

ADDIS ABABA UNIVERSITY

COLLAGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

ASSESSING DAY LABOUR EXPLOITATION IN BURAYU TOWN.

A THESIS SUBMITTED FOR THE PARTIAL FULFILMENT OF THE REQUIREMENTS FOR MASTER OF SCIENCE IN DEVELOPMENT ECONOMICS.

BY: DEGNE BEKSISA ABOMSA

ID:GSR/6821/17

ADVISOR: MARTHA KIBRU (PhD)

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Approval Sheet

This attests to the fact that Degne Beksisa Abomsa's thesis, "Day Labour Exploitation: Sectoral Patterns, Determinants, and Socio-Economic Consequences in Sheger City, Burayu Sub-City," which was turned in to partially fulfill the requirements for the Master of Science (MSc) in Development Economics degree, complies with Addis Ababa University's rules and meets the accepted standards for originality and quality.

Approved by Board of Examiners

Name		Signature	Date
Advisor	Martha Kibru		15/10/2018
Internal Examiner	Dereje Y (PhD)		15/10/2018
External Examiner	Anteneh B (PhD)		15/10/2018

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Acronyms

ANOVA…….. Analysis of variance

C4ED……The Center for Evaluation and Development

CSA…….Central Statistical Agency

ESS……..Ethiopian statistical service

FLEX…… Focus on labour exploitation

ILO…… International labor organization

OLS……Ordinary least square

UNICEF……United Nations children's fund

WB……World Bank

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Name	Signature	Date
Advisor _____	_____	_____
Internal Examiner _____	_____	_____
External Examiner _____	_____	_____
Department Head _____	_____	_____

Declaration

I so certify that this thesis is wholly original and has not been submitted to any other university or organization for credit toward a degree or test.

Name: Degne Beksisa Abomsa

Signature: _____

Date: _____

Abstract

In Sheger City, Burayu Sub City, this study looked at "Day labor exploitation: sectorial pattern, determinants and socio-economic consequences." OLS regression was used to examine the information gathered from 450 people. The findings demonstrated pervasive labor exploitation, which was characterized by long hours, unpaid labor, dangerous working conditions, pay delays, wage decreases, and maltreatment at work. The majority of the workforce consisted of migrants from rural areas, who were mostly employed in the manufacturing and construction industries. Labor exploitation is widespread across all industries and sectors, according to the inferential study, which identified no discernible distinctions in labor exploitation between work sectors. Rather than particular demographic traits, the main causes of labor exploitation were unstable working conditions, such as the absence of formal contracts, delayed wages, dangerous workplaces, stress at work, and a lack of labor protection organizations. Additionally, the study found that exploitative labor practices had a detrimental effect on workers' long-term job security, well-being, economic, and income stability. Overall, the findings show that Sheger City Burayu sub City's labor exploitation is mostly institutional and structural in character, calling for more stringent labor laws, formal employment contracts, and improved worker protection measures.

Keywords: *Labor exploitation index, unofficial employment; hazardous working conditions; sectorial pattern, socio-economic consequences.*

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Day labor exploitation is the most prevalent labor market problem in the form of low salary, unstable employment, harsh work condition, lack of labor rights due to low legal enforcement in informal labor markets (C, Iain, 2018). Globally, day labor vulnerability is an intensive problem that limits the bargaining power due to migration factors, high labor supply, lack of enforcement, poverty, displacement, and lack of social support (Focus on Labour Exploitation (FLEX), 2019). The income instability causes inter-generational poverty and limits capital formation. Day labour causes unsafe work that causes illness, injury, high health costs, and heavy reliance on informal labor results in weak labor standards and hinders equality (ILO, 2015).

Day labour is a big component of the Ethiopian labour market and the key source of life for high population of low-skilled urban labors, rural migrants, and displaced peoples (Chalachew G, 2018). Day labor sustainably happens in Ethiopia due to a mismatch between labor supply and demand. However, poverty, rural to urban migration, lack of education, unemployment increases the day labor supply, and seasonal agriculture, expansion of construction increases day labor demand (Holden, Bezu &, 2014/2016).

The day labor exploitation is mostly concentrated in sectors like construction, agriculture and service sectors by the form of physical taxing labor, low payment, and harsh work conditions. Prevalence of day labor exploitation is different within and between sectors. Public works and construction sectors contain dangerous work conditions, harsh physical work, low salary and manufacturing and informal services mostly use piece rate systems that cause wage theft and long hours of work. Domestic work mostly contains women and is highly informal, vulnerable and causes abuse and isolation (Sudarat M, Aree J, Nara K, Reena Tadee, A, 2021).

Even with increasing awareness, there is minimal and inconsistent empirical evidence regarding day labor exploitation in Ethiopia. Instead of providing comparative analyses at the city level, most studies concentrate on informal employment or specific industries, and there is a lack of research regarding the interactions between sector-specific practices and municipal governance, social protection, and labor regulations.

This study closes these gaps by investigating the causes, sectoral trends, and socioeconomic impacts of day labor exploitation in Sheger City, Burayu Sub City. Using sectoral and household-level data, it aims to provide policy recommendations to enhance social protection, labor regulation, skill development, and local economic growth.

1.2. Statement of the Problem

In Ethiopia, particularly Sheger City, Burayu Sub City, day labor exploitation is widespread in important industries and stems from unofficial work arrangements characterized by lax regulations and subcontracting. Because of this, workers frequently deal with poor salaries, hazardous working conditions, long hours, inadequate compensation, and no legal protection.

Economic forces like unemployment and poverty, which force vulnerable groups—particularly young people, women, and rural migrants into precarious employment, maintain day labor exploitation. Gender disparity increases the hazards for women in the domestic and service industries, while lax enforcement of labor laws, inadequate inspection capabilities, and unregulated brokers allow abuse to continue (Ararso Ba, Ikeola A, Adeyemi O, 2019). In fast-growing communities like Sheger City, Burayu, and sub city, existing research frequently treats these aspects independently and fails to capture their relationship.

Day labour exploitation affects households and communities beyond the workplace. Low, irregular incomes deepen poverty, threaten food security, increase child labour, and disrupt education, while hazardous work causes long-term health issues and reduced productivity (UNICEF Ethiopia, CSA and C4ED, 2020). Exploitation contributes to poverty, informal settlements, weak social cohesiveness, and a lack of human capital at the urban level, although there is little evidence unique to any one city, like Sheger City.

There is no thorough, multi-sectoral study of day labor exploitation in a single metropolis like Sheger metropolis; instead, research in Ethiopia is dispersed and usually focuses on one industry or overall informal employment. There is little research linking socioeconomic results with exploitative drivers, particularly in quickly urbanizing areas. By investigating sector-specific exploitation, its causes, and its socioeconomic effects on Sheger City, Burayu sub city workers and households, this study closes that gap.

This study aims to investigate the characteristics, causes, sectoral differences, and socioeconomic effects of labor exploitation in Burayu Sub city. It intends to answer the following questions:

1. Which specific industries and determinants put workers at risk of exploitation?
2. How do informal hiring, subcontracting, and labor brokers affect the kind, severity, and duration of exploitation in various industries?
3. How do day laborers in Sheger City's construction, manufacturing, services, agricultural, and domestic work differ in terms of pay, working conditions, contracts, and hours?
4. How does exploitation affect workers' and their family's stability of income?

