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THE POLITICAL ECONOMY OF COFFEE PRODUCTION, PROCESSING AND MARKETING IN GEDEO AND SIDAMA: LOCAL, NATIONAL AND GLOBAL DEVELOPMENTS (1941 TO 2010)

BY

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THE POLITICAL ECONOMY OF COFFEE PRODUCTION, PROCESSING AND MARKETING IN GEDEO AND SIDAMA: LOCAL, NATIONAL AND GLOBAL DEVELOPMENTS (1941 TO 2010)

BY

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Abstract

The Political Economy of Coffee Production, Processing and Marketing in Gedeo and Sidama: Local, National and Global Developments (1941 to 2010)

This dissertation, reconstructs the role that coffee played in multifaceted changes that took place in the two regions of southern Ethiopia, predominantly inhabited by the people of Gedeo and Sidama. The study covers a period of seven decades, starting from the middle of the twentieth century. Its central theme is interaction of people and governments in the coffee economy, and reaction of people and governments to local, national and global forces to man-made and natural circumstances. In the course of explaining continuity and change in relations and interactions of people and government in the coffee economy of the regions, which is the central thesis of this research, the following sub themes such as: how Ethiopia did not care about coffee at production level, coffee both its production and trade facilitated integration of these two regions to the Ethiopian State, the situation of coffee before 1974 that was dominated by non-indigenous settlers and after 1974 the local agency took the leading, how the Ethiopian and Gedeo and Sidama coffee industry suffered under the dictation of the world coffee market, imposition of coffee production on the local people and little benefit they got from it, and the nature of coffee production, processing and marketing (small-scale production at local level by local households, and large-scale production and processing by others such as the näfeṭäňňa, tekeläňňa, cooperatives and associations) were discussed in nine chapters of the dissertation as part and parcel of the main thesis that shows developments related to the coffee economy. To show interactions and reactions of peoples and governments, and to trace continuities and changes in the story, all sources (primary and secondary and written as well as oral) were utilized. Moreover, analyses were made to substantiate arguments and interpretations of various sources. After employing all sorts of sources, the study has come to display the following major findings. Owing to its becoming a pillar of the national export for long in the past, coffee had come to experience several reforms, which affected its production, processing and marketing and interaction of the stakeholders at various levels. Besides, the onerous and continuous prices fall in the world coffee market appeared to have been the source of all evil in the coffee industry, which provoked both governments of the country and coffee farmers of the two regions to react against coffee by responding to local, national and global dares to the coffee economy. This in turn became blessing in disguise for both Gedeo and Sidama coffee farmers and governments of the country to gradually diversify their farms and export menu respectively at the expense of coffee to maximize their income and minimize shocks that used to come from the world coffee market.

Key to System of Transliteration

I. The seven sounds of the Ethiopic alphabets are represented as follows:

1st - ለ - Lä 3rd – ሊ- Li 6th – ሌ - Le 7th - ሎ - Lo

2nd –ሉ - Lu 4th - ላ - La 5th - ል - Lē

II. Regarding the seventh form in the above list, it ought to be noted that the "e" will be suffixed to the letter only if the letter is vocalized or stressed. Otherwise it won't be required at all. As a general rule also the "e" is not required when the sixth form is the last letter of a word.

Example: - መምህር - *Mämher*

ብዕር - *Bedder*

ብር - *Geber*

III. Palatalized sounds are represented as follows:

ሸ - Sh ዠ - Zh

- Ch ጀ - J

IV. Glottalized sounds are represented as follows:

ሀ - q ጎ - ţ

- ç ገ - ñ

- p ፀ - ts

V. Gemination should always be indicated by doubling:

Example: ጸበተ - Käbbädä

ባር - *Gäbbar*

VI. General examples:

ተ ገ- Tänaññä ሺሻ - Shisha

አዛገ - *Azazh* ር ር - Çärçär

ቀላዕ - *Qäladh* ፅ - Tsiyon

ጴጥሮስ - Pēţros ርኅቤ - Chärnät

VII. For the Latin script used in the transliteration of the Sidama songs and proverbs the seven sounds are represented as follows:

1st - ለ - Le 3rd – ሊ - Lii 5th – ሌ - Lee

2nd – ሉ- Lu4th –ላ - La 6th – ሎ - Lo

VIII. Regarding the third and fifth form in the above list, it must be noted that the "i" and the "e" will be denoted only if the letters are stressed.

Example: - *Ccemeesa* (must be stressed).

IX. Palatalized sounds are represented as Follows:

ገ- ny

X. Glottalized sounds are represented as follows:

ጎ - x ቀ- q

ተ - dh - p

XI. General examples: -

Xaaliyugaashotee- the Italian rule

Qacha- village

Dhohii- exploded

N. B. It should be noted that Latin script is only used for the Sidama songs and proverbs quoted in the thesis. All the Sidama names, words and phrases in the text follow the manner of transliteration used for the Amharic names, words and phrases; as indicated in the above list (I-VI).

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Major Acronyms

ADLI----------Agricultural Development Led Industrialization

ATVET------- Agricultural Technical and Vocational Education Training

DAs---------- Development Assistants

EIPO----------Ethiopian Intellectual Property Office

ERP---------- Economic Reform Program

FTC---------- Farming Training Center

GIs---------- Geographical Indications

ICA----------International Coffee Associations

ICO----------International Coffee Organization

IK---------- Indigenous Knowledge

IPR----------Intellectual Property Rights

JVL---------- Joint Venture Law

LCDs----------Least Developed Countries

MIDGs--------Millennium Development Goals

MoARD------ Ministry of Agriculture and Rural Development

NALA--------- National Archives and Library Agency

PAs---------- Peasant Associations

PASDEP-------Plan for Accelerated and Sustainable Development to End Poverty

TK----------Traditional Knowledge

TNCs---- ------Transnational Coffee Corporations

T &V---------- Training and Visit

WMTRC----- WäldäMäsqäl Tarku Research Center

WTO---------- World Trade Organization

Part-I Introduction and Background

Chapter One

Introduction and Background

1.1 The Gedeo and Sidama Peoples and Their Land

Gedeo and Sidama were two *Awrajas* located in the former Sidamo Province of Ethiopia. At present they are two zones of the Southern Nations, Nationalities and Peoples State. These two areas are predominantly inhabited by the Gedeo and Sidama peoples. However, particularly in the towns, the majority of the inhabitants are migrants who have come to Gedeo and Sidama for various purposes. According to the 2010 census, the Sidama and the Gedeo peoples number 2,954,136 and 847,434 respectively.[1] As to land area coverage Sidama and Gedeo are 6,538.17 and 1,210.89 square kilometers respectively. Coffee grows largely in the middle lands of Shäbädino, Dalē, Alätawondo, Çuko, Bänsa and Darra in Sidama; and Wonago, Yirgachäffē and Fessehagänät (Kocherē) areas in Gedeo where the climate is moderate.[2]

The Gedeo and Sidama are part of the Cushitic speaking peoples of Ethiopia and the Horn who have lived in the region for centuries. The Gedeo consist of 7 clans or sub-groups: Doobba'a, Darashisha, Gorggorshisha, Hanuma, Bakarro, Henbba'a and Logoda while the Sidama consist of 13 clans or sub-groups that are descended from two ancestral forefathers namely, Bushē and

[1]Central Statistical Authority of the Federal Democratic Republic of Ethiopia (CSA), "The 2010 Population and Housing Census of Ethiopia Results for Southern Nations, Nationalities and Peoples' Region," *The Statistical Report on Population Size and Characteristics*, Volume 1, Part I (Addis Ababa: Central Statistical Authority, 2012), pp. 8-9.

[2]*Ibid.*

Maldea.[3] Nine of them: Malgē, Yanasē, Shäbädino, Asarado, Hollo, Aarbēgona, Harbē, Garbicho and Hadicho are descended from Bushē. The other four: Hawēla, Sawola, Qēwēna and Alata trace their origin back to Maldea.

Social landscapes of Gedeo and Sidama people and territories they are settled in currently have been shaped by three historical events since the sixteenth century; namely, the Wars between Chrsitan and Muslim forces, the latter under Imam Ahmed Ibin Ibrahim al-Gazi (Ahmed Grañ), the Oromo Population Movement, and the Ethiopian State expansion.[4] These were three historical events that caused the birth of three Sidama social divisions namely Yēmērēcho, Wolabicho and Hadicho. Initially, Muslim Warriors had weakened the dominant position that the Hadicho (Hoffa) Sidama used to exercise over other Sidama clans.[5] Later, the Oromo Population movement wiped-out the Hadicho supremacy and contributed to the birth of three social classes. They were, the Yēmērēcho (pro-Oromo and emerging elites Sidama group, inhabiting areas north of the Gidabo River); the Wolabicho who successfully resisted the Oromo incursion (inhabiting the land just south of the Gidabo River); and the Hadicho, the defeated and browbeaten Sidama group (occupying the corridor of land to the south of the Lagadara River).[6] Finally, the expansion of the Ethiopian State in the second half of the 1880s and 1890s helped the division to be more structured economically, politically and socially.[7]

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[3]Tadesse Kippie, *Five Thousand Years of Sustainability: A Case Study on Gedeo Land Use: Southern Ethiopia* (Heelsum, The Netherlands: Treenail Publishers, 2002), p.25; G.W.B. Huntingford, "The Sidama Peoples," in *History and Archaeology in Africa (*1955), pp. 127-128; and H. Straube, *The Hadicho Sidama* (Frankfurt: Frobenius Institute, 1989), p. 62.

[4]H. Straube, p. 64; U. Braukämper, *Islamic History and Culture in Southern Ethiopia* (Hamburg; LIT, 2002), p. 234; J. Spencer Trimingham, *Islam in Ethiopia* (London: Frank Press, 1952), p. 22; Huntingford, "The Sidama People," p. 130; Sidamo KefläHagär Isäpaako Komitē (COPWE), "*Yä Sidamo Behēräsäb*" (A type written Pamphlet available in Hawasa public library, Awasa, 1974 E.C), p. 10; and Waqäyo Tächebälē, "*Yä Sidama Hizebe Ametate*" (IES, MS No. 2382C, 1980 E.C), p. 8.

[5]*Ibid.*

[6]H. Straube (1989), pp. 33-34; Huntingford (1955), p. 130; and Tsehai BerhanSellasie, "The Life and Career of *Däjjazmach* Balcha Abanäfso," *Journal of Ethiopian Studies*, Vol. IX, No. 2 (1972), p. 88 (see also chapter two and three).

[7]Eike Haberland, "The Influence of Christian Ethiopian Empire on Southern Ethiopia," *Journal of Semitic Studies*, IX, I(1964), pp. 236-237; Ababu Aligaz Ali, "A History of Yergaläm Town and Its Environs from 1933 to 1974" (M.A. Thesis, History, AAU, 1995), p.19; and Almaw Kifle, "A History of the Sidama People 1889-1974" (M.A. Thesis, History, AAU, 2005), p. 34 (see Chapter 2&3).

After the sixteenth century, history of the Sidama people was largely characterized by protracted feuds of the above mentioned three social groups who used to fight for power and resources. The thirteen Sidama clans, clustered into the above three major social groups were unsuccessful in building a common defense against their adversaries and had become undemanding to outside forces.[8] Thus, they remained susceptible to intruders making incursions into their territory from 1889 onwards (see chapter 2).

Unlike the Sidama, the seven Gedeo clans who descended from a single ancestral forefather and lived under their traditional institutions are basically organized by age-groups. It was in 1895 that the Gedeo people were incorporated into the Ethiopian empire. Up to 1975, they were called Darassa and their land, Darassa *Awraja* (district) was one of the districts of the Sidamo *Ţäqlay Gezat* (province).[9] Eventually, in 1975 they were renamed Gedeo people and their land came to be known as Gedeo *Awraja*.[10] They are now one of the 56 ethnic groups clustered together to form the SNNPR under the new federal structure of the country.[11] Unlike the Sidama clans, the Gedeo experienced no extended internal strife, although they did have minor skirmishes that usually happen around grazing lands. They did not, therefore, have stratified social classes followed by economic and social marginalization.[12]

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[8]S. Stanley, "The Political System of Sidama," *Proceedings of the Third International Conference of Ethiopian Studies*, Vol. 3 (1970), p.2; John Hamer, *Human Development: Participation and Change Among the Sidama of Ethiopia* (Alabama; The University of Alabama Press, 1987), p.21; Ulrich Braukämper, *The Ethnogenesis of the Sidama* (London; School of Oriental and African Studies, 1977), pp.4-5; Tsehai BerhaneSilassie (1972), p 88; Ababu, p. 38; and Almaw, p. 71

[9]Central Statistical Office of the Imperial Ethiopia Government, *Report on the Sidamo Province* (Addis Ababa; *BerehaneneSälam* Printing Press, 1968), pp. 11-12; and Tadesse Kippie (2002), p. 18.

[10]National Archive and Library Agency (NALA here after), Folder No. 410, File No. 66/22/8, a letter written from the Provisional Military Government of Ethiopia to the fourteen Provinces of Ethiopia announcing changes made regarding the people of Gedeo and their land (1966 E.C.), pp. 2-3; and Tadesse Kippie (2002), p. 18.

[11]Tadesse Kippie (2002), p. 18; Mulugēta Gäzahēgn, "A History of Yirgachäffē Wäräda: 1934/35-1991" (M.A. History, AAU, 2011), p. 10; and Asebe Regassa, "Ethnicity and Inter-ethnic Relations: the 'Ethiopian Experiment' and the case of the Guji and Gedeo" (M. Phil, University of Tromsø, Norway, Indigenous Studies, 2007), pp. 23-24.

[12]Tsehai BerhaneSilassie (1972), p 88; Tsehai BerhaneSelassie,"The *Balabat* and the Coffee Diseases: Politics and Ritual in Darasa," in D.L. Donham and Wendy James, *Working Paper on Society and History in Imperial Ethiopia: The Southern Periphery from 1880s-1974* (Cambridge: African Studies Centre, 1980), pp. 202-203; W.C. McClellan, *State Transformation and National Integration: Gedeo and the Ethiopian Empire, 1895-1935* (East Lansing; Michigan State University, African Studies

As to their agro-ecology, both Gedeo and Sidama have three altitudinal and agro-ecological zones such as highlands, midlands and lowlands. The Gedeo call the highlands *subbo,* the midland *dhibata* and the lowland *riqata.* The Sidama call them *alicho* (highland), *gamojjē/wori'icho* (midland) and *halalla* (lowland) (see also the tables below).[13] As it will be shown in chapter two, in both Gedeo and Sidama the living styles of the people and their production practices have been directly related to the amount of rainfall and climatic conditions that the three agro-ecological zones experience throughout the year (see the following tables that show some features of the regions in detail).

Table I: Some Geographical Features of the Gedeo Zone

Agro-ecological & Altitudinal zones	**Altitude (*m. asl*)**	**Temperature (degrees Celsius)**	**Annual rainfall (millimeter)**	**Area in %**
Riiqata /qola (lowlands)	<1750	above 25	above 800	1.5
Dhiibata/ woinadäga (midlands)	1750 - 2500	minima 8.7 maxima 26.4	800 - 1000	83.3
Suubbo/däga (highlands)	>2500	less than 16	1000 - 1200	15.2

Source: Ethiopian Mapping Agency (1988), p.48

Table II: Some Geographical Features of the Sidama Zone

Agro-ecological & Altitudinal zones	**Altitude *(m. asl)***	**Temperature (degrees Celsius)**	**Annual rainfall (millimeter)**	**Area in %**
Halalla/ qola(lowlands)	<1,600	above 25	above 800	1.8
Gammojjē /wori'icho woinadäga(midlands)	1500 - 2500	minima 8.7 maxima 26.4	850 - 1500	88.2
Alicho /däga(highlands)	>2400	less than 16	1600 - 2000	10.0

Source: Ethiopian Mapping Agency (1988), p.49

Centre, 1988), p.80; and W. Charles McClellan, "Coffee in Centre-Periphery Relation: Gedeo in the Early Twentieth Century," Donald Donham and Wendy James (eds.), *The Southern Marches of Imperial Ethiopia* (Cambridge: Cambridge University Press, 1986), pp. 23-24.

