish potato success in drought prone Ethiopia, https://www.concern.net/press-releases/irish-potato-success.

> products, more secure subsistence or more cash income from wood products to enable the farmer to buy food. (…) [T]he combination of several types of products which are both subsistence and income generating, helps farmers to meet their basic needs and minimizes the risk of the production system's total failure."

Tab. 12: Gurage small-holder farmers' livelihoods

cash-oriented crops	**crops for household consumption**
coffee and chat	enset products
teff (cereal) / (injera: sourdough bread made from teff flour)	
maize, cabbage, tomato mango, orange, avocado	
cash-oriented livestock	livestock and livestock products for household consumption
cows, oxen, donkeys, sheeps	goats, chicken
	milk and dairy products (yogurt, butter, cheese)

In Wodiso, the pros and cons of city life are perceived in a similar way to those in the village of Agena: "if there is the financial capacity, everbody likes to live in the city", the family father states. However, he stresses he would always prefer life in his village if the government would improve the infrastructure in the village. Last but not least, he sees fresh air, greater peace and quiet, and tranquility as further advantages of rural life. He considers the city to be the "more civilized place" in terms of greater comfort. Village life, on the other hand, means community and mutual support to him. "In our culture, we have what we call *debo*, which means *working together*." This cultural practice of mutual assistance comes into play, for example, at funerals, when plowing fields, or building houses. "We mainly support each other through work," he explains. The commitment and strength associated with such cultural traditions carries more weight for him than government regulations and laws.

He considers customs such as debo to be fundamental to community life. "People strictly adhere to them." In case, someone disregards the rules, the culture also provides for punishment: "people would not give fuel when the person is asking for it, or even not take part at the person's funeral." Culture and religion – and he talks of Christianity and Islam – "help us to keep our togetherness and let our children to grow in a good manner."

The interviews with farmers in Wodiso also address the significance of religious holidays. The farmers cite Epiphany, St. George's Day, Christmas, Easter,

Gabriel's Day, and Saint Mary's Day as the most important Christian holidays of the year. New Year's Day is also celebrated extensively. The most important holiday is Holy Cross Day (Meskel), a festival associated with considerable expenditure, as the family father expains:

> "For the holy cross day we have to buy new clothes, and new utensils, and we also welcome those living in the city. For this day, we often butcher oxen on individual base as our children will visit us and spend a view weeks of time in the village. Everything has to be new at the holy cross holiday."

At Easter, another highly celebrated day, "people often buy oxen together and share the meat; everyone is also supposed to have injera at home." (Ibid.)

In the course of modernization and in order to meet the requirements of gainful employment, funeral services in the village have changed significantly:

> "During mourning, based on our culture, those relatives of the person who has passed away should gather together, even if they are living in faraway places. Previously the mourning period was for more than a week and may last for 15 days. During those days, nobody does anything. These days are consoling days. But nowadays we agreed in our community that this is a bad culture and it should not be like that." (Ibid.)

The village community finally agreed that the deceased's close relatives should be present for the mourning for only three days. This is followed by the condolences of the neighbors and of more distant relatives. The shortening of the mourning ceremony to a total of five days was made primarily to cater for people who have a regular job in the formal labor market. The decision was made at the Gurage traditional court, called Yejoka and located around Imdibir town. (Ibid.)

It is not an exaggeration to say that the negotiation process over how to deal with funerals is symbolic for a complex transformation process that is shaping social life in Ethiopia. However, as the farmer points out, social ties are still very strong:

> "We live a communal life and we help each other in difficult times. This has created a strong bond between people living in the village. Coming and consoling those families who have lost a family member is a *must* for everyone who has been growing up in the village."

"We are living in the village as one family", he emphasizes, giving an example:

> "At the time, when there was no school in the village, the children lived in rented rooms in Wolkite town to go to school there. Now, when someone from the village met the children in Wolkite, that person supported the children with some money. This shows that the children belong to the whole village rather than to their family only."

The farmer describes social cohesion in his village as very strong and important. And he considers the relationship between the generations to be good. However, he notes that the younger generation is attracted by foreign cultures and is drifting away from their own cultural values. His analysis is as clear as it is sobering: culture is changing and disappearing. He observes that people in the village no longer spend as much time together as they used to, for example on holidays. The farmer does not believe in the survival of his culture, which he sees increasingly overshadowed by foreign influences. Young people claim that the old days are over and that now is the age of technology.

His view on the question "Life in the city or in the countryside" is also ambivalent, almost contradictory:

> "It is obvious that living in the cities is better than living in rural areas, but at this stage living in the cities is very difficult. There is access to electricity and pure water in the city. Yet, the costs of living are increasing in the cities. And life in the city is even more difficult when you have a family."

And once again it becomes clear: the promises of modernity seem unattainable for farmers. But they are there, as desires and hopes: a thorn in their side. Consequently, the farmer describes the comforts of modern life from a great distance in the subjunctive:

> "Living in the city could help people to live a modern life and unlike in rural areas, people can save their labor as people can use modern technology. There is access to water in the city while we have to fetch water from very far places or rivers. Living in the city is also prefarable as there is better access to health services. The focus of the government infrastructure lays also on the cities, including roads, schools and water supply."

However, he adds, life in the countryside is significantly cheaper than city life. It offers the advantage of being able to grow one's own food. Furthermore, people in the village help each other in difficult times, which, in his perception, is not the case in the city.

The better standard of living and the time and labor savings that farmers associate with modern city life are a concept that obviously does not apply to textile

workers (even if some may consider textile work a fundamental improvement over field work).

Furthermore, the farmer believes that life in the city provides a better nutrition than life in the village. He mentions the lack of balanced nutrition in rural areas where "people do not know the importance of vitamins." This is a surprising statement in view of the diverse food sources in small-scale agriculture in the Gurage zone. However, if a person's own diet is essentially limited to enset because all other products have to be sold to cover financial needs, the statement becomes clearer. The statement that the villagers lack knowledge about healthy nutrition (especially vitamins) could be seen against the backdrop of modern nutritional concepts that overlap with the local knowledge of the rural population.[18]

The farmer repeatedly emphasizes the benefits of modernization, even though hardly any of it has materialized in his own life. He merely mentions the road near his village, which did not exist in the past, meaning that his journey to school as a child used to take several hours. Although he considers the quality of school education to be questionable, he welcomes the fact that there are now schools near his village and even a university in the area. In the glow of modernization, life in his village seems "backward" to him. His ideal would be to combine the advantages of the city with those of rural life. All in all, he sees his world as lost. What he considers as the core of village life – the shared culture and community spirit – is gradually disappearing before his eyes and being replaced by a modernity that undermines people's way of life without delivering on its promise of modest prosperity.

Other interviewees in Wodiso were two young men, also Orthodox Christians, one full time farmer and one part-time farmer/student, who is in grade 12 and wants to study after graduating from school. Both farmers spend most of their time working on their fields, growing mainly red pepper, tomatoes, carrots, teff, sorghum, maize, avocados and mangoes. The farmers cultivate their land from February to April, the seeds are sown in May. Enset is usually buried in December and January. The harvest time is from end of October to end of December. "At least we have food for our own consumption, even if we are not able to produce for the market," one of the farmers (the student) says. He only sells chat three times a year at the market to buy some other products or to use the money for other needs. His friend, the full-time farmer produces avocado and mango for the market. As their main challenge both consider "the lack of fertilizers." This challenge is repeatedly emphasized in interviews with farmers. The whole village is suffering from the continuously increasing costs of fertilizer, they say. Their expectations of support from the agricultural authorities were disappointed. Previously they could pay off

18 Compare the study "Maize and Malnutrition in Malawi", in which the author participated: Gronemeyer, R. / Fink, M. / Metzger, J. (2015).

loans after selling their products. However, this option no longer exists, so the lack of fertilizers reduces production. Due to those capacity problems, the full-time farmer has rented out half of his land.

The two farmers further complain about the poor quality of the seeds they receive from the local government at inflated prices. If they are able to sell surpluses on the market, their profits are meager. "The income we could get from selling products on the market do not compensate the high costs of farming," they say. However, they are aware of the advantages of small-scale farming: "we do not bother a lot about our daily needs like people in urban areas." They know, there in the city, the currency's loss in value has led to a high cost of living.

In their village, even in times of scarcity the farmers can at least survive from the products they make from enset. It is noteworthy, however, that the (full-time) small-scale farmer cites an amount of up to ETB 80,000–100,000 that he and his family could earn in a year from cash crops, which is multiple times more than the average basic income of a simple textile worker. However, the cost of living – including taxes for land, expenses for fertilizers and seeds, other farm inputs such as pesticides, possible tractor rental costs, costs for day laborers, schooling for children, clothes, different daily costs and social costs – is about the same amount as their potential income.

