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CO-OPERATIVES: INSTRUMENTS OF SMALL-SCALE INDUSTRIES DEVELOPMENT
IN DEVELOPING COUNTRIES: THE EXPERIENCE OF ETHIOPIA*

by

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INTRODUCTION

Since recent years interest in cooperatives particularly in industrial cooperatives is growing among developing countries. In these countries where resources are generally limited and employment opportunities quite scarce, cooperatives are being viewed not only as new ways for mobilizing resources for development but also as potent tools for equitable distribution of national wealth.

The economies of most of the developing Countries are predominantly based on agriculture. The productivity of agriculture, however, is quite low due to its predominant use of traditional farming methods and consequent low level land holdings of the peasantry. Even in countries where land tenure system has not been a problem, one finds land holdings of the peasantry generally to be too small and fragmentary due to the low level mechanization used making large farming impossible.

Cooperatives have been successfully used in some Countries for the mechanization of agriculture. Small individual plots were amalgamated into large plots making mechanization feasible. By pulling individual resources together peasants were able to acquire modern machinery through their cooperatives which otherwise would have been unattainable individually.

In the industrial sector the impact of cooperatives is yet to be fully felt in most developing Countries as compared with trading or agricultural cooperatives. In a few Countries where the approach has been tried, however, such as, for instance, India cooperatives even in the industrial sector have been found to be quite viable and have shown great potentials.

In Ethiopia, unlike other developing countries with colonial legacies, the cooperative idea as is presently known is a recent development. The first law on cooperatives was issued in the 1960s but concrete and serious actions to organize cooperatives were made only since 1977 due to the enactment of another law. In the few years since, quite remarkable achievements have been made and valuable experience gained.

Tens of thousands of artisans have been organized into handicrafts cooperatives and some of them have already upgraded into small-scale industry level production. The experience thus gained in a relatively short span of time has once again confirmed the potency of the cooperative approach as an instrument for mobilizing the resources of the masses to achieve socially desirable goals.

This paper attempts to outline the experience of Ethiopia as regards the application of the concept of cooperation in the artisan and small-scale industries economic fields. In the process a brief description of the historical background that gave rise to the idea of cooperation in Europe and the current status of the cooperative movements in selected African countries shall be treated followed by a detailed description of the attempts being made in promoting small industries in Ethiopia and the role of cooperatives in this effort.

Historical Development of the Cooperative Movement

Man is, as they say, a social animal and one always finds cooperation at different levels throughout the history of societal development. In tribal societies one finds individuals coming together to achieve certain goals be it hunting, fighting another tribe, farming etc; such cooperation had, however, assumed temporary or ad-hoc nature and was carried out only when the need arose rather than on a permanent basis to tackle the most important problem of society, production.

In Ethiopia, for instance, there is a kind of a traditional cooperative system that is well developed and widely practised even today. It assumes various forms. In the rural areas, the peasants cooperate during peak seasons to perform urgent tasks jointly for each other on rotational basis in a scheme known as "Wonfel". In the urban areas there is a traditional thrift and credit cooperative type arrangement called "Equb". Members contribute on a set time interval basis a certain amount of money to a pool that will be given out to each member on rotational basis. Who can receive such money, that could run into tens of thousand of Birrs, at a time may be decided by the casting of lots.

"Idir" is the most sensitive and highly practised form of association in Ethiopia. It deals with assistance to members in times of accidents such as death. If a member or any member of his family dies, the "Idir" takes the responsibility of arranging the funeral at its own expenses thus relieving the bereaved from making their own arrangements. The "Idir" also provides further assistance in terms of money and direct labour for the purpose of hospitalities at the residence of the member after the funeral service.

The rise and development of cooperation as is presently understood, disregarding certain variations from country to country, is linked to the industrial revolution that took place first in the United Kingdom and then later spread to the rest of Europe. The rapid advances made in industrial production through the adoption of new machines operated by new power sources other than animal power coupled with new production techniques using unskilled or semi-skilled labour had brought about far-reaching economic, social and political impacts. Such advance had destroyed the fabrics of traditional societies that were governed by traditional values. The new developments also had negative impacts on the craftsmen guild-system that was the center of industrial production in the earlier epoch.

The master craftsmen were unable to retain their traditional markets due to competitions from the new industries. The techniques of production used in the new industries had made it possible to use unskilled or semi-skilled labour thus eliminating the need to undergo a rather long and difficult apprenticeship programme on which the guild system was based.

Capital rather than possessing artisanal skills became the basis for production and wealth. Those who can possess the new machines were able to employ labour and amass huge amount of money. Thus capitalism grew and along with it urbanization. The labourers working in the factories were highly exploited by the capitalists. They were forced to work long hours in difficult conditions for meager wages. Basic consumer items were sold to the workers by the factory owners at exorbitant prices resulting in the increasing indebtedness of the working class and subsequently reducing it to slave-master type of existence.

Such were the conditions that gave rise to the idea of cooperatives. Exploited workers with the assistance of a small group of dedicated philanthropists began to look for alternative ways of mitigating their hardships. In a few of the factories workers began to pull a small portion of their meager resources for buying consumer items direct from the producers and distribute it to the workers. The first such pioneer effort took place in a textile mill in England in 1844 with the assistance of Robert Owen. The venture was so successful that the idea spread like a bushfire to the rest of Europe. This was the Rochdale venture. This venture was also instrumental in laying down some of the fundamental principles of cooperatives that are still valid in modern times.

Production-oriented cooperatives were promoted in France and Charles Fourier is said to be one of the early pioneers in promoting such cooperatives. During the short-lived uprising of the people of Paris (1870-71) at the end of the Second Empire, the factories that were abandoned by their owners when they fled from the uprisings were successfully run for two months by the workers organized on the lines of cooperatives thus laying the first instance for industrial cooperatives¹.

A German by the name of Hermann was behind the organization of small traders, businessmen and artisans to form people's banks, an embryo of the present saving and credit cooperatives.

The idea of cooperatives later was introduced to India and other parts of Asia in the late 20th century. In Africa the idea was introduced by European colonial powers on much the same model as the metropolitan countries without taking into account the realities in the colonies. After independence most African countries retained and continued with these old legacies.

Status of the Industrial Cooperative Movement in Selected African Countries

As mentioned earlier, in most of the African countries that were under colonial rule, the cooperative movement started much earlier. Most of the cooperatives organized were, however, concentrated on such activities as trade, saving and credits ect... and much less in manufacturing and agriculture.

In recent years, interest in manufacturing cooperatives is increasing but it is still by far the least popular field for cooperative activities. For instance, from among 4000 registered cooperatives societies with a total membership of two million reported to exist in Kenya in 1986 only 377 with a total membership of 73,000 were classified as non-agricultural and non-saving and credit societies, with agricultural and saving societies numbering 1619 and 1462 respectively. It is not clear what constitutes non-agricultural activities but it is reckoned that manufacturing or industrial type of cooperatives to be quite few in number from among this group.

In Mauritius where as early as 1913 a law on cooperatives was enacted only 2.8% of the cooperative societies operating in 1987 were handicrafts or industrial. From the 424 societies known to exist in the Country, the most numerous were credit societies numbering 176 and with membership of 30,600 followed by agricultural societies including agricultural marketing, 134 and 79 consumers societies with 25,000 members. Handicrafts/industrial cooperatives were only 12 in number and membership was reported to be only 500².