[13]Central Statistical Authority, *Statistical Abstract* (Addis Ababa: BerhanenaSelam P.P., 1988), pp. 48-49.

The two regions display considerable similarity in vegetation cover and agricultural practices.[14] For example, as it is true in other *däga* (highland) areas of the country, the Gedeo and Sidama highlands are predominantly covered by timber, bamboo and *ensät(Ensete ventricosum)*. It is also an area where inhabitants produce cereals like barley. The *woinadäga* (midlands) are densely populated. Most of the fertile agricultural lands are located in this part of the agro-ecological zone. It is an area where the cultivation of *ensät*, wheat, *ṭeff* and other cereals is dominantly practiced. Coffee, *khat*, sugarcane and other fruits are largely produced in this part of the zone. This zone is the leading producer of coffee in the two regions. Finally, the *qola* (lowlands) is an area that receives rainfall only during *kerämet* and dominated by pastoral economy. It is also largely known for its maize production.[15]

1.2 Background of the Study and Statement of the Problem

Changes caused by coffee that are indispensible to understand the history of the two zones have hardly been studied. Thus, the study, "The Political Economy of Gedeo and Sidama Coffees: Local, National and International Developments (1941-2010)" is an economic, political, social, cultural and ecological history of the two zones that emphasizes the impact of coffee production, processing and marketing. It examines the coffee economy involving interactions of stakeholders like central and local governments, producers, merchants and others who participated in the sector and the parts which each played since 1941. It also assesses a whole set of political, economic, social, cultural and environmental changes related to the coffee industry in the two regions during the Imperial, the *Därg,* and the EPRDF periods. Finally, it shows the role of

[14]Mulugēta Gezahēgn, pp. 12-13; Tadesse Kippie (2002), p. 22; and Ababu, p. 14; and Almaw, p. 29.

[15]Southern Nation and Nationalities and Peoples Government Bureau of Planning and Economic Development, *A Socio-Economic Profile* (Awasa, January 2003), pp. 25-27; and Ethiopian Meteorological Service, *Meteorological Map of Ethiopia* (Addis Ababa: Bole Printing Press, 2003), pp. 25-27; and Kebede Tato, "Rainfall in Ethiopia," *Ethiopian Geographical Journal*, No.2 (1984), pp. 31-32.

coffee economy in affecting relationships of people with their environments and institutions in a manner that could help us widen the scope of our knowledge about Gedeo and Sidama.

The research focuses on the role of coffee in the interaction of people and governments on production, processing, and marketing of the crop since the 1940s. This is mainly because coffee was the largest export crop and pillar of the Ethiopian economy, whose production, processing and marketing have enormously affected every aspect of the major producing regions of the country. Similarly, the growing economic reliance of the country on coffee as its major foreign exchange earnings and the arrival of merchants aspiring to make more profit from the coffee sector, had forced central governments of Ethiopia to make strong interventions in the regions.

Moreover, it analyses the impact of coffee in Gedeo and Sidama because that derives from the fact that the two top specialty coffees of the country, i.e. Sidama and Yirgachäffē originate from there. The coffee trade-marking and licensing initiatives that were carried out by the country have also increased the trade value of the product. Ultimately, as compared to other coffee growing areas of the country, such as Jimma and Harar, the impact of coffee on the economic, political, social and cultural lives of the people and environments of the regions is significantly and notable.[16]

Particularly since 1941, coffee caused cultural changes and improvements in the living standards of the people as manifested in the feeding, dressing and dwelling styles of the people.[17] Many writers assert similarity of coffee-caused changes in all coffee growing areas; but it is discordant

[16]Frederick G. Meyer "Notes on Wild *Coffea arabica* from Southwestern Ethiopia, with Some Historical Considerations," *Economic Botany*, Vol. 19, No. 2 (1965), pp. 146-147; R. Love, "Political Economy of the Coffee Filière in Ethiopia" (Ph.D. Thesis, Institute for Politics and International Studies, University of Leeds, 2002), p.38; Ababu (1995), p.49; and Almaw (2005), p. 64. According to these writers, income from coffee has restructured social, cultural, political and economic and environmental situations of the two regions and caused improvements in the living standards of the people. For example feeding, dressing, dwelling, entertaining, and travelling stylus and methods have been dramatically changed as opposed to traditional ways that the Gedeo and Sidama people used to enjoy before the expansion of commercial coffee production, processing and trade.

[17]Almaw (2005), pp. 64 and 68.

with realities on the ground. This is because in the densely populated areas like Gedeo and Sidama, where competion for land and other resources is very tough, the impact of coffee was relatively more notable than some other coffee-growing areas of the country. Besides, in these two regions there were ethnic conflicts and border clashes carried out for cultural, social, economic and political reasons. Illicit coffee trade was the immediate cause of the outbreak of such conflicts; the conflicts disturbed the regions and affected the sector by causing migration of labor and capital away from the coffee industry shifts in the direction of trade routes etc.

The study also illustrates the power of coffee industry in affecting institutions, policies and the nature of relations that existed between governments of the country and people of the two regions. McClellan and some other writers[18] argue that the arrival of governors who aimed at boosting national revenues and of migrants aspiring for profits from the coffee business deeply affected the long-standing production relations and economic activities in the two regions. These developments increased the value of land, revolutionized the coffee industry, and stimulated other sectors to flourish more. The above works, which relate coffee trade with land transaction and population migration, are important benchmarks for my study of continuity and change in the regions by employing both secondary and primary sources.

Likewise, this dissertation shows the role of coffee in affecting the issue of land ownership, input supply, rate of urbanization and migration of labor and capital in Gedeo and Sidama. For instance, some studies and documents have indicated that internal and external factors caused migration of labor and capital into the regions.[19] They cited the commoditization of land as a

[18] McClellan (1986), pp. 23-24; Eike Haberland, (1964), pp. 236-237; Ababu (1995), p. 33; and Almaw (2005), p. 48.

[19] Y. Kodama, "The Role of the Auction System in Coffee Marketing in Ethiopia: An Arena for Competition and Price Formation Arranged by the Government," *Agricultural Marketing in Asia and Africa* (2003), pp. 176-177; Y. Kadoma, "New Role of Cooperatives in Ethiopia: the Case of Ethiopian Coffee Farmers Cooperatives," *African Study Monographs* (2007), pp. 98–99; Tadesse Kippie (2003), p.40; and J. Dempsey, *A Case Study of Institution Building & Value Chain Strengthening to Link*

notable internal factor aggravating migration. The growing demand for coffee land forced regional governors to find more vacant land by exploiting every option at their disposal thereby causing the eviction and migration of peasants. They also describe the consequences of the search for land and the fate of peasants living in coffee growing areas. The above works, which demonstrate outcomes of land alienation, are silent about supply and composition of labor specific to the regions. However they are helpful for my dissertation that looks at the case of labor in the two regions.

There are two divergent views on the outcome of cash-crop expansion. The first, which according to L. Grossman is the customary approach to economic growth, asserts that "...if a surplus of land and labor exists, the introduction of business activities will not be destructive to the traditional institutions."[20] The second, a cultural-ecological approach to economic growth developed by N. Osorio and J. Winid refers to a more complex process of change in human-environment relationships due to cash cropping.[21] My study follows the second approach because it helps to show the impact of coffee on local ecosystems, labor supply, the context and forms of cash expenditure and processes of cash earning as well as how local people adapt their cultural institutions to emerging political, economic, and social forces and structure. This is

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Ethiopian Cooperative Coffee Producers to International Markets (Addis Ababa: ACDI/VOCA, 2006), pp. 124-125. In this case both written and oral sources unanimously indicate consequences of the eviction caused by the hunt for coffee land. Accordingly, some of them were given lands as compensation and the rest received money in return for their land and became daily-laborers or traders or migrated to the nearby provinces searching for other alternatives. In this case migrations were both internal and external types (see also chapter three and four).

[20]Larry Grossman, "The Cultural Ecology of Economic Development," *Annals of the Association of American Geographers*, Vol. 71, No. 2 (1981), p.220.

[21]N. Osorio, *Technological Development in Coffee: Constraints Encountered by Producing Countries* (London: International Coffee Organization, 2002), pp.101-102; and Jadwiga Winid, "Monoculture of Coffee: Its Relation to the Geographical, Habitat and Its Role in the Economy of Ethiopia," *African Bulletin* (1969), p.133. Particularly, according to N. Ossori development and poverty implications of dependency on primary and especially agricultural commodity exports got attention in 2002 because coffee prices collapsed to their lowest point in real terms for 100 years. He also believes that even if the 'coffee crisis' is hardly visible from cafes like Starbucks in developed countries where the coffee business is booming, this dramatic decline in prices witnessed in the period between 2002-2004 caused problems in Gedeo, Sidama, Harar and Bale where coffee is a key source of export earnings and of farmers' incomes. Particularly, in Ethiopia it was the period of predicament, which increased vulnerability of farmers to suffer from hunger, migration, outbreak of epidemic and mass death.

because both cash earning and expenditure have a modifying impact on local/traditional institutions, even when surplus land and labor exist.

In the final analysis, as they developed into centers of interaction, production, processing and marketing of coffee Gedeo and Sidama attracted labor, capital and technology as well as attention central governments of the country who sought to intervene and direct their utilization and function.[22] They also caused shifts in the direction of trade routes and seats of governments followed by expansions of towns and infrastructure, increases in the diversity of commodities, improvements of income and quality of life. Problems like ethnic conflicts and border clashes have been complicated by illicit coffee trade which also affected state revenue and regional stability. However, these and many other coffee based interactions that are vital for understanding of the economic history of the country in general and the regions in particular have hardly been studied. Therefore, this dissertation brings to light coffee based interactions by studying the production, processing and marketing of coffee showing its economic, social, cultural and environmental impact on the two regions. To this end, the study addresses the following basic questions:

- To what extent did coffee transform the regions economically and socially?
- What kinds of business other than coffee trade expanded in the regions as a result of the coffee industry?
- What were the factors that limited the impact of the coffee sector on the economy and society of the two regions?

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[22]Deltev Kartsen, *The Economics of Handicrafts in Traditional Society: An Investigation in Sidamo and GamuGofa Provinces in Southern Ethiopia* (Evanston: SST, Press, 1974), p.26; Helmer Smeds, "The *Ensät* planting culture of Eastern Sidamo," *Journal of Economic Research*, Vol. 3, No.4 (1975), pp. 226-227; and W. Charles McClellan (1986), p. 25.

- Of the institutions, industries & services that expanded on account of coffee production, processing, and marketing which ones brought about improvements in the quality of life of the people?
- In what ways farmers in the regions different from those elsewhere in reacting to local, national and global situations related to the coffee sector?
- How did national policies and decisions as well as global situations affect stakeholders of of the coffee sector in these two regions?

1.3 Significance of the Study

"The political economy of coffee production, processing and marketing in Gedeo and Sidama has not been closely studied. There is no comprehensive knowledge on the topic in general and on the period under discussion in particular. Thus, this research calls attention to the history of coffee production, processing and marketing. More specifically, it tries to reconstruct the impact of coffee on economic, political, social and cultural developments in the country in general and in Gedeo and Sidama in particular. It tries to show change and continuity over the last seven decades and contribute to our understanding of the interplay between local, national and global forces and processes. It does so by employing the hitherto untapped sources.

Objectives of the Study

The study aims at narrating the impact of coffee production, processing and marketing on the people and environments of Gedeo and Sidama. Specifically it attempts to:

- trace the evolution of coffee production, processing and marketing starting from the 1940s onwards;

- examine cultural, social, political and economic changes caused by the production, processing and marketing of coffee;
- critically evaluate policies and other legal provisions pertaining to the coffee economy;
- analyze exports of coffee from the two regions to show its national significance;
- assess other coffee induced transformations over time; and
- scrutinize global situations affecting the coffee sector and their local implications.

1.4 Review of Related Literature

To date, it is hard to cite exactly when Ethiopians started to produce and export coffee. However some studies indicate the existence of coffee markets and trade routes in Ethiopia and the Horn, traversed by itinerant coffee merchants beginning from the second half of the ninth century.[23] Some other writers also cite 20th century as the period that marked the beginning of commercial coffee production and expansion of its markets in Ethiopia.[24] For example, Merid and McClellan argue that, since the first half of the 20th century, Ethiopia has come to practice extensive coffee cultivation, processing and trading under quite different economic and political conditions from the rest of Africa because the country did not come under European colonial rule.[25] Thus, the expansion of commercial coffee in Ethiopia was attributed more to world economic, political, cultural, scientific and technological pressures rather than colonial rule.[26]

As it will be explained in chapter two, the land measurement system employed by the imperial government of Ethiopia, which introduced *qälad* and *gasha* contributed a lot to the expansion of

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[23]Merid WoldeAregay, "The Early History of Ethiopia's Coffee Trade," *Journal of African History*, vol. 29 (1988), pp. 20-21; and Abdussamad H. Ahmad, "Priest Planters and Slavers of Zägé (Ethiopia), 1900-1935," *The International Journal of African Historical Studies*, Vol. 29, No. 3 (1997), pp. 549-550.

[24]Teketel HaileMariam, "The Production, Marketing and Economic Impact of Coffee in Ethiopia"(Ph.D. Dissertation, Sanford University, Food Research Institute, 1973), p.26; W. Charles McClellan (1986), p. 23; and Mark Prendergast, *Uncommon Grounds: The History of Coffee and How It Transformed Our World* (London: Texere, 2001), pp.63-64.

[25]Merid WoldeAregay (1988), pp. 20-21; and W. Charles McClellan (1986), p. 22.

[26]*Ibid.*

commercial coffee production.[27] According to Bahru, McClellan, Haberland and some others who wrote on the cases, it was on the basis of the *qälad* and *gasha* that "vacant" lands were identified and sold to entrepreneurs who wanted to invest in coffee. These sources are helpful to reconstruct the impact of coffee in Gedeo and Sidama, which are the focus of this research.

Writers like McClellan, Merid and others argue that, since its expansion coffee attracted interests of governors, itinerant merchants, and entrepreneurs from non-coffee growing areas of the country.[28] Owing to its role in maximizing the national revenue, coffee attracted the attention of central governments of the country to the coffee growing provinces. As a result, they issued coffee centered proclamations, provided facilities, dismissed disloyal officials and appointed loyal ones. Similarly, the changing needs and priorities of Ethiopian governments in the past forced economic structure of the regions to meet needs and demands of coffee production, processing and marketing. These in turn increased the number of economic migrants into the regions and greatly helped Gedeo and Sidama towns to develop urban features. In general, though the above works do not include the post 1974 developments, they give good insighe into background of coffee production in the regions.

