

## Unionization in Industrial Parks: The Case of Hawassa Industrial Park

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### Abstract

*Trade Unions play various roles for the protection and realization of workers' rights, such as decent raises, affordable health care, job security, and a stable schedule. Despite the emphatic recognition that has been shown in several international, regional and national laws, the actual realization of the right to unionization has not been an easy task for the employees whose major decent work destiny hangs over the right to unionize. Therefore, the main objective of this study is to identify the legal frameworks regulating the right to unionize in the Hawassa Industrial Park (HIP) with the view of determining operational challenges and entry point for advocacy. The study employed both doctrinal and non-doctrinal research methodology and a mixed research approach. Accordingly, relevant tools, interview, questionnaire and personal observation were devised. By doing so, the research showed that the majority of the employees are part of trade unions (75%) although the research also revealed the existence of different challenges with regard to unionization in Hawassa Industrial Park. Currently, one of the main problems in the formation and the activities after the formation of trade unions in HIP is low awareness of the workers, labour union leaders and employers regarding unionization and its contributions. The employees, despite their membership in one of the unions, are not fully convinced that the union is established with the objective of protecting their rights at work place. Because of this lopsided understanding, they are not committed to the membership that has negatively affected the acceptance and effectiveness of the unions. Hence, it is recommended that there is a need to raise the awareness of the employees about the benefits of joining the unions beyond the mere membership. In order to improve the working conditions the employees' commitment and participation in the unions should be reinforced.*

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**Keywords:** Unionization, Hawassa Industrial Park, Trade Unions, Workers' Right

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## **1. Introduction**

The enforcement of labour right protections which is acknowledged under international, regional and nation laws is the very challenging issue throughout the world though the degree varies from nation to nation. More importantly, for the employees whose decent work destiny hangs over the labour rights, the enforcement of these laws has no alternative. The same challenging stories have been witnessed in the Ethiopian labour market since the country has recorded the lowest manufacturing industries with trade unions.<sup>1</sup> Compared to many other jurisdictions, industrial relations are of a very recent occurrence in Ethiopia since most of the economic activities are dominated by rudimentary private undertakings.<sup>2</sup> Therefore, workers have had to struggle for the establishment of this right with successive regimes that have ruled this country. “The formation of trade unions has never been seen as a healthy move in Ethiopia by all successive governments.”<sup>3</sup> Even with the current government, the right to unionization is a subject matter that both the employer and the government still look at with worries<sup>4</sup> and this is more seriously challenged when it comes to the Industrial Parks.<sup>5</sup>

In Ethiopia, industrial parks are established with a unique arrangement of labour and capital intensive setting with aim of reconfiguring the country`s balance of payment through boosting foreign trade.<sup>6</sup> This feature has made the industrial parks one of the

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<sup>1</sup> Philippe Alby, Jean-Paul Azam, Sandrine Rospabe, “Labor Institutions, Labor-Management Relations, and Social Dialogue in Africa,” (2005). Washington, D.C.: World Bank Group, p. 10, available at <http://documents.worldbank.org/curated/en/516591468768335618/Labor-institutions-labor-management-relations-and-social-dialogue-in-Africa>, last visited on August 5, 2022. It was reported in the study that “First, note that in Ethiopia and Uganda, a very high %age of manufacturing firms (respectively, 80 % and 90 %) declare having not even one unionized worker.”

<sup>2</sup> Anchinesh Shiferaw and Wondemagegn Tadesse, *Rights Protection in the Labour Markets of Ethiopia Research Reports from Selected Cities*, (2020) Center for Human Rights, Addis Ababa University, p. 9

<sup>3</sup> Ibid, p. 21; see also Mehari Reda, *Privatization in Ethiopia: The Challenges It Poses to Unionization and Collective Bargaining*, (2015) The University of Warwick, p. 7.

<sup>4</sup> Supra Note 2, p.9

<sup>5</sup> Gebeyaw Nega, *Labor Dispute in Industrial Parks of Ethiopia: The Case of Bole-Lemi Industrial Park (BLIP)* (2021), Unpublished, Master’s Thesis, Addis Ababa University, pp. 69-70

<sup>6</sup> Zhang, X. et.al. *Industrial park development in Ethiopia Case study report*, 2018.

most highly protected business sectors, with little regard to other important societal values like rights of the employees.

The Hawassa Industrial Park, as a flag-ship project, is considered one of the most important parks in the country. The assessments so far conducted shed a dim picture regarding the rights of the employees in the park. One such right of the employees that is generally undermined is the right to unionization. At the early stage of the HIP employees were precluded from establishing trade unions. Even after the formation, the unions were made so ineffective by employing different tactics such as hindering the unions to function as effectively as the International Labor Organization (ILO) documents or as the national legislations require. Thus, this study essentially attempted to assess and present the general conditions of the right to unionization within Hawassa Industrial Park.

Accordingly, the main objective of this study was to identify the legal frameworks regulating the right to unionize in the Hawassa Industrial Park with the view of determining operational challenges. With the framework of the general objective stated, the study addressed the following specific objectives: examining the legal framework regulating the protection of the right to unionize in the Hawassa Industrial Park; investigating the major legal and operational challenges undermining the protection of the right to unionization in the Park; identifying the major stakeholders in the protection of the rights with their respective roles; and establishing important lessons that can be drawn for the purpose of general application.

To address, these objectives, the study employed both doctrinal and non-doctrinal research methodology. Through doctrinal research, the content, principles and gaps of policy and legal instruments related to right to unionization in the industrial parks has been inquired. Through the utilization of non-doctrinal method, the enforcement of laws and policies related right to unionization in Hawassa Industrial Park has been investigated empirically.

The research used information gathered from international instruments, FDRE Constitution, policy documents, and Ethiopian Labour Proclamation and the various relevant regulations and directives as primary sources. Information obtained from informants through structured and semi-structured interviews, questionnaires and personal observation by the researchers was also considered as primary data. In this regard, the concerned stakeholders, which include the government bodies, Hawassa Industrial Park management organs, employers, as well as workers and their representatives were interviewed to incorporate first-hand information about the situation on the ground. Secondary data was obtained via the analysis of various documents from different governmental and non-governmental organizations and works of relevant scholarly. Accordingly, books, journals, periodicals, newspapers, magazines, conference papers, related to right to unionization were consulted. Once the relevant data was secured through the above methods, data was analysed utilizing mixed research techniques and interpretation tools.

