PROCLAMATION NO. 377/2003
LABOUR PROCLAMATION

WHEREAS, it is essential to ensure that worker-employer relations are governed by the basic principles of rights and obligations with a view to enabling workers and employers to maintain industrial peace and work in the spirit of harmony and cooperation towards the all-round development of our country;

WHEREAS, it has been found necessary to guarantee the right of workers and employers to form their respective associations and to engage, through their lawful elected representatives, in collective bargaining, as well as to lay down the procedure for the expeditious settlement of Labour disputes, which arise between workers and employers;

WHEREAS, it has been found necessary to revise the existing Labour law providing for the basic principles which govern worker-employer relations and for labour conditions taking into account the political, economic and social policies of the Government and in conformity with the international conventions and other legal commitments to which Ethiopia is a party with a view to translating into practice the objectives referred to above;

NOW, THEREFORE, in accordance with Sub-Article 1 and 3 of Article 55 of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

...
1. Short Title
This Proclamation may be cited as the "Labour Proclamation No. 377/2003."

2. Definitions
In this Proclamation:
1) "employer" means a person or an undertaking who employs one or more persons in accordance with Article 4 of this Proclamation;
2) "undertaking" means any entity established under a united management for the purpose of carrying on any commercial, industrial, agricultural, construction or any other lawful activity;
Any branch carrying on the activities of an undertaking which is designated separately and which enjoys operational or organizational autonomy shall be deemed to be a separate undertaking;
3) "worker" means a person who has an employment relationship with an employer in accordance with Article 4 of this Proclamation;
4) "minister" or "ministry" means the Minister or Ministry of Labour and Social Affairs respectively or Bureau of Regional Labour and Social Affairs.
5) "work rules" means, subject to the provisions of this Proclamation and other relevant laws, an internal rules which govern working hours, rest period, payment of wages and the method's of measuring work done, maintenance of safety and the prevention of accidents, disciplinary measures and its implementation as well as other conditions of work;
6) "conditions of work" means the entire filed of relations between workers and employers and shall also include hours of work, wage, leave, payments due to dismissal, workers health and safety, compensation to victims of employment injury, dismissal because of redundancy, grievance procedure and any other similar matters.
7) "Region" means any region as per Article 47 of the Constitution of Federal Democratic Republic of Ethiopia. For the purpose of this Proclamation it also include Addis Ababa and Dire Dawa Administration.

3. Scope of Application
1) Without prejudice to Sub-Article (2) of this Article, this Proclamation shall be applicable to employment relations based on a contract of employment that exist between a worker and an employer.
2) This Proclamation shall not be applicable to the following employment relations arising out of a contract of employment:
(a) contracts for the purpose of upbringing, treatment, care or rehabilitation;
(b) contracts for the purpose of educating or training other than apprentice;
(c) managerial employee who is vested with powers to lay down and execute management policies by law or by the delegation of the employer depending on the type of activities of the undertaking with or without the aforementioned powers an individual who is vested with the power to hire, transfer, suspend, layoff, assign or take disciplinary measures against employees and include professionals who recommend measures to be taken by the employer regarding managerial issues by using his independent judgement in the interest of the employer;
4. Element of a Contract of Employment

1) A contract of employment shall be deemed formed where a person agrees directly or indirectly to perform work for and under the authority of an employer for a definite or indefinite period or piece work in return for wage.

2) A contract of employment shall be stipulated clearly and in such manner as that the parties are left with no uncertainty as to their respective rights and obligations under the terms thereof.

3) A contract of employment shall specify the type of employment and place of work the rate of wages, method of calculation thereof, manner and interval of payment and duration of the contract.

4) A contract of employment shall not be concluded for the performance of unlawful or immoral activities.

5) The contract of employment shall not lay down less favourable conditions for the employee than those provided for by law, collective agreement or work rules.

5. Form

Unless otherwise provided by law, a contract of employment shall not be subject to any special form.

6. Contract of Employment made in writing

Subject to the provisions of the relevant law, a written contract of employment shall specify the following:

1) the name and address of the employer;

2) the name, age and address and work card number, if any, of the worker;

3) the agreement of the contracting parties made in accordance with Article 4 Sub-Article (3) of this Proclamation; and

4) the signature of the contracting parties.

7. Contract of Employment Not Made in writing

1. Where the contract of employment is not made in written form, the employer shall, within 15 days from the conclusion of the contract, give the worker a written and signed statement containing the requirements specified under Article 6 of this Proclamation.
1) A person may be employed for a probation period for the purpose of testing his suitability to a post in which he is expected to be assigned.

2) If the written statement referred to in Sub-Article (1) of this Article is not wholly or partly objected to by the worker within 15 days from the date of receipt, it shall be deemed a contract of employment concluded between the worker and the employer.

8. Failure to Comply Condition
Failure to comply with the requirements of the provisions of Article 6 or 7 shall not deprive the worker of his rights under this Proclamation.

SECTION TWO
Duration of Contract of Employment

9. Contract of Employment for an Indefinite period
Any contract of employment shall be deemed to have been concluded for an indefinite period except for those provided for under Article 10 hereunder.

10. Contract of Employment for Definite Period or Piece Work

1) A contract of employment may be concluded for a definite period or for piecework in the case of:
   (a) the performance of specified piece work for which the employee is employed;
   (b) the replacement of a worker who is temporarily absent due to leave or sickness or other causes;
   (c) the performance of work in the event of abnormal pressure of work;
   (d) the performance of urgent work to prevent damage or disaster to life or property, to repair defects or break downs in works, materials, buildings or plant of the undertaking;
   (e) an irregular work which relates to permanent part of the work of an employer but performed on an irregular intervals;
   (f) seasonal works which relate to the permanent part of the works of an employer but performed only for a specified period of the year but which are regularly repeated in the course of the years;
   (g) an occasional work which does not form part of the permanent activity of the employer but which is done intermittently;
   (h) the temporary placement of a worker who has suddenly and permanently vacated from a post having a contract of an indefinite period;
   (i) the temporary placement of a worker to fill a vacant position in the period between the study of the organizational structure and its implementation.

2. A contract of employment under Sub-Article 1(h) and (i) of this Article shall not exceed 45 consecutive days and shall be done only once.

11. Probation Period

1) A person may be employed for a probation period for the purpose of testing his suitability to a post in which he is expected to be assigned.

2) A worker re-employed by the same employer for the same job shall not subject to probation.

3) When the parties agree to have a probation period, the agreement shall be made in writing. In such a case, the probation period shall not exceed forty-five (45) consecutive days.

4) Unless the law or work rules or collective agreement provides otherwise, the worker shall have during the probation period, the same rights and obligations that a worker who has completed his probation period has.

5) If the worker proves to be unfit for the job during his probation, the employer can terminate the contract of employment without notice and being obliged to pay severance pay or compensation;

6) A worker on probation may terminate his contract of employment without notice.
Obligations of the Workers

Every worker shall have the following obligations:

1) to perform in person the work specified in the contract of employment;
2) to follow instructions given by the employer based on the terms of the contract and work rules;
3) to handle with due care all instruments and tools entrusted to him for work;
4) to report for work always in fit mental and physical conditions;
5) to give all proper aid when an accident occurs or an imminent danger threatens life or property in his place of work without endangering his safety and health;
6) to inform immediately the employer any act which endangers himself or his fellow workers or which prejudice the interests of the undertakings;
7) to observe the provisions of this Proclamation, collective agreement, work rules and directives issued in accordance with the law.

7) If the worker continues to work after the expiry of the probation period, a contract of employment for the intended period or type of work shall be deemed to have been concluded from the beginning of the probation period.

SECTION THREE

Obligation of the Parties

12. Obligations of an Employer

An employer shall in addition to special stipulations in the contract of employment have the following obligations:

1 (a) to provide work to the worker in accordance with the contract of employment and
(b) unless otherwise stipulated in the contract of employment, to provide him with implements and materials necessary for the performance of the work;
2) to pay the worker wages and other emoluments in accordance with this Proclamation or the collective agreement;
3) to respect the worker's human dignity;
4) to take all the necessary occupational safety and health measures and to abide by the standards and directives to be given by the appropriate authorities in respect of these measures;
5) to defray the cost of medical examination, of the worker whenever such medical examination is required by law or the appropriate authority.
6) to keep a register containing the relevant particulars specified in Article 6, hereof weekly rest days, public holidays and leave utilized by the worker, health conditions and employment injury of the worker and other particulars required by the Ministry;
7) upon termination of a contract of employment or whenever the worker so requests, to provide the worker, free of charge, with a certificate stating the type of work he performed, the length of service and the wages he was earning;
8) to observe the provisions of this Proclamation, collective agreement, work rules, directives and orders issued in accordance with law, and.
9) to record and keep of information as required by this Proclamation, and any other information necessary for the Ministry to carryout its powers and duties, and submit same within a reasonable time when requested by the Ministry.

13. Obligations of the Workers

Every worker shall have the following obligations:

1) to perform in person the work specified in the contract of employment;
2) to follow instructions given by the employer based on the terms of the contract and work rules;
3) to handle with due care all instruments and tools entrusted to him for work;
4) to report for work always in fit mental and physical conditions;
5) to give all proper aid when an accident occurs or an imminent danger threatens life or property in his place of work without endangering his safety and health;
6) to inform immediately the employer any act which endangers himself or his fellow workers or which prejudice the interests of the undertakings;
7) to observe the provisions of this Proclamation, collective agreement, work rules and directives issued in accordance with the law.
14. Unlawful Activity
1. It shall be unlawful for an employer to:
(a) impede the worker in any manner in the exercise of his rights or take any measure against him because he exercises his right;
(b) discriminate against female workers, in matters of remuneration, on the ground of their sex;
(c) terminate a contract of employment contrary to the provisions of this Proclamation;
(d) coerce any worker by force or in any other manner to join or not to join or to cease to be a member of a trade union or to vote for or against any given candidate in elections for trade union offices;
(e) require any worker to execute any work which is hazardous to his life;
(f) discriminate between workers on the basis of nationality, sex, religion, political outlook or any other conditions.

2. It shall be unlawful for a worker to:
(a) intentionally commit in the place of work any act which endangers life and property;
(b) take away property from the workplace without the express authorization of the employer;
(c) report for work in a state of intoxication;
(d) except for HIV/AIDS test, refuse to submit himself for medical examination when required by law or by the employer for good cause.
(e) refuse to observe safety and accident prevention rules and to take the necessary safety precautions.

SECTION FOUR
Modification of Contract of Employment

15. Conditions of Modification
Conditions of a contract of employment which are not determined under this Proclamation, may be modified by:
1) collective agreement;
2) work rules issued in accordance with this Proclamation;
or
3) written agreement of the parties.

16. Amalgamation, Division or Transfer of Ownership
Without prejudice to Article 15 of this Proclamation amalgamation or division or transfer of ownership of an undertaking shall not have the effect of modifying a contract of employment.

SECTION FIVE
Temporary Suspension of Right and Obligation
Arising out of Contract of Employment

17. General
1) Rights and obligations arising out of a contract of employment may be temporarily suspended in the manner provided for in this section.
2) Temporary suspension of rights and obligations arising out of a contract of employment shall not imply termination or interruption of the contract provided, however, a contract of employment shall interrupt the obligation of;
1) Where the Ministry finds that there is no good cause for suspension, it shall order the resumption of work and payment for the days on which the worker was suspended.

2) Leave without pay granted by the employer upon request by the worker;
3) Leave of absence for the purpose of holding office in trade unions or other social services;
4) Detention for a period not exceeding 30 days, provided that the employer is notified within 10 days or is supposed to know of the detention;
5) National call;
6) Detention for 10 consecutive days or less.

19. Duty to Inform
When rights and obligations arising out of a contract of employment are suspended in accordance with Sub-Article 18, the employer shall inform the Ministry in writing within 3 days of the occurrence of the ground for suspension.

20. Determination by the Ministry
1) The Ministry shall determine the existence of a good cause for suspension within 3 days after receipt of the written information pursuant to Article 19.
2) Where the Ministry finds that there is no good cause for suspension it shall order the resumption of the work and payment for the days on which the worker was suspended.
3) The party who is aggrieved by the decision of the Minister in accordance with Sub-Articles (1) and (2) of this Article may, within five working days, appeal to the competent labour court.