The picture is much the same in Tanzania also. From a total number of 5811 cooperatives registered in Tanzania mainland and Zanzibar at the end of 1986 only 293 or 5% were industrial cooperatives.

In Zimbabwe there were 328 industrial cooperatives with a total membership of 9976 out of a total of 1746 cooperatives with a membership of 154,640 in the Country at the end of 1986. One finds the same pattern in the other East, Central and Southern African Countries. Data on West African Countries also seem to confirm the same trend.

In Ethiopia, perhaps the most recent Country to adopt cooperative as an instrument of economic development, one may find slight differences. Since 1978 cooperatives have been promoted in the agricultural, housing, handicrafts and thrift and credit economic sectors. As of July 1987 there were 2922 agricultural producers' cooperatives with a membership of 239450, 309 thrift and credit coops with a membership of 63540, 1556 housing cooperatives with 41500 members and 852 (9%) handicrafts coops with a membership of 37046. Consumer coops are not as yet organized in Ethiopia. There are, however, other entities both in the urban and rural areas that perform similar functions as consumer coops.

In the rural areas service cooperatives are organized with the functions of supplying basic consumer items needed by the rural population as well as the supply of agricultural inputs. They also help in the marketing of agricultural products. There were 4159 such coops with a membership of 4,515,261 at the end of 1987.

In the urban centers multipurpose neighbourhood associations known as "kebeles" are organized catering to the needs of urban-dwellers living in a certain geographic part of a city or a town. Among a variety of services provided by such "kebeles", one is the running of 'kebele shops' for the distribution of basic consumer goods and services to the residents of the kebeles. There were 1258 such kebeles in 325 urban centers throughout the Country in 1987. "Kebeles", however, are not and could not be regarded as cooperatives.

Overall, the industrial cooperative movement in Africa has been generally low-level and the full potentials of such cooperatives are yet to be realized. The factors that have contributed to the underdevelopment of industrial cooperatives in Africa may be viewed from historical perspectives as well as from the nature of manufacturing industry itself. Historically consumer or trading type of cooperatives were the first types to be launched and extensively used in Europe. Production or specifically industrial types were recent developments. The introduction of cooperative ideas into Africa was made by the colonial powers and they fashioned it after the European model. Thus the early cooperatives organized, while most African countries were still under colonial rule were trading or service oriented types.

After independence the same trend continued because a clear and obvious need for such cooperatives were still felt. In most African countries distribution and marketing of goods has been posing serious difficulties. There have been too few industrial consumer goods to adequately go around creating conditions for black market trading and thus making essential goods beyond the reach of the masses. On the other hand prices for agricultural products, the mainstay of the majority of the population, have been excessively fluctuating exposing the producers to exploitations by middlemen. In such circumstances consumer or trading cooperatives have provided some relief to the masses and hence the popularity of such ventures.

On the other hand, so far at least, favourable conditions for the setting-up of industrial cooperatives hardly existed in most African countries.

Such cooperatives being mainly dealing with manufacturing, would require the availability of basic industrial infrastructures. But such infrastructures have been grossly inadequate in most countries. Though opportunities for industrial ventures in Africa are quite immense due to the lack of adequate entrepreneurial skills very few of the people are recognizing the opportunities and realizing them. The general low-level technical and management skills in Africa coupled with the rather long lead time required to realize industrial projects have been militating against the wide-spread development of industrial cooperatives in the continent.

The experiences of developed countries both in the East and West and that of the recently developed ones clearly attest to the importance of industrial cooperatives in economic development. The experience of Spain with the "mondragon" industrial cooperative movement in the Basque region has been much discussed in recent years. The achievements made with industrial cooperatives in Hungary, Poland and Czechoslovakia have been quite impressive. India and Italy have also acquired valuable experiences.

The role played by most African governments in promoting industrial cooperatives has not been adequate. Knowledge about cooperatives in general is quite limited in Africa and the limited information available tends to emphasize on the weaknesses or failures of the cooperative movement. Though most African governments have recognized cooperatives as instrument of economic development very few have worked out concrete development plans for promoting such enterprises.

However, with the conditions prevailing in most African Countries, there is an immense need for creating employment, for income generating activities, for improving the equitable geographical distribution of industrial opportunities, for tapping resources etc... outside of the traditional sectors such as agriculture, trade or services. Industrial cooperatives need to be promoted as they are believed to help in ameliorating some of the economic difficulties being faced by most African Countries.

The promotion of industrial cooperatives in essence is the promotion of manufacturing industries. And the development of the manufacturing sector is a complex problem requiring clear government policies and commitments. In the context of the prevailing African economic situation; therefore, the promotion of industrial cooperative should not be viewed as only mass-based movement but also as a movement that needs to be actively sponsored by governments.

Characteristic Features of A Developing Economy

The profiles of the economies of most of the developing Countries are quite well known nowadays. A typical underdeveloped economy is characterized by the underdevelopment of the productive sectors such as agriculture or manufacturing. Manufacturing industry hardly exists in most of the developing world, and if it exists in some it is predominantly in the consumer goods production areas. Capital goods production, particularly in sub-Saharan Africa, with the exception of the Republic of South Africa is quite negligible. According to a recent UNIDO study the capital goods sector in Africa is contributing to about 10% of the total manufacturing value-added. In absolute terms this is not much. In 1977 only eight Countries were found to have a value-added in capital goods production in excess of US\$ 15 million.³

Agriculture, the backbone of many developing economies, in most African Countries is quite underdeveloped as could be seen in terms of its dependence on rains and the magnitude of its annual growth as compared with the increase in population. The precariousness of this important sector in Africa has been dramatically exposed in recent years as a result of the continued drought that has hit the continent resulting in the deaths of millions due to famine and starvation. Even when the rains were coming at the correct time and the right quantity, due to low-level mechanization in many Countries the production growth hardly matched with the growth of the population.

In a Country such as Ethiopia, for instance, where agriculture accounts for 50% of GDP, the average growth of the economy between 1978/79 - 1985/86 was estimated to be 2.5% while the growth of the population for the same period was 2.8%.⁴ In order to be self-sufficient in food production, it is estimated that agriculture needs to grow at least by 6% per annum in Ethiopia⁵. The scenario in many other sub-Saharan African Countries may not be drastically different.

The other distinguishing feature of developing economies is the increase in population growth and the inability of such economies on one hand, to provide adequate employment opportunities to the labour force continuously surfacing in the jobs-market and on the other hand the yearly missed opportunities by such economies form the potential contributions of such vital human resources. Agriculture is still the most important employer in many developing countries. Disregarding underemployment, in Ethiopia again only 0.5% of the labour forces (ages between 15 - 64 years) is estimated to be gainfully employed in manufacturing while the bulk is believed to be mainly engaged in agriculture and a small portion in other sectors leaving a significant rate of unemployment prevailing in the country particularly among the young.⁶

There is no denying the fact that labour creates wealth. But it is not only the quantity of labour that counts but also the quality. In most of the African countries labour is abundantly available but predominantly untrained and unskilled. This has been one factor, among others, that has aggravated the unemployment as well as the general economic problems in many countries.