In their critical works many scholars have tried to divide the expansion of coffee in Ethiopia in general and Gedeo and Sidama in particular into two phases, i.e., the pre-1930 phase and post-

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[27]Bahru Zewde, *A History of Modern Ethiopia: 1855-1991* 2nd ed. (Oxford: James Currey Ltd., 2002), p. 87; Bahru Zewde, "Economic Origin of the Absolutist State in Ethiopia (1916-1935)," *Society and History Seleceted Essays* (2008), p.108; W. Charles McClellan, "Perspectives on the *Naftenya-Gabbar* System: The Derasa of Ethiopia," *Africa*, 33 (1978), p. 49; W. Charles McClellan, "The Ethiopian Occupations of Northern Sidamo: Recruitment and Motivation" *Proceedings of Fifth International Conference of Ethiopian Studies*, Session B (1978), pp.181-182; Harold Marcus, "Some Reflections on the Development of Government and Taxation in Southern Ethiopia at the turn of the Century," *IV Congresso Internazionale di Studi Ethioipic*, I (1970), pp. 122-124; Eike Haberland, (1964), pp. 238-239; and Eike Haberland, "Notes on the History of the Southern Ethiopian Peoples," *Colloque International sur les languages couchitiques et les Peoples Qui les parlent*, vol. 3, No.2 (1975), pp. 40-41.

[28]Merid WoldeAregay (1988), pp. 20-21; and W. Charles McClellan (1986), p. 20. Tsehai BerhanSellasie (1972), p. 12; Teketel (1973), p. 9; and Guluma Gemeda, "Land, Agriculture and Society in the Gibe Region: Southwestern Ethiopia, C. 1850-1974" (PhD. Dissertation, Michigan State University, Department of History, 1996), pp. 93-95.

1930 phase.[29] The pre-1930 coffee production and trade was very traditional, which means the system of farming was primitive, the processing method was archaic and the trade was entirely dominated by long distance caravan traders. They also argue that, in this period, the central government of the country suffered from financial insecurities that resulted from the decline of ivory and slave trade. Consequently, it encouraged extensive coffee production.

The above writers further explain that, the most important period for coffee production and trade was the second phase (the post-1930 period). The period marked a boom in coffee production and expansion of markets.[30] As I will show in chapter two, this process was mediated the Italians and three successive governments of Ethiopia (the imperial, the *Därg* and the EPRDF). Each of them offered facilities and supports to promote investment. In this phase, both national and global factors, like extensive road building, provision of better facilities, founding of national and international organizations etc. played their part in increasing coffee production and expanding its markets.

McClellan and Giel described coffee in pre-1974 Gedeo and Sidama as a source of hostile relations between governors and peoples of the regions.[31] Despite their generality, these works

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[29]Raffaele Ciferri, "The History of Ethiopian Coffee," *African Bulletin*, X (1969), p. 91; Merid WoldeAregay (1988), pp. 21-22; W. Charles McClellan (1986), p. 29-30; W. Charles McClellan (1988), pp. 50-51; W. Charles McClellan, "Articulating Economic Modernization and National Integration at the Periphery: Addis Ababa and Sidamo's Provincial Centers," *African Studies Review* Vol. 33, No. 1 (1990), pp. 45-46; Richard Giel, "The Plight of the Daily Labourer in the Coffee Growing Provinces of Ethiopia," *Journal of Tropical and Geographical Medicine*, XIX(1967), pp. 57-58; and Z. Siemienski,"Impacts of the Coffee Boom on Ethiopia," *Middle East Journal*, IX(1955), pp. 69-70. They unanimously agree on the fact that the introduction of modern coffee farms in Ethiopia was attributed to the Belgian and French Societies, who were engaged in the study of geology, botany and zoology in 1906. They also argue that the introduction of modern coffee farms, which was different from the forest coffee, inflicted adverse effects on the socio-political, cultural and economic settings of the regions; for instance, the process of discovering more coffee land for sale reduced the land to a commercial item and seriously threatened the four traditional landholding systems of the country: private, commercial, government, and Church landholdings. Hence, a series of appeals by churches and other landowners were made against the incessant land dispossessions by higher officials of the regions. They further note that the pre-1930s coffee production was motivated by the rapid depletion of elephant population and related decline of ivory export; decline of the slave trade; power contest among the ruling groups; and rewarding the veteran warriors of Adwa by appointing them in lucrative areas. Hence, the production of coffee in the pre-1930s was insignificant and was left for the veteran warriors of Adwa and local investors who had only negligible capital and facilities.

[30]*Ibid.*

[31]McClellan "Perspectives on the *Naftenya-Gabbar* System...," p. 49; McClellan (1986), p. 29-30; McClellan (1988), pp. 50-51; McClellan (1990), pp. 45-46; R. Giel, p. 60; and Z. Siemienski, p. 73.

are very important contributions to this dissertation. They provide ideas with which to examine coffee based interactions of peoples and government officials in the two regions critically.

In rural areas, production systems are complex and producers are heterogeneous in their asset endowments and access to input and output markets. Thus, farmers react in many ways to coffee market opportunities and derive diverse benefits from participating, which indicate the potential heterogeneity of market impacts. B. Daviron and S. Ponte suggest that, as far as a large participation of people in the coffee trade and positive linkages to other businesses exist, the role of coffee market in poverty reduction can be very significant.[32] Similarly, N. Okello has tried to shed light on the role of coffee by studying its production, processing and marketing in developing countries. He argues that, households participating in the coffee sector can have relative advantage of making more money than other farmers and earn relatively better income, purchase more food for their families, send their children to school, budget for medical and health services etc.[33] Finally, he shows spillover effects, which can result when coffee enables the household to obtain new resources that would not otherwise be accessible. The above works that summarize comparative advantages of coffee farmers are important because they help my study to look at the production, processing and marketing of Gedeo and Sidama coffees in detail.

In Gedeo and Sidama, coffee was a source of hostile relation, which existed among the *näfṭäññа, tekeläññа/wärwari* and lately coming business groups. As will be shown in chapter two, the *näfṭäññа,* who failed to respect the restored emperor and his government were unable to have good relation with newly appointed governors of the regions.[34] This uneasy relation was further

[32]B. Daviron, & S. Ponte, *The Coffee Paradox: Global Markets, Commodity Trade and the Elusive Promise of Development* (London: Zed Books, 2002), p. 156.

[33]N. Okello, *Comparative Advantages of the Coffee Economy in Africa* (Berlin: Springer-verlag, 2010), pp. 31-32.

[34]Harold G. Marcus (1970), pp.34-35; McClellan (1978), p. 63; W .C. McClellan (1986), p. 26; McClellan (1988), pp. 50-51; McClellan(1990), pp. 40-41; and Eike Haberland (1964), pp. 236-237; Ababu Aligaz (2002) pp. 43-44; and Almaw

escalated by measures of *tekeläññа/wärwari* who used to manipulate land reforms of the period for their personal ends to become emergent elite of the regions, replacing the *näfṭäññа* in power and economy.[35] This situation created opportunities for *tekeläññа/wärwari* to secure best privileges that helped them to take over both economic and political power in the regions and become friendlier with key officials at all levels. The writers also showed how coffee industry spoiled long-standing relations that existed among migrants, provincial governors and central governments. Finally, McClellan has applied a theory of state expansion to validate his argument equating expansion of Ethiopian state to Gedeo and Sidama with colonialism, which politicized the role of coffee in the regions. In general, despite their becoming very general, the works are important to assess the role of coffee industry in the two regions and demonstrate continuity and change attributed to the sector.

Some sources indicate that ambition of governors (at a lower level of the power hierarchy) to be promoted or decorated also caused incessant feud between the former and late comers of the regions. Sometimes feuds had become very serious to the extent of marginalizing one against the other, which resulted in inflicting an adverse effect on the coffee economy of the two regions.[36] For example, soon after 1941, the *näfṭäññа* group (soldiers of Emperor Menilek II) started to suffer from economic and political segregations run by *tekeläññas*, who were rushing to impress their immediate bosses and benefit from the system. Such acts of segregating *näfṭäññas* included dispossessing their private holdings under the pretext of realizing new land reforms. Similarly,

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(2005), p.38. As sources show, *Näfṭäññа* refers to those who moved to the region during Emperor Menilek II. Sources also indicate that the later comers were called *tekeläññа,* governor of the restored imperial regime and *worwari* were mobile forces who used to move with their respective bosses whenever they moved to new regions. Finally, they unanimously agree that newly migrated business group consisted of largely civilians who moved to the region in the post 1941 and interested to benefit from their investments than involving in politics (see also chapter two).

[35]*Ibid.*

[36]McClellan (1980), p.76; McClellan (1986), p.33; McClellan(1990), pp. 40-41; Girma Kebbede, "State Capitalism and Development: The Case of Ethiopia," *The Journal of Developing Areas*, Vol. 22, No. 1 (1987), p. 18; and Guluma Gemeda (1996), p. 96 (for further details see chapter tow and three).

tekeläññas (governing elites of the 1940s and 1950s) were steadily displaced by emerging elites of the 1960s with better education, support and protection to realize government policies and control the regions effectively. In both cases, there were changes in ownership of coffee farms, which in one way or another affected coffee production, processing and marketing in the regions.

During the *Därg* regime, coffee farms were nationalized and remained under strict control of the Peasant Associations. Some writers indicate that, such reforms exposed coffee plants to devastation and the product for illicit trading and misusing due to lack of market to sell, which resulted in disturbing other economic sectors of the regions.[37] Though, some of these works are sketchy where information gap was filled in by analysis made merely on anecdotal evidence, they give insights about the status of coffee during the *Därg* and are helpful to show continuity and change that attributed to coffees of the two regions.

Furthermore the above writers tried to show how coffee was used as a means to defy rules during the three successive regimes (Imperial, *Därg* and EPRDF) of the country since 1941.[38] The process of searching for 'vacant' land through the *gasha* and *qälad* systems; and nationalizing rural land through 'land to the tiller' forced migrants to confine themselves to the nearby towns and join the coffee trade and other economic sectors instead of coffee cultivation. Above all, those who lost their coffee gardens became major actors of both formal and illicit coffee trade. In this case, the illicit markets that defied government authority and reduced its income were places where smugglers used informal rules to challenge regional governors, which caused the reign of

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[37]Wolassa Lawisso, "The Pre-1991 Socio-economic Condition in Sidama: An overview," (A paper Presented on the Sidama Development Corporation, June, Hawasa,1999), pp. 29-30; John Hamer and Irene Hamer, "Impact of a Cash Economy on Complementary Gender Relations among the Sadama of Ethiopia," *Anthropological Quarterly*, Vol. 67, No. 4 (1994), pp. 190-191; S. Dercon and Lemma Ayalew, " Smuggling and Supply Response: Coffee in Ethiopia," *World Development*, Vol. 23, No. 6 (1995), pp. 91-92; and Stein Holden and Hailu Yohannes, "Land Redistribution, Tenure Insecurity, and Intensity of Production: A Study of Farm Households in Southern Ethiopia," *Land Economics*, Vol. 78, No. 4(2002), pp. 580-581. They commonly explain that economic and political contests enjoyed by local Geode and Sidama people and migrants got very tough since the 1940s and caused several changes that notably affected every activity of the two regions.

[38]*Ibid.*

chaos affecting coffee sector. As writers explain, to discharge their duty of caring for fair trade, governors reacted against such market manipulations and illicit trade enjoyed by smugglers, who were desperate to reclaim their coffee lands located in the outskirt of each town of the two regions.[39] In general, though, they look very general the above works of Marcus, McClellan, Girma, and J. Hamer, which show origin and nature of relationships between government officials and smugglers in illicit markets of the regions, are important inputs for my research.

Moreover, R. Ciferri, J.M. Talbot, Y. Kodama and C. Kummer applied market theory to show the extent to which the growing coffee production and its dominance as a major export item helped markets to flourish in the two regions and strengthened their link with the network of national trade.[40] They indicated that since the first decade of the twentieth century, the coffee of "Sidamo" has become one of the necessary items both for domestic and foreign markets. These writers also indicated the expansion of coffee production and increase in the volume of its export and related growth of the national revenue. Even if, the theoretical analysis that writers applied seems an imposition, which does not fit with some realities in Gedeo and Sidama, the above works that show the evolution of commercial coffee industry in the two regions are helpful for this research, which assesses political economy of coffee in the two regions from1941 to 2010.

Coffee industry has brought substantial changes in the population composition of the regions. In relation to this, some writers explain that coffee production, processing and marketing increased cultural and linguistic diversities that favored blossoming of smooth interactions and harmonious

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[39] *Ibid.*

[40] Raffaele Ciferri, "The History of Ethiopian Coffee," p. 87; J. M. Talbot, "Where Does Your Coffee Dollar Go? The Division of Income and Surplus along the Coffee Commodity Chain," *Studies in Comparative International Development*, 32, 1 (1997), pp. 70–71; Corby Kummer, *The Joy of Coffee: the Essential Guide to Buying, Brewing, and Enjoying* (Boston: Houghton, 2003), pp. 22-23; and Y. Kodama (2003), p. 15.

life among people of the regions.[41] Such works are important because they show the role of coffee economy in abridging animosity among the neighboring ethnic groups, reducing the frequency of conflicts, favoring the formation of *jaalla* (trade partnership), and stimulating the opening of new routes traversing the regions. They also show the role of coffee trade in increasing the number of pedestrian trade routes connecting the regions, which enhanced expansion of illicit trade and growth of towns. Despite their generality the works of Akalou, J. Haer and McClellan that made efforts to show contributions of Gedeo and Sidama coffees are important sources for my research to show manifold impacts of coffee in the two regions.

Writers like Mesfin W/Mariam, McClellan and C. Kummer further described the role of coffee trade in stimulating expansion of towns, schools, industries, hotels, institutions, construction activities etc.[42] They all argue that it was the expanding coffee production, processing and marketing that helped infrastructure and other sectors of the regions to expand sizably. They also state that as time went on, the growing role of coffee in generating revenue both from domestic and the world market attracted the attention of governments after 1941. Thus, governments were highly interested in dragging coffee trade northwards to the center of the empire, instead of leaving it to drain into the neighboring countries. Finally, they indicate the role of income from coffee sector in expanding schools and education.[43] In their works the above writers have made

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[41]Akalou Wolde Michael, "Urban Development in Ethiopia (1889-1925), Early Phase," *Journal of Ethiopian Studies*, Vol., XI, No., 1 (1973), p. 233; Rita Pankhurst, "The Coffee Ceremony and the History of Coffee Consumption in Ethiopia," *Ethiopia Broader Perspective: Papers of the XIIIth International Conference of Ethiopian Studies,* Vol. II, (1997), pp. 525–526; John Hamer and Irene Hamer, "Impact of a Cash Economy…," (1994), pp. 197-198; W .C. McClellan (1986), p.28; Demeke Tilahun, "Performance of Coffee Marketing Co-operatives and Members' Satisfaction in Dale District: SNNPRS-Southern Ethiopia" (M.Sc. Thesis, Haramaya University, Agricultural Marketing, 2007), pp. 33-34;and Takamasa Akiyama *et. al.*, "The Impact of the International Coffee Agreement on Producing Countries," *World Bank Economic Review,* 4, 1 (1990), pp. 167–168; and R. Love (2002), p. 15.

[42]Mesfin Wolde Mariam, "Some Aspects of Urbanization in Ethiopia," *Ethiopian Geographic Journal*, vol. III, No., 2 (1965), p. 55; Birhanu Girma *Economics of the Ethiopian Coffee Industry* (Addis Ababa: Bole Printing Press,1989), p.10;W.C.McClellan (1986), p. 22; Corby Kummer (2003), p. 67; and Marian Radetzki, *A Handbook of Primary Commodities in the Global Economy* (Cambridge: Cambridge University Press, 2008), p. 13;

[43]*Ibid.*

impressive analysis that could help this dissertation to benefit a lot and in terms of analyzing the impact of Gedeo and Sidama coffees.