1.3. Research Objectives

The general objective of this study is to examine the nature, determinants, sectoral variations, and socio-economic consequences of day labour exploitation in Sheger City.

The specific objectives are:

1. Explore which specific industries and determinants put workers at risk of exploitation.
2. Explain the effect of informal hiring, subcontracting, and labor brokers affect the kind, severity, and duration of exploitation in various industries.
3. Examine how day laborers in construction, manufacturing, services, agriculture, and domestic work differ in terms of pay, working conditions, contracts, and hours.
4. Suggests the exploitation effect on workers' and their family stability of income.

1.4. Research methodology

Both qualitative and quantitative methods are used in the study's hybrid methodology. Thematic analysis, which entails coding, classifying, and identifying emergent themes, is used to examine qualitative data from key informant interviews. To determine the severity, causes, and sector-specific variations of day labor exploitation, a quantitative approach is employed wth OLS models is used.

1.5. Scope of the Study

In a few Sheger City Burayu sub-city locations, this study looks into the sectorial trends, causes, and socioeconomic effects of day labor exploitation. It looks at key industries, pinpoints the causes of exploitation, evaluates the impact on workers' earnings, well-being, and job security, and takes coping mechanisms and mitigating measures into account. In terms of methodology, it employs a quantitative survey that is complemented by a small amount of qualitative information, and the results are unique to the chosen sub-cities rather than the city or the country's labor market.

1.6. Significance of Study

This study provides specific evidence on day labor exploitation in a few Sheger City sub-city locations, a segment of the urban labor market that has received little attention. Examining sectoral trends, causes, and socioeconomic effects helps labor authorities and policymakers create focused interventions. It also advances scholarly understanding, assisting development practitioners and labor rights organizations in advancing inclusive urban development and decent work.

1.7. Limitations of the Study and Mitigation Measures

Even random selection of sectors and workplaces improves representativeness; this study is restricted to specific Burayu sub-city areas of Sheger City, which may impact generalizability. Bias may be introduced by self-reported data, which is lessened by neutral survey questions and confidentiality. Seasonal variation analysis is limited by the cross-sectional design; however, multi-sector data collection captures important differences. The study offers trustworthy insights into day labor exploitation in the chosen urban setting despite these drawbacks.

1.8. Organization of the study

The study is introduced in Chapter One; theoretical and empirical literature is reviewed in Chapter Two; the research methodology and approach are explained in Chapter Three; descriptive and inferential data analysis is presented in Chapter Four; and recommendations and a conclusion based on the analyzed data are provided in Chapter Five.

CHAPTER TWO: LITERATURE REVIEW

2.1. Theoretical literature review

This section presents the primary theoretical frameworks that explain day labor exploitation, with a focus on socioeconomic results, sectoral patterns, and factors.

2.1.1. Labour Market Segmentation Theory

According to labor market segmentation theory, there are two types of labor markets: a stable, low-paid secondary sector where workers have little mobility because of institutional impediments and insufficient bargaining power, and a secure, well-paid main sector (Peter B. Doeringer and Michael J. Piore., 1970). The secondary sector is dominated by day laborers, particularly in small-scale manufacturing, agriculture, and construction, which reflects the need for flexible, inexpensive labor (Reich, M., Gordon, D. M., & Edwards, R. C, 1982). This helps explain why women, migrants, and unskilled laborers predominate in Ethiopia's informal markets and are at risk of long-term exploitation.

However, the concept is flawed in the context of Sheger City, Burayu sub-city. It is unclear how employees enter, depart, or change industries, as well as whether advancement is possible. In favor of labor demand concerns, it disregards workers' coping strategies, household survival strategies, and local dynamics such as broker-mediated hiring, daily wage negotiation, and intra-city variations in employment insecurity.

2.1.2. Informal Economy Theory

According to the informal economy idea, firms can reduce labor expenses, avoid paying taxes, and circumvent safety requirements when rules are lax, expensive, or impossible to implement (Portes, A., Castells, M., & Benton, L. A. (Eds.), 1989). In Ethiopia, day labor is mostly unregulated, with workers lacking contracts, insurance, pensions, or legal protection. This allows exploitation to continue under lax institutional control, especially in the urban construction and service sectors (Actionaiid, 2023). However, the theory is constrained in the Sheger City, Burayu subcity environment. It does not account for sectoral differences in exploitation, such as those between manufacturing and construction, nor does it consider workers' survival strategies, including juggling multiple jobs or borrowing, which increase their vulnerability to abuse.

2.1.3. Precarious Employment Theory

The precarious job theory highlights the unstable contracts, earnings, long hours, and lack of social safety associated with temporary and casual employment (Aristea K, 2017). Day laborers deal with daily job and income uncertainty, which causes social dislocation, family instability, food insecurity, psychological stress, and residence vulnerability (S, Seleshi, 2013). The precarious theory describes overall insecurity, but it does not explain how daily income changes impact day labor households' socioeconomic outcomes in Sheger City, Burayu sub-city. Additionally, it ignores how different patterns of precarity are created across industries by elements like employer rotation, seasonal demand, and "waiting zones."

2.1.4. Marxist Exploitation Theory (Surplus Value and Reserve Army of Labour)

Marxist political economy defines labor exploitation as the extraction of surplus value, in which capitalists use a reserve army of underemployed or jobless people to reduce wages and workers are paid less than the value they produce (Marx, K. , 1867). Migration from rural to urban regions in Ethiopia generates this surplus, which enables businesses to maintain low salaries in quickly urbanizing areas. Marxist theory, however, ignores modern urban dynamics in Sheger City, Burayu sub-city, such as informal brokers, subcontracting chains, and tiered wage reductions. It also disregards how factors like skill level, gender, and immigration status affect susceptibility in day labor markets.

2.1.5. Human Capital Theory

According to the human capital theory, low-skilled workers are forced into low-paying, unstable jobs since education, training, and skills dictate income and employment options (Becker, G. S, 1993). Many Ethiopian day laborers are confined to unregulated informal sectors and lack formal education or marketable skills, which limits their access to industrial jobs and perpetuates poverty and intergenerational injustice (Todaro, M. P., & Smith, S. C, 2020). The idea, however, ignores the fact that a large number of Sheger City day laborers, even those with degrees, have uncertified practical talents that do not convert into better salaries because of employer bias or lack of recognition. It also doesn't explain why different industries, immigration statuses, or

recruitment strategies lead to different forms of exploitation for workers with comparable levels of education.

2.1.6. Migration Theory (Push–Pull Framework)

According to push-pull theory, migration is caused by both perceived metropolitan prospects and unfavorable rural conditions that drive people into cities (Lee, Everett S, 1966). Ethiopia's population increase, land fragmentation, drought, and poverty push young people into the country's urban labor markets, where they frequently depend on day labor to make ends meet (de Brauw, 2012)

Although the theory explains why cities draw day laborers, it doesn't explain why new migrants congregate in particular areas of Sheger City, Burayu sub city, like construction loading. Additionally, it ignores the ways in which restricted urban housing, language difficulties, and informal networks interact with migrant status to influence levels of exploitation.