As for the cost of events such as religious festivals, where families come together for several days or weeks, one farmer stated that "every poor person in the village has to spend between 10,000 and 50,000 birr on the holidays." These are, of course, high amounts in relation to the possible total income in small-scale farming. Nevertheless, such income opportunities in smallholder agriculture could explain why money tends to flow from rural to urban areas rather than the other way around.[19]

With regard to everyday consumer goods, one of the farmers interviewed in Wodiso said that inflation had been so high that he could no longer say how prices had risen in recent years. However, the farmers still benefit from the crops they grow for their own consumption. They also keep some livestock (chicken, goats and cows) for home consumption and for selling dairy products on the market.
A study by Teklu et al. (2024), carried out in the Sidama and Southern Nation Nationalities and Peoples Regional State (SNNPRS) regions of Ethiopia, examined the income potential in smallholder farming in three woredas located in the Gurage, Sidama and Wolaita areas. Although the study identified significant living income gap for all three woredas, the results confirm the above information on the relatively high earning potential in smallholder agriculture. However, the annual income per farm household varied among the three woredas. While the

19 This is confirmed by both the results of the qualitative interviews and the quantitative surveys conducted as part of the JLU study on labor turnover. See in particular p. 86 in this book.

income from livestock and livestock products (subdivided into cattle, small ruminants, chicken, equine, cattle products, fish, honey) ranged in the three woredas between ca. ETB 12,000 and ETB 18,000 (for the 2022/23 cropping season), the income from crops (subdivided into cereals, pulses, root crops, root crops, fruits, vegetables, cash crops) ranged between ca. ETB 37,000 and ETB 103,000 (for the 2022/23 cropping season). (15f.)

The study also sheds light on various sources of income from off-farm activities such as petty trade, handicraft, land rent, house renting, and livestock rent programs. Also remittances from home and abroad play a role in the economy. Overall, the study concludes that

> "[f]armers in Hawassa Zuria [Sidama] and Gumer [Gurage] woredas earn more of their income from crops while that in Boloso Bombe [Wolaita] from off-farm activities. Remittance was thus found to be the major off-farm income contributor in Gumer and Boloso Bombe woredas. The contribution of livestock to total income did not vary among the three woredas." (Ibid.: 19)

The two young farmers point out very clearly that city life is no bed of roses for many. In the interview, the full-time farmer tells about a day laborer, who only eats once a day because he doesn't know when he will be able to earn money again. He says:

> "What I have learned from this day laborer is that instead of suffering in the city, it is better to work hard with your family in the village to improve your life there. It is better to live in the village and eat what the garden yields than to starve in the city."

The two farmers report to eat three times a day, mainly foods prepared from maize and kocho, the sourbread made from enset. The farmers consider the dry season between July and August, when there is nothing to harvest in the gardens, to be the most difficult time of the year. There are such seasonal bottlenecks when the farmers rely on food reserves and other sources of income. During periods of food scarcity, the people at Wodiso still have food from drought-resistant plants, especially from enset. Apart from these times of crisis, the garden provides a stable basis for survival. "In the city I cannot grow anything," the (full-time) farmer emphasizes. He makes a simple calculation: "I know that I could make money if I was a shoeshiner, but the cost of living is much higher in the city than in the village. I might need a big capital to live in the city." His friend the part-time farmer agrees to that:

> "Living in the cities is very difficult. People are suffering there. The most difficult thing in the city is paying the house rent. I prefer to change myself while living in the village. I could change my life if there would be support from the government."

The farmers wish support from the government in terms of artificial irrigation systems so that crops can be grown year-round. In the past, the government supported with food that was available at reduced prices, they tell, but these subsidies have long since ceased. At least the government is now building a clean drinking water source for the village, the say. For the young farmers, village culture is strongly associated with social cohesion: "we drink coffee together, we even eat together, we help each other in difficult times." Interestingly, the interviews draw a very positive picture of communal life. No mention is made about possible negative aspects of living in the village, such as social control, envy, quarrels, backbiting.

Social expectations about getting together on holidays focus on major Christian holydays. The farmers also mention the Islamic festival of Mawlid as an important event. Lower expectations are associated with the Christian New Year, especially since this takes place in the same month as the feast of the Holy Cross (September). The farmers also emphasize the importance of attending funerals:

> "It is socially not acceptable to miss funerals in our culture." (part-time farmer)

> "It will be difficult to come to previous terms with those families whose beloved ones have passed away unless you console them during their difficult times." (full-time farmer)

It is customary for bereaved families to be supported in their work in the fields by close members of the community during the mourning period. Although the close family ties are repeatedly emphasized in the interviews, the urge of young people to move to the cities is unmistakable. According to the part-time farmer

> "everybody is aspiring to live in the city. People work hard and try to move to the city. People believe life is better there, especially when it comes to the education of the children."

At the same time he makes it very clear that "nobody who has a family can move to the city if the person is not able to start a good business there." Without start-up capital (or sponsor), moving to the city is virtually impossible, they say. While the full-timer farmer believes that "life is better in the village," the part-time farmer says: "if there were not the high living costs, life would be better in the city." As

the main reason for this, he cites access to electricity and clean water in the city. If both was available in the village, he would not want to move to the city.

When asked what modern life means to them, both farmers respond by pointing out the positive aspects:

"Modern life is all about living a better life."

"Modern life means education and keeping up with modern technologies."

Some statements almost sound like religious promises of salvation:

"Education would bring a light on the darkness of people."

"An uneducated person would not even know the value of money."

"Education is the base for everything in a certain society."

In Wodisa, the modernization has at least brought some infrastructure: "as far as positive development is concerned, there was no road before and there was no access to clean water nearby," the part-time farmer concludes. Among the negative aspects of change, farmers mostly cite the ever-increasing cost of living, costs that cannot be covered on the basis of small-scale agriculture alone. Other critical comments relate to the change of the community: "the culture of togetherness and helping each other is eroding." "Previously people tried to help each other and share what they have with others. The current generation is aspiring to go to the cities and try to safe whatever they get." (The training of workers in urban textile factories is aimed precisely at such individual lifestyles and financial strategies.)

In the future, rural and urban living worlds could become even closer: "I think in the coming few years the village will get an asphalt road as the flow of people between this village and Addis Ababa is very high. There will be also access to electricity." That's what the part-time farmer says. One could conclude: the community is increasingly being abandoned, and hopes are pinned on the asphalt road.

This chapter has examined the living conditions of small farmers in order to better understand relationships between urban and rural dwellers and the labor migration of younger people. In conclusion, it can be said: for farmers, modernization primarily means access to clean water and electricity. If both were available in rural areas, village life would often be the preferred way of life, especially for older people. Advanced age and a lack of start-up capital make moving to the city impossible anyway. The departure of younger people has a negative impact on agriculture – the lack of labor in families has to be compensated for by paid day

laborers. Farmers have a very realistic view of the processes of social change. The local community is still perceived as very close-knit, but the threat of disintegration is very clearly felt. The villagers do not reject the departure of younger people to the cities, but rather link it to the hope of financial support. The increasing monetization of rural lifeworlds is creating financial needs that small-scale farming cannot cover. Beside lack of money and labor force, other factors are also making life for small farmers increasingly difficult: for example land grabbing or conflicts between humans and wild animals. At the same time, farmers are aware of how difficult it is to gain a foothold in the city, where everything from housing and transportation to food costs money and the cost of living has risen dramatically. Wages are often just enough to survive in the city, the farmers say. At least the family members who have jobs in the city relieve the household income by living independently. Among other characteristics of modernization, they mention communication technologies. Farmers appreciate the advantages of modern communication technologies such as mobile phones. At the same time, they see them as a threat to community cohesion. Older farmers observe a decline in the presence of young people and a dwindling interest in community traditions.

3.4.2 The promise of modernization

The central thesis of the book revolve around the question of whether the high labor turnover in the textile industry can be seen as a crystallization point for social transformtation in Ethiopia. While the chapter 2.5 formulates practical recommendations for stabilizing the workforce and creating more humane workplaces, the following section takes a critical look at the issue by linking empirical findings with approaches from modernization theory. Based on the empirical data, various interesting theoretical perspectives could be explored. Some of these will be briefly outlined below. The central question is to what extent the promises of modernization are actually being fulfilled in the lives of urban textile workers.

Modernization theory refers to a body of theory that became prominent in the 1950s and 1960s and that was shaped by the idea that developing countries could achieve progress by adopting Western values, economic models (like capitalism), and institutions. These theories envisioned a linear transformation from 'traditional' to 'modern' societies, primarily driven by internal factors like education and market economies. The transformation of traditional societies and their integration into global markets does not just mean removing social and cultural 'barriers' for larger markets and profits – modernization implies being an inevitable and desirable goal for everyone.

The term 'traditional society' does not refer to something static, but rather to subsistence-oriented ways of life. Social philosopher Ivan Illich (1972: 11) elucidates:

> "Traditional society was more like a set of concentric circles of meaningful structures, while modern man must learn how to find meaning in many structures to which he is only marginally related. In the village, language and architecture and work and religion and family customs were consistent with one another, mutually explanatory and reinforcing."

Illich believed that man posseses a "native capacity for healing, consoling, moving, learning, building their houses, and burying their dead" (Illich 1973: 54), which – according to him – is undermined in modern expertocratic societies.

Estey (2005: 65) described the ideological characteristics of modernization:

> "As a theory in international politics and development studies, modernization is guided by the assumption that underdevelopment is a primary condition out of which all states must evolve if they are to attain development. Inherent in this belief is that development, typified by the establishment of industrial urbanization, is the desired state."

As a very powerful idea, modernization can also be seen as a more subtle continuation of colonial aspirations. The missionaries' promises of salvation to the 'underdeveloped' are replaced by the promises of the modernists:

> "Under the guidance of this metanarrative, consciously induced policies were implemented when colonial interest in the postwar period moved from acquisition to control […]. The continued use of this approach in Africa involves the transformation of traditional tribal cultures into modern, urbanized environments characteristic of the Western World. The implied link with this type of linear progression is the promise of a better future, both economically and socially, for the developing country." (Ibid.)

