

Special Economic Zones: Ethiopian Case Study

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Cover photo: Workers operate sewing machines at a garment factory at the Hawassa Industrial Park in southern Ethiopia © AFP

ABSTRACT

Special Economic Zones (SEZs) represent delimited zones in which industrial development is promoted by establishing export strategies and by attracting foreign direct investment (FDI). Ethiopia is an interesting case study as their SEZs have attracted important international attention catalysing many investments. Competitive labour costs and the modern technological resources support the zone's overall competitiveness, such as in the Hawassa Industrial Park (HIP). With the large amount of success they experienced, challenges have arisen. Under the pressure of international norms and national legislation, Ethiopian SEZs struggle to offer decent work opportunities even with the enhanced economic performance and powerful employment creation. They have also encountered difficulties with elevating the industrialisation level to international standards.

This Trade Report provides an overview of SEZs in Ethiopia, particularly the Hawassa IP and the Bole Lemi Industrial Zone (BLIZ). It also examines how workers in SEZs are protected in terms of labour and gender rights in Ethiopia. SEZs in Africa often focus on labour-intensive sectors and are significant employers of female workers, specifically in the textile and garment industry that is promoted in Ethiopia. While the government explicitly states that national labour law applies to SEZs, workers, especially women, have allegedly been the victims of unfair labour conditions. The fourth decent work country programme (DWCPs) for Ethiopia has been published in 2021, highlighting the governmental effort for sustainable and inclusive economic growth.

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Special Economic Zones: Ethiopian Case Study

By Audrey Bessette

1. Introduction

In recent years, Ethiopia has made efforts to develop its manufacturing sector to become integrated into the industrialised world. Its objective has been to use special economic zones (SEZs) to develop partnerships between the government and multinational corporations. The industrial parks (IPs), such as the Hawassa IP, have fostered labour-intensive manufacturing hubs to attract attention from global sectors, such as the garment and textile industry. While it has already shown positive outcomes, the Hawassa IP seeks to create more than 60 000 jobs and support more than USD1 billion in export revenue (Ethiopian Investment Commission, online). It employs mostly women, the predominant gender working in the textile and garment industry. The Kombolcha IP, BLIZ and the Mekelle IP are also dedicated to the textile and apparel industry (CEPHEUS Research and Analytics, 2020:2). While there are many other zones and numerous companies involved, this brief will focus on the garment and textile industry as it is a promising industry for Ethiopia’s industrial development. In 2019 and 2020, this sector represented almost half of the worldwide manufactured exports of Ethiopia (CEPHEUS Research and Analytics, 2020:4). There is also significant global demand for Ethiopia’s footwear and leather products.

Table 1: Exports by industrial parks (2019–2020)

	Export (USD)	% Share
Hawassa IP	72 988 852	44%
Bole Lemi IP	44 228 520	27%
Eastern IP	15 391 531	9%
Kombolcha IP	9 096 234	6%
Mekelle IP	5 407 193	3%
Huajian Shoes City IP	4 897 561	3%
Adama IP	4 443 708	3%

DBL IP	3 999 518	2%
George shoes IP	2 587 009	2%
Velocity IP	1 928 360	1%
Total	164 968 485	100%

Source: CEPHEUS Research and Analytics and EIC

Table 2: Industrial parks as share of total manufactured exports

	FY 2017-18	FY 2018-19	FY 2019-20
Total Manufactured Exports	436	437	379
Textile & Textile Products	104	153	169
Leather & Leather Products	132	117	72
Meat & Meat Products	102	89	67
Electronics	35	31	38
Chemicals & Construction inputs	25	16	8
Other	38	31	25
Industrial Park Exports	45	141	165
IP share of total manufactured exports	10%	32%	43%

Source : MOTI, ERCA, EIC and Cepheus Research estimates of manufactured exports sub-total

This study is relevant for the African Continental Free Trade Area (AfCFTA) negotiations as well. Ethiopia serves many international markets in the garment and textile industry. However, intra-African trade is much lower in this sector. There is now discussion in the context of the AfCFTA to explore how to develop this value chain in Africa. The parks offer mostly *cut, make and trim* manufacturing. To develop intra-African trade, it is important to develop the full value chain and original brand manufacturing, which requires investment in capacity building, technology and associated support services. This shift would be beneficial for Ethiopia, especially with the preferential treatment offered by the AfCFTA combined with the incentives from the parks.