The growing coffee production, processing and marketing attracted a large amount of capital that resulted in expanding other business sectors. To explain this, writers like J. de Graaf, Bates and some others have applied demand, supply and income elasticity.[44] Accordingly, those with small capital failed to stand against competitions in the coffee sector were forced to look for other investment options, which helped other business to flourish in the two regions. In line with the above expansion of other businesses, credit associations and boards were formed to facilitate commercial interactions and sustain profits.[45] The above writers also indicated the role of government in purchasing coffee formally. However, they ignored informal money markets like loans that farmers usually received from their relatives, nearby merchants, middlemen etc. that embarked upon extortionate and inconsiderate money lending. This is because informal money markets largely used to fail to consider productivity of the land, irregular coffee price, coffee disease and the rising rate of interest. In general, the above works that show the role of coffee in attracting capital and motivating other business activities are important sources that could help this research to show the role of informal money lending business in affecting the coffee sector in Gedeo and Sidama.

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[44] J. de Graaf, *The Economics of Coffee* (Wageningen: Wageningen University Press, 1986), pp 35-36; M. Christopher Bacon, "Confronting the Coffee Crisis: Can Fair Trade, Organic, and Specialty Coffees Reduce Small-Scale Farmer Vulnerability in Northern Nicaragua?," *World Development* (2005), pp. 500-501; J. Baffes, *et al.*, "Coffee: Market Setting and Policies," in M.A. Aksoy & J.C. Beghin (eds.), *Global Agricultural Trade and Developing Countries* (Washington, D.C: World Bank, 2004), pp. 299-300; Robert H. Bates, *Open-Economy Politics: The Political Economy of the World Coffee Trade* (Princeton: Princeton University Press, 1997), p.321; and Matewos Dangiso, "Credit and Saving Schemes as a Vehicle for Women's Empowerment: A Case Study from Sidama" (M.A Thesis, Development Studies, Dublin University, Ireland, 1999), p.10.

[45] *Ibid.*

1.5 Conceptual Framework of the study

This study is organized around the approach called political economy, which is found relevant to explain coffee production, processing and marketing of Gedeo and Sidama coffees from 1941 to 2010. It is also helpful to explain the role of local, national and global factors both negatively and positively affected the coffee industry of the two regions and reaction of peoples and governments in line with local, national and global circumstance both to maximize income and mange crises resulted from the sector. It is a study that deals with political economy coffee in Gedeo and Sidama from 1941 to 2010. As the name "political economy" suggests, it emphasizes connections between organization of coffee economy and conducts of people and governments in the sector.

However, like any other works of the same title, its primary focus is upon the calculation of self-interest in the everyday business of life and upon the functioning of the coffee economy itself. The science of political conomy rests upon some major ideas of in fact simple characters, where utility, wealth, value, commodity, labor, land and capital, are elements of the subject.[46] However, recently some writers argue that the concept of political economy is liberated from traditional approaches to explain supply and demand. This is because because it has been revised to widen its scope to integrate issues (political, economic, social, cultural, ecological ect.), differences (ethnic, gender and religions etc.), interests and relations to explain subsequent changes to the extent of showing agreement and discomforts of a given society.[47] Further they put it:

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[46]C. Leys, *Market Driven Politics As Some Aspects of Political Economy* (London: Verso, 2001), p. 30.
[47]Michael Albert *et al*, *Economics and Liberating Theory* (London: South End Press, 2001) p. 1

> *Unlike mainstream economists, political economists have always tried to situate the study of economics within the broader project of understanding how society functions. However, during the second half of the twentieth century dissatisfaction with the traditional political economy theory of social change known as historical materialism increased to the point where many modern political economists and social activists no longer espouse it, and most who still call themselves historical materialists have modified their theory considerably to accommodate insights about the importance of gender relations, race relations, and the "human factor" in understanding social stability and social change. Liberating theory; thus, attempts to transcend historical materialism without throwing out the baby with the bath water. It incorporates insights from feminism, national liberation and antiracist movements, and anarchism, as well as from mainstream psychology, sociology, and evolutionary biology where useful. It also attempts to understand relationships between economic, political, kinship and cultural activities, and the forces behind social stability and social change, in a way that neither over nor underestimates the importance of economic dynamics, and neither over nor underestimates the importance of human agency compared to social forces.*[48]

Therefore, the approach of political economy is applied here to meet the domain and the range of this particular study, which deals with the coffee economy of the two regions. This is because it helps to explain multifaceted interaction of people with people, and people with governments in coffee production, processing, marketing and impacts of such interaction both on the people and environments of the two regions from 1941 to 2010.

Furthermore, the expansion of Ethiopian state to Gedeo and Sidama beginning from 1889 was both politically and economically motivated. The conquest which was a move to exercise political power over the people of Gedeo and Sidama; but on the other hand, it had an economic motive of exploiting resources.[49] It was a move to control the lucrative long-distance trade and trade routes of Southern Ethiopia.[50] The territorial expansion also sought to provide extensive settlement areas for population of northern Ethiopia, where congestion of *rist* land had reached a critical point even before the commencement of the territorial expansion.[51] It was thus the combination of political, economic and social motives that triggered the conquest and incorporation of the late nineteenth century Gedeo and Sidama.

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[48] *Ibid.*

[49] McClellan (1978), p. 44.

[50] Bahru Zewde (2002), p. 6.

[51] *Ibid*, p. 87; McClellan (1978), p. 44; and Benti Getahun, pp. 13-14.

Therefore, introduction and gradual expansion of commercial coffee industry in these two regions was part and parcel of the economic interest of Ethiopian governments since 1941 to maximize national revenue for export, items like coffee. Just like other countries of Sub-Saharan Africa such developments attracted governments of the country to intervene directly by enacting laws that could govern the relation of people with people and people with governments over production, processing and marketing of coffee.[52] Thus, the approach of political economy, which is found relevant to explain the coffee economy is applied not only to explain the industry but also to show interactions, related development and subsequent changes in the two regions.

1.6 Methodology and Design of the Study

The dissertation has six parts and nine chapters. The first chapter (under part I) presents the people and the land. The four chapters (2, 3, 4 and 5) of part II deal with administration systems and origin of commercial coffee production, processing and marketing. They also show the evolution, structural organization and major participants of the coffee trade. They indicate how commercial coffee evolved and what circumstances helped it to be more significant, how its production, processing and marketing structures functioned and what governed them (legal provisions enacted to govern the coffee sector), who were major producers, processors and traders, what determined their composition and how did both the local people and settlers react to the existing situations and opportunities throughout the tenure of the three regimes of the country. In general, these three chapters of part II help to familiar with divergent views circulating among scholars on their approach in dealing with the coffee industry.

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[52]Julian Clarke,"Households and the Political Economy of Small-Scale Cash Crop Production in South-Western Nigeria" *Africa: Journal of the International African Institute*, Vol. 51, No. 4 (1981), pp. 812-813; Michael L. Ross, "The Political Economy of the Resource Curse," *World Politics*, Vol. 51, No. 2 (Jan., 1999), pp. 295-306; and Jennifer L. Beard, *The Political Economy of Desire* (New York: Routledge-Cavendish, 2007); David G. Victor and Thomas C. Heller, *The Political Economy of Power Sector Reform* (Cambridge: Cambridge University Press, 2007).

Part III, consists of chapter six that deals with structure, function and actors of coffee markets in Gedeo and Sidama. Part IV contains chapter seven, which treat coffee caused local development. Part V of the dissertation consistes of chapter eight which deals with challenges of coffee industry at local level. Finally part VI of the dissertation, consisted of chapter nine which presents, national developments and global situations related to coffee. In general, in Part IV, V and VI the narrative focuses on coffee caused developments, some major factors (threats) that have limited the role of coffee in bringing more changes, global controversy over Gedeo and Sidama coffees and its long run local and nation implications, and the role of the world market and some international organizations and donors in settling coffee crises of the two regions. In each chapter of the study primary sources like archival documents (letters, minutes, reports, photographs…), and memoirs are utilized. Moreover, oral information collected from informants consisting of farmers, traders, laborers, governors, civil servants etc. is used to look into and investigate developments that show continuity and change overtime. Finally, like any other research, this dissertation is both a narrative and analytical work based on chronological and thematic approaches to elucidate impacts of coffee and describe what happened with respect to variables indicating changes.

In general, even if each method of data collection has its own strengths and drawbacks, in this study that critically assesses changes and continuity, the following data collecting tools are believed to be apt and one that compensates weaknesses inherent in the other. Thus, data collection methods that were used in the field work are: critical document analysis (inspection of legal documents and reports about coffee); interview (a one–on-one, directed conversation with an individual and focus group discussions); field trips to observe critically, and investigate the impact of coffee; and employing approaches to explain changes unique to the cash-crop growing areas.

PART II- Cases of Administration, Land, Labor, Wage, Gender and Technology in the Coffee Sector

Chapter Two

Administration and Land Tenure Systems in Gedeo and Sidama

2.1 Administration

2.1.1 Customary Administration of Gedeo and Sidama before the Conquest

This emphasizes continuity and change in the relation and interaction of people and government in the coffee industry of Gedeo and Sidama. Thus, this chapter looks at cases of land and administration systems of the two people. Historical records show that both the people of Gedeo and Sidama, who belonged to the highland Cushitic language speaking group and experienced various developments that affected their political, economic, social and cultural lives since their arrival in the region. As mentioned in chapter one, the three most important historical events with lasting effect on the entire developments of the two peoples were the Wars of Ahmed Ibn Ibrahim Al Ghazi (*Graňň*), the Oromo population movement and the Ethiopian state expansion. Of these, the most preponderant in changing social, cultural, political and economic lives of the people was the conquest by King Menilek of Shäwa (1865-1889) and later Emperor of Ethiopia (1889-1913) in the 1880s and 1890s. Before the Shäwan conquest, the people of Gedeo and Sidama practiced their traditional institutions and customary laws which will be summarized.

Every society has its own means of sustaining societal values along with their formal and informal methods of executing them; if not, survival of societies would be unlikely. For instance, like their Guji and Sidama neighbors, the Gedeo people used to practice traditional institution called *ballē*.[1]

[1]T. John Hinnant, "The *Gada* as a Ritual System," P.T.W .Baxter and Uri Almagor (eds.), *Age, Generation and Time* (London: C. Hurst and Company, 1978), pp. 28-29; K. Wedekind (1980), p. 14; J. Hammer, *Myth and the Authority of Elders in Ethiopian Society* (London: African Studies, 1967), p. 31; Demissie (1988), p. 10; Tadesse K. (2002), p.8; and Tadesse K. *et. al.* (2008), p. 10; and Informants: *Ato* Uko Matti and *Ato* Jarso Wario. Particularly oral source shows the difference existed between the Gedeo balle and the Guji gada. For example, it states that the Gedeo have only one central leadership, *abba gada* while each

Even if both outsiders and Gedeo themselves associate it with the *gada* system, *ballē* was a little different from the Guji *gada* and the Sidama *luwa*.[2] In spite of the disparity, it was quite normal to use the terms *gada* and *ballē* interchangeably. *Ballē* was a source of both secular and religious leadership in Gedeo, whose structure required each male member of the society to pass through nine grades, such as *Qadado, Siida, Lumaasa, Raabba, Luba, Yuuba, Guduro, Qulullo* and *Çēwwajjē* each at interval of eight years from childhood to old age.[3] Just like the Oromo *gada* and Sidama *luwa* each grade *of ballē* lasted for eight years; and activities and social responsibilities of each grade were clearly defined both in terms of what was allowed and not.[4]

At the top of the ladder there was the *ya'a* council, the highest authority in the *ballē* structure, which used to elect all *ballē* officials accountable to it; and made decisions to which even the *abba gada* was accountable.[5] It was also a council mandated to organize a village assembly called *songo,* mediate disputes, declare wars on enemy incursions, and to initiate a wider inter-group cooperation if necessary.[6] Next to *ya'a c*ouncil there was an *abba gada,* head of the whole Gedeo community. Prerogatives reserved to him include seeing cases referred to him and his council if decisions failed to be reached at lower levels, leading prayers and presenting sacrifices.[7] For example, whenever squabbles happened between clans or if there was a conflict with any outsider groups,

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Guji-Oromo group has separate *Abba gada*. This implies that there is a kind of centralization in the Gedeo *gada* system regarding the *abba gada* leadership, which is different from decentralization of traditional administration practical among the Guji-Oromo.

[2]Asmerom Legesse, *Gada: The Three Approaches to the Study of African Societies* (New York: The Free Press, 1973), pp. 41-42; and T. J. Hinnant, pp. 30-31; Tadesse Kipe (2002), p. 20; and Informants: *Ato* Uko Matti and *Ato* Jarso Wario.

[3]Tadesse K. *et. al.* (2008), pp. 24-25; McClellan (1988), p. 33; McClellan (1978), p.519; Assebe (2007), p.20; and Berehanu (1999), p. 10; and Informants: *Ato* Uko Matti and *Ato* Jarso Wario. According to oral sources, owing to the long established social, cultural and economic relationship that the Gedeo people were able to establish with the Guji-Oromo they preferred to move towards Guji than Sidama.

[4]Assebe (2007), p.20; and Berehanu (1999), p. 10; and Informants: *Ato* Uko Matti and *Ato* Jarso Wario.

[5]*Ibid.*

[6]McClellan (1988), p. 28; McClellan (1978), p.430; Tadesse Briso (1988), p. 21; Assebe (2007), p.20; and Tadesse K. (2002), p.8; Jarso Waktola, " Dynamics of the Guji-Gedeo Relation: From Legal Point of View" (LLM, School of Law, Melbourne University, Australia, 2009), pp. 41-42; and Informants: *Ato* Uko Matti and *Ato* Jarso Wario

[76]McClellan (1988), p. 28; and McClellan (1978), p.430.

he was the first to organize peace deals. In general, in his office term of eight years the *abba gada* was mandated to give political, social and spiritual leadership to the entire Gedeo community.[8]

Next to *abba gada* is the *ja'llabba* (the assistant of *abba gada)* who receives instructions from *abba gada* and conveys to the officials under him.[9] *Roga* was another administrative rank in *ballē* below the *ja'llaba* office.[10] It consisted of heads of three village *songos* called *Subbo Roga*, *Dhibata Roga* and *Riqata Roga*. In Gedeo, the *roga songo* was the last stage of appeal for social, economic and other matters. Only issues concerning the entire Gedeo society reached the *abba gada*.[11]

In the hierarchy of *ballē* system, *ja'lqabba* occupied the fifth place as an assistant to the *roga*.[12] He used to receive orders from *roga* and communicate to authorities beneath him. Finally, at the grassroots level (clan and *käbälē* levels) there were three important offices namely *hullati-haitcha, batētti-haitcha and muricha.*[13] *Hullati- haitcha* was a clan chief in Godeo. As directly accountable to *hullati-haitcha, batētti-haitcha* discharged the duty of supervising daily activities of the community through his agaents. Basically, *batētti-haitcha* was a local administrator at the lower (*käbälē*) level assisted by *dabbalē* (local agents), who were numerous at a village level.[14]

Finally, *murra* was the foundation of *ballē* system, which had social and administrative responsibilities to realize decisions at household level.[15] According to informants, he was liable

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[8] *Ibid.*

[9] *Ibid.* According to them, just like the Gedeo in the case of Sidama particularly among the *Yēmērēcho* group *gadana* (*aba gada*), *Jala'awa* (assistant of *aba gada*), and *muricha* (village head) are important offices, which have mandates to decide on all spheres of lives.

[10] McClellan (1988), p. 28; and McClellan (1978), p.72; and Abera Tedecho, "The Gedeo People and Their Values for Land and Forest Resources" (M. A. Thesis, Forestry Department, Harmaya University, 1999), p. 31-32; Assebe (2007), p.20; and Informants: *Ato* Uko Matti and *Ato* Jarso Wario

[11] McClellan (1988), p. 28; and McClellan (1978), p.72; and Abera Tedecho, p. 40.