One popular proponent of modernization theory was the American economist and economic historian Walt Whitman Rostow, who developed a stage model that describes a linear progression from a primarily agricultural, subsistence-based economy to a fully developed, industrialized, and consumer-driven society. According to Rostow (1960: 4),

> "[i]t is possible to identify all societies, in their economic dimension, as lying within one of five categories: the traditional society, the preconditions for take-off, the take-off, the drive to maturity, and the age of high mass-consumption."

One of the precondictions for reaching that goal is that

> "[t]he population at large must be prepared to accept training for – and then to operate – an economic system whose methods are subject to regular change, and one which also increasingly confines the individual in large, disciplined organizations allocating to him specialized narrowed recurring tasks." (Ibid.)

Although Rostow's theory, which is based on a linear, capitalist model of development, has been criticized for being overly simplistic and Eurocentric, once can say that development policies around the world still largely follow these general ideas today.

In 1944, economic historian economist and social scientist Karl Polanyi coined the term "Great Transformation," when he analyzed the industrial revolution and saw political and social destabilization as a consequence of the unbridled independence of the market. (Büttner 2014: 56) Polanyi believed that the emergence of the liberal market economy led to the economy becoming detached from society as an independent sphere, which was historically a novelty and therefore distinguishes bourgeois society from all other forms of society. He analyzes this process of upheaval from 'integrated' societies, in which people's economic activities were still embedded in the overarching cultural context, to 'non-integrated' societies of the free market economy. Polanyi attempted to explain the collapse of the global economy at the beginning of the 20th century and the social upheavals that followed. His analysis begins in the 18th century, at the start of industrialization in Great Britain. Polanyi

> "reconstructs the intellectual transformations of this period, from the practical philosophy of the Scottish moral philosophers to the ideology of economic liberalism – a way of thinking that subordinates people and everything social to the mechanisms of the market economy and whose visions of social development and promises of salvation are focused solely on the complete enforcement of market forces." (Ibid.)

Polanyi's monumental work "The Great Transformation" is a fundamental critique of market liberalism and its devastating social effects. It is also an attempt to design an alternative model of economic life that is in harmony with its social foundations. According to Büttner, Polanyi's work can be seen as "a proposal for a social theory that recognizes the fundamental developmental dynamics of modern capitalist societies in the struggle between market forces and their counterforces."[20] (Ibid.)

20 Own translation of the German quote.

In the light of Polanyi's thesis, Pankhurst (2004) has examined traditional values in Ethiopia, particularly looking at land and labor, agricultural production, trade, and traditional structures, which restricted market forces – or represent an alternative to them. These included church holidays, compulsory hospitality, state banquets, alms giving, ascetism and resignation to the will of God. (Ibid.: 113) Pankhurst analyzes the economy and society of traditional, highland Ethiopia (i.e. the core of the medieval and post-medieval Christian state) and its values. His essay is an impressive proof that Polanyi's hypotheses can be fruitfully applied to understanding the historical development of Ethiopia. Pankhurst points out that economic conditions in Ethiopian history changed greatly over the centuries. In summary, however, it can be said that in ancient Ethiopia,

- work was usually unpaid;
- the economy was non-monetary and subsistence-based;
- land was not regarded as a factor of production;
- trade was of secondary importance and largely subordinated to ethical considerations;
- market requirements were generally subordinated to traditional religious values;
- any kind of work was strictly prohibited on Saints' Days, which made up a large part of the year.

According to Pankhurst, "the prohibition of working on Sabbath and Saints' Days continued into the 20th century, when it enjoyed strong support from the state" (ibid.: 88). Still in 1928–1929, during a research trip through Ethiopia, French ethnographer Marcel Griaule counted around 220 church holidays a year. (Ibid.: 89) Even today, beside numerous church holidays, the religious ban on working on weekends is still in effect, as a farmer in the Gurage Zone – he is an Orthodox Christian – reports in the interview:

> "In our religion, we are not allowed to work on weekends, especially on Sundays. Otherwise we spend most of our time working on our farms. We do not have free months."[21]

Given the absence of a significant market for agricultural products, sanctions against maximising production, and a ban on work on Sabbaths and Church holidays, the production of agricultural surpluses was rare in old-time Ethiopia. However, historical reports suggest that harvests could be very abundant. For ex-

21 Interview with a (part-time) farmer, conducted by Gifawosen Markos Mitta in December 2022 as part of the JLU study.

ample, in the early 16th century villigers in southern Tigray responded to an astonished Portugese traveller named Alvares:

> "Honoured guest, do not be amazed, because in the years we harvest little we gather enough for three years' plenty in the country; and if it were not for the multitude of locusts and the hail, which sometimes do great damage, we should not sow the half of what we sow, because the yield is incredibly great; so it is sowing wheat, or barley, lentils, pulse, or any other seed. And we sow so much with the hope that even if each of the said plagues should come, some would be spoiled and some would remain, and if all is spoiled the year before has been so plentyful that there would be no scarcity." (Beckingham / Huntingford 1961: 189, quoted in Pankhurst, 90)

According to Pankhurst, livestock numbers also often reached completely uneconomic levels due to the lack of a significant market. (Ibid.)

Considering the problems faced by Ethiopian farmers nowadays (like reported by villagers in the Gurage Zone, see chapter 3.4.1), it is obvious that today's production is no longer sufficient to adequately compensate for greater crop losses. The main causes of this crisis in small-scale farming are the lack of labor due to young people moving to cities, financial pressure on farmers, population growth, pressure on land (land grabbing, climate change), and human wildlife conflict. Increasing monetization in smallholder agriculture is forcing farmers to produce surpluses in order to earn an income. Sometimes farmers even have to sell parts of their staple foods to make ends meet.

Of course, modern Ethiopia has come a long way in terms of its understanding of work and the economy, given the historical cultural and socio-economic roots described by Pankhurst. Nevertheless, some of these roots still seem to shine through in the 'resistance' of Ethiopian textile workers to the primacy of the wage-labor over family and social ties, as well as in their observance of religious holidays. Experiences of foreign investors who have set up operations in Ethiopian industrial parks reveal a high level of dissatisfaction with the work ethic of textile workers. The conflicting perspectives between managers and workers have been described extensively in this book. Managers repetedly complain about the 'mindset' of the (mostly female) workers, reffering to a lack of discipline in terms of performance and punctuality. Xiaoyang and Eom (2018: 461) argue that differences of opinion regarding work attitudes should be seen against the backdrop of the transition from a pre-capitalist mode of production to industrial capitalism. The authors point out that the negative perception of factory workers in China at the beginning of industrialization is comparable to the Ethiopian situation (ibid.: 465). Thompson (1967) also examined the processes of early industrialization. He contrasts the task orientation of economic and social life in agrarian societies and

their seasonal and irregular rhythms with the precise time focus and discipline of industrial capitalistic societies.[22] With reference to Thompson, Oya (2019: 674f.) emphasizes:

> "The introduction to new work habits did not just take the form of workplace timesheets, timekeeping and sticks and carrots on time management. It was a complex and all-ecnompassing process spanning factory relations, ideology, schooling, and cultural habits."

It is remarkable that the role of global school education – probably the most important vehicle for the belief in Western ideas of progress and development – remains largely unquestioned in post-colonical discourse.[23] School education also played (and plays) a central role in the process of transformation from an agrarian to an industrial society. The documentary "Schooling the World," for example, impressively documents the role of global schooling in producing individuals who are ready for this transformation.[24] Illich (1972: 20–21) points out that the belief in the redemptive power of school education is perhaps the last universal religion – one that knows no heretics. And who would disagree that access to school education for girls in Ethiopia is important? It is nevertheless thought-provoking when Illich writes: "School has become the world religion of a modernized proletariat, and makes futile promises of salvation to the poor of the technological age" (ibid.: 6). Feichtinger and Malinowski (2014) address the intertwining of school education and colonization:

> "European colonial powers deployed a considerable arsenal of development programs in their struggle for hearts and minds. Particular attention was paid to women and children. Educational campaigns in colonial contexts were never an end in themselves. In the late-colonial phase, state-run schools and educational programs augmented missionary-run schools."

Part of the school curriculum was not only to combat local languages and dialects, but also to teach modern values and behaviors: "inculcating individualism, openness to technical innovations, and skepticism toward 'traditional' social structures and ways of life." (Ibid.) Consequently, education policy also had to include girls. Feichtinger and Malinowski (2014) refer to the example of the Algerian War,

22 See also Rifkin's brilliant analysis on "Time schedules and factory discipline" (Rifkin 1987: 89–97).

23 However, Illich provided a radical critique of the school system in his work "Deschooling Society" (1972).

24 "Schooling the World – The White man's lasts burdon" (documentary by Carol Black), https://carolblack.org/schooling-the-world.

where the French colonial authorities strategically implemented literacy training for girls "as a way to realign the *cellule familiale musulmane*, which in turn was regarded as the key to the 'modernization' of the entire Algerian society." According to the authors, the education of girls (under the heading of emancipation) should also help to curb population growth:

> "Military-civil directives unapologetically expressed the demographic and biopolitical goals of colonial emancipation politics: 'Educational policy must be directed toward girls as much as toward boys. Women's development is crucial. It is a condition for all true emancipation. It will contribute to reining in the galloping demographic growth of this land.'" (Ibid.)