To enhance economic development and thereby lessen the socio-economic problems of unemployment investment plays an important role. The sources of investments for sustained economic growth, however, have been quite limited for most of the developing countries. Due to the underdevelopment of the productive forces in most of the

African countries, for instance, annual production hardly meets annual internal consumption leaving only small surpluses for investments. Thus African countries were forced to look for external investment sources and presently they find themselves faced with a serious debt-crisis. The servicing of the estimated US\$ 200 billion continental debt is gobbling up to 50% of the export earnings of sub-Saharan African Countries⁷. It is estimated to be US\$ 10.5 million in 1987 and is expected to jump to US\$ 14.6 million in 1988⁸.

This part of the paper is not meant to be a detailed treatise on the economic difficulties of sub-Saharan African Countries. It is meant only to highlight some of the grave economic difficulties being faced by many of them. This is intended to give some ideas on the prevailing conditions so as to objectively evaluate the significance of small-industries development in such contexts.

Evaluated against current conditions or future prospects, the economic salvation for Africa seems to lie with agriculture and with the promotion of small industries. Such industries require less investment for every job they create, are quite appropriate for small internal markets and could utilize semi-skilled labour. The systematic development of small industries could lead to increased surplus generations and the technical training of the labour force. That is why African Countries must seriously take the question of small-scale industries development. They must strive continuously to find ways of creatively implementing such programmes with commitments.

Industrial cooperatives as means for mobilizing national resources for the expansion of small-scale industries should be seriously considered as development options by African Countries. Such cooperatives could make substantial contributions in combatting unemployment and underemployment both in urban and rural areas as well as providing vital goods and services to the population.

Small-scale Industries Development in Ethiopia

Pre-Revolution of 1974

It may be difficult to objectively assess the contribution of the small-scale industries sector to the national economy prior to 1974 due to the absence of a clear-cut definition of what was legally regarded as small-scale industry. Some statistical data, however, indicate that in 1961/62 a total of 238,600 persons were employed in the handicrafts and small-scale industries sector. Other studies also suggest that on the average nearly 5.5% of GDP for the Country emanated from this economic sector between 1967/68 - 1973/74.⁹

Participation in the sector was dominated by foreigners mainly Italians, Greeks and Asians. Nationals participating in a meaningful manner were quite few in number and there was no or very little effort made by the government to encourage more of them. There was no institution established to promote small-scale industries development in the Country. Incentive schemes designed to increase investments were made available to enterprises that were capable of making an initial investment of about one-hundred thousand United States dollars or more at a time. Since most small-scale industries are assumed to require less than the stated amount of investment, one could easily conclude that the government was not committed to encourage and develop indigenous enterprises.

The conditions of handicraftsmen were more serious. Under the previous feudalistic system, Ethiopia resembled that of a caste society. Artisans were considered inferior beings and were despised in the society. Various derogatory labels were coined for them and were forced to live at the periphery of towns separated from the community. The prevalence of such archaic attitudes and the negative treatment of the artisans not only destroyed the rich handicrafts culture of this ancient Country but also led to the gradual destitutions of the artisans.

Post-revolution of 1974

From among a series of steps taken by the new government after the revolution, one was that taken to reorganize and streamline the small-scale industries sector. The new government quickly realized the potential benefits of the sector to the national economy and attempted to strengthen it by taking a number of steps. Clear policy guidelines were issued defining what could constitute small-scale industry, the strategies to be adopted to enhance its growth and the establishment of a central government agency to implement the government's sectoral policies.

Small-scale industry is defined, as it applies to private investment, as a manufacturing activity that uses motive power for the purpose of production with a total investment of less than one hundred thousand United States dollars in directly productive machinery and equipment or up to two hundred fifty thousand dollars of total fixed assets. In both these capital limits the value of industrial buildings, land and land improvement costs are not included. However, the essential difference between the two limits is that in the former working capital is excluded while in the later it is included.

Handicraft is defined as any manufacturing activity that predominantly uses manual skills and hand tools. There is no investment capital limit set for handicraft or/and small-scale activities operated under a cooperative scheme.

The definitions are not meant to be restrictive or rigid. They are used to generally guide private investments and as a screening tool for eligibility to government promotional programmes. Therefore, it is not uncommon to find the same kind of activity in both handicrafts and small-scale industries the distinguishing difference being the level of mechanization and the organization of production. For instance tailoring may be regarded as handicrafts, if it is carried out using manually operated sewing machines and where an individual tailor performs all the operations required to produce a piece or a garment all by himself. On the other hand if the production is

carried out with the help of power operated machines, not necessarily all the machines power-driven, and where the production is arranged in such a way that there is a clear division of labour and the work flows on a continuous production basis with different individuals participating in the operation in the production cycle, the activity may be classified as small-scale industry.

Handicrafts and small-scale industries in Ethiopia are predominantly involved in the production of consumer goods and technical services. Only very few are engaged in capital or intermediate goods production. It is not anticipated that this picture will significantly change in the near future.

The government plans to expand the sector. In the Ten Year Perspective Plan (TYPP) 1983/84 - 1993/94 currently under implementation a growth rate of 8% per annum is established for the sector as a whole. This is to be achieved through the establishment of more cooperatives and the encouragement of private initiatives. Actually this has been the strategy followed since the revolution for the promotion of small-scale industries in the Country.

The following are specific steps to be taken by the government to enhance the development of small-scale industries during the TYPP period.

- ensuring that all industries work at full capacity;
- raising both the level and rate of investment;
- increasing labour productivity through training programme;
- promoting and strengthening handicrafts industry by organizing handicraftsmen under service and producer's cooperative societies; by training and helping them use improved (modern) technologies thereby transforming them step by step to a level of small-scale industries;
- developing design, engineering and research capabilities so as to enhance capability in the choice of appropriate technology;
- creating additional capacities by encouraging producers cooperatives as well as individuals to actively engage in promoting handicrafts and small-scale industries; and towards this end motivating them through appropriate credit and tax policies, and provision of necessary assistance in the supply of raw materials and the marketing of their output;

- facilitating the establishment of factories in each region through proper assessment of the regions' natural resources with a view to bring about, in relative terms, a balanced regional distribution of industries; to strengthen HASIDA's regional office and encouraging interdependence between large and small-scale industries to enhance their joint development.

To implement the government sectoral policies, the Handicrafts and Small-Scale Industries Development Agency (HASIDA) was established in 1977 as an autonomous public authority. The main responsibilities of the Agency have been the promotion and coordination of the development of handicrafts and small industries in the country.

To provide guidance to HASIDA on policy matters and to supervise its activities an Executive Board has been provided by law. The board chairman is the Minister of Industry and member of the Board come from other six relevant ministries and the National Bank of Ethiopia. The general manager of HASIDA is also the member of the Board.

HASIDA has grown quite big in the relatively short period of time since its establishment in 1977. Presently it has 15 regional offices, two vocational training centers and over 900 employees. The quantity and quality of extension services it is providing to the sector have also shown marked improvement.

HASIDA, as could be seen later in more detail, presently provides a number of services. It runs vocational training and to a lesser extent entrepreneurial development programmes. It is involved in technology development and dissemination, management consultancies, input supplies and marketing. Project identification and undertaking of feasibility studies are becoming more and more an important component in the packages of supports the Agency is rendering to the sector.

