The Informal Economy in Ethiopia

Ethiopia boasts the 14th fastest-growing economy in the world and is attracting a great deal of foreign direct investment. But over 40% of the economy is informal, and within the unregulated economy are youth working in unsafe conditions.

E-FACE – Ethiopians Fighting Against Child Exploitation
Business Owner Incentives Plan

The Business Owner Incentives Plan targets business owners who employ youth workers for the production of textiles. Business owners who agree to improve the working conditions for their youth and implement code of conduct standards are rewarded with incentives that enhance business skills, improve workspaces and provide access to quality inputs.

Improved Workplaces

One of the incentives for business owners who agree to make work environments safer for their workers is a workplace improvement reward. Business owners paint the walls, cover the floor with plastic and open windows during working hours. This provides better ventilation and lighting for their workers.

Business owners who comply with these standards and other code of conduct rules receive lighting support, such as solar lights and transparent roof sheeting to further improve the workspaces. With the addition of these improvements, youth do not overheat or strain their eyes during the production process. This also contributes to a cleaner work environment for youth, who report less health problems and better productivity – meaning more income to take home at the end of the day.

Achievements to Date

Over the life of the project, MEDA plans to target 750 business owners who employ 2,000 working youth. To date:

- 761 business owners have received lighting improvement support to improve the workplaces for their working youth.
- 90% of business owners in the program have complied with two minimum workplace standards and continue to mitigate workplace hazards for their youth workers.

Code of Conduct Workshops for Business Owners and Youth

The Code of Conduct workshop is a four-step negotiation process between the business owners and their youth workers to develop a standard set of rules that improve the workplaces and working conditions of young workers in the areas of occupational safety and health.

Once the Code of Conduct is developed, an agreed timeframe of six months to one year is put in place for business owners to receive the package.