

AN INTRODUCTION TO LABOUR DEVELOPMENTS IN ETHIOPIA

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I. The Background to Labour Policy

Ethiopia is particularly favoured by its geographical position, climate, and agrarian and mineral wealth. It has, on the Red Sea, two medium-sized ports suitable for modern import and export (Massawa and Assab) and further access to the sea through Djibouti. Road and rail provide sufficient communication between the coast and the interior. The modern aviation services of Ethiopian Air Lines link the capital and other cities with Kenya in the south, Aden to the east, Lagos in West Africa, and to the north, Western Europe. The good rainfall and moderate highland situation at an average distance of approximately 1,000 km. from the equator means that agriculture, stock-raising and forestry are possible throughout this Empire of over a million square kilometers, with the exception of a few low-lying valleys. Accordingly, about 90 per cent of the estimated 20 million population have remained on the land and in the rural occupations. This does not amount to overpopulation.

As Ethiopia modernises its traditional agricultural methods, it may well become an African granary; but at present its exports are modest. However, agriculture is only one part of the potential wealth. Great treasures lie below the surface, exploited on a small scale, but mostly either just discovered or not even explored.

Aware of their country's great economic resources, and of nature's generosity, the inhabitants have at no time been under any particular pressure to improve their methods of work and so raise the general level of productivity more than seemed necessary in order to satisfy their needs — which were small. The relative immunity from disturbance by external influences, quarrels or conquests, may also have contributed to this self-sufficiency and satisfaction with inherited conditions which have long prevailed. So for many years Ethiopia lacked the natural motives for a rapid development similar to that which has carried many countries in the northern hemisphere to industrialisation and world trade; and even today the country is only entering the epoch of economics and technology.

Until recently, therefore, labour, in the modern sense, and everything connected with it was an idea which had still to find its way into the national consciousness. The Revised Constitution of Ethiopia of 1955, the one now operative, does not even mention "labour", to which Constitutions in other countries devote whole chapters. It speaks only once of "occupation". Also in public affairs, there is no ministry or other statutory body dealing specially with labour questions, although in the last few years a start has inevitably been made in such fields as placement and the settlement of labour disputes. The increasing importance of manpower for development of the country's economy and

resources was only recognised reluctantly and by degrees; but finally the inevitable conclusions were drawn.

It may be of interest to spend a few moments on the exception long provided by the province of Eritrea. Apart from its position along the Red Sea, that section of the country is far less generously endowed with worldly goods than Ethiopia proper. But Eritrea was a colonial area for many years; after the Second World War it was given a special status, similar to that of a unit in a Federation, with legislative powers in several fields including labour law. Not until the end of 1962 was it fully integrated into the Empire of Ethiopia.¹ Consequently, there are still labour regulations effective in Eritrea going back to 1922, though they have been revised and consolidated in the Eritrean Employment Act of 1958. That measure, until further notice, provides the statutory basis for a regional labour administration, some minimum conditions of work and even a slight degree of labour protection.² On the whole, however, these provisions have not been strikingly successful; the labour administration is a relatively modest set-up which may be adjusted to the general standards achieved in the rest of the Empire at the moment. The efforts made by the Ethiopian Government to learn from such experience in building up its own labour legislation and administration in order to avoid the mistakes which stem from using foreign patterns, will be described in due course.

The industrialisation which gradually occurred during the post-war years affected almost exclusively a few of the more important cities, such as Addis Ababa and Dire Dawa. Besides a number of large establishments operated by public authorities, industrial undertakings and commercial firms sprang up in the cities and in some rural districts, creating an ever-increasing demand for all kinds of manpower. Cotton mills, tobacco and sugar plantations, breweries, cement works and other installations were established and now include a number of undertakings employing thousands of workers, women as well as men. Many new industrial establishments are being built or have been planned. Furthermore, commerce is expanding, the number of retail establishments has risen considerably, and communications and travel have intensified with all the ancillary services and employments involved. Although no statistical data are available, the total number of persons employed outside the traditional rural occupations must be over 200,000 and is noticeably increasing.

