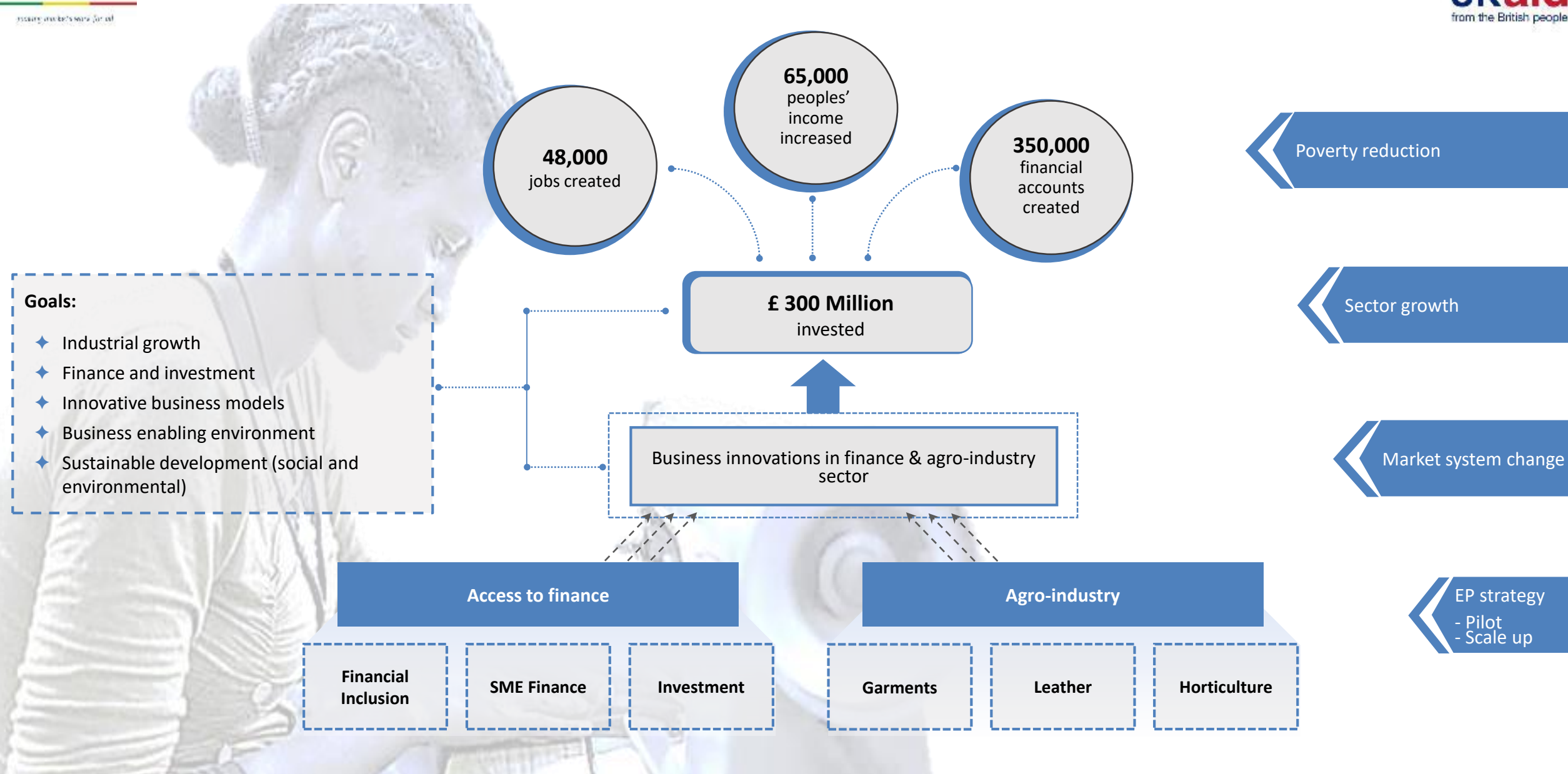




ENTERPRISE PARTNERS

making markets work for all





ENTERPRISE PARTNERS

Supporting Ethiopia's industrial transformation

COUNTRY VISION

A globally competitive and vertically integrated manufacturing economy

GARMENTS

MAKING INDUSTRIAL PARKS WORK

LEATHER

National Strategy

- National apparel plan
- National cotton strategy

Collaboration

- Collaborate with brands (PVH, H&M)
- National coordination platform

Quality cotton

- Quality seed production
- Contract farming with textile industry
- Facilitating investment by value investors

Linkage with SMEs

- SME capacity development
- Credit line for SMEs

Labour and skills market

- Sourcing, screening & placement centres
- Soft-skills training and multi-skilling
- HR management, supervisors training
- Labour market database
- Career development

Standard of living

- Accommodation and transport
- Life-skill training
- Childcare and facilities for mothers
- Health and other social services
- Financial scheme for savings and entrepreneurship

Green industrialization

- Green business models in Hawassa Industrial Park
- Develop national plan to secure green finance

Attract foreign investment

- Attract FDI and private capital
- Support Ethiopian Investment Commission

Tannery finishing

- Improve technical know-how through chemical companies
- Develop demand driven finished leather