[12] *Ibid.*

[13] Assebe (2007), p.20; and Tadesse K. (2002), p.8; and; Informants: *Ato* Uko Matti and *Ato* Jarso Wario

[14] *Ibid.*

[15] *Ibid.*

to receive order and decision made by *käbälē batētti haitcha* and *daballē* and passes them onto each village (*käbälē)* resident. In addition to executing decisions that came from higher bodies, the *murra* was mandated to announce death of village residents and organize funeral ceremonies, maintain law and order, demarcate boundary during land distribution, give military service in times of war, reports to his immediate bosses, *batētti haitcha* and *daballē* about crimes etc.[16]

In general, after the incorporation of the regions into the Ethiopian state it was difficult for the people to run their social, political and cultural practices as usual mainly due to lack of freedom and economic problem to carry out such practices. The conquest seriously affected social, economic, political and cultural autonomy of the people; thus, the rituals of *ballē*, privileges of *abba gada* and the *gondoro* tradition notably declined.[17]

Initially before the evolution of current Sidama socio-cultural group, there was a Hofa-Hadicho-Maldea rule in the area nearby the Dawa River, which was destroyed by Muslim warriors.[18] The Sidama oral tradition substantiates the impact of Muslim invaders by associating the arrival of Yēmērēcho Sidama ("pure Sidama") into the region with the time of *Dingo Makoyē* (nickname for Ahmed *Graň* or one of his war leaders who marched to the south).[19] A series of wars launched by the Muslim warriors under an unidentified Muslim war leader [obviously not the *Imam*] inflicted destructive impact on the Hofa-Hadicho-Maldea rule in the area near the Dawa River. Here, writers like Haberland, Braukamper, Hammer and oral tradition tend to assert the

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[16]McClellan (1988), p. 28; and McClellan (1978), p.438; Tadesse Briso (1988), p. 21; Assebe (2007), p.20; and Tadesse K. (2002), p.8; and Informants: *Ato* Uko Matti and *Ato* Jarso Wario. According to these sources, *balle* was also liable to handle the traditional land tenure system of the Gedeo. In traditional Gedeo, land was collective property of the seven Gedeo clans, and provision of lands to new members was the mandate of *ya'a* councils (councils of elders). The possession of each clan was further distributed among sub-clans, families and individuals. The *balle* had also an important role in conflict management.

[17] McClellan (1988), p.59; Tadesse K. (2002), p.25; Mulugeta Gezahegn, "A History of Yirgachäffē Wäräda: 1934/35-1991" (M.A. History, AAU, 2011), p. 44; and Informants: *Ato* Uko Matti and *Ato* Jarso Wario

[18] H. Straube, *The Hadicho Sidama*, p. 56; Eike Haberland, "Notes on the History of the Southern Ethiopian Peoples," p. 48; S. Stanley, "History of the Sidama," p. 4; M.L. Bender and R.L. Cooper, "Mutual Intelligibility within Sidamo," p. 120; and J. Hammer (1972), p. 29.

[19]Almaw (1999), p. 17; Almaw (2005), p. 22; and Informants: *Ato* Abu, *Ato* Bashala Gatiso, and *Ato* Lēliso Lēdamo.

march of Ahmed *Graň* to the Sidama dominated areas and drove them out of their land.[20] But this attempt of associating such events with the *Imam* seems simply adapted from the large Ethiopian tradition about him probably after incorporation of the people into central state of Ethiopia in 1889. This is because the *Imam* did not arrive into the area south of the Awash River but one of his generals led a battalion of troops to the region, south of the Awash River.[21]

Finally, it was the Oromo population movement particularly, which took place after the 1550s, stopped prolonged squabbles that existed among the joint Hofa-Hadicho-Maldea front, Muslim warriors and emergent Bushē Sidama clans. Culmination of such an extended conflict by the help of the Oromo expansionists laid the foundation for the birth of three socially, economically and politically stratified Sidama sects, namely the Yēmērēcho (the pure or elite), the Wolabich (the liberated) and the Hadicho (the marginalized).[22]

The above historical events of the sixteenth century also enabled them to occupy their present habitat in this particular period of time.[23] From the beginning Sidama people were divided into rival groups. Gradually, however, the birth of such stratified Sidama groups in the the seventeenth century installed serious competition within the society and increased their vulnerability to foreign invasions. Thus, the Walabicho and the Hadicho group identities gradually came to a clear picture. It was after a series of clashes among the Sidama clans that

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[20] *Ibid.*

[21] U. Braukamper, *The Ethnogenesis of the Sidama,* p.32; U. Braukämper, *Islamic History and Culture in Southern Ethiopia,* 31; U. Braukämper "Islamic Principalities in Southern Ethiopia between the Thirteenth and Sixteenth Century," Part II, in *Ethiopianist Note* Vol. I, No. 2 (1977), p. 122; J. S. Trimingham, *Islam in Ethiopia,* p. 163; Mordechai Abir, "Southern Ethiopia" in Richard Gray (ed.), *Pre- Colonial African Trade in Central and Eastern Africa Before 1900* (Cambridge: Cambridge University Press, 1970), p. 137; and R. Oliver and A. Atmore, *Medieval Africa, 1250-1800* (Cambridge: Cambridge University Press, 2001), p. 59. Particularly as cited in Oliver and Atmore, the Arab historian Al-Maqrizi in one of his writings on the pre-sixteenth century, "The *southern Fringes of Islam*" mentioned several places in Sidama that seriously affected by Muslim warriors who made marches to the region.

[22] H. Straube, p. 41; Eike Haberland, p. 28; S. Stanley, p. 3; U. Braukamper (1978), p. 12; and Bētana, p. 30.

[23] *Ibid.* Undoubtedly, the Oromo population pressure contributed to the formation of the present Sidama territory and their socio-political compositions. As it has been presented in chapter one, the Sidama are divided into thirteen clans (sub-groups). These thirteen sub-groups have descended from two ancestral forefathers namely Bushē and Maldea. Nine of them: Malga, Yanasē, Shabadino, Asarado, Hollo, Aarbēgona, Harbē, Garbicho and Hadicho are said to have descended from Bushē. The other four: Hawēla, Sawola, Qēwēna and Alata trace their origin back to Maldea.

their current arrangement appeared to be formalized. Nonetheless, there is still uncertainty as to the exact cause for marginalizing the Hadicho Sidama clan.

In general, the above cited historical events probably favored eight Bushē clans who deliberately adopted the *luwa* system. Except the Hadicho clan, eight Sidama clans who have descended from Bushē called themselves Yēmērēcho, which means "pure Sidama" stock, ruling and landowning majority. The Yēmērēcho group took leading positions that were enjoyed by the Hofa-Maldea-Hadicho joint group. Besides, after establishing themselves as governing elite, the Yēmērēcho confronted with stiff resistance launched by the Madlea Sidama group. Hence, the Maldea survivors were relatively large in number and defied against any impositions and sanctions from the proud Yēmērēcho faction of the society.[24] As a result, the two Sidama groups involved in prolonged struggles, dominating the largest portion of the oral traditions in the Sidama society.

Furthermore, the nature of socio-political transformation and settlement pattern of the Sidama people indicate make-up of their political system. This was because in Sidama the area of each clan was large, villages were highly scattered, and contacts between clans were limited. In addition to this sub-clans used to fight with each other and they did have no organization for common defence. They neither developed experience nor were ready to take a common action in case of major aggression.[25] They did not have common administration system straddling each clan of the society to solve social crises and organize them for common action against their enemies.

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[24]Sidama Zone Bahel na Turism, *YäSidama Behēr Tarikena Bahel* (in Amharic, Hawasa, 2003 E.C.), p. 10; H. Straube, p. 41; Eike Haberland, p. 28; S. Stanley, p. 3; and Betana, p. 44.

[25]Almaw (1999), p. 15; Almaw (2005), p. 28; Almaw (2009), p. 19; and Informants: *Ato* Abu Hanfato, *Ato* Bashala Gatiso, and *Ato* Lēliso Lēdamo.

Particularly the struggle for power between the Yēmērecho and Wolabicho Sidamas affected socio-political developments of the area. Probably it could be one of the reasons for their failure to have a common security against any sort of aggression from outside. Attempts of Hadicho to object any impositions from Yēmērecho and Wolabicho was also another factor, which apparently inhibited the Sidama clans from forming a common defence force and rather intensified hostilities amongst themselves.[26] However, the conduct of hostilities was subject to a certain exclusive war of Sidama rules, which were absent in the case of war against any outside attacks. The rule dictated that whatever serious disputes and conflicts among Sidama clans arose they never kill each other but might only wound and/or compel the victim to run away. Despite the existence of hostilities among some Sidama clans they never broke into deadly wars that would be operated only when attacks came from outside. In addition to this, no raids for cattle were allowed to happen among the Sidamas.[27]

Both Gedeo and Sidama people worship a common universal God called *magano*. However, apart from *magano* Sidama worship other deities and spirits of their forefathers called *anu ayana* or *akaku ayana*. For example Stanley says, "The Sidama religion is basically monotheistic combined with ancestor worship…; however, even the worship of the tribal forefathers is largely based on the belief that they are powerful protectors of the clans, as effective intermediaries between God and their people."[28] As to ancestral worship Maldea Sidama *(Wolabicho)* are quite liberal than Bushē *(Yēmērēcho)* group because they do not consider very remote ancestors and only consider one or two forefathers in the nearest past. The Bushē and the Maldea groups worship specific forefathers,

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[26] *Ibid.* As the Oromo population expansion manipulated by the Yēmērēcho clans to dominate the region, incorporation of Sidama into Ethiopian state in 1989 was welcomed by the Wolabicho ones to retaliate their fellow Yēmērēcho Sidama and dominated the social, cultural, political and economic situations within Sidama. As it will be explained later, as a result, particularly during the rule of *Ras* Dästa the Wolabicho clans made lobbies to make Yirgaläm (their land) adminstrative center of the province and further assert their freedom from Yēmērēcho domination. Whenever power changes happened at the center they used to compete to identify themselves with the emerging group to secure power one against the other.

[27] *Ibid.*

[28] S. Stanley, p. 4.

ţumano and *abo*, sons of Bushē respectively.[29] Such worshipping of Bushē's sons is an indicator of overriding positions that the Bushē clans occupied in the region.[30]

To conclude, unlike the Gedeo it is quite hard to cite a single administration system common to all Sidama clans or all social groups such as Yēmērēcho, Wolabicho, Hadicho and Awacho. This is because except worshiping the universal God, *magano* and spirits of their ancestors, *abbo* and *akako* neither of the Sidama traditional institutions common for each clan. For example, as it is noted above the *luwa* system was practical only among the northern Sidama (Yēmērēcho group); and the southern Sidama (Wolabicho, Hadicho and Awacho) did not have *luwa* system.[31] In the process of institutionalizing social marginalization, the Yēmērēcho, who have shared borders with the Oromo people and highly influenced by the Oromo expansion played a notable role. Thus, they modified existing Sidama institutions, the *woma* and *motē* to fit with the newly adopted *luwa* system. They also adopted *luwa* probably from the Borana Oromo for the purpose of territorial expansion and social, political and economic dominations and defending one's own position within the society.[32]

In Sidama, organizations of villages were clan or sub-clan (*gossa*) based where traditional chiefs had a key role to play in deciding on the fate of each member of that particular clan and lands it

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[29] *Ibid*. Unlike Maldea, Bushē clans are very conservative and give more respect for their forefathers both in the nearest and remote past.

[30] Informants: *Ato* Abu Hanfato, *Ato* Bashala Gatiso, and *Ato* Lēliso Lēdamo (focus group discussion). Informants unanimously argue that, in spite of the absence of a common defence, there was very weak political intra-ethnic unity secured by the kinship ties that emerged from the clan system within the Yēmērecho and Wolabicho Sidama. According to them, in practice, exogamous marriage was encouraged because members of one clan could move for any reasons and could settle among members of another. They also assert that such immigrants who established good relationship with the host clan and be adopted into the clan would still be considered as eligible member for exogamous marriage. Finally they conclude that in addition to the presence of a common descent, common myth and dogma and partly common religious ceremonies, intermarriage between various clans was also one of the most important foundations of their political unity

[31] Almaw (1999), p. 17; Almaw (2005), p. 22; and Informants: *Ato* Abu, *Ato* Bashala Gatiso, and *Ato* Lēliso Lēdamo.

[32] H. Straube, p. 41; Eike Haberland, p. 28; S. Stanley, 3; U. Braukamper (1978), p. 34; and Bētana, p. 30.

possessed.[33] As it has been shown in chapter one the whole Sidama people divided into fourteen major *gossa*. *Gossa* is the highest level of partition and divided into *ga'rē*, which also further divided down into *booso*. Next to *booso* there are small cognates called *ayiddē*, which again divided into lowest level of societal subdivision at household level, *minē*.[34] At each level there are highly honored individuals called *çimēsa* (single) or *çimēyē* (plural) entitled to mange administrative cases of the society.

Each Sidama clan used to run their own administration independently in their respective areas under traditional elders, *çimēsa*. It has nothing to do with age because any one can be a *çimēsa* if he is wise, fair and logical enough to see cases and explain them eloquently. Just like the Gedeo traditional administration of the Sidama people is not gender sensitive and there is no affirmative action to integrate female in the leadership. This is because even if they qualify for the post it was totally impossible for females to compete for the *çimēsa* position. Each clan has its own *çimēsa* and *çimēyē*, mandated to settle every dispute at family (*ayiddē*), village (*olla'a* or *qacha*) and clan (*gossa*) levels. The council of elders (*çimēyē*) at all levels is known as *songo*. The smallest unite of power was the village *songo* called *çinanco*. The highest judiciary body of the society is the clan *songo*. If, someone is dissatisfied by decisions of all *songos* hierarchically at all levels he/she is entitled to appeal to the assemblies of *ţumano*, *akako, abo* and *ababo* ancestors' spirit which are worshipped at nine specific places in Sidama.[35] Finally, such traditional administration of the Sidama people have been modified and gradually got ineffective due to incorporation of the people and their land into central state of Ethiopia as it will be presented as follows.

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[33]Betana, p. 102, Almaw, p. 38; Dubale Asefa, "The Socio-Political History of the Sidama People ...," p. 40; and Sidama Zone Bahel na Turism, *YäSidama Behēr Tarikena Bahel*, pp. 27-28; and Informants: *Ato* Gatiso Hankarso, *Ato* Sadewo Sakuma and *Ato* Abu Hanfato (focus group discussion).

[34]*Ibid.*

[35]Almaw (1999), p. 17; Almaw (2005), p. 22; and Informants: *Ato* Abu, *Ato* Bashala Gatiso, and *Ato* Lēliso Lēdamo.

2.1.2 Gedeo and Sidama from Incorporation to the Italian Conquest in 1935/36

From the 1889 incorporation to the 1935/36 Italian conquest, eight governors such as *Däjjazmač* Bäshah Aboyē (1889), *Däjjazmač* LeulSägäd AṭnafeSägäd (1891-1895), *Däjjazmač* Balch Safo (1897-1907), *Däjjazmač* Täfäri Mäkonnen (later Emperor HaileSellassie) shared governorship of Sidamo with *Ras* Nadäw Abba Wallo (1908-1910), *Däjjazmač* Balcha Safo (1910-1914), *Bitwädäd* HaileGiorgis WoldäMikael (*Aba* Mulat, who administered through his viceroy Naniqebo, 1914-1917), again *Däjjazmač* Balch Safo (1917-1928), *Ras* Berru WäldäGebrial (1928-1932) and *Ras* Dästa Damṭäw (1932-1935/36) were appointed in Sidamo by Emperor Menilek, *Lej* Iyasu, Empress Zewuditu and finally Emperor HaileSillassie.[36]

As Bahru Zewde put it "... the victory of Adawa enabled the nineteenth century Ethiopian governments to overcome issues related to territorial expansion and boundary demarcation."[37] It determined both internal and external relations of the country because internally it helped to realize the incorporation process, which widened the economic underpinning of power of the Ethiopian ruling groups.[38] Soon after the battle of Adwa the process of incorporation was recommenced (after an interval of two years) by veterans of Adwa, who were appointed as governors in various provinces of the country.[39] This was because as it was true in earlier times, economic foundation of the political power was tribute and surplus labor both were extracted from peasants/ tenants/*gäbbars*.