Purposive and snowball sampling techniques were used to select the interviewees. Random and availability sampling was also employed to select subjects of the research addressed by questionnaire. Following the methodology chosen, 394 employees were selected to respond to the enquiry through questionnaires and eight people were selected for key informant interview purposively based on the expertise they had on the subject matter under consideration and the offices they assumed. Since Hawassa hosts Southern Nations, Nationalities, and Peoples' Region (SNNPR) Bureau of Labour and Social Affairs and Sidama Regional State Bureau of Labour and Social Affairs, key informants were interviewed from both Regional States and two officials were interviewed from the Ethiopian Investment Commission as an important stakeholder in the process of unionization. Further, two union leaders were interviewed to check the realities with regards to the operation of the unions in the park and one soft skill trainer with the purpose of gathering the level of the understandings of the employees with regards to the rights and obligations in their working life. Finally, one key informant was interviewed from Confederation of the

Ethiopian Trade Union (CETU) as one of the most important stakeholders when it comes to the right to unionization. According to the official documents of Hawassa Industrial Park the total number of workers in July of 2022 was 24,108. This made up the total size of target population of the study. The sample size was determined by using the formula (Yamane, 1967; Cochran, 1963):

$$n = \frac{N}{1+Ne^2}$$

Where;

n- Is sample size

N – Total size of the target population

e –the level of error and given N = 24,108 and e= 0.05 level sample error

$$\text{Then, } n = \frac{24,108}{1+24,108 (0.05)^2} = \frac{24,108}{1+24,108 (0.0025)} = \frac{24,108}{61.25} = 393.6$$

Hence, the sample size (n) is 394

Devising the above methodology, this piece depicts the scene, the nexus between unionization vs. human right protections; the legal regimes regulating the right to unionize; the scenario of unionization in Hawassa Industrial Park; the conclusion and the way forward.

## 2. Setting the Scene

Ethiopia, over the course of the country's development history, has undergone various policies and strategies that were designed to facilitate industrialization process. Considering only the reign of the Ethiopian People's Revolutionary Democratic Front (EPRDF), the country had Agricultural Development Led Industrialization (ADLI) and other similar strategies aimed at poverty reduction with different success rates. Among similar other successive development strategy, the Growth and Transformation Plan II (GTP II) was vital for inclusive development. GTP II was designed to serve as a springboard towards realizing the national vision of becoming a low middle-income country by 2025, through sustaining the rapid,

broad based and inclusive economic growth, which accelerates economic transformation and the journey towards the country's renaissance.<sup>7</sup> With this vision to make Ethiopia a leading manufacturing hub in Africa by 2025, the government of Ethiopia placed high focus on industrial park (IP) development and expansion.<sup>8</sup> It is thus, with this aim that the government has opened up the development of IPs for both domestic and foreign private investors by providing a vast range of fiscal and non-fiscal incentives.<sup>9</sup>

Hawassa IP is among the most prominent IPs, applauded as a flagship project by the government specializing in textile and garment products. It was designed to serve as a blueprint for the development of future parks. As of July 2022 the Park employed 24,108 workers excluding staff and service providers who reside in the compound. At full capacity, the park is expected to generate employment opportunity for close to 60,000 workforces.<sup>10</sup>

Industrial parks are the main hub for economic growth in many countries, providing job opportunity for citizens. It is also assumed that by clustering into industrial parks, small, medium and even large scale enterprises can take advantage of public infrastructures, economies on construction and facilities, gain access to nearby skilled labor markets, and other critical inputs to propel overall economic development.<sup>11</sup> However, some news outlets show that workers in industrial parks

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<sup>7</sup>Second Growth and Transformation Plan (GTP II: 2016-2020), Available at: <https://en.unesco.org/creativity/policy-monitoring-platform/second-growth-transformation-plan> Accessed on: August 6, 2022.

<sup>8</sup>Ethiopian Investment Commission (EIC), Industrial park in Ethiopia: Incentive package, 2017.

<sup>9</sup>FDRE Investment Proclamation No. 1180/2020, 26th Year No. 28, 2020, Addis Ababa, Arts. 17-24.

<sup>10</sup> Company Profile of Hawassa Industry Park, Available at: [http://www.investethiopia.gov.et/images/Covid-19Response/Covid-19Resources/publications\\_May-20/HIP-Production-Company-Profile---07092017.pdf](http://www.investethiopia.gov.et/images/Covid-19Response/Covid-19Resources/publications_May-20/HIP-Production-Company-Profile---07092017.pdf) Accessed on August 6, 2022.

<sup>11</sup> UNIDO, International Guidelines for Industrial Parks, (2019), p. 16, available at [https://www.unido.org/sites/default/files/files/202005/International\\_Guidelines\\_for\\_Industrial\\_Park\\_s\\_EN.pdf](https://www.unido.org/sites/default/files/files/202005/International_Guidelines_for_Industrial_Park_s_EN.pdf) Accessed on August 6, 2022.

are at increased risk of various forms of labour rights violation that manifests itself for instance in the form of stifling the right to unionization.<sup>12</sup>

Freedom of association is one of the fundamental rights that all the international, regional and domestic legislation have so far recognized. This recognition of the importance of the right is associated with the enabling nature of the right.<sup>13</sup> Meaning freedom of association is important right not only for its own purpose but because the right is an instrument for the purpose of securing other human rights.<sup>14</sup> The right to association is related to human nature since mankind has been organizing itself from time immemorial until the current times for the purpose of dealing with challenging issues in their day to day life.<sup>15</sup>

Following the identification of the importance of the right, as has been mentioned above, major international legal instruments have incorporated this right in one form or another. In terms of recognition, the instruments herein under can be mentioned as important instruments that have incorporated this right: The Universal Declaration of Human Rights(UDHR) (1948), Article 20(1) declares ‘everyone has the right to freedom of peaceful assembly and association,’ the International Covenant on Civil and Political Rights (ICCPR)(1966), Article 22 says ‘everyone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of his interests,’ the International Covenant on Economic,

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<sup>12</sup>Addis Fortune “Labour Union Struggle Faces Stiff Resistance in Hawassa Park” available at <https://addisfortune.news/labour-union-struggle-faces-stiff-resistance-in-hawassa-park/> accessed on August 5, 2022.

<sup>13</sup> Paul M. Taylor, *A Commentary on the International Covenant on Civil and Political Rights: The UN Human Rights Committee's Monitoring of ICCPR Rights*, (2020). P.610. Paul wrote in this regard that the right“---enables the very existence of political parties, allowing pluralist expression in a multi-party system, and offering choice in popular representation.”

<sup>14</sup> Charalampos Stylogiannis, *Freedom of Association and Collective Bargaining in the Platform Economy: A Human Rights-Based Approach and an over Increasing Mobilization of Workers* (2021), *International Labour Review*, p. 21

<sup>15</sup>Anayet Hossain and Korban Ali, *Relation between Individual and Society* (2014), *Open Journal of Social Sciences*, **2**, 130-137

Social and Cultural Rights ICESCR (1966) affirms ‘the right of everyone to form and join the trade unions of his/her own choice’.