This industrial growth brought the Government up against the problems which, to some extent, every nation must face as soon as industrialisation begins. It was Ethiopia's secular introversion which so long deferred the encounter with the age of technology and made the problems more complex when the event occurred. An additional handicap was the fact that the industrialisation confined itself mainly to a few centres instead of spreading throughout the country.

The primary problems before the Ethiopian Government were:

- (1) How to reduce the unemployment which had arisen in the big cities, or at least to prevent its further increase;
- (2) How to establish labour-management relations which would be appropriate to both present and future undertakings — industrial or other—and ensure stability without hampering economic development, and at the same time meet the growing needs of the wage-earning class;

1. By Order No. 27 of 15 November 1962.

2. *The Eritrean Gazette*, Supp. No. 5, 23 May 1958.

- (3) How to produce an efficient indigenous work force which would be as independent as possible of foreign advisers and assistance.

All three questions arose, by themselves so to speak, out of the unusually sudden transition from a primitive secluded economy to the modern economic forms of the technological age. These, once thought out and brought nearer to solution, led to many other problems, mostly long-term, which ought to have been taken into account from the beginning. This second category includes problems of workers' health and safety, general education, vocational training, and social security.

The Ethiopian Constitution of 1955 provided a reasonably satisfactory framework for the transmission of such ideas. All Ethiopians have equal civil rights and equal protection under the law. Freedom of movement and assembly also are ensured to everyone. The citizen's right to choose his occupation freely and to join associations can only be restricted by legislation. There is a general right of petition to the Emperor.

Other sources of policy are as follows:

- (1) The Slavery Abolition Proclamation No. 22, 1942;
- (2) The Factories Proclamation of 1944, an enabling measure under which the Minister of Commerce and Industry can issue regulations with respect to labour protection in factories. No use has yet been made, however, of that power to issue subsidiary legislation;
- (3) The Civil Code Proclamation of 1960. As in some European countries, in addition to the general rules regarding employment, this includes a number of minimum labour standards. Particularly, Chapter XVI of the Civil Code lays down provisions on the conclusion of individual contracts of employment and collective agreements, the general contents and character of the employment relationship, the grounds for and effects of termination, holidays, absence and sickness pay. Other clauses deal with the employers' obligations in connection with employment accidents or occupational diseases. Another chapter (III) contains provisions on associations which were to take on some importance when employers' organisations and trade unions came to be established;
- (4) A few other relevant provisions were to be found in various special laws;
- (5) Customary law is also of some importance.

II. The Approach to Modern Labour Legislation

In the above circumstances, anyone who contemplated building up a realistic and integrated body of labour legislation and creating, as far as possible, unified machinery for its application and supervision, had to work out a concrete programme and specific principles for the purpose.

The first step could only consist of basic research, since practically no relevant documentation or statistical material was on hand. Apart from a thorough inventory of the existing statutory provisions, a comparison was made with the systems of labour legislation adopted in various other developing nations and some of the industrial countries. The Conventions and Recommendations of the International Labour Organisation (I.L.O.) were also examined. But all this was not enough; just as important were effective

economic and working conditions, labour-management relations and other similar matters as they existed in the more important parts of the country, including Eritrea. Extensive investigation, long journeys, visits to various enterprises, and many conferences were all an indispensable prelude to legislation which, with all due regard for international standards, had to be shaped to meet the special needs of Ethiopia. Such a survey could of course only cover the most important places and undertakings in the first instance, but it seemed to produce a sufficiently complete picture of the general situation. Its results confirmed the urgency of measures regarding the employment market, management-labour relations, and the wide field of vocational training.