Highlights of current Government Policies

The usefulness of small-scale industries to the national economy has been fully recognized by the Ethiopian government and serious

attempts are being exerted to fully develop the sector. As pointed out earlier the sector is envisaged to develop through the participation of industrial cooperatives as well as private entrepreneurs. For both participants clear policies have been elaborated and an institutional framework worked out. However, due to the scope of this paper the discussion henceforth shall concentrate only on cooperatives.

The political orientation of Ethiopia is Socialist. This political orientation is naturally reflected in all spheres including economic, social and cultural fields. The major means of production, banking, insurance, foreign trade etc...are socialized or are under the control of the State. There are, however, areas within the economy where cooperative or private participation is allowed. Some of these areas include small-scale industries, internal transportation, certain types of hoteling and catering activities, retail trade, construction etc.

Obviously cooperatives are favoured over private participation both for political as well as practical reasons. Politically cooperatives are viewed as ways of protecting the economic, political and social interest of the masses. As a result they enjoy strong support from the government due to the compatibility of such objectives with the ideals of Socialism.

From practical point of view cooperatives are found to be quite useful for channelling various supports and services to a large number of people who would have otherwise been unreachable individually. This is particularly important in a rather large Country such as Ethiopia, where the size of the people involved in small industries sector and requiring government support is quite large and public resources are quite limited.

Taking such points into consideration the government has created a relatively conducive environment for the development of cooperatives in the Country.

As an initial strategy the cooperativization of handicrafts has been given priority over the more complex and higher level manufacturing industrial cooperatives. This is deliberately done taking

into account the financial and trained manpower requirements or implications of the promotion of modern manufacturing industries and the limitations of the resources availing capabilities of the country at the initial stage.

Handicrafts are extensively employed in the country albeit at a traditional level, and have been already extensively developed. It has been historically the major supplier of consumer goods and an important employer. Expertise or skills are already available and the basic investment is either already made or making new investment will be within the resources of the population.

Cooperatives in the handicrafts sector are, therefore, believed to create favourable conditions for strengthening the sector. It is to facilitate the introduction of new products, upgrade the skills of the artisans and ensure the steady supply of required raw materials and other inputs as well as lessening marketing difficulties.

Better organized and assisted handicrafts cooperatives are expected to develop rapidly through the adoption of improved and efficient technologies resulting in sizeable surplus. Their members are to be trained both on-the-job and through short-term courses thus gradually transforming them from artisanal to industrial workers.

Conceptually such is the plan for transforming handicrafts cooperatives to industrial enterprises. The concept has taken into account the objective realities within the country and what could be realistically achieved at a reasonable span of time. The effort behind cooperativization, however, may not entail preservation. It is more directed at the utilization of the in-built positive element of handicrafts activities and hasten their transformation to higher manufacturing units by the introduction of new techniques either by supplying improved hardware and/or enabling their member to acquire new skills. Most of the resources that may be needed for such transformation are also to be generated internally within the cooperatives movement.

The other aspect of the policy currently pursued is the distinction made between utilitarian goods production activities and activities directed towards the manufacture of souvenir or cultural items. From the point of view of employment and value-added generations both types of activities are supported but from the angle of resource constraints and the desire to make strong impacts quickly emphasis is placed on consumption goods production activities.

Secondly distinction is also made between transformable and non-transformable activities. As cited earlier one of the objective of cooperativization of handicrafts is the upgrading of such activities from artisanal to small-scale industrial level of production. Although nearly all types of artisanal activities may be potentially improvable, the rate of transformation and the consequential benefits are dependent, among other thing, on the nature of the trade itself. It is assumed for instance, that the speed of up-grading a tailoring activity to a ready-made garments (ready-to-wear) manufacturing may be achieved relatively quickly and the economic results of the transformation, such as lower unit production costs, higher production volume and efficiency in raw materials usage will be quite substantial compared to the time it could take and the economic results to be gained by upgrading a pottery, embroidery/needle craft, silver smithy, stone masonry etc... activities.

So generally whenever is possible and practicable the thrust of the cooperativization programme is directed at the cooperativizations, on priority basis, of activities in the lines of consumption goods production and activities due to their inherent attributes more amenable to upgrading to higher levels of production.

Two types of cooperatives are promoted in the sector. These include Artisans producers and service cooperatives. Artisan producers cooperatives may be regarded as collectives. Production machinery and tools are collectively owned or rented. Marketing of goods and services is done by the cooperative and the members are remunerated on the basis of the quantity and quality of work performed. Members may get additional income from the net profit of the cooperatives since they are regarded as both the owners and the employees of the cooperative.

As owners, they make financial contribution to the cooperative and exercise their rights through the general assembly decisions and through the elected management board of the cooperative. As employees they are subject to accepting work placements, remuneration levels, and supervision by the management board.

Artisan producer cooperatives are much more readily transformable technologically. Due to the collective nature of the cooperative accumulation is much faster and quite sizeable. For instance, as of June 1987, there were 106 fully registered artisan producer cooperatives with a membership of 4557 and there was another group of 54 cooperatives with an aggregate membership of 1856 who were not yet registered as producers but were operating similarly.

Such cooperatives were on the average making about 7% net profit per annum from their turnovers and the rate of capitalization as could be evidenced by the increase in fixed assets was growing at an average rate of about 17% per annum.

Most of the producers cooperatives have already attained quite significant technological transformations that they have become small size factories rather than handicrafts operations.

Artisanal service cooperatives are formed by artisans for the purpose of overcoming certain production, inputs, marketing difficulties, bank credits etc... with the means of production remaining under private ownership. Individual members may produce under the same shed or production hall or may perform their production activities in their homes, although the latter is fast phasing out.

The cooperative procures raw materials in bulk and resales the same with small profit to its members. The members convert the raw materials into finished goods and market them either individually or through the cooperative sales networks. The cooperative may also take bank credits. But such credits will be utilized only for the purpose of common requirements such as raw material purchases. The cooperative normally will not give out cash loan to members for meeting requirements not directly related to the activities of the cooperatives.

Artisanal service cooperatives are looked upon as transitional phases to producers cooperatives. They serve as training schools for private craftsmen in cooperative principles and provide them with the foretaste of cooperative form of organization. As artisans gain experience in working under a cooperative scheme, it is believed that they will gain the understanding and the confidence to pull their resources and skills together to form producers cooperatives.

The policy of the government is strongly in favour of producers cooperatives. Of course, the reasons are quite obvious in that such cooperatives provide the means for quicker transformation to higher level of production. Thus the government has instituted a number of incentive schemes for encouraging the quicker transformation of all the artisanal service cooperatives into producers.

Let us see some of the major incentive schemes as they apply to all cooperatives in general and to producers in particular.

Training: Vocational as well as management training is provided to all artisanal cooperatives. Due to the limitation of training facilities, however, priority has been given to producers cooperatives who could show strong commitment to utilize the skills to be acquired through the training within a realistically short period of time. The commitment may be production plan for new products, expansion of existing production, plan to acquire new machinery etc...

The training could take place at the premises of the cooperatives or at HASIDA's central or regional centers. HASIDA operates eight mobile training workshops that move from place to place and provide training at the site of cooperatives. Such training is quite in demand due to the flexibility it provides. The artisans need not leave their work or their families for three months to undergo training at the regional or central training centers. Moreover, the incomes of the members will not be affected since the training is conducted during their spare time and on-the-job.