21. Effect of Confirmation or Authorization of Suspension
1) Where the Ministry confirms or proves the existence of good causes for suspension, it shall fix the duration of the suspension, provided, however, that the duration shall not exceed a maximum of 90 days.
2) Where the Ministry is convinced that the employer cannot resume its activities with the maximum period set under Sub-Article (1) of this Article, the worker shall be entitled to the benefits specified under Article 39 and 44.

22. Effects of Expiry of the Period of Suspension
The worker shall report for work on the working day following the date of expiry of suspension; and the employer shall reinstate a worker who so reports for work.

CHAPTER TWO
Termination of Employment Relations

23. General
1) A contract of employment shall only be terminated upon initiative by the employer or worker and in accordance with the provisions of the law or a collective agreement or by the agreement of the two parties.
2. The amalgamation or division or transfer of ownership of an undertaking shall not have the effect of terminating a contract of employment.

SECTION ONE
Termination of Contract of Employment
by Law or by Agreement

24. Termination of contract of Employment by Law

A contract of employment shall terminate on the following grounds:
1) on the expiry of the period or on the completion of the work where the contract of employment is for a definite period or piece work.
2) upon the death of the worker.
3) upon the retirement of the worker in accordance with the relevant law.
4) when the undertaking ceases operation permanently for due to bankruptcy or for any other cause.
5) when the worker is unable to work due to partial or total permanent incapacity.

25. Termination of contract of Employment by Agreement

1) The parties may terminate their contract of employment by agreement provided, however, that waiver by the worker of any of his rights under the law shall have no legal effect.
2) Termination by agreement shall be effective and binding on the worker only where it is made in writing.

SECTION TWO
Termination of contract of Employment at the Request of the Contracting Parties

SUB-SECTION ONE
Termination of contract of Employment by the Employer

26. General

1) A contract of employment may only be terminated where there are grounds connected with the worker’s conduct or with objective circumstances arising out of his ability to do his work or the organizational or operational requirements of the undertaking.
2) The following shall not be deemed to constitute legitimate grounds for the termination of a contract of employment:
   (a) his membership in a trade union or his participation in its lawful activities.
   (b) his seeking or holding office as a worker’s representative;
   (c) his submission of grievance against the employer his participation in judicial or other proceedings;
   (d) his nationality, sex, religion, political outlook, martial status, race, colour, family responsibility, pregnancy, lineage line & descendents from an.

27. Termination of contract of employment without Notice

1) Unless otherwise determined by a collective agreement a contract of employment shall be terminated without notice only on the following grounds;
   (a) repeated and unjustified tardiness despite warning to that effect;
   (b) absence from work without good cause for a period of five consecutive working days or ten working days in any period of one month or thirty working days in a year;
   (c) deceitful or fraudulent conduct in carrying out his duties having regard to the gravity of the case;
1) The following grounds relating to the loss of capacity of, and situations affecting, the worker shall constitute good cause for terminating a contract of employment with notice:

(a) the worker’s manifest loss of capacity to perform the work to which he has been assigned; or his lack of skill to continue his work as a result of his refusal to take the opportunity of training prepared by the employer to upgrade his skill or after having been trained, his inability to acquire the necessary skill;

(b) the worker is for reasons of health or disability, permanently unable to carry out his obligations under the contract of employment;

(c) the worker’s unwillingness to move to a locality to which the undertaking moves;

(d) misappropriation of the property or fund of the employer with intent to procure for himself or to a third person undue enrichment;

(e) returning output which, despite the potential of the worker, is persistently below the qualities and quantities stipulated in the collective agreement or determined by the agreement of the two parties.

(f) responsibility for brawls or quarrels at the work place having regard to the gravity of the case;

(g) conviction for an offence where such conviction renders him incapable for the post which he holds;

(h) responsibility for causing damage intentionally or through gross negligence to any property of the employer or to another property which is directly connected with the work of the undertaking;

(i) commission of any of the unlawful activities referred to in Article 14 Sub-Article (2);

(j) absence from work due to a sentence of imprisonment passed against the worker for more than 30 days;

(k) commission of other offences stipulated in a collective agreement as grounds for terminating a contract of employment without notice.

2. Where an employer terminates a contract of employment in accordance with this Article, he shall give written notice specifying the reasons for and the date of termination.

3. The right of an employer to terminate contract of employment in accordance with this Article, shall lapse after 30 working days from the date the employer knows the ground for the termination.

4. The grounds for suspension of a worker from duty before terminating the contract of employment of the worker in accordance with this Article may be determined by collective agreement, provided however, that the duration for suspension shall not exceed thirty working days.

28. Termination of contract of Employment with Notice

1) The following grounds relating to the loss of capacity of, and situations affecting, the worker shall constitute good cause for terminating a contract of employment with notice:

(a) the worker’s manifest loss of capacity to perform the work to which he has been assigned; or his lack of skill to continue his work as a result of his refusal to take the opportunity of training prepared by the employer to upgrade his skill or after having been trained, his inability to acquire the necessary skill;

(b) the worker is for reasons of health or disability, permanently unable to carry out his obligations under the contract of employment;

(c) the worker’s unwillingness to move to a locality to which the undertaking moves;

(d) the post of the worker is cancelled for good cause and the worker cannot be transferred to another post.

2. The following grounds relating to the organizational or operational requirements of the undertaking, shall constitute good cause for the termination of a contract of employment with notice:

(a) any event which entails direct and permanent cessation of the worker’s activities in part or in whole resulting in the necessity of a reduction of the work force;
30. Exceptions

1) The procedure laid down in this Proclamation shall not apply to the reduction of workers due to normal decrease in the volume of a construction work as a result of its successive completion unless the reduction affects workers employed for parts of the work before the work for which they are employed is completed.

2) In sub-article (1) of this Article, “construction work” includes the construction of a building, road, rail-way line, sea port, dam, bridge, installation of machinery and similar works of transformation, extension, repair or maintenance.
31. Termination of Contract of Employment with Notice

Without prejudice to Article 32 of this Proclamation, any worker who has completed his probation period, may, by giving thirty days prior notice to the employer, terminate his contract of employment.

32. Termination of Contract of Employment without Notice

1) The following shall be good cause to terminate a contract of employment without notice;
   (a) if the employer has committed against the worker any act contrary to his human dignity and morals or other acts punishable under the Penal Code;
   (b) if, in the case of imminent danger threatening the worker’s safety or health, the employer, having been made aware of such danger, failed to act within the time limit in accordance with the early warning given by the competent authority or appropriate trade union or the worker himself to avert the danger;
   (c) if the employer has repeatedly failed to fulfill his basic obligations towards the worker as prescribed under this Proclamation, collective agreements, work rules or other relevant laws.

2. Where a worker terminate his contract of employment for the reasons referred to under Sub-Article (1) of this Article, he shall inform the employer in writing the reasons for termination and the date on which the termination is to take effect.

33. Period of Limitation

A worker’s right to terminate his contract of employment in accordance with Sub-Article (1) of Article 32 shall lapse after fifteen working days from the date on which the act occurred or ceased to exist.

CHAPTER THREE
Common Provisions with Respect to Termination of Contract of Employment

SECTION ONE
Notice to Terminate a Contract of Employment

34. Procedure for Giving Notice

1) Notice of termination required under the provisions of this Proclamation shall be in writing. The notice shall specify the reasons for the termination of the contract and the date on which the termination shall take effect.

2) Notice of termination by the employer or his representative shall be handed to the worker in person. Where it is not possible to find the worker or he refuses to receive the notice, it shall be affixed on the notice board in the work place of the worker for 10 consecutive days.

3) Notice of termination by the worker shall be handed to the employer or his representative or delivered to his office.

4) Notice of termination given to a worker by an employer in accordance with Article 17 during the time in which the contract of employment is suspended shall be null and void.
35. **Period of Notice**

1) Unless otherwise provided for in this Proclamation, the period of notice given by the employer shall be as follows:

(a) one month in the case of a worker who has completed his probation and has a period of service not exceeding one year;

(b) two months in the case of a worker who has a period of service above one year to nine years.

(c) three months in the case of a worker who has a period of service of more than nine years;

(d) two months in the case of a worker who has completed his probation and whose contract of employment is terminated due to reduction of work force.

2) Not withstanding the provisions of Sub-Article (1) of this Article, the period of notice for a contract of employment for a definite period or piece work shall be agreed upon by the parties in the said contract.

3) The period of notice fixed in this Proclamation shall run from the first working day following the date on which notice is duly given.

4) The obligations of the parties deriving from the contract of employment shall continue in force during the period of notice.

**SECTION TWO**

**Payment of Wages and other Payments on Termination of Contract of Employment**

36. **Period of Payment**

Where a contract of employment is terminated, wages and other payments connected with wages due to the worker shall be paid within seven working days from the date of termination, provided, however, that the time of payment may be extended where the worker delays, because of his own fault to return property or any sum of money which he received from or is due to the employer.

37. **Amount in Dispute**

In the event of a dispute as to the amount claimed by the worker the employer shall pay the worker the sum not in dispute within the time limit specified under Article 36.

38. **Effects of Delay**

Where an employer fails to pay the sum due to the worker within the time limit specified under Article 36, the competent labour division of a court may order the worker to be paid his wage for the period of delay up to three month's wage except where the delay is due to causes beyond the control of the employer.

**SECTION THREE**

**Severance pay and Compensation**

39. **General**

1) A worker who has completed his probation:

(a) Where his contract of employment is terminated because the undertaking ceases operation permanently due to bankruptcy or for any other reason.

(b) Where his contract of Employment is terminated by the initiation of the employer against the provision of law.

(c) Where he is reduced as per the condition described under this proclamation.

(d) Where he terminates his contract because his employer did things which hurts the workers human honor and moral or the thing done by the employer is deemed as an offence under the penal code.
(e) Where he terminate his contract because the employer being informed of the danger that threatens the security and health of the worker did not take measures, or
(f) Where his contract of employment is terminated because of reason of partial or total disability and is certified by medical board.
Shall have the right to get severance pay from the employer.

2) Where a worker dies before receiving severance pay, the severance pay shall be paid to his dependants mentioned under Article 110(2).

3) The distribution of payment of severance pay to dependents in accordance with this article shall be effected in the same manner as the payment of disablement benefit.

40. Amount of Severance Pay
The severance pay referred to in Article 39 shall be:
1) thirty times the average daily wages of the last week of service for the first year of service; for the service of less than one year, severance pay shall be calculated in proportion to the period of service.

2) in the case of a worker who has served for more than one year, payment shall be increased by one-third of the said sum referred to in sub-article 1 of this Article for every additional year of service, provided that the total amount shall not exceed twelve month’s wage of the worker.

3) Where a contract of employment is terminated in accordance with Articles 24(4) and 29, the worker shall be paid, in addition to payments under sub-articles 1 and 2 of this Article, sum equal to 60 multiplied by his average daily wage of the last week of service.

41. Compensation for Termination of Contract of Employment with out Notice
A worker who terminates his contract of employment in accordance with Article 32(1) shall be entitled, in addition to the severance pay referred to in Article 40, to a payment of compensation, which shall be thirty times his daily wages of the last week of service. This provision shall also apply to a worker covered by the relevant pension law.

SECTION FOUR
Effects of Unlawful Termination of Contract of Employment

42. General
Where an employer or a worker fails to comply with the requirements laid down in this Proclamation or other relevant law regarding termination, the termination shall be unlawful.

43. Reinstatement or Compensation of a Worker in the Case of Unlawful Termination
1) Where a contract of employment is terminated because of those grounds mentioned under sub-article (2) of Article 26, the employer shall be obliged to reinstate the worker, provided, that the worker shall have the right to payment of compensation if he wishes to leave his employment.
2) Subject to sub-article 1 of this Article, where a worker’s contract of employment is terminated contrary to the provisions of Articles 24, 25, 27, 28 and 29 of this Proclamation, the labour dispute settlement tribunal may order the reinstatement of the worker or the payment of compensation.
3) Notwithstanding sub-article 2 of this Article, the labour dispute settlement tribunal may order the dismissal of the worker upon payment of compensation even if the worker demands re-instatement where it believes that the continuation of the particular worker employer relations, by its nature is likely to give rise to serious difficulties. Similarly, where a worker who, after obtaining judgment of re-instatement in his favour decline to be re-instated, the labour settlement tribunal may order the dismissal of the worker upon payment of full compensation or fair compensation for the inconvenience he incurred having regard to the nature of the work and other circumstances of the case.

