

**Citation: Title Statement**

Ethiopia – Do Factory Jobs Improve Welfare? Experimental Evidence from Ethiopia

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**Other Identifications / Acknowledgements**

The Ethiopian Development Research Institute, Implemented the baseline and first follow-up survey

The Policy Studies Institute, Implemented the end-line survey

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**Scope: Keywords and Topic Classifications**

Ethiopia

Industrial Park

Factory job

Female employment

Income

**Abstract**

We study the impact of a light-touch job facilitation intervention that supported young female jobseekers during the application process for factory work in a newly constructed industrial park in Ethiopia. Using data from a panel of 687 jobseekers and randomized access to the support intervention, we find that treated applicants are more likely to be employed and have higher earnings and savings 8 months after baseline, although these impacts are short-lived. Four years later, the effects on employment and income largely dissipated. Our results suggest that young women face significant barriers to engaging in factory work in the short run that a simple job facilitation intervention can help overcome. In the long term, however, these jobs do not offer a better alternative than other income-generating opportunities.

**KEY VARIABLES**

This survey was designed to capture indicators on the following:

- ✓ Employment
- ✓ Job search
- ✓ Earnings
- ✓ Expenditures
- ✓ Health and strenuousness
- ✓ Cognitive skills
- ✓ Expectations and perception
- ✓ Empowerment

## USES OF DATA

The baseline data is used to assess the pre-program situation of eligible young women seeking for jobs in factories in many aspects of their lives. The midline and endline data are used to compare relevant indicators to data from the baseline.

## SURVEY MODULES

### A – Female job seeker Module - Baseline

- S1 - Identification and Consent
- S2 – Demographics and Health
- S3 – Human Capital
- S4 – Household and Networks
- S5 – Cash, Savings and Remittances
- S6 – Women’s Status
- S7 – Conscientiousness
- S8 – Job Search and Perceptions
- S9 – Work History
- S10 – Wealth
- S11 – Cognitive
- S12 – Time and Risk
- S13 – Domestic Violence
- S14 – Income Risk
- S15 – Conclusions

### B – Female job seeker Module – Midline

- S1 - Identification and Consent
- S2 – Demographics and Health
- S11 – Cognitive (Position 1)
- S3 – Human Capital
- S4 – Household and Networks
- S5 – Cash, Savings and Remittances
- S6 – Women’s Status
- S8 – Job Search and Perceptions
- S9 – Work History
- S10 – Wealth
- S12 – Time and Risk
- S13 – Domestic Violence
- S14 – Income Risk
- S11 – Cognitive (Position 2)
- S15 – Conclusions

### C – Female job seeker Module - Endline

- S1 - Identification and Consent
- S2 – Demographics and Health

S11 – Cognitive (Position 1)  
S3 – Human Capital  
S4 – Household and Networks  
S5 – Cash, Savings and Remittances  
S6 – Women’s Status  
S8 – Job Search and Perceptions  
S9 – Work History  
S10 – Wealth  
S12 – Time and Risk  
S13 – Domestic Violence  
S14 – Income Risk  
S11 – Cognitive (Position 2)  
S15 – Conclusions

Notes on survey modules:

Sections numbering - Some baseline sections have been removed in midline and endline questionnaires. Thus, baseline and endline section numbering is not continuous. We have chosen to keep them in this order and not to number them so that the prefixes of the variable names (s1, s2, s3, s4, etc) correspond to the sections of the questionnaires.

Cognitive section – The baseline questionnaire includes one cognitive section while midline and endline questionnaires include two. The goal was to assess whether randomizing the position (or timing) of the cognitive skills questions would alter the quality of survey questions. Some people were asked these questions early in the survey and some others later on. The authors did not find significant variations between the two approaches.

## **Scope – Summary Data Description**

### **COUNTRIES**

Ethiopia

### **GEOGRAPHIC COVERAGE**

The project targeted geographically the outskirts of Addis Ababa, Bole Lemi Industrial Parks. More details under Sampling.

### **UNIT OF ANALYSIS**

Individuals

### **UNIVERSE**

The program was delivered to 935 female job applicants from June to August in 2016. The baseline survey took place at screening centers directly after the eligibility checks of individual job applicants to minimize attrition and ensure that the treatment and control groups were fully comparable. All eligible job applicants who agreed to take part in the study were interviewed at

baseline. Among the baseline respondents, 827 were successfully tracked in the midline and 741 in the endline. The information from 687 respondents interviewed at baseline, midline and endline comprises the panel data. Only the panel respondents' sample is used for the impact analysis's core.