Supply chain system

- Coordinated customs and logistics
- Aggregated import of inputs

Linkage with US/UK/EU markets

- Product promotion and branding
- Aggregated demand management and export

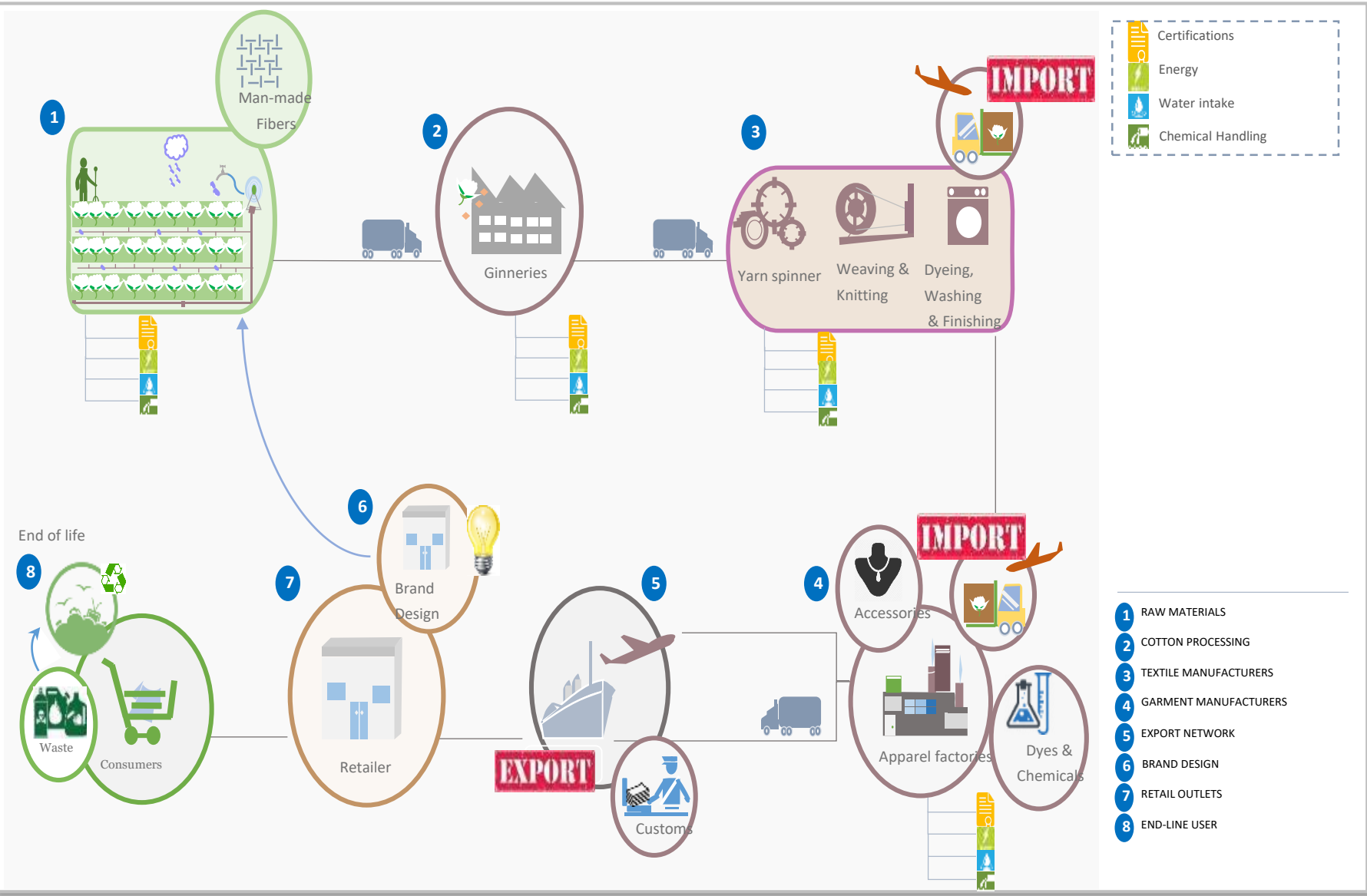
Quality hides and skin

- Promote semi processing
- Improve grading system



Ethiopia's Garments value chain and key constraints