The mobile units are equipped with modern machines and tools as well as power-generation outfits for use in areas where electric power is unavailable. Since the training is geared to learning while doing, the trainees are allowed to use the modern tools and machines under the guidance of the instructors. Such possibilities had enabled many cooperatives not only to acquire new skills and the motivations to acquire similar tools and equipment but also to increase their production with consequent surpluses. The wood, metalworking and weaving mobile units have been particularly successful.

From HASIDA's point of view mobile units are regarded as useful in that they enable to demonstrate to a large number of artisans and their families and the community the need to improve skills and to strive for acquiring new tools and machines in order to produce better and relatively cheaper. Since the demonstration is made to the whole cooperative members, not limited to selected trainees, reservations that may exist to skills upgrading and the need to acquire improved technologies better dealt with even with the most conservative-minded artisans. As a result the number of cooperatives striving to upgrade their technologies is increasing. In 1986/87 alone 16 metals and wood-working cooperatives acquired the basic machines with the assistance of HASIDA. Some of these cooperatives are located in villages where limited electric supply from small diesel-powered generators is available only in the evenings for about two to three hours. The cooperatives are successfully running the machines by doing machine works in the evenings and assembly and finishing during day time.

Priority for such vocational training programmes whether conducted in HASIDA centers or on the mobile training units is accorded to producers cooperatives.

Competition and financial prizes: Every year since 1984, cooperatives have been competing nationally. The competitions are open to every artisanal cooperative but due to the bias of the criteria towards producers the number of producers cooperatives winning the prizes every year has been slightly higher than that of service cooperatives. Individual members of cooperatives also participate in these competitions and the selected ones have been financially rewarded.

The criteria used for selection are mainly economic. They include achievements made in increasing the quality and quantity of production, attempts made in using improved technologies, net profits made, scale of mismanaged funds etc...

Every year up to ten cooperatives are selected and their achievements widely publicized. Moreover, financial rewards are made to the cooperatives in the range of 5 - 10,500 Birr and to selected innovative cooperators 500 - 1000 Birr. Lately the award money for cooperatives is no more paid in cash but in machinery, tools, or equipment. Only individual members are rewarded in cash.

Pilot industrial cooperatives projects: As has been repeatedly stated the programme of handicrafts cooperativization in Ethiopia has, as its ultimate objective, the development of small-scale industries. To achieve this aim, the first step has been to bring together, under the umbrella of cooperative, scattered artisans. Depending on the free and voluntary decision of the artisans they may form artisan service or producers cooperatives. Once a producer cooperative is formed the effort of transforming it into small-manufacturing enterprises earnestly begins. Of course, the acquisition of appropriate technologies and the upgrading of the skills of the members must be achieved as first priority to accomplish the transformation along with the introduction of improved production organization systems.

Artisanal level of production is dependent on the skills of the artisan and no matter how skilled the individual may be his output is limited, due to the technologies involved as much as the organization of production. Generally artisans produce articles or goods on their own. Such methods of production will involve higher labour input in each item produced resulting in higher sales prices. In articles that may be utilized for their artistic values as souvenirs or for cultural purposes the consumer may be prepared to pay higher prices.

But not for consumption types of handicrafts as those that are predominantly being cooperativized in Ethiopia. Such items not only must compete with similar or comparative goods produced by more efficient enterprises but also must be marketed at reasonable prices for the masses to be able to afford them. In order to hold down production costs larger volume of production had to be maintained. For increased production appropriate technologies and work organization techniques must be employed. Therefore, instead of a skilled artisan producing all the parts or component of an item individually a group of people would have to be involved, to produce the different parts separately and combine them to produce the final item. Such simple technique of production since its first introduction in eighteenth century by Eli Whitney for the production of muskets has made continuous flow of production possible and made most goods within the reach of ordinary people.

This type of work organization is being strongly pushed in the producers cooperatives in Ethiopia. And in order to facilitate the introduction of such work organizations and to demonstrate the use of appropriate technologies HASIDA has been carrying out a pilot industrial cooperatives development programme through a joint-venture arrangement between itself and producers cooperatives.

Under this scheme a cooperative organized on a priority area activity is selected and agreement for its transformation to small-scale industrial cooperative concluded between HASIDA and the cooperative. Generally HASIDA shall be responsible for the selection of relevant project idea, undertaking the feasibility studies and covering the cost of technology, installation and commissioning. The participating cooperative normally covers working capital requirements, sometimes building costs and also is required to participate in the construction with labour.

During the start-up period, normally 2-3 years from commissioning, HASIDA provides a manager, an accountant and an engineer to help the cooperative run the plant. The investment fund contributed by HASIDA is to be paid back by the cooperative along with a small rate of interest. This may be done in one go or gradually by buying out HASIDA's shares in the cooperatives. In so far as HASIDA has shares in the plant it directly involves in the decision-making process of the cooperative but when its investments are fully taken over by the cooperative it shall assume only its advisory role..

So far three projects have been implemented and quite a few are under study. A blacksmithy cooperative has been up-graded into a modern forging plant for producing agricultural and construction items. A tinsmithy cooperative is undergoing transformation into a modern sheet metal products manufacturing enterprise and a traditional weavers cooperative is transformed into a small textile plant producing cotton fabrics, furnishing and bedding materials.

The aim of HASIDA is not to make money through such ventures. The objective is firstly to create motivation among coops to adopt improved techniques, secondly to create replicable organizational models for others to copy and thus enhance the development of small-scale industries.

Income Tax Exemptions: Duly registered cooperative enterprises are by law exempted from paying income taxes irrespective of the scale of their annual turnover.

Bank Credits: Cooperatives with concrete and realistic production plans may take loans, both long-term and short-term, at concessionary rate of interest. The prevailing interest rate for commercial borrowing is 9.5% but the cooperative's rate is fixed at 6% for investments other than construction. Interest rates for cooperative construction activities is 4.5% per annum.

Free Audit Services: Basic cooperative management systems have already been introduced by HASIDA in all cooperative societies. Additionally, every year HASIDA provides free audit services to cooperatives. But there is constraint in resources to provide such services to all cooperatives every year. Thus up to now all producers cooperatives have been getting auditing services yearly while service cooperatives have been receiving similar services on the average every 2-3 years.

To shorten the length of time between each audit, plan is being drawn for, service cooperatives to have their accounts audited by auditing firms at their own expenses while producers cooperatives continue to receive the free audit services from HASIDA.

Input Supply and Marketing Assistance: Cooperatives require various types of raw materials and other inputs. In Ethiopia the sources of such inputs are either local or imports. Most major local and some imported raw materials at wholesale levels are marketed or distributed through public distribution enterprises.

HASIDA estimates the requirement of each cooperative and makes recommendation to the distributors, who in turn take HASIDA's recommendation and the levels of their stocks to decide the magnitude they could sell to any particular cooperative at a particular time.

Foreign exchange allocations are also carried out in a similar fashion. HASIDA estimates the magnitude of foreign exchange requirement for the sector as a whole and submits its plans to the government six months before the start of a new plan year. Depending on the level of foreign exchange reserves, other priorities and the merits and strength of HASIDA's proposals, the government allocates an amount of foreign exchange for a particular plan year and this is communicated formally to the National Bank. The National Bank then makes disbursements to enterprises at the recommendation of HASIDA.