Wherever societies undergo a transformation from an agrarian-based economy to an industrialized economy, this process is accompanied by entry into the global economy. Step by step, local economies and cultures are shifting into the service of the global economy, requiring a subject that abandons its orientation towards the community and its values. In his article "Structure of Social Change in Industrial Society," Umanailo (2019: 670) uses the example of a village in Central Java to describe how the previously rural community has transformed into a model of urban society as a result of industrialization:

> "The shifting of the Ngringo village community with an urban pattern has also changed the various social structures within the community. That habits that have been formed slowly disappear and are replaced by patterns of interaction and relationships that are adapted to the model of industrial society that is more on individualism and increasingly reduced levels of kinship."

With the decline in social cohesion, informal security systems are weakening and dependence on wage labor is growing. Those who migrate to urban areas often find themself in an inbetween situation: they move away from their local community and culture, but are unable to find a life of moderate prosperity in the city. This may result in what Ivan Illich called "modernized poverty" – a term that describes the life of many of the textile workers. The concept plays a central role in Illich's thinking:

> "Modernized poverty appears when the intensity of market dependence reaches a certain threshold. Subjectively, it is the experience of frustrating affluence that occurs in persons mutilated by their reliance on the riches of industrial productivity. It deprives those affected by it of their freedom and power to act autonomously, to live creatively; it confines them to survival through being plugged into market

> relations. And precisely because this new impotence is so deeply experienced, it is with difficulty expressed." (Illich 1978: 8)

The article from which this quote is taken is an postscript to one of Illich's earliest books titled "Tools for Conviviality" (1973), which contains the key concepts of Illich's thoughts on development and its discontents. According to this book of Illich,

> "elite professional groups have come to exert a 'radical monopoly' on such basic human activities as health, agriculture, home-building, and learning, leading to a 'war on subsistence' that robs peasant societies of their vital skills and know-how. The result of much economic development is very often not human flourishing but 'modernized poverty,' dependency, and an out-of-control system in which the humans become worn-down mechanical parts." (Madar 2010)

In his 1978 article, Illich discusses what he considers as the modern inability to control one's own life, a kind of "impotence" that extends to all areas of life. The possibility of experiencing personal and social satisfaction outside the market has been destroyed, so Illich. Illich distinguishes between modernized poverty and the ever-widening gap between rich and poor. For the latter takes place at the level of consumption and within the industrial system, in which basic human needs are increasingly to be satisfied by industrial goods and professional services. Illich argues that unequal access to consumption and the unequal distribution of wealth can be measured using economic indicators, while this does not apply to industrialized powerlessness. Where this type of modernized poverty prevails, life without access to addictive goods and services provided by industrial society is impossible or criminal – or both, so Illich. (Ibid.: 9) Modernized poverty means that the desire, competence, and prerequisites for a self-determined life are destroyed, affecting both rich and poor alike. (Ibid.: 11) However, where modernization or development reaches the poor – those who have survived on their own despite their exclusion from the market economy – they become systematically integrated into the market system, which offers only crumbs to them: Masses leave their modest, often meager peasant existence and become slum dwellers. For the poor, modernization usually raises unrealistic and ultimately frustrating expectations. Furthermore, it is a process that inevitably undermines people's confidence in their own ability to survive. (Ibid.: 32) Illich's main interest is in these "negative internalities of modernity," in "the process through which autonomy is undermined, satisfaction is dulled, experience is flattened out, needs are frustrated for nearly everyone." (Ibid.: 14)

Illich's work can be described as an attempt to deconstruct the counterproductive ideology of progress and the myths created by industrial society, and to

inspire social regeneration. (Ibid.: 14) However, what worries Illich most is that poor people today mostly see themselves as incapable, uneducated, and disadvantaged – in other words, their social devaluation has poisoned their self-perception. The desire for modernization is deeply rooted in people's minds and can hardly be questioned anymore. The small farmers in Ethiopia also believe that they are "backward," which is repeatedly expressed in the phrase: "I want to change myself." Young generations are flocking to cities, believing in the promises of institutional education, which apparently will pave the way to a better life for them. This hope keeps them going in the urban slums. Illich believes that the paralysis of autonomy and the weakening of confidence in one's own abilities affect the poor more dramatically than the rich, who can at least bask in complacency thanks to their wealth. (Ibid.: 31)

In their work on forced modernization during the Algerian War – the armed conflict for the independence from France between 1954 to 1962 – Malinowski and Feichtinger (2010: 107) pointed to the violence inherent in modernization:

> "The terms *modernisation* and *development* have been able to defend their good and peaceful sound with astonishing certainty against all historical evidence. Yet modernisation programmes in colonial spaces were always open declarations of war on traditions and their ‚retarding' influences."[25]

Malinowski (2008: 239) argued that modernization is always about "transforming the traditional 'milieu' and guiding the development of those who have freed themselves from it in order to alleviate their suffering."

In his book "Algerian Sketches" (2010) (orig. "Esquisses algériennes" 2008; first published in 1958 with the title "Sociologie de l'Algérie"[26]), social philosopher Pierre Bourdieu analysed the effects of a shock such as war on the process of social transformation in Algeria. It is interesting to take a closer look at this example, as the findings are also relevant to a certain extent for the situation in Ethiopia. From the 'colonial war' against the 'uncivilized' to the post-colonial 'fight against backwardness,' modernization processes exhibit similar logic, including with regard to the creation of an industrial labor force.

Between 1957 and 1960, Bourdieu himself served as a soldier in the Algerian War – an experience that shaped his entire work. Bourdieu's book is an early ethnographic work that is less well known but very impressive. French colonial rule over Algeria ended with this war that is considered the largest war of the decolonization era (Jansen 2016). During that time, the French colonial authorities car-

25 Own translation of the German quote.

26 Available also in Englisch ("The Algerians", 1962).

ried out a massive resettlement project in which rural communities were forcibly relocated to 'regrouping camps'. Diner (2010) writes:

> "Almost half of the Muslim rural population – around three million people – had been forced out of their traditional way of life for the sake of military 'pacification' and accelerated modernisation, and were sent to so-called 'camps de regroupement' – camps organised as village communities – in order to subject them to the dictates of rational economic management and other blessings of the Western way of life, a kind of 'social surgery' or 'social vivisection', as Bourdieu calls it in his work. […] In Algeria, Bourdieu had observed a veritable social experiment at close quarters – a social 'laboratory situation' in which violent relations accelerated the transformation from pre-capitalist to capitalist conditions."[27]

Feichtinger (2011a) described the Algerian War as a large-scale experiment of a military-flanked socioeconomic transformation. The relocation of the rural population to "strategic villages" aimed to cut off the population from their old territories and loyalties and thus open up society to development. At the same time, the relocation served the goal of literally isolating the population from the guerrillas in order to then destroy them.

In addition to better control of the population, the French military authorities hoped to win the loyalty of the Muslim population by granting them protection and, above all, through modernization programs such as the provision of education, medical care, and regional self-government.[28] Military counterinsurgency, resettlement policies, and re-education of the population ("social engineering"), as well as the ruthless destruction of traditional ways of life and culture, merged in Algeria and brought about radical social upheaval. (Feichtinger 2011b: 261–262) Malinowski draws attention to the intertwining of colonial wars and development aid.[29] A general decree from 1958 underlines that the purpose of the resettlements is "to lift these people out of the filth and poverty in which we have left them until now and to open them up to civilisation." (Malinowski/Feichtinger 2010: 113)[30] According to Malinowski (2008: 242f.), the necessary military force to overcome ob-

27 Own translation of the German quote.

28 "In its attempt to violently transform the rural population within a short period of time, French warfare in Algeria appears comparable to strategies employed by other Western armies in decolonisation and guerrilla wars after 1945, which relied on a combination of political and military means to combat insurgency and are still discussed today under the umbrella term counterinsurgency (COIN)." (Ibid.: 262; own translation of the German quote).

29 See the Web information "'Fighting Backwardness'. Kolonialkriege und Entwicklungshilfe in den 1950er und 1960er Jahren", https://www.frias.uni-freiburg.de/de/das-institut/archiv-frias/school-of-history/fellows/malinowski.

30 Own translation of the German quote.

stacles to modernization and the establishment of industrial discipline always go hand in hand. Malinowski points out that the Mau Mau War in Kenya showed parallels to the Algerian War in some respects. For example, the so-called "Carpenter Report on African Wages," written in this context in mid-1954, stated: "We cannot hope to produce an effective African labour force until we have first removed the African from the enervating and retarding influence of his economic and cultural background." (Ibid. 243)[31]

Malinowski (ibid.: 246) refers to the aforementioned economist Walt Rostow, who drew attention to the dangers of failed modernization in "images that are as simple as they are memorable." In 1956, Rostov explained to the US Senate that

> "launching a country into self-sustained growth is a little like getting an air plane off the ground. There is critical ground speed which must be passed before the craft can become airborne; to taxi up and down the runway at lower speeds is a waste of gasoline." (Ibid.)

Malinowski summarizes Rostow further: in the course of the acceleration phases ("drive-to-maturity" and "take-off"), lifestyles and value systems must change as radically as they do quickly; souls and societies in transition are now at risk. Rostow's theoretical model envisaged two tasks: "first, to accelerate the transition as much as possible; second, to wage military combat against insurgent forces that are holding back the transition." According to Malinowski, this strategy was "largely identical to the combination of a major military offensive and a simultaneously launched industrialization plan attempted in Algeria." (Ibid.)