There are also other specialized instruments that have recognized the right testifying to its importance in supporting the interests of ethnic, religious or linguistic minorities, racial minorities, children, the disabled workers, including migrant workers, refugees, stateless persons, and those suffering from gender inequality.<sup>16</sup>

When it comes to the right of workers to unionization, the ILO is one of the first international organizations that have attached the importance of this right to the establishment of decent working conditions.<sup>17</sup> This importance seems to have been recognized because workers have always struggled to establish decent working conditions because of the power imbalance between the employer and the employee presenting him as a daily laborer.<sup>18</sup> The motto of ‘freedom of contract’ that allowed the two parties that are inherently unequal to determine all the working conditions brought about a significant misery because of the difference between the capitalist and the employee. Capital, in the name of profit, managed to appropriate the ‘lion’s share’ of the wealth created while labour received the lesser, at times even the minimal amount, in the form of wages. As a matter of fact it was not only a matter of monopolizing profit; power in labour relations was also exclusively possessed by the capital in that the employer had absolute prerogative in commanding and controlling the labour force.<sup>19</sup> In the general analysis, the doctrine of freedom of

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<sup>16</sup>Framework Convention for the Protection of National Minorities (1995, International Convention on the Elimination of All Forms of Racial Discrimination (1965), (ICERD), Convention on the Rights of the Child (1989), Convention on the Rights of Persons with Disabilities (2006), ILO, Convention concerning Freedom of Association and Protection of the Right to Organise, C87, 9 July 1948, ICESCR, Art. 8 (trade unions), International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, 18 December 1990, Convention Relating to the Status of Refugees, 28 July 1951, Convention Relating to the Status of Stateless Persons, 28 September 1954.

<sup>17</sup> The ILO Constitution, Preamble paragraph one states that the Organization established partly in, “---recognition of the principle of freedom of association---”

<sup>18</sup> M Serrano & E Khafa et al (Eds.) Trade Unions and the Global Crisis: Labour’s Visions, Strategies and Responses ILO (2011) Page xi.

<sup>19</sup> E. Bruce Kaufman, *The Global Evolutions of Industrial Relations* (Geneva: ILO), 2004:24)



contract has entailed excessively low wages and long working hours coupled with unsafe and unhealthy working conditions. This can be considered the starting point for the employees to imagine organizing themselves into some form of association to remedy what has been created by the unfavorable conditions of negotiating with the employer alone. So, the history of trade unions all over the world is a history of struggle for greater social justice, both in societies and at the work place.<sup>20</sup>

After realizing the pitfalls of the doctrine of freedom of contract, the workers decided that their individuals endeavor to have a better outcome from the negotiation would also not bear any fruit. It is in this manner that the desire to organize and fight for their rights at workplace came about. As it was mentioned herein above, the ILO took these rights seriously and came up with several binding and soft instruments in the form of recommendations, like *Convention 87 on Freedom of Association and Protection of the Right to Organize* and *Convention 98 on the Right to Organize and Collective Bargaining*. The ILO has also emphasized the importance of this right on several occasions like in *the ILO Declaration on Social Justice for a Fair Globalization* (2008) in which it was stated that freedom of association is a fundamental right and recognizing the right which are of particular significance, as both rights and enabling conditions that are necessary for the full realization of all of the strategic objectives.<sup>21</sup> In this regard it has been enunciated that the right to freedom of association constitutes an ‘enabling right’ which is an effective protection that can be crucial for the actual exercise of other human rights and labour standards, something that has also been pointed out by the ILO Committee of Experts.<sup>22</sup>

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<sup>20</sup>Deset Abebe, Trade Union Rights of Government Employees in Ethiopia: Long overdue! (2017), p. 110, available at [https://www.researchgate.net/publication/312024060\\_Trade\\_Union\\_Rights\\_of\\_Government\\_Employees\\_in\\_Ethiopia\\_Long\\_overdue](https://www.researchgate.net/publication/312024060_Trade_Union_Rights_of_Government_Employees_in_Ethiopia_Long_overdue) accessed on August 5, 2022.

<sup>21</sup>The ILO Declaration on Social Justice for a Fair Globalization adopted by the International Labour Conference at its Ninety-seventh Session, Geneva, 10 June 2008

<sup>22</sup> ILO, Giving Globalization A Human Face, International Labour Conference, 101<sup>st</sup> Session, (Geneva, 2012) p. 38

Ethiopia has been at the forefront in the adoption of the freedom of association and domestication of international instruments and making part of the constitution. The country has ratified all the important Bills of Rights that incorporate this freedom and as only African country to become member to the ILO in 1923, that has ratified 23 conventions including 8 Fundamental Conventions.<sup>23</sup> In addition, the freedom to form trade union is one of the core rights incorporated in the FDRE Constitution.<sup>24</sup> The Labour Proclamation No. 1156/2019 also explicitly recognizes the right to unionization with the necessary procedure to follow in the formation and operation of trade unions.<sup>25</sup>

### **3. The Nexus between Unionization and Workers Right Protection**

Unions are teams of individuals coming together to guarantee their interest. Union members work together to negotiate and enforce a contract with management that guarantees their work related rights and interests, such as decent raises, affordable health care, job security, and a stable schedule.<sup>26</sup>

Workers have two potential sources of leverage with respect to their employers: (1) the implicit threat that they could quit and take a job elsewhere, and (2) the presence of a union that can represent their interests via collective bargaining. However, the first source of leverage record-high job openings rates—will not last forever. But when workers are able to come together, form a union, and collectively bargain, their wages, benefits, and working conditions improve.

Unionization has all round benefits. Labour unions improve wages and working conditions for all workers, whether they are union members or not. Unions help

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<sup>23</sup>The ILO Ethiopia Fact sheet available at: [https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/---sro-addis\\_ababa/documents/publication/wcms\\_759979.pdf](https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/---sro-addis_ababa/documents/publication/wcms_759979.pdf), accessed on August 3, 2022.

<sup>24</sup> FDRE Constitution, Article 42 (1, A), “This right includes the right to form trade unions and other associations to bargain collectively with employers or other organizations that affect their interests.”

<sup>25</sup>Labour Proclamation 1156/2019, Art. 113 (1).