There were various kinds of tributes; however, the most important sources of incomes of the government were land tax and rent. Thus, it was after the victory of Adwa that the traditional Gedeo

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[36]Bäqälä Tachebälē, "*Yä Sidamo TäqlayGezat Yä Shumoch Tarike na Astäwatsio*" (Amharic script, available in National Archive and Library Agency, 1962 E.C., Folder No. 481, File No. 19/21), pp. 7-8; and Sidama Zone Bahel na Turism, *YäSidama Behēr Tarikena Bahel*, pp. 32-33

[37]Bahru Zewde (2002), pp. 85-87

[38]*Ibid*

[39]*Ibid*

and Sidama land tenure systems started to be practically impotent through vigorous expansions made by Imperial governments of the country. Particularly, the period of *Däjjazmač* Balcha Safo, popularly known by his horse name, *Abba Nafso* Balcha over Sidamo, which lasted for a total of 27 years divided into three different blocks, the first (1898 to1907), second (1910-1914) and third (1917-1928) was notable in changing traditional systems of the two regions.[40]

The first term of *Däjjazmač* Balcha's governorship in Sidamo started with his promotion as a governor of the entire province in 1898. He symbolized this promotion by shifting the provincial capital from Bulē (in Guji) to Abära in southeastern Sidama, to the north of the present Hagäräsälam. During the rest of his term, *Däjjazmač* Balcha was busy in structuring the administration of Sidamo. This task involved dividing administration of the province among his subordinates that consisted of two different units. One of them was called *barud bēt* (literally gunpowder house), a unit, which belonged to Menilek's imperial army. The *barud bēt* was further divided into *shambäl* units each of them consisting of 300 soldiers commanded by a *shambäl* (captain). The territorial units governed by *shambäl* (captain) were called *shambäl-gezat* (territories governed by *shambäl*). There were six *shambäl-gezats* in Sidamo province, namely DägaGarbicho, TacheGarbicho, Nafarsa, Cheerso, Gatalo-Waaccu-Ilalcha, and Gadiya-Guguma.[41] However, according to Tsehai, the number of *shambäl-gezats* was about nine, namely Bulē, Illalecha, Hageresalam (Hulla), Allata, Garbicho, Gugguma, Wujigra, Läku and Abēla.[42]

The second group consisted of *Däjjazmač* Balcha's own followers called *yä bēt leje* (*yä bēt ašekär*), meaning house servants. Part of the administration of the province was divided among the *yä bēt leje*. The territories under such officials came to be identified as *endärasē-gezat*

[40]McClellan (1978a), p.90; Tsehai (1971), p.180; Ababu, p. 56; and and Almaw (2005), pp. 83-84.
[41]McClellan (1978a), p.90; Tsehai (1971), p.180; Ababu, p. 31; Almayehu, p. 10; and Almaw (2005), p. 59.
[42]*Ibid.*

(literally, *endärasē* means in lieu of me or just like me). Such territories were governed by civilian officials, most of whom, according to Tsehai, were Balcha's own relatives from Agamja (his birthplace in Shawa).[43] In Sidamo there were ten *endärasē-gezats,* such as Amaro, HägäräMariam, Uraaga, Harorrēssa, Sahbadino, Qawēna, Wonago, Waata-Daarra (Qawado), Addola (daggii) and Shisha.[44] Even though governors of *endärasē-gezats* were civilian officials, the territories did contain army garrisons within reach.[45] Finally, administrative units, mainly at a lower level, more or less coincided with clan territories, as could be understood from the appointment of traditional leaders as *balabats* and *qoros*.[46] But at the upper levels, they comprised multi-ethnic territories like Gatalo-Waaccu-Ilalcha, and Gadiya-Guguma *shambäl-gezats.*[47]

Traditional practices of Gedeo and Sidama persisted due to the need for provisions for the conquering army and pacifying conquered areas. Prior to the imposition of *gäbbar* system relationship was based on collective tribute. The collective relation preceded the *gäbbar-mälekaňňa* system because commanders of the conquering army could not implement the later relation due to their ignorance of local customs, geography, population conditions and languages, which made the appointment of local assistants unavoidable. As a result, heads of the Imperial army attempted to control the regions through peacefully submitted traditional rulers who they duly made officials called *balabats* and *qoros*.[48] The local *balabats* assisted by both *qoros*, *abb-olla, hayiča, muriča, čimēsa* etc. played an important role in linking new rules with local people of the regions.

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[43] *Ibid.*
[44] McClellan (1978a), p.91; and Tsehai (1971), p.181.
[45] Tsehai (1971), p.182; Ababu, p. 42; and Almaw (2005), p. 71.
[46] McClellan (1978a), p.91; and Tsehai (1971), p.182.
[47] *Ibid.*
[48] McClellan (1978a), p.93; Tsehai (1971), p.183; Betana, p. 44; Ababu, p. 53; and Almaw (2005), p. 76.

Initially, due to urgent needs for peace and stability, titles like *balabat*, *qoro* and some others were randomly offered to those who first arrived at the comps of the Imperial army heads regardless of their social and cultural statuses in the society.[49] Gradually, provisions of such titles were revised and fitted to coincide with social, cultural and religious position of an individual in the society. For someone to be appointed as *balabat*, *qoro* etc. he was expected to be a wealthy person in terms of heads of cattle and an important figure in traditional institutions as *gadana/ abba-gada, woma*, *hayicha*, *jala'awa*, *muricha, qallu* etc. Accordingly, provisions of titles were revised and rested upon the above mentioned traditional position of individuals in the society. The revision of titles in Gedeo was made along the seven clans but in the case of Sidama it was made along social divisions of the people i.e. Yämērēcho, Wollabicho *and* Hadicho/Awacho.[50] This was because there were rushes among such social sects to exercise power one over the other.

Southward expansion of the imperial state resulted in imposing *gäbbar-mälkäňňa* relation in the newly conquered areas.[51] Accordingly, as any other conquered people of southern Ethiopia Gedeo and Sidama were incorporated into the empire through a tributary system called *gäbbar-näfeṭäňňa* or *gäbbar-mälekäňňa.* Gradually, the new pattern appeared to have followed the model of *gäbbar-mälekäňňa,* the system that contemporaneously existed in northern Ethiopia.[52] *Mälekäňňa* refers to a civilian governor official who owned a *gult* (land generated income in lieu

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[49]*Ibid.*

[50]E. Ullendorff, *The Ethiopians: An Introduction to Country and People* (New York: Oxford University Press, 1960), p. 71; Tadesse Beriso, p. 122; Brhanu Lameso, p. 156 and Bētan Hoṭēso, p. 131.

[51]Allan Hoben, *Land Tenure Among the Amhara of Ethiopia: The Dynamics of Cognatic Descent* (Chicago: The University of Chicago Press, 1973), p. 17. In this case, one has to be aware of the terms like *gäbbar, näfeṭäňňa* and *mälekäňňa/ šaläka.* For example, the term *näfeṭäňňa* is derived from Amharic word *näfeṭ* for a rifle. It refers to the northern patron who got the name due to carrying guns during the campaign of territorial expansion. The second term *gäbbar* is derived from Amharic *geber* mean tribute. It referred to an indigenous cultivator attached to the northern patron.

[52]Allan Hoben, p. 22; McClellan(1988), p. 57; Tsehai (1971), p.183; and Bahru, p. 87. As these writers indicate, *Šhaläka* refers to representative or commander or head of one thousand.

of salary). The *gult* confers upon its owners the right to collect tribute from cultivators of the land who had a *rest,* hereditary ownership right.[53]

The introduction and final realization of the *gäbbar-näfeṭäňňa* relation was devastating for local institutions and affected every aspect of life of the Gedeo and Sidama people. It marked an important departure in the system of tribute collection, which now became individualized as opposed to collective. In the new arrangement the northern patron was assigned a limited number of cultivators from whom he was to collect tribute.[54] The amount depended on the recipient's title, status, and the length of service he/she rendered to the imperial state of the period.[55] According to some sources, a *däjjazmač* or the governor received more than a thousand *gäbbar*; a *fitawrari* or *šambäl* (garrison commander) received three hundred; a *qäňňazmač* and *gerazmač* or *mäto-aläqa* (commander of one hundred) received one hundred; a *balabaras or hamsa-aläqa* received fifty; and finally a common soldier was allotted between fifty and twenty *gäbbars*.[56] In general, in Sidamo, this system initially was introduced by *Däjjazmač* Leulsägäd Aṭnafsägäd and effectively realized by his successor *Däjjazmač* Balcha.[57] Regarding land cases of the two regions Leulsägäd and Balcha were notable individuals, who laid the foundation for proceeding developments of entire province.

There existed no difference in the obligations of *gäbbars* between *shambäl-gezats* and *endärasē-gezats*.[58] In both cases, a *gäbbar* had numerous obligations to his master. The obligations discharged in the form of tribute in kind or in labor. The major tribute was sharing annual produce of the land

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[53]*Ibid.*

[54]McClellan(1978a), p. 119; and Crummey, p. 223.

[55]McClellan(1978a), p. 130; and Crummey, pp. 223-224; and Informant: *Ras* Mängäsha Seyoum.

[56]McClellan (1988), p. 64; John Boyes, *My Abyssinian Journey* (Nairobi: W. Boyd and Co .Ltd., n. d.), pp. 33-35; and Informants: *Ras* Mängäsha Seyoum , General Bäkälä Gäbrägizi, *Ato* Wubät Täfära and *Ato* Uko Matti.

[57]McClellan (1978a), p. 130; and Crummey, pp. 223-224; and Informant: *Ras* Mängäsha Seyoum.

[58]Tsehai (1971), pp.181. Informants: *Ras* Mängäsha Seyoum , General Bäkälä Gäbrägizi, and *Ato* Wubät Täfära. The major tribute was a land tax, which because of the absence of money economy at the time was paid in kind.

with his *näfeṭäññä* patron. The amount varied from place to place, and included *ekule-araš* (half of the annual produce), *siso* (one-third), and *erbo* (a quarter).[59] Apparently, these standards were applied only after land measurement system was realized.[60] Furthermore, *gäbbars* were expected to pay various amounts of tax, which varied based on types and sizes of lands they cultivated. However, every *gäbbar* was obliged to pay land tax and rent in the form of fixed annual tribute (*qureṭ geber*).[61]

An *asrat* or a tithe (one tenth of the produce for the Ethiopian Orthodox Church), was another important payment next to land tax.[62] The other important supply provision was *mäṭen* or *dergo* (ration), a provision of food and drink for every government delegate or gust that traversed each village of the two regions.[63] *Gäbbars'* were also required to give *corvée* and work on *hudads* (estate) belonged to the government or *näfeṭäññäs*, construct fences, collect firewood, fetch water etc. for their masters if needs arise.[64] Besides, offering honey, fattened sheep/ got and other gifts on Christian holidays of their masters was part of the requirements that *gäbbars* were ought to meet.[65] Sometimes, they were required to accompany their master on military campaigns during which their duties were mostly providing transport service.[66] Thus, after the introduction of *gäbbar* system land became the dominant economic, social and political issues of the province.

The *gäbbar* system was accompanied by the institution of land measurement called the *qälad* system, which had a deadly effect on traditional systems of land tenure in the regions. The system was introduced during *Däjjazmač* Balcha's last term of office in Sidamo (1917-1928).[67]

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[59]Bahru (2002), p. 87; McClellan(1988), pp. 57-59, 61, 69-70; Tsehai (1969), p. 28; Boyes, p. 33; and Markakis, p. 110
[60]Bahru (2002), p. 87 and Informants: *Ras* Mängäsha Seyoum , General Bäkälä Gäbrägizi, and *Ato* Wubät Täfära.
[61]*Ibid.*
[62]Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrägizi, and *Ato* Wubät Täfära. Initially emperor Menilek II imposed it in 1900 in order to use it for the maintenance of soldiers, which replace the system of requisition.
[63]*Ibid;* and Bahru (2002), p. 87.
[64]Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrägizi, and *Ato* Wubät Täfära.
[65]*Ibid.*
[66]Bahru (2002), p. 87; McClellan(1988), pp. 57-59; Tsehai (1969), p. 28; Boyes, p. 33; and Markakis, p. 109
[67]McClellan (1986), p. 179; Crummey, pp. 224-225; Bahru (2002), pp. 88-92; and Markakis, p. 110.

As it will be explained below, under the newly introduced land measurement system provincial governors divided land of the province into six major categories.[68]

Land measurement was launched for two major reasons. Primarily, it was undertaken to classify lands of the province into three major categories based on the extents of their cultivation like cultivated (*läm*), semi-cultivated (*läm-ṭäf)* and uncultivated (*ṭäf*), which helped to raise both the value of land and government income through taxation.[69] Secondly, it was employed to address the question of people that came from different parts of the country, which caused growing demand for land in the province. It was to correct the case of lands that were wrongly identified as "unoccupied" or "poorly utilized" measuring lands started by the help of a rope about 66/67 meters long, which was called *qalad*. The unit of measurement was a *gaša*, equivalent to forty hectares. These two terms *gaša* and *qalad* later became names of measured lands that were alternatively called *gaša-märēt* or *qalad-märēt* both meant measured land.[70]

In general, after incorporating of the regions, the government of Ethiopia started to introduce its own administrative structure that could help it to realize its political and economic interests. While it was in the process of installing new forms of economic and political control in the region the Italian invasion appeared to abort the entire efforts of the regime. By the help of some local people who held a grudge against the *gäbbar*-system and activists of the system, the conquering force put punitive attacks against the Imperial army and scored decisive victory in

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[68]Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrägizi, *Ato* Wubät Täfära and *Ato* Uko Matti. They indicate that te six major land divisions of the regions were *qälad*, *gaša*, *hudad*, *sämon, yäšärärit der* and *madäriya* and imposed tax and service requirements in line with national land laws. *Ras* Mängäsha notes that h*udad* refers to large size famr land that belonged to imperial government or some welltodo individuals, and *madäriya* land given to government soldiers in lieu of salary.

[69]McClellan (1978a), pp.90-91; and Tsehai (1971), pp.180-182; and Informants: *Ras* Mängäsha Seyoum

[70]McClellan(1986), p. 179; McClellan(1988),pp. 77, 81, 87, and 88; McClellan(1978a), pp. 122-123; Crummey, pp. 224-225; Bahru (2002), pp. 88-92; and : Informants: *Ras* Mängäsha Seyoum , General Bäkälä Gäbrägizi, *Ato* Wubät Täfära and Uko Matti. They agree that in general, in Gedeo and Sidama the *gäbbar-näfeṭäňňa* system involved two forms of economic exploitation, such as land and labor alienations, which correlated to pastoral and farming areas respectively.

two fronts of the country. Finally, it was able to establish a colonial regime in which the country was divided into different administrative units.

2.1.3 The Italian Period in Sidamo

During the Italian occupation (1935/36-1941), the *gäbbar* system was virtually dismantled. In October 1935 Italy invaded Ethiopia from its colonies of Eritrea and Italian Somaliland.[71] The invasion from different directions forced Ethiopia to fight the war on two fronts namely northern and southern. The victory of the Italian army in the southern front, led by General (later Marshal) Rodolfo Graziani (commander of the Italian army in the southern front) against the Ethiopian army under *Ras* Dästa Damţew changed the entire relations of people in the region.[72] This part of the discussion is not to narrate the war but it focuses only on some basic measures taken by the victorious Italian force after conquering the country in general and the Sidamo province in particular.