4) The compensation to be paid under sub-articles (1), (2) or (3) of this Article shall, in addition to the severance pay referred to in Articles 39-40, be as follows; This provision shall also apply to a worker covered by the relevant pension law.

a) one hundred eighty times the average daily wages and a sum equal to his remuneration for the appropriate notice period in accordance with Article 44 in the case of unlawful termination of a contract of employment for an indefinite period;

b) a sum equal to his wages which the worker would have obtained if the contract of employment has lasted up to its date of expiry or completion provided, however, that such compensation shall not exceed one hundred eighty times the average daily wage in the case of unlawful termination of a contract of employment for a definite period or for piece work.

5) Where the first instancte court orders the reinstatement of the worker in accordance with Sub-Articles (1) and (2) of this Article, the court shall order the payment of back-pay not exceeding 6 months wage. If the decision of reinstatement is confirmed by the appellate court it shall order payment of back pay not exceeding one year.

44. Exceptions

Notwithstanding the provisions of Article 43, non-compliance by the employer with the notice requirements specified under Article 35 shall only result in the payment by the employer, wages in Leu of the notice period, in addition to any other compensation provided for under Article 40 of this Proclamation.

45. Liability of the Worker to pay compensation

1) A worker who terminates his contract of employment contrary to the provisions of Article 31 or 35(2) shall be liable to pay compensation to the employer.

2) The compensation payable by the worker in accordance with Sub-Article (1) of this Article, shall not exceed thirty days wages of the worker.

CHAPTER FOUR
Special Contracts
SECTION ONE
Home Work Contract

46. Formation of Contract

1) There shall be a home work contract when a person habitually performs work for an employer in his home or any other place freely chosen by him in return for wages without any direct supervision or direction by the employer.
1) The Minister may, in consultation with the concerned organs, prescribe the provisions of this Proclamation that shall apply to homeworkers and manner of their applications.

2) An agreement for the sale of raw materials or tools by an employer to a worker and the resale of the products to the employer or any other similar arrangements made between the employer and the home worker shall be deemed a homework contract.

3) The contract concluded between a home worker and an employer shall be deemed to be made for a definite period or piece-work.

4) The Minister may, in consultation with the concerned organs, prescribe by directives the provisions of this Proclamation that shall apply to home workers and manner of their applications.

47. Keeping of Records

An employer who employs a worker on the basis of a home work contract shall keep a register containing the following and other relevant particulars:

1) full name, age, marital status and address of the worker;
2) the address where the work is to be carried out;
3) the type, price, quality and quantity of material supplied by the employer to the worker;
4) the type of work, quality and quantity ordered;
5) the time and place of delivery of the product or material;
6) amount and manner of payment.

SECTION TWO

Contract of Apprenticeship

48. Formation of Contract

1) There shall be a contract of apprenticeship when an employer agrees to give a person complete and systematic training in a given occupation related to the function of his undertaking in accordance with the skills of the trade and the person in return agrees to obey the instruction given to carry out the training and works related thereto.

2) The contract of apprenticeship shall be concluded with the person whose age is not less than fourteen years.

3) The contract of apprenticeship and its modifications shall be valid only where it is made in writing and attested to by the Ministry.

49. Contents of the Contract

A contract of apprenticeship shall specify at least the following:

1) The nature and duration of the training of apprenticeship;
2) the remuneration to be paid during the training;
3) the conditions of work.

50. Obligations of the Parties

1) The apprentice shall diligently follow the training and endeavour to complete it successfully.

2) The employer shall not assign the apprentice on an occupation, which is not related and does not contribute to his training.

51. Termination of a Contract

1) A contract of apprenticeship shall terminate on the following grounds:
   (a) at the expiry of the period fixed for the apprenticeship;
   (b) by giving notice by either of the contracting party;
   (c) when the apprentice terminates the contract without notice.
2. The employer may terminate the contract of apprenticeship by giving notice referred to under Sub-Article (1) (b) of this Article, where:
   (a) he is no longer able to discharge his obligations on account of change of work or other causes beyond his control; or
   (b) the apprentice violates the disciplinary rules of the undertaking; or
   (c) the apprentice is permanently incapable of continuing his training or completing his training within the specified time limit.

3. The apprentice may terminate the contract of apprenticeship by giving notice of termination referred to under Sub-Article (1) (b) of this Article, where:
   (a) the employer fails to observe his obligations under the contract or this Proclamation, or
   (b) the apprentice has good cause relating to his health or family or other similar grounds.

4. The apprentice may terminate the contract without giving notice in accordance with Sub-Article (1) (c) of this Article where:
   (a) he proves, by appropriate medical certificate, that he cannot discharge his obligations without seriously endangering his health; or
   (b) the employer unilaterally changes the terms of the contract.

5. The provisions of this Proclamation regarding severance pay, compensation and reinstatement shall not be applicable to contracts of apprenticeship.

52. Certificate

The employer shall, upon the termination of the contract of apprenticeship, give to the apprentice a certificate, which indicates the occupation he has been trained in, the duration of the training and other similar particulars.

PART THREE
Wages

CHAPTER ONE
Determination of Wages

53. General

1) "Wages" means the regular payment to which the worker is entitled in return for the performance of the work that he performs under a contract of employment.

2) For the purposes of this Proclamation, the following payments shall not be considered as wages:
   (a) over-time pay;
   (b) amount received by way of per-diems, hardship allowances, transport allowance, transfer expenses, and similar allowance payable to the worker on the occasion of travel or change of his residence;
   (c) bonus;
   (d) commission;
   (e) other incentives paid for additional work results;
   (f) service charge received from customers.

54. Conditions of Payments for Idle Time

1) Unless otherwise provided for in this Proclamation or the relevant law, wages shall be paid only for work done.

2) Nowithstanding Sub-Article (1) of this Article, a worker shall be entitled to his wage if he was ready to work but, because of interruptions in supply of tools and row materials or for reasons not attributable to him was not able to work.
CHAPTER TWO
Mode and Execution of Payment

55. General
Wages shall be paid in cash, provided, however, that where the employer and worker so agree, it may be paid in kind. Wages paid in kind may not exceed the market value in the area of the payment in kind and in no case may exceed 30% of the wages paid in cash.

56. Execution of Payments
1) Unless otherwise agreed, wages shall be paid on working day and at the place of work.
2) In case where the day of payment mentioned in Sub-Article (1) of this Article falls on Sunday or a public holiday, the day of payment shall fall on the preceeding working day.

57. Payment in Person
Unless otherwise provided by law or collective agreement, wages shall be paid directly to the worker or to a person delegated by him.

58. Time of Payment
Wages shall be paid at such intervals as are provided for by law or collective agreement or work rules or contract of employment.

59. Deduction from Wages
1) The employer shall not deduct from, attach or setoff the wages of the worker except where it is provided otherwise by law or collective agreement or work rules or in accordance with a court order or a written agreement of the worker.
2) The amount in aggregate that may be deducted at any one time, from the worker’s wages shall in no case exceed one-third of his monthly wages.

60. Keeping Record of Payment
1) The employer shall keep a register of payment specifying the gross pay and method of calculation of the wages, other variable remunerations, the amount and type of deduction, the net pay and other relevant particulars, unless there is a special arrangement, on which the signature of the worker is affixed.
2) The employer shall have the obligation to make the register accessible and to explain the entries there of, to the worker at his request.
3) The fact that worker has received without protest the net amount indicated on the register shall not constitute waiver of his right to any part of his wages that was due.

PART FOUR
Hours of work, weekly Rest and public Holidays

CHAPTER ONE
Hours of work

SECTION ONE
Normal Hours of Work

61. Maximum Daily or weekly Hours of Work
1) Normal hours of work shall not exceed eight hours (8) a day or forty-eight (48) hours a week.
2) In this proclamation, “Normal hours of work” means the time during which a worker actually performs work or avails himself for work in accordance with law, collective agreement or work rules.
62. Reduction of Normal Hours of Work

1) The Minister may, issue directives reducing normal hours of work for economic sectors, industries or occupations where there are special conditions of work.

2) Reductions of normal hours of work under this proclamation shall not entail reduction in the wages of the worker.

63. Arrangement of Weekly hours of work

Hours of work shall spread equally over the working days of a week, provided, however, where the nature of the work so requires hours of work in any one of the working days may be shortened and the differences be distributed over the remaining days of the week without extending the daily limits of eight hours by more than two hours.

64. Averaging of Normal Hours of Work

Where the circumstances in which the work has to be carried on are such that normal hours of work cannot be distributed evenly over the individual week, normal hours of work may be calculated as an average over a period longer than one week, provided, however that the average number of hours over a period shall not exceed eight hours per day or forty eight hours per week.

65. Exclusion

Unless otherwise provided in a collective agreement or work rules the provisions of this proclamation shall not apply to commercial travelers or representatives.

SECTION TWO

Overtime

66. General

1) Work done in excess of the normal daily hours of work fixed in accordance with the provisions of this Proclamation shall be deemed to be overtime.

2) Work done within the limits referred to in Articles 61, 63 and 64 shall not be deemed to be over-time.

3) Overtime shall be worked only in cases expressly provided for under Article 67 and on the express instructions of the employer.

4) The instructions given under sub-article (3) of this Article and the actual overtime worked by each worker shall be recorded by the employer.

67. Circumstances in which Overtime Work is premissible

1) A worker may not be compelled to work over-time, however, over-time may be worked whenever the employer cannot be expected to resort to other measures and only where there is:-

(a) accident, actual or threatened

(b) force-majeure;

(c) urgent work;

(d) Substitution of absent workers assigned on work that runs continuously without interruption.

2) Notwithstanding the provisions of sub-article 1 of this Article, overtime work of an individual worker due to an urgent work shall not exceed 2 hours in a day or 20 hour in a month or 100 hours in a year.
68. Overtime Payment

1) In addition to his normal wage, a worker who works over-time shall be entitled to at least the following payments.

(a) in the case of work done between six o'clock (6 a.m.) in the morning and ten o'clock (10 p.m.) in the evening, at the rate of one and one quarter (1 ¼) multiplied by the ordinary hourly rate;

(b) in the case of night time work between ten o'clock in the evening (10 p.m.) and six o'clock in the morning (6 a.m.), at the rate of one and one half (1 ½) multiplied by the ordinary hourly rate;

(c) in the case of work done on weekly rest day, at the rate of two (2) multiplied by the ordinary hourly rate;

(d) in the case of work done on public holiday, at the rate of two and one half (2 ½) multiplied by the ordinary hourly rate.

2. Payment for over-time work shall be effected on the day fixed for wage pay day.

CHAPTER TWO
Weekly Rest

69. General

1) A worker shall be entitled to a weekly rest period consisting of not less than twenty-four non-interrupted hours in the course of each period of seven days.

2) Unless otherwise determined by a collective agreement, the weekly rest period provided for in sub-article (1) of this Article shall, whenever possible:

(a) fall on a Sunday;

(b) be granted simultaneously to all of the workers of the undertaking.

3) The weekly rest period shall be calculated as to include the period from 6 a.m. to the next 6 a.m.

70. Special Weekly Rest Day

1) Where the nature of the work or the service performed by the employer is such that the weekly rest cannot fall on a Sunday another day may be made a weekly rest as a substitute.

2) The provisions of sub-article (1) of this Article shall be applicable to the following and similar activities:

(a) work that has to supply the necessities of life or meet the health, recreational or cultural requirements of the general public;

(b) essential public services such as electricity, water, communication, transport and similar others;

(c) work which, because of its nature or for technical reasons, if interrupted or postponed could cause difficulties or damages.

