Wages in the food chain in Ethiopia

WageIndicator survey 2013

Dr Kea Tijdens and MSc Janna Besamusca
University of Amsterdam, AIAS, Netherlands

MA Nahu Asteraye
Ethiopian Civil Service University, Ethiopia

WageIndicator.org

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The WageIndicator concept is owned by the independent, non-profit WageIndicator Foundation, established in 2003. Its Supervisory Board is chaired by the University of Amsterdam/Amsterdam Institute of Advanced labour Studies, the Dutch Confederation of Trade Unions (FNV) and Monster career site. The Foundation aims for transparency of the labour market by sharing and comparing wage data and labour conditions information. The Foundation operates national websites in some 75 countries. The websites have a so called 3 pillar structure: for wages, for labour law and minimum wages, and for vacancies and education related information. In more than 20 countries the national WageIndicator websites are supported with offline actions like face-to-face surveys, fact finding debates and media campaigns. The Foundation operates globally through a network of associated, yet independent regional and national partner organizations like universities, media houses, trade unions and employers organizations, and self-employed specialists for legal, internet, media issues, with whom the Foundation engages in long lasting relationships. WageIndicator Foundation has offices in Amsterdam (HQ), Ahmedabad, Bratislava, Buenos Aires, Cape Town, Maputo and Minsk. Address: WageIndicator Foundation, Plantage Muidergracht 12, 1018TV Amsterdam, The Netherlands, office@wageindicator.org

About University of Dar es Salaam / Economics Department - www.udsm.ac.tz
The University of Dar es Salaam is the oldest and biggest public university in Tanzania. It is situated on the western side of the city of Dar es Salaam. It was established on 1st July 1970, through parliament act and all the enabling legal instruments of the constituent colleges. Prior to 1970, the university college, Dar es Salaam had started on 1st July 1961 as an affiliate college of the University of London. It had only one faculty- the faculty of Law, with 14 students. In 1963 it became a constituent college of the university of East Africa together with Makerere University College in Uganda and Nairobi University College in Kenya. Since 1961, the University of Dar es Salaam has grown in terms of student intake, academic units and academic programmes. Dr. Godius Kahyarara (economist) is a senior lecturer of economics in the Department of Economics. In 2008, he cooperated with the ILO in Geneva for a survey about working conditions in Tanzania. He is also involved in the World Bank evaluation projects for the Ministry of Natural Resources and Tourism in Tanzania. Currently he is involved in the WageIndicator face-to-face surveys in Tanzania and Uganda, part of the so called Enabling Social Dialogue project in Ghana, Kenya, Tanzania, Uganda in which employers- and trade union organisations cooperate. Ernest Ngeh Tingum (economist) is a PhD candidate and is responsible for the WageIndicator face-to-face surveys in Sub Sahara Africa. Check sites like Mywage.org/Ethiopia, or Africapay.org/Tanzania.

About University of Amsterdam / Amsterdam Institute for Labour Studies - www.uva-aias.net
The University of Amsterdam is a 350-years old research university. Its Amsterdam Institute for Advanced Labour Studies (AIAS) is an interdisciplinary research institute focusing on labour issues, particularly industrial relations, organization of work, working conditions, wage setting, labour market inequalities, employment and labour market governance. AIAS maintains a large portfolio of internationally funded research projects and international data bases and data collections. Since 2003, AIAS chairs the Supervisory Board of the Wage Indicator Foundation. Kea Tijdens is a Research Coordinator at AIAS and a professor of sociology at Erasmus University Rotterdam. She is the scientific coordinator of the WageIndicator web-survey on work and wages. She has analysed the data concerning the wage ranking of health care occupations in 20 countries, the impact of short-time arrangements in Germany and the Netherlands, and the relationship of collective bargaining coverage and wage brackets. Janna Besamusca is a PhD candidate at the University of Amsterdam. She has conducted research into working conditions and unionism in low wage sectors and is now studying the effect of country contexts on the position of women in the labour market worldwide.

About Ethiopian Civil Service University / Department of Economics - www.ecsc.edu.et
Ethiopian Civil Service University is one of the Higher Learning Institutions in Ethiopia that started its operation in 1995 to develop the capacity of the Ethiopian Civil Service through education and training. The University has been able to make tremendous contribution in capacity building through the provision of short-term courses and specialized undergraduate and postgraduate programs; rendering research and consultancy services; providing library documentation services and facilitating conferences, seminars and workshops. The University employs delivery modalities ranging from resident training and educational programs to the on-the-job, evening and distance education, including Global Development Learning Network. Nahu Asteraye has been a lecturer at the Department of Development Economics in the Ethiopian Civil Service University since 1999. Holding a master degree in human resource economics from the Addis Ababa University, he is a PhD candidate in the University of Dar es Salaam, Tanzania. He is working in the area of international trade. Asteraye teaches different courses including development economics, macroeconomics, international economics in the macro area, microeconomics, health and educational economics, environmental economics, transport economics, public finance and principles of economics in the micro area. Asteraye published articles in the Journal of the Ethiopian Economy in the area of demand for health care services and their implication for health care financing. Asteraye is a member of the Ethiopian Economic Association (EEA), for whom he also reviews articles, and the African Economic Research Consortium (AERC).

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More information: Mywage.org/Ethiopia , www.WageIndicator.org

Executive summary Wages in Ethiopia

This WageIndicator Data Report presents the results of the face-to-face WageIndicator survey in Ethiopia, conducted between the 2rd of March and the 20th of May 2013 in all provinces of Ethiopia. In total 2,126 persons were interviewed; 53% were men, 47% women and 48% were under 30 years of age. The workers in the survey live in households with on average 3 members, including themselves. Nearly five in ten men (45%) as well as nearly four in ten women (38%) live without either a partner or children. Just 3% of workers followed no formal education, 8% stopped at elementary education, 17% has secondary education and 10% university degrees. Rating satisfaction with life-as-a-whole on a scale from 1=dissatisfied to 10=satisfied, respondents score a 6.0 on average.

Almost one in five respondents work in education and research, followed by one in eight in public administration, including police and interest groups and one in eight in the financial services, banking and insurance (19% respectively 13% and 12%). This report focuses on workers in the food chain. All agricultural workers are by definition in the food chain, as well as one out of three workers in manufacturing industry works in food manufacturing. More than one in four in the wholesale and retail industry is employed in the food chain, whereas this is the case for almost one in four for transportation and storage. Finally, in accommodation and food service activities, this is two in three.

Almost three in ten workers in the sample are professionals, predominantly teachers or business and administration professionals. Two in ten are service and sales workers. Workers in the food chain are heavily overrepresented in this occupational category. Almost one in five work as clerical support workers. Workers in the food chain are underrepresented in this category. Sizeable groups of respondents work in the craft and related trades workers category, male workers and workers in the food chain are slightly overrepresented here. Women much more often work as clerical support worker (27% versus 16% for men), while men are overrepresented among craft and related trades workers (12% respectively 4%).

In the sample, 12% of the workers are self-employed. Six in ten workers are employees with a permanent contract, two in ten workers have fixed-term contracts, whereas 8% have no contract at all. Three in ten workers state that they have no agreed working hours (29%). 83% of employees report receive their wage on time and six in ten workers receive their wage cash in hand. 73% state that they are entitled to social security and 63% contribute to social security. On average, respondents work 47 hours in 5.7 days per week. Whereas 13% of workers are covered by a collective agreement, 28% wish to be covered. On a 5-points informality-index, ranging from 1=very informal to 5=very formal, 15% of workers are in the lowest category in the index, whereas 52% are in the highest category.

More than one in three people in the sample work in an organization with 10 or fewer employees, 22% work in an organization with 11-50 employees, 14% work in businesses of 51 to 100 employees and 28% work for businesses employing over a 100 people. Those working in the food chain work predominantly in small firms (48%), as do the low educated (58%). On average, the workers have worked for more than 11 years.

The median net hourly wage of the total sample is 10 Birr (ETB). One in four workers earn less than 6 Birr per hour, another 23% earn between 6 and 10 Birr, 26% earn between 10 and 16 Birr and the remaining 27% earn more than 16 Birr per hour. Employees with permanent contracts have relatively high earnings (12 ETB), whereas workers without contracts (6 ETB) have the lowest earnings. At 10 Birr, the self-employed earn average wages, whereas employees on fixed term contracts fall below it (8 ETB). Workers in the food chain earn less than those outside the food chain (8 Birr compared to 11 Birr). At 7 ETB, workers in firms with less than ten employees earn relatively low wages, whereas employees in firms of more than 100 employees earn the highest wages (13 ETB). Those on the lowest end of the scale earn only 8 Birr per hour, whereas those in the highest category earn wages far above that (12 Birr). Women have lower wages compared to men, and at 8 ETB young workers have substantial lower wages than those above 50 (17 ETB).

Measuring the impact of each category on an individual's net hourly wage controlled for the impact of the other categories, the results show that workers in small companies and women have lower wages. Workers with higher educational levels, more experience and workers with a higher occupational status earn more. No significant effects of working in the food chain were found.

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1 Introducing the survey

Aim of the survey

This WageIndicator Data Report presents the results of the face-to-face WageIndicator survey in Ethiopia, conducted between the 2rd of March and the 20th of May 2013. In total 2,126 persons were interviewed. This survey is part of the global WageIndicator survey on work and wages. These surveys are also posted on WageIndicator websites. The survey contains questions about wages, education, occupation, industry, socio-demographics, and alike.[1] Once a WageIndicator survey is created for use on a national WageIndicator website, a paper-based questionnaire for face-to-face interviews can be drafted from the web-survey. These paper-based surveys supplement the web-based surveys in countries with low internet access rates.

The questionnaire

The WageIndicator survey was adapted from the global standard questionnaire to the setting in Ethiopia. Most of the questions were retained without changing the intended purpose. The questionnaire for the face-to-face interviews is available in two languages, namely Amharic and English. Table 1 shows that 66% of the respondents took the Amharic version.

Table 1 Number of respondents and language of the survey

	Number of respondents	Per cent
Amharic	1398	65.8%
English	728	34.2%
Total	2126	100.0%

Source: WageIndicator face-to-face survey Ethiopia, 2013, unweighted data

Sampling and fieldwork

The sampling and interviewing of the respondents was done by the Ethiopian Civil Service University in Addis Ababa, in cooperation with the University of Dar-es-Salaam (Tanzania). A multi stage sampling technique was employed. First using the total wage employment in the country a weighted sample was obtained and spread by regional location. Then based on a country-level sampling frame of establishments, a random sample of the establishments was adopted. From the random sampled establishments a list of workers from a broad range of occupations was interviewed. The interviewers received training before conducting the interviews.

The interviewing of the respondents was done under supervision of Nahu Asteraye, Ethiopian Civil Service University in Addis Ababa. Ten interviewers were involved. They received training before conducting the interviews. Respondents were predominantly interviewed in their work places, but also in their homes and the street. During the field work the cooperation of interviewees was good and no major problems were encountered. On a five-point scale from 1=very cooperative to 5=not at all cooperative, the interviewers ranked the interviewees on average 1.7. A substantial group was not cooperative (8%). No refusal was reported.