Soon after the collapse of the Ethiopian army in the southern front, particularly led by commanders like *Ras* Dästa Damţäw, and *Shaqqa* or Major (later *Däjjazmač*) Bäkälä Woyya, people like *Fitawurari* Addämä Anbässo, *Däjjazmač* Däbay WoldäAmaual, *Fitawurari* Taddämä Zälläqä, *Däjjazmač* Gäbrämaiam Garri and some other *näfeţeňňa*s of the province faced serious assaults not only from the Italians but also from the local people who suffered exploitation under the *gäbbar* system. Some local officials also abandoned their northern Ethiopian bosses.[73] Particularly, individuals like *Fitawurari* Addämä Anbässo, Mängäsha Yaläw (a general under *Ras* Dästa) and some others who joined the enemy force by deserting their

[71]Bahru Zewde (2002), p. 153.
[72]*Ibid*, p. 157; and Angelo Del Boca (1969), p. 117.
[73]Bahru Zewde (2002), p. 158; and Shifäraw Mängäsha, *Ya Shaqqa Bäqqälä Woyya Tarik* (Biography of Major Bäqqälä Woyya (Addis Ababa: BSPE, 1993 E.C.), PP. 47-48; and Informants: *Ras* Mängäsha Seyoum.

master played significant role by providing all sorts of information about people and regions of the province.[74] Attacks against settlers and governors of the Imperial regime by local people of the province also caused annihilation of the *gäbbar- näfeṭeňňa* relationship, which marked the beginning of a new episode in the history of the province.[75] This interim period in Sidamo saw individuals, irrespective of their background joining the Italians both to secure protection and benefit.[76]

The *Africa Orientale Italiana* (AOI) was divided into six administrative regions that more or less followed a linguistic line. One of the administrative regions was called Galla [Oromo] Sidamo with its capital at Jimma.[77] Gedeo, Sidama and other people in south and southwestern parts of the country were incorporated into this region.[78] Like other administrative regions, Galla [Oromo] Sidamo was further divided into districts, while these were further divided into residences and vice residences. In this case, the Gedeo, Sidama, Guji, Burji and Kore people were categorized into Sidamo province.[79]

The Italian administration that followed similar pattern with the former Ethiopian administration made land to remain at the center of economic, social and political matters.[80] Most of the local *balabats* and collaborators, who submitted to the Italians, became bridges between the Italian administration and local people of the province. Just like the Ethiopian administration, Italians also established military garrisons at strategic positions in the province, made up of Ethiopian

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[74]Informants: *Ras* Mängäsha, General Bäkälä Gäbrägizi, *Ato* Wubät Täfära and Uko Matti.

[75]*Ibid.*

[76]*Ibid.*

[77]Bahru (2002), pp. 161-2; Alberto Sbacchi (1985), p. 85; Almaw, p. 29; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrägizi, *Ato* Wubät Täfära and Uko Matti. According to these sources, the arrival of Marshal Pietro Badoglio, commander-in-chief of the Italian army in the northern front on 5 May1936 marked the beginning of the Italian occupation of Ethiopia. They also state that soon after this, Ethiopia was merged with the Italian colonies of Eritrea and Italian Somaliland to form *Africa Orientale Italiana* (AOI) or Italian East Africa.

[78]*Ibid;* R. Rosenthal, *The fall of Italian East Africa* (London: Hutchinson and Co. Ltd., 1941), p. 67.

[79]*Ibid.*

[80] R. Rosenthal, p. 74.

collaborators (*bandas*), few Italian officers, NCOs, and *askaris*.[81] In the meantime Italians opened strong propaganda against Ethiopian administration and settlers of the province.

After abolishing the *gabbar* system and the tithe, they levied land tax that was relatively lighter as compared to the former one.[82] They restructured landholdings of the two regions by restoring the traditional land tenure systems that various ethnic groups of the province used to exercise before the 1880s and 1890s conquests by the Ethiopian state. However, labor and tribute (*gebere*) requirements that people of the two regions used to offer in relation to land during the Imperial period befor the conquest remained practical. For example, Gedeo, Sidama and other people of the province, who were allowed to be ruled by their own traditional chiefs and heads of restored institutions, paid land taxes in the form of wheat, barley, coffee beans, honey, chicken and eggs.[83] In general, despite restoration of traditional institutions and of chiefs to exercise power over their people, decision making power remained the prerogative of the Italian governors at resident level.

For example, in many parts of Gedeo and Sidama fertile agricultural lands were identified and reserved for cultivation of various crops by the Italian farmers. As it has been explained above the colonial land policy was designed to meet interests of Italian entrepreneurs. As a result, it started to alienate both Gedeo and Sidama farmers from their traditional holding like what happened during the pre-Italian conquests. Along with other complaints related to types of tributes and unending labor services that colonial governors required, land alienation appeared to be a source of grievances for local people to join anti-Italian resistance group, the *fano*.[84]

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[81] Almaw, p. 29; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrägizi, *Ato* Wubät Täfära and Uko Matti.
[82] *Ibid.*
[83] *Ibid.*
[84] R. Rosenthal, *The fall of Italian East Africa* (London: Hutchinson and Co. Ltd., 1941), p.28; Almaw (2005), p. 95; Ababu (2002), p. 38; Berhanu (1993), p. 51; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrägizi, *Ato* Wubät Täfära and *Ato* Uko Matti.

In general, land alienation coupled with availability of firearms, intensified inter/intra-ethnic conflicts and raid for cattle. This helped anti-Italian groups to get support from disgruntled ones. This implies that the colonial land policy, which was pro-Italian by its nature, failed to secure land rights to local people of the regions and failed to bring prosperity, aspired for by the colonial forces. Eventually, failure to realize their promises for local people and other measures taken to realize colonial interest inspired local people to join patriots in the struggle against the Italian rule.

2.1.4 The Restored Imperial Rule to 1974

As it is presented in part II on 10 May 1941, the restored Imperial government set up the first post-liberation cabinet consisted of seventeen ministers.[85] It was followed by the task of reorganizing administration of the whole country into "12 *awrajja* (provinces), 60 *wäräda* (districts), and 339 *meslänē-gezat* (sub-districts)."[86] Eventually, the division was revised to improve hierarchical structure of the administration and to transform former provinces to the level of *ţeqelay-gezat* (governorate-general), which also helped to create additional administrative structure just below the central government.[87] However, the name *meselänē-gezat* was changed into *meketel-wäräda* (sub-district) to form administrative unit at lower level. As a result administrative structure of the country was arranged in descending order to become central government, governorate-general, province, district and sub-district.[88]

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[85]*Nagarit Gazeta*, Proclamation No 9, a decree to establish imperial cabinet (Addis Ababa: Artistic Printing Press, 1941), p. 13; and HaileSillassie I, *Heyewätēna ye Itiyopiya Irmejja*-My Life and Ethiopia's Progress (Addis Ababa: *Berhanena Sälam* Printing Press, 1936 E.C), pp. 323-324; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrägizi, *Ato* Wubät Täfära and *Ato* Uko Matti.

[86]HaileSillassie I, p 328.

[87]*Ibid*; *Nagarit Gazeta*, Proclamation No 9, a decree to revise administrative structure of the country (Addis Ababa: Artistic Printing Press, 1941), p. 13; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrägizi, and *Ato* Wubät Täfära.

[88]*Ibid.*

Sidamo was one of the 12 provinces of the country that was administratively divided almost immediately after restoration of the Imperial regime in 1941. A year after in 1942 the internal structure of Sidamo was reorganized through dividing it into five provinces (*awrajja*) namely Boorana, Gedeo, Jamjam, Sidama, and Walayita.[89] In 1952 Sidamo was restructured once again by cutting parts of Boorana and Jamjam to form Arēro, which raised the number of provinces to six.[90] The highly populated *awrajas* of the period were Gedeo, Sidama and Walayita.[91]

In terms of the new administrative units the pattern followed regarding the position of local rulers (*balabats*), the post liberation political structure of the country was relatively different from the pre-Italian conquest.[92] The main causes for variations of the pre-war and post-war administrative units were objectives that guided structuring processes of the two periods. For example, unlike the post-liberation period, the pre-liberation administrative structure followed more or less ethnic line. The need to secure immediate peace and supply from newly conquered territories forced the pre-conquest administrative unites to have ethnic foundations and tributary relationship. Foundation of the pre-conquest administrative units at the lowest level followed boundaries marked by traditional rules, who were appointed to administer at these levels.[93]

In the post liberation period *balabats* were given official position even at the sub-district levels.[94] In some areas of the two regions, however, they simply carried the title, *balabat* with its economic and social benefits, but occupied no specific political office and discharged responsibility as their equals did in the rest parts of the province. However, informally, they still

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[89]WMTRC, Folder No. 438, File No. 31/22/7, Letter from MI to Sidamo (12 *Ginbot* 1935 E.C), p. 3; NALA, Annual Report from Sidamo to MI (30 *Sänē* 1938 E.C.); Berhanu, p. 190; Ababu, 67; and Almaw, p. 106.

[90] WMTRC, Folder No. 511, File No. 21/44/9, Letter from MI to Sidamo (17 *Hedar* 1952 E.C), p. 7; NALA, Annual Report from Sidamo to MI (30 *Sänē* 1952 E.C.), p. 10; Berhanu, p. 191; Ababu, 71; and Almaw, p. 112.

[91]*Ibid.*

[92]McClellan (1978), p. 90; Betana, pp. 169-170; Tsehai (1971), pp.180-181; and Ababu, pp. 63-64.

[93]*Ibid.*

[94]Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrägizi, *Ato* Wubät Täfära and *Ato* Uko Matti.

served as a link between the Imperial administration and local people of the region, mainly for tasks requiring mobilization of the whole community. It was only during such occasions that *balabats* used to receive orders from sub-district or district officials to realize in their respective territories overlapping with new administrative units.[95] This position of *balabats* in the province in general and Gedeo and Sidama in particular corresponded with the new position of the *mäsafenet* (nobility of birth) in the post-liberation period. Regardless of enjoying social and economic privileges, the role of *mäsafenet* in decision making was extremely marginal and they occupied the periphery of government power.[96]

There were two major factors, which directed the post-liberation administrative structure to become different from the former one. The first and most important one was the policy of centralization that sought to reduce regional autonomy to form a strong central government.[97] After libration each governorate-general (governors-general) was made directly accountable to the Ministry of Interior. In this case officials were carefully recruited on the basis of their merits, specifically loyalty to the rule and appointed by the Emperor. They were called *endärasē*, (just like me) which was an indicator of their loyalty to the Emperor. The second factor was the need for building the nation and national identity irrespective of ethnic background.[98]

In this particular period 8 officials were successively appointed as governors-general of Sidamo. The first two governors-generals were *Däjjazmač* Bäqälä Wäyya and *Ras* Abäbä Arägay (later War Minister from 1942 to1960). They served from May to August 1941 and from 1941 to

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[95] *Ibid.*
[96] Bahru (2002a), pp. 203, and 205; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Uko Matti.
[97] Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrägizi, *Ato* Wubät Täfära and Uko Matti.
[98] *Ibid;* Shifäraw, pp. 160, and 168-169; HaileSillassie, pp. 334-335; Berhanu, 195; and Ababu, p. 83.

February 1942 respectively.[99] Both were famous leaders of patriotic resistance in the former province of Shäwa. Terms of their office in Sidamo were very brief because the purpose of their appointment was not purely administrative.[100] *Ras* Abäbä served for less than a year in 1955, while *Däjjazmač* Bäqälä had two years of service from 1958-1960.[101] Therefore, they played a very negligible no role in changing the region in general and Gedeo and Sidama in particular.

With the exception of these two, the rest of the governors-general served for longer terms. The exceptions were *Ras* Abäbä Shänquţ and *Däjjazmač* Bäqälä Bäyänä the fourth and the sixth governors respectively.[102] Of all governors-general, however, *Ras* Adäfresäw Yenadu had the longest term of office, totally 14 years. He replaced *Ras* Abäbä Arägay in 1942 and continued in office until 1955.[103] *Ras* Adäfresäw was famous for his fairnes for people, change resistant behavior and tending to prefer traditional administration system to avoid modernization, which made him more popular among the subject people in Sidamo.[104] Owing to his adhering to the traditional method of administration he used to favor local chiefs and did never take serious measures including tax collection, which could spoil his relation with the Emperor and damage his reputation. Thus, the majority of the local people appreciated him as a man of justice (locally called *danchaho* or *halanchoho* or *tumaho* or *shaqadoho* or *hayichaho*).[105]

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[99]Shifäraw, pp. 160, and 168-169; HaileSillassie, pp. 334-335; Berhanu, 195; and Ababu, p. 83.

[100]*Ibid.* They explained that these two governors of Sidamo were purposefully appointed by the Emperor not only to administer it but also they were given assignments of protecting gold at Adola/Šakiso and other important resources of the province from misappropriation by the British army and their respective officers. Besides, arresting members of the enemy force and their collaborators was undertaken under strict supervision of these two important figures of the period.

[101]*Ibid.*

[102]Berhanu, pp. 195-196; Ababu, p. 78; Almaw, p. 91; NALA, Folder No 195, File No. 43/40-66, a letter from Sidamo to MI (11 *Hedar* 1952 E.C), p. 2.

[103]*Ibid.*

[104]Berhanu, p. 195; Ababu, p. 48; Almaw, p. 91; and Betana, pp. 28-31.

[105]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and Uko Matti.

The other most notable person among the governorates-general of Sidamo was *Ras* Mängäsha Seyoum (1955-1958).[106] According to various sources, his term was noted for many achievements to the extent of being identified as a "period of modernization of Sidamo."[107] It was the time when many primary schools were opened in many parts of Sidamo. He was also known for managing disputes related to grazing lands by setting up settlements in the areas of conflict including Hawasa, which eventually replaced Yergaläm as adminstrative center of the province.[108] As it was noted above, this period was also an important period regarding expansion of coffee industry in the region. Relatively *Ras* Mängäsha was also known as a man of justice (*danchaho* or *halanchoho* or *tumaho* or *shaqadoho* or *hayichaho*) and fairness for coffee farmers, who were repeatedly asked to contribute money for various purposes.[109] He was also known for his consulting a number of companies to contribute for the expansion of coffee pulping machines as it will be discussed in chapter nine.

Finally, the last two governors-general of Sidamo were *Ras* Andargachäw Mäsay (1960-1965) and Lieutenant General Esayas Gäbräsillassie (1965-1974).[110] The terms of the two governors-general were characterized by growing opposition against the Imperial regime. The office term of *Ras* Andargachäw coincided with the 1960 aborted coup.[111] It was also a year that the Gedeo peasant uprising broke out, which had its genesis in land alienation and was solved both by military and diplomatic approaches led by *Afa* Negus Eshätē Gäda and a certain local elder (*hayica*).[112] Despite military actions taken to pacify the region, there were continued unrests and peasant discontents in Sidamo during the last decades of the imperial regime. It was a period

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[106]*Ibid.* The *Ras* was a Tigrain noble and should not be confused with *Ras* Seyoum Mängäsha, the grandson of Emperor Yohannes IV (1872-1889).

[107]*Ibid;* Ababu, p. 53; Almaw, p. 91, Betana, p. 30; and Berhanu, p. 197.

[108]*Ibid.*

[109]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and Uko Matti.

[110]Ababu, p. 53; Almaw, p. 91, Betana, p. 30; and Berhanu, p. 197.

[111]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and Uko Matti.