71. Work Done on Weekly Rest Days

1) A worker may be required to work on any weekly rest day only where it is necessary to avoid serious interference with the ordinary working of the undertaking in the case of:
CHAPTER THREE

Public Holidays

73. General
Public holidays observed under the relevant law shall be paid public holidays.

74. Non-Reduction of Wages for Public Holidays
1) A worker who is paid on a monthly basis shall incur no reduction in his wages on account of having not worked on public holiday.
2) The payment of wages on a public holiday to a worker other than the payment mentioned under sub-article (1) of this Article shall be determined by his contract of employment or collective agreement.

75. Payment for work on Public Holidays
1) A worker shall be paid his hourly wages multiplied by two for each hour of work on a public holiday.
2) Where a public holiday coincides with another public holiday or falls on a rest day designated by this proclamation or any other special law, the workers shall be entitled to only one payment for working on such a day.

PART FIVE

Leave

CHAPTER ONE

Annual Leave

76. General
1) An agreement by a worker to waive in any manner his right to annual leave shall be null and void.
2) Unless otherwise provided in this Proclamation, it is prohibited to pay wages in lieu of the annual leave.

77. Amount of Annual Leave
1) A worker pursuant to this Article shall be entitled to uninterrupted annual leave with pay which shall in no case be less than:
   a) fourteen (14) working days for the first one year of service;
   b) fourteen (14) working days plus one working day for every additional year of service.

2) Subject to the provision of Article 68(c), a worker who, by virtue of the provisions of this Chapter, works on a weekly rest day, shall be entitled to a weekly rest period; provided, however, that he shall be compensated in the form of money if his contract of employment is terminated before he is granted the compensatory rest period.

Application
1) The provisions of this chapter shall not apply to commercial travellers or representatives.
2) The Minister may issue directives determining the special application of the provisions of this Chapter to workers who are directly engaged in the carriage of passengers and goods.

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2) Notwithstanding the provisions of sub-article (1) of this Article, additional annual leave with pay, for workers engaged in a work which is particularly arduous or the condition in which it is done is unhealthy, may be fixed in a collective agreement.

3) The wage a worker receives during his annual leave shall be equal to what he would have received if he had continued to work.

4) For purpose of determining the qualifying period of service required for the entitlement of an annual leave, 26 days of service in an undertaking shall be deemed to be equivalent to one month of employment.

5) A worker whose contract of employment is terminated under this Proclamation is entitled to his pay for the leave he has not taken.

6) Where the length of service of a worker does not qualify for an annual leave provided for in this Article, the worker shall be entitled to an annual leave proportion to the length of his service.

78. Granting of Leave

1) A worker shall be granted his first period of leave after one year of service and his next and subsequent period of leave in the course of each calendar year.

2) An employer shall grant a worker his leave in accordance with a leave schedule in the course of the calendar year in which it becomes due.

3) The leave schedule referred to in sub-article (2) of this Article shall be drawn up by the employer with due regard as far as possible to:
   a) the wish of the worker; and
   b) the need for maintaining the normal functioning of his undertaking.

79. Dividing and Postponing Annual Leave

1) Notwithstanding the provisions of Article 77, if a worker requests and the employer agrees, his leave may be granted in two parts.

2) Annual leave may be postponed when the worker requests and the employer agrees.

3) An employer may, for reasons dictated by the work conditions of the undertaking, postpone the date of leave of a worker.

4) Where a worker falls sick during his annual leave, Articles 85 and 86 of this Proclamation shall apply.

5) Any leave postponed in accordance with sub-articles (2) and (3) of this Article, shall not be posponed for more than two years.

80. Recalling of a worker on leave

1) A worker who is on leave may be recalled only where unforeseen circumstances require his presence at his post.

2) A worker who is recalled from leave shall be entitled to a payment covering the remainder of his leave, excluding the time lost for the trip.

3) The employer shall defray the transport expenses incurred by the worker as direct consequences of his being recalled and per-diem.
CHAPTER TWO
Special Leave

81. Leave for Family Events

1) A worker shall be entitled to leave with pay for three working days when;
   a) he concludes marriage; or
   b) his spouse or descendants or ascendants or another relative, whether by affinity or consanguinity up to the second degree dies.

2) A worker shall be entitled to leave without pay for up to 5 consecutive days in the case of exceptional and serious events.

82. Union Leave

Leaders of trade unions shall be entitled to leave with pay for the purpose of presenting cases in labour disputes, negotiating collective agreements, attending union meetings, seminars or training courses. The manner of granting such leave may be determined in a collective agreement.

83. Leave for Special Purposes

1) A workers who appears before bodies competent to hear labour disputes or to enforce labour laws shall be granted leave with pay only for the time utilized for the said purpose.

2) A worker who exercises his civil rights or duties shall be granted leave with pay, only for the time utilized for the said purpose.

3) The manner in which educational or training leave is to be granted and the form and extent of the financial assistance to be given may be determined in a collective agreement or work rules.

84. Notification

A worker wishing to take leave in accordance with the provisions of this Chapter shall notify the employer in advance and present the necessary supporting evidence when the employer requests it.

CHAPTER THREE
Sick Leave

85. Duration of Leave

1) Where a worker, after having completed his probation, is rendered incapable of work owing to sickness other than resulting from employment injury, he shall be entitled to a sick leave.

2) The leave referred to in sub-article (1) of this Article shall, in no case, be more than six months counted consecutively or separately in the course of any twelve months period starting from the first day of his sickness.

3) Where a worker absents himself from work on grounds of sickness, he shall, except where the employer is in a position to be aware of the sickness or it is impractical, notify the employer the day following his absence.

4) Unless the collective agreement provide otherwise, a worker shall be entitled to a sick leave upon presenting a valid medical certificate given by a medical organization recognized by the Government.
86. Payment
The period of sick leave provided for in Article 85 shall be granted in the following manner:
1) the first month with 100% of his wages;
2) the next two months with 50% of his wage;
3) the next three months without pay.

PART SIX
Working Condition of Women and Young Workers

CHAPTER ONE
Working Conditions of Women

87. General
1) Women shall not be discriminated against as regards employment and payment, on the basis of their sex.
2) It is prohibited to employ women on type of work that may be listed by the Minister to be particularly arduous or harmful to their health.
3) No pregnant woman shall be assigned to night work between 10 p.m. and 6 a.m. or be employed on overtime work.
4) No pregnant woman shall be given an assignment outside her permanent place of work, provided, however, she shall be transferred to another place of work if her job is dangerous to her health or pregnancy as ascertained by a medical doctor.
5) An employer shall not terminate the contract of employment of a woman during her pregnancy and until four months of her confinement.
6) Notwithstanding the provisions of sub-article (5) of this Article, the contract of employment may be terminated for reasons specified under Articles 25, 27 and 29 (3) if it is not related to giving of birth and pregnancy.

88. Maternity Leave
1) An employer shall grant leave to a pregnant woman worker without deducting her wages, for medical examination connected with her pregnancy, provided, however, that she is obliged to present a medical certificate of her examination.
2) A pregnant woman worker shall, upon the recommendation of a medical doctor, be entitled to a leave with pay.
3) A woman worker shall be granted a period of 30 consecutive days of leave with pay preceding the presumed date of her confinement and a period of 60 consecutive days of leave after her confinement.
4) Where a pregnant woman worker does not deliver within the 30 days of her prenatal leave she is entitled to an additional leave until her confinement in accordance with sub-article 2 of this Article. If delivery takes place before the 30 days period has elapsed, the post-natal leave under sub-article 3 of this Article shall commence.

CHAPTER TWO
Working Conditions of Young Workers

89. General
1) For the purpose of this Proclamation, "Young worker" means a person who has attained the age of 14 but is not over the age of 18 years.
2) It is prohibited to employ persons under 14 years of age.
3) It is prohibited to employ young workers which on account of its nature or due to the condition in which it is carried out, endangers the life or health of the young workers performing it.
4) The Minister may prescribe the list of activities prohibited to young worker which shall include in particular:
90. Limits of Hours of Work
Normal hours of work for young workers shall not exceed seven hours a day.

91. Night and Overtime Work
It is prohibited to employ young workers on:
1) night work between 10 p.m. and 6 a.m.;
2) overtime work;
3) weekly rest days; or
4) public holidays.

PART SEVEN
Occupational Safety, Health and Working Environment
CHAPTER ONE
Preventive Measures

92. Obligations of an Employer
An employer shall take the necessary measure to safeguard adequately the health and safety of the workers; he shall in particular:
1) comply with the occupational health and safety requirements provided for in this Proclamation;
2) take appropriate steps to ensure that workers are properly instructed and notified concerning the hazards of their respective occupations and the precautions necessary to avoid accident and injury to health; ensure that directives are given and also assign safety officer; establish an occupational, safety and health committee of which the committee’s establishment, shall be determined by a directive issued by the Minister;
3) provide workers with protective equipment, clothing and other materials and instruct them of its use;
4) register employment accident and occupational diseases and notify the labour inspection of same;
5) arrange, according to the nature of the work, at his own expenses for the medical examination of newly employed workers and for those workers engaged in hazardous work, as may be necessary.
6) ensure that the workplace and premises do not cause danger to the health and safety of the workers;
7) take appropriate pre-executions to ensure that all the processes of work shall not be a source or cause of physical, chemical, biological, ergonomical and psychological hazards to the health and safety of the workers;
8) implement the directives issued by the appropriate authority in accordance with this Proclamation.
93. Obligations of a worker
A worker shall:
1) co-operate in the formulation of work rules to safeguard the workers health and safety, and implement same.
2) inform forthwith to the employer any defect related to the appliances used and injury to health and safety of the workers that he discovers in the undertaking.
3) report to the employer any situation which he may have reason to believe could present a hazard and which he cannot avoid on his own any accident or injury to health which arises in the course of or in connection with work.
4) make proper use of all safeguards, safety devices and other appliance furnished for the protection of his health or safety and for the protection of the health and safety of others.
5) obey all health and safety instructions issued by the employer or by the competent authority.

94. Prohibition
No worker shall:
1) interfere with, remove, displace, damage or destroy any safety devices or other appliances furnished for his protection or the protection of others; or
2) obstruct any method or process adopted with a view to minimizing occupational hazard.

CHAPTER TWO
Occupational Injuries
SECTION ONE
Liability

95. General
1) Subject to the provisions of the relevant pension law, the provisions of this Chapter shall apply to workers where an employment injury is sustained by a worker during or in connection with the performance of his work.
2) For the purpose of this Proclamation, “occupational injury” means an employment accident or occupational disease.

96. Liability Irrespective of Fault
1) The employer shall be liable, irrespective of fault, for employment injuries sustained by his worker and such liability shall be determined in a accordance with the provisions of this Chapter.
2) The employer shall not be liable for any injury intentionally caused by the injured worker himself; any injury resulting from the following acts in particular shall be deemed to be intentionally caused by the worker:
   (a) non-obedience of express safety instructions or non-observance of the provisions of accident prevention rule specifically issued by the employer; or
   (b) reporting to work in a state of intoxication that prevents him from properly regulating his body or understanding.
3) The provisions of sub-article (1) of this Article shall not affect the right of a worker to claim damages in accordance with the relevant law where an occupational injury is a result of fault on the part of the employer.
97. **Occupational Accident**

For the purpose of this Proclamation “Occupational accident” means any organic injury or functional disorder sustained by a worker as a result of any cause extraneous to the injured worker or any effort he makes during or in connection with the performance of his work and includes;

(a) any injury sustained by a worker while carrying out the employer’s order, even away from the work place or outside his normal hours of work;

(b) any injury sustained by a worker before or after his work or during any interruption of work if he is present in the work place or the premises of the undertaking by reason of his duties in connection with his work;

(c) any injury sustained by a worker while he is preceding to or from place of work in a transport service vehicle provided by the undertaking which is available for the common use of its workers or in a vehicle hired and expressly destined by the undertaking for the same purpose;

(d) any injury sustained by a worker as a result of an action of the employer or a third party during the performance of his work.

98. **Occupational Disease**

1) For the purpose of this Proclamation an “occupational disease” means any pathological condition whether caused by physical, chemical or biological agents which arises as a consequence of:

(a) the type of work performed by the worker; or

(b) the surroundings in which the worker is obliged to work during a certain period prior to the date in which the disease become evident.