Rempe (2007: 3–4) summarizes Malinowski's approach on the wars in Algeria and Kenya as follows:

> "He [Malinowski] argued that after 1945, 'development' brought together colonial warriors and Cold Warriors, modernisation theorists and colonial officials, and that the late colonial wars in Kenya and Algeria can be interpreted as an integral part of a struggle against backwardness waged by various means. He argued that even the theoretical foundations, such as Walt Whitman Rostow's modernisation theory, attributed an important function to the use of violence in development issues in overcoming indigenous resistance."[32]

In this context, Rempe speaks, among other things, of a reinterpretation of political resistance as a psycho-pathological rebellion, in which the colonial authorities attested to the subjugated people's inability to cope with the transition from

31 Own translation of the German quote.

32 Own translation of the German quote.

a traditional to a modern lifestyle. Malinowski emphasizes "that these attempts at modernization actually promoted what they claimed to be fighting: instability and new violence."[33] (Ibid.) Although the modernization of workers in the Ethiopian textile industry is not being forced by war, Malinowski's interpretation can certainly be applied to the debate about the 'mindset' of workers. Workforce turnover as well as the violent upheavals in the country can also be understood to a certain extent against this backdrop of modernization processes.

According to Malinowski and Feichtinger (2010: 133), Algeria's modernization was not an original goal of the war. "However, as the war progressed, it became increasingly important as a weapon, a means of legitimisation, and a large-scale project pursued with all available resources to secure Algeria's 'association' with France."[34] Although the humanitarian situation was catastrophic, a large part of the uprooted rural population remained in the established "model villages," even after Algeria gained independence. (Bange / Potempa 2009: 426)

An article from 1979 discusses how in Algeria "centuries-old structures were destroyed by the storm into the new age." At that time already half of the rural population had migrated and formed the "urban lumpenproletariat." (Der Spiegel 3/1979) Today, three quarters of Algeria's approximately 46 million inhabitants live in cities.[35]

Bourdieu's work delves into the pre-colonial society, particularly the Kabyle region, exploring its economic practices, agricultural techniques, and social organization. He examined the conditions leading to the collapse of the traditional peasant world:

> "The emergence of individuals separate from the family and tribe is linked to the dissolution of these units, which in turn cannot be separated from the development of Algerian society, wage labor, and the imperatives of the modern economy, contact with the Western value system, compulsory school education, generational conflict, emigration, urbanisation, the new status of property, etc."[36] (Bourdieu 2010: 80)

33 Own translation of the German quote.

34 Own translation of the German quote.

35 Algeria is the largest country on the African continent in terms of area with the second largest economy in North Africa after Egypt. However, the economy is heavily dependent on the production and export of oil and natural gas. For more information on Algeria's present economy see for example the web information from the German BMZ, GIZ, or GTAI.

36 Own translation of the German quote.

Adapting to the modern economic world requires new psychological prerequisites for individuals: a focus on regular work, money, saving, credit, etc. Overall, these are imperatives that contradict traditional community values. (Ibid.: 89)

In his work, Bourdieu describes the inner logic of traditional societies of Algeria, their attitudes toward time and economic behavior. His investigation covers various aspects, such as

- *precaution and foresight* (the stockpiling of fellah farmers differs fundamentally from the rational advance planning of capitalist entrepreneurs),
- *structure of time consciousness* (orientation toward "the coming, understood as the horizon of the perceived present" rather than the idea of an abstract 'future'),
- *logic of the traditional economy* (orientation toward economic fundamentals and satisfaction of primary needs),
- *spirit of traditional society* (giving and receiving).

Bourdieu's insights are extremely illuminating for a sound understanding of industrial change and its social upheavals. According to Bourdieu, to understand "traditional society," one must fundamentally set aside all prejudices shaped by the principle of rationalization in Western economic thinking. (Ibid.: 73–142)

There are two fundamental conclusions that Bourdieu draws from his investigation. Firstly: It is impossible to guide or advise a society "without having a thorough knowledge of its customs, its structures, and the spirit that animates it." Secondly: it is not enough to

> "simply strive for industrialisation; on the contrary, the establishment of industries in an economically underdeveloped country and a traditional society runs the risk of creating tensions and deepening signs of disintegration." (Ibid.: 91)

And most important: a social transformation from an agrarian to an industrial society must ensure that people can at least make a living under the changed circumstances:

> "It is certain, however, that access to a minimum standard of living that grants individuals the indispensable minimum access to the world is the necessary condition for the psycho-cultural change that enables individuals to take their destiny into their own hands." (Ibid.)

Looking at Ethiopia, there have been calls for the introduction of a minimum wage for years. An article published in May 2025 stresses that Ethiopia's textile and garment industry is still "grappling with critical policy shortcomings and an

urgent demand for the introduction of a national minimum wage" (Zekarias 2025). Stakeholders point to the government's delayed response in addressing the acute shortage of skilled workers in the sector. Apparently, the number of skilled workers entering the industry has dropped dramatically in recent years. The article points to research that "attributes this decline to the sector's eroding professional prestige and a widespread tendency among employers to hire low-skilled, lower-paid workers" (ibid.). As employers focus on cheap, unskilled labor for short-term savings, long-term productivity and the industry's reputation are under threat. This approach, the experts warn, "undermines efforts to build a competent workforce and threatens the sector's sustainable growth" (ibid.).

The theoretical perspectives brought together in this section aim to provide a deeper understanding of Ethiopia's labor force challenges in the textile industry within its complexities. It also may help overcoming the often one-sided debate on the 'mindset' of the textile workers. The interviews with workers have also shown that very rational considerations often lie behind their decision to leave their job. One farmer in Wodiso village (Gurage Zone) vehemently contradicts the negative assessment of factory managers that textile workers do not have a good work ethic, which they often attribute to their agricultural background. The farmer states clearly:

> "The interest of people to work or not depends on what they get from it. If the workers are not being paid well they might prefer to do a day labor work, which might help them to make more money."

The chapter further showed that colonial wars forcing modernization have an internal logic that can also be observed in present-day Ethiopia. The 'fight' against 'backwardness' as a prerequisite for modernization turns the rural-urban textile workers into an educational project. In order to become compatible with the industrial world of work, they must, on the one hand, internalize its rhythms and values and, on the other hand, to a certain extent disconnect from their ties to their locality, community, and culture.

Some of the theoretical theses – such as those of Illich, Bourdieu, or Polanyi – may provoke accusations of 'romanticism' or 'resistance to modernization.' However, it is not about turning back the clock. It is much more about sharpening our focus on what is. There is no doubt that industrialization goes hand in hand with a process of alienation. To put it bluntly, one could say that traditionally, people in Ethiopia lived and worked off their own resources – today, they process potentially toxic textiles from China and India. The majority of urban textile workers struggle to earn their daily bread and are still far from achieving even a modest standard of living.

Global monoculture has largely wiped out cultural diversity. German ethnologist Frobenius, whose research was partly a product of the colonial era, once wrote: "It goes without saying that a large part of this ancient cultural heritage must be destroyed under the onslaught of European culture, and unfortunately, in most cases, it is. The only question is what will replace it" (Frobenius 1907: 25).[37] In a way, this question is still very relevant today. The whole world is striving for modernization. But how do we imagine modernization in our time of multile crisis?

Even though the development paradigm has largely lost its persuasiveness, it is still very powerful – not least because it is supported by strong economic interests. "Progress, no matter if good or bad, is unstoppable" – that's a common narrative. One might wonder whether this is not basically an empty phrase designed to prevent curious minds from discovering the subjugation of our lives and bodies to the logic of the economy. Confrontation with ways of life that are still strongly oriented toward subsistence generally triggers associations of 'backwardness,' 'exoticism,' or 'romanticism.'

However, these reactions seem to prove one thing above all else: namely, the belief dominant in modern or postmodern societies in their own superiority over all of the past and everything that opposes the logic of growth, efficiency, and economic benefit.

Helena Norbgerg-Hodge, a pioneer of the new economy movement and the founder of "Local Futures," aptly describes the modernist view of those still lagging behind worldwide:

> "We might be interested in indigenous cultures, but we do not believe that they have anything essential to contribute to the modern world. There is that assumption that Western education, Western knowledge, is universally applicable, is something that *is* superior. […] There is a sense that *we* have evolved to a higher level of being, and that these other people, however lovely they are, they're going to benefit from this superior knowledge."[38]

In her (forthcoming) dissertation, Lüttich argues that such perspectives "should not be seen as romanticizing the local." Lüttich underscorses that indigenious knowledge sytems "are not immune to contradictions, exclusion, or change." Their value does not lie in their "purity," but rather in their "rootedness – their capacity to remain attuned to place, time, and relation." Lüttich links this to the concept of the "vernacular" (we will come to that later). It is not about a "binary choice between Western science and vernacular knowledge." Instead, Lüttich calls for a

37 Own translation of the German quote.

38 Quote taken from "Schooling the World" (documentary by Carol Black), https://carolblack.org/schooling-the-world.

"reflexive epistemic pluralism, a willingness to unlearn, re-learn, translate, and remain with the trouble" – to maintain an openness toward the unsolved, the contradictory, so to speak.