<sup>26</sup> AFL-CIO, Unions Begin with You, 2023 Available at: <https://aflcio.org/what-unions-do> Accessed on August 6, 2022.

reduce wage gaps for women workers and workers of colour as witnessed in American labour protection policies.<sup>27</sup> Union members have better job safety protections and better paid leave than non-union workers, and are more secure exercising their rights in the workplace. Workers with union representation enjoy a significant pay premium compared to non-union workers. The Bureau of Labour Statistics reports non-union workers earn just 85 % of what unionized workers earn (\$1,029/week vs. \$1,216/week). When more workers have unions, wages rise for union and non-union workers. The converse is also true: when union density declines, so do workers' wages.<sup>28</sup>

As a show case a study conducted in America in 2021 shows that a worker covered by a union contract earns 10.2% more in wages on average than a peer with similar education, occupation, and experience in a nonunionized workplace in the same sector.<sup>29</sup> Furthermore, unions raise wages for women and reduce racial/ethnic wage gaps. For instance, hourly wages for women represented by a union are 4.7% higher on average than for nonunionized women with comparable characteristics. Black workers represented by a union are paid 13.1% more than their nonunionized Black peers, and Hispanic workers represented by a union are paid 18.8% more than their nonunionized Hispanic peers.<sup>30</sup>

A research by Farber et al. confirms that unions have historically helped, and continued to help, close wage gaps for Black and Hispanic workers (which also means that the decline of unionization over the last four decades has contributed to the increase in the Black–white wage gap over that period).<sup>31</sup> Unions are not only good for workers; they are good for communities and for democracy. High

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<sup>27</sup> U.S. Department of Labor, An official website of the United States government.  
<https://www.dol.gov/general/workcenter/union-advantage> Accessed on August 6, 2022.

<sup>28</sup> Ibid

<sup>29</sup> Asha Banerjee, et. al, Unions Are Not Only Good for Workers, They're Good for Communities and for Democracy. Economic Policy Institute, December 2021.

<sup>30</sup> Ibid.

<sup>31</sup> Farber et.al, 'Unions and Inequality Over the Twentieth Century: New Evidence from Survey Data' (2021) Quarterly Journal of Economics, Vol. 136, no. 3 pp. 1325–1385

unionization levels are associated with positive outcomes across multiple indicators of economic, personal, and democratic well-being.<sup>32</sup>

A 2019 study conducted by the New York University Stern Centre for Business and Human Rights discovered that garment factory workers in Ethiopia are the lowest paid in any major garment-producing country worldwide. They earn below 26 dollars a month, almost nine times lower than what their counterparts earn in Kenya and three times lower than the workers in Bangladesh. The value showed almost no increase in Birr, except some adjustments on benefits, while witnessing a 38pc decline in dollar terms due to the depreciation of the Birr since then. This is a situation labour leaders believe that could have been averted if there had been unions representing the workers.<sup>33</sup>

#### **4. Legal Regimes Regulating the Right to Unionize**

As it was briefly discussed in the introductory section, the legal consideration of the right to unionize was first established in the preamble of the Constitution of the International Labor Organization (ILO) in 1919.<sup>34</sup> The ILO continued with the emphasis on the right to unionize in its Conventions No. 87 (C87) of 1948 and Convention 98 of 1949.<sup>35</sup> The first Convention, in particular, is considered to have been the first of its kind in terms of articulating the substantive elements essential for the purpose of organizing the employees and the employers into an association of their own choosing. Accordingly, the C87 accentuates that freedom of association is right for workers and employers to form and join organization of their own choosing, without prior authorization. These rules and procedures established in the

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<sup>32</sup> Asha Banerjee, *supra* note 29.

<sup>33</sup> Paul M Barrett and Dorothée Baumann-Pauly, *The Garment Workers of Ethiopia are World's Lowest Paid* (2019), Centre Business and Human Rights, New York University Available at: <https://bhr.stern.nyu.edu/blogs/2019/5/22/report-the-garment-workers-of-ethiopia-are-worlds-lowest> Accessed on 06 August 2022.

<sup>34</sup> The ILO Constitution, Preamble paragraph one states that the Organization established partly in, “---recognition of the principle of freedom of association---”

<sup>35</sup> Convention 87 on Freedom of Association and Protection of the Right to Organize and Convention 98 on the Right to Organize and Collective Bargaining.

work place can draw up their constitutions and freely partake in the union related activities including assuming leadership positions.<sup>36</sup>

The second one is Convention 98, which entered into force as a complement to the first Convention to protect the employees against antiunion activities and helping them organize in groups and negotiate for the betterment of their rights. After a successful organization, employees and employers can engage in the negotiation of wages and other conditions of employment by an organized body of employees which would eventually produce collective agreements that can improve the working conditions. There are also other ILO legislations, recommendations as well as declarations dealing with the freedom of association as a core labour rights which will be elaborated in the subsequent sections of this study. Ethiopia as a long standing member of the ILO since 1923 has not only ratified these two core Conventions, but also all eight Conventions despite the challenges discussed above.<sup>37</sup>

On a global level, the UDHR has a general recognition of the right to association, but the right to form and join trade union was recognized in the two Covenants in 1966.<sup>38</sup> Ethiopia has ratified both the Covenants,<sup>39</sup> and as per the FDRE Constitution, these Covenants are the integral part of the law of the land.<sup>40</sup> Ethiopia is also a party to regional human rights instruments that recognize the right to work and to form and take part in trade union, like the African Charter on Human and Peoples Rights.<sup>41</sup>

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<sup>36</sup>ILO, Convention No. 87, Art. 2&3.

<sup>37</sup>The ILO Ethiopia Fact sheet available at [https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/---sro-addis\\_ababa/documents/publication/wcms\\_759979.pdf](https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/---sro-addis_ababa/documents/publication/wcms_759979.pdf). Accessed on August 3, 2022.

<sup>38</sup>UDHR Article 20(1) ‘everyone has the right to freedom of peaceful assembly and association,’ the ICCPR (1966), Article 22 ‘everyone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of his interests,’ the ICESCR (1966) ‘the right of everyone to form and join the trade unions of his/her own choice’.

<sup>39</sup>Ethiopia has ratified the ICCPR and ICESCR in 1993, the UN Treaty Bodies database, available at [https://tbinternet.ohchr.org/\\_layouts/15/TreatyBodyExternal/Treaty.aspx?CountryID=59](https://tbinternet.ohchr.org/_layouts/15/TreatyBodyExternal/Treaty.aspx?CountryID=59) Accessed on August 3, 2022.

<sup>40</sup> The Constitution of the Federal Democratic Republic of Ethiopia, Federal Negarit Gazeta, 1st year No.1, Addis Ababa-21st August, 1995, Art. 9(4). (hereafter referred as the FDRE Constitution)

<sup>41</sup> African Charter on Human and Peoples Rights, Art. 15. This provision states that “every individual shall have the right to work under equitable and satisfactory conditions, and shall receive equal pay for equal work”.

All these discussions recognize the right in Ethiopia based on international and regional bills of rights. The next section considers how the right is treated in domestic legislations.

In considering the normative framework regulating the right to unionize, the fitting place to start is the FDRE Constitution itself. The Constitution is rather elaborate in its recognition and establishment of workers' rights starting from the right to work and other important components that constitute decent working conditions.<sup>42</sup> One of the most important rights in this regard is "the right to form trade unions and other associations to bargain collectively with employers or other organizations that affect their interests."