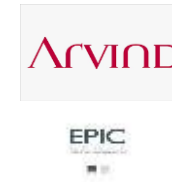
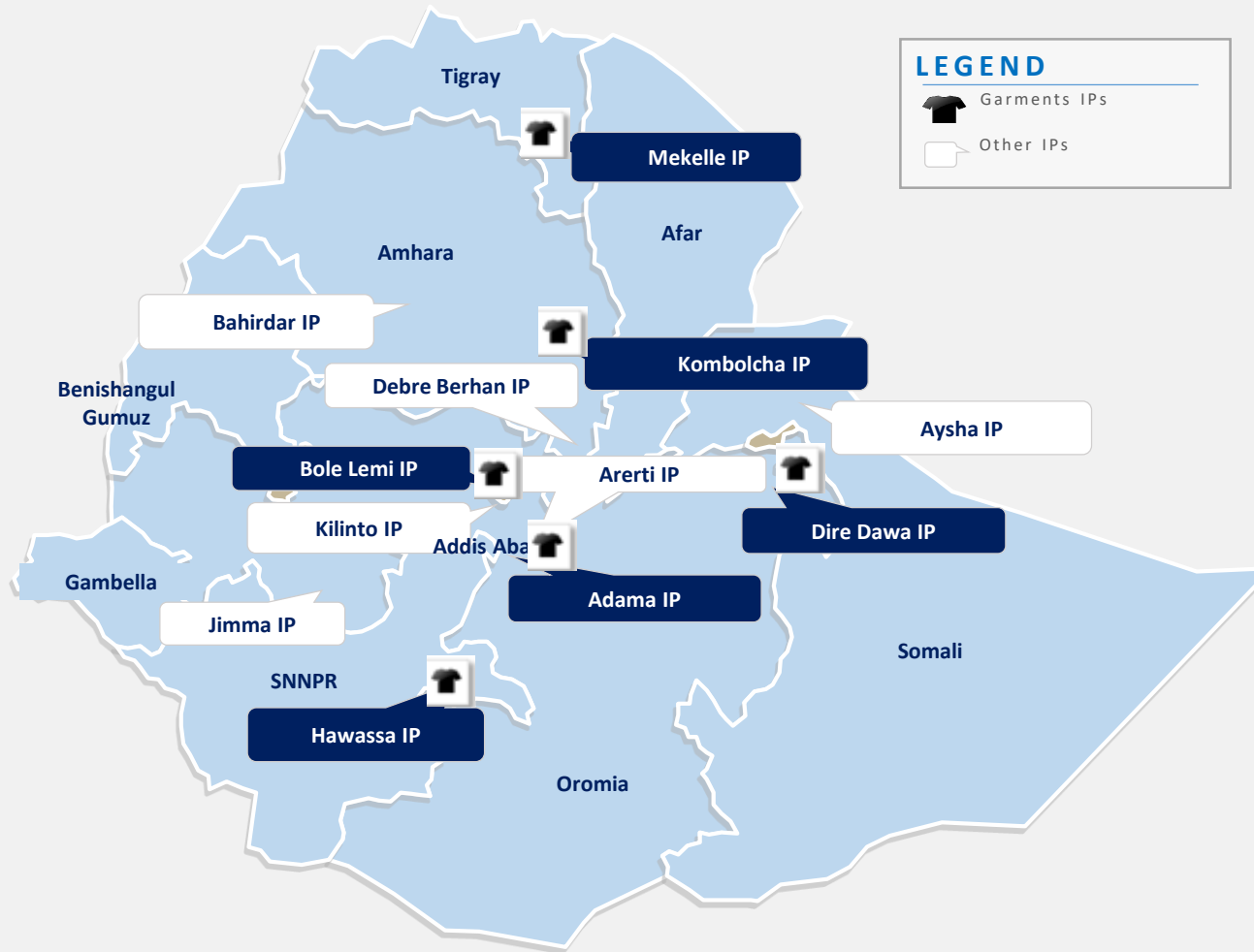
Ethiopia's garments value chain has potential for vertical integration



Industrial parks

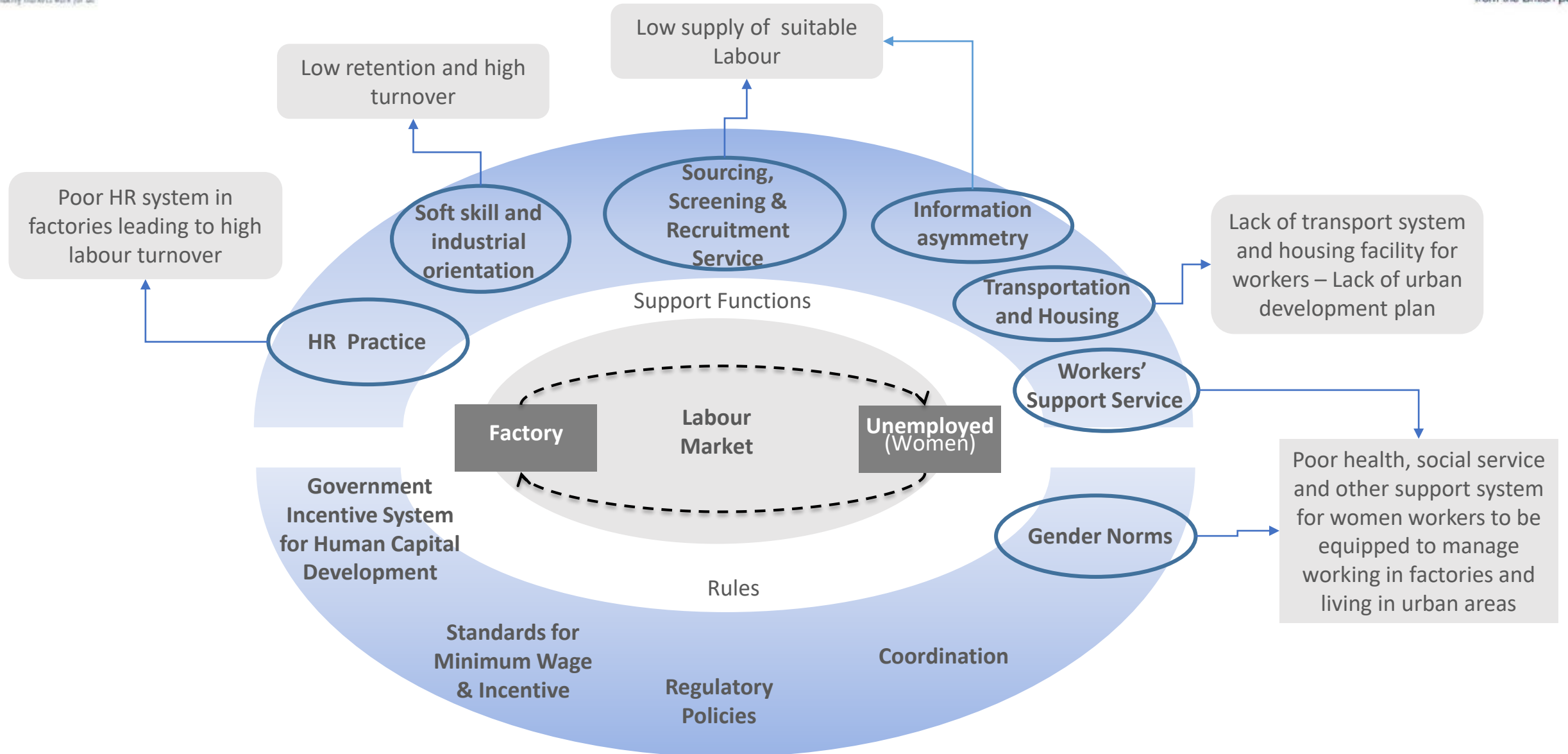
Government of Ethiopia's industrialization strategy focuses on developing industrial parks which is attracting FDI and international brands such as – PVH, H&M