The Government then set up a small inter-ministerial group of experts which was to review the results of the survey described above and convert it into proposals for legislation and organisation. In this connection the following principles gradually emerged:

- (1) All labour matters throughout the country should be handled by *one* central authority (ministry) with appropriate regional and local machinery;
- (2) This responsibility should, however, not extend to civil servants³ or the armed forces;
- (3) Employees of government and other public commercial and industrial undertakings should, as a rule, be treated on the same footing as employees of private undertakings;
- (4) The legislation and organisation should be progressive but realistic; in this connection, regard must be given to probable budgetary resources in future years and to the current level of training of administrative officials;
- (5) Item (4) must be taken into account in particular when establishing future labour authorities (employment offices and other services);
- (6) In view of the urgency of certain tasks, a start should be made with a law on employment administration and another on labour relations; only subsequently should protective provisions, minimum conditions of work and vocational training programmes be tackled — not to mention social insurance plans;
- (7) The laws must be easy to understand but detailed enough to keep doubts about interpretation down to a minimum; if for technical reasons the statutory provisions themselves could not fully satisfy the marked popular need for specific translation of legal principles into practical rules, a competent minister should be empowered as far as necessary to issue subsidiary regulations.

III. Organisational Questions

Among the many factors that contributed to implementation of the above programme, suffice it to mention the pioneer spirit and sense of co-operation with which the foundations of Ethiopia's future labour and social structure were established.

There was a long debate as to the proper place for a central labour authority in the machinery of government. The various Ethiopian statutes on organisation and jurisdic-

3. Central Personnel Agency and Public Service Order No. 23, of 1961, *Negarit Gazeta*, 21st Year, No. 3, 20 October 1961, and Amending Order No. 28 of 1962 *Negarit Gazeta*, 22nd Year, No. 6, pp. 33 et seq.

tion, particularly the Definition of Powers Order, No. 1, of 1943, had failed to make any particular ministry responsible for labour matters. In practice several initial steps towards organisation had been taken to cover the most urgent needs: there was a placement office under the Addis Ababa Municipality; there was a semi-official Disputes Board in the Ministry of Commerce and Industry that shared the function of settlement with an advisory office in the Ministry of Justice; in connection with price control and related functions there was a small office for matters of labour protection in the Ministry of Commerce and Industry, which originally was also the official contact with the I.L.O. To give this latter Ministry general competence for labour regulation seemed at first sight natural, but this idea was finally rejected because the Ministry had its own basic function, not entirely identical with that of solving labour problems; and also because it was responsible, as employer, for a number of state-owned undertakings.

With the importance of labour problems still only gradually emerging, the establishment of an independent ministry was thought premature and also unjustified on the grounds of cost. Consideration was long given to the inclusion of a labour department or board in the Prime Minister's Office, where the various particular interests involved might have been co-ordinated but this solution seemed too cumbersome. Finally it was decided to place responsibility with the Ministry of National Community Development, which already handled some more or less related matters such as social welfare, rural development and co-operatives. As became still more evident at a later stage, this was a sound decision and at some point it will no doubt be formally reflected and confirmed by an addition to the Ministry's present statutory terms of reference.⁴ Accordingly, the central authority for labour affairs was organised under the Minister of National Community Development, with the Vice-Minister and the Head of the Department of Labour, consisting of, but under current review:

1st Division:

Labour Standards

- (a) Legal and International Section.
- (b) Labour Relations Section.
- (c) Labour Protection Section.

2nd Division:

**Central Public
Employment Office**

- (a) Manpower Section.
- (b) Labour Exchange Section.
- (c) Foreigners' Section.

Below this central establishment (in which the disputes organ, the Labour Relations Board of Addis Ababa, has a special independent position) come the regional and local employment offices. These have already been set up in Addis Ababa, Dire Dawa,⁶ Asmara, Massawa, Keren and Agordat, and others will gradually follow in a flexible way until a network of the Labour Department's agencies covers the whole of Ethiopia.

This structure is presented mainly in the Public Employment Administration Order of 1962⁵ and to a minor extent in the Labour Relations Decree of 1962.⁷ Both measures are so framed that in the future the machinery can be extended by administrative action or, in certain cases, by subsidiary legislation.

4. Order No. 15, of 1957.

5. Public Employment Regulations No. 1, *Negarit Gazeta*, 22nd Year, No. 5, of 10 December 1962

6. *Negarit Gazeta*, 21st Year, No. 18, of 5 September 1962.