The other important domestic legislation is the Labour Proclamation No. 1156/2019 that establishes "workers and employers shall have the right to form and organize trade unions or employers' associations, respectively, and to actively participate therein."<sup>43</sup> The Proclamation is the most important legislation not only because it recognizes the right to unionize, but also because it categorically forecasts the relevance of the workers' association with regards to collective bargaining and agreements that can be reached with the instrumentality of the unions. Hence why the Proclamation explicitly recognizes "any trade union shall have the right to bargain with one or more employers or their association..."<sup>44</sup> The same principle applies to employers with regards to the right to negotiate where the Proclamation provides that "any employer or employers' associations shall have the right to bargain with their workers organized in a trade union."<sup>45</sup>

Employers are required to restrain from illegal acts under this law. Among these acts, employers can not coerce or in any manner compel any worker to join or not to join a trade union (14 (1) (d)); or to continue or cease membership of a trade union; or to

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<sup>42</sup> The FDRE Constitution, Art. 42.

<sup>43</sup> Labour Proclamation, 1156/2019, Art. 113 (1).

<sup>44</sup> Ibid, Art. 126

<sup>45</sup> Ibid

require a worker to quit membership from one union and require him to join another union; or to require him to cast his vote to a certain candidate or not to a candidate in elections for trade union offices. In addition, termination based on the worker's nation, sex, religion, political outlook, marital status, race, colour, family responsibility, pregnancy, disablement or social status (26(2) (d)) also serves for union members. Consultation with trade union during reduction 2(3) is another prerequisite under this law. The law also dictates protections for union members and leaders which include union leave (82), detailed provisions of trade unions (113-124), collective agreement (125) and bargaining (126).

The last one is the specific law that is applicable to the Industrial Parks that are operating throughout the country. The Industrial Parks Proclamation, which provides that investors that engage in entrepreneurial activities in all industrial parks shall follow the Labour Proclamation and other relevant laws protecting the rights of the employees.<sup>46</sup> In this regard, one can also consider investment laws of the country and other bilateral investment treaties the country has concluded in the facilitation of investment processes throughout the country.

## **5. The Scenario of Unionization in Hawassa Industrial Park**

### **5.1. Formation of Trade Unions**

Hawassa Industrial Park is one of the flagship parks in the country when it comes to the process of developing industrial parks and currently hosts more than 20 manufacturing units engaged principally in textiles and garment production and export. In these factories, there are 24,108 employees (as of July 2022) that undertake various production activities. As it is well understood, one of the most challenging issues when it comes to the right to unionization is the right to membership as assessed by this research. Among the participants of the questionnaire, 75.2% of them were members of trade unions established in the industrial park. This can be considered that an encouraging number of workers are participating in unionization

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<sup>46</sup> Industrial Parks Proclamation, Proc. No. 886/2015, Federal Negarit Gazeta Year 21, No.39, Addis Ababa- April 2015, Art. 28.

efforts. When looking at the number of workers participating in trade unions: the share of employees that were members of a trade union in the UK in 2021 was 23.1 %.<sup>47</sup> On the other hand, total labour union "density" of US workers in 2020 was 10.8%, compared to 20.1% in 1983. As per the statistics presented by the US Bureau of Labour Statistics in 2021 "the union membership rate of public-sector workers (33.9 %) continued to be more than five times higher than the rate of private-sector workers (6.1%)".<sup>48</sup> Confirming the possibility of this high number of labour union density Mr. Chanyalew from CETU and Mr. Legesse from the Bureau of Labour and Social Affairs told the research team that except 2 companies (comprising 3322 workers or 13.77 % of employees in the industrial park) in the park and currently all companies have their own trade unions.<sup>49</sup>

There are various factors that hindered the rest of the workers from joining unions: first, 19.3% of the workers responded that they have failed to join trade unions because of lack of understanding on the concept of unionization. This reason was also affirmed by the interview of the representatives of the workers', representatives of employers', CETU and Bureau of Labour and Social Affairs.

Second, representatives of trade unions also provided that companies were not happy with the establishment of associations in their work place. However, this narrative is supported by only 7% of the respondents, among this figure 5% of them said there is no freedom of forming a union within Hawassa Industrial Park and 2% of them said employers are not willing for the formation of the union.

Third, 4% of the respondents provided that the pre-existing workers' unions are not fruitful in bearing their responsibilities and this are perceived as a discouraging factor for unionization. However, representatives of trade unions and the informant

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<sup>47</sup>Trade union density in the UK 1995-2021 – Stastics [available at https://www.statista.com](https://www.statista.com) Accessed on 12 Sep. 2022

<sup>48</sup> US Bureau of Labour Statistics, Economic News Release, Union Members Summary, available at <https://www.bls.gov/news.release/union2.nr0.htm> accessed on 13 September 2022

<sup>49</sup> Interview with Legesse Legib, Sidama Regional State's Labour, Skill and Enterprises Development Bureau (Employer and Employee Division) 25 Aug. 2022.



from Sidama Bureau of Labor and Social Affairs argues that the trade unions are highly effective in the protection of workers' right and creating forum for dialogue among workers.<sup>50</sup>

As discussed above, the worker's awareness about unionization is manifested in their response and the table below reveals that 61.4% of the workers have responded that they have either medium or low awareness about unionization.

Awareness of workers with regard to unionization	Frequency	%
Very High	72	18.3
High	80	20.3
Medium	160	40.6
Low	68	17.3
Very Low	14	3.5
Total	394	100.0

Table 1: awareness of workers with regard to unionization in Hawassa Industrial Park

### 5.1.1. The Status of Trade Unions in Hawassa Industrial Park

In the vicinity of the Hawassa Industrial Park there are two regional offices which are mandated to assist and follow up the unionization process. These are the Southern Nations, Nationalities and Peoples Regional State Bureau of Social and Labour Affairs (SNNPR BOLSA) and the Sidama National Regional State Bureau of Social and Labour Affairs (SNRS BOLSA). At the initial stage in the history of Hawassa Industrial Park this task was assigned for SNNPR BOLSA. Later, the mandate is transferred to the newly emerged Sidama National Regional State (SNRS BOLSA). Thus, the information gathered from these two government offices differ in phases. Facts from the initial phase were gathered from the SNNPR BOLSA and later facts were gathered from SNRS BOLSA.