2.1.7. Gender and Inter sectionalist Theory

Gender theory highlights the unequal distribution and social construction of labor markets (Connell, R., 2009). While intersectionalists emphasize how vulnerability to exploitation is increased by overlapping disadvantages, such as gender, age, and ethnicity (Crenshaw, K., 1889). Due to their concentration in domestic work and small trades with few legal protections, women who work as day laborers in urban informal sectors frequently experience lower income, increased employment insecurity, and increased risks of assault (ILO, 2019).

Intersectionality theory, however, falls short in explaining how sector-specific gender roles—such as women in domestic or service roles against males in construction—shape patterns of everyday exploitation in Sheger City, Burayu sub city. Additionally, it ignores the ways in which day laborers' wages, job insecurity, and vulnerability to abuse are influenced by a combination of disadvantages such as gender, rural origin, and low education.

2.1.8. Institutional Theory and Labour Governance

According to institutional theory, effective institutions may control contracts, wages, and working conditions, but poorly implemented labor regulations increase labor exploitation (North, D. C., 1990). Employers in Ethiopia can break labor laws with little repercussion due to lax labor inspection, which is typified by understaffing, low fines, and restricted coverage (Jeff Wheeler, J.D, and Keith Goddard, DSc, , 2013). Nevertheless, the theory does not provide sector-specific insights into how Sheger City, Burayu sub city's building sites, daily loading stations, and tiny workshops avoid regulation. Additionally, it offers a limited knowledge of how exploitation is fueled by informal recruitment tactics, inefficient city-level inspectors, and missing unions.

2.1.9. Capability Approach

According to the capacity perspective, poverty is more than just a lack of money; it is also the denial of opportunities and rights. (Sen, A. , 1999). Day labor generates long-lasting poverty traps for Ethiopia's informal workers by limiting their access to essential services like safe housing, healthcare, and education (UNDP, 2022). This perspective highlights how exploitation has long-term, non-profit-related repercussions on development.

However, the approach does not specify which aspects of Sheger City, Burayu sub city housing, education, food security, and health are most affected by day labor exploitation. It also lacks tools to assess how sectoral differences in daily wages and job security influence long term socioeconomic disadvantage among day laborers.

2.2. Empirical Literature Review

i. Informal Employment and Urban Livelihoods

The frequency and significance of informal labor in Ethiopia's urban economy are highlighted by recent studies. A sizable portion of the labor force works in unregulated jobs without social security or contracts (Schwettmann, J., Traub-Merz, R., & Teka, M. , 2023). According to research conducted in Hosanna City, women who work in the unorganized sector contribute significantly to household income but encounter institutional obstacles that prevent them from advancing socioeconomically over the long run (Lemma, T., & Sharma, M., 2025). These results

show that despite their low compensation, unpredictability, and lack of rights, daily wage and casual labor are nonetheless important sources of income. However, sectoral inequalities in exploitation across domains like construction, daily loading/unloading, and temporary services in cities like Sheger city and Burayu sub city are not examined by the current study. Additionally, it does not evaluate how day laborer households' long-term socioeconomic outcomes are impacted by daily pay unpredictability, a lack of contracts, and a lack of legal protection.

ii. Casual Labour, Child Labour, and Migration

Numerous studies look at temporary, daily, or informal work, including migrant and child labor. (Zewdie, B. M., Berlie, A. B., & Ayele, L. A., 2024) discovered that child migrants in Sekela District frequently work in temporary, informal occupations with daily wages, subpar housing, and no control over working circumstances; these exploitation patterns are comparable to those of adult day laborers. These studies also point to poverty, restricted formal employment, and rural-to-urban movement as major factors driving people into unstable day labor.

Adult rural-urban migrants in Sheger City, Burayu sub city, who experience similar but less well-documented vulnerabilities, are not included in this research. Additionally, there is little empirical data on how housing, broker-mediated work access, and migrant status impact the degree of exploitation in various day labor sectors.

iii. Gender, Domestic Work, and Informal Employment

In informal work, gender has a significant impact on exploitation. Research indicates that compared to men, female domestic workers who are frequently young, uneducated rural migrants earn less, put in more hours, and have less job security (Lemma & Sharma, 2024). Women's vulnerability in informal labor is further increased by societal norms, time constraints, and inadequate bargaining power (Schwettman et al. , 2022), demonstrating how migration, education, and gender combine to influence exploitation in day labor settings. However, gender exploitation among female day laborers in Sheger City, Burayu sub city who work in urban transportation, food vending, or small-scale construction is not examined by current research, which mostly concentrates on domestic work. Additionally, it does not analyze the ways in

which vulnerability and wage discrepancies are simultaneously impacted by gender, education, household dependency, and migratory background.

iv. Firm-Level Pressures and Informal Competition

Day labor exploitation is also shaped by commercial and structural factors. Formal firms' productivity is constrained by competition with informal businesses, which discourages the development of formal jobs and pushes more workers into temporary employment (Endale, M. , 2024). Even in long-term informal jobs, informal workers are frequently exploited since they lack social protection and access to labor unions in many nations, including Ethiopia (Traub-Merz, R., and Stollreiter, R. (Eds.) , 2023). These results demonstrate how institutional and macroeconomic factors indirectly contribute to the exploitation of day labor. Firm-level research, however, does not explain how these limitations lead to sector-specific exploitation in urban regions or increase employers' reliance on day labor. Additionally, they fail to acknowledge the ways in which Sheger City, Burayu sub city, day laborers are exploited due to lax regulations, subcontracting chains, and the lack of worker groups.

v. Recruitment, Migration, and Labour Market Entry

Recruiting brokers and unofficial networks are essential for obtaining day labor (Tessema, F., Belachew, T., & Hossain, M.:, 2023) discovered that migrants are connected to low-status occupations both locally and internationally by informal facilitators, particularly in rural areas. Their widespread use because of their affordability and ease of use exposes workers to mistreatment, underpayment, and a lack of legal protection, demonstrating that systemic labor-market flaws and sectoral factors both contribute to exploitation.