The idea of progress and development has given rise to a future-oriented way of thinking that goes hand in hand with a devaluation of the past. It is interesting to note what the well-known German poet Johann Wolfgang von Goethe wrote in his "West-Eastern Divan" (1819: 7): "Those who cannot account for three thousand years remain in darkness, living from day to day."[39] A leap of thought: In traditional Ethiopia, identity and social order are strongly interwoven with genealogical categories – with lineages of clan and family. German philosopher Peter Sloterdijk (1996) has written a profound essay on the significance of genealogical thinking for identity and intergenerational relationships. In the course of modernization in Ethiopia, this form of identity could sooner or later be wiped out by the primacy of individualization. The result – the dissolution of social ties – can be observed in the advanced countries of the Global North.

Given the extent of social and environmental destruction already evident in Ethiopia and around the world today, respect for a modest, subsistence-oriented way of life should be a matter of course. Subsistence is not just a relict of the past. In Ethiopia, subsistence farming is still the main source of livelihood for over 80 % of the population. But again: It is not about a static concepteptualization of traditional society. It is much more about the question of the possibilities of subsistence in our time, and about what is worth preserving. It is about what Illich called 'vernacular values.' In the broadest sense of the word, Illich's term 'vernacular' is associated with "those spaces that exist for self-determination." (Bollier, 2011). In other words, 'vernacular spheres' refer to the

> "realm of everyday life where people create and negotiate their own values, practices, and knowledge, often outside the formal structures of institutions like schools, or the market. It encompasses the informal, non-professional, and often unmeasured activities that sustain individuals and communities."[40]

In essence, the term 'vernacular' highlight the importance of ordinary people's lived experiences and the material and cultural[41] practices they create as a foundation of their society.

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39 Own translation of the German quote.

40 Summary by KI. – For further reading on Illich's understanding of the vernacular see for example: "Vernacular Values by Ivan Illich" on the website of David Tinapple, www.davidtinapple.com/illich; the chapter "Vernacular Values" in Illichs book "Shadow Work" (1981), or Hoinacki and Mitcham (2002).

41 The word 'culture' comes from the Latin word "cultura" and primarily means 'cultivation'.

Schroyer provided a brilliant analysis of Illich and his critique of modernity. In his book "Beyond Western Economics: Remembering Other Economic Cultures" (2009), he emphasizes that connecting to vernacular forces "is central to those places and spaces where people are struggling to achieve regeneration and social restorations against the forces of economic globalization."

Bollier emphasizes, "Illich was no reactionary" (ibid.). In his essay on "Development" (1979) Illich wrote:

> "I do not oppose growth oriented societies to others in which traditional subsistence is structured by immemorial cultural transmissions of patterns. Such a choice does not exist. Aspirations of this kind would be sentimental and destructive."

The point, however, as Schroyer writes, is that Illich wanted "to secure political or participatory space for forms of governance that enable exceptions to national-international forced development…. and the totalities of the left and right ideology." (Schroyer, cited in Bollier, ibid.)

Illich's idea of the vernacular forms, so to speak, a counterpoint to the idea of development as a universalistic concept determined from outside. The recognition of vernacular values require a "reversal of a colonialist and development policy patronising attitude that has always considered itself 'ethical'" (Hornbacher 1993: 47f.).[42] It requires a willingness and curiosity to allow ourselves to be alienated and irritated by ways of life and perspectives that are foreign to us – "instead of forcing them into the straitjacket of our familiar and comfortable forms of perception and thus 'explaining them away'" (Kellner 2006: 276)[43].

Kebede (2023) claims that in Ethiopia, "the integration of tradition with modernity did not take the course of positive sociocultural changes through mutual adaptation." In his thought-provoking article on "Ethiopia's Modernization Lag," he raised the question

> "of multiple modernities, i.e., the idea that each culture is unique due to the influences of a specific history, environment, and different fundamental decisions, and should find its own path to modernization."

In the case of the textile industry, the question is whether approaches are conceivable that are less exclusive and allow factory work, community life, and subsistence activities to be combined to a greater extent – for example, through a rotation system of skilled workers. A scientifically monitored pilot project would be worthwhile in this regard.

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42 Own translation of the German quote.

43 Own translation of the German quote.

Kothari et al. (2019) have compiled "pluriverse" approaches to counter a universal idea of development. In view of the manifold global challenges and the end of a universalist development project, coexistence of pluriverse approaches could pave the way for future development. Recognizing the extent of global social devastation and fragmentation, Estey (2005: 67) suggests to "believe in a 'messy' world, which can no longer be the subject of simplistic modernization studies and analyses of development." Research in a 'messy' world would mean to search "for new analytical tools to examine a complex world filled with fascinating and difficult processes." (Ibid.)

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4. Conclusion

Ethiopia has entered the modern age. The second most populous emerging country in Africa has successfully launched a state-led process of progress that is geared towards clear goals: the expansion of the manufacturing industry with a strong focus on textile industry, export orientation and agricultural industrialization. At the same time, the multi-ethnic state is considered to be still one of the poorest countries in the world. (Cf. Brüne, 2020).

Melber (2021) rightly asks whether the debate about the emerging middle class in the African societies is not a myth. He criticizes that this broad definition of the middle class apparently includes anyone who is not starving.[1] Melber points out that many workers have no social protection beyond their families and that families are under considerable pressure, not at least due to urban-rural and inter-generational gaps. (Ibid.)

A commonly used argument is that the textile industry is merely a stepping stone to an advanced level of industrial development, where higher wages can be paid. For workers, however, it is a matter of survival today. They weigh up carefully whether the job is worth it for them.

Brüne (2020) addresses the social and political challenges that accompany Ethiopia's foreign trade and investment-driven transformation: the economy, which is still predominantly characterized by subsistence farming, is confronted with rapidly growing cities, low-priced industrial parks, and land grabbing. To keep up with rapid population growth, the country is challenged to create more than two million jobs annually.[2]

The textile sector faces conspicuous absenteeism and high labor turnover, which hampers production outputs. However, discussions with managers in the context of the JLU study indicate that some companies already achieve higher production levels but do not disclose them in order to maintain their argument for low wages. Conflicts over land use rights are another obstacle to industrial development. Brüne elucidates that Ethiopia's small-scale subsistence farmers traditionally had no land ownership, but only temporary rights of use. The state's

1 See also Neubert's study on middle-class concepts (2024).

2 Gesellschaft für Internationale Zusammenarbeit (GIZ): Investing to create jobs in Ethiopia, https://www.giz.de/en/worldwide/103514.html.

attempt to reform (or rather overcome) traditional land rights is causing serious and violent conflicts. Brüne emphasizes that it is essential not to marginalize the majority of the population, but to promote domestic production without jeopardizing the livelihoods of impoverished smallholder subsistence farmers. Because after all, according to Brüne, it makes no sense to lease land to foreign investors (land that has traditionally been farmed by smallholder farmers) with the result that the land for example will be used for subsidized cultivation and export of cut flowers[3] to Holland. At the same time this land is no longer available for food cultivation. (Ibid.)

It is fair to say that only a small portion of the population benefits from this development. For many, however, it proves to be highly problematic. Precarious factory work, violent conflicts over land, land grabbing, and a prime minister who is building himself a fifteen Billion USD luxury complex, including palaces, villas, and resorts for the elite (Birara, 2025). This is the reality in a country that was long considered a beacon of hope in the Horn of Africa. Moreover, the consequences of the climate crisis alone could wipe out much of the economic progress that has been made. The textile industry itself consumes an immense amount of resources (especially electricity and water) and is responsible for massive water pollution worldwide (cf. Lutter et al., 2011). It is not without reason that the industry has almost completely disappeared in developed countries and has relocated its production to emerging developing countries mostly in Asia, from where the goods are exported to the USA or Europe. The final price that consumers pay for a T-shirt does usually not cover the actual social, environmental and economic costs incurred on the way to the end consumer.

For many Ethiopian's, what is referred to as 'modernization' means a deterioration in their living conditions. In the region of the Grand Ethiopian Renaissance Dam (GERD), for example, the nomadic groups living there were promised 'villagization,' which is essentially forced resettlement. And the modernization of agriculture – i.e. moving away from hook ploughs to large tractors – does not benefit small farmers, but, as with all green revolutions, those who own the capital (Shiva 2016). Given the dominance of a global economic monoculture, there seem to be no arguments against the destruction of livelihoods in the course of modernization processes. However, it should not be overlooked that this plunges masses of peasants and nomads from modest poverty into destitution and divides society into those who profit from it and those who become impoverished.

Industrialization in Ethiopia is driven by an ideology of modernization that, on the one hand, is still associated with great hopes but, on the other, has also been disenchanted, as can be seen, for example, in the realities of women workers

3 What's more, the flowers are heavily contaminated with pesticides and pollute the environment at the production sites.

in the textile industry. In academic discourses on modernization, there has long been talk of the 'non-sustainability of Western modernity' and the emergence of a different, more disillusioned modernity that is gradually and conflictually asserting itself and adapting to new geopolitical realities (Blühdorn, 2024).

Discussions about progress and development are increasingly focusing on technical solutions, while the idea of prosperity for all no longer seems credible. Post-colonial discours on development often take place in a bubble of intellectual elites, where fundamental and simple human questions can hardly be addressed. Gronemeyer (2025) contradicts these tendencies: "I believe we should not stop looking at the living conditions of ordinary, poor people and asking what really helps them."[4] He points out that Ethiopian textile factories also offer chances of survival: "given the population growth, the climate crisis and the problematic modernization policy, many poor people naturally have no choice but to rush to the newly created jobs to earn some money." (Ibid.)