## **Methodology – Data Collection**

### **TIME METHOD**

Baseline data collection started in Addis Ababa in June 2016 and ended in August 2016. The midline survey took place approximately eight months after the baseline data collection in January 2017. The endline survey took place in February-April 2020.

### **Timeline:**

April 2016	Pilot – Opening of two screening centers at Bole (Wereda 08) and Yeka (Wereda 09)
May 2016	Enumerator training (baseline)
June-August 2016	Baseline survey
December 2016	Enumerator training (midline)
January-March 2017	Midline survey
October-November 2017	Qualitative survey
January 2019	Enumerator training (endline)
February-April 2020	Endline survey

### **SAMPLING PROCEDURE**

The impact evaluation estimates the impact of supporting and facilitating the job application process for young women seeking a production line position at three factories in the Bole Lemi Industrial Park in Addis Ababa (Ethiopia). These firms were all foreign-owned and produced finished garments for export. They also had large-scale hiring plans for the study duration. Each firm agreed to interview the applicants the research team randomized into the study sample. Given that all firms were only considering female applicants, the study sample comprises only women.

The research team advertised for the factory positions and directed interested applicants to a local sub-district (woreda) administration office for registration. The factory positions were advertised using various methods, including posting advertisements in public places, passing out flyers in high-traffic areas of the city, coordinating with youth associations and utilizing other forms of community mobilization. Unemployed individuals who have registered with their local woreda were also contacted directly by a professional HR consultant.

During the recruitment process, those individuals identified as potential candidates were told to bring their identification and qualification documents to the nearest screening center which was set up in several woreda offices across three sub-cities of Addis Ababa. These screening centers were staffed by trained enumerators every day of the working week from 9am-3pm.

During the scheduled opening hours, enumerators reviewed the documentation of the interested applicants who visited the screening centers and determined their eligibility for the advertised positions. Applicants with incomplete documentation, for example, those who did not have personal identification cards or those who did not meet any of the firms' eligibility criteria (i.e. applicants fell outside the targeted age range or were unable to provide proof of the required education) were screened out from the study.

Eligible individuals received an invitation to interview with an Industrial Park firm and were provided transportation to the factory for the interview. All applicants who met the eligibility criteria and had proper documentation to prove their eligibility were selected into the sample and asked to stay for the baseline survey. Study participants were then randomized into treatment and control, with two-thirds of applicants in the treatment group and one-third in the control group using a public lottery method. Once randomized, the treatment applicants were assigned a specific firm to interview with. Following the interview, the firms decided whether to make a job offer to the applicants and initiate any hiring procedures for the individuals who they wanted to hire.

## MODE OF DATA COLLECTION

This evaluation draws upon three surveys one qualitative survey:

- The baseline quantitative survey (month 0): a quantitative survey was administered to 935 eligible job applicants directly after the eligibility checks for those who agreed to take part in the study. The interview lasted 90 minutes (about 1 and a half hours). The data collection took place at screening centers directly after the eligibility checks of individual job applicants to minimize attrition and ensure that the treatment and control groups were fully comparable.
- The midline quantitative survey (month 8): the midline survey was administered to 837 respondents who were successfully tracked. The interview lasted 90 minutes (about 1 and a half hours). The interview took place at the respondent's residence, workplace or by phone.
- The qualitative survey: this qualitative survey was implemented following the midline quantitative survey. The survey was carried out in-depth interviews with 76 eligible and randomly selected workers including stayers (remained with their employers eight months on), quitters (left their firms) and non-beginners (rejected job offers). The primary objective of the survey was to understand key drivers of workers' occupational choices, turnover decisions and alternative livelihoods.
- The endline quantitative survey (month 38): the endline survey was administered to 741 respondents who were successfully tracked. The interview lasted 90 minutes (about 1 and

a half hours). The interview took place at the respondent's residence, workplace or by phone.

#### WEIGHTING

None

#### **Related Studies**

Blattman, C., and S. Dercon. 2018. "The impacts of industrial and entrepreneurial work on income and health: Experimental evidence from Ethiopia." *American Economic Journal: Applied Economics* 10(3):1-38.

Blattman, C., S. Dercon, and S. Franklin. 2022. "Impacts of industrial and entrepreneurial jobs on youth: 5-year experimental evidence on factory job offers and cash grants in Ethiopia." *Journal of Development Economics* 156:102807.

#### **Related Publications**

WBER forthcoming.