Another important consideration is the suspension of Ethiopia’s beneficiary status under the African Growth and Opportunity Act (AGOA) due to civil unrest in the Tigray region. Ethiopia has therefore lost

duty-free access to the United States (US) market (Sorgho, 2022). This can impact greatly on the production in the different SEZs as the US and international exports represent a large trade proportion of Ethiopia. The political situation can also impact the country's ability to produce as the political unrest with alleged human rights violations move closer to the capital city of Addis Ababa (Helfenbein, 2021). Being vulnerable to competition from Asia and Latin America, Ethiopia has been fighting for its place in international markets. Civil unrest means a serious setback to the country's industrialisation initiatives. Global clothing manufacturer PVH Corp. has announced the closing of its facility in the Hawassa Park only two weeks after the suspension of Ethiopia from the African Growth and Opportunity Act (AGOA) (Anna, 2021). H&M, another giant actor in the manufacturing sector, has also stated they are reconsidering their long-term presence in the country (Anna, 2021). This could affect millions of workers and represent a disaster for the Ethiopian economy.

The focus is on two key issues: the development of SEZs in Ethiopia, particularly the Hawassa and Bole Lemi IPs, and the Ethiopian legal regime for SEZs and workers' rights. The first section examines the Hawassa IP and Bole Lemi IP. The second section focuses on the different legal issues in the zones and the protection offered to workers by the Ethiopian government. It will also discuss the recently published DWCPs for 2021-2025.

2. The Hawassa Industrial Park and the Bole Lemi Industrial Zone

The Hawassa IP opened in July 2016 and was built by the China Civil Engineering Construction Corporation (CCECC) (Xinhua, 2021). The initial construction cost about USD246 million, which was funded by a partnership with Europe and the US (Azmach, 2019:50). It is located about 275 kilometres away from Addis Ababa on land owned by SNNPR Seeds Enterprise. The land was available for use as it was occupied by a public-owned company, which meant there were no resettlement issues for residents or businesses. The Ethiopian government considers this Park as a model for the construction and management of their other industrial zones. As previously stated, this Park is designed specifically for textile and garment manufacture, while other zones often include multiple industries. Establishment in the Park is facilitated with many incentives such as income tax exemption and customs duty exemption. It also offers non-fiscal incentives such as access to services and facilities, easy access to transportation, customs facilitation and protection of legal rights such as guarantees against

expropriation and ownership of immovable property (Ethiopian Investment Commission, 2017:6). In addition, the Hawassa IP offers low-cost utilities to companies, as water is free, the rent is low, and the electricity is cheap. Low wages are also part of the competitive advantage compared to Asian production, which has been experiencing wage increases (Davison, online). At full capacity, the Park can offer jobs to 60 000 workers (Meyer et al., 2020:2). Even with these multiple success indicators, the zone faces a few challenges. Employee retention seems to be difficult, even with training support. Access to local raw materials is also limited, particularly field organic cotton. Not many small to medium enterprises are located in the zone or close by, since they cannot get access to the services offered. There are also environmental concerns as the waste management system redirects post-production wastewater directly to the Hawassa Lake (Azmach, 2019:49).

Comparably to everywhere else, the coronavirus pandemic had negative effects on the Park. Since April 2020, up to 45 per cent of its operations closed (Deloitte, 2020:18). However, the Park successfully migrated part of their activities to the production and export of face masks, which generated USD114 million (Xinhua, 2021). Hawassa IP had about 35 000 workers before the pandemic. Almost 10 000 jobs were lost during the first few months of COVID-19. The Park was able to peek back to 30 000 employees by 2021 (Abera, 2021).

The Hawassa facilities are now part of a new programme by the Ethiopian Investment Commission to revolutionise factories through the digitisation of labour supply and demand matching (Master Card, 2020). A public-private partnership is currently working to install an industrial park labour database. While ensuring job creation and optimisation of employment, it will also offer linkage opportunities between local suppliers and investors. The programme is set to be fully implemented by 2023.