Such arrangements have not solved totally the difficulties cooperatives are facing in terms of raw material supplies but it has strongly helped in rationally utilizing the limited supplies in accordance with the production capacities, size of membership etc of the cooperatives. Of course, the paper work involved may be too much and abuse of the opportunities thus provided by some cooperatives exists.

Marketing difficulties faced by most cooperatives are not as acute as the raw material problems. But in this regard as well, assistance is available. Periodically product exhibitions are held through which consumers are able to see the types of products available and the quality levels reached. HASIDA publishes a newsletter in which various products and producers are featured. Moreover, there is a show-room cum sales shop in which cooperatives with marketing problems may bring their products for display and sales.

In the export market HASIDA provides direct support. It has an export marketing unit that purchases products from cooperatives and directly exports. This unit has been operating since 1982/83 and has achieved remarkable results and is now being reorganized into an autonomous marketing enterprise with more flexibility to handle its responsibilities. Various coloured product catalogues and brochures have been produced on selected handicraft items along with a periodically revised price list for circulation to potential overseas buyers.

Engineering Extension Services: Cooperatives particularly producers cooperatives frequently face technical problems requiring engineering expertise to solve. These include problems in machinery and equipment selection, building design construction and supervision and workshop facilities for repair of machines as well as for carrying out limited production.

Such services have been provided by HASIDA. The overwhelming requests from cooperatives have been in the area of construction design and workshop services. Accordingly HASIDA has developed typical building designs for four types of production activities that may be slightly modified depending on the size of the membership of each cooperative. Such designs have been made available to cooperatives seriously planning the construction of production sheds. Further assistance in site surveying and layout, tendering and periodic supervision of construction may be given but such assistance is generally limited to producers cooperatives.

The other most important area for strengthening industrial cooperatives has been workshop service for producing spare parts and repairing machineries of cooperatives. Two regional technical centers have been set up for such purpose. The centers have been adequately equipped to handle most requirements

of small-industries in the regions. The production of parts, the repair of defective tools or machines have been the most frequent in demand. But also some services that are meant to supplement cooperatives own production capacities particularly as regards the improvement of the quality of their production have been given to a limited extent. Wood-working or carpentry cooperatives may have their lumber seasoned in drying kilns available in the centers, heat treatment of tools, the production of dies and jigs and shortly the electroplating of products are available.

The objective again is not profit making on the part of HASIDA nor creating unnecessary competition with other small industries in the provision of such services. Firstly such services are provided in cases where adequate alternative possibilities outside of HASIDA do not exist and with a clear understanding that when such possibilities come to exist HASIDA's services stop. Secondly the idea behind is to centrally make available facilities that may be too much for one enterprise to create or even if created may be too much to utilize optimally.

Such services have been found to be quite vital for the promotion of small industries be it on private or cooperative levels. In providing such engineering services, HASIDA gives priority to producers cooperatives and this has strengthened the cooperativization programme.

Development of Industrial Estates: Industrial Estates as tools for the

development of small industries have not been tried in Ethiopia to-date. The experiences of other Countries in this regard have not been conclusive. They have been quite mixed. Nonetheless HASIDA intends to try the scheme in Ethiopia.

Presently HASIDA is developing one pilot urban industrial estate and studies for two rural estates are underway. It is planned to provide standard industrial shed to private individuals and producers cooperatives with advanced plans to set up manufacturing enterprises.

Responsibilities and Function of HASIDA

The Handicrafts and small-scale Industries Development Agency (HASIDA) is a national organization responsible for the development of handicrafts and small industries in the Country. The Agency has both promotional as well as regulatory responsibilities.

As a promotional organization it has the responsibility of undertaking periodic sectoral studies on the basis of which it proposes developmental policies to the government. It is expected to organize and operate training and demonstration centers and also promote the social status of craftsmen. It provides technical assistances in identifying, formulating or approving small industrial projects.

As a regulatory body it registers cooperatives, audits their accounts and carries out inspection of the activities of the cooperatives to ensure their compliance with the law. As regards privately owned small industries, the Agency has the power to issue industrial licenses and to regulate their activities. Such powers are putting HASIDA in a strong position to directly influence the development of SSIs.

Emanating from such responsibilities, HASIDA, carries out various functions. The major ones having been already mentioned earlier, suffice it to summarize them here. The Agency has the function of training and demonstration, extending technical services in projects studies, providing management consultancies, undertaking research, developing infrastructures, assisting in the supply of inputs and developing markets.

The organizational chart of HASIDA is attached in the annexes.

Achievements made in the last Ten Years

The last ten years were formative years for HASIDA. Its resources were divided between strengthening itself institutionally as well as assisting the sector to develop rapidly. Given the rather short span of time since its establishment, what has been achieved has been quite remarkable.

The most significant achievement has been in the area of clear government policies for the development of the sector. There is now a clear appreciation of the importance of the sector, its potentials and limitations as well as what needs to be done to realize a faster growth rate. The anachronistic attitude of the society, to look down upon or to down-grade the status of craftsmen as well as manual labour has been by and large conquered. Presently artisans are well motivated and have become quite assertive for their rights and as organized bodies, they have become less susceptible to harassment or ostracism. The cooperatives have also enabled them to earn better and steady income.

Entrepreneurial skill is gradually increasing and it is most gratifying to see many Ethiopians, recently taking up rather complex engineering projects. Since HASIDA's establishment well over three hundred modern manufacturing industries have been set up creating substantial employment opportunities. A sizeable number of existing enterprises have also made expansions. Generally small-scale industries development in the Country is moving steadily in the right direction.

Presently there are over 7600 registered private small industrial enterprises with an aggregate employment of nearly 37,000. A total of 852 handicrafts cooperatives have been formed with a membership of a little over 37,000. What has been organized thus far is believed to be a small fraction of what exists in the Country. This is particularly true of handicrafts. The economic contribution being made by the sector is quite substantial amounting to 2.8% of the GDP in 1986/87¹⁰.

HASIDA's services to the sector have shown a steady improvement in intensity and quality. The initial general information dissemination and agitational work bordering on propaganda has given way to more concrete programmes. The training programmes the Agency are running are being found useful by the target groups as could be seen from the increased applications being received for such training. Thus far a total of 1470 individuals have been given at least a three months technical training in various fields. Details of the training fields and number of trainees are given in the annexes. Every year short courses in the forms of seminars, workshops and clinics are also being given to hundreds of cooperative and owners of private enterprises to improve their management skills.

The trend within the cooperative movement towards adopting newer technologies and techniques is growing. The number of cooperatives upgrading themselves into higher level manufacturing enterprises is encouraging.

Most of all the rate and magnitude of mismanaged or misappropriated cooperative funds is at least stabilizing at about 0.9% of the annual turnover of the cooperatives. This may be attributed to the increasing interest and active involvement of the cooperative members in the affairs of their cooperatives much more than HASIDA's controls.

Concluding Remarks

The contributions of handicrafts and small-scale industries to Ethiopia's economic development is clearly recognized by the government. Cooperatives are perceived as means for mobilizing indigenous resources to accelerate the development of the productive forces and through the consequent expansion of production ensure the socio-economic welfare of the masses.