2) Occupational disease shall not include endemic or epidemic disease which are prevalent contracted in the area where the work is done, except in the case of workers exclusively engaged in combating such diseases by reason of their occupation.

3) The minister shall in consultation with the concerned authority issue, directives which contain schedules listing diseases to be of occupational origin. The said schedule shall be revised at least every five years.

4) The occurrence of any of the diseases listed in the relevant schedule on any worker having been engaged in anyone of the corresponding types of work specified therein, shall, by itself, constitute sufficient proof of the occupational origin of the disease.

5) Notwithstanding sub-article (4) of this Article, proof shall be premitted to establish the occupational origin of a disease not listed in the relevant schedule and of diseases listed when they manifest themselves under conditions different from those establishing a presumption of their occupational origin.

6) In the absence of proof to the contrary, any disease which occurs exclusively to persons employed in certain occupations shall be presumed to be of an occupational origin where the worker suffering from such a disease was engaged insuch an occupation and the existence of the disease is ascertained by a medical doctor.

7) The date on which an occupational disease became evident, i.e. the first date on which the worker became incapacitated or the date of the first medical diagnosis of the disease or the date of the injured worker’s death, shall be considered as the date on which an employment injury occurred.
Where a worker after being cured from an occupational disease listed in the relevant schedule, contracts the disease again as a result of his being engaged in any of the corresponding work specified in the said list, it shall be presumed that he has contracted a fresh occupational disease.

SECTION TWO
Degree of Disablement

99. **General**

1) “disablement” means any employment injury as a consequence of which there is a decrease or loss of capacity to work.

2) Disablement shall have the following effects:
   - (a) temporary disablement
   - (b) permanent partial disablement
   - (c) permanent total disablement and
   - (d) death.

100. **Temporary Disablement**

Temporary disablement results from the reduction for a limited period of time of the worker’s capacity for work partially or totally.

101. **Permanent Partial or Total Disablement**

1) “Permanent partial disablement” means incurable employment injury decreasing the injured worker’s capacity.

2) “Permanent total disablement” means incurable employment injury, which prevents the injured worker from engaging in any kind of remunerated work.

3) Injuries which, although not resulting in incapacity for work, cause serious mutilation or disfigurement of the injured person shall be considered permanent partial disablement, for the purpose of compensation and other benefits.

102. **Assessment of Disablement**

1) The degree of permanent total or partial disablement shall be fixed in accordance with the assessment table of disablement prescribed by directives issued by the Minister.

2) The degree of disablement shall be assessed in accordance with the assessment table provided for in sub-article (1) of this Article, by a competent medical board. The board shall determine the extent of the degree of disablement as far as possible within twelve months from the date of injury.

3) Disablement which has been assessed may be reviewed in accordance with sub-articles (1) and (2) of this Article where the worker’s condition deteriorates or improves or is wrongly diagnosed:
   - (a) on the initiative of the appropriate authority, or
   - (b) at the request of the worker or employer concerned.

4) Where the result of the review warrants it, the rights of the worker to a disablement benefit shall be recognized or withdrawn or that the rate payable increase or reduced, as the case may be.

5) Where a worker who suffered an employment injury sustains a further employment injury, his disablement shall be reassessed in light of his new circumstances.
CHAPTER THREE
Benefits in the Case of Employment Injuries

SECTION ONE
GENERAL

103. Payment of Benefits
Injury benefits shall be paid in accordance with the provisions of this Chapter.

104. Special Obligation
1) An employer shall have to execute the following obligations:
   (a) to provide the injured works with first aid in time;
   (b) to carry the injured worker by an appropriate means of transport to the nearest medical center;
   (c) to notify the occurrence to the appropriate organ in accordance with the directives issued by the minister.

2) The employer shall have the obligation to pay the funeral expenses specified under Article 110(1)(b).

SECTION TWO
Medical Benefits

105. Types of Benefits
Where a worker sustains employment injury, the employer shall cover the following expenses:
1) general and specialized medical and surgical care;
2) hospital and pharmaceutical care;
3) any necessary prosthetic or orthopedic appliances.

106. Duration of Benefit
Medical benefits shall be withdrawn in accordance with the decisions of the Medical Board.

SECTION THREE
Various Kinds of Cash Benefit

107. General
1) A work who has sustained employment injury shall be entitled to:
   (a) periodical payment while he is temporarily disabled;
   (b) disablement pension or gratuity or compensation where he sustains permanent disablement;
   (c) survivors’ pension gratify or compensation to his dependant where he dies.

2) Periodical payment may be suspended where a worker who has claimed or is receiving same:
   (a) refuses or neglects to submit himself to medical examination or in any way intentionally obstructs or unnecessarily delays such examination;
   (b) behaves in a manner calculated to retard his recovery; or
   (c) violates the directives issued by the competent authority for the conduct of injured workers.
108. Periodical Payment

1) The employer shall pay for one year the periodical payment mentioned in Article 107 (1) (a).

2) The Periodical payments referred to in sub-Article (1) of this Article shall be at the rate of full wage of the worker previous average yearly wages during the first three months following the date of injury, not less than 75% (seventy five per cent) of the worker previous average yearly wages during the next three months following the date of injury and not less than 50% (fifty per cent) of his previous average yearly wages for the remaining six months.

3) Periodical payments shall cease whichever of the following takes place first:
(a) when the worker is medically certified to be no longer disabled;
(b) on the day the worker becomes entitled to disablement pension or gratuity;
(c) twelve months from the date the worker stopped work.

109. Disablement Payments

1) Unless otherwise provided for in a collective agreement disablement benefits payable to workers of state enterprises covered under this Proclamation shall be in accordance with the insurance scheme arranged by the undertaking or pensions law.

Where the undertaking does not have any insurance arrangement, the pension law shall apply to workers covered under public pension law.

2) An employer shall pay a lump sum of disablement compensation to workers who are not covered by the pension law.

3) The amount of the disablement compensation to be paid by the employer shall be:
(a) where the injury sustained by the worker is permanent total disablement, a sum equal to five times his annual wages;
(b) where the injury sustained by the worker is below permanent total disablement a sum proportionate to the degree of disablement calculated on the basis of the compensation provided for in Sub-Article (3) (a) of this Article.

4) Where a worker who has sustained permanent disablement was at the date of the injury on apprenticeship, his disablement compensation payable in accordance with Sub-Article (2) of this Article, shall be calculated by reference to the wages which he would probably have been receiving as a qualified workman after the end of his studies.

110. Dependants' Benefits

1) Where a worker or an apprentice dies as a result of an employment injury, the following benefits shall be payable:
(a) dependant's compensation in accordance with the provisions of Sub-Articles (2) and (3) of this Article; and
(b) subject to the provisions of a collective agreement or work rules, payment for funeral expenses which shall not be less than two month wages of the worker.

2) The following shall be considered dependents:
3) The amount of the dependants' compensation for workers not covered by the Public servants pension law, shall be a sum equal to five times the annual salary of the deceased and for those stipulated under Sub-Art 2 of this Article by the employer at once:
(a) 50% (fifty percent) for the deceased worker’s lawful husband or wife;
(b) 10% (ten percent) each for the deceased worker’s children who are below the age of fifteen years old;
(c) 10% (ten percent) each for the deceased worker’s parents who were being supported by him;
4) If the total of dependants’ compensation calculated in accordance with Sub-Article 3 of this Article is in excess of one hundred percent (100%) of the total amount to be divided, the amount of compensation of each dependent shall be proportionately reduced by the amount required to reduce the total amount payable to one hundred percent (100%) of the said total amount. If the total of dependents compensation is less than one hundred percent (100%) of the total amounts to be divided, the amounts of compensation of each dependent shall be proportionately increased by the amount payable to one hundred percent (100%).

111. Burden of Proof
The benefits referred to in Article 110 shall not be payable where the worker dies after twelve months from the date of the injury, unless it is proved that the injury was the principal contributory cause of his death.

112. Benefits not Taxable
1) The benefits paid in accordance with the provisions of this Section shall be free from any kind of tax.
2) The benefits payable under the provisions of this Section shall not be assigned, attached or deducted by way of setoff.

PART EIGHT
Collective Relations
CHAPTER ONE
Trade Unions and Employers Associations

113. The Right to Form Organizations
1) workers and employers shall have the right to establish and form trade unions or employers associations, respectively and actively participate therein:
2) In this Proclamation:
(a) “trade Union” means an organization formed by workers;
(b) “employers association” means an organization established by employers;
(c) “federation” means an organization established by more than one trade unions or employers associations.
(d) “confederation” means an organization established by more than one trade unions federations or employers federations.

114. Formation of Organizations
1) A trade union may be established in an undertaking where the number of workers is ten or more; provided however that the number of members of the union shall not be less than ten.
Workplace relations

Section 115. Functions of Organizations
Organizations shall have the following functions
1) observe the conditions of work and fulfill the obligations set forth in this proclamation; respect the rights and interests of members in particular, represent members in collective negotiations and labour disputes before the competent body when so requested or delegated;
   (a) where there exist more than one trade union at a given enterprise, the trade union which is going to bargain a collective agreement and consult with authorities, is the one which gets the majority of vote support by all employees of the enterprise.
   (b) organization which deserve the majority vote should be registered by the ministry.
2) workers who work in undertakings which have less than ten workers may form a general trade union, provided, however, that the number of the members of the union shall not be less than ten.
3) Trade unions may jointly form federation and federations may jointly form confederations.
4) Employers associations may jointly form employers federation and employers federations may jointly form employers confederation.
5) No trade union or employers association may form a federation without forming federations.
6) Any federation or confederation of trade unions or employers associations may join international organizations of trade unions or employers.
7) No work may belong to more than one trade union at any given time for the same employment. Where this provision is not observed, the latest membership shall cancel any previous membership, and the formalities of membership were simultaneous they shall all be without effect.
8) Notwithstanding Sub-Article 4 of this Article, any employer may join an established employers federation.

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5) No trade union or employers association may form a federation without forming federations.
6) Any federation or confederation of trade unions or employers associations may join international organizations of trade unions or employers.
7) No work may belong to more than one trade union at any given time for the same employment. Where this provision is not observed, the latest membership shall cancel any previous membership, and the formalities of membership were simultaneous they shall all be without effect.
8) Notwithstanding Sub-Article 4 of this Article, any employer may join an established employers federation.
116. Functions of Federations and Confederations
In addition to those matters mentioned under Article 115 federations and confederations shall have the following functions;
1) to strengthen the unity and spirit of co-operation of their members; participate in the determination or improvement of the conditions of work at the trade or industry level as well as to encourage members to strengthen their participation in the construction of the national economy;
2) to represent their organizations in any conferences;
3) to discharge other functions in accordance with their constitutions.

117. Constitution of Organizations
Trade unions and employers associations shall issue their own constitutions. The constitutions may include inter alia the following;
1) name of the organization;
2) address of the head office of the organization;
3) purpose of the organization;
4) date of formation of the organization;
5) emblem of the organization;
6) qualifications for leadership;
7) contribution of its members;
8) financial and property administration of the organization;
9) meeting and election procedures;
10) disciplinary measures; and
11) the conditions for dissolving the organization.
12) Status of the property in case of the dissolution of the organization

118. Registration of Organizations
1) Every organization shall be registered by the Ministry in Accordance with this Proclamation;
2) Every organization shall, upon its establishment, submit to the Ministry for registration the following documents:
   (a) constitution of the organization;
   (b) a document containing the names; address and signatures of its leader;
   (c) in the case of a general union, the names of undertakings where members are working;
   (d) where the organization is a federation or a confederation, the names, address and signatures of its leaders and the member trade unions or employers associations;
   (e) name and emblem of the organization;
3) The Ministry shall, after examining the documents and ascertaining that they are duly completed, issue a certificate of registration within fifteen days of receiving the application. Where the Ministry does not notify its decision within this period, the organization shall be deemed registered.
4) An organization which is not registered in accordance with the provisions of this Proclamation may not perform activities set forth in this Proclamation;
5) A trade union or employers association registered by the Ministry in accordance with this Proclamation shall have legal personality in particular, have the capacity to undertake the following activities;
   (a) to enter into contract;
   (b) to sue and be sued;
119. Refusal to Register

The Ministry may refuse to register an organization for any one of the following reasons.