The BLIZ was founded in 2012 with eight Korean investors. Comparably to the Hawassa Park, the Bole Lemi Park specialises in clothing and textile production. The park is about five kilometres away from Addis Ababa, which makes it easy to attract workers. After five years of construction, it is one of the few fully operating SEZs in Ethiopia. In terms of investors' satisfaction, the BLIZ has not been the success story Ethiopia was hoping for. Investors have to travel to customs offices about 50 kilometres away to enjoy trade facilitation measures, as employees on-site are not empowered to clear tax or custom fees on the spot. According to investors, only one person in the park is the custom authority delegate which

creates delays and insufficient services to answer the needs of all firms (Azmach, 2019:47). In addition, many errors during the construction of the site are now engaging extra costs for factories. One major mistake is the inaccurate slope in the construction of the drainage lines resulting in floods on the site. Leakages of water pipelines due to errors of construction are also costing extra water bills to firms. Those bills represent costs way above the actual water consumption of the lessee. Lack of water supply, flood on facilities, difficult road access and inefficient sanitary measures are building a hostile work climate in the park (Azmach, 2019:48). While the initial objective was to be a one-stop service, companies have been complaining of the deviation from the plan. Service providers such as customs, Textile Industry Development Institute, immigration offices and banks are not in a single window (Azmach, 2019:48). Some expected services are not present at all on the site. Several marketing services and training activities promised to investors have not been implemented and the ones that have been, did not attract more investment. Studies and visits on the site also revealed that the government plan did not consider what type of manufacturing activities would setup in the zone and whether textiles and clothing was the most profitable choice of products. Since its launch, the zone has still not done an impact assessment study, nor has the master plan been finished. They have also experienced resettlement issues that need to be addressed by the State. Relocating the households which resided in the area took many years and created significant delays and costs right at the start of operations. Strong management and operational expertise should be acquired to develop the full potential of the zone. Environmental studies and further infrastructure development are also part of the long-term objectives of the State for the BLIZ (Azmach, 2019:47-48).

Table 3: Industrial parks: Overview of names, locations and sector specialisations

	Name of Industrial zone	Location	Main Industry	Owner
1	Eastern Industry Zone	Oromia, Duken	Mixed Sectors	Private
2	Bole Lemi Industrial Park I	Addis Ababa	Textile and Leather	Government
3	Hawassa Industrial Park	SNNPR	Textile and Garment	Government
4	Mekelle Industrial Park	Tigray	Garment	Government
5	Kombolcha Industrial Park	Amhara	Garment	Government

Name of Industrial zone	Location	Main Industry	Owner
6 Adama Industrial Park	Oromia	Textile & Garment, Machinery & Equip Government	
7 Huajian Industrial Park	Lebu, Addis Ababa	Shoes	Private
8 Mojo George Shoe Industrial Zone	Oromia, Mojo	Leather	Private
9 Velocity/Vogue	Mekelle	Textile and Garment	Private
10 DBL	Mekelle	Textile and Garment	Government
11 Debre Birhan Industrial Park	Amhara	Textile and Agro-processing	Government
12 Jimma Industrial Park	Oromia	Garment	Government
13 Dire Dawa Industrial Park	Dire Dawa	Assembling, Garment, Foods	Government
14 Kilinto Industrial Park	Akaki, Addis Ababa	Pharmaceuticals, medical equipments	Government
15 Bahir Dar Industrial Park	Amhara	Garment	Government
16 Arerti Industrial Park	Amhara	Construction products, home appliance	Private
17 Yirgalem Integrated Agro-Industrial Park	SNNPR	Agri-products processing	Government
18 Airlines and Logistic Park	Addis Ababa	Transportation	Government
19 Kingdom Linen Industry Zone	Dire Dawa	Linen	Private
20 Bure Integrated Agro-Industrial Park	Amhara	Agri-products processing	Government
21 Bulbula Integrated Agro-Industrial Park	Oromia	Agri-products processing	Government
22 Baeker Integrated Agro-Industrial Park	Tigray	Agri-products processing	Government

Source: CEPHEUS Research and Analytics and EIC

The suspension of Ethiopia’s beneficiary status under the AGOA inevitably impacts the parks in different ways. As previously mentioned, the Hawassa IP economically suffered from the closing of some of their facilities after the retract of major companies. The Mekelle IP, which represents about 3 per cent of the total exports of the Ethiopian IP, has been entirely closed since November 2020 (Maile & Whitfield, 2021). The park is located directly in the Tigray region, where the conflict struck. In the other parks, the