Nevertheless, the impact of various recruitment channels, such as street hiring locations, brokers, or peer networks, on the level of exploitation in Sheger City's Burayu sub city industries has not been investigated in previous research. Additionally, their lack of empirical data on the effects of entry channels on job frequency, income, and exposure to abuse limits our knowledge of the factors that lead to exploitation.

vi. Working in the Shadows – Informal Employment in Ethiopia (2023)

Over 90% of workers in Ethiopia's unorganized sector deal with precarious employment, a lack of contracts, and a lack of social safeguards like pensions or health insurance (Friedrich-Ebert-Stiftung, 2023). Many people rely on informal work as their primary source of income and employment, which fosters a structural context that permits the exploitation of day labor. This unofficial economy conceals a large number of day laborers who have no rights and are extremely susceptible to mistreatment. Although national studies emphasize precarious employment, they do not investigate sector-specific exploitation in Sheger City, Burayu sub city, or uncover the hidden population of day laborers. Additionally, they lack micro-level data that is necessary to comprehend day labor exploitation, such as wage deductions, nonpayment, work insecurity, and limited negotiating leverage.

vii. The Impact of the Informal Sector on Urban Household Consumption Expenditure in Burie Town, Ethiopia (2025)

According to the research, household consumption in Ethiopian cities can increase by 780–1,006 birr when compared to non-informal households. (WB, 2022). Despite these short-term benefits, day laborers are nonetheless forced to exchange financial support for long-term instability, a fundamental component of exploitation, because informal work are still unstable, credit-constrained, and lack official protections. However, current research does not look at how daily revenue fluctuations impact urban day laborers' overall household wellbeing, rent payments, or food security. Additionally, they don't differentiate between short-term financial gains and long-term societal costs, which leaves exploitation paths unexplored.

viii. Causes of Child Labor and Working Conditions in Ethiopia: Evidence from Temporary Inter-Rural Child Labor Migrants from Sekela District (2023/2024)

According to research on transitory child labor in Sekela District, a large number of young people work in construction or agricultural are casual basis. They frequently put in 11–13 hours a day for daily salaries, live in substandard accommodation, have verbal contracts, and frequently fail to make payments (Birhanu M , Arega B, Linger A, 2023). These findings, which represent informal labor dynamics comparable to those affecting adult day laborers, show patterns of exploitation, lax law enforcement, and high vulnerability among migrant workers.

Fortunately these investigations target children rather than adults who work as day laborers in urban areas like Sheger City and Burayu sub city, where the most workers endure dangerous working circumstances, long hours of work, and delayed payment. Furthermore, there is a lack of empirical data about the effects of rural background, migrant history, or temporary residency on sectorial placement and exploitation among adult day laborers.

ix. Urban Informal Sector as a Means of Livelihood for the Urban Poor: Evidence from Hawassa City.

Inadequate-income urban families in places where formal employment is scarce mostly rely on informal sector jobs, which are marked by inadequate security, unpredictable salaries, and a lack of social protections, according to research done in Hawassa City (Tariku L, Tasew T,Yodit A & Berhanu G,, 2023). Many day laborers are vulnerable to exploitation and unsteady finances because of their necessity for such job. However, those researches do not examine how job frequency, sectoral income discrepancies, or irregular employment affect survival strategies. They also fail to take into account the long-term social consequences of day labor, like debt, poor housing, and limited opportunities for advancement that this study fills the gap.

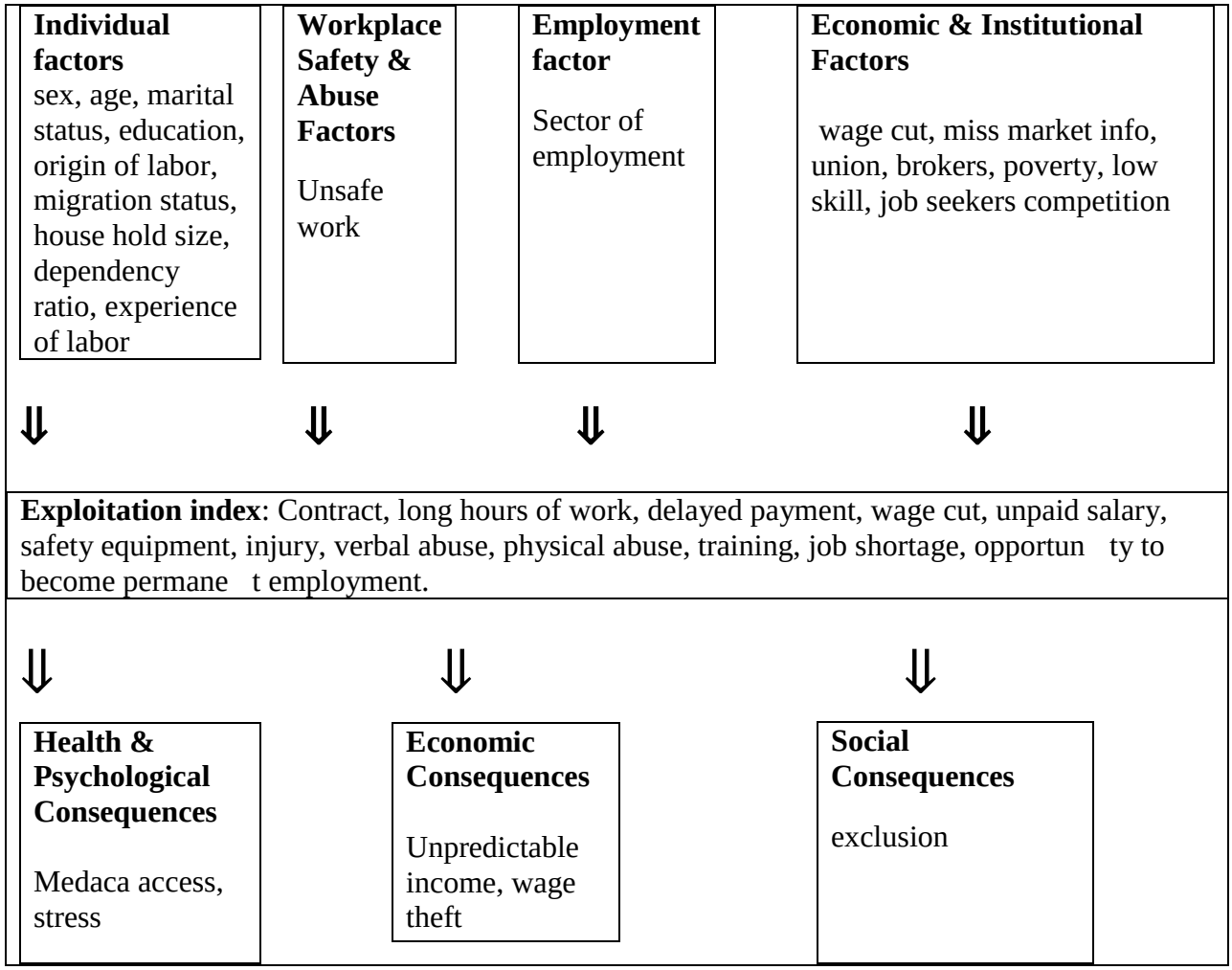
x. Broader Labour Market and Informality Profiles

According to national labor market characteristics, a large portion of Ethiopia's non-agricultural employment is informal and includes domestic work, casual day labor, and informal services (ESS, 2022). These laborers are susceptible to wage exploitation and hazardous working circumstances due to weak legislative protections and lax enforcement (ESS, 2022). These profiles, however, only offer aggregate statistics and fail to convey the full scope of the exploitation that day laborers in Sheger City, Burayu subcity endure, including unpaid workdays, wage decreases, and health risks. They also fail to consider how the lack of worker organizations, lax enforcement, and legal loopholes worsen exploitation in various day labor sectors.

2.3. Conceptual frameworks

The conceptual framework shows how Sheger City, Burayu Subcity's, day labor exploitation is influenced by several elements. Sectoral patterns of exploitation result from susceptibility caused by social, economic, institutional, and workplace-specific variables. Numerous repercussions follow from this central phenomenon, including social repercussions like poverty and psychological repercussions like stress, fear, and humiliation, and economic repercussions like low or irregular income. By emphasizing the relationships between variables and outcomes, the framework provides a systematic approach to investigating and addressing day labor exploitation.