Current & upcoming government-built industrial parks in Ethiopia



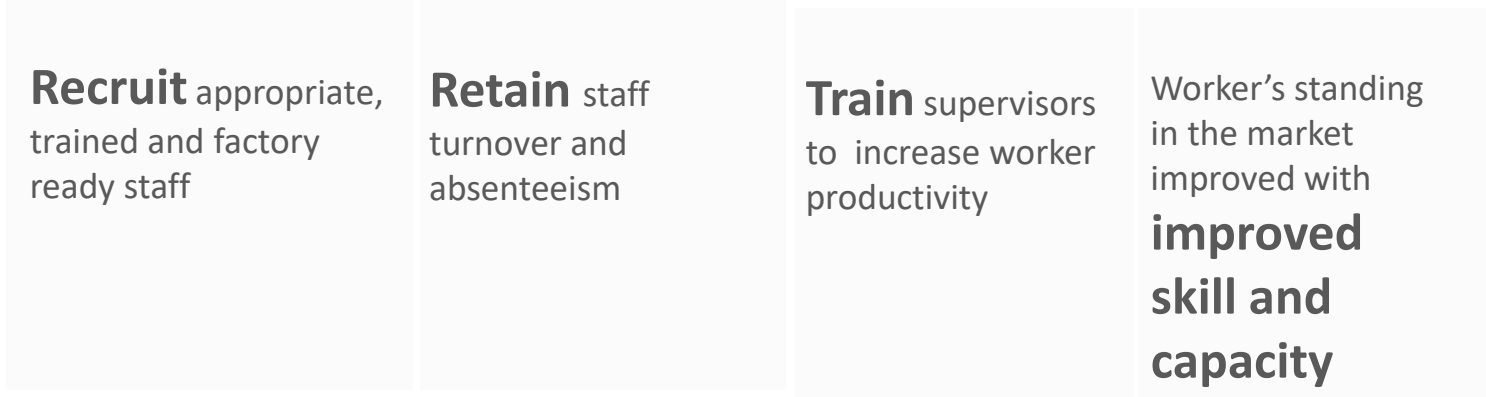
Key constraints in Labour market

Low availability of skilled work-force, poor industrial orientation, high turnover and low productivity are major constraints in the labour market

