

# Ethiopia



## Overview

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27%

Population below international poverty line

not by law

National minimum wage

€190  
per month

Urban living wage

66%

Agricultural workforce

38%

Agriculture share of GDP

4

high

Risk to workers' rights

## Context

Ethiopia has a population of roughly 117 million people<sup>[1]</sup> with 78% living in rural areas<sup>[2]</sup> and 22% living in urban settings.<sup>[3]</sup> Agriculture is central to the Ethiopian economy, assuming 67% of the workforce<sup>[4]</sup> and representing around one third of Ethiopia's GDP.<sup>[5]</sup>

In the last decades, agriculture's share of the GDP has shrunk significantly.<sup>[6]</sup> Even so, agriculture employs approximately 67% of the Ethiopian workforce<sup>[4]</sup> and plays a pivotal role in the life and livelihood of most Ethiopians. Approximately 74% of the country's farmers are smallholder farmers with an average farm size of less than one hectare. Smallholders are responsible for most of the agricultural production in Ethiopia, yet about 67% of Ethiopian smallholders live below the national poverty line.<sup>[7]</sup>

The top produced commodities in Ethiopia are maize, cereals, wheat, sorghum and fresh cow milk.<sup>[8]</sup> Ethiopia's top exported products in terms of quantity are green coffee, sesame seed, dry beans, soy beans and shelled groundnuts.<sup>[9]</sup>

## Wages

## Minimum wage

Ethiopia has no national minimum wage. Yet some government institutions and public enterprises set their own minimum wages. Public sector workers have minimum wages ranging between 420 (7 EUR) to 1,172 Ethiopian birr (20 EUR) per month. These minimum wages vary based on position rankings and starting versus ceiling salaries.<sup>[10]</sup> The government of Ethiopia has generally not been effective in enforcing labour law when it comes to wages. Worker's health and safety are not protected to a satisfactory level in many industries, especially in the domestic and the informal agricultural sector. In addition, wages in the informal sector are so low that workers cannot even have access to bare necessities solely relying on them<sup>[11]</sup>

## Living wage

The **Global Living Wage Coalition** has developed a Living Wage benchmark based on the Anker methodology, for non-metropolitan urban Ethiopia, Ziway region which focuses on the floriculture sector.

The living wage estimate for Ziway Region (non-metropolitan urban Ethiopia) is 10,607 Ethiopian Birr (190 EUR) per month. This estimate is based on the cost of living for a family of 5 with 1.65 workers per family. The region of Ziway, is one of the areas of Ethiopia with the largest share of foreign investment concerning the flower industry. Flower farms are a source of attraction for mostly internal migrants searching for better working conditions. This influx of migrants however, has been a source of socio-economic changes in the region, which strongly affect worker's living costs.

## Living income

The **Global Living Wage Coalition** has published a working paper with the Living Income for rural Guji zone, a small administrative division in the south of Ethiopia in the Oromia Region where coffee production is important.

This Guji zone report concludes that living income is 8,544 Ethiopian Birr (153 EUR) for this specific region. This the income required by typical rural families to be able to afford a basic but decent living standard. The value is 7% higher than the average for rural Ethiopia, which the Anker National Living Income Reference Value defined as 7,985 Ethiopian Birr (143 EUR) per month. This is because family sizes are larger in rural Guji zone although living costs per person are similar<sup>[12]</sup>.



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# Working conditions

Hazardous working conditions, discrimination and limited rights exist across the agricultural sector. In the floriculture sector, temporary and seasonal jobs are the norm, and long working hours and labourers' exposure to dangerous pesticides are prevalent.<sup>[13]</sup>

## Labour rights issues

The **ITUC Global Rights Index**, which assesses workers' rights violations, gives Ethiopia a score of 4 out of 5, based on systematic violations of labour rights<sup>[14]</sup>. The ITUC index describes the **legal impediments** to fully ensure the right to organize, the right to collective bargaining, and the right to strike in Ethiopia. For example, Ethiopian law restricts workers' rights to join the trade union of their choosing.<sup>[15]</sup> In recent years, Ethiopian workers have been arrested for striking and deprived of the right to form and join trade unions<sup>[16]</sup>. The government and companies are engaged in serious efforts to crush the collective voice of workers putting fundamental rights under continuous threat.

To better understand the labour law in Ethiopia, visit the **NATLEX**, a database by the International Labour Organization (ILO) or **Ethiopia's labour law information** from the WageIndicator Foundation.

## Gender

Employment discrimination against women is severe. They tend to have fewer employment opportunities than men, and the wage gap between men and women is stark.<sup>[17]</sup> In the flower industry, where most of the workforce is female, women are placed in lower positions where they experience discrimination. In addition, 85% of female workers have experienced sexual harassment.<sup>[18]</sup>

## Child labour

According to a 2015 survey, nearly 16 million children aged 5 to 17 are engaged in child labour.<sup>[19]</sup> Agriculture is the dominant sector for child labour, with children engaged in planting and harvesting apples, bananas, coffee, cotton and khat, and herding livestock and fishing. Worst forms of child labour are reported in the cattle and gold industries. In addition, children who harvest and sell khat are at risk of addiction to the stimulant. Ethiopian law does not set a compulsory age for education, leaving children vulnerable to the worst forms of child labour.<sup>[20]</sup>

## What's happening

### RESOURCE

#### [Living Income for Rural Ethiopia, Guji Zone, Oromia Region](#)

Anker living income estimate for Guji Zone (Oromia Region), where coffee is grown. Global Living Wage Coalition, 2021.

### RESOURCE

#### [Updates on Living Wage Benchmark, Non-Metropolitan Urban Ethiopia](#)

Updated living wage estimate in non-metropolitan urban Ethiopia. Context provided for the horticulture sector. By the Global Living Wage Coalition.

### RESOURCE

#### [Living Wage Benchmark, Non-Metropolitan Urban Ethiopia](#)

Living wage estimate in non-metropolitan urban Ethiopia, 2016. Context provided for the horticulture sector. By the Global Living Wage Coalition.

### INITIATIVE

#### [Women@Work Campaign](#)

Program to improve the position and labour conditions of women workers in global supply chains of flowers and vegetables in East and Southern Africa.

### RESOURCE

### INITIATIVE

### Towards a Living Wage ↗

An analysis to close the living wage gap of workers producing roses in Kenya, Ethiopia and Zambia.

### East Africa Flower Industry ↗

Promoting living wages for workers in the floriculture sector in Ethiopia, Kenya and Tanzania. By Fairtrade International, Fair Flower Fair plants and Hivos; co-funded by IDH (2014-2016).

## Footnotes

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