Figure 2.1: The relationship between dependent and explanatory variables



CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

This chapter covers the study methods and approaches used to investigate the exploitation of day workers in Sheger City, Burayu Subcity, with an emphasis on sectoral patterns, underlying reasons, and socioeconomic ramifications. To ensure that the findings are legitimate, trustworthy, and pertinent, it incorporates the study area, data sources, sampling strategies, data collection instruments, variable measurement, and data analysis techniques.

3.2. Research Approach

Both qualitative and quantitative methods are used in the study's hybrid methodology. By collecting workers' actual experiences, opinions, and contextual explanations concerning socioeconomic consequences that numbers alone cannot adequately describe, the qualitative approach enhances the quantitative approach. To determine the severity, causes, and sector-specific variations of day labor exploitation, a quantitative approach is employed.

3.3. Research Design

A cross-sectional econometric framework combining explanatory and descriptive approaches is used in this study. Descriptive statistics illustrate the forms and sectorial patterns of day labor exploitation, providing empirical data to assist labor policy and worker protection, while Tobit, OLS and ANOVA investigate the causes and socioeconomic consequences of this finding.

3.4. Description of the Study Area

The study is being conducted in Sheger City, Burayu Sub City, a rapidly growing urban area near Addis Ababa. The city is a perfect location to study labor exploitation because of its growing reliance on informal day labor due to the expansion of construction, services, informal manufacturing, agriculture, and domestic work.

3.5. Target Population

The primary subjects of the study include day laborers in the high-risk industries of construction, manufacturing, services, agriculture, and domestic work in Sheger City, Burayu Sub City, as

well as significant informants providing qualitative insights. Stratified sampling to select few sectors among each and used Simple random sampling is used across sectors selected sectors from strata to ensure representativeness and make the study of sectorial patterns of exploitation easier.

3.6. Sample Size and Sampling Techniques

3.6.1. Sample Size Determination

To guarantee sufficient representation of day laborers from various industries, the study used a stratified random sampling technique. The construction, manufacturing, trade, agricultural, and service sectors were the five categories into which the target population was divided.

There were selected population of 1607 day laborers working in these industries, including 571 construction workers, 511 manufacturing workers, 254 transport and logistics workers, 196 urban farmers and 75 service workers. Thus, $N=N_1+N_2+N_3+N_4+N_5 =571 +511+ 254 +196 +75 =1607$

Yamane's (1967) sample size determination formula was used to calculate the overall sample size following stratification: $n = \frac{N}{1+Ne^2}$

Where n = total sample size; N = Total estimated population in selected sectors is 1607 (N = estimated total number of day laborers in Burayu town. i.e. total population selected from stratified sectors construction manufacturing transport and logistics urban farming and service sector respectively); e = margin of error (4%).

$$n = \frac{1607}{1+1607(0.04)^2} = \frac{1607}{1+0.72} = \frac{1607}{1.72} = 449.989 \sim 450$$

This provides a preliminary estimate of the sample size. The full sample is then proportionately split among major economic sectors for stratified sampling to provide representative coverage of the diverse day workforce.

3.6.2. Sampling Techniques

The study employed a stratified sample that covered important economic sectors and random selection within each stratum, to choose day workers proportionally. Additionally, representative

quantitative data and significant qualitative information on sectorial exploitation trends are ensured by deliberate key informant sampling.

3.7. Sources of Data

3.7.1. Primary Data Sources

Standard random sampling selection is used to gather primary data, and standardized questionnaires are used to record day workers' work schedules in important economic sectors. While deliberate interviews with labor authorities, managers, contractors, and union leaders yield qualitative data, focus groups can delve further into collective thoughts on exploitation.

3.7.2. Secondary Data Sources

To examine sectoral patterns, causes, and socioeconomic repercussions of day labor exploitation in, Burayu Town, secondary data is gathered from government reports, labor statistics, ILO publications, pertinent research papers, and policy documents.

3.8. Methods of Data Collection

Key informant interviews and structured questionnaire surveys are used in the study. In order to investigate exploitation trends and reasons, the study gathers quantitative data from day laborers in five economic sectors in Sheger City, Burayu Sub City. Qualitative data from key informant interviews with authorities, businesses, and labor brokers validates and explains the survey results. When taken as a whole, they provide a comprehensive picture of worker exploitation.

3.9. Methods of Data Analysis

3.9.1. Quantitative Data Analysis

Data analysis is carried out using Stata. To show how exploitation varies by sector, descriptive data are employed. OLS regression is utilized to ascertain the causes and effects of exploitation because the study's main dependent variable is continuous. By employing strong standard errors, reliability is improved. In Sheger City, Burayu Sub City, these methods are useful for analyzing sectoral trends, the causes of exploitation, and the socioeconomic effects of day labor.

3.9.2. Qualitative Data Analysis

Thematic analysis, which entails coding, classifying, and identifying emergent themes, is used to examine qualitative data from key informant interviews. By revealing institutional, sectoral, and policy recommendations, this approach improves our understanding of the history and workings of day labor exploitation.

3.10. Model Specification

This study uses OLS model to investigate the determinants, sectoral trends, and effects of day labor exploitation in Sheger City, Burayu Sub-city. The model is used to examine the causes and socioeconomic effects of exploitation as the dependent variable is continuous.

$$Y_i=\beta_0+\beta_1X_{1i}+\beta_2X_2i+\cdots+\beta_nX_{ki}+\epsilon_i$$

Here, Y_i is worker i's exploitation index, β stands for the parameters that need to be estimated, ϵ_i is the error term that captures unobserved variables, and X_{ik} is a vector of explanatory variables that includes, among other things, age, sex, education, sectors, working hours, wage cut, institutional factors, etc.

3.11. Choice of Econometric Model

Depending on the kind of data and the study's goals, OLS models are used. Because the exploitation index, the primary dependent variable, is continuous and aids in determining the determinants and effects of exploitation, the OLS model is employed. All things considered, these models are selected to efficiently examine the socioeconomic effects, sectorial variations, and contributing factors of day labor exploitation in Sheger City, Burayu Sub City.

3.12. Integration of Data Analysis

The paper provides a detailed examination of "day labor exploitation: sectoral trends, causes and socioeconomic consequences of day labor exploitation in Sheger City, Burayu Sub City." It does this by combining quantitative economic data with qualitative analysis.

3.13. Variables and Measurement

The dependent variable is **Labor Exploitation Index**, which gauges the extent of day laborers' exploitation. Eleven Likert-scale indicators: contract condition, long working hours, delayed payment, wage reduction, unpaid work, safety equipment issues, workplace injury, verbal abuse, physical abuse, training conditions, and lack of opportunity to become a permanent employee were used to create the index because labor exploitation is a complicated concept. A five-point Likert scale, with 1 denoting strongly disagree and 5 denoting strongly agree, was used to score each item. The index was created in Stata using the row mean method. Higher levels of labor exploitation are indicated by higher values on the resultant index, which has a range of 1 to 5.