production continued. However, textile and clothing firms are now moving out of Ethiopia to avoid a backlash for indirectly supporting human rights violations (Roop & Stubblefield, 2022). As of today, many companies are still in a ‘wait and see’ position. Suppliers in Bole Lemi IP are at a turning point where they need to decide if they are pursuing their operations in Ethiopia, despite full order books for 2022. In addition to the negative buyer’s perception related to this conflict, the loss of the duty-free access to the US market disadvantages the BLIZ as some firms specialise in bulk orders of basic products for US retail chains (Maile & Whitfield, 2021). The dependence on the American market cannot be underestimated as about two thirds of Ethiopia’s apparel exports are intended for the US. Shifting the production needs to the European market would therefore require important investment and time. Firms are considering moving to other African countries where the AGOA rate still applies, as it is the least complicated solution to keep the US market access. Costs of moving are low as firms do not need to build new factory sheds. They can rent them from governmental industrial parks as they did in the BLIZ. The moving of the firms could threaten the jobs of about 200 000 low-income families (Maile & Whitfield, 2021). The political situation causes additional fear for suppliers as the spread of the conflict could cut the railway connections to the port of Djibouti. This port is particularly important as it is the main shipping port for Ethiopian apparel (Maile & Whitfield, 2021).

3. Ethiopian legal regime

Ethiopian SEZs offer competitiveness through labour-intensive manufacturing capacities and attracting FDI with export facilitation. The sectors involved are textiles and apparel, leather and leather products, agro-processing, and pharmaceuticals and chemicals. The comparative advantage of Ethiopia is their large pool of young semi-skilled workers, which justify specialisation in certain sectors. The government also envisioned economic growth based on the country’s agricultural foundations (Azmach, 2019:40). They have set five main strategic objectives (Azmach, 2019:41):

- 1) to further expand and develop the existing manufacturing industry priority sectors;
- 2) to diversify the manufacturing sector to new sectors;
- 3) to enhance enterprise cultivation and entrepreneurship;
- 4) to increase public, private and foreign investment; and

5) to develop and operate industrial zones and cities.

To achieve those goals, Ethiopia must address challenges regarding availability of quality industrial inputs, improving their technological knowledge transfer and building solid institutional ground for businesses to rely on.

The establishment of Ethiopian SEZs was part of a government's fiscal plan in the first Growth and Transformation Plan (GTP), which is renewed every five years (Azmach, 2019:39). This GTP promoted the establishment of five SEZs, including the Hawassa IP and the BLIZ. SEZs in Ethiopia have experienced a slower performance due to institutional challenges, such as a lack of effective policies and regulatory frameworks. There is also weak strategic and infrastructure planning, lack of capacity building to guarantee SEZs development, inefficient procedures and controls regarding custom administration, and lack of systematic investment promotion (Azmach, 2019:39-40). The studies of the zones are limited and there seems to be difficulties around installing tracking performance indicators.

In the early 2010s, Ethiopian SEZs were developed and managed by the Ministry of Industry. Three state ministers had specific mandates to support this ministry: one was addressing a more general goal of industrial and economic development of the zones, one was focusing on the textile industry, and one was overseeing the leather sector as well as the agro-processing and the chemical sector (Azmach, 2019:42). Later on, the Ethiopian government improved the regulation of the SEZs by establishing the Ethiopian Industrial Zones Development Corporation (IZDC), which was re-established as the Ethiopian Industrial Park Development Corporation (IPDC). This public entity's mandate includes the selection of the land, the building of the zones with facilities and infrastructure and the management of the operating parks across the country. Another important agency is the Ethiopian Investment Commission. Under Regulation No. 313/2014, they have great powers including the negotiation of bilateral investment promotion and protection treaties with foreign countries. The signature of those agreements with foreign investors is upon approval by the Council of Ministers. They also initiate policies and regulatory measures for the zones and implement it after the approval of appropriate organs. The commission also secures the liaison and coordination between investors, public offices, governments and other related actors (Azmach, 2019:43). Their mandate also extends to the registration of IP developer and operator under Proclamation (No. 886/2015). The Ethiopian

Investment Board works closely with the commission and has a duty of supervision and acceptance of contracts concluded by the commission. According to the Industrial Parks Proclamation (No. 886/2015), the following ministries also play an important part in the SEZs' development: the Ministry of Environment and Forest, the Ministry of Labour and Social Affairs, and the Ministry of Industry as previously mentioned. They have specific policy and regulatory roles. The Ministry of Labour and Social Affairs has limited power over the establishment of the rules and procedures as they are under a tripartite obligation to consult the Ministry of Industry beforehand (Azmach, 2019:41-44).

The implication of multiple actors, as well as coordination among the different agencies, can be the key to success for the optimisation of the SEZs' development. In terms of regulation, it does present some ambiguities. Under Proclamation No. 886/2015, the ministries have the right to regulate on labour, environment and technology transfer. The commission and the board therefore do not play a role in these areas of regulation. This can create some inconveniences to regulation establishment as there are coordination challenges. Another ambiguity lies in the division of responsibility between the investment commission and the investment board. The commission has the responsibility to act against industrial park enterprises which are not complying with the proclamation or other applicable laws in the zones. The board has the same power over IP developers or operators. The differential treatment between IP developers or operators and enterprises might lead to confusion related to the legal structure of the zones. The difficulties in the coordination among agencies also extend to the approval of agreements. While the commission oversees the arrangement concluded between IP enterprises and IP developers or operators, the board deals with the contracts of zone operators and developers and land-related matters. The board and the commission can act as regulators or appellate body depending on the matter in hand (Azmach, 2019:44-45). The regulatory regime and the division of responsibility in Ethiopian SEZs are, therefore, not proper to an efficient and stable business environment. There are no clear lines of delineation of responsibility.

The next section discusses the deficiency in labour law related to SEZs, and other types of regulatory areas that would benefit from more precise provisions. The governmental development strategy for the industrial parks did not focus on any location criteria. It can affect local capacities to host these zones and create an unfair advantage in the different areas of the country. Investment law also influences location decisions as regions far from the capital offer more years of tax concessions

(Azmach, 2019:46). The framework for the selection of investors is not based on clear provisions. The Investment Proclamation (No. 769/2012) discusses the capital requirement for investors to allocate a minimum of USD200 000 and other criteria for joint investment. The investment permit section establishes requirements regarding the origin (foreign or domestic) of investors and the documents required for the application. Upon reception of the documents and the fees, the appropriate investment organ issues the permit to the investor. The selection process can roughly be described as a first-come-first-served type, which does not consider many obligatory rules for investment (Azmach, 2019:46). Transparency obligations should be added in the proclamation and related documents as there could be discrimination or bias in the selection. The licensing requirements need to be more specific on the capacity of achieving the objectives of the zones, especially on social, environmental, technological and export indicators. Finally, land acquisition procedure would benefit from a more specific regulatory framework as well. Displacement, compensation and rehabilitation issues troubled many Ethiopian communities as the federal and the states have inadequately shared the burden of displaced people. This collaboration between those entities is a mandate of Proclamation (No. 455/2005) on procedures of land acquisition. However, it does not answer the needs of residents and enterprises initially located in the zones (Azmach, 2019:46).

a) Labour law and SEZs

The challenges of legal protection in the zones also extend to labour law. The problem can be complex to grasp as Ethiopia's IPs Proclamation explicitly states that ordinary labour law shall apply in the zones (Cotula & Mouan, 2021:352). There might be two causes for the ineffective protection for workers: insufficient governmental legislation, and dealing with non-compliance to the existent legislation by the companies in the zones. While there is not much research on the comparative experiences with labour rights within and outside the zones in Ethiopia, multiple studies have shown the vulnerability of women workers nationwide. As previously stated, they represent a majority of SEZs' workers. The International Labour Organization (ILO) has recently published the fourth DWCPs for Ethiopia. It shows great effort from the government regarding social conditions in the country. However, the same cannot be said as regards companies in the zones. There are also ambiguities with the legal instruments, which can create a double-edged sword for workers.

The **Labour Proclamation (No. 1156/2019)** constitutes the main protection for women workers. It prohibits gender-based discrimination, it protects women from undertaking hazardous work and it regulates maternity leave. It also prohibits sexual harassment.

The **Federal Civil Servant Proclamation (No. 1064/2017)** prohibits discrimination in recruitment or selection, extends maternity leave to four months and establishes the equal pay for equal work principle. It also recommends childcare facilities at the workplace accessible to all parents and it mandates for protection measures on health and safety at work.

The **Pension Proclamation (No. 714/2011)** and the **Private Organization Employees' Pension Proclamation (No. 715/2011)** elaborate on social security gaps and establish the principle of non-discrimination on the basis of sex in the age of retirement, payment of social security and transfer of the rights to the survivor.

Ethiopia has also adopted **ILO Convention 156**, which requires government to ease the burden of women in households. International convention of that sort can be a great incentive for improvement of social conditions on a national level. It is, however, not binding to related actors and signatories. Ethiopia has also ratified the **U.N. Protocol to Prevent, Suppress and Punish Trafficking in Persons** (De Silva de Alwis, 2021:51). These international norms are also found in the **Anti-Trafficking Proclamation (No. 909/2015)**, fighting against sex trafficking and labour trafficking.

Labour recruitment is also regulated by the **Employment Exchange Services Proclamation** (No. 923/2016). Labour recruitment agencies often aim to find work for women, which needs to be supervised to avoid falsified documents or advertisements (De Silva de Alwis, 2021:51).

b) Recommendations and the DWCPs (2021–2025)

Regardless of the adoption of proclamations, the Ethiopian government can guarantee better working conditions in the zones with the following recommendations. Ethiopia must address the over protections in their proclamations, such as Proclamation (No. 1156/2019). The prohibition of certain types of jobs for women increases the discrimination in the workplace and strengthens the different stereotypes related to their health (De Silva de Alwis, 2021:24). Better health education would provide protection and help women make better choices on which work they can accomplish while being

pregnant. Women traders can also face difficulties regarding their marital status. The legal power of a spouse to object to a trade disproportionately disadvantages women. As a result, article 645 of the Civil Code of Ethiopia should be reviewed. In 2012, the UN Working Group on Discrimination against Women in Law and in Practice asked governments to revoke any law criminalising adultery as it creates discrimination and violence against women (De Silva de Alwis, 2021:27). This can also harm their capacity to work. Ethiopia would therefore benefit from repealing article 652 of the Criminal Code. Other measures can be put in place to promote gender equality. For example, mandatory pregnancy leave for the father as well as for the mother could rebalance the place of women in the household (De Silva de Alwis, 2021:12). The government should supplement the Ethiopian laws by establishing a clear definition of gender equality and sexual harassment in the workplace. To reinforce those laws, SEZs must offer training and clear policies about these subjects, as well as a proper procedure to report non-compliance with the law. All the proclamations discussed in the previous section share a similar problem; they do not offer strong mechanism enforcement of legal obligations in the zones.

The recently published DWCPs of the ILO show the national goals for Ethiopia. Ethiopia's fourth DWCPs covers the years 2021–2025. The framework of this programme is built around the Home-grown Economic Reform (HGER) programme of Ethiopia (International Labour Organization, 2021:1). The Ethiopian government aims to align their policies with 17 sustainable development goals (SDGs), and they oriented the newest DWCPs on three priority areas: people, prosperity and industrial relations, social dialogue and tripartism. The plan includes two key strategies for promoting gender equality in employment and livelihood opportunities:

'The first strategy is to appoint a gender focal person, develop capacity-building tools that take gender into account, and ensure a gender-transformative approach in the formulation and implementation of all labour and employment policies, programmes and institutions. The second is to introduce stand-alone advocacy and programming that focuses on gender equality and women's rights.' (International Labour Organization, 2021:28).

The following figure summarises the outputs of the DWCPs (2021-2025) for Ethiopia. It gives an overview of national goals for the upcoming years in terms of social advancements.

Theory of Change



Source: International Labour Organization

4. Conclusion

In conclusion, even if Ethiopian SEZs create a significant number of jobs, these may not always qualify as decent work. The Hawassa IP and the Bole Lemi IP have faced many challenges to offer competitiveness. With the great economic progress of Ethiopia, the country wishes to shift towards more industrialised sectors. This can, however, greatly affect the women's ability to work as they do not have the possibility of gaining the necessary skills to follow this shift. Legal protection is limited, and minimal training is offered in order to guarantee women's progression in the workplace, as well as their job safety. Multiple measures can be taken to improve workers' conditions in Ethiopia. A better cross-collaboration between the ministries of labour, trade, education and health would provide efficient services and facilities for workers in the zones. Enforcement of existing law is inevitably a key to the improvement of labour conditions as Ethiopia already has multiple proclamations in force for the

protection of workers. To do so, it would also be necessary to establish a national or zone-level grievance mechanism (World Bank, 2011:xi). There is also legal inadequacy concerning zone location, investors selection and land acquisition. The legal regime towering over the Ethiopian SEZs needs a better framework to promote economic, social and environmental development in the country.

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