The aim of this book was to elaborate the root causes of high labor turnover and absenteeism in the Ethiopian textile and garment industry in the context of social upheaval. Interviews were conducted with workers and executives in companies in the industrial parks, mainly at Bole Lemi Industrial Park (BLIP) and Hawassa Industrial Park (HIP). Also relatives of workers, community members and farmers had been interviewed. Despite a range of different findings, one singular issue was dominant: that of low compensation. Ironically, a considerable number of workers surveyed reported to have to seek financial support from families living in the countryside in spite of being wage-earners.[5] Compensation plays a central role in the high turnover of employees, though not the sole one. However, the problem has not yet been seriously addressed by companies. Many of the workers surveyed said that they like factory work as such. In addition to dissatisfaction with remuneration, however, a majority expressed critical to very critical views about working conditions. There are both internal and external factors that don't make a job in a textile and garment factory so attractive. In addition to the question of salary, the following aspects are particularly worth mentioning:

1. Incentives: the companies' strategy of combining low basic wages with performance-related bonuses is intended to create incentives to increase production output. The companies offer various monetary and non-monetary incentives (such as bus transport, canteen food, attendance bonus, or productivity bonus). However, not all employees qualify for the performance-related bonus,

4 Conversation with Prof Dr Reimer Gronemeyer (principle investigator of the JLU study) on 29.5.2025.

5 For a summary of the study results see also Ghosh (2023).

which is a key component for them in making ends meet. This applies in particular to new employees in the training period, for whom no incentives are yet provided. The fact that most resignations occur in the first few months of employment is apparently linked to the fact that performance-related bonuses are usually awarded to employees with advanced skills.

2. Motivation: women take up employment in the textile and garment industry for a variety of reasons. For many, it is simply a matter of survival. Some say, 'It's better than sitting at home.' However, the appeal of urban life is undoubtedly very strong. Accelerated individualization promises enormous opportunities to free oneself from constraints that stand in the way of personal development and fulfilment.
3. Education: one of the reasons for high rates of absenteeism in the garment companies is that a significant number of workers are studying in the city alongside their factory work (reported in particular in the Hawassa Industrial Park). They come to the city primarily to pursue their educational goals, which they hope will lead to social advancement. They tend to view factory work as a temporary job to earn a living, while the focus is on completing their education.
4. Working conditions: workers suffer from long working hours and high workloads. On top of their regular working hours (48 hours per week), many work overtime to supplement their low wages. Obviously, they have little time for personal matters, resting or social life and responsibilities. They also say they struggle with sitting or standing for long periods of time, which causes them health issues. Further, workers are dissatisfied with the canteen food at work. They demand better treatment from their employer – including in terms of the tone used when addressing them.
5. Leave: employees report that it is difficult for them to obtain off-days from their employers. This leads to them occasionally being absent from work without permission. According to employees, there is also a lack of acceptance on the part of HR managers in the event of absence due to illness. Apparently, companies sometimes do not grant the statutory holiday entitlement of 16 days during the first year of employment, which can also contribute to employee turnover and unauthorized absence.
6. Transport: workers cite a lack of transport options as a problem when they want to visit their families in the countryside. Transport is often unreliable, making it difficult to return to work on time.
7. Housing: due to the lack of affordable housing near the industrial parks, workers are often forced to seek cheap accommodation on the outskirts of towns, which means long commutes to and from work as well as long and exhausting working days.

8. Contrasting perceptions and interests: the perceptions of employers and employees differ greatly in many respects. While employers complain that employees lack long-term prospects and career orientation, workers do not see attractive opportunities for career development within the company that employs them, what they themselves cite as one of the main reasons for high staff turnover. Overall, the sector is geared toward employing mainly unskilled and low-paid workers as machine operators. Career advancement opportunities are limited for structural reasons. To retain workers, companies therefore primarily use performance-related incentives and non-wage benefits. Further, managers frequently complain about the 'poor work ethic' among the employees. They claim that the 'mindset' of workers and a lack of experience make it difficult for employees to adapt to the industrial world of work. Workers, on the other hand, feel that their employers lack understanding of their needs and situation. Unlike their superiors, they believe that they work hard. Overall, companies try to keep their investments in the labor force as low as possible, while the employees do not like to work just for survival. Added to this are cultural differences between the predominantly foreign management and Ethiopian employees, which is also reflected in the divide between local communities and industrial parks.
9. Future prospects: interviews with workers show that many would like to be self-employed. Relatives, community members and farmers also declaire that a better life in the city could be only achieved if you run your own small business. However, this requires start-up capital, which many do not have. Even buying a sewing machine may require years of saving. Textile workers say that with their own sewing machine, they could work at home – even in rural areas, where life is much cheaper anyway. This frequently expressed wish underscores once again that under the given conditions, workers generally do not see long-term prospects in their jobs in the garment factories.
10. Role of family and gender relations: workers' parents or life partners usually support the decision to work in the textile industry. However, families carefully weigh up the pros and cons, and if they believe that the disadvantages outweigh the advantages, they encourage their relatives to give up their job and look for other employment. Overall, families and couples decide together on household expenses. Single women often use their salaries to cover their own living expenses. Partners who both have an income make pragmatic arrangements (for example, one salary is spent on house rent, the other on further expenses).

From an operational perspective, it is obvious that the internal problems mentioned above on the part of employees can impair their performance and lead to a lack of loyalty towards the company.

Mulat (2024) underscores Ethiopia's efforts to attract foreign investors and develop its industrial capacity. However, he states that the current model is leading workers to inadequate living conditions and low pay. The textile sector has established a vulnerable workforce that is susceptible to economic and social shocks and perpetuates a cycle of hardship, he says. Workers' narratives and lifelihood strategies are challenging the state's ambition to become an industrialized and middle-income country. Mulat highlights the importance of alternative narratives for the future of African development. He also stresses the need for a minimum wage:

> "If Ethiopia needs to become a manufacturing powerhouse, several measures could be taken by the government. Legislating a minimum wage standard would be a significant first step, ensuring a basic level of income for these workers." (Ibid.)

Since the Ethiopian Government offers a great variety of incentives for investors, one could assume that the country could be still attractive even if paying higher wages.

Given what is being discussed as the 'mindset' of employees, further research could help to better understand the different perceptions of employers and employees in the industrial parks. The term 'mindset' refers to the perspective of executives towards their employees. It implies that 'things don't work properly with the women workers because they have the wrong mindset.' However, if we assume that ordinary people are much more intelligent than generally assumed and usually pursue very pragmatic survival strategies, their behavior may be easier to understand. In addition to research, this requires above all more dialogue between the parties involved.

Ethiopia's efforts to transforming the agrarian to an industrial and middle-income country affects not only the economy, but all areas of society, including social, cultural and ecological spheres. The term 'transformation' sounds somewhat neutral, almost smooth. But what does it actually mean? The experiences of the textile workers can give a taste of what lies behind the word. The women join the textile and garment industry mostly to sustain themselves. But they also want to participate in the new consumer opportunities, which are of course attractive. However, they usually end up in a limbo: they leave their modest, often meagre existence and become slum dwellers – uprooted from their local culture but unable to achieve even modest prosperity in the urban centres. Their circumstances often appear to be what Illich called 'modernized poverty': a state characterized by a loss of autonomy over one's own life (see chapter 3.4.2 in this book).

The book also shed light on the rural environments from which most of the women workers surveyed originate. The villagers interviewed emphasize the so-

cial ties and cultural traditions that continue to shape their lives. However, they are aware that their local culture is under threat and will probably disappear. The values of modern, urban lifestyle are increasingly finding their way into the lives of the villagers, which will result in individuals acting in a free-market and competition-oriented manner. The village culture, customs and rules, that once ensured cohesion and local autonomy, are slowly disintegrating. This is accompanied by a gradual "transformation of the modest and autonomous village economy into an economy of neediness and dependence (latently permanent, even if not so desired)." (Gronemeyer et al.)[6]

"Every culture is more or less open to change,"[7] wrote Bourdieu (2010: 74). However, under certain circumstances[8] processes of change can disrupt the fundamental norms and values of a culture, leading to a more or less catastrophic dissolution of the cultural whole, according to Bourdieu. In Algeria, he could observe how traditional structures disintegrated in the encounter between a highly industrialized, economically powerful (European) civilization and an economically archaic (Algerian) civilization. (Ibid.)

From an economic perspective, one could say somewhat bluntly that the social and cultural and customs are obstacles to progress because they bind people to their routines; moreover, the subsistence economy allows for a certain degree of independence, which contrasts with the demand for an industrial labor force. This logic also applies when, under current conditions, jobs are needed for the growing young population as small-scale farming can no longer feed everyone or meet the growing demand for money. However, the consequences of this kind of development can be observed worldwide: it is the wiping out of traditional sustainable agricultural and ecological knowledge, the break-up of extended families and communities, and the erosion of ancient spiritual traditions (Black, 2010).

The question arises as to whether future development strategies might not place greater emphasis on coexistence of gainful employment and subsistence-based lifestyles and economies. The remaining forms of informal social security and local food autonomy should be perceived with empathy in order to strengthen them and ultimately ensure their sustainability. How do development experts – how do we – otherwise envision Ethiopia let's say in 30 years? Prosperity, savings accounts, retirement and a pension at the age of 67?