When selecting independent variables, theoretical importance and empirical evidence on labor exploitation concerns are considered. They are measured as follows, and their expected indications correspond to possible links to exploitation:

Table 3.1: The list of dependent and explanatory variables

Type	Variable	Measurement/ Coding	Expected Sign	Explanation
Dependent	Day Labour Exploitation	composite exploitation index	+	Measured by Contractual agreements, long hours, late payments, wage reductions, unpaid labor, the availability of safety equipment, accidents at work, verbal and physical abuse, access to training, job instability, and the chance to become a permanent employee.
Independent	Age	Years	-	Older workers may be less likely to be exploited.
	Sex	1 = Male, 2 = Female	+/-	Women may face higher exploitation risk.
	Marital status	1 = Single, 2 = Married, 3 = Divorced, 4 = Widowed	+/-	Effects vary; family responsibilities may influence vulnerability.
	Household size	Number of persons	+	Larger households increase pressure to accept exploitative work.
	Number of dependents	Count	+	More dependents increase economic vulnerability.
	Education level	0 = No education, 1 = Primary, 2 = Secondary, 3 = TVET, 4 = College/University	-	Higher education reduces risk of exploitation.
	Migration status	1 = Migrant, 0 = Local	+	Migrants may have weaker social networks.
	Place of origin	1 = Rural, 2 = Urban	+	Rural-origin workers may face higher exploitation.
	Years of experience	Years in day labour	-	More experienced workers are less likely to be exploited.
	Sector of employment	1 = Construction, 2 = Agriculture, 3 = Manufacturing, 4 = Service,	+ (high-risk sectors)	Certain sectors have higher exploitation risk.

		5 = Transport, 6 = Public Works		
	Working hours	Hours per day/week	+	Longer hours increase risk of exploitation.
	Wage rate	Daily or hourly wage	-	Higher wages reduce exploitation.
	Written contract	1 = Yes, 0 = No	-	Contract reduces exploitation risk.
	Access to safety equipment	1 = Yes, 0 = No	-	Safety equipment reduces risk of injuries and exploitation.
	Work-related injury	1 = Yes, 0 = No	+	Indicates unsafe conditions and exploitation.
	Payment issues	1 = Late/Unpaid, 0 = Paid on time	+	Direct indicator of exploitation.
	Verbal or physical abuse	1 = Yes, 0 = No	+	Abuse is a direct form of exploitation.
	Training opportunities	1 = Yes, 0 = No	-	Reduces vulnerability to exploitation.
	Opportunity for permanent work	1 = Yes, 0 = No	-	Permanent work reduces exploitation risk.
	Union membership	1 = Yes, 0 = No	-	Union membership provides protection against exploitation.
	Economic factors	Likert scale 1–5	+	Poverty, job scarcity, competition, and low skills increase exploitation.
	Social factors	Likert scale 1–5	+	Weak networks, migration, and household dependency increase exploitation.
	Institutional/governance factors	Likert scale 1–5	+	absent unions, and brokers increase risk.
	Workplace/sector-specific factors	Likert scale 1–5	+	Unsafe, physically dangerous jobs, subcontracting, and lack of safety increase exploitation.
	Economic consequences	Likert scale 1–5	+	Low and unpredictable income reflects exploitation impact.
	Social consequences	Likert scale 1–5	+	Stress, social exclusion indicate socio-economic impact.
	Psychological consequences	Likert scale 1–5	+	Stress, hopelessness, and humiliation indicate psychological impact.

The questionnaire is pre-tested to ensure uniformity and clarity. Content validity is ensured by expert assessment and comparison with other research, proving that the instrument properly evaluates several aspects of day labor exploitation.

Every participant provides their informed consent, and privacy is protected. Participation in the research is completely optional, with the option to withdraw at any moment, and volunteers are assured that they won't be injured or placed in danger.

CHAPTER FOUR: DESCRIPTIVE AND INFERENTIAL STATISTICAL ANALYSIS

4.1. Descriptive data analysis

Before inferential data analysis, descriptive analysis shows the frequency and percentage of variables used to study the day labor exploitation in Sheger City, Burayu Town.

4.1.1. Continuous Variables

Factors that are defined by mean values, such as respondents' experience, age, and reliance ratio.

Table 4.1: Descriptive Statistics of Continuous Variables

Statistic	Age (years)	Household Size	Dependency Ratio	Work Experience (years)
Observations (N)	450	450	450	450
Mean	39.30	5.098	2.49	8.0156
Minimum	18	1	0	0
Maximum	59	9	5	18

Source: Researcher own survey in 2018 EC

The above table shows mean age of respondents, dependency ratio and workers experience are 39.3, 2.49 and 8 years respectively. The average respondents are mostly adults; averagely two dependents depend on one person and the average experience of respondent's s eight years.

4.1.2. Distribution of Respondents by Socio-Demographic Characteristics

Table 4.2: Education Level of Respondents

Education Level	Frequency	Percent	Cumulative Percent
No education	75	16.67	16.67
Primary	94	20.89	37.56
Secondary	91	20.22	57.78
College/University	190	42.22	100.00
Total	450	100.00	

Source: researchers own survey in 2018 EC

The above table shows the education status of respondents which 42.22% completed college/university, 20.89% completed primary education, 2022% completed secondary education and 16.67% no have no education.

Table 4.3: Marital Status of Respondents

Marital Status	Frequency	Percent	Cumulative Percent
Single	144	32.00	32.00
Married	119	26.44	58.44
Divorced	95	21.11	79.56
Widowed	92	20.44	100.00
Total	450	100.00	

Source: researchers own survey in 2018

The above table show the marital status of respondents which 32% are unmarred, 26.44% married, 21.11% divorced and 20.44% are widowed.

Table 4.4: Migration Status

Migration Status	Frequency	Percent	Cumulative Percent
Yes	286	63.56	63.56
No	164	36.44	100.00
Total	450	100.00	

Source: researchers own survey in 2018 EC

The above table shows the migration status of respondents. According to the data results 63.56% are migrants out of Burayu and 36.44% are the residents around Sheger City, Burayu towns

4.1.3. Employment Sector of respondents

Table 4.5: Employment Sector of Respondents

Respondent's Sector	Fre	Percentage	Cum Percentage
Construction/building	160	35.56	35.56
urban farming	55	12.22	47.78
Industry	143	31.78	79.56
Service sector	21	4.67	84.22
Transport	71	15.78	100.00
Total	450	100.00	

Source: researchers own survey in 2018 EC

The researcher chose respondents from five sectors, as shown in the above tables. Construction labor accounts for 35.56%, urban farming 12.22%, industry 31.78%, service 4.67%, and transportation labors accounts for 15.78%.

4.1.4. The intensity and distribution of the Labor Exploitation

Table 4.6: The intensity and distribution of the Labor Exploitation

Exploi- Index	Freq	Per (%)	Cum Per(%)
2.73	1	0.22	0.22
2.91	2	0.44	0.67
3.0	3	0.67	1.33
3.18	2	0.44	1.78
3.27	6	1.33	3.11
3.36	9	2.00	5.11
3.45	8	1.78	6.89
3.54	22	4.89	11.78
3.64	21	4.67	16.44
3.73	31	6.89	23.33
3.82	41	9.11	32.44
3.91	50	11.11	43.56
4.0	45	10.00	53.56
4.1	57	12.67	66.22
4.2	37	8.22	74.44
4.3	42	9.33	83.78
4.36	39	8.67	92.44
4.45	14	3.11	95.56
4.55	11	2.44	98.00
4.64	9	2.00	100.00
Total	**450**	**100.00**	**100.00**

Source: Researchers own survey in 2018 EC

The data analysis of labor exploitation index's frequency distribution reveals that levels of labor exploitation fluctuate, with scores ranging from 2.73 to 4.64. The distribution is centered at higher numbers, indicating that labor exploitation is high among respondents. With 12.67% of respond score is 4.09, followed by 3.91 scores 11.11% and 4.00 scores 10.00%. When taken as a whole, these findings show high percentage of workers are subjected to high levels of exploitation.

As the cumulative percentages shows, 46.44% of day labor have exploitation index values above 4.00, while 53.56% have values of 4.00 or less. About 60% of the sample is grouped at the interval of 3.82 and 4.36. The scale below 3.30 is only less than 3.11% and occupied by very few workers in this range. Overall, this table of analysis shows that day laborers are frequently exploited, with most workers reporting high levels of vulnerability. A significant percentage of labors are subjected to exploitative labor conditions, which are ingrained in the structure of the labor market.

4.2.Inferential Analysis

Table 4.7: Socio-Economic Consequences of day labour exploitation

Linear regression		Number of obs = 450 F(9, 440) = 16.94 Prob > F = 0.0000 R-squared = 0.2625 Root MSE = .24838		
socioecon_i~x	Coefficient	robust std. err	T	P>|t|
exploit_index	.4078011	.0420688	9.69	0.000
sex	.018497	.0236242	0.78	0.434
age	-.0002233	.0009996	-0.22	0.823
edu	.0233754	.0102295	2.29	0.023
migr	-.0490821	.0250226	-1.96	0.050
hsz	.004853	.004558	1.06	0.288
depn	.0018317	.007162	0.26	0.798
exp	003416	.002775	1.23	0.219
cont	-.1032639	.0113168	-9.12	0.000
_cons	2.773435	.1718521	16.14	0.000

Source: stata results from researcher own survey in 2018 EC

The results show that while education and the exploitation index have a positive and significant impact on socioeconomic variables that is, the socioeconomic position of educated and exploited workers is significantly lower poor contract terms and immigrant status have a negative impact on workers' well-being. The model accounts for 26.25% of the deviation in the day workers' socioeconomic index, which is statistically significant at $F(9, 440) = 16.94$, $p < 0.001<0.05$, according to the robust OLS regression results. Individual factors are not statistically significant, including the respondent's age, household size, sex, year of employment, and dependency ratio. The findings corroborate with the Labor Exploitation Theory, which shows how unjust working circumstances and a lack of contracts have a detrimental effect on workers' wellbeing. Human Capital Theory shows how education improves productivity and living standards (Schultz, T. W, 1961). The Dual Labor Market Theory, which shows that migrant workers usually take up low-wage, precarious positions, is further supported by the negative effects of migration (Piore, M. J, 1979). The study found that the primary factors influencing day laborers' socioeconomic lives are structural labor variables, namely the exploitation index and employment instability.

The results of the VIF test show that multicollinearity between the explanatory variables is not an issue. All VIF numbers fall between 1.01 and 1.19. This implies that there is little correlation between the independent variables, which makes the regression coefficients stable and dependable for the study.

Table 4.8: Day labour exploitation effect on workers' and their family's income stability

Linear regression		Number of obs = 450 F(13, 436) = 3.07 Prob > F = 0.0002 R-squared = 0.0599 Root MSE = 1.3746		
Unpreinc	Coefficient	robust std. err	T	P>|t|
exploit_index	.1321177	.2219861	0.60	0.552
unsafe	.2522852	.1433795	1.76	0.079
wagethift	-.1345596	.0410392	-3.28	0.001
union	-.1917959	.0461838	-4.15	0.000
pove	.0600188	.140261	0.43	0.669
depn	.0402764	.0404452	1.00	0.320
hsz	.0106913	.0271862	0.39	0.694
sex	-.1542123	.1344852	1.15	0.252
age	-.0003337	.0058152	-0.06	0.954
edu	.0260463	.058075	0.45	0.654
exp	-.025024	.0157615	-1.59	0.113
migr	-.072772	.1439383	-0.51	0.613
sect	-.0251512	.0478115	-0.53	0.599
_cons	3.970346	1.513284	2.62	0.009

Source: stata results from researcher own survey in 2018 EC

The robust OLS regression findings show that the model is statistically significant, even though it only explains 5.99% of the variation in unpredictable income ($F(13,436) = 3.07$, $p<0.001$). The findings show that day workers' income variations are made worse by pay theft and bad working conditions, and that union membership does not improve workers' negotiating strength or reduce income instability. These findings bolster ideas of institutional labor and labor exploitation; they show how unfair labor union procedures and inadequate workplace safety make workers more vulnerable financially (Doeringer, P. B., & Piore, M. J, 1971). The study's lack of relevance for individual determinants indicates that structural labor market characteristics have a greater impact on income in an unanticipated way than demographic factors.

The model has not many multicollinearity issues, according to the VIF all values are comparatively low (1.02-1.10), suggesting a poor association between the explanatory variables. Regression coefficients are therefore trustworthy and appropriate for interpretation.

Table 4.9: Regression analysis of sectoral variation and determinants of exploitation

Linear regression		Number of obs = 450 F(30, 418) = . Prob > F = . R-squared = 0.7672 Root MSE = .16365		
exploit_index	Coefficient	robust std. err	T	P>|t|
sect				
Peri-urban farming	-.0029272	.0265747	- 0.11	0.912
Manufacturing	.0018262	.0209762	0.09	0.931
Service sector	-.0168407	.0420814	- 0.40	0.689
Transport & logistics	.0435488	.0240742	1.81	0.071
sex	.009154	.0157581	0.58	0.562
age	.0000577	.0006819	0.08	0.933
mssts	-.0036374	.0066354	- 0.55	0.584
edu	.0061115	.0070881	0.86	0.389
migr	.0127214	.0168738	0.75	0.451
depn	.0017315	.0047092	0.37	0.713
exp	-.0021485	.0016653	-1.29	0.198
cont	.1045132	.006945	15.05	0.000
longhw	.0883971	.0102528	8.62	0.000
delp	.0920245	.0097855	9.40	0.000
wagcut	.0980047	.0086165	11.37	0.000
unpd	.0894977	.0061784	14.49	0.000
injury	.0877615	.0057559	15.25	0.000
train	.0826924	.0071997	11.49	0.000
operma	.1042467	.0132199	7.89	0.000
jobsho	-.045018	.0260358	-1.73	0.085
pove	-.0392988	.0163977	-2.40	0.017
lowsk	.0067449	.0059127	1.14	0.255
comp	.0071826	.0055436	1.30	0.196
mwinfo	.0300039	.0217415	1.38	0.168
union	.0108214	.0076574	1.41	0.158
brok	.0036989	.00643	0.58	0.565
con	1.075253	.1997808	5.38	0.000

Source: stata results from researcher own survey in 2018 EC

The findings show that around 76.7% of the variation in day labor exploitation is explained by the model. Long working hours, late payments, wage cuts, unpaid labor, workplace injuries, inadequate training, and few opportunities to become permanent employees are just examples of the negative and unstable work conditions that encourage exploitation. Migrants are inclined to take exploitative occupations because of poverty and lack of work opportunities.

In line with Marxist concepts and labor exploitation theory, the findings show how power disparities and inadequate labor protections lead to worker exploitation (Marx, K, 1867). The finding is further supported by Dual Labor Market Theory, which shows how low-skilled and informal workers are susceptible to exploitation and income volatility (Piore, M. J, 1979).

However, the lack of relevance of demographic characteristics suggests that structural labor market issues, rather than individual factors, are primarily responsible for day labor exploitation. In general, the research indicates that uncomfortable working conditions and a lack of institutional protections are important factors in labor exploitation, highlighting the need for stronger labor laws, contracts, and better workplace safety equipment.

The VIF results show that the model has no multicollinearity problems. All variables had low VIF values (1.02-1.10), and the average VIF of 1.05 is well below 10. As a result, the multicollinearity model estimates are reliable and consistent.

Table 4.10: Regression Results on the Effect of Labour Brokers, Subcontracting, and Informal Recruitment on Labour Exploitation

Linear regression		Number of obs = 450 F(27, 422 = 43.46 Prob > F = 0.0000 R-squared = 0.7088 Root MSE = 0.18326		
exploit_index	Coefficient	robust std. err	T	P>|t|
sect				
Peri-urban farming	.0173476	.1173245	0.15	0.883
Manufacturing	.0886139	.108154	0.82	0.413
Service sector	.0003497	.2440255	0.00	0.999
Transport & logistics	-.0514961	.1255147	-0.41	0.682
brok	-.0018705	.0131841	-0.14	0.887
Peri-urban farming	-.0070048	.0210298	-0.33	0.739
Manufacturing	-.0060678	.0182962	-0.33	0.740
Service sector	.0019688	.0440581	0.04	0.964
Transport & logistics	.0012405	.0195422	0.06	0.949
Unpreinc	-.0053461	.0115288	-0.46	0.643
Peri-urban farming	.0103685	.0205665	0.50	0.614
Manufacturing	.0156716	-.0131105	-0.84	0.403
Service sector	-.0120744	.0257661	-0.47	0.640
Transport & logistics	.0231745	.0180953	1.28	0.201
Cont	.1518982	.0094853	16.01	0.000
Longhw	.0832768	.012456	6.69	0.000
Delp	.088456	.0096825	9.14	0.000
Wagcut	.0984416	.0097476	10.10	0.000
Unpd	.0860723	.0065722	13.10	0.000
injury	.0944354	.0072463	13.03	0.000
stress	.1082427	.0152671	7.09	0.000
operma	.1121854	.0138097	8.12	0.000
jobsho	-.0552176	.0304383	-1.81	0.070
sex	.0255642	.0179053	1.43	0.154
age	.0003576	.0007385	0.48	0.628
edu	-.0021031	.0079637	-0.26	0.792
migr	.018524	.0192871	0.96	0.337
_cons	1.055624	.2067284	5.11	0.000

Source: stata results from researcher own survey in 2018 EC

Labor brokers had no appreciable impact on labor exploitation, as shown by a statistically insignificant result in the regression. Unpaid labor, wage reductions, longer work hours, stress, injuries, and the inability to become a permanent employee are the most exploitative factors. The findings suggest two plausible interpretations. Theoretically, brokers, subcontracting, and informal employment serve as structural factors that facilitate exploitation by limiting worker power and impacting job accessibility. Second, the empirical findings of this OLS analysis show that actual working conditions rather than brokers are the cause of exploitation. This suggests that although unofficial job networks are indirectly supported by brokers and subcontractors, the behaviors related to wages, labor intensity, and workplace hazards are what truly evaluate the disparities in exploitation. In other words, the framework's "outcomes" injuries, longer workdays, wage cutbacks, and unpaid labor are the direct causes and indicators of exploitation.

Theoretically, informal employment, subcontracting, and brokers serve as structural middlemen in the labor market, sustaining worker exploitation. Informal employment forces workers into the secondary labor market, which is characterized by little protection and negotiating power, according to the Dual Labor Market Theory (Piore, M. J, 1979). Furthermore, the "divide" between employers and employees was made worse by subcontracting and brokers, which led to information asymmetry and a reduction in accountability that allowed exploitation to continue.

The results of the Ramsey RESET test indicate that it is not possible to reject the null hypothesis of correct model specification ($F = 1.24$, $p = 0.2950$). This result shows that the missing parts of the model are not sufficiently proven. The regression model is therefore deemed suitable for assessment.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusion

Using descriptive and inferential statistical methods, this study investigated day labor exploitation: sectorial pattern, determinants, and socioeconomic consequences of Sheger City's Burayu subcity day laborers. The results show how common labor exploitation is, which is typified by long work hours, unpaid labor, delayed wage payments, salary reductions, a lack of safety equipment, workplace injuries, and verbal and physical abuse. These statistics show that bad working conditions and unstable employment are common among day workers.

The econometric findings demonstrate that variations in exploitation are not substantially explained by the employment sector, suggesting that exploitation is common in the manufacturing, services, transportation, construction, and peri-urban farming sectors rather than being sector-specific. Rather, structural issues at work are the primary cause of worker exploitation. The lack of formal contracts, long hours, late payments, wage reductions, unpaid labor, workplace accidents, and the scarcity of long-term employment possibilities are important factors. Age, sex, education, immigration status, and work experience are examples of individual sociodemographic traits that are not statistically significant, suggesting that institutional rather than individual factors are the main cause of exploitation.

Furthermore, labor exploitation has a detrimental effect on workers' financial well-being. Income stability is reduced, household welfare is jeopardized, and long-term employment security is negatively impacted. Wage theft and dangerous working conditions are two important ways that exploitation affects workers' livelihoods.

Overall, the study concludes that labor exploitation among day workers in Sheger City, Burayu sub city, is a structural labor market issue brought on by informal employment arrangements, lax regulatory enforcement, and inadequate workplace governance rather than sectoral or individual variations.

5.2.Recommendations

The report makes numerous important policy recommendations to lessen labor exploitation among day laborers based on its findings. First and foremost, labor authorities should make sure that frequent inspections are extended to informal and subcontracted workplaces where exploitation is most common, with a focus on pay protection, working hours, and occupational safety regulations. To lessen wage theft and job insecurity, employment connections should be institutionalized through written contracts and stricter regulations of subcontracting and informal hiring practices.

Additionally, employers should be mandated to raise opportunity to become permanent employee and safety standards by guaranteeing that all employees have safe working conditions and enough protective tools. In order to boost collective bargaining power and worker protection, labor unions and worker organizations must also be reinforced and made more inclusive, particularly to include informal workers.

Overall, policy interventions should mainly concentrate on bolstering labor market institutions rather than on specific worker characteristics because the evidence shows that exploitation is structurally driven.

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