The establishment of HASIDA has facilitated the growth of small industries through both cooperative and private forms of ownership. The cooperatives movement in the Country has attained a measure of success in that the number and quality of primary societies are now sufficient enough to warrant the formation of secondary organization. Therefore, HASIDA shall henceforth encourage primary societies to form their own unions and apex organizations. This will be quite important not only to better represent the interests of the cooperatives but also to take over from HASIDA some of the functions and services being provided by it. The establishment of such apex organization shall also facilitate cooperation with other regional or global cooperative movements.

For many developing countries industrialization may be possible only through the development of small industries. The scarcity of resources and the smallness of internal markets make it much unwise if not impossible to develop heavy or big-scale industries in each Country. Even the development of basic industries might be possible only through regional cooperation.

Small industries may be developed through the participation of governments, private individuals or cooperatives. To enhance the conservation of the limited national resources and attain optimal results from such resources, however, complementary but clear division of labour need to be made for the participation of the State, private investors and cooperatives. If such steps are not taken the possibilities of resource wastages, through avoidable redundant investment, unnecessary competition for raw materials and markets could be the results.

Competition may be an important element for growth and efficiency but its intensity may have to be moderated depending on the level of the development of a Country. In most of the developing world where technologies are imported, one does not see the wisdom of allowing the creation of excess capacities in a particular activity when one already knows the smallness of the

market to accommodate all simply on the accounts of encouraging competition. The "survival of the fittest" may be a sound principle but for most developing Countries there could be heavy costs to be paid for each failure or drop out small industry from the meager pool of resources at their disposal such as foreign exchange that governments need to seriously consider.

In Countries where the role for cooperatives is clearly defined and clear policies for their development elaborated they are found to make quite important contributions to the national economies. In Ethiopia, for instance industrial cooperatives are encouraged to play a role in enhancing the Country's manufacturing capabilities particularly in the production of consumer goods. Thus the emphasis in organizing cooperatives is on manufacturing activities and less in services such as repair and maintenance works. Consumer goods producers are relatively more encouraged and assisted than artistic, folkloric or jewellery etc., items producers. At the initial stage of development such prioritization could be useful to concentrate efforts in a few activities and achieve impactful results than to spread resources thinly over a wide range of activities and risk the lack of good results or yield in small unnoticeable ones.

Again going by the experience thus far gained in Ethiopia, Industrial Cooperatives may not be quite effective in all ranges of consumer goods production. They have been found to succeed in relatively big volume production and where personalized marketing effort is less critical. In activities where a high level of craftsmanship may be required or where the marketing of the goods is dependent on the face to face contact of the producer with the customer special difficulties such as members motivation, fixing remuneration rates, adoption of continuous production flow systems may be encountered.

Industrial cooperatives need to be actively promoted by governments as integral components of national industrial capabilities building programmes of the developing Countries. In most of the

developing world where entrepreneurial skills are quite scarce and where conditions similar to the ones that historically gave rise to such movement virtually do not exist, it could be highly superficial to wait until the movement takes off the ground as a result of grassroots initiatives. If governments are to wait until that happens, Countries could be deprived of the benefits of the potentials of such forms of the organization of production for a long time to come.

Governments must play a leading role in the promotion of such cooperatives. at least at the initial stages. Clear policies would have to be elaborated for the development of small-scale industries with a clear role set for industrial cooperatives. Institutions would have to be created with commensurate means to popularize the idea of cooperativization and extend concrete technical assistance.

It may not be enough to state government policies alone, resources would have to be provided as well to realize the implementation of such policies. In most Countries there is definitively a limitation of resources, but as they say one does not get anything for nothing, and as such if cooperatives are to develop and contribute to national growth, governments must be prepared to make investments on them at the initial stages.

It has been found in Ethiopia, to be quite necessary to provide a package of assistance from one "window". At the initial stage those that show inclination to form cooperatives are generally the ones that are economically weak. In order to help such people stand on their feet various kind of support are required. Education in cooperative principles, project selections, training in skills, management of the cooperative, input supplies, marketing, credit etc... just to mention some of the support that may be required. It may not just be enough to provide one or two types of support and expect the cooperatives to perform miracles. A comprehensive package of support would

have to be made available if quicker results are to be achieved. And such support should be administered, in as much as possible, to cooperatives by one institution.

However government assistance should not be viewed as permanent drains on public resources. When the cooperative movement develops such support could be gradually withdrawn and ultimately the cooperative could make contributions to the State by expanding its taxation base. On the other hand cooperatives must be recognized as providing unique possibilities to governments for channelling scarce public resources in relatively cost-effective manner.

Types of Cooperatives Organised (June 30, 1987)

No	KIND OF COOPERATIVE	NO. OF COOPERATIVES	NO. OF MEMBERS	CAPITAL (BIRR)*
1	Producers' cooperative	106	4,557	21,845,602
2	Producers' cooperative (unregistered)	54	1,856	4,425,518
3	Service cooperative	692	30,633	37,935,358
	TOTAL	852	37,046	64,206,478

*1US\$ = 2.07 Birr

Source: HASIDA

General features of Cooperative enterprises as at June 30, 1987

No	Kind of trade	Service cooperative			Producers cooperative			TOTAL		
		No. of coops	member-ship	Capital in Birr	no. of coops	member-ship	Capital in Birr	No. of coops	member-ship	Capital in Birr
1	Tailoring/garments	361	9340	23961467	84	3906	17716780	445	13246	41677947
2	Weaving	300	18299	12947074	5	247	616000	305	18546	13563074
3	Metal work	13	234	777925	3	118	913314	16	352	1691239
4	Pottery work	8	352	76754	-	-	-	8	352	76754
5	Wood work	14	224	848676	8	190	2294627	22	414	3143303
6	Leather work	3	50	35114	1	17	43488	4	67	78602
7	Gold and silver smithy	1	20	32729	2	22	54215	3	42	86944
8	Embroidery work	4	137	332827	-	-	-	4	137	332827
9	Knitting work	16	3094	2522196	-	-	-	16	3094	2522196
10	Carpet work	7	371	451676	-	-	-	7	371	451676
11	Shoe work	5	107	66012	-	-	-	5	107	66012
12	Garage/Technical Services	6	131	217432	1	21	102853	7	152	320285
13	Horn work	4	56	10265	-	-	-	4	56	10265
14	Bag and canvas work	1	47	62959	-	-	-	1	47	62959
15	Mattress work	1	11	8770	-	-	-	1	11	8770
16	Candy work	-	-	-	2	36	104625	2	36	104625
17	Packed food	1	10	5000	-	-	-	1	10	5000
18	Basketry	1	6	4000	-	-	-	1	6	4000
TOTAL		746	32489	42360876	106	4557	21845602	852	37046	64206478

Source: HASIDA

Number of handicrafts Cooperatives that benefited from auditing services from 1981-1987