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<sup>50</sup> Ibid

### *Unionization in Industrial Parks...*

An informant from SNNPR BOLSA said that, at the beginning, Industrial Park Development Corporation (IPDC) and Ethiopian Investment Commission (EIC) were highly resistant against the establishment of trade unions in the Park. On the other hand, the workers were requesting SNNPR BOLSA to form trade unions.<sup>51</sup> They were confident that the unions will help them to ensure their right and to bargain for the increment of wage. EIC's concern was the unionization procedure, its outcome and the stand of the workers that may affect the Foreign Direct Investment (FDI). Up until the Government SNNPR hand over the jurisdiction to the newly formed Sidama Regional State, there were no trade unions in the Hawassa Industrial Park.<sup>52</sup> Currently, the unionization procedures and follow up is led by the Sidama Regional State's Labour, Skill and Enterprises Development Bureau. The companies had previously formed labour council which was set to safeguard the interest of the employer and requested stakeholders from regional offices to effect the registration of such labour councils. However, an informant from BOLSA confirmed that the office refused the registration request citing absence of legal ground to do so.<sup>53</sup>

An informant from SNRS BOLSA explained that so far the office registered 21 trade unions from Hawassa Industrial Park. However, it is also noted that employers did not have an interest to establish trade unions in their company. Some workers were not also willing to participate as executive committee members, for fear of revenge from the side of employer lack of positive outlook and limitation of capacity. Some of the leaders may also resign from the leadership position in the union to receive an offer from the companies for wage increment and better position. In recent year the IPDC and EIC have shown willingness towards the establishment of the unions in

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<sup>51</sup>Interview with Hasen Abidurahman, South Nation Nationalities and Peoples Regional State, Bureau of Labour and Social Affairs, Peaceful Industrial Relations Directorate, Expert, Hawassa 24 Aug. 2022.

<sup>52</sup>Ibid

<sup>53</sup>Ibid

the park, this statement is also supported by the Coordinator of CETU-Hawassa Branch.<sup>54</sup>

### **5.1.2. The Role of Labour Organizations in Unionization Process**

Informants from CETU and other stakeholders mentioned that there are challenges and obstacles from the state, employers, politicians, management members, trade union leaders and workers. They explained that the unionization process in Hawassa Industrial Park was a very onerous task. During the formation stage challenges from the politicians, state, management, employers and even from the workers were unbridgeable. Politicization of the process was the most challenging thing during the formation of trade unions. For this reason, it took about 2 years to organize unions. At the commencement years of the industrial park, the idea of forming trade unions in the park was neglected by many of the stakeholders for the interest of attracting better FDI. In addition, workers perceive CETU as part of the government structure. Thus, frequent meetings, and discussions with different stakeholders and trainings were mandated to create awareness. After extensive pressure and campaigning, stakeholders assisted CETU to start the unionization process. The resistance from the employers, workers, middle level managers and frustration of labour union leaders were factors that slowed the motion in this regard. Furthermore, some labour union leaders favour the employers rather than workers. CETU also lacked the time to organize each individual labour union and select leaders. For instance, one informant mentioned that “to select the representatives, employers gave them only ten minutes”.

In general, the overall environment of IPDC was not good for the unionization process. Because of the challenges, CETU was forced to facilitate the formation of trade unions outside the premises of the industrial park. Especially Chinese companies were against unionization. Others follow Chinese companies’ footsteps.<sup>55</sup>

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<sup>54</sup>Interview with Legesse Legib, Sidama Regional State’s Labour, Skill and Enterprises Development Bureau (Employer and Employee Division), 25 Aug. 2022.

<sup>55</sup>Interview with Chanyalew Aweke, CETU Hawassa branch office, 26 Aug. 2022.

To solve these unionization challenges, CETU has also organized different training modalities which involved the trade union leaders. Trainings on Ethiopian labour law and leadership skill were the areas frequently addressed in these trainings. Leaders were encircled with different problems some were partisan, others were labour aristocrats, and some others were incapable.<sup>56</sup> On the other hand, the data collected from the workers via questionnaire is not in line with these assertions of CETU. Rather, absolute majority of the respondents i.e. around 82% of them responded that either the stakeholders including national and international labour organizations are not active in the unionization process or the informants are not aware of the efforts of the organizations. Even those respondents who know about these bodies, the significant majorities 38.7% are not informed about which organization/ stakeholder has better contribution for the unionization process. Relative majorities who are informed about the existence of the participation of these organizations noted that, CETU has better contribution when compared to other stakeholders. In general, the data implied that the role of labour organizations in the unionization process still exists at an infant stage requiring strong actions.

Participation of Labour Organizations in Unionization Process	Frequency	%
Yes	72	18.3
No	195	49.5
I have no idea	127	32.2
Total	394	100.0

Table 4: The Role of Labour Organizations in Unionization Process in Hawassa Industrial Park

## **5.2. Major Challenges of the Trade Unions**

The research informants from trade unions' side, enlisted different obstacles in the process of unionization and even after the formation of the union. The informants mentioned that leaders of the unions are not allowed to perform their duties genuinely. They are not encouraged to perform their duties with the objective of

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<sup>56</sup>Ibid

protecting the rights of the employees but rather they are there for the purpose of playing symbolic role. The so called “labour council/workers’ council” is established and recognized by the employers as a representative of workers. However, none of the leaders are freely elected by workers and do not have a legal recognition. Additionally, because of the pressure from the employers, union leaders seem timid in terms of aggressively working for the interests of the union and the employees. On the contrary, partisan and subservient leaders towards employers are promoted and favoured to represent the workers. Effective leaders are discouraged and ignored and their movement is controlled, requiring the approval of employers. The other challenge of trade unions is related to office access and healthy environment to run meetings, discussions and to coordinate workers which is systematically denied.<sup>57</sup>

Therefore, the relationship between committed trade union leaders and companies in the Industrial Parks is not positive. Systematically, leaders are excluded from benefit packages and subjected to different work related abuses. They are usually excluded from salary increment, better position, and allowances. Though one of the informants from the trade union leaders affirmed that employers facilitate trainings for trade union leaders, the other informant disagreed with this statements. The employers prefer those union leaders who are assailant for the benefit of the employers rather than for workers.<sup>58</sup> There are even real cases entertained through court as a result of employers’ work place violence against trade union leaders. Gradually, those leaders who represented the voice of the workers are side lined and those pseudo leaders are encouraged to work against the interest of workers. Employers lobby false leaders through increment and position. On the other hand minor mistakes are duly considered against the interests of genuine leaders. In some companies, new leaders are forcedly recruited. Some workers enrolled in the leadership position without understanding the contributions of the trade unions. Some are not intentionally

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<sup>57</sup> Interview with KI 1, Trade Union Leader, 23 Aug. 2022.

<sup>58</sup> Interview with KI 1, Trade Union Leader at Hawassa Industrial Park, 25 Aug. 2022.

interested in the roles of the trade unions and work against the objectives. Some workers are forced by the employers not to give the 1% contribution.<sup>59</sup>

Companies generally consider trade unions as a threat for their business objective. Though, the roles of trade unions are two fold through safeguarding workers right and the long term goals of the company. These pillar objectives are not well understood from the side of the company and from some workers themselves. Under the current status of trade unions, maintaining the bargaining power and creating peaceful work environment within the work place is a far-fetched concept. Dealing with hostile company managers who violate workers' rights is the nasty task in the works of trade unions. Companies perceive trade unions as a threat and they don't like to solve problems through bargaining. They rather choose to side-line and ignore the union leaders and conspiring with those who represent the interest of the company rather than the workers.