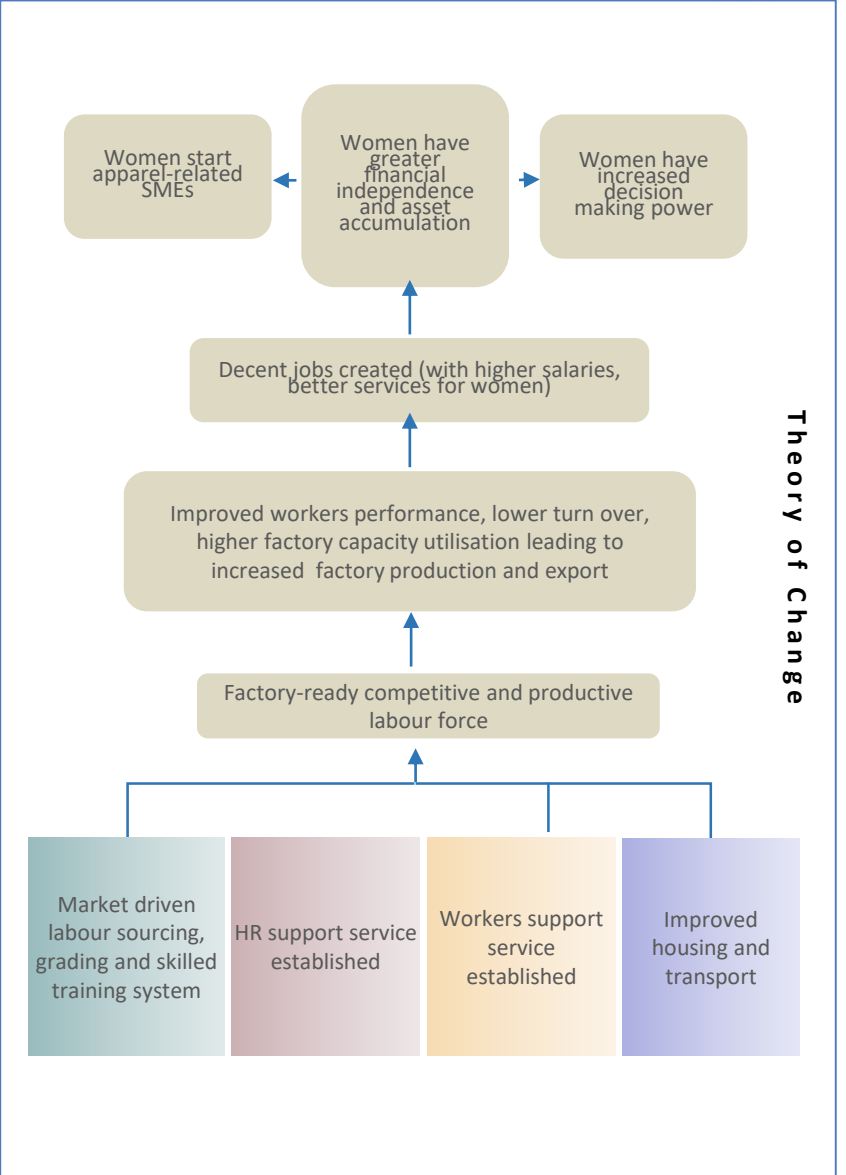


Labour market vision and Theory of Change

EP's vision is to improve labour mobility, adaptability and productivity leading to industrial transformation and decent job creation



Foundation: Services for workers (housing, health, life skills, transport, childcare etc) to live in urban areas



Pilot interventions and learnings

In Ethiopian context, a collaborative model between public institutions and private actors are needed for a scalable and sustainable solutions

Pilot Interventions

Pilot with two private training providers (Next and Wossi)

Pilot with ETIDI on recruiting **200** workers for one factory in HIP

Key learnings

- Private training companies are good at providing soft skill training but they are not able to source workers at scale
- Technical training is better left with factories
- Public institutions are capable of sourcing workers at scale; but not equipped to provide soft-skill trainings

PPP Model - HIPSTER

Public-Private model for sourcing, training and recruiting **30k+** workers in Hawassa Industrial Park (HIPSTER)



Hawassa IP sourcing, training and recruitment program (HIPSTER)

An innovative public-private partnership

PROCESS

PROGRESS

Job applicant



SOURCING AND SCREENING



SNNPR

- ✓ Sensitized on HIP and its job prospects
- ✓ Registered
- ✓ Screened
- ✓ Accepted or Rejected

- 27 screening centers across 7 catchment area

43,972 screened

GRADING



ETIDI

- ✓ Tested for trainability, dexterity, colour blindness, eyesight and job readiness
- ✓ Recommended to best suited job category:
 - Sewing
 - Non sewing
 - Other

- 1 grading center

23,626 graded

RECRUITMENT AND ALLOCATION



INVESTOR ASSOCIATION

- ✓ Defines demand from factories
- ✓ Allocates applicants to factories
- ✓ SNNPR communicates job applicant to show up
- ✓ Recruitment process completed with induction

- 1 Investor Association with 18 factories

12,390 recruited

SOFT SKILL TRAINING



PRIVATE TRAINERS

- ✓ Recruited operators are provided soft skill training to prepare them on industrial norms and practices, which will improve their motivation and performance