1) Where the organization does not fulfill the requirements laid down in this Proclamation, regulations and directives issued in accordance with this Proclamation;

2) where the objectives and the constitution of the organization are illegal;

3) where the name of the organization is similar to another organization established prior to it or so closely similar as to confuse its members and the general public in any manner; or

4) where one or more than one of those elected as leaders of the organization have been convicted and punished, within the late ten years, of serious, nonpolitical offenses and the organization is not willing to substitute them by others.

120. Cancellation of Registration

1) The Ministry may apply to the competent court to cancel the certificate of registration of an organization, on any one of the following grounds:

(a) where the certificate of registration is obtained by fraud or mistake or deceit;

(b) where any one of the objectives or constitution of the organization is found to be illegal under this Proclamation and the organization is not willing to remedy or correct the illegal provisions or conditions, or

(c) where the organization is found to have engaged in activities which are prohibited under this Proclamation or performed acts which are contrary to its purposes and constitution and it is not willing to cease or remedy or eliminate them.

2) The Ministry may upon request by an organization ensure that the organization is dissolved in such manner as it thinks appropriate.

121. Notice to Cancel Registration organization

1) The Ministry shall before applying for the cancellation of the registration of an organization in accordance with sub-article 1 of Article 120, give to the concerned organization one month prior notice specifying the reasons for the cancellation and the opportunity to oppose it. The Ministry may not specify any reason other than those enumerated in sub-article 1 of Article 120.

2) Where the one month period of notice provided for in sub-article (1) of this Article has expired and the organization does not oppose the notice or the opposition is considered groundless by the ministry, the Ministry may apply to the competent court for the cancellation of registration.
3) without prejudice to sub-article 2 of this Article the Ministry may suspend the organization to refrain from the act which is prohibited by the proclamation or contrary to its objectives and the constitution which may give rise to cancellation of the certificate as provided for under sub-article 1(c) of Article 120 of this Proclamation.

122. Appeal
Where the Ministry refuses registration of the organization, the organization may appeal to the competent court within fifteen days (15) from the date of the receipt of the decision in writing. During the hearing, the Ministry shall be given the opportunity to appear before the court and forward its opinion.

123. Consequence of Cancellation of Registration or upon request by the Organization
An organization shall be deemed dissolved where the registered organization is dissolved by a decision of a court or upon request by the organization to the Ministry and is dissolved from the day a decision is made.

CHAPTER TWO
Collective agreement

SECTION ONE
General

124. Definition
1) “Collective agreement” means an agreement concluded in writing between one or more representative of trade unions and one or more employers or agents or representatives of employers organizations.

2) “Collective Bargaining” means a negotiation made between employers and workers organizations or their representatives concerning conditions of work or collective agreement or the renewal and modifications of the collective agreement.

125. Collective bargaining
1) Trade union shall have the right to bargain a collective agreement with one or more employers or their organization in matters provided for in Article 128.

2) Employer or employer’s associations shall have the right to bargain a collective agreement with their workers organized in a trade union.

126. Representation
1) The following shall have the right to represent workers during collective bargaining.

(a) Where there is a trade union, the leaders of the union who are empowered to represent the workers during collective bargaining.

(b) where there is a general trade union, the leaders of the union, who are authorized in accordance with the constitution of the union.

2) The person who represent the employer shall be the concerned employer or employers or those who are delegated by more than one employers associations.

127. Advisors
Any bargaining party to a collective agreement may be assisted by advisors who render expert advice during the negotiation.
128. Subject Matter of a Collective Agreement

Matters concerning employment relationship and conditions of work as well as relations of employers and their organizations with workers’ organizations may be determined by collective agreement.

129. Contents of the Collective Agreement

Without prejudice to the generality of Article 128 of this Proclamation, the following may inter alia, be determined by collective agreement:

1) matters left by the provisions of this Proclamation or other laws to be regulated by collective agreement;
2) the conditions for protection of occupational safety and health and the manner of improving social services;
3) workers’ participation, particularly, in matters regarding promotion, wages, transfer, reduction and discipline;
4) conditions of work, the procedure for making work rules and grievance procedures;
5) arrangement of working hours and interval break times;
6) parties covered by the collective agreement and its duration of validity.

130. Procedure for Collective Bargaining

1) A party wishing to conclude a collective bargaining may request the other party in writing. It shall also prepare and submit draft necessary for the negotiation.
2) The requested party shall within 10 days of receiving the request, appear for collective bargaining. The parties shall before commencing collective bargaining draw up the rules of procedure.
3) Each party shall have the duty to bargain in good faith.
4) Each party shall have the duty to bargain in good faith.
5) Issues on which the parties could not reach agreement by negotiations in good faith shall be submitted to the competent labour disputes settlement tribunal.
6) Parties to a collective agreement that is enforceable shall decide to amend or replace their collective agreement with in 3 months before the validity date expires. Each Party, after having decided to amend or replace the collective agreement, shall finalize it within 3 months as of the date of its expiry. If the negotiation is not finalized with the said period of time the collective agreement whose validity date is expired shall cease to be effective.

131. Registration of Collective Agreement

Upon executing a collective agreement, the parties shall send sufficient copies of the same to the Ministry for registration.

132. Accession

A collective agreement which has already been signed and registered may be acceded to by others.
SECTION TWO

Conditions of Validity of Collective Agreement

133. Duration of Validity of Collective Agreement

1) Any provision of a collective agreement which provides for conditions of work and benefits which are less favourable than those provided for under this Proclamation or other laws shall be null and void.

2) Unless otherwise decided therein, a collective agreement shall have a legal effect as from the date of signature.

3) unless expressly stipulated otherwise in a collective agreement, no party may challenge the collective agreement before 3 year from the date of its validity, provided, however, that:

(a) Upon the occurrence of a major economic change, a challenge to the collective agreement may be submitted to the Minister by either party before the expiry of the fixed time.

(b) The Minister shall, upon receipt of a challenge to a collective agreement in accordance with this sub-article 3(a), assign a mediator with a view to enabling the two parties settle the matter by agreement. If the two parties fail to settle the matter by agreement, Article 142 of this Proclamation shall apply.

(c) the parties may at any time change or modify their collective agreement, provided, however, that without prejudice to the special conditions set forth in sub-article 3(a) and (b) of this Article, a party may not be obliged with his consent to bargain a collective agreement to change or modify it before the said time limit expires.

SECTION THREE

Scope of Application of a Collective Agreement

134. Scope of Application

1) The provision of a collective agreement shall be applicable to all parties covered by it.

2) Where the collective agreement is more favorable to the workers in similar matters than those provided for by law, the collective agreement shall prevail. However, where the law is more favourable to the workers than the collective agreement the law shall be applicable.

135. Exception

1) Where a trade union which is a party to a collective agreement is dissolved, the collective agreement shall continue to be valid between the employer and the workers.

2) In the case of amalgamation of two or more undertakings, unless decided otherwise by the concerned parties:
u) take corrective action, if necessary, to eliminate the disturbances caused by the peculiar characteristics of the undertakings, including in particular:

(a) where undertakings which have their own collective agreement are dissolved the collective agreement concluded by more workers before the dissolution shall be deemed as concluded by the others and shall be applicable.

(b) where only one of the undertakings has a collective agreement, it shall be applicable to the undertaking which results from the amalgamation.

(c) where the number of workers of all of the undertakings, are equal and they have their own collective agreements, the one more favorable in general, shall be applicable.

3. Where an undertakings is amalgamated or divided, the provisions of Sub-Article (2) of this Article shall, mutatis mutandis, apply.

PART NINE
Labour Dispute
CHAPTER ONE
General

136. Definitions

In this Proclamation:

1) “conciliation” means the activity conducted by a private person or persons appointed by the Ministry at the joint request of the parties for the purpose of bringing the parties together and seeking to arrange between them voluntary settlement of a labour dispute which their own efforts alone do not produce;

2) “essential public services undertakings” means those services rendered by undertakings to the general public and includes the following:

(a) air transport;

(b) undertakings supplying electric power;

(c) undertakings supplying water and carrying out city cleaning and sanitation services;

(d) urban bus services;

(e) hospitals, clinics, dispensaries and pharmacies;

(f) fire brigade services; and

(g) telecommunication services;

3) “labour dispute” means any controversy arising between a worker and an employer or trade union and employers in respect of the application of law, collective agreement, work rules, employment contract or customary rules and also any disagreement arising during collective bargaining or in connection with collective agreement:

(a) where undertakings which have their own collective agreement are dissolved the collective agreement concluded by more workers before the dissolution shall be deemed as concluded by the others and shall be applicable.

(b) where only one of the undertakings has a collective agreement, it shall be applicable to the undertaking which results from the amalgamation.

(c) where the number of workers of all of the undertakings, are equal and they have their own collective agreements, the one more favorable in general, shall be applicable.

3. Where an undertakings is amalgamated or divided, the provisions of Sub-Article (2) of this Article shall, mutatis mutandis, apply.
5) ‘Strike’ means the slow-down of work by any number of workers in reducing their normal out-put on their normal rate of work or the temporary cessation of work by any number of workers acting in concert in order to persuade their employer to accept certain labour conditions in connection with a labour dispute or to influence the outcome of the dispute.

CHAPTER TWO
Labours Courts

137. Establishment of Labour Divisions

1) There shall be set up labour divisions, as may be necessary, at each regional first instance court, each regional court which hears appeals from regional first instance courts and at the Central High Court.
2) The Minister shall submit the number of labour divisions to be established in accordance with Sub-Article (1) of this Article to be determined by the appropriate authority.

138. Labour Division of the Regional First Instance Court

1) The labour division of the regional first instance court shall have jurisdiction to settle and determine the following and other similar individual labour disputes;
(a) disciplinary measures including dismissal;
(b) claims related to the termination or cancellation of employment contracts;
(c) questions related to hours of work, remuneration, leave and rest day;
(d) claims related to the issuance of certificate of employment and release;
(e) claims related to employment injury;
(f) unless otherwise provided for in this Proclamation, any criminal and petty offences under this Proclamation.
2) The labour division of the regional first instance court shall give decisions within 60 days from the date on which the claim is lodged.
3) The party who is not satisfied with the decision of the regional first instance court may, within 30 days from the date on which the decision was delivered, appeal to the labour division of the regional court which hears appeals from the regional first instance court.

139. The Labour Division of the Regional Appellate Court

1) The labour division of the regional court which hears appeals from the regional first instance court shall have jurisdiction to hear and decide on the following matters:
(a) appeals submitted from the labour division of the regional first instance courts in accordance with Article 138 of this Proclamation;
(b) objections on question of jurisdiction;
(c) appeals submitted against the refusal of the registration of an organization by the Ministry in accordance with Article 122 of this Proclamation;
140. The Labour Division of the Federal High Court

1) The labour division of the Federal High Court shall have jurisdiction to hear and decide on appeals against the decision of the Board on question of law in accordance with Article 154 of this Proclamation.

2) The decision of the court under Sub-Article (1) of this Article shall be final.

CHAPTER THREE
Conciliation

141. Assignment of Conciliator

1) When a dispute in respect of matters specified under Article 142 is reported to the Ministry by either of the disputing parties, it shall assign a conciliator to bring about a settlement of the case.

2) The Ministry may assign conciliators at the National and when necessary at the Wereda level.

142. Duties and Responsibilities of the Conciliator

1) The conciliator appointed by the Ministry shall endeavour to bring about a settlement on the following, and other similar matters of collective labour disputes:

(a) wages and other benefits;

(b) establishment and removal of conditions of work;

(c) the conclusion, amendment, duration and invalidation of collective agreements;

(d) appeals submitted by an employer who is affected by the order of labour inspector in accordance with Article 180 (1) of this Proclamation;

(e) appeals submitted against the decision of the Ministry in accordance with Sub-Article (3) of Article 20.

(f) request submitted for the cancellation of the registration of an organization in accordance with Sub-Article 2 of Article 121.