One of the Key Informants stated the following challenges regarding unionization: absence from work place, high attrition, and language barriers. He added that the overall relationship between companies and trade unions is very poor. Companies are not interested and happy about the existence of strong unions since they do not understand the ultimate objective of trade unions. Likewise, the trade unions are poor to advocate and realize their objective.<sup>60</sup>

### **5.3.1 Problems Related to Understanding the Role of Trade Unions**

Representatives of trade union argue that they are striving to protect the right of the workers through negotiating and mediating some issues with employers. However, only 19.8% of respondents believe that their rights are better served through the unions.

The data indicated that strike was taken as a means to protect workers' rights provided under Article 158 of the Labour Proclamation. 19.8% of the respondents

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<sup>59</sup>Ibid

<sup>60</sup>KI 3, (Soft Skill Trainer of a company Operating in Hawassa Industrial Park), 26 Aug 2022.

responded that there was a strike to foster the right for unionization in the Park. Although this figure is not confirmed by trade union leaders, before the establishment of the trade unions in the park, strikes were prevalent occurrences to achieve demands. Trade union leaders explained that such actions have significantly decreased in recent periods. As evidenced under various writings, trade unions may play a role in the protection of worker's right before resorting to industrial actions<sup>61</sup> because unionization will increase the workers' collective bargaining power. In line with this assertion, 85.1% of the respondents were confident that the unions will increase their collective bargaining power (see chart 1 below).

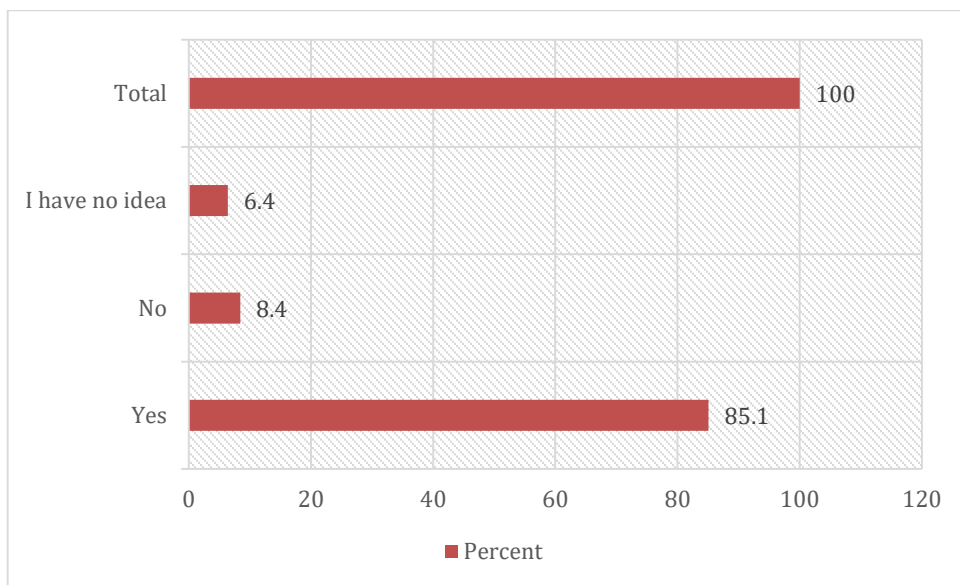


Chart 1: The role of Trade Unions to increase collective bargaining power of workers

<sup>61</sup>Nkechi S. Owoo et. al. The role of unions in improving working conditions in Ghana, Partnership for Economic Policy, Policy Brief, No. 161, January 2017, Available at <https://portal.pep-net.org/document/download/30135> accessed on 13 Sep. 2022

In addition to increasing their bargaining power 78.7% of the respondents also believe that unionization assists them to realize better working conditions and wages for workers (see table 2 below).

The role of Unionization to realize better working conditions and wages for workers	Frequency	%
Yes	310	78.7
No	59	14.9
I have no idea	25	6.4
Total	394	100.0

Table 2: The role of Unionization to realize better working conditions and wages for workers

### **5.1.2 Problems Related to the Responsiveness of Labour Unions for Members in Hawassa Industrial Park**

Regarding role of trade unions, there are divided opinions among workers. Some understand their objective and work together to realize their goals, while others are not ready to work with trade unions and some others are against them. The workers have seen some strong trade union leaders being fired from their work and this action further affirms the opinions of those workers against trade unions as unions are not competent enough to protect their own leaders. The awareness and capacity of workers and trade union leaders is a challenge, and their bargaining skill is very weak. Employers end up creating symbolic trade unions as a result; they sidestep trade unions and approach EIC seeking advice. Thus, the unionization process in Hawassa Industrial Park exists at an infant stage as per the informant from the interview.<sup>62</sup> A relative majority of the informants from the questionnaire assert that trade unions are responsive for their members. However, in line with the argument from the representatives in the EIC, significant portion of the members believe that their trade unions are not responsive for the members, or they are ignorant regarding the unions day to day activity. From this observation it is possible to conclude that labour unions are required to function for the ultimate objectives of their formation, and they have to be alerted for the interests of the members.

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<sup>62</sup>Yoftahe Tekalign, EIC Call Center, Established as a means of grievance handling mechanism and information exchange with workers.



Responsiveness of Labour Unions for Members	Frequency	%
Yes	242	61.4
No	76	19.3
I have no idea	76	19.3
Total	394	100.0

Table 3: Responsiveness of Labour Unions for Members in Hawassa Industrial Park

### 5.3.The Change with Regards to the Right to Unionize in the Past Year

This question was framed to solicit data with regards to worker's right status in the preceding year following different policy measures taken against the sector. Similarly, the questionnaire was framed with the aim of addressing factors which affect the unionization process or those events which affect the workers right to unionization. In this regard, informants were not in a position to understand the changes or they were indifferent from the previous year. Thus, only 20% of the respondents were cognisant of the changes in last year with regard to the right in the unionization process.

