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MINISTRY OF LABOUR AND SOCIAL AFFAIRS - ETHIOPIA

***Directive on Procedure to Lay off Workers
Directive No. 833/2021***

***2021GC
ADDIS ABEBA***

Directive No 833/2021

Directive on Procedure to Lay off Workers

Introduction

This Directive has been issued to enable employer layoffs to be transparent, participatory and acceptable to all stakeholders.

1. Legislating Authority

The Ministry of Labor and Social Affairs has issued this Directive in accordance with Labor Proclamation No.: 1156 /2011, Article 171, sub-Article 1/h.

2. Short Title

This Directive may be cited as the “Directive on Procedure to Lay off Workers Directive No. 833/2021”.

3. Definitions

In this Directive unless the context means otherwise:

1. “Proclamation” means Labor Proclamation No.1156/2019.
2. “Worker representative” means a person who represents a trade union, or where there is no trade union, a person elected by workers, who is delegated to consult with the employer.
3. “Consultation” means exchange of information and opinion between the employer and the representative of the workers or the trade union.
4. “High product or service output” means high job performance evaluation achieved in two or more evaluations conducted before the commencement of the process of worker lay-off.
5. The definitions in Article 2 of the proclamation apply to this Directive.
6. Provisions of this directive set out in the masculine gender shall also apply to the feminine gender.

4. Scope of Application

1. This directive applies in case of reduction of five workers and above in an undertaking with workforce of 20- 50; or reduction of 8 workers in an undertaking with workforce of 51-99; or reduction of 10 workers and above in an undertaking with workforce of 100 and above.

2. The procedures of reduction of workforce under this directive shall not be applicable to undertakings with workforce of less than 20.

5. Election of Workers' Representative to Engage in Consultation

1. In an undertaking where there is a trade union, a representative shall be elected to participate in the consultation in accordance with the trade union's Articles of Association.
2. Where there is no trade union in an undertaking, a representative who will participate in the consultation shall be elected in a meeting where at least more than half of the workers are present.
3. The election of worker's representative indicated under the provision of sub-article 2 of this Article shall be held by a nominating committee elected by the workers.

6. Consultation to Be Held Between Employer and Workers

1. Before effecting workers lay off, the employer shall provide general information to the workers on the reasons for the layoff, the workers to be laid off and the sections that will be affected by it.
2. The employer shall make a written invitation for consultation to the workers representative elected in accordance with Article 5 of this Directive.
3. The consultation shall be on the conditions by which workers with high product or service output shall be retained.
4. A high product or service output evaluation shall be acceptable where it has been so determined in two or more evaluations that had been conducted before the lay-off process and has been accepted and confirmed by the signature of the worker.

7. Notice to the Ministry or other relevant authority

1. Before effecting lay off, the employer shall provide written information to the Ministry or the appropriate authority: on the reason for the layoff, on the workers to be laid off, on the number and position of workers to be laid off, on the time the layoff will take on the criteria for workers layoff, and on the overall number of workers and similar information.
2. The Ministry or appropriate authority once it receives notice in accordance with sub-article 1 of this article, shall investigate if the notice fulfils the reasons and procedures stipulated under article 28(3) and 29 of the proclamation with in five working days.
3. If the Ministry or appropriate authority through investigation done in accordance with sub article 2 of this article finds that a notice does not fulfill the requirements set in the proclamation; it shall in written form provide its opinion on the matters to be corrected.

8. Obligation to Cooperate

Any party that has interest in the matters covered by this Directive has the obligation to cooperate.

9. Modification of the Directive

The Ministry may modify this Directive on the basis of its periodic evaluation of its implementation.

10. Repealed Directive

The Directive issued on April 18/2002 (Eth. calendar) regarding worker layoff has been hereby repealed.

11. Effective date of the Directive

This Directive shall be in effect from the date of signing by the Minister on_____ .

Addis Ababa

Ergogie Tesfaye (PhD)
Minister of
The Ministry of Labour and Social Affairs