2. The decision of the court on appeal submitted under Sub-Article (1) of this Article shall be final.
CHAPTER FOUR
The Labour Relations Board

143. Conciliation and Arbitration

1) Notwithstanding the provisions of Article 141 of this Proclamation parties to a dispute may agree to submit their case to arbitrators or conciliators, other than the Minister for settlement in accordance with the appropriate law.

2) If the disputing parties fail to reach an agreement on the case submitted to arbitration or conciliation under Sub-Article (1) of this Article the party aggrieved may take the case to the Board or to the appropriate court.

144. Establishment of the Board

1) One or more permanent Labour Relations Boards (here in after referred as permanent Board) may be established in Regional Government.

2) The adhoc labour Relation Board (here in after referred as adhoc Board) may be established to hear and decide disputes that may arise on matters specified in sub-article (a) of Article 142 at undertakings referred to Article 136(2) of this proclamation.

3) Each permanent or adhoc Board shall be under the local authority responsible for the implementation of labour laws.

145. Composition of the Permanent or adhoc Board

1) The Board shall consist of a chairman, two qualified members who have the knowledge and skill on labour relation, appointed by the Minister, four members of whom two represent the trade unions and two represent employer’s associations, and two alternate members one from the workers side and one from the employers side.

2) Employers representatives shall be appointed from the most representative of employers associations and workers representatives shall be appointed from the most representative of trade unions.

3) The Minister shall assign a secretary and such other necessary staff to the Board.

4) Members and alternate members of the Board shall serve on part time basis without remuneration, provided, however, that the Minister may fix standard fees for attendances at meetings of the Board.

5) Members and alternate members of the Board shall be appointed for a term of three (3) years; provided, however, that in making the initial appointments, the terms of one, two and three years, respectively, shall be specified so that in each subsequent year the terms of not more than one-third (1/3) of the members and alternate members then serving shall expire in any one calendar year.

6) The Minister shall dismiss a member in case of negligence of duty or meifesanee in office and shall arrange for the appointment of a substitute for the remaining, unexpired term.
146. Meeting procedure of the permanent and the adhoc Board

1) In the absence of the Chairman another member of the Board designated by him as Acting Chairman, shall preside over the meetings of the Board. Where no such member is designated, the member of the Board with the greatest seniority shall serve as Acting Chairman.

2) In the absence of a member at any meeting of the board, the Chairman may designate an alternate member to replace the absent member at such meetings. An alternate members so designated shall be deemed a member for the meeting for which he is designated.

3) Four members of the Board shall constitute a quorum at any meetings provided, however, that a minimum of one member representing workers and one member representing employers shall be present.

4) Decision of the Board shall be taken by a majority vote of the members present. In case of a tie, the Chairman shall have a casting vote.

5) Each decision of the Board shall be signed by all members present.

6) Minutes of meetings after approval by the Board, shall be certified by the secretary and shall thereafter constitute the official record of the said meetings.

147. Power of the permanent and the adhoc Board

1) The permanent Board shall have the following power:

   (a) to hear labour disputes on matters specified in sub-article (1) of Article 142, except for (a), to conciliate the parties and to give orders and decisions;

   (b) except for sub-article 1(a) of Article 142 to hear cases submitted to it by one of the disputing parties after the parties fail to reach an agreement in accordance with sub-article (3) of article 142;

   (c) to hear cases on prohibited actions referred to in Article 160;

   (d) to require any person or organization to submit information and documents required by the Board for the carrying out of its duties;

   (e) to require parties and witness to appear and testify at hearings;

   (f) to administer oaths or take affirmations of persons appearing before the Board and examine any such persons upon such oath or affirmation;

   (g) to enter the premises of any working place or undertaking during working hours in order to obtain relevant information, hear witnesses or to require the submission of documents or other articles for inspection from any person in the premises;

2) The adhoc Board shall have the power to hear labour disputes on matters specified in sub-article 1(a) of Article 142, to conciliate the parties and to give any orders and decisions.

3) Except in cases of emergency the person in charge of the premises or the undertaking shall be given reasonable advance notice before any entry in accordance with sub-article 1 (g) of this Article.

4) Orders and decisions of the Board shall be considered as those decided by civil courts of law.
148. Rules of Procedure
The permanent or the adhoc Board shall issue its own rules of evidence and procedure.

149. Hearings of cases
1) Before giving decisions, the permanent or the adhoc Board shall notify the parties involved and afford them an opportunity to be heard. At least three (3) days advance notice of hearing shall be given to the parties and the notice shall contain in the date, hour and place of hearing.

2) If any of the parties or any other person properly summoned to appear at a hearing fails to appear at the fixed time and place, the Board may proceed with the hearing. If failure to appear was not the fault of the person involved the Board shall grant that person a second opportunity to appear before it.

3) No appeal may be taken on the Board’s decision given in accordance with Sub-Article (2) of this Article.

4) All hearings of the Board shall be public unless the Chairman for good cause decides otherwise.

5) The permanent or the adhoc Board shall not be bound by the rules of evidence and procedure applicable to courts of law, but may inform itself in such manner as it thinks fit.

6) Trade unions, employers associations and other parties notified to appear at the hearing may be represented by their duly authorized representatives or appointed legal council. The Board may limit the number of such representatives who may actively participate in a hearing on behalf of any single party.

150. Consideration of Matters
1) The permanent or the adhoc Board shall endeavour to settle by agreement Labour disputes submitted to it, and to this end it shall employ and make use of all such means of conciliation, as it deems appropriate.

2) The Board may in appropriate circumstances consider not only the interest of the parties immediately concerned but also the interest of the community of which they are apart and may in such circumstances grant a motion to intervene by the government as amicus curiae.

3) In reaching any decision, the Board shall take into account the substantial merits of the case, and need not follow strictly the principles of substantive law followed by civil courts.

151. Decisions
1) The permanent or the adhoc Board shall give decision within 30 days from the date on which the claim is lodged.

2) Decisions of the permanent or adhoc Board shall be made in writing and signed by the Board members who concur therein. Dissenting opinions shall also be made in writing and signed by the mebers in dissent.

3) In every decision of the Board the judgement shall contain the following:
   (a) the issue or controversy submitted for decision;
   (b) the substance and source of relevant testimony and evidence received in the course of the proceedings;
(c) the findings of the fact made and the evaluation of the evidence which leads the Board to make such findings;
(d) the decision of each issue or controversy;
(e) the action to be taken on the basis of such decision.

4) A copy of the decision of the Board shall be served upon the parties involved within 5 days from the date of decision.

152. Effect of Decisions

1) Subject to article 154 of this Proclamation, each decision of the permanent or the adhoc Board shall have immediate effect.

2) Where a decision of the permanent or adhoc Board relates to working conditions, it shall be a term of the contract of employment between the employer and the worker to whom it applies, and the terms and conditions of employment to be observed and the contract shall be adjusted in accordance with its provisions.

153. Finality of the Board’s Findings of Fact

All findings of facts made by the Board shall be final and conclusive.

154. Appeal

1) In any Labour dispute case an appeal may be taken to the Federal High Court by an aggrieved party on questions of law, within thirty (30) days after the decision has been read to, or served upon, the parties whichever is earlier.

2) The court shall have the power to uphold, reverse or modify the decision of the Board.

3) The court shall give its decision within thirty days from the date on which the appeal is submitted to it in accordance with Articel 1 of this Article.

155. Offences against the permanet or the adhoc Board

Whoever in the course of a Board in-quiry, proceeding or hearing in any manner degrades, holds up to ridicule, threatens or disturbs the Board or any of its members in the discharge of their duties, shall be punishable with simple imprisonment not exceeding six months, or with fine not exceeding Birr 1000 (Birr one thousand.)

2) Where the offence described in sub-article (1) of this article is not committed openly or during open hearing the punishment, except in more serious cases, shall be a fine not exceeding Birr 500 (five hundred Birr).

3) Proceedings of the Board shall be considered "quasi-judicial proceedings" and the Board "a competent judicial tribunal" for the purpose of Article 442 of the Penal Code, and viloations thereof shall be punishable as provided there under.

4) The Board may punish any person who committed any offence described in this Article.
156. Annual Report

The permanent or the adhoc Board shall submit to the Minister an annual report of its activities.

CHAPTER FIVE

Strike and Lock-out

157. General

1) Workers have the right to strike to protect their interest in the manner prescribed in this Proclamation.
2) Employers have the right to lock-out in the manner prescribed in this Proclamation.
3) The provisions of Sub-Articles 1 and 2 of this Article shall not apply to workers and employers of undertakings referred to in Article 136 (2) of this Proclamation.

158. Conditions to be fulfilled

Before initiating a strike or lock-out partially or wholly the following steps shall be taken:
1) Unless otherwise provided in this Proclamation, the party initiating a strike or lock-out shall give advance notice to the other concerned party indicating its reasons for taking the said action;
2) Both parties should make all efforts to solve and settle their labour dispute through conciliation;
3) The strike to be taken by the workers should be supported by a majority of the workers concerned in a meeting in which at least 2/3rd of the members of the trade union were present.
4) Measures should be taken to ensure the observance, by employers and workers, of safety regulations and accident prevention procedures in the undertaking.

159. Procedure for Notice

1) The notice under Article 158 (1) shall be given by the party initiating a strike or lock-out to the other concerned party and to the representative of the Ministry in the region or the concerned government office.
2) The notice specified in Sub-Article (1) shall be served 10 days in advance of taking action.

160. Prohibited Actions

1) Without Prejudice to the provision of Sub-Article (1) of Article 159, a strike or lock-out initiated after a dispute has been referred to the Board or to the court and 30 days have not elapsed before any order or decision is given by the Board or the prescribed period has elapsed before the court gives decisions is unlawful;
2) It shall be unlawful to refuse to obey, or to take or continue to strike or to lock-out against in conflict with the final order or decision of the Board or of the court disposing in whole or in part of labour dispute proceedings of or to delay unwarrantedly in obeying such Board or court order or decisions; provided, however, that the strike or lock-out initiated, which is not against or in conflict with any such order or decision, but seeks to compel compliances therewith, shall not be deemed illegal or prohibited.
3) It is prohibited to accompany strike or lock-out with violence, threats of physical force or with any act which is clearly and officially unlawful.
CHAPTER SIX

Fees

161. Exemption from Fees

1) No court fees shall be charged in respect of cases submitted to conciliation and to the Labour Relations Board by any workers or trade union, employer or employers associations in accordance with Articles 141 and 147.

2) No court fees shall be charged in respect of cases submitted by any worker or trade union to courts.

PART TEN

Period of Limitation and Priority of Claims

CHAPTER ONE

Period of Limitation

162. Limitation

1) Unless a specific time limit is provided otherwise in this Proclamation or other relevant law, an action arising from an employment relationship shall be barred by limitation after one year from the date on which the claim becomes enforceable.

2) Any claim to be reinstated by a worker arising from the unlawful termination of a contract of employment shall be barred after three months from the date of the termination of the contract of employment.

3) Claims by a worker for payment of wages, overtime and other payments shall be barred after six months from the date it become due.

4) Any claims by a worker or employer for any kind of payment shall be barred by limitation unless an action is brought within six months from the date of termination of the contract of employment.

5) The relevant law shall be applicable to the period of limitation which is not provided for in this Proclamation.

163. Calculation of Period of Limitation

1) Unless otherwise specifically provided for in this Proclamation, the period of limitation shall begin to run from the day following the day when the right may be exercised.

2) Whenever the last day of a period of limitation falls on a day other than a working day, it shall expire on the next working day.

164. Interruption of A Period of Limitation.

A Period of limitation shall be interrupted by

1) any action taken before an authority responsible for the determination of labour disputes until a final decision is given.

2) any action taken before the competent authority responsible for the enforcement and application of this proclamation until a final decision is given in writing.

3) the express recognition of the other party’s right provided, however, that a period of limitation interrupted on such ground may not be interrupted for more than three times in the aggregate.

