

Ethiopia Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Ethiopia's national cooperative legal framework, based on the work of national legal experts and ICA member input.

The history of formal or modern types of cooperatives in Ethiopia started during the Era of Emperor Haileselassie I during the 1950s. Later on, Decree No. 44 of 1960 and later by the Coop. Proclamation 241/1966 was issued.

Main regulations: This table displays a selection of cooperative regulations identified by experts and ICA members. For the full analysis including all relevant regulations, see the full report

Regulation	Brief Description
Decree N° 44 of 1960	<i>Through this decree also known as Farm Workers' Decree, cooperatives gained formal legal status although it was only initially meant for poor farmers</i>
Cooperative Proclamation 241/1966	<i>Promulgated and embraced cooperative principles which made it possible to form any type of cooperative including SACCOs.</i>
Cooperative Proclamation No. 147/1998	<i>Legality of cooperatives acknowledged by the national constitution which is the supreme law.</i>
Cooperative Proclamation No. 985/2016	<i>The most recent regulation and one of its main importance is to emphasize the role of cooperatives by ensuring members' rights and ownership</i>

Cooperative Friendliness: all articles in the recent Proclamation are cooperative friendly than not which means the legal framework creates conducive environment for cooperative development in the country. Therefore, we rate the legal framework as "cooperative friendly".

Some of the form of friendliness is manifested in the relationship between cooperatives (both rural & urban) and the advocacy capabilities of cooperatives.

Key recommendations for improvement: (i) increase & strengthen cooperation to enable service diversification (ii) a number of articles should be further clarified by issuing regulations, rules and directives (iii) establish a cooperative development policy in order to provide a basis for more effective and efficient system of regulation and management of cooperatives.

Conclusions: For developing countries like Ethiopia, it is highly critical to do all the best that we have to realize equitable development, harmonize nature and man, create peace, ensure sustainability and narrow the gap between the rich and poor. Cooperative policy, Cooperative Proclamations, and other legal documents are one the means to actualize the vision of the cooperative movement so as to enable it stand in its own feet and fulfill the needs of all cooperators.