The Change with Regards to the Right to Unionize in the Past Year	Frequency	%
Yes	39	9.9
No	242	61.4
I have no idea	113	28.7
Total	394	100.0

Table 6: The Change with Regards to the Right to Unionize in the Past Year in Hawassa Industrial Park

#### **5.4.The Effect of Suspension from Africa Growth and Opportunity Act (AGOA) on the Activities of Trade Unions in Hawassa Industrial Park**

It is understandable that after the Covid-19 pandemic, the threat against trade unions and workers' rights in general is related with Africa Growth and Opportunity Act (AGOA) suspension following the war in the northern part of Ethiopia and extended hostility among the warring parties and the action taken by the American government. The informants repeatedly explained that employers associate every problem and questions of right with AGOA suspension and are not ready to listen to the workers voice. Union Leaders were suspended from benefit packages on the pretext of AGOA. Workers were systematically reduced by forcing them to submit resignation letter. There were also illicit activities to reduce workers. Employers follow anti-worker rights policy and deny the allowance of workers mentioning the AGOA suspension as a justification for the denial. Even the office arranged for trade unions before AGOA was denied after that.<sup>63</sup>

The role of AGOA suspension is very harmful against workers right and unionization as the researchers learnt it from the interview. It is the best defence for employers to deny the rights of workers and to only preserve their interests. They cite AGOA as a reason for their failure to fulfil the rights of workers.<sup>64</sup> Thus, AGOA is another challenge for unionization. Companies took it as the best defence scenario to defend their interests. The informants mentioned that the Covid- Pandemic, AGOA and other factors forced the government to change the attitude towards workers in protecting their right in better way opposite to its back track.<sup>65</sup>

Consistent with the information given by the informants, the respondents through questionnaire supplement the above narratives. 45% of them agreed with the effect of AGOA suspension on their unionization process. 25.7% of the respondents have

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<sup>63</sup> Interview with KI 4, Trade Union Leader, 26 Aug. 2022.

<sup>64</sup> Interview with Sisay Getachew Ethiopian Investment Commission Hawassa Industrial Park Branch, Peaceful Industrial Relations Officer, 24 Aug. 2022.

<sup>65</sup> Interview with Chanyalew, *supra* note 55.

no idea in this regard. Only 29% of the respondents responded that AGOA has no effect on their right. Thus, it is possible to conclude that suspension from AGOA was one of the factors which strongly affected the workers right in general and unionization process in particular.

The Effect of Suspension from AGOA on the Activities of Trade Union in Hawass Industrial Park	Frequency	%
Yes	178	45.0
No	115	29.2
I have no idea	101	25.7
Total	394	100.0

Table 7: The Effect of Suspension from AGOA on the Activities of Trade Union in Hawassa Industrial Park

## 6. Conclusion and Recommendation

### 6.1. Conclusion

Hawassa Industrial park as a first and flagship park in Ethiopia has 20 factories and 24,108 employees engaged in manufacturing activities. In the park, the majority of the employees are part of trade unions (75%) although this research revealed the existence of different challenges with regard to unionization in Hawassa Industrial Park. In the initial stage of the park, all the stakeholders, including the EIC, the IPDC and the park management and factories had a very negative perspective towards the establishment and the operation of trade unions. As time goes on, this attitude has changed and currently one of the main challenges in the unionization process and operation at HIP is employers' failure to understand the positive role of trade unions; the awareness of workers and labour union leaders regarding unionization and its contributions.

The employees, despite their membership in one of the unions, are not fully convinced that the unions are established with the objective of protecting their rights at work place. Because of this lopsided understanding, they are not committed to the membership and that in return has negatively affected the acceptance and effectiveness of the unions in the eyes of the employees. More importantly it

negatively affected their dealings with the management staff. This problem might emanates from several contributing factors, but the roles of the unions leaders needs to be mentioned. This is because the fundamental duty of the leaders must be to make sure that every employee is aware of the benefits of trade unions in terms of addressing their grievances through their official and collective dealing with the employers. Trade union leaders, however, have been reported to have low courage and their poor engagement with the cases. They do not like to be stretched to the end. Fear of revenge and interest are the problems witnessed from the side of trade union leaders.<sup>66</sup>As such, there is still a big gap in relation to the capacity of the leaders of trade unions when it comes to performing their leadership activities to the best of what is expected of them.

On the part of the companies, there is still skewed understanding of the role of the trade unions. Consequently, companies they are not ready to capitalize the capacity of trade union in raising the awareness of the workers about the rights and obligations that are expected of them in their daily performances. They are not ready to recognize the trade union leaders and cooperative with them. They make sure that the leaders are kept unnecessarily busy loaded with extra assignments so that they cannot entertain claims. They even try to lobby the trade union leaders to work in favour of them. They systematically devise different measures such as halting the activities of trade unions, firing the leaders, and disallowing their incentives are the to discourage the leaders.<sup>67</sup>Besides, these companies have undermined the roles that the unions could otherwise play in establishing and protecting the industrial peace and the amount of productivity that can ensue from these peaceful operations by over emphasizing on the negative side of trade union.

When it comes to the establishment of the industrial peace and a consequent raise in productivity of the companies, there should be no doubt that everyone benefits., The

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<sup>66</sup>Ibid.

<sup>67</sup>Ibid.

establishment and operation of effective trade unions should be the priority of the stakeholders if the country has to benefit from the industrial parks. In this regard there were indicators that trainings were delivered for trade union leaders and workers by different stakeholders especially by CETU and EIC though the effort was not sufficient.<sup>68</sup>

The suspension of AGOA has also dealt a serious blow to the right of the employees in the Hawassa Industrial Park and probably throughout the country. It is undeniable that the companies lost their lucrative financial benefits following the suspension of AGOA. Thus, as a nation the country needs to find ways to recompense for the lost advantages. However, it is an alarming revelation that the companies took this unfortunate incident as a blanket cover to wipe out all the benefits that used to accrue to the employees and more importantly the systematic blockade of union related activities. In general, the employers are creating a hostile environment against trade union activities citing the suspension from AGOA benefits. Despite this reality, there is no logical justification to undermine the works of the unions under the pretext of the suspension from the AGOA benefits.

As mentioned herein above, one of the findings of this study is the overwhelming majority of the employees are part of trade unions. The participation of the majority of the employees in the unions does not, however, answer the demand for unionization since there are several bottlenecks that thwart the operation of the unions as it has been justified in the preceding parts. So, the following points can be raised in the form of a recommendation for further improvement.

- It is seen that all the employees are not aware of the benefits of unionization on equal level. So, the awareness of the employees about the benefits of joining the unions beyond the mere membership in terms of improving the

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<sup>68</sup>An informant from EIC

working conditions and as such their commitment and participation should be bolstered.

- Some of the suspicion about the effectiveness of the unions emanates from the weak performance of the unions and their leaders. Therefore, the leaders should update themselves with the roles they can play in promoting and protecting the rights of the employees and at the same time in serving as a bridge between the employees and the employers
- The stakeholders, as it has been reported above, are providing some training that can serve as starting point for unionization. However, their intervention needs to be strategic in such a way that they can fill the gaps in the understandings of all the parties in this engagement.
- The companies are the partners in the unionization process and because of that reason they should cease on their policy of antagonizing the unions and their leaders with the view of establishing a smooth and conducive working conditions.
- Finally, the negative impact of AGOA on the unionization process need to reckoned with both by the employers and the government. The companies cannot take the suspension of AGOA as an excuse to block the exercise of right. The government should also play its constructive part in helping the companies solicit an alternative for the lost benefits.