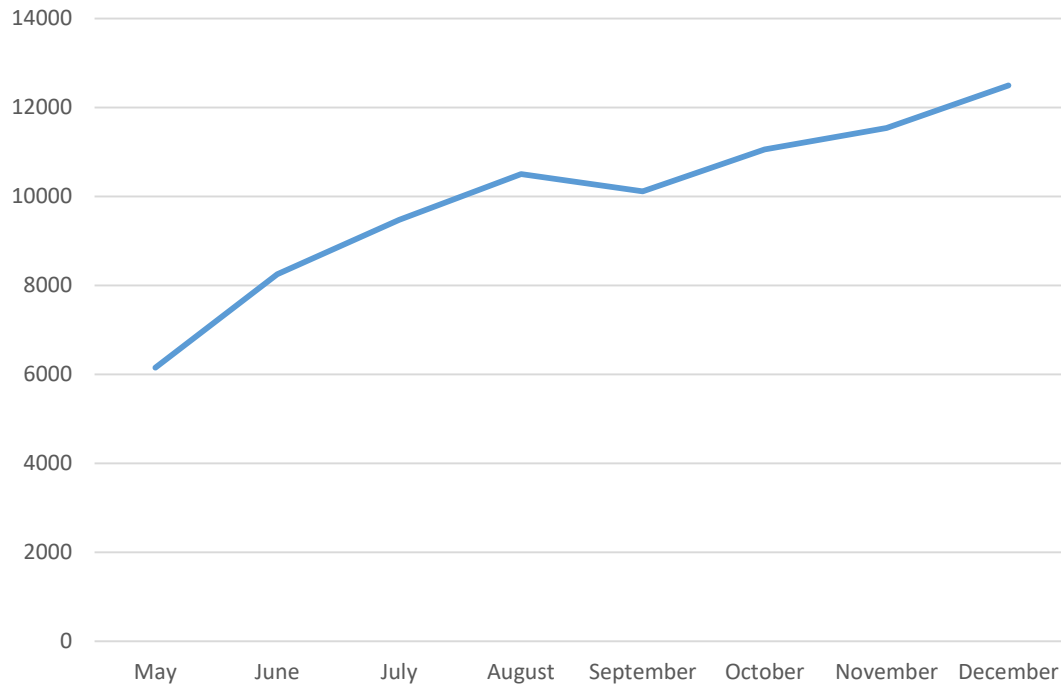
- 4 soft skill training providers

7,260 trained

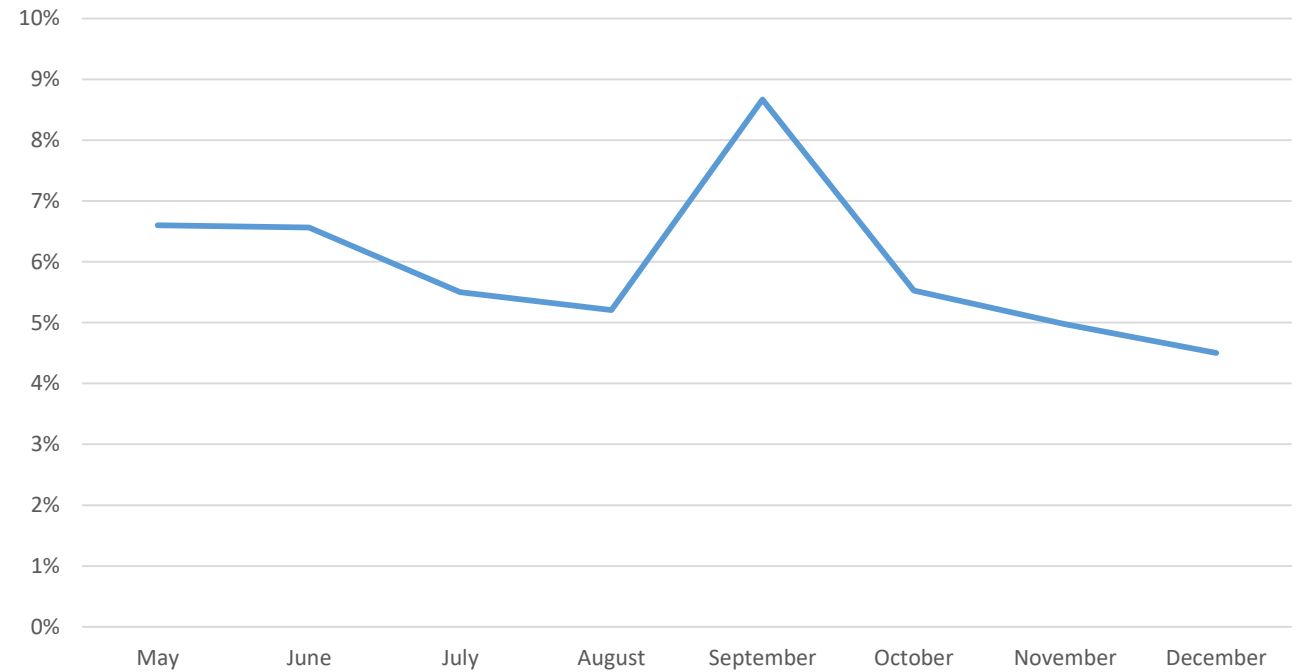
- System of matching factory labour demand with factory ready and trainable labour force
- Improved worker motivation and performance
- Improved productivity
- Reduced turnover



Employment trends in Hawassa Industrial Park



Labor Turnover in Hawassa Industrial Park



- HIPSTER data indicates 97.7% of recruits are female
- HIP data shows 75% of employees are female
- Quiz: what caused the turnover spike in September?

Other Interventions

Increased focus on “retention” related interventions which will ensure increased factory productivity and create opportunities for workers to fulfil their personal and career driven plans

EP Interventions	Description
HR Systems 	Establish Human Resources system for industrial park and factories
Gender 	Training on health, nutrition, gender relations, industrial work environment and life skill
Career Path 	TATARI – Matched savings and loan for entrepreneur program
Overall 	Coordination on other labour related issues such as housing, transportation, minimum wage etc.