7. *Ibid*, pp. 136 et seq. Promulgated, after adoption by Parliament, as a Proclamation, No. 210 of 1963, *Negarit Gazeta*, 23rd Year, No. 3, of 1 November 1963.

IV. Contents of the Legislation

It seems advisable here to examine the further contents of those two laws more closely.

1. The main objectives of the Public Employment Administration Order of 1962 are to mobilise the country's manpower reserves for general economic development, to improve the workers' level of performance, and to provide each one with a job corresponding to his wishes and abilities. The principles of free choice of occupation by the worker and voluntary engagement by the employer are fully maintained: the Government merely offers its good services with a view to placement, i.e., the services of the Public Employment Administration set up by the Order and described in Part III of the present article. In addition the Administration is required:

- (a) to study and observe the employment situation in Ethiopia and to compile statistics upon it;
- (b) to make proposals for the improvement of the employment situation;
- (c) to advise the public, and especially young persons, regarding choice of vocation and vocational training;
- (d) to co-operate in an advisory capacity in public and private economic planning;
- (e) to propose action to prevent rural exodus;
- (f) to maintain registers of persons seeking employment and of vacant posts.

A further function of the Public Employment Administration is to issue, in all appropriate cases, work permits to foreign nationals. The basic principles for the general policy in that difficult field are established by Articles 15 and 17 of the Public Employment Order of 1962, which accordingly reflect the constitutional concept that the right to engage in any occupation is limited to Ethiopian subjects and employment of others needs the Government's special permission (see Article 389 (3) of the Civil Code). The recent Legal Notice, called Foreign Nationals Employment Regulations of 1964,⁸ has defined more closely the terms under which the Employment Administration shall grant work permits to foreign nationals or refuse to do so in the future. That Legal Notice is primarily designed to reconcile the obvious need for employing more Ethiopian nationals in the country's profit-making enterprises and to raise their skills correspondingly, with the expectation that certain important future investments from abroad cannot be easily obtained without sufficient flexibility on the Ethiopian side as regards reasonable concessions, with respect to the employment of foreign experts, technicians, etc., at least during the first period of establishment. The Regulations require by a number of provisions the training of Ethiopians who may replace such foreign staff in due time.

The whole idea behind those efforts made by the Public Employment Administration is to contribute to the raising of economic standards and thus to help the general employment situation. As another means to that end, the Administration has started to prepare a manpower survey in Ethiopia which is to cover, step-by-step, the whole working population of the country and to disclose essential details of such things as age, sex, and skills of the workers. Together with other data, this manpower survey is designed to lay a sound foundation for such matters as occupational training and guidance as well as any social security system which might be established after a number of years. The Public Employment Administration hopes to be advised on various sorts of employment problems by the Employment Advisory Committees as already established in Addis Ababa and Dire

8. *Negarir Gazeta*, 23rd Year, August 31, 1964.

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Dawa by Legal Notice No. 267, of 1962. They have a tri-partite character which provides for equal representation of employer and worker elements.

2. The development of stable *labour-management relations* is the object of the second measure, the Labour Relations Proclamation of 1963, which was enacted by a large majority in Parliament. It deals in particular with the following problems, which had been only touched on in the Constitution or other legislation:

- (a) Formation of employers' associations and labour unions. Under the current law of association, which is found in the Civil Code, either party may organise freely and combine in federations. On the labour side there are organisations of two kinds: the "plant union", which may be formed in any establishment having more than 50 employees, and the "general union" for employees of smaller undertakings and for specialists. Organisations on either side are empowered to protect and develop the economic, social and moral interests of their members and to negotiate with the other party on labour conditions on a collective basis. On that legal basis, more than fifty labour unions, predominantly with a plant-union status, have been established and registered in the course of the last two years. Membership is estimated to be over 30,000. Employers created the Federation of Ethiopian Employers in March, 1964. All unions are co-operating under the Confederation of Ethiopian Labour Unions, (C.E.L.U.) which was founded one year earlier.
- (b) The Act stresses free and voluntary collective bargaining as the main method of determining working conditions. The Government restricts intervention on its own part to exceptional circumstances, although the Minister of National Community Development may fix minimum conditions of work where necessary.
- (c) Unfair labour practices by employers or workers, carefully defined in the Proclamation, are prohibited. The principle of co-operation is stressed in the interest of sound national economic development, and a "peaceful attitude" is made an obligation of both sides. The organisations must abstain from political activity. Unfair practices can be brought before the Labour Relations Board which, after consideration, may prohibit a particular practice and enforce its decision, if necessary, by recourse to other authorities. In certain circumstances of this character, an organisation can be dissolved by judicial order.
- (d) The Labour Relations Board has another much more important function: either party — and the Minister of National Community Development — can call it in to settle a collective labour dispute. The Board is then required first of all to attempt to settle the dispute by agreement. Only when all attempts to do this have failed may it arbitrate. The award, from which an appeal may be made to the Supreme Court on questions of law only, is enforceable in the same way as a court judgment and any person failing to comply with it may be punished. An important clause is that which provides for a "cooling-off" period of 60 days from submission of a dispute to the Board: during this time any strike or lock-out would be unlawful. Many important items of the procedure under which the Board acts are written into the Proclamation and will be supplemented by Standing Orders now in the course of preparation.
- (e) Unlike collective disputes, individual labour disputes remain a matter for the ordinary courts of law. This differential treatment may cause difficulty in

practice, and the distinction is indeed frequently unclear or misunderstood. The time for setting up a regular labour court does not yet seem to have arrived. Accordingly, the Labour Relations Proclamation states that the Minister of Justice shall "arrange for the establishment of labour divisions within the courts" to deal with cases arising out of individual contracts of employment. In practice the Labour Department provides a counselling and conciliation service, for those who desire it, in individual as well as collective disputes, but there is no power vested in that administration to take a decision on such cases.

It is of course a far cry from the first two legislative measures to a complete labour code, if a labour code can ever be considered complete. Anyway, further important labour legislation is already in preparation or is being planned.

As described under Part I herein, the Civil Code Proclamation has established certain more or less general principles on contracts of employment, including certain minimum provisions on safety and health of workers as well as related labour standards in Ethiopia. It is obvious that such general principles or minimal need not only regular review and, if justified by the general growth of the economic output of the country, gradual improvement, but also a machinery adequate to control or even ensure implementation of such types of labour standards in the various undertakings. As developments have shown, the important fields of labour protection and inspection were placed, unlike in other developing countries, relatively low on the legislators' priority list, because employment problems and labour-management relations seemed more urgent. But the time has come to finalize several related legal projects which should ensure introduction of more advanced labour standards, with a special emphasis on health and safety of the employees in industry and trade, and the establishment of a labour inspection service able to move in and help to enforce any legal arrangement in the various undertakings. Regarding the latter, a first step was made by the Legislature on December 4, 1964, when the Labour Inspection Order, 1964, was promulgated.⁹

As another project for legislation, solutions will have to be worked out before long to improve the country's vocational system including such matters as apprenticeship, adult workers education, etc. Such legislation will have to follow essentially Ethiopia's needs, as they result from the economic development and the kind and structure of future industrial, commercial or other enterprises. Legislation has, therefore, to wait until the manpower survey presently underway and other statistical bases necessary for thorough planning have been terminated and evaluated.

At about the same time it may be possible to reflect on and, if appropriate, to introduce fully or in part a system of social security which might include unemployment insurance, old-age or disability insurance, sickness insurance, etc., for the Ethiopian workers in a way which could cover the specific needs of this country. Again, however, such a program pre-supposes not only careful studies but also a great deal of actual data of various kinds which are the indispensable prerequisites of any realistic planning in this area.

V. Relations with the International Labour Organisation (I.L.O.)

Ethiopia has belonged to the International Labour Organisation since 1923 and is thus one of its oldest members. Partly because of historical events such as the Italian

9. Order No. 37 of 1964, *Negarit Gazeta*, 24th Year, No. 4.

occupation and partly because more active exercise of its membership was hampered by the peculiar character of its own development, this country remained largely aloof from I.L.O. affairs for many years. The conditions for proper representation at the annual Conference in Geneva were not fulfilled, although Government representatives could have been sent, as representative employers' and workers' associations did not yet exist. For this reason alone it is not at all surprising that Ethiopia's role in the international labour scene long remained a very modest one. This passivity was reflected in the absence of Ethiopia's name from the list of countries which had ratified I.L.O. Conventions and similar matters.

Membership in an organisation can only have life and reality if it involves mutual give and take. The International Labour Organisation made that possible for the developing countries when it evolved its many programmes for technical assistance after the Second World War. In exchange for their contributions, those countries were offered a generous equivalent, of which Ethiopia took advantage on various occasions. The assistance began in the early summer of 1960 with a survey of the possibilities of vocational rehabilitation of the disabled and an investigation of the social security field. This has been followed by missions of long-term experts, in these fields, in workers' education and in clerical training. Later several Ethiopian officials were sent to special I.L.O. courses in Europe and Africa. Useful regular contacts developed, not only with headquarters in Geneva, but also with the I.L.O. African Field Offices at Lagos and in Dar-es-Salaam. Many comments on Ethiopian draft laws and regulations were sent from Geneva. Invitations came from Dar-es-Salaam to short courses for labour officials, to be attended mainly by future inspectors. For over ten months an I.L.O. expert has been working in Addis Ababa on the establishment of employment offices and the planning of a manpower survey. Further programmes of these and similar kinds are in preparation. Moreover, as a result of developments in Ethiopia, the Nation has begun to realise the part which it ought to play in I.L.O. activities. At the 46th Annual Conference in 1962 it was still only represented by two Government representatives acting as observers; employers' and workers' representatives were still lacking, as the Labour Relations Proclamation had not yet been issued, and so the formation of employers' associations and trade unions were not yet possible. At the 47th Session of the Conference in June 1963, for the first time in the long history of its membership, Ethiopia was represented by a full, though small, tripartite delegation led by the Minister of National Community Development. The Conference heard a speech by the Minister on questions of principle in which he was able to mention what had been achieved, to outline the main features of plans for further action, and to inform the Session of the ratification of the four following I.L.O. Conventions:

- (1) Right of Association (Agriculture), 1921 (No. 11);
- (2) Freedom of Association and Protection of the Right to organise, 1948 (No. 87);
- (3) Employment Service, 1948 (No. 88);
- (4) Right to Organise and Collective Bargaining, 1949, (No. 98).

Those ratifications which mean a legal obligation of member states to implement the standards established by those conventions, will no doubt soon be followed by others. Members of the Ethiopian delegation were selected to sit on several committees, and an Ethiopian is now a deputy member of the Governing Body.

The Conference provided an opportunity for contact with the various divisions of the International Labour Office and discussion of further developments and technical details; all this will pave the way for closer co-operation in the future. Among other things

a method was worked out by which Ethiopia could best make good the delays which had occurred for a number of years in regard to the submission of I.L.O. Conventions and Recommendations to the competent national authorities.

A start has now been made with the instruments adopted in 1961 and 1962, and those of 1960 and 1963 are to come next. So that these matters may be actively pursued, a specialist has been appointed in the Department of Labour to handle I.L.O. relations only, from the regular payment of contributions to the application of training projects. This year this official will spend several weeks in Geneva for an on-the-spot briefing on all distinctive features of the International Labour Organisation.

The December 1964 meeting of the Second African Regional Conference of the International Labour Organisation in Addis Ababa's famous Africa Hall was opened by the Emperor of Ethiopia. Addressing the attending delegates from more than thirty African countries — governmental, employers' and workers' representations - His Imperial Majesty stated, *inter alia*:

“Africa today stands in a serious need of a balanced socio-economic development which will assure that equitable distribution of income which will enable the African people to attain and maintain a fair standard of living. The resources, both physical and human, which such development must build exist, and it is our task and our challenge to find the ways and means of employing those resources so that our stated goals may be obtained.”

It is in this spirit that the present Article was written as a possible means to inform a growing number of interested people on what has been achieved or remains to be done in order to implement the general targets of Ethiopian labour policy.