Administrative Regions	1980	1981	1982	1983	1984	1985	1986	1987	TOTAL
Hararge	13	7	8	23	35	35	36	2	159
Arsi	2	6	13	19	28	32	34	35	169
Gamogofa	1	5	7	7	8	5	-	6	39
Illubabour	3	6	9	8	15	4	4	6	55
Wollo	19	13	26	43	36	34	17	24	212
Addis Ababa	32	18	34	42	40	35	39	55	295
Keffa	13	15	18	42	35	33	23	34	213
Eritrea	1	3	6	19	11	15	15	16	86
Wollega	1	4	7	10	2	8	10	11	53
Gojjam	12	8	13	24	27	14	19	21	138
Tigrai	4	10	6	9	6	5	8	1	49
Sidamo	10	10	13	17	33	24	25	33	165
Gondar	7	11	29	30	51	49	50	47	274
Shoa	13	10	11	29	25	25	25	55	193
Bale	8	4	9	15	16	15	15	16	98
TOTAL	139	130	209	337	368	333	320	362	2198

Source: HASIDA

Trainees who received skill upgrading courses from 1980/81 to 1986/87

Year	Wood work	carpet work	Weaving	Pottery	Gold and silver-smithy	Horn work	Bambo work	Tie & deying	Metal work	Leather craft	Tailoring
1980	12	35	40	11	-	7	19	6	-	-	-
1981	21	55	64	35	2	7	17	3	-	-	18
1982	8	39	27	-	-	-	24	-	-	-	-
1983	22	30	91	11	-	8	9	-	28	-	-
1984	12	18	147	-	5	2	15	-	18	-	-
1985	33	5	172	-	-	-	1	-	20	9	-
1986	31	10	175	-	-	1	1	-	8	-	-
1987	21	-	107	-	-	-	9	-	6	-	5
Sub-Total	150	192	823	57	7	25	95	9	80	9	23

TOTAL 1470

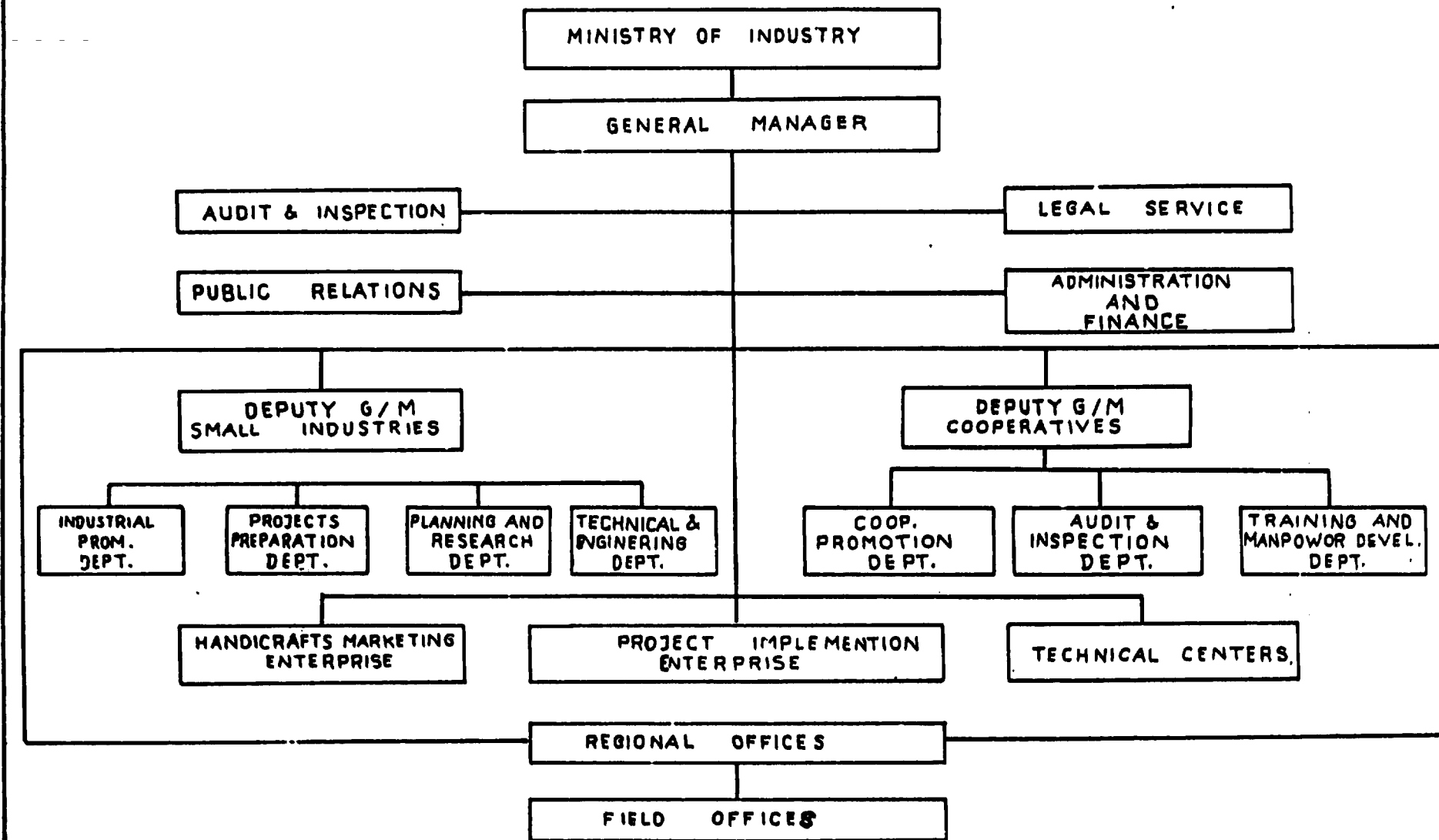
Source: HASIDA

Regional Distribution of private manufacturing establishments
(1984/85)

No	Administrative Regions	Number of Establishments by major Industrial Group											Total	Percentage %
		Food	Beverages	Textile	Leather	Wood	Printing & plastic	Chemical rubber & plastic	non-metallic minerals	Pre-fabricated metal products	Others			
1	Addis Ababa	630	4	1174	205	213	22	43	38	189	94	2612	33.99	
2	Asi	179	-	17	-	12	-	-	1	2	6	217	2.90	
3	Asseb	5	-	2	-	4	-	-	-	-	1	12	0.01	
4	Bale	111	-	5	-	3	-	-	-	-	2	121	1.57	
5	Eretirea	201	8	615	71	80	13	27	28	91	98	1232	16.10	
6	Gamugofa	78	-	17	-	1	-	-	1	-	-	97	1.26	
7	Gojam	318	-	17	2	13	-	-	2	9	7	368	4.80	
8	Gonder	225	-	43	-	6	-	-	1	3	10	288	3.75	
9	Haragrea	359	-	42	-	14	1	-	8	7	25	456	5.93	
10	Illubabor	115	-	7	-	4	-	-	-	-	-	126	1.64	
11	Keffa	161	-	37	-	10	-	-	1	5	5	219	2.85	
12	Shoa	791	-	49	1	24	-	5	5	33	25	933	12.14	
13	Sidamo	389	-	27	-	8	-	1	-	2	1	428	5.57	
14	Tigray	72	-	81	2	11	1	2	3	16	24	212	2.76	
15	Wellega	153	-	10	-	4	-	-	-	-	4	171	2.23	
16	Wollo	126	-	29	-	12	-	-	2	8	15	192	2.50	
Total # SSI		3913	12	2172	281	419	37	78	90	365	317	7684	--	
Employment		17752	376	7886	1405	3008	602	859	1010	2264	1594	36846	--	

Source: HASIDA

ORGANIZATIONAL CHART OF HASIDA



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