Data-entry was done under responsibility of CEDR, a professional interview agency based in Dar-es-Salaam. The data-entry took place in the *WageIndicator* data-entry module using a range of validity checks. The survey and the data entry were very closely monitored by Dr Godius Kahyarara, a senior economist from the University of Dar-es-Salaam, who also performed the double checks in all stages.

[1] See for more information about the survey Tijdens, K.G., S. van Zijl, M. Hughie-Williams, M. van Klaveren, S. Steinmetz (2010) Codebook and explanatory note on the WageIndicator dataset, a worldwide, continuous, multilingual web-survey on work and wages with paper supplements. Amsterdam: AIAS Working Paper 10-102. www.wageindicator.org/documents/publicationslist/publications-2010/codebook-and-explanatory-note-on-the-wageindicator-dataset.pdf

Weighting

Sampling is critical in reaching a national representative survey. In order to perfect the representativeness, weighting had to be applied. ILO's Estimates And Projections of the Economically Active Population (EAPEP 6th edition) was used for weighting according to gender and age in 2013. Table 2 shows the weights, indicating to what extent the gender/age group in the face-to-face survey was over- or underrepresented in comparison to the labour force estimates. If a weight is smaller than 1, the group is overrepresented. If the weight is larger than 1, the group is underrepresented. Table 2 shows that men aged 30 – 39 years are overrepresented, while women aged 14-29 are underrepresented. In this paper, all graphs and tables are derived from weighted data.

According to the ILO, Ethiopia has an economically active population of just over 53 million people. The labour force participation rate is 90% for men and 78% for women. Participation rates are particularly high in the age group from 25 to 64 years, during which period over 96% of men and nearly 85% of women are in the labour market.

Table 2 Weights for the Ethiopia survey according to age and gender distribution

	Weight	N
Male 14-29 years	1.57	334
Male 30-39 years	0.42	577
Male 40-80 years	0.83	426
Female 14-29 years	2.00	245
Female 30-39 years	0.62	353
Female 40-80 years	1.57	191
Total	1.00	2126

Source: The weights are based on the labour force estimates for 2013, derived from the Estimates And Projections of the Economically Active Population (EAPEP 6th edition) database of the International Labour Organization (ILO).

The labour force and the food chain

This report explicitly addresses the work in food chain. In April 2008 the United Nations (UN) established a High-level Task Force on the Global Food Security Crisis to promote and coordinate a comprehensive and unified response to the challenge of achieving food security. In November 2011 the International Labour Organisation (ILO) strengthened this response by endorsing the Decent Work in the Food supply chain programme (ILOs Governing Body, 312th Session, Geneva). The ILO with its tripartite constituency and expertise in the world of work is uniquely placed to contribute to and strengthen existing UN efforts towards improved food security through Decent Work.

The food chain system, from production to consumption, will form the backbone of this report. It distinguishes workers in the food chain from workers not in the food chain in five sectors, namely (1) agriculture, fisheries and aquaculture production, (2) food processing and packaging, (3) transport and storage, (4) marketing, trade and distribution for the domestic as well as for the export markets, and (5) commercial food services (catering, hotels). Table 3 shows the relevance of the food chain for the five industries. By definition, 100% of the workers in agriculture, forestry and fishing are in the food chain. One out of three workers in manufacturing industry works in food manufacturing. More than one in four in the wholesale and retail industry is employed in the food chain, whereas this is the case for almost one in four for transportation and storage. Finally, in accommodation and food service activities, this is two in three.

Table 3 Percentage of workers in the food chain in the five industries

	Percentage in the food chain
Agriculture, forestry and fishing	100%
Manufacturing	36%
Wholesale and retail trade; repair of motor vehicles and motorcycles	26%
Transportation and storage	24%
Accommodation and food service activities	67%
Total	13%

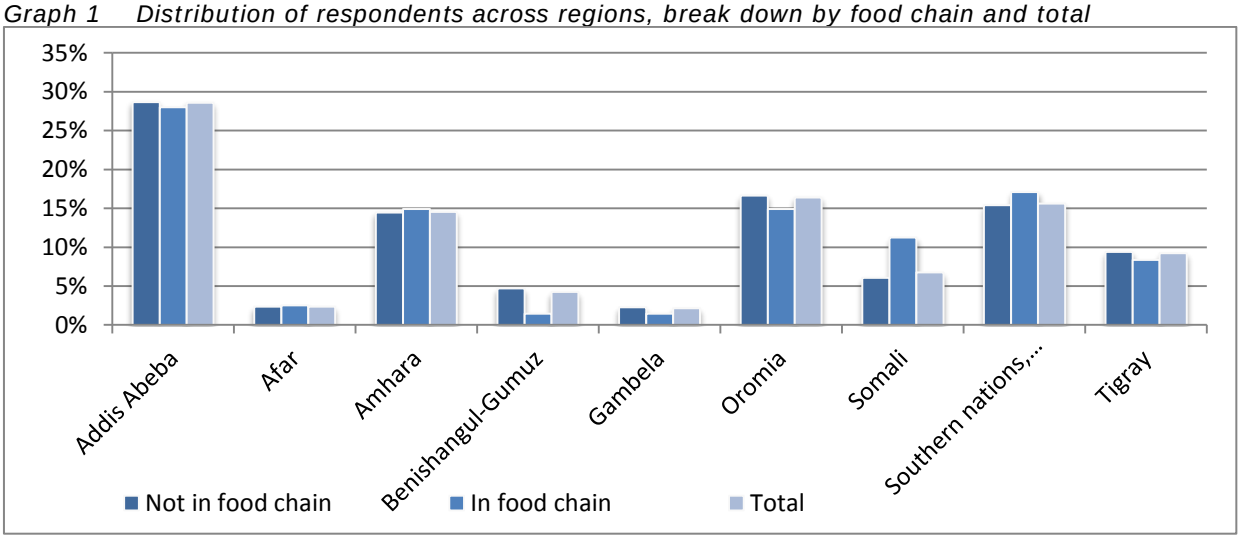
Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2022)

2 Socio-demographic characteristics

Regions

The interviews were done in all provinces of Ethiopia. The largest number of interviews was done in Addis Ababa (28%), the lowest in Gambela (2%). A large majority of the respondents lived in towns with 100,000 to 1 million inhabitants (43%), followed by those living in a metropolitain area (28%) or living in smaller cities of between 10,000 and 100,000 inhabitants (28%). Only few people in country villages and rural area were interviewd (2%). Not surprisingly, the food chain workers more often live in rural areas.

Graph 1 Distribution of respondents across regions, break down by food chain and total

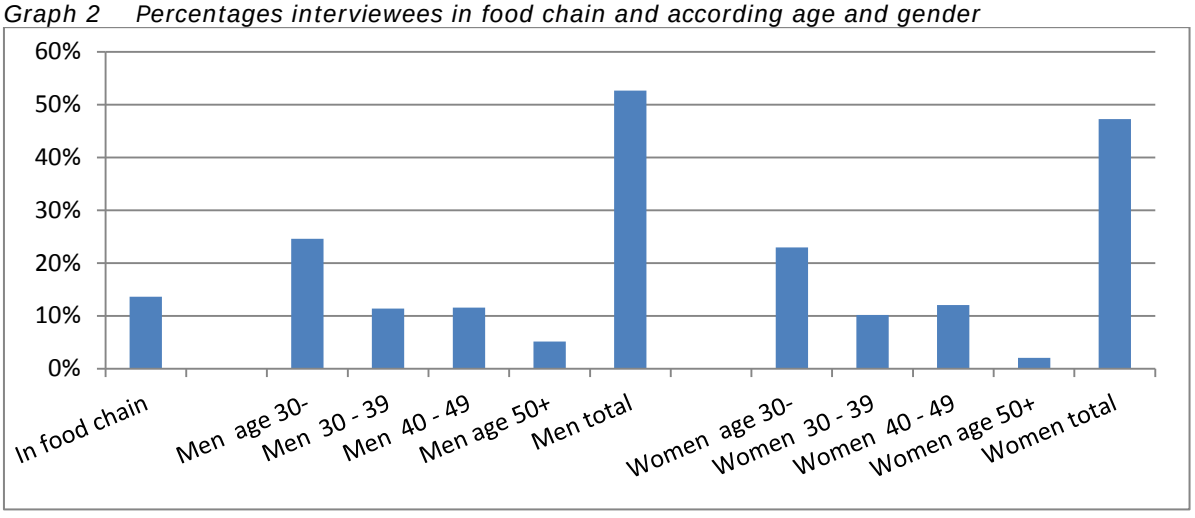


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2127)

Age and gender

Graph 2 reveals the distribution of the men and women in the survey over four age groups. Slightly more male than female workers were interviewed (53% versus 47%). Compared to older workers more young workers (men and women) aged 29 years or under were interviewed (48%). This resembles the general workforce in Ethiopia, which from age 20-24 upwards declines sharply with age. Hardly any age differences exist between the workers in and outside the food chain.

Graph 2 Percentages interviewees in food chain and according age and gender

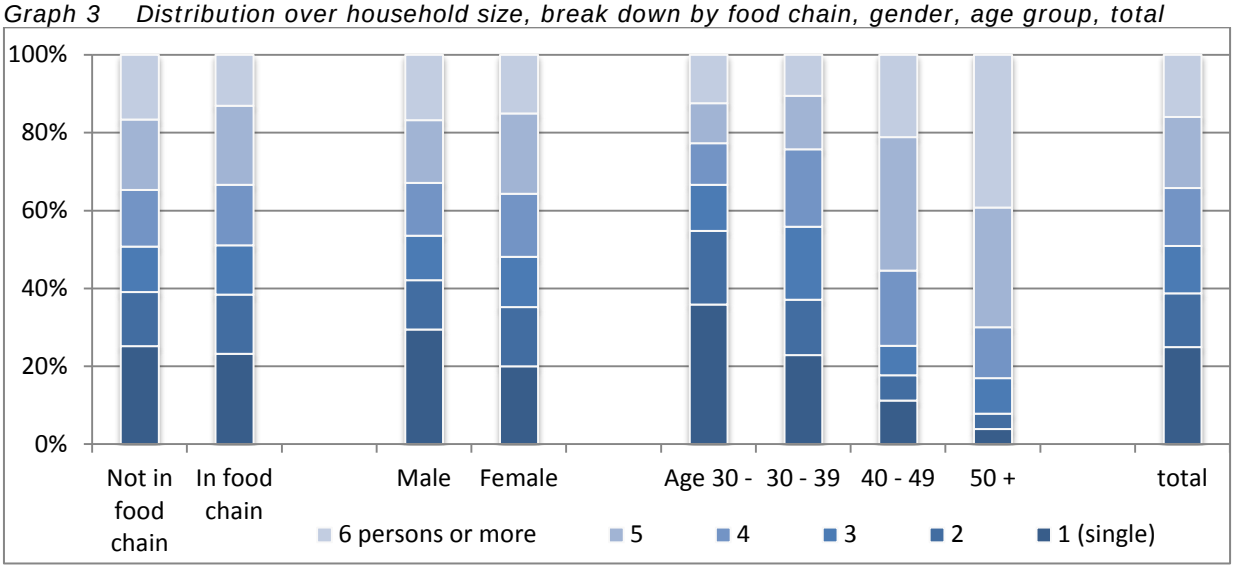


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2022)

Household composition

The workers in the survey live in households with on average 3 members, including themselves. Graph 3 shows that nearly one in four interviewees (25%) live in a single-person household, whereas 16% live in a household with six or more members (see bar total). Not surprisingly, younger workers are more likely to live in single-person households, while 39% of workers who are fifty years or older live in households with six people or more. Men are slightly more likely than women to live in single-person households (29% compared to 20%).

Graph 3 Distribution over household size, break down by food chain, gender, age group, total

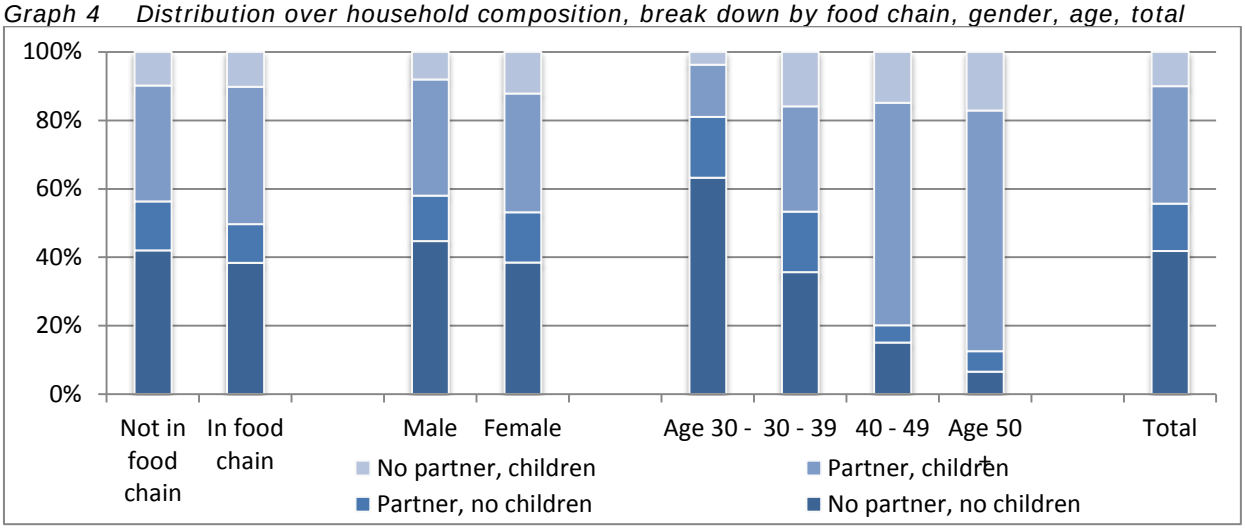


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2110)

Living with partner and children

Graph 4 shows whether men and women from different age categories live with partners and children. The survey explicitly asks for children in the household rather than own children, assuming that the worker most likely will have to provide for them. Less than half of both male and female workers live with a partner and children (34% of men and 35% of women); seven in ten workers older than 40 years do as well, whereas only one in ten people under 30 do. Some 12% of women and 8% of men live with children but without partner. Nearly five in ten men (45%) as well as nearly four in ten women (38%) live without either a partner or children. Note that these workers do not necessarily live in a single-person household. They may live with other relatives or non-relatives in their household.

Graph 4 Distribution over household composition, break down by food chain, gender, age, total



Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2008)

3 Employment characteristics

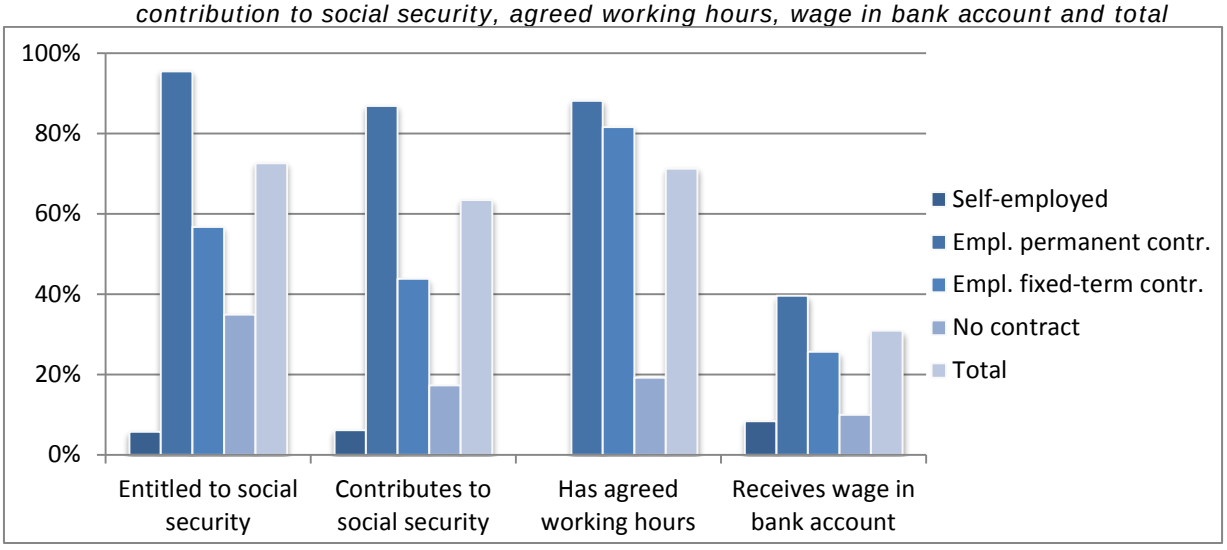
Status in employment and labour contract

The survey distinguishes between registered self-employed, employees with a permanent contract or a fixed-term contract and workers without a contract. In the sample, 12% of the workers are self-employed. Six in ten workers are employees with a permanent contract, two in ten workers have fixed-term contracts, whereas 8% have no contract at all. Men and women almost equally work without a contract. The workers aged 30-49 years most often have a permanent contract or be self-employed, whereas young people more often work on fixed term contract or have no contract at all.

The survey included questions about entitlement and about contributions to social security. Some 73% state that they are entitled to social security. Graph 5 shows that more than nine in ten workers on permanent contracts are entitled to social security (95%), compared to 57% of workers on fixed term contracts, 35% of workers without contracts and 6% of the self-employed. More than six in ten workers contribute to social security (63%). 4% of workers who contribute to social security state that they are not entitled to benefits, whereas 14% are entitled who do not contribute.

Informal work might relate to unlimited working hours. Three in ten workers state that they have no agreed working hours (29%), the remaining group has agreed working hours, mostly in writing. Graph 5 shows that 88% of the permanent workers have agreed working hours, as well as 82% of the fixed term workers, while two in ten workers without contracts and none of the self-employed have so. One survey question asked if wages were received in a bank account or cash in hand, in kind or a combination. Workers on permanent contracts are most likely to receive their wages in a bank account (40%), compared to 20% of fixed term workers, 8% of self-employed and 12% of those without contracts.

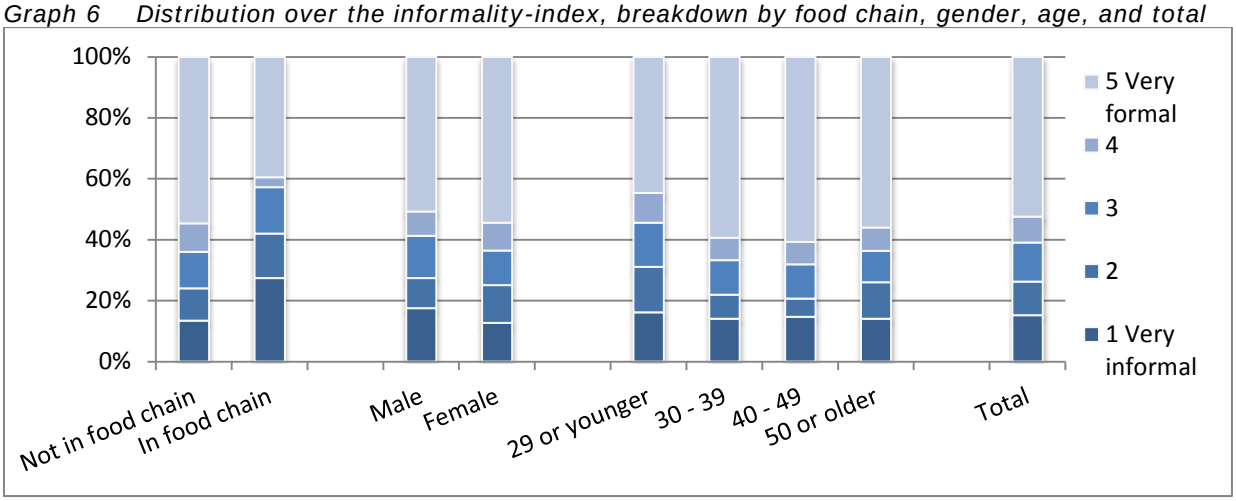
Graph 5 Distribution over status in employment, break down by entitlement to social security, contribution to social security, agreed working hours, wage in bank account and total



Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N= 2126-1804)

The data allow us to investigate who the formal and the informal workers are and to compute a 5-points informality-index, ranging from 1=very informal to 5=very formal. We identified the workers who are not entitled to social benefits, do not contribute to social security, and have no employment contract; this group is placed at the informal end of the spectrum. The workers who are entitled, do contribute and have a permanent contract are placed at the other end of the spectrum. Graph 6 shows that 15% of workers are in the lowest category in the index, whereas 52% are in the highest category. The graph shows that across age groups 14-16% is found in informal jobs, and that workers above 30 years old are work in majority in formal jobs. No large gender differences are found.

Graph 6 Distribution over the informality-index, breakdown by food chain, gender, age, and total

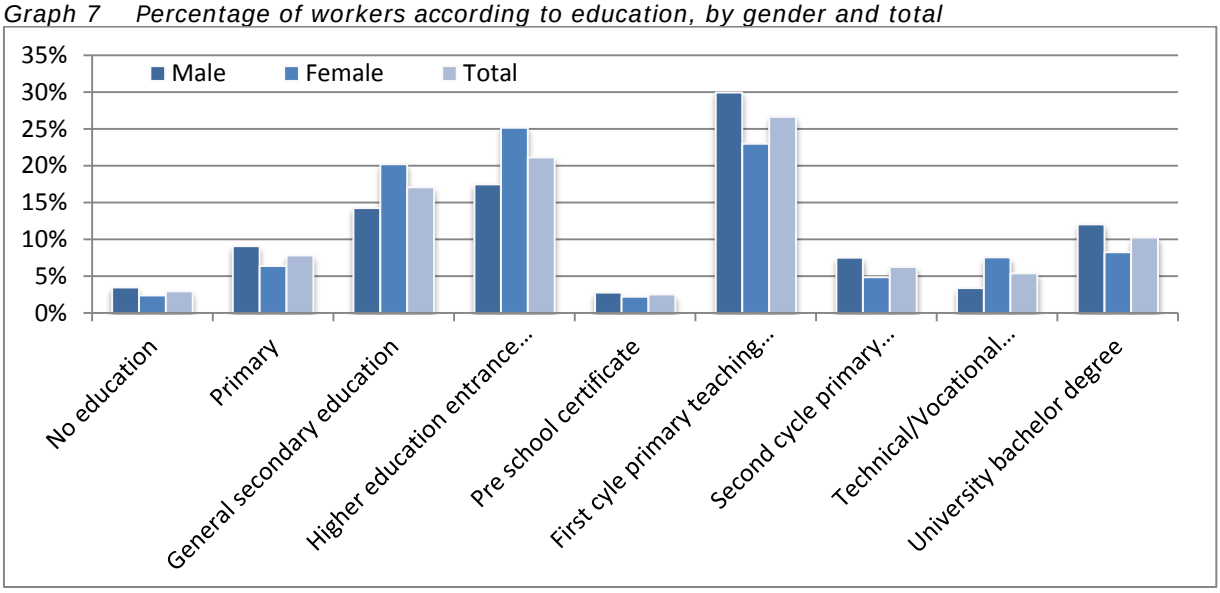


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2102)

Employment by educational category

As is shown in Graph 7, 3% of workers followed no formal education, 8% stopped at elementary education, 17% followed general secondary education, 21% have a higher education entrance certificate, 10% completed a university bachelor degree and 5% followed technical or vocational education. Women are more likely to complete general and higher secondary education, whereas men are more likely to have a university education. Some 14% of workers report being overqualified for their job and another 3% consider themselves under-qualified (not in the graph).

Graph 7 Percentage of workers according to education, by gender and total

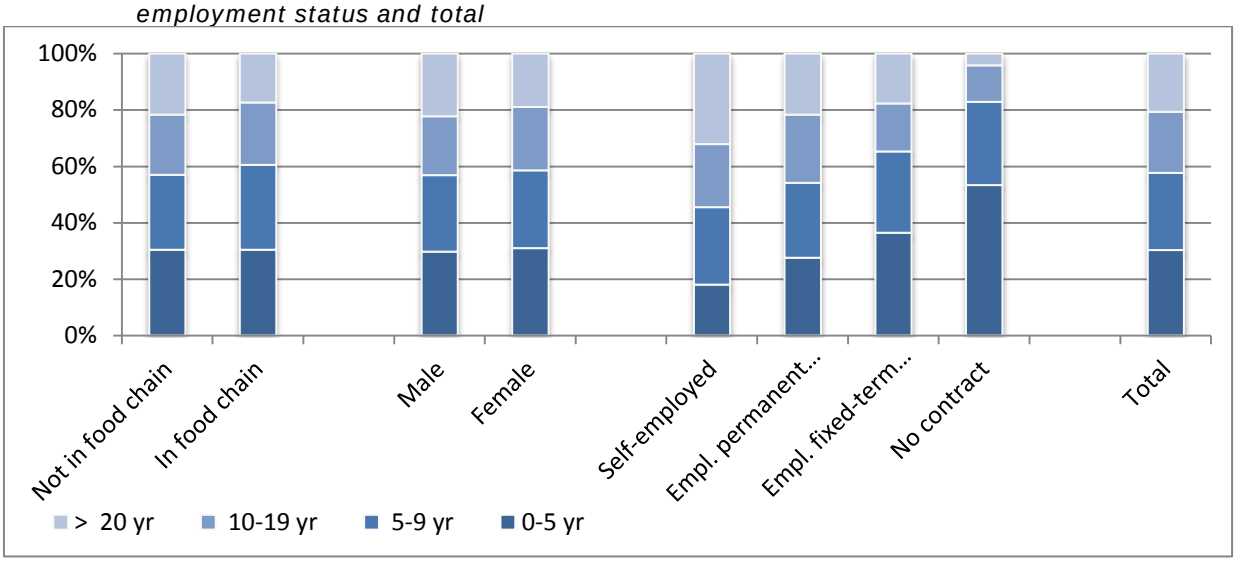


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=1902)

Years of work experience

On average, the workers have worked for more than 11 years. Almost three in ten workers have less than five years of experience (Graph 8), 27% have worked between 5-9 years and another 22% between 10 and 19 years. One in five (21%) worked for more than 20 years in the labour market. Self-employed workers have most experience (14 years), workers without contracts and on fixed term contracts the least (6.5 and 10 years respectively). Men have slightly more years of experience than women (11.5 respectively 10.7 years). Workers in the food chain have slightly less years of experience compared to workers not in the food chain (10.4 respectively 10.2years).

Graph 8 Distribution over years of work experience, breakdown by food chain, gender, employment status and total

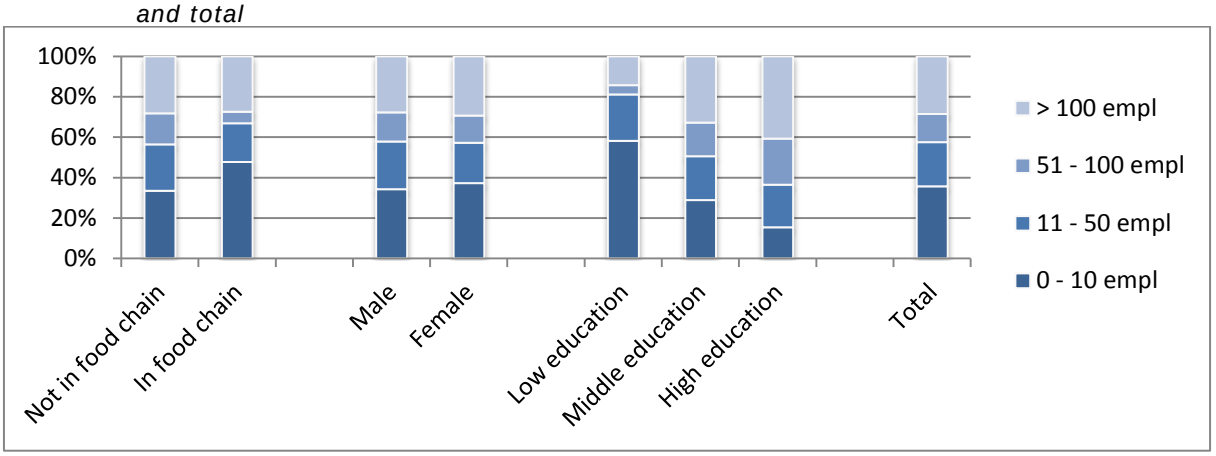


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2126)

The survey has a few questions about spells out of labour participation. Three in ten respondents have experienced such a spell, but only 3% have experienced a spell for one year or more. Workers in the food chain have had a break more often than workers not in the food chan. The spell reasons were not asked, but most likely these are due to unemployment.

Firm size

Graph 9 Distribution over firm size, break down by food chain, employment status, education and total



Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2054)

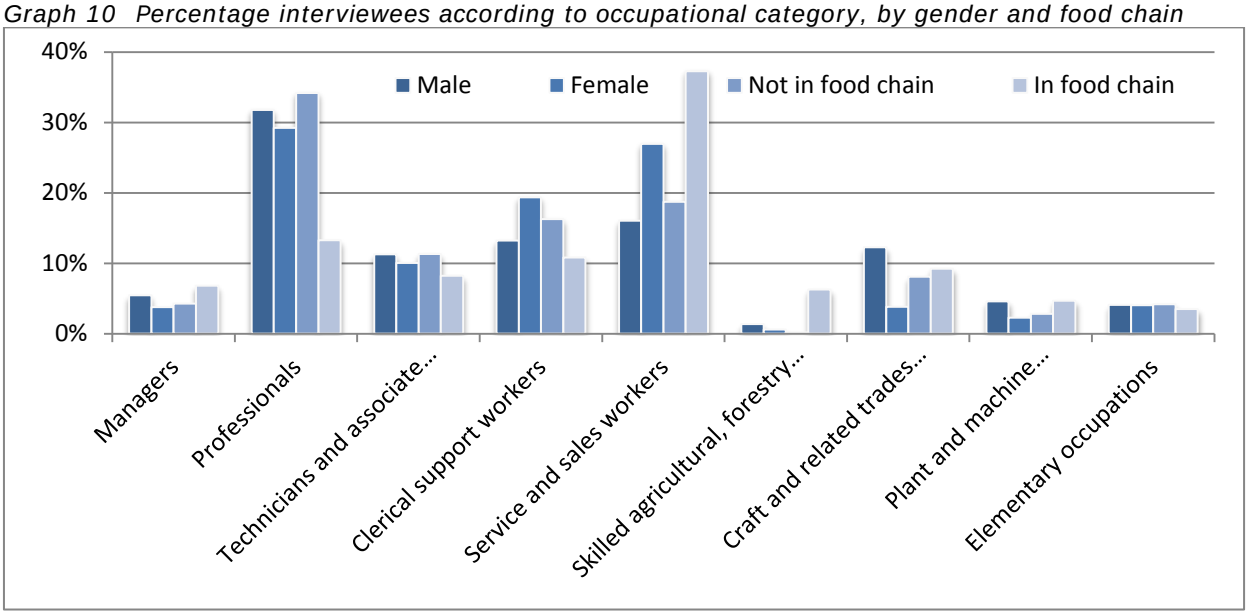
More than one in three people in the sample work in an organization with 10 or fewer employees, 22% work in an organization with 11-50 employees, 14% work in businesses of 51 to 100 employees and 28% work for businesses employing over a 100 people. Graph 9 shows that those working in the food chain work predominantly in small firms (48%), as do the low educated (58%). Furthermore, men and women work on average in firms of equal size.

Employment by occupational category

The survey has a question about occupations, but coding the responses was not always possible. Hence, for 3% of the workers no information about their occupation is available. Graph 10 shows that almost three in ten workers in the sample work in the professional category, predominantly as

teachers or as business and administration professionals. Two in ten report working as service and sales workers. Workers in the food chain are heavily overrepresented in this occupational category. Almost one in five work as clerical support workers. Workers in the food chain are underrepresented in this category. Sizeable groups of respondents work in the craft and related trades workers category, male workers and workers in the food chain are slightly overrepresented here. Women much more often work as clerical support worker (27% versus 16% for men), while men are overrepresented among craft and related trades workers (12% respectively 4%).

Graph 10 Percentage interviewees according to occupational category, by gender and food chain

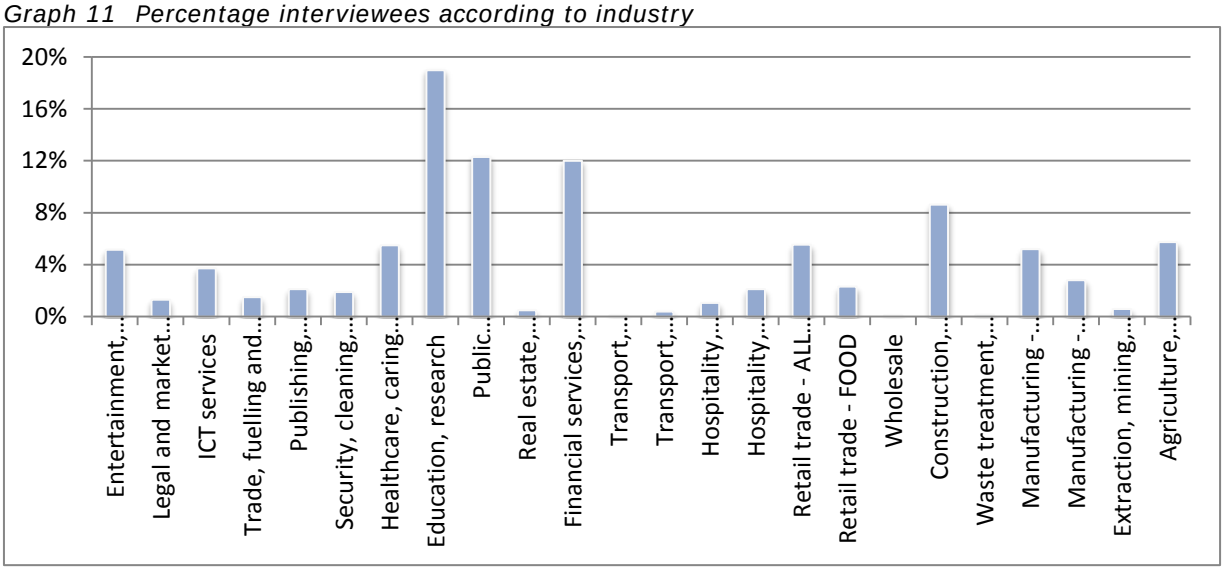


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2062)

Employment by industry

Almost one in five respondents work in education and research, followed by one in eight in public administration, including police and interest groups and one in eight in the financial services, banking and insurance (19% respectively 13% and 12%). The retail trade falls apart into food retail and non-food retail. The graph shows that more than one in twenty respondents work in the non-food retail, while less than one in forty is working in the food retail. The same holds for manufacturing. Relatively more workers work in non-food manufacturing compared to food manufacturing (5.2% versus 2.8%).

Graph 11 Percentage interviewees according to industry



Source: WageIndicator paper survey Ethiopia, 2013, weighted data (N=1984)

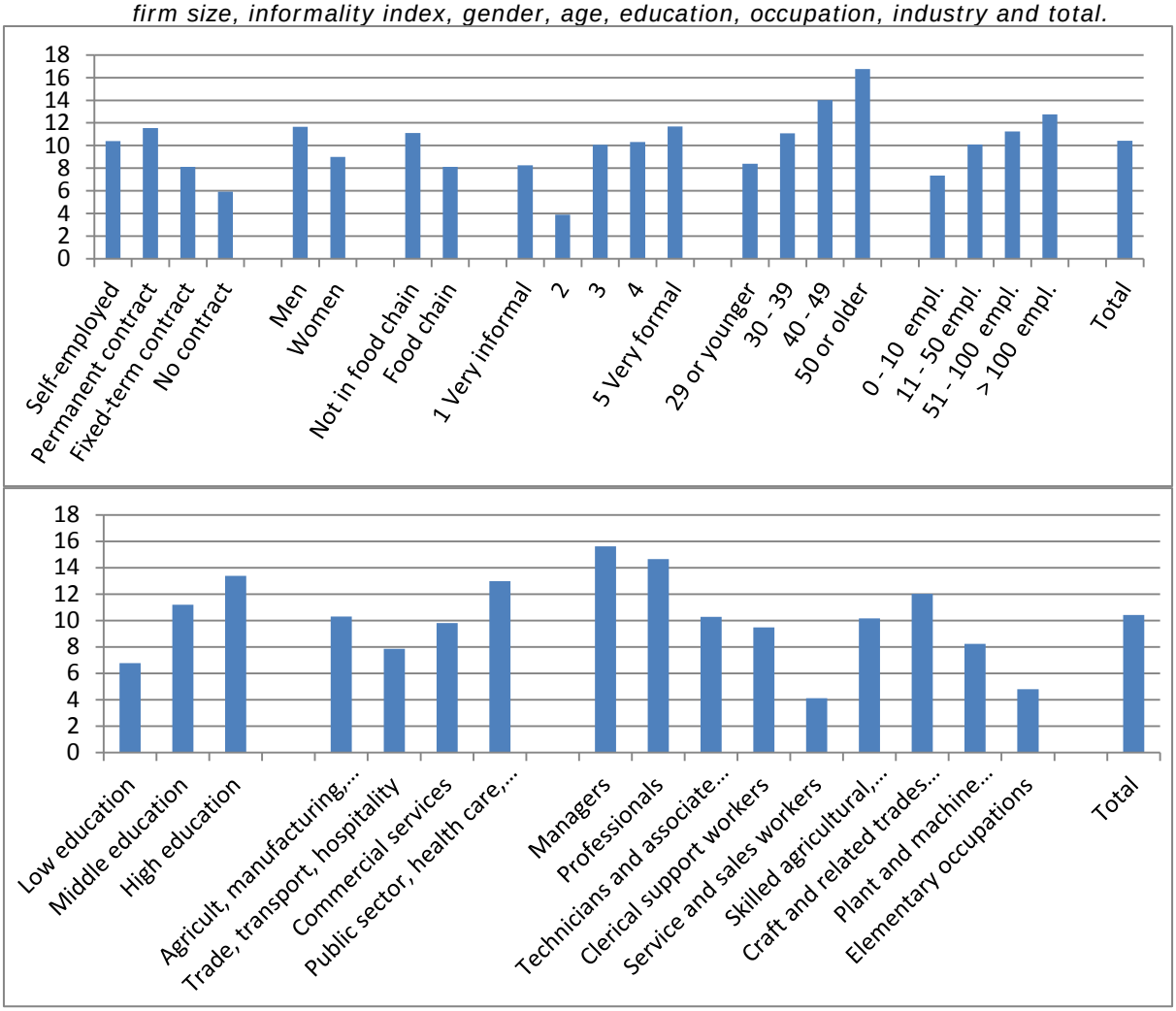
4 Remuneration

Wage levels

The median net hourly wage of the total sample is 10 Birr (ETB), as Graph 12 shows. The median wage is the middle of all observations within a defined category, e.g. all female workers. It should not be confused with the average or mean wage, which is the sum of all wages of the individuals divided by the number of observations. The median has the advantage that it is not overly influenced by small numbers of high earners. The sample has valid wage information for 97% of the respondents, but for a more robust analysis were left the top and bottom 1% out of the analysis.

Graph 12 reveals that employees with permanent contracts have relatively high earnings (12 ETB), whereas workers without contracts (6 ETB) have the lowest earnings. At 10 Birr, the self-employed earn average wages, whereas employees on fixed term contracts fall below it (8 ETB). Workers in the food chain earn less than those outside the food chain (8 Birr compared to 11 Birr). At 7 ETB, workers in firms with less than ten employees earn relatively low wages, whereas employees in firms of more than 100 employees earn the highest wages (13 ETB). The graph also shows that the lower on the informality-index, the lower the net hourly wages. Those on the lowest end of the scale earn only 8 Birr per hour, whereas those in the highest category earn wages far above that (12 Birr). Women have lower wages compared to men, and at 8 ETB young workers have substantial lower wages than those above 50 (17 ETB).

Graph 12 Median net hourly wages in Ethiopian Birr (ETB), break down by employment status, firm size, informality index, gender, age, education, occupation, industry and total.



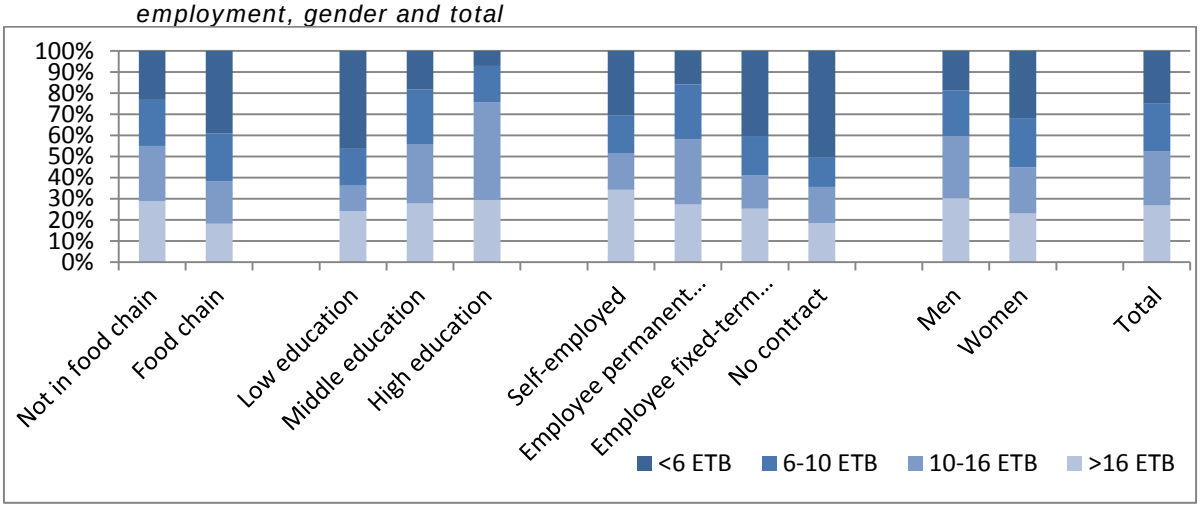
Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2024)

The more education a worker enjoyed, the higher their wages. Workers with high education earn above average wages (13 ETB); workers with low education earn the lowest wages (7 ETB). By occupational category, the graph shows that the managers and professionals earned the highest wages (16 and 15 Birr respectively), followed by crafts workers (12 ETB), the technicians and associate professionals and skilled agricultural workers (10 ETB). The lowest paid workers are service and sales workers (4 Birr) and those in the elementary occupations (5 ETB). By industry, the graph shows that the highest wages are earned in the public sector, health care, and education (13 ETB), followed by agriculture and commercial services (10 ETB). Workers in trade, transport, and hospitality (8 ETB) earn considerably less.

The graph depicts the wage differentials for several categories of workers. The impact of each category on an individual's net hourly wage can be investigated, controlled for the impact of the other categories (see Appendix 2). The results show that workers in small companies and women have lower wages. Workers with higher educational levels, with more experience and with a higher occupational status earn more.

The graph with the median wages certainly provides a clear picture of the remuneration of the workers in the survey. However, the distribution over several wage groups is of equal importance to explore. To do so, we divide the workers in four groups of approximately equal size. Graph 13 shows that one in four workers earn less than 6 Birr per hour, another 23% earn between 6 and 10 Birr, 26% earn between 10 and 16 Birr and the remaining 27% earn more than 16 Birr per hour. Half of the workers without a contract earn less than 6 ETB per hour, as do 40% of the employees on fixed term contracts; in comparison, only 16% of workers with permanent contracts do. Almost half of the workers with low education earn less than 6 Birr per hour (46%), whereas only 7% workers with high education do. Four in ten workers in the food chain are in the lowest income category, compared to just over two in ten outside the food chain (23%). Women are much more likely than men to be in the lowest income group (32% compared to 19%).

Graph 13 Distribution over hourly wages in Ethiopian Birr (ETB), break down by education, employment, gender and total



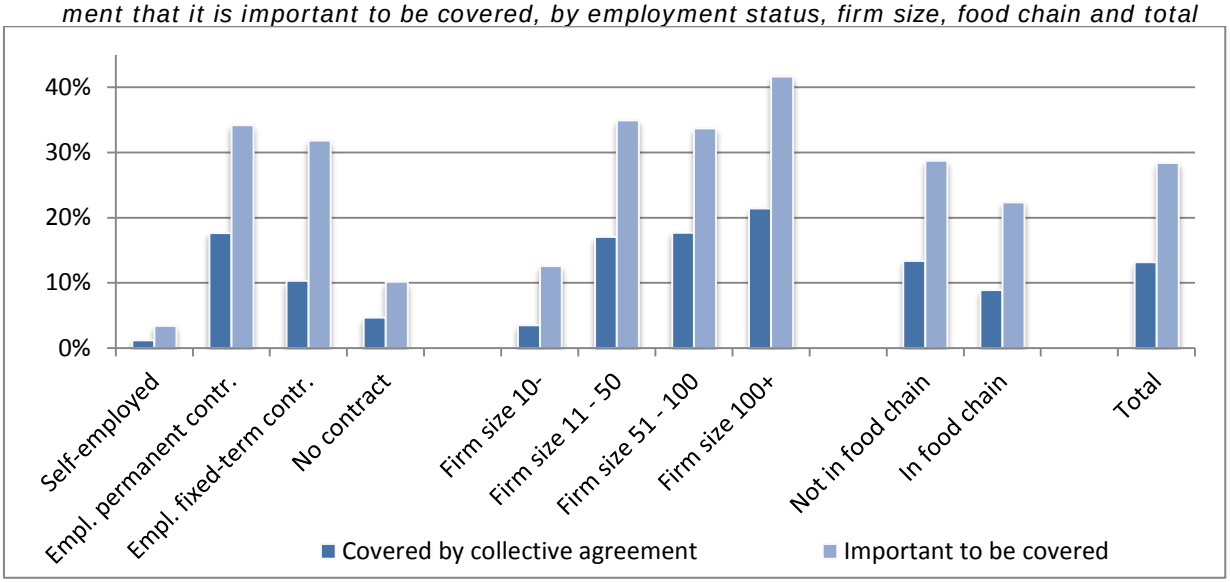
Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2007-2027)

Bargaining coverage

Collective agreements are an important instrument for wage setting. This raises the question to what extent the workers in the survey are covered by an agreement. Slightly over one in ten respondents are covered (13%). This ranges from almost two in ten workers on permanent contracts and 10% of those on fixed term contracts, to 5% of workers without contracts and 1% of the self-employed. While 4% of workers in firms of less than 10 employees are covered, 21% of those in firms of over 100 employees are. The Appendix holds an analysis which workers are covered by an agreement if controlled for other characteristics. It shows that workers on permanent contracts and in higher status occupations are more likely to be covered, whereas those working for small firms are less likely to be so.

The survey has a question asking whether workers think that it is important to be covered by a collective agreement. Whereas 13% of workers are covered, 28% wish to be covered. Only the self-employed are slightly less likely to find collective agreements important.

Graph 14 Percentages of workers covered by a collective agreement and agreeing with the statement that it is important to be covered, by employment status, firm size, food chain and total

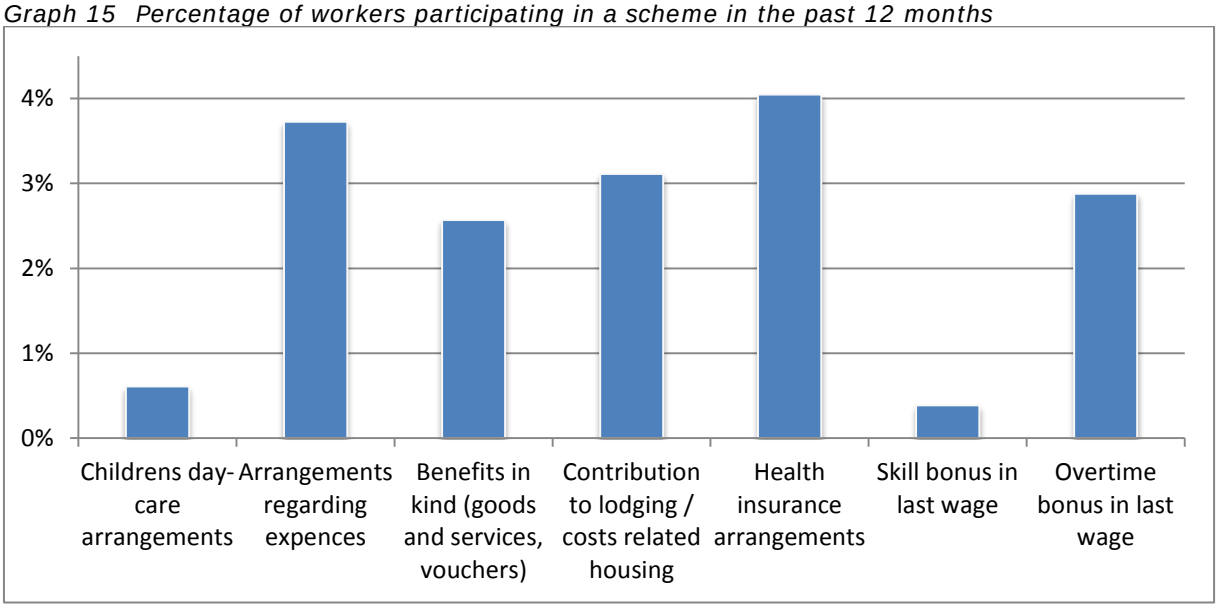


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=1965, don't know/not applicable are coded as not covered)

Participation in schemes and receiving allowances

The survey has several questions about participation in schemes and bonuses. These questions are asked to both the employees and the self-employed, except for the overtime bonus, which is only asked to the former group. Graph 15 shows that participation is very low and that health care schemes (4%) and arrangements regarding expenses (4%) are most common.

Graph 15 Percentage of workers participating in a scheme in the past 12 months



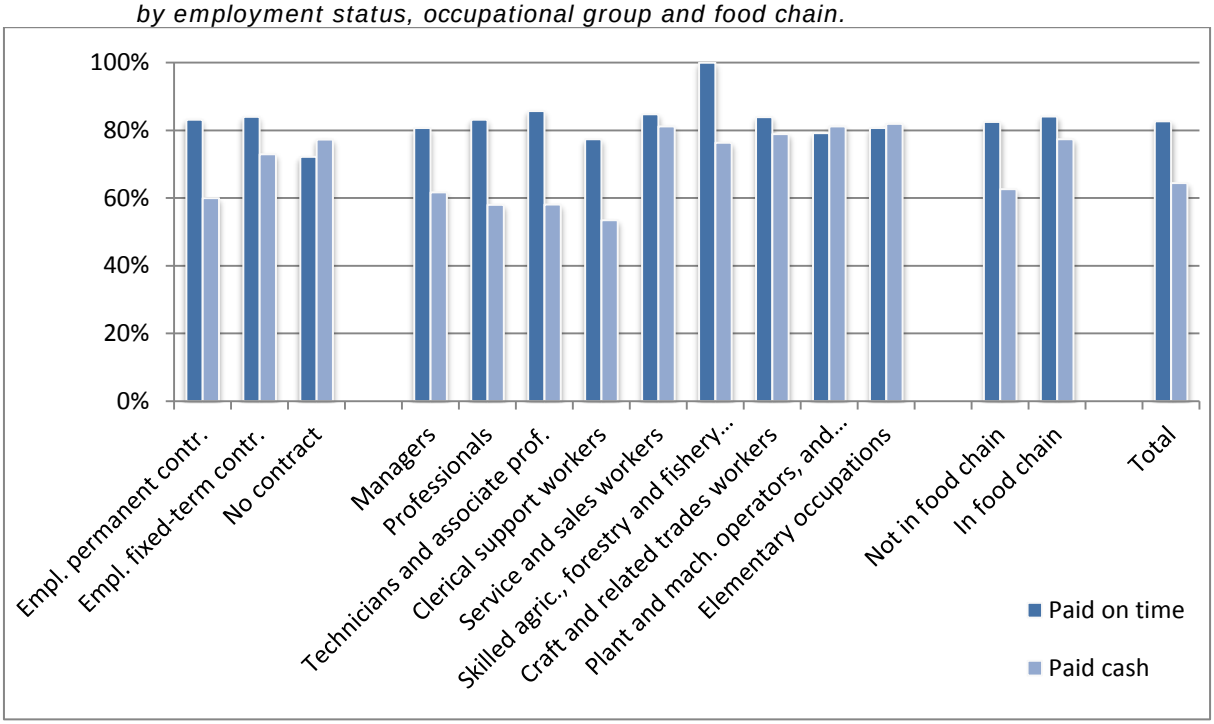
Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=1662; overtime bonus, N=1444)

Wages on time and cash in hand

The survey asks employees whether they received their wage on time and whether they received it by a bank draft or cash in hand. These questions are not asked to those in self-employment. Graph 16 shows that 83% of employees report receiving their wage on time. This ranges from 84% of employees on fixed-term contracts and 100% of the skilled agricultural, forestry and fishery workers, to 72% of workers without contracts and 77% of the clerical support workers. Hardly any

difference exists between the workers in and outside the food chain. Six in ten workers receive their wage cash in hand. While 77% of workers without contracts get their wages in cash, 60% of employees on permanent contracts do. Eight in ten elementary workers (82%) get paid in cash, whereas fewer professionals are (58%). Workers in the food chain are more often paid in cash than those not in the food chain (77% versus 63%).

Graph 16 Percentages of employees reporting that they received their wage on time and in cash, by employment status, occupational group and food chain.



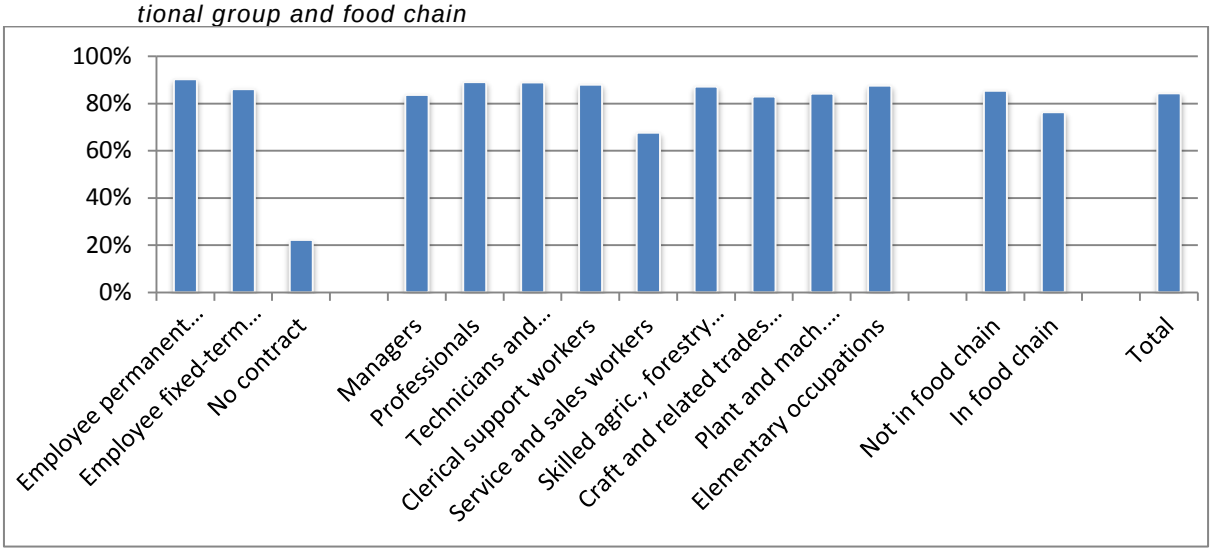
Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=1866 (on time), N=1831 (cash), employees only)

5 Working hours

Working hours agreed

One survey question asks if the respondents have agreed their working hours with their employer, either in writing or verbally. This question is not asked to those in self-employment. More than eight in ten employees have agreed working hours (Graph 17). This is highest for the employees with a permanent contract (90%) and lowest for the workers without a contract (22%). Professional workers, technicians and associate professionals most often have agreed working hours (both 89%). Service and sales workers least often have agreed working hours (68%). Employees in the food chain less often have agreed hours than those outside the food chain (76% versus 85%).

Graph 17 Percentages of employees with agreed working hours, by employment status, occupational group and food chain

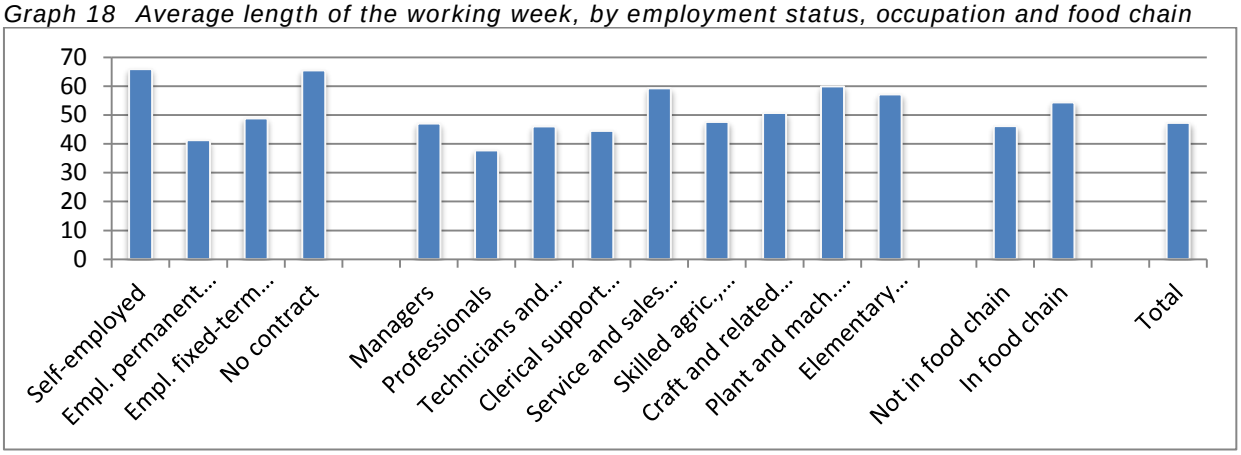


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data, (N=1804, employees only)

Usual working hours

Graph 18 shows that the average usual working week of respondents is 47 hours, which is much longer than the standard 40 hours working week. Workers without contracts make most hours (65) and those on permanent contracts work the fewest (41 hours). Plant and machine operators, and assemblers make an average of 59 hours per week, whereas the professionals work only 38.

Graph 18 Average length of the working week, by employment status, occupation and food chain

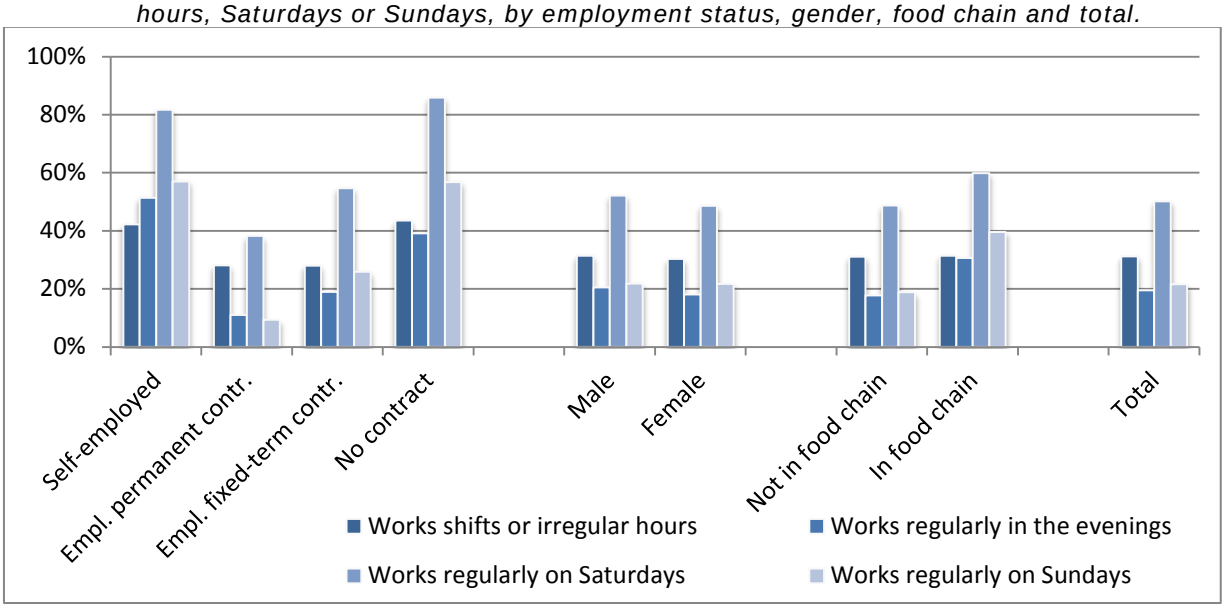


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2126)

Shifts or irregular hours

The survey includes a question asking if respondents work shifts or irregular hours. Graph 19 shows that 31% of workers report doing so. The incidence of shift work or irregular hours is highest for the workers without a contract and higher for men than for women. It is equal between the workers in and outside the food chain. Working in the evenings is reported by 19% of workers in the sample, most frequently by the self-employed and more so by men than by women and in the food chain. Five in ten workers report working Saturdays, while two in ten work Sundays. Working regularly on weekends occurs most often among the workers without a contract. Again, men are slightly more likely to work weekends and so are workers in the food chain.

Graph 19 Percentages of workers reporting to be working in the evenings, shift work or irregular hours, Saturdays or Sundays, by employment status, gender, food chain and total.

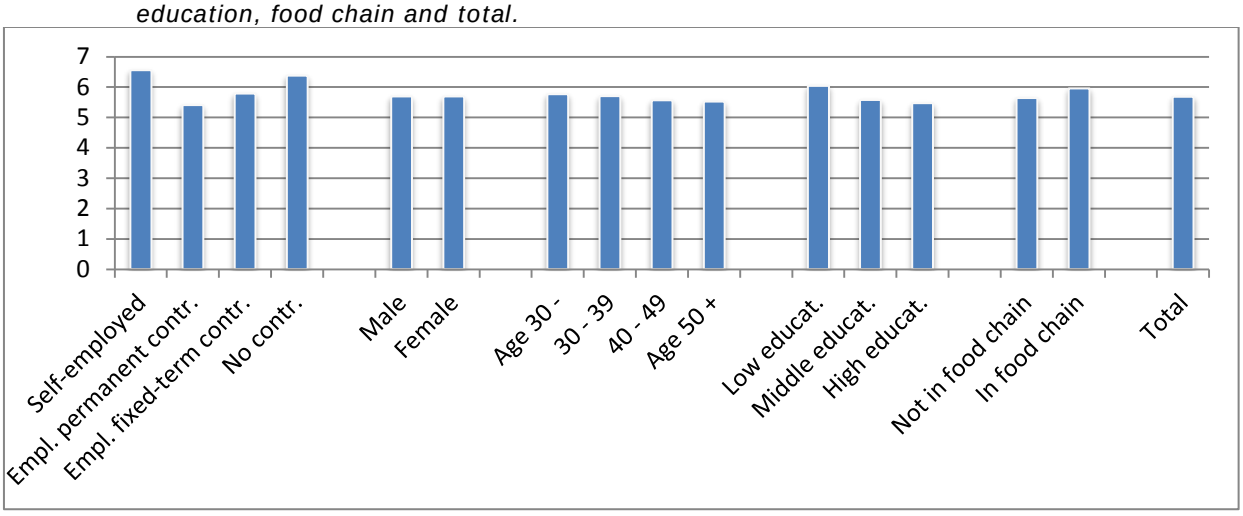


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N= 2040-2057)

Average working days per week

On average, the workers in the sample report to be working 5.7 days a week. Graph 20 shows that particularly the self-employed and workers without contracts work more days than the average. So do workers with no or just primary education, young workers and workers in the food chain.

Graph 20 Average number of working days per week, by employment status, gender, age, education, food chain and total.

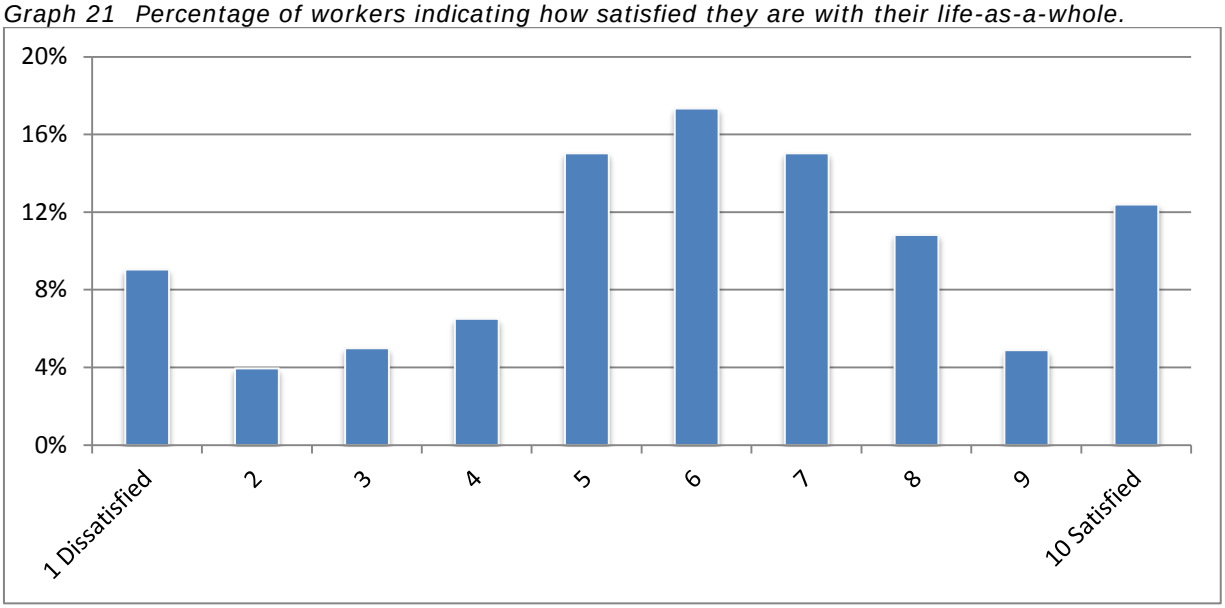


Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N= 2022)

6 Satisfaction with life-as-a-whole

The survey includes a question about satisfaction with life-as-a-whole on a scale from 1=dissatisfied to 10=satisfied. As graph 21 shows, sixty per cent of respondents rate their lives a six or higher and 28% score an 8 or higher. On average, the interviewees score a 6.0.

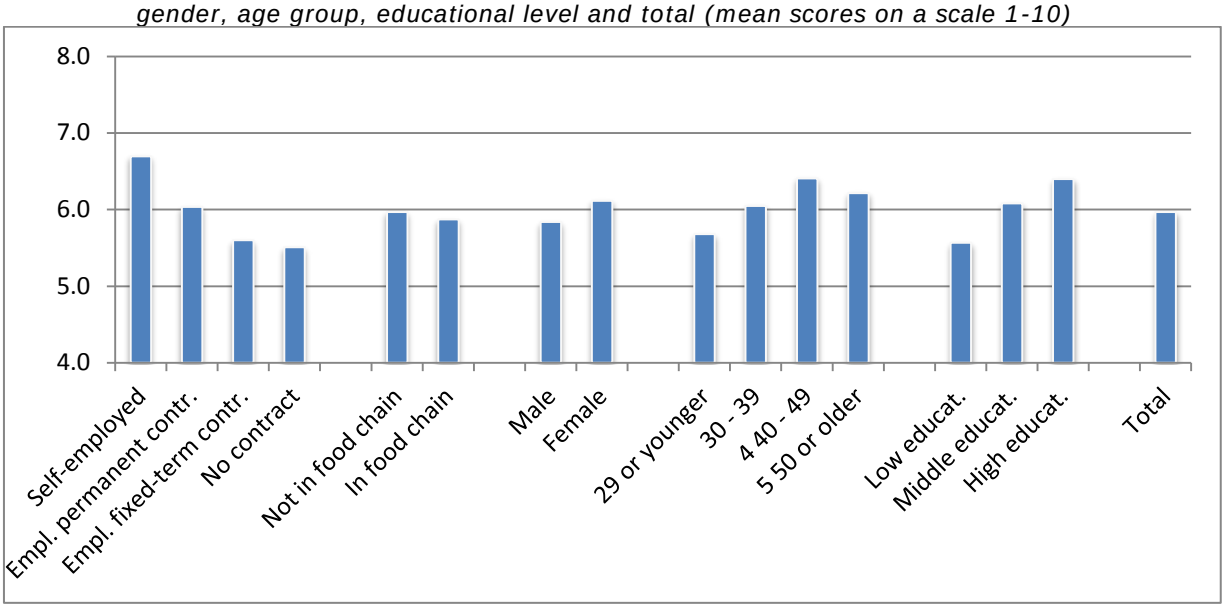
Graph 21 Percentage of workers indicating how satisfied they are with their life-as-a-whole.



Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2123)

Groups do differ with respect to their life satisfaction as a whole. Graph 22 shows a breakdown for several groups. The self-employed, the age groups 30 and over, and people with middle education are most happy. Workers in the food chain are slightly more satisfied with life, as are women. When explaining the variance in life satisfaction while controlling for all predictor variables (see appendix 2), having a higher education, being a woman and being over 40 improve the likelihood of happiness.

Graph 22 Average satisfaction with life-as-a-whole, breakdown by employment status, food chain, gender, age group, educational level and total (mean scores on a scale 1-10)



Source: WageIndicator face-to-face survey Ethiopia, 2013, weighted data (N=2123)

Appendix 1 List of occupational titles

ISCO code	Occupational title	Unweighted Frequency
111	Legislators and senior officials	12
112	Managing directors and chief executives	13
121	Business services and administration managers	28
122	Sales, marketing and development managers	10
131	Production managers in agriculture, forestry and fisheries	3
132	Manufacturing, mining, construction, and distribution managers	5
133	Information and communications technology service managers	1
134	Professional services managers	20
141	Hotel and restaurant managers	8
143	Other services managers	5
211	Physical and earth science professionals	8
212	Mathematicians, actuaries and statisticians	3
213	Life science professionals	7
214	Engineering professionals (excluding electro technology)	45
215	Electro technology engineers	3
216	Architects, planners, surveyors and designers	20
221	Medical doctors	2
222	Nursing and midwifery professionals	3
226	Other health professionals	10
231	University and higher education teachers	48
232	Vocational education teachers	2
233	Secondary education teachers	31
234	Primary school and early childhood teachers	103
235	Other teaching professionals	80
241	Finance professionals	137
242	Administration professionals	35
243	Sales, marketing and public relations professionals	19
251	Software and applications developers and analysts	9
252	Database and network professionals	5
261	Legal professionals	15
262	Librarians, archivists and curators	7
263	Social and religious professionals	14
264	Authors, journalists and linguists	15
265	Creative and performing artists	1
311	Physical and engineering science technicians	4
312	Mining, manufacturing and construction supervisors	12
313	Process control technicians	9
314	Life science technicians and related associate professionals	2
315	Ship and aircraft controllers and technicians	1
321	Medical and pharmaceutical technicians	3
322	Nursing and midwifery associate professionals	3
324	Veterinary technicians and assistants	5
325	Other health associate professionals	21
331	Financial and mathematical associate professionals	59
332	Sales and purchasing agents and brokers	19
333	Business services agents	9
334	Administrative and specialized secretaries	12
335	Regulatory government associate professionals	16
341	Legal, social and religious associate professionals	7
342	Sports and fitness workers	3
343	Artistic, cultural and culinary associate professionals	5
351	Information and communications technology operations and user support technicians	33
352	Telecommunications and broadcasting technicians	5
411	General office clerks	113
412	Secretaries (general)	63

421	Tellers, money collectors and related clerks	22
422	Client information workers	39
431	Numerical clerks	15
432	Material-recording and transport clerks	22
441	Other clerical support workers	42
511	Travel attendants, conductors and guides	5
512	Cooks	10
513	Waiters and bartenders	58
514	Hairdressers, beauticians and related workers	34
515	Building and housekeeping supervisors	14
516	Other personal services workers	3
521	Street and market salespersons	34
522	Shop salespersons	120
523	Cashiers and ticket clerks	11
524	Other sales workers	22
531	Child care workers and teachers' aides	12
532	Personal care workers in health services	1
541	Protective services workers	60
611	Market gardeners and crop growers	6
612	Animal producers	2
621	Forestry and related workers	13
622	Fishery workers, hunters and trappers	4
711	Building frame and related trades workers	54
712	Building finishers and related trades workers	13
713	Painters, building structure cleaners and related trades workers	10
721	Sheet and structural metal workers, moulders and welders, and related workers	17
722	Blacksmiths, toolmakers and related trades workers	3
723	Machinery mechanics and repairers	27
731	Handicraft workers	6
732	Printing trades workers	1
741	Electrical equipment installers and repairers	9
742	Electronics and telecommunications installers and repairers	11
751	Food processing and related trades workers	30
752	Wood treaters, cabinet-makers and related trades workers	2
753	Garment and related trades workers	6
754	Other craft and related workers	19
811	Mining and mineral processing plant operators	1
815	Textile, fur and leather products machine operators	5
816	Food and related products machine operators	8
818	Other stationary plant and machine operators	22
832	Car, van and motorcycle drivers	43
833	Heavy truck and bus drivers	7
834	Mobile plant operators	3
835	Ship deck crews and related workers	1
911	Domestic, hotel and office cleaners and helpers	10
912	Vehicle, window, laundry and other hand cleaning workers	7
921	Agricultural, forestry and fishery labourers	1
931	Mining and construction labourers	3
932	Manufacturing labourers	1
933	Transport and storage labourers	13
951	Street and related service workers	9
952	Street vendors (excluding food)	12
961	Refuse workers	4
962	Other elementary workers	24
	Missing	64
	Total	2126

Appendix 2 Regressions

Dependent variable: log net hourly wages					
	B	Std. Error	Beta	t	Sig.
Constant	1.028	.080		12.885	.000
Female	-.221	.033	-.133	-6.720	.000
Educational level (0= lowest,…,6=highest)	.111	.017	.145	6.499	.000
Employee with permanent contract	-.029	.039	-.017	-.730	.466
Firm size 1-5 employees	-.106	.045	-.054	-2.335	.020
Firm size 6-10 employees	-.205	.066	-.066	-3.108	.002
Firm size 11-20 employees	-.061	.057	-.023	-1.073	.283
Tenure (0-61 years)	.022	.002	.250	12.510	.000
Socio-Econ. Index of occ. status for(ISEI 11=lowest,…,76=highest)	.018	.001	.342	15.234	.000
Working in food chain	-.030	.050	-.012	-.607	.544
N	1813				
R-square	.301				

Dependent variable: Covered by a collective agreement yes/no (don't know answers coded as no)						
	B	S.E.	Wald	df	Sig.	Exp(B)
Employee on permanent contract	.589	.194	9.241	1	.002	1.802
Educational level (0= lowest,…,6=highest)	-.056	.076	.530	1	.466	.946
Female	-.060	.146	.168	1	.682	.942
Firm size 1-5 employees	-1.532	.267	32.997	1	.000	.216
Firm size 6-10 employees	-1.712	.469	13.304	1	.000	.181
Firm size 11-20 employees	-.656	.261	6.313	1	.012	.519
Tenure (0-61 years)	.005	.014	.131	1	.717	1.005
Working in food chain	-.281	.241	1.363	1	.243	.755
Age 30- years	-.327	.201	2.653	1	.103	.721
30-39 years	.121	.117	1.062	1	.303	1.128
40-49 years	-.260	.138	3.561	1	.059	.771
Constant	-1.529	.383	15.929	1	.000	.217
N	1857					
-2 Log Likelihood	1294.014					

Dependent variable: Satisfaction with life as-a-whole (1 – dissatisfied to 10 – satisfied, excluding values 1 and 10 in the analyses)					
	B	S.E.	Beta	t	Sig.
Constant	5.508	0.174		31.604	0.000
Employee on permanent contract	-0.347	0.096	-0.095	-3.633	0.000
Educational level (0= lowest,…,6=highest)	0.187	0.043	0.113	4.3	0.000
Female	0.358	0.089	0.1	4.014	0.000
Living with a partner	0.183	0.109	0.051	1.681	0.093
Living with a child	0.044	0.122	0.012	0.361	0.718
Age 30- years	-0.471	0.109	-0.132	-4.333	0.000
30-39 years	-0.15	0.069	-0.114	-2.172	0.030
40-49 years	0.153	0.072	0.116	2.131	0.033
Working in food chain	-0.137	0.132	-0.026	-1.038	0.300
N	1563				
R-squared	0.056				

Wage Indicator Foundation

Plantage Muidergracht 12
1018 TV Amsterdam
The Netherlands

office@wageindicator.org

WageIndicator.org