Coordination with other development partners



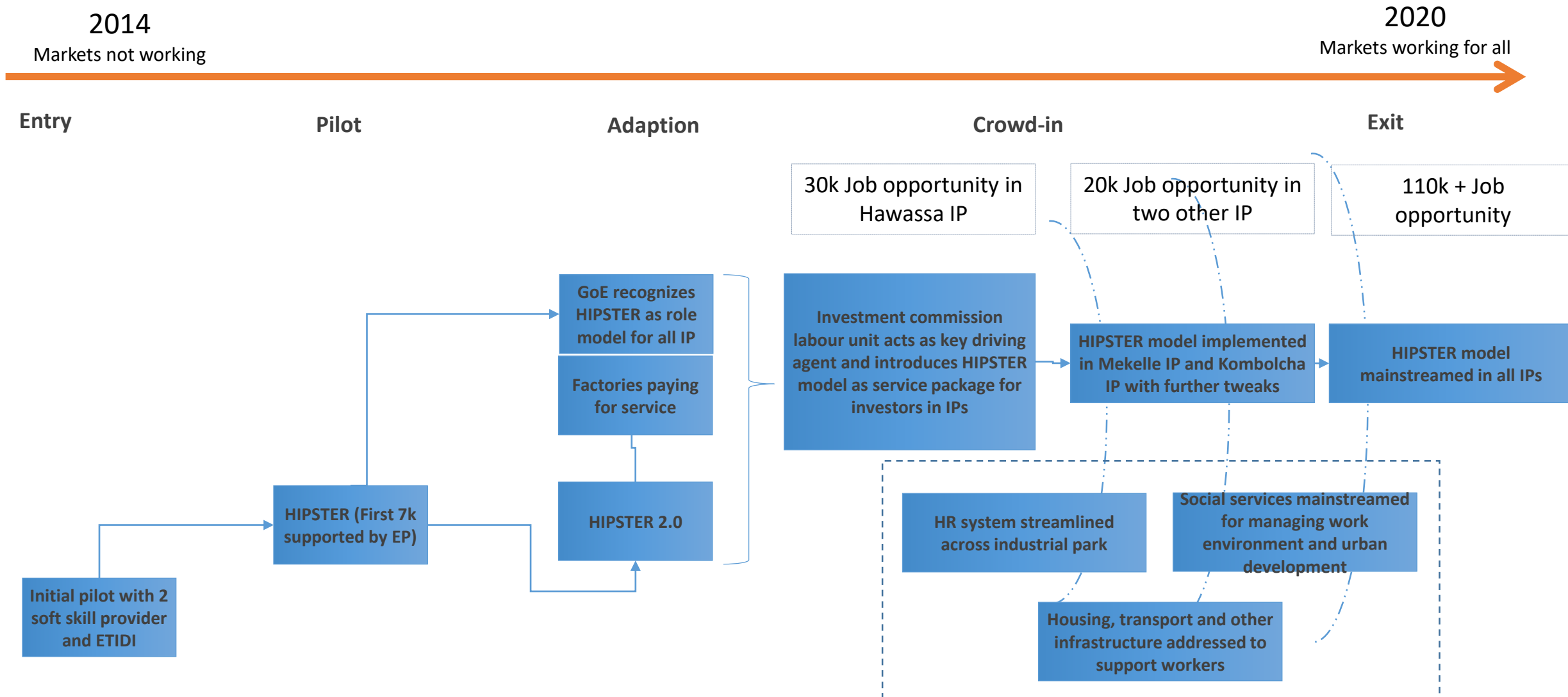
giz

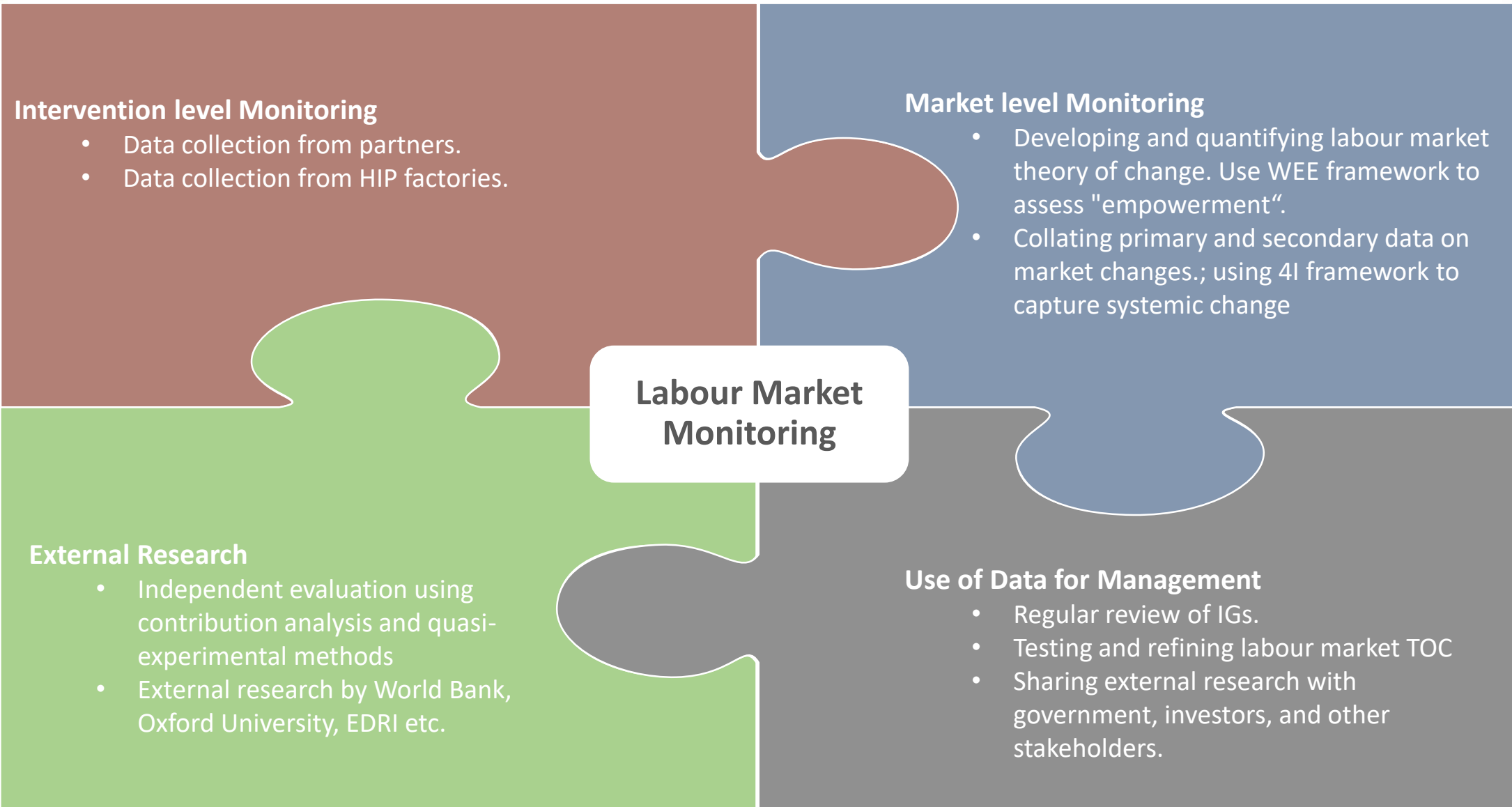


WORLD BANK GROUP

Pathway to scale and systemic change

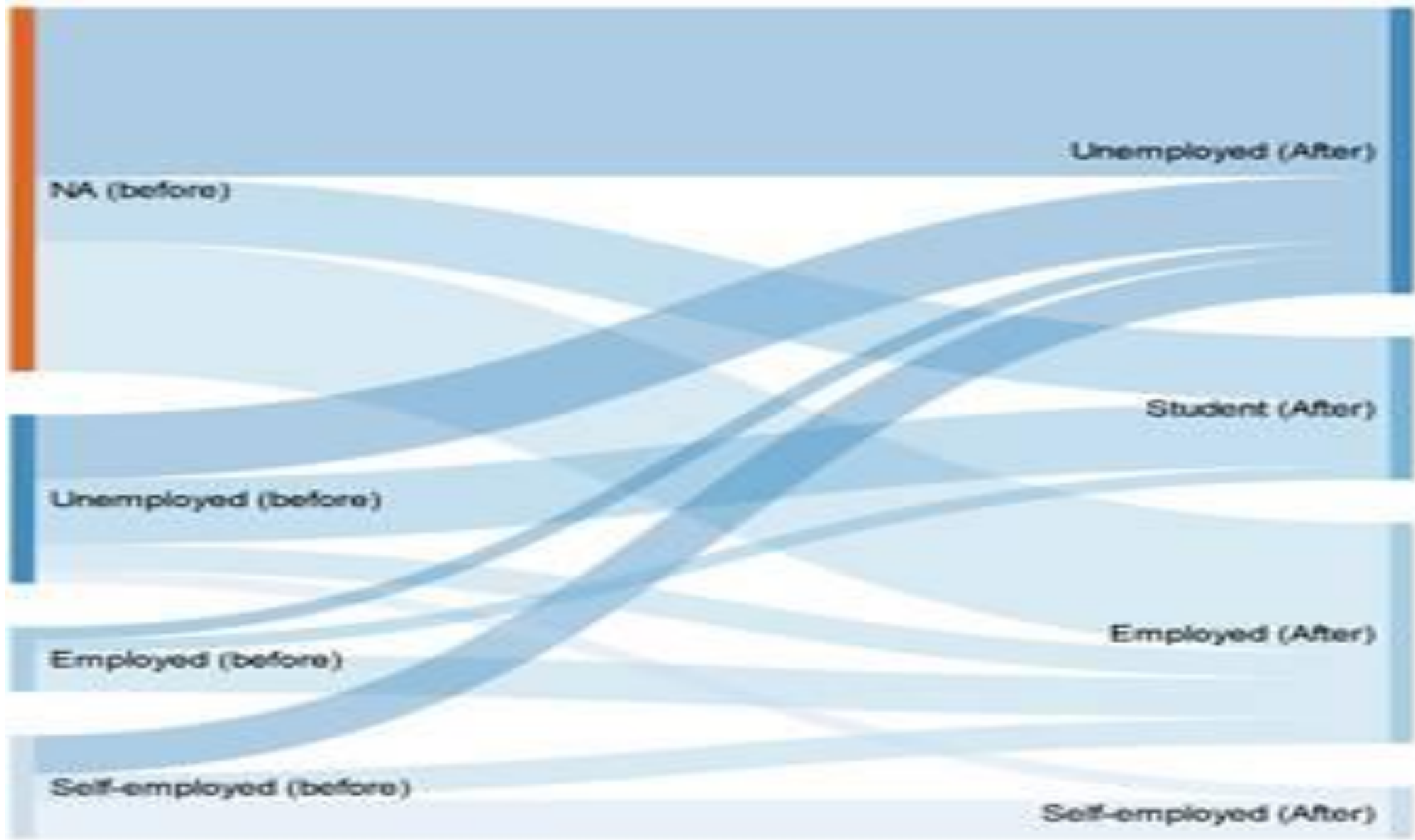
HIPSTER model to be implemented across all industrial parks as a service package by GoE to be paid by investors in industrial parks





Objective of study	Researchers	Status	Methodology
Understand the effect of an industrial park for individuals and source communities	World Bank (Kevin, Christian, Morgan)	Pilot research funded, if successful can apply for full grant. Likely to start in mid-2018, and to continue for 3+ years	Large survey of communities in SNNPR, reliant on data from HIPSTER database.
Understand the causes of turnover and productivity and effects of a housing subsidy and financial savings +loans scheme to retention	Oxford University (Stefano Caria)	Grant obtained from IGC, Stefano is still finalising research question. Likely to start in mid 2018, and continue for 2+ years	Large survey of employees at park.
Understand determinants of recruitment into IP	World Bank (Niklas Buehren)	Surveys finished, analysis underway	Randomised allocation of job-seekers to employees
Understand effect of industrial employment on economic and social wellbeing of married women	EDRI	Baseline complete, midline ongoing.	Randomised allocation of married job-seekers to employees
Understand career pathways of women at HIP	Adam Kessler	Data collection to start in December, finalise in February	Phone interviews with ex-workers from IP
Impact of industrialisation on the poor	Palladium	Proposal	Reality-check approach using ethnographic research

Illustration of careers before and after HIP employment



Questions



Follow us on:

Enterprisepartners1



@EP_Ethiopia



Phone: +251-114701474/727
Fax: +251-116-672-588
P. O. Box 27374/1000
Addis Ababa, Ethiopia
E-mail: info@enterprisepartners.org
Web: www.enterprisepartners.org

www.enterprisepartners.org