The demands of the industrialized world of work mean, above all, that people must become isolated individuals and leave behind their strong ties to the community. Global standardization is taking hold all over the world. But we must not

6 Gronemeyer, Fink and Metzger (2015) also described this process based on interviews with small-scale farmers in Malawi.

7 Own translation of the German quote.

8 Bourdieu discussed this in detail in the book cited here, entitled "Algerian Sketches" (2010).

overlook that: despite all crises and conflicts, what applies to Ethiopia maybe applies to all African societies: people's daily survival is still largely guaranteed by informal economic activity, by family support and by a sociality that cannot be measured in monetary terms.

HR managers in textile factories say that they see it as their job to adapt young women to the industrial world of work ('to industrialize the girls'). And once the adaptation process is successful, informal security of communities are weakened. The consequences of advancing individualization can be observed in European societies, where community orientation has been more or less abandoned. Now even the European welfare states erode – particularly as a result of demographic changes. It might take a long time for new impetus for a sustainable community spirit and self-organization to emerge.

The German Federal Government supports the creation of industrial jobs in Ethiopia.[9] This is being done with a great deal of goodwill. However, most recent crises – the Corona pandemic, disruptions in global supply chains, the ongoing violent conflicts in the country – have once again shown that the clothing industry is vulnerable. It is obvious that in such crisis situations, workers' family networks prove to be more reliable than the company. Ethiopia's labor-intensive textile production appears to be a fragile undertaking, not least because of its dependence on the global market. We are experiencing turbulent times, problems in supply chains, and endangered export routes: deliveries via the Suez Canal or the Red Sea are at risk. Also in recent years, the number of skilled workers entering the industry has dropped drastically: "The drop is attributed to the sector's eroding professional prestige and a tendency among employers to hire less-skilled, lower-paid workers." (F2F News Desk, 2025)

The ecological sustainability of the sector is more than questionable. Fair pay is undermined by cheap wage dumping, but where else could production be even cheaper than in Ethiopia? And let's think further: the global textile industry is facing a wave of automation that will also find its way to Ethiopia. And the tens of thousands of women: it is unlikely that they will still be needed in the long term.

Against this backdrop, it could be important to ask whether there is an opportunity to revive local production in order to achieve more independence from global markets. After all, there was once textile production for local demands, and it still exists to a certain extent. Many of the women workers are eager to learn sewing as a profession. They aspire to have their own sewing machine in order to work independently, even if it is in the village with their family. And couldn't that

9 The support provided by the German Federal Government is implemented by the "Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)" in Ethiopia, https://www.giz.de/en/worldwide/128196.html.

be a good thing as one strand of future development, provided that local markets are not flooded with cheap goods from China or Europe?

Ethiopia has achieved remarkable progress, which can be measured above all in terms of infrastructure expansion in rural areas, increased agricultural productivity and years of robust economic growth. Nevertheless, Ethiopia and other African countries with positive growth rates are facing a persistent increase in poverty. As measured by the latest Afrobarometer's Lived Poverty Index (2025), material deprivation has climbed to its highest average level of the past 25 years since the organization began tracking poverty trends in Africa. The research network points out that increasing corruption could play a role in the resurgence of poverty. Population growth is also often cited as a factor that is undermining achieved successes. However, it should be added that the transformation of agriculture may also contribute to an increase in poverty, at least as far as subsistence farmers are concerned.

Growing poverty is one side of African reality. The other side shows a continent with a young population and rich in resources that will play a significant role in future development. European policy, for example, is responding to the growing importance of the African continent in a multipolar world. The new European policy on Africa reflects a course characterized by a recalibrated realism under changed geopolitical conditions:

> "In the aftermath of decolonization, Europe's engagement with Africa was largely shaped by a developmental ethos rooted in normative ideals – shared values, democracy promotion, and human rights. For decades, European policy focused on capacity-building and humanitarian aid while avoiding direct political or military entanglements. These efforts included funding for rural electrification, water and sanitation projects, support for civil society, and institutional reform." (Aguiar, 2025)

However, increasing geopolitical tensions, changing migration patterns, growing resource dependencies and the waning influence of former colonial powers have necessitated a strategic realignment of Western countries. The new EU-Africa policy wants to combine "normative commitments with a more transactional approach aimed at safeguarding its interests in a multipolar world" (ibid.). Germany recently reaffirmed its commitment to supporting the Pan-African Free Trade Zone and measures to strengthen trade relations. The stated goal is to overcome neo-colonial logic of exploitation and generate local value creation so that local partners also benefit. At the same time, it says that development cooperation and Germany's own economic interests should be more closely aligned in future. According to political officials, values and interests are not contradictory. "The new federal government not only recognizes Africa's geopolitical importance, but is

also committed to promoting economic prospects and its own economic interests on the continent,"[10] declaires the chief executive of the German-African Business Association (Afrika-Verein der deutschen Wirtschaft e.V., 2025).

It remains to be seen what implications the reorientation of EU-Africa policy could have for Ethiopia's textile industry. At the same time, the question of where improvements in the living conditions of textile workers and people in Ethiopia could come from should not be considered exclusively at the level of development planning. Hope for change could also lie in the inherent strengths and creativity of the people themselves. That was Illich's view – and literally the only thing he trusted. The outstanding thinker and critic of the belief in progress had more faith in ordinary people's ability to shape their own lives than in top-down approaches prescribed by experts. Illich firmly believed "in the creativity, in the surprising inventiveness of people" (Cayley, 1992: 111). The worldview of the simple man, the peasant, the slum-dweller, was the anchor point of his thinking throughout his entire life, and he emphasized: "I continue to hope in them." (Ibid.)

And what about the textile enterprises? In the event the textile industry has a long-term future in Ethiopia, companies will probably succeed in gaining acceptance among workers for the requirements of industrial employment and gradually stabilizing the workforce. The introduction of a minimum wage by the state could make an important contribution to this – if it does not contribute to companies pulling out of Ethiopia. In order to improve the unstable work situation, more attention should be paid to 'social sustainability' of the sector in general.

However, it should not be overlooked that the 'work ethic' demanded by companies does, in a sense, indeed conflict with local Ethiopian attitudes. The subject was touched upon in this book. In this sense, Hochleithner (2024) made an ironic comment:

> "Development work in Africa often seems difficult and a significant number of projects fail – but why? Is it because of the 'unwillingness' of those being developed? Their 'laziness', their lack of interest in developing a 'proper work ethic'?"[11]

He refers to the #Khomani, who live on the edge of the Kalahari Desert in southern Africa and officially belong to the San ethnic group. Uprooted from their traditional livelihoods, the #Khomani had nothing but to sell their labor force. Today, they are partly employed in museums or in the tourism industry. However, the #Khomani tend to "show up late or not at all for work, or leave early or for no apparent reason, and generally display no 'work ethic'." (Ibid.) This is, according to Hochleithner, precisely where the "crux of Western (mis)interpretation and the

10 Own translation of the German quote.

11 Own translation of the German quote.

naturalization of European ideas' lies." His conclusion: "Work is not a universal concept!" (Ibid.)[12]

However, regarding the female (or male) factory workers in Ethiopia, culturally different attitudes towards work cannot hide the fact that these people show tremendous dedication: their everyday life consists of a six-day week in the factory. Their precarious situation is obvious, not least because they are often willing to change employers for a few birr more in salary. They are very keen not to lose their monthly attendance bonus. Many of them study at a college alongside their full-time jobs at the factory. They live in church and social communities. They cook and take care of their households and possibly also of their children. They respect festivals and rituals that play an important role in their lives. For the time being, this is not changing. But pragmatism creeps in: with regard to funerals, shorter periods of attendance are sometimes negotiated with families, and working women are occasionally asked to return to their families only on major holidays. This shows an act of destruction and singularization. During the coronavirus crisis, however, it has become clear that families are a vital safety net for the workers. If that were to disappear, the loss would be great. There is no welfare state to catch people when they fall. Companies are not reliable partners for the women. This book can only end with one conclusion: the women workers in Ethiopia's textile industry represent a strong and committed way of life!

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5. Excerpts from a photo documentation

In July-August 2022, the research team from the Institute of Sociology at Justus Liebig University (Gießen/Germany) travelled to Addis Ababa, the capital of Ethiopia, and to Hawassa (about 350 kilometres south of the capital), together with the experienced and renowned photographer Pietro Sutera (Frankfurt am Main, Germany). The photographer was given permission to access factories in Bole Lemi Industrial Park (Addis Ababa) and Hawassa Industrial Park (Hawassa), allowing for a unique documentation of working in a textile factory in Ethiopia. Photos show the industrial parks, and factory sheds, and portray workers in their working and living environment. Together with the interviews, the pictures of women working in the industrial parks in Addis Ababa and Hawassa allow for a detailed, nuanced, and unique insight into the work and life of the predominantly female Ethiopian textile and garment operators. They also document the evolvement of new forms of working and living in Ethiopia's urban centres. The following pictures show a selection of the extensive material collected.

Picture 1 Machine operators in a factory in the Hawassa Industrial Park

Picture 2 Hawassa Industrial Park

Picture 3 Factory shed

Picture 4 Seamstress and supervisor

Picture 5 Cutting fabrics

Picture 6 Ironing

Picture 7 Packing

Picture 8 Supervisors and line leaders

Picture 9 Injera served in a canteen

Picture 10 Company busses

Picture 11 Township in the outskirts of Addis Ababa

Picture 12 Women workers in their home (Hawassa)

Picture 13 Woman worker in her flat (Hawassa)