165. Waiver of Limitation

Any party may waive this right to raise as a defence a period of limitation after its expiry, provided, however, that, a waiver of such right made before the date of expiry of the period of limitation shall have no effect.
166. Discretion of the Competent Authority

1) The authority responsible for the determination of labour disputes may accept an action after the expiry of a period of limitation if it ascerts that the delay is due to force majeure provided, however, that unless the action is brought within ten days from the date the force majeure cease to exist, it shall not be accepted.

2) Without affecting the generality of the provisions of Sub-Article (1) of this Article, the following shall be good cause of disregarding a period of limitation.
(a) illness of the concerned worker;
(b) transfer of the worker upon order to a place other than his residence;
(c) call of the concerned worker for national service.

CHAPTER TWO
Priority of Claims

167. Priority Over Other Debts

Any claim of payment of a worker arising from employment relationship shall have priority over other payments or debts.

168. Procedure of Payment of Claims

1) In the event that the undertaking is liquidated, execution officers or other persons authorized by law or the court to execute such liquidation shall have the duty to pay the claims referred to in Article 167 within thirty days following the decision of the competent authority.

2) Where the said claims are not met within the time limit set forth in Sub-Article (1) of this Article due to lack of funds, they shall be paid as soon as the necessary funds are available.

169. Lien of Home Workers

where the under taking is liquidated or cease to operate Home workers may exercise a lien on goods in their possession that they have produced for a employer and such lien shall be of equal rank to their claims. Such measure shall be deemed an action taken to enforce the right provided for in Article 167.

PART ELEVEN
Enforcement of Labour Law
CHAPTER ONE
Labour Administration

170. Power of the Minister

1) The Minister may issue directives necessary for the implementation of this Proclamation. He may in particular, issue directives on the following:
(a) occupational safety, health and the protection of working environment;
(b) standards of working conditions;
(c) classification of hazardous jobs;
(d) in consultation with the concerned organs, type of works which are particularly arduous or dangerous to the health and to the reproductive systems of women workers;
(e) types of works which requires work permits for foreigners and in general, the manner of giving work permits;
(f) employment of Ethiopian nationals outside of Ethiopia;
(g) in consultation with the concerned organs, types of occupations and works in which apprenticeship need to be given;
Employment services shall include the following:

1) assist persons who are able and willing to work to obtain employment;
2) assist employer in the recruitment of suitable workers for their works;
3) determine the manner in which foreign nationals are employed outside of Ethiopia;
4) Co-operate with the concerned offices and organizations, in the preparation of training programmes;
5) undertake studies concerning the employed and unemployed manpower of the country;
6) in collaboration with the concerned offices conduct studies relating to the manner of improving vocational training at the national level and distribute same to beneficiary and implement the employment policy properly.

Employment Labour exchange shall include the following:

1) registration of job-seekers and vacancies;
2) selection from among the registered job-seekers and sending those who fulfill the requirements to compete for the positions notified by employers;
3) registration by the person assigned for this purpose by the Minister, of job seekers who have attained the age of 14 years and above upon presenting the necessary documents.
174. Employment of Foreign Nationals

1) Any foreigner may only be employed in any type of work in Ethiopia where he possesses a work permit given to him by the Ministry.

2) A work permit shall be given for an employment in a specific type of work for three years and shall be renewed every year. However, the Ministry may vary the three years limit as required.

3) Where the Ministry ascertains that the foreigner is not required for the work, the work permit may be cancelled.

4) The Minister in accord with the law may charge service charge for the issuance, renewal or replacement of work permit.

175. Employment of Ethiopian Nationals Abroad

An Ethiopian national may be employed outside of Ethiopia where the Ministry has obtained adequate assurances that his rights and dignity shall be respected in the country of employment.

176. Prohibition

No person or entity shall perform employment exchange activities for consideration.

SECTION TWO
Labour Inspection Service

177. Labour Inspection Service

Labour Inspection service shall include the following:

1) ensure the implementation of the provisions of this Proclamation, regulations and directives issued in accordance with the Proclamation, other laws relating to labour relations, registered collective agreement, and the decisions and orders given by the authorities responsible to determine labour disputes;

2) supervise, executive, educate, study, make research and prepare a standard of work to ensure the implementation of the provisions issued in accordance with this Proclamation and other laws regarding working conditions, occupational safety, health and working environment;

3) prepare the list of occupational diseases and schedules of degrees of disablement;

4) classify dangerous trades or undertakings;

5) conduct studies, and compile statistical data relating to working conditions;

6) prepare training programmes concerning the prevention of employment injuries;

7) supervise and ensure that where undertakings are constructed, expanded, renovated or their appliances installed, they are not dangerous to the safety and health of workers;

8) take administrative measures in order to implement this Proclamation and regulations and directives issued in accordance with this Proclamation;

9) to seek in the courts or in the authorities responsible for determining labour disputes appropriate measures for the enforcement of the provisions of this Proclamation and of such sanctions as may be required by its decision rendered in the course of its lawful activities.
178. Powers and Duties of Labour Inspectors

1) The Minister shall assign Labour Inspectors who are authorized to carry out the responsibilities of follow-up and supervision of the inspection service.

2) The Labour Inspectors shall have an identity card issued by the Minister bearing the official seal.

3) The Labour Inspectors shall have the power to enter, during any working hours without prior notice, any work place which they may think necessary to inspect in order to examine, test or enquire to ascertain observation of the provisions of Article 177. In particular;

(a) to question any person alone or in the presence of witnesses;

(b) to check, copy or extract any paper, file or other documents;

(c) to ensure that the relevant notices are affixed at the appropriate place of work.

(d) to take any sample of any matter in a work place and to test it to ensure that it does not cause injury to workers;

(e) to take photographs of any worker, and measure draw or test buildings, rooms, factories, car tools, goods and copy and registered document in order to ensure the safety and health of workers;

4) Where a sample is taken in accordance with Sub-Article (3)(d) of this Article, the employer shall be informed in advance, the manager or his representative and shall have the right to be present.

179. Measures to be taken by Labour Inspection

1) Where the Labour Inspector observes that there is on or in the premises, plant, installations, machinery, equipment or material of any undertaking or in the working methods being followed therein any conditions which constitute a threat to the health, safety or welfare of the workers, he shall report the same to the Labour Inspector and the employer shall take appropriate steps to ensure that such conditions are corrected.

2) Upon failure of the employer to take such steps within the given time after receiving instructions in accordance with Sub-Article (1) of this Article, the Labour Inspector shall issue to the employer an order requiring;

(a) that alteration in existing conditions which may be necessary to remove the threat to the health, safety or well-being of the workers be completed within a stated period of time;

(b) that any measures which may be necessary to prevent imminent danger to the safety or health of the workers be taken immediately.

3) Where the Labour Inspector is in doubt about the technical or legal danger of any particular case, he shall report thereon to the minister requesting that appropriate decision be given and orders issued accordingly.
180. Apel

1) Where the employer is dissatisfied with the order given in accordance with Sub-Articles (1) and (2) of Article 179, he may appeal to the authority responsible to determine labour disputes court within five working days, provided, however that there shall not be a stay of execution where the order is given to avert an imminent danger pursuant to Article 179 (2)(b).

2) The decision given on the appeal filed in accordance with Sub-Article (1) of this Article shall be final. Where the employer does not appeal within the time limit, the decision shall be executed by the appellate court.

181. Restriction on the Functions of Labour Inspectors

1) The Labour Inspectors shall perform their functions diligently and impartially. They shall take into account any reasonable suggestions given to them by employers and workers.

2) No Labour Inspector shall at any time, whether during or after he left his employment, reveal to any other person any secrets of manufacturing, commercial or other working processes which may come to his attention in the course of performing his duties under this Proclamation.

3) No Labour Inspector shall reveal to any person other than the concerned authority in the Ministry the sources of any complaint brought to his attention concerning a defect or breach of legal provision and, in particular, he shall not make any intimations to any employer or his representative that his inspection visit was made in response to a complaint filed with the Labour Inspection Service.

4) A Labour Inspector shall in all cases notify the employer of his presence on the premises of the undertaking unless he considers that such notification may be prejudicial to the efficient performance of his duties.

5) No Inspector shall supervise any undertaking of which he is an owner or in which he has an interest.

6) A Labour Inspector shall refrain from interference or involvement in labour disputes and collective bargaining as a conciliator or an arbitrator.

182. Prohibition

The following acts shall be deemed to constitute obstruction of the Labour Inspector in the performance of his duties:

1) preventing the Labour Inspector from entering a work place or from staying in the premises;

2) refusing to let the inspector examine records or documents necessary for his functions;

3) concealing data relating to employment accidents and the circumstance in which they occur.

4) any other act or omission that delays or interferes with the exercise of the Labour Inspector’s function.
PART TWELVE
Penalty and Transitory Provisions
CHAPTER ONE
Penalty Provisions

183. General

Unless the provisions of the Penal Code provide more severe penalties, the penalties laid down in this Chapter shall be applicable.

184. Offences by an Employer

1) An Employer who:
(a) causes workers to work beyond the maximum working hours set forth in this Proclamation or contravenes in any manner the provision relating to working hours;
(b) infringes the provisions of this Proclamation regulating weekly rest days, public holidays, or leaves; or
(c) contravenes the provisions of Article 19 of this Proclamation; shall be liable to a fine not exceeding Birr 500 (Birr five hundred)

2) An employer who:
(a) fails to fulfil the obligations laid down in Article 12(4) of this Proclamation;
(b) fails to keep records required by this Proclamation, and provide type of information at a reasonable time to the Ministry in accordance with this Proclamation.
(c) violates the provisions of Article 14 (1) of this Proclamation; or
(d) terminates a contract of employment contrary to Article 26(2) of this Proclamation; shall be liable to a fine not exceeding Birr 1200 (Birr one thousand and two hundred).

185. Common Offences

an employer or a trade union which:
1) violates regulations and directives issued in accordance with this Proclamation relating to the safety of workers and commit and act which expose the life and health of a worker to a serious danger or does not give special protection to women workers and young workers as provided for in Labour Proclamation.
2) fails to bargain in accordance with Article 130(4) of this Proclamation;
3) contravenes the provisions of Article 160 of this Proclamation;
4) does not comply with the order given by the Labour Inspectors in accordance with this Proclamation or of the provision other laws; or
5) gives intentionally false information and explanations to the competent authorities; shall be liable to fine not exceeding Birr 1200 (one thousand and two hundred) or where the offence is committed by a worker or the representative of the employer, a fine not exceeding Birr 300 (three hundred).

186. Violations of the Provisions of this Proclamation

The Labour Inspector may submit cases involving offences committed in violation of the provisions of this Proclamation or regulations and directives issued hereunder to the authorities competent to determine labour disputes under Part Nine of this Proclamation.
187. **Period of Limitation**

No criminal proceedings of any kind referred to in this Proclamation shall be instituted where one year has elapsed from the date on which the offence was committed.

**CHAPTER TWO**

**Transitory Provisions**

188. **Notwithstanding the provisions of Article 190 of this Proclamation, and before entering into force of this Proclamation;**

1) directives issued in accordance with proclamation No. 42/1993 shall remain enforce, in so far as they are not inconsistent with this Proclamation.

2) collective agreements concluded in accordance with Proclamation No. 42/1993 shall be deemed concluded in accordance with this Proclamation hence this Proclamation shall be applicable.

3) Trade unions and Employers Association established inaccordance with proclamation 42/1993 shall be deemed established in accordance with this proclamation.

4) Labour disputes pending before any authority competent to settle labour dispute prior to the coming into force of this proclamation shall be settled in accordance with the law and procedure which were enforce before this proclamation came into force.

189. **Determination of Degree of Disablement**

Until the schedule determining the degree of disablement is issued pursuant to Article 102 (1) of this Proclamation the medical board shall continue its functions as usual.

190. **Repeated Laws**

1) The Labour Proclamation No. 42/1993 (as amended) is here by repled.

2. No laws, regulations, directives and decisions shall, in so far as it is inconsistent with this Proclamation, have force and effect in respect of matters provided for in this Proclamation.

191. **Effective Date**

This Proclamation shall enter into force on the date of its publication in Federal Negarit Gazete.

Donate Addis Ababa this 26th day of February 2004

Girma Wolde Giorgis

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA