



**International Co-operative
Alliance – Africa**
A Region of the International
Co-operative Alliance

MAPPING: KEY FIGURES
NATIONAL REPORT: ETHIOPIA
ICA-EU PARTNERSHIP



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I. INTRODUCTION AND CONTEXT

This report is part of a Mapping exercise launched by the International Co-operative Alliance and its regional offices within the framework of a partnership signed with the European Commission for the period 2016-2020, which aims to strengthen the cooperative movement and its capacity to promote international development. Other research projects led within this partnership include a worldwide Legal Frameworks Analysis, and several thematic researches on themes of significance for cooperatives.

Responding to challenges and existing knowledge gaps facing the cooperative movement, this research seeks to provide exhaustive information on cooperatives worldwide. This is achieved through a process jointly conducted by the ICA and its four regional offices – Cooperatives of the Americas, Cooperatives Europe, ICA Africa, and ICA Asia-Pacific – using a common methodology. Each office collected the input of ICA members present in the countries within its geographic area, by using the same questionnaire, and completing it with relevant national statistics, in order to obtain an accurate picture of the national situation. Mapping out cooperatives in each country provides a more precise picture of the cooperative context at national and regional levels, enhances the movement's visibility, networking, partnerships opportunities, as well as advocacy, and empowers cooperators by providing them tools for positive change.

Within this framework, the present report showcases information about the cooperative landscape in Ethiopia.

i. Historical background

Ethiopians have a long history of working together by practicing cooperative-like institutions which we call cultural cooperatives. Traditional cooperatives associations existed in the form of *iqub* and *idir*. *Iqub* is an association of people having common objectives of mobilizing resources, especially finance, and distributing it to members on rotating basis. *Idir* is an association of people that have the objective of providing social and economic insurance for the members in the events of death, accident, damages to property, among others. In the case of a funeral, *Idir* serves as funeral insurance where community members elect their leaders, contribute resources either in kind or in cash and support the mourning member. There were also initiatives for labour resource mobilization that were to overcome seasonal labour peaks, known as "*Jigie*", "*Wonfel*", among others.

The history of formal or Modern types of cooperative development in Ethiopia started in the Era of Emperor Haile Selassie I between 1950 and 1974. The predominant societies were producers and service co-operatives. Since this time cooperative policy and law has undertaken many reforms and cooperatives have come to play a crucial role in economic and social development.

To facilitate the establishment of modern cooperatives, Cooperative Decree 44/1961 and Proclamation 241/1966 were issued.

It is with the promulgation of this Decree that cooperative have come to acquire their formal legal status. However eventhough cooperatives acquired their formal legal status since the promulgation

of this decree, it was not until 1978 with the adoption of the Cooperative Proclamation No 138 Of 1978 that their status is realized in line with their objectives .

Aided by the Cooperative Societies Proclamation No. 147/1991, cooperatives started to see changes for better opportunities as their roles in economic development were objectively understood.

By Cooperative Proclamation No. 147/1998, the legality of cooperatives had been acknowledged by Federal Democratic Republic of Ethiopia's (FDRE) Constitution which is the supreme law of the land. Currently the law governing Cooperative in Ethiopia is new Cooperative Proclamation No.985/2016 that came to existence on Dec. 2016 after repealing the previous Cooperative Proclamation No 147/1991.

Cooperatives in Ethiopia are playing an active role in the fields of finance, input and output marketing, consumer goods, agroprocessing, mechanization and many other social and economic activities. Despite the ups and downs experienced, the cooperative movement in Ethiopia has registered numerical growth over the past decade both in terms of membership and capital. However, membership is still much smaller when compared with the huge potential.

ii. Public National Statistics

For a more comprehensive picture of the cooperative movement in Ethiopia, the present section provides key data from the country's public registers as a useful background context to the ICA members' data showcased in Section II of the report.

According to Federal Cooperative Agency (FCA) official report (2021)¹, there are more than 92755 cooperatives in Ethiopia with 21,043,370 members (6,743,429 female and 14,299,941 male) and there are 21,328 primary SACCOS and they have 5,384,559 members (3,122,454 female and 2,262,105 male).The savings and shares of these SACCOS is 18.54 billion ETB (\$ 425,687,860). According to the same official report there are 131 unions in the area.

Employment contribution by cooperatives

The cooperatives created employment opportunity for 1,987,379 people in Ethiopia. Also, the agricultural sector plays a central role in the life and livelihood of the majority of Ethiopians, where 12 million smallholder farming households account for an estimated 95 per cent of agricultural production and 85 per cent of all employment.²

¹ <http://www.fca.gov.et/>

² https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_474482.pdf

iii. Research Methodology

The aim of the mapping research is to collect and make publicly available reliable and up-to-date data to understand what the cooperative movement represents in the targeted country. With this view, the data detailed in the present report has been collected using the methodology detailed below.

The methodological tools include a questionnaire used to collect the data, which was distributed online to the members, as well as a methodological note provided for further guidance. They were built jointly with all ICA regional offices with the support of external experts from the European Research Institute on Cooperative and Social Enterprises (Euricse) and are applied in a harmonised way in all the target countries.

The classifications used in the research are consistent with the internal system used within the ICA movement (e.g. on membership status and types of cooperative organisations) and with standards increasingly adopted in recent studies and by international organisations like the ILO – e.g. using international classifications of economic activities such as the International Standard Industrial Classification (ISIC) rev. 4, which ensures the comparability of statistics both nationally and internationally, as well as with statistics on other forms of enterprises.

Regarding the target organizations, considering that a worldwide survey has very challenging goals, and while the value of directly collecting data from non-member cooperatives must be recognized, the present Mapping exercise targets cooperative organizations members of the ICA.

Furthermore, in order to complete the ICA members' data, the decision was taken to also look at external sources, to provide additional and more exhaustive cooperative statistics for the country. As a result, the data is collected following two strategies contemporaneously: 1) collecting statistics already available in the country; 2) carrying out a survey targeting ICA cooperative members.

In Ethiopia, the Mapping questionnaire, was distributed to, and completed by one of the ICA member in the country. After some additional follow-up and clarifications from the member, the figures provided were compiled to be presented in the next section.

II. KEY FIGURES

This section presents the results of the data collection directed by the ICA members. It is different from the general estimates for the country provided in the public national statistics.

iv. ICA Member Data

Ethiopia counts three (3) full member organizations; the Oromia Coffee Farmers' Cooperative Union (OCFCU) Ltd., the Cooperative Bank of Oromia, and the AWACH Savings and Credit Cooperatives.

AWACH SAVINGS & CREDIT COOPERATIVES (AWACH)

AWACH is a primary cooperative established to provide financial services to its members. It is a key driver in the promotion of financial inclusion and formed through the initiative of the local population, with additional support coming from government and/or Nongovernment Organizations.

The objectives of AWACH include:

- Build saving culture and facilitate credit with fair interest rate for members;
- Improve socio-economic conditions of members & other people by equipping with entrepreneurship & business development skills through trainings;
- Encourage businesses that address climate, environment and social governance aspects;
- Contribute for poverty reduction through creating employment opportunity especially for women and youth.

Mission of AWACH

Improve socio-economic conditions of members & other people through mobilizing saving and creating access to credit & asset building using relevant technology and highly motivated staffs in consideration of social governance aspects.

MEMBERSHIP

According to the data provided, it is noted that AWACH has 44,026 members (26,431 male and 17,595 female, with a 65% youth representation)

EMPLOYEES

The number of employees in AWACH is 147 people (62 male and 85 female).

SOURCES OF FUNDING

AWACH's main source of income are:

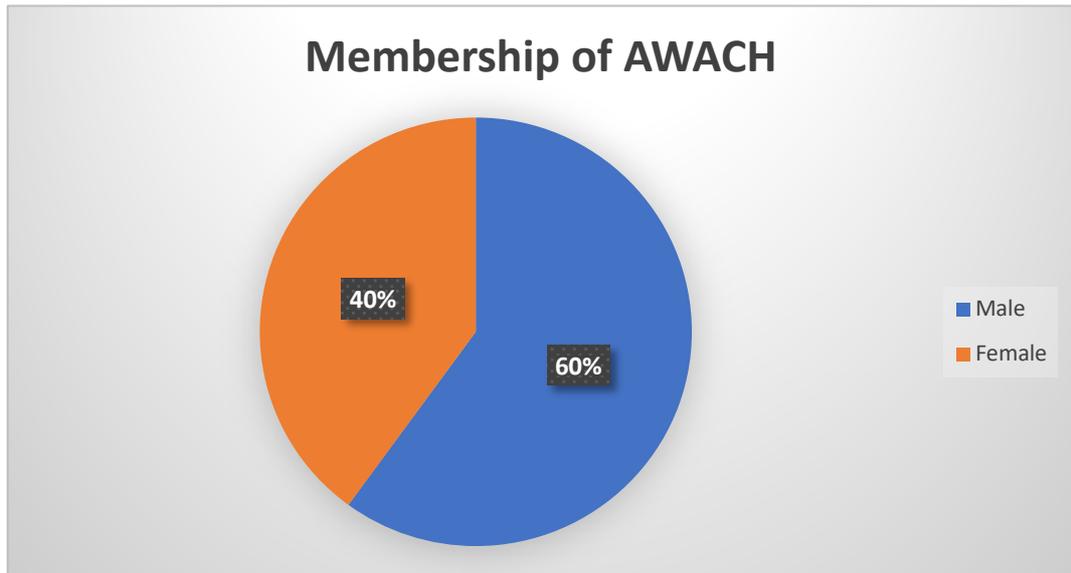
- Members' savings
- Capital \$10,575,531.36
- Asset \$39,582,835.87

v. General overview

The information provided below represents the data provided in form of infographs for ease of comprehension.



	Category	Total
1.	Number of Co-operatives	92,755
2.	Number of Members	21,043,370
3.	Number of Employment opportunities	1,987,379



Contacts

Further details on the Mapping research are available on the following website:

<https://coops4dev.coop/en>

The production of this report was overseen by ICA-Africa. For any further information or clarification, please contact the following address: info@icaafrica.coop

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