[112]*Ibid.*

when the governorate-general and most of its provinces were governed by military commanders and the main source of the crisis was the land tenure system.[113] Terms of the two governors in Sidamo were characterized by intensive land sale, land grabbing, rift between governors and people on economic and political issues. As it will be explained in chapter six, unjustified eviction of peasants from their traditional landholdings activated unlawfulness of people and incessant ethnic conflicts. The following quotation taken from official report shows the chaotic situation of the province under the rule of the last two governors. It says that:

Amharic	English
"... በከተማ ዙሪያ ስለሚገኙ አራሾች... ከአለት አለት መልክኛዉና ደንበኛዉ ሰበብ እየፈጠረ በሚቆልልበት የግብር ጫና የተነሳ ህዝቡ መማረሩንና አቤት ማለቱን ከዚህ ቀደም ማስታወቃችን አይዘነጋም:: ይሁንና አሁን ደግሞ ይባስ ተብሎ ገበሬዉን ከይዞታዉ በማፈናቀል መሬቱ ወደከተማ እየተከለለ በገፍ በመሸጥ ላይ ይገኛል:: ይህንንም ድርጊት ተከትሎ አመጽና ሽፍትነት የአካባቢዉን ጸጥታና ሰላም እጅጉን አዉኮታል::"	*"... farmers inhabited environs of towns...We have reported about grievances of people resulted from growing taxes, which the mälekäñña/ dämbäñña levied on the people through trivial justifications. Besides, currently there is an extensive land sale by uprooting farmers from their farm and integrating it into town, which intensified acts of banditry and violence affecting the region."*[114]

In general, the restored Imperial regime made notable efforts to implement its policies. The relative peace and stability also helped it to cultivate diligent activist of the regime, who were highly committed to serve the interest of the emperor. In spite of this fact, harsh measures that were taken against *gäbbars* deepened hatred of the people towards the regime. Taxes growing from day to day on the basis of lame justifications, labor required to serve the luxury of officials, eviction of many farmers inhabiting the environ of each town of the province, continuous land measuring process and some other factors, which appeared to be unbearable for the people and forced them to support movements against the Imperial regime.

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[113] *Ibid.*

[114] NALA, Folder No. 451 File No. 213/81/64, a letter written from *Ato* Abäbä Habtämichael vise governor of Abēla District to (Sidamo TeqlayiGizat) to *Ras* Mengesha Seyoum, (Minster of Transport and Communication secretly communicating unruly situations of the region and requesting the *Ras* to opt for solution by consulting the Emperor (10 *Ter* 1964 E.C), pp. 1-4.

2.1.5 The *Därg* and EPRDF Regimes: 1974 to 2010

As it is indicated in chapter one, the military government of Ethiopia divided the country into fourteen provinces called *Kefläḥagär* by changing their former name, *Ṭäqlay Gezat*.[115] As a result, Sidamo became one of the fourteen provinces consisting of seven *Awurajas* including Gedeo and Sidama.[116] In seventeen years of the *Därg* rule (1974 - 1991) there were eight administrators of Sidamo, namely *Ato* Wäldamanuel Dubala Hankarso, major (*Šalaqä*) Täfära Ashenē, Lieutenant (*Mätoaläqa*) Negussē Wäldē (*Mätoaläqa*) Pētros Gäbrē, *Ato* Simon Galorē, *Ato* Täfära Endaläw and General Gētachäw Šebäši were notable figures in promoting socialist ideology and implementing policies related to land, cooperatives and PAs in the province. Initially the *Därg* was highly interested to employ ethnic based administration by letting local people exercise power on their own. It was an approach to mobilize support for its political program and use the opportunity to dissolve remnants of the foregone regime by the help of local people who held a grudge against the *mälekäňňa/ dänbäňňa*. Thus, *Ato* Wäldamanuel Dubalä (president of the provincial Supreme Court of the Imperial period and son of an elite Sidama) was assigned as governor of the province.[117]

Gradually, after settling crisis related to the forgone regime, the *Därg* ignored ethnic cases and started to appoint military men to administer the province. Besides, it failed to trust the local leadership because it became fair to rivals of the *Därg* particularly to members of EPRP (the Ethiopian Peoples' Revolutionary Party).[118] As a result, military men like major (*Šalaqä*) Täfära

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[115]National Archive and Library Agency (NALA here after), Folder No. 410, File No. 66/22/8, a letter written from the Provisional Military Government of Ethiopia to the fourteen Provinces of Ethiopia announcing changes made regarding the people of Gedeo and their land (1966 E.C.), pp. 2-3; and Tadesse Kippie (2002), p. 18.

[116]Ethiopian Mapping Agency, *National Map of Ethiopia* (Addis Ababa: *BerhananaSälam* P.P., 1975 E.C.), p. 2. It was in 1895 that the Gedeo people were incorporated into the Ethiopian empire and up to 1975 they were called Därassa and their land Därassa Awuraja (district) one of the districts of the Sidamo *Ṭäqlay Gezat* (imperial province). Eventually, in 1975 renamed as Gedeo people and their land as Gedeo Awuraja in Sidamo *Kefläḥagär* (Sidamo province).

[117]Informants: Esubalew Asfaw (PhD.), General Bäkälä, *Ato* Eshätu Çaka, *Ato* Abu Hanfato and *Ato* Germa Bäkälä.

[118]*Ibid.*

WäldäSämayat, and Lieutenant (*Mätoaläqa*) Negussē Wäldē and Lieutenant (*Mätoaläqa*) Pētros Gäbrē, were appointed governors of the province to crush any sort of opposition mercilessly. Of course they were successful in mercilessly crushing every opposition.

After the establishment of Workers Party of Ethiopia (COPWE), party members like *Guad* (comrade) Simon Galorē, *Guad* (comrade) Täfära Endaläw and General Gētachäw Šebäši were assigned to exercise the provincial leadership up to the demise of the *Därg* in 1991.[119] In this period individuals like *Ato* Jänbärē Täka in Gedeo and *Ato* Pētros Gäbrē, in Sidama were the most notable ones in becoming loyal to the *Därg* in promoting socialist ideology and implementing its policies. Particularly, for their devotion to villagization, national military service, cooperatives etc. they became unforgettable ones in Gedeo and Sidama respectively.

Eventually, due to international circumstance related to the collapse of Socialist Bloc in the rest of the world, the socialist *Därg* adopted a mixed economy in 1990, which was directly related to the Russians Perestroika.[120] In this period the success of guerilla fighters in the northern part of the country increased desperation of the ruling groups and reduced their dedication to run the administration in Gedeo and Sidama as usual. In addition to this, the arrival of students of higher learning institutions of the country to the province (military camp at Billatē) for military training increased tension in the region, which was finally settled by the collapse of the *Därg* in 1991.

Finally, the Transitional Government of Ethiopia (TGE), which took state power in 1991, followed administrative structure of the *Därg* called *Yästädadär Akababi*. Soon after controlling

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[119]Dubale Aseffa, "The Socio-Political History of the Sidama People under the *Därg* Regime: 1974-1991(M.A. Thesis, History, AAU, 2009, p. 87; and Informants: *Ato* Germa Bäkälä, *Ato* Dubala Assefa, *Ato* Teferi Kifle, and *Ato* Dawit Wonbēto. General Gētachäw committed suicide by jumping into Lake Hawasa due to the fall of the *Därg* and arrival of TPLF to Hawasa.

[120]Ministry of Finance and Economic Development (MoFED), *Ethiopia: Building on Progress: A Plan for Accelerated and Sustained Development to End Poverty (PASDEP): 2005/06-2009-10* (Addis Ababa: MoFED, 2005), p. 22.

the province and before forming the transitional government Hayälom Araya (one of the key generals of TPLE) was assigned to administer Bale, GamuGoffa and Sidamo jointly under the supervision of the TPLF (Tigrian Peoples Liberation Front) at the top. Next to him *Ato* Wäldu and Gäbräwhid Gäbräwäled (the later Minister of Commerce), both from the TPLF were appointed to administer the regions. Finally, it was after the establishment of the TGE with its Charter, which divided the whole country into fourteen *keleles* based on linguistic and ethnic identities of people that local men like *Ato* Mäläsä Marimo appeared to join the leadership as governor of Sidamo.[121] Eventually, as to the political leadership the TGE organized ethnic based political parties for each ethnic group of the region including Gedeo and Sidama (in *kelele* nine) to run local maters of their respective people. In spite of that, the local leadership continued to rule under the supervision of the TPLF. For example, *Ato* Abatä Kišo (from Sidama) was appointed to administer the region under supervision of *Ato* Betäw (the member of TPLF).[122]

The supervision of TPLF lasted only for four years (1991-1994) until the enactment of the 1994 Constitution of the country , which formed the EPRDF government and set new forms of political, economic and cultural relations in the country at large and in the regions in particular.[123] It decentralized political power along ethnic lines and restructured the entire region under one inclusive administrative category or government, SNNPR (Southern Nation and Nationalities Peoples Region see figure I below). As a result, Gedeo and Sidama have become one of the 56 ethnic groups clustered together to form the SNNPR under the new federal structure of the country.[124] Each of them (Gedeo and Sidama) has become zones under the big political entity of the region. In this period,

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[121]TGE, *Charter of the Transitional Government of Ethiopia* (Addis Ababa: *BerhanenaSälam* P.P., 1991), p.9; Dubale Aseffa, p. 116; and Informants: *Ato* Germa Bäkälä, *Ato* Dubala Assefa, *Ato* Teferi Kifle, and *Ato* Dawit Wonbēto.

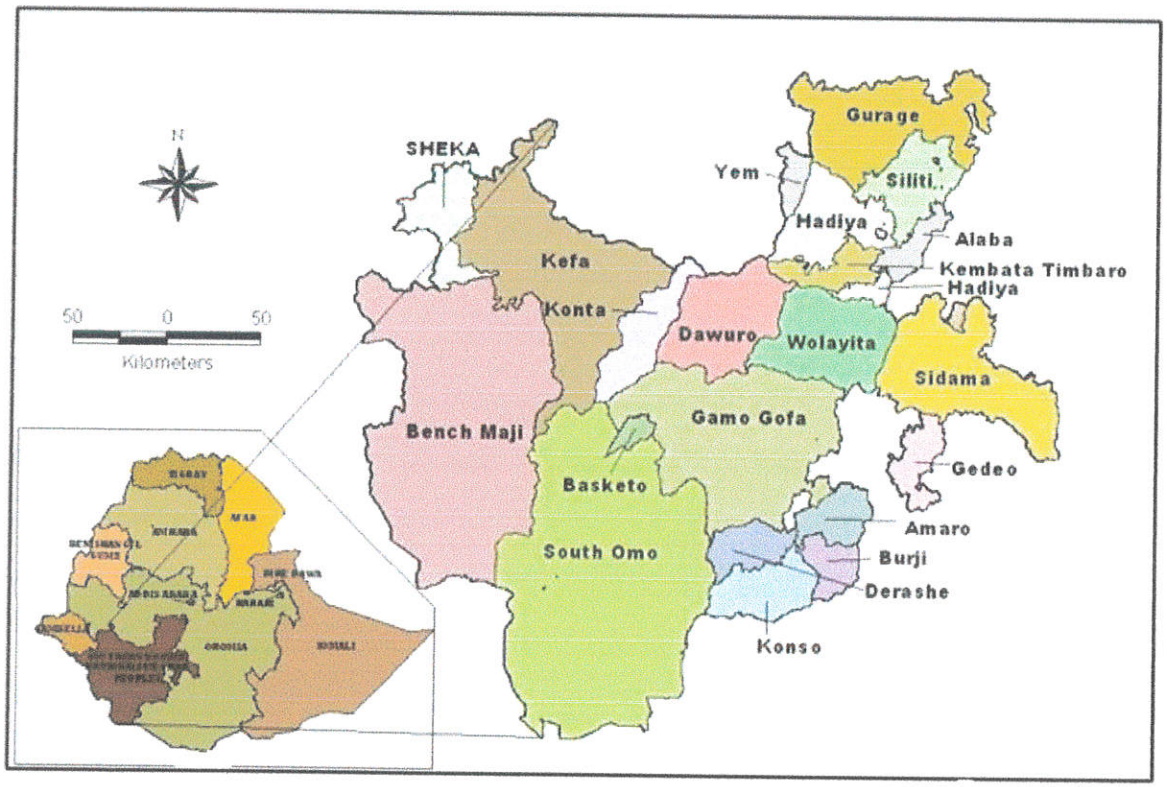
[122]EPRDF, *The Ethiopian Constitutions* ((Addis Ababa: *BerhanenaSälam* P.P., 1994), p. 18; SNNP Government Bureau of Planning and Economic Development, *A Socio-Economic Profile* (Awasa, January 2003), pp.15-16.

[123]SNNP Government Bureau of Planning and Economic Development, *A Socio-Economic Profile*, pp. 25-27.

[124]*Ibid*, Tadesse Kippie (2002), p. 18; Mulugēta Gezahēgn, "A History of Yirgachäffē Wäräda...," p. 10; and Asebe Regassa, "Ethnicity and Inter-ethnic Relations: the 'Ethiopian Experiment' and the case of the Guji and Geode" (M. Phil, University of Tromsø, Norway, Indigenous Studies, 2007), pp. 23-24. *Ato* Betäw Aberē, supervisor of SNNPR from 1991-1994

governors of SNNPR (1994 to 2010) namely *Ato* Shifäraw Shiguţē (the later minister of Education) with two terms of office, *Ato* Hailämariam Dässaläňň (the later prime minister) *Ato* Däsē Dalkē, (the later minister of Science and Technology) had also played an important role in implementing ethnic federalism and policies related to it.[125]

Figure I: Southern Nation and Nationalities Peoples (SNNPR) by Zone and special *Wäräda*



Source: CSA (2008), 20.

To conclude, Gedeo and Sidama are some of the people of southern Ethiopia who have experienced many types of administration under five successive governments from 1898 up to 2010. Each government was notable in affecting traditional administrations of the two people. Developments of the period were also remarkable in bringing changes that restructured political,

[125]SNNP Government Bureau of Planning and Economic Development, *A Socio-Economic Profile* (Awasa, January 2003), pp.15-16; and Dubale Aseffa, p. 116; and Informants: *Ato* Germa Bäkälä, *Ato* Dubala Assefa, *Ato* Teferi Kifle, and *Ato* Dawit Wonbēto.

economic, social, and cultural situations of the two regions. Almost all governments, initially valued local authorities and revitalized indigenous institutions to solicit support for the success of their political programs. Gradually, it was natural for each regime to show disregard for local authorities and install new systems, that could help them to fulfill what they aspired to achieve. Thus, Gedeo and Sidama people have gone through such experiences at least for the last one century.

Furthermore, the power of district governors (*awraja* and *wäräda*) in decision making was limited. Informants unanimously agree that under the three regimes of the country the power of *awuraja* and *wäräda* governors was limited. They were simply tax collectors, criminal hunters, judges, and land classifiers. This means they were destined to implement every order that had come from the above and expected to agree with their immediate bosses whatever the case. They had no space to voice over agreement and disagreement of the people at decision making level, which was common feature of district administration throughout the three regimes of the country. Not only the *awuraja* and *wäräda* governors but also sometimes there were occasions deliberately provincial governors got marginalized from decision making, when they became popular among the local people due to their attempts to become fair to the people.

Finally, the *Därg* and EPRDF regimes were busy in dissolving everything that their predecessors built up. Even if they took the measures to mobilize supports for their political programs, reforms made by the two regimes brought remarkable changes that improved living situations of the people. Particularly, in terms of relatively increasing invlovment of local people in some political and social activities of the regions, the two regimes played a remarkable role.

2.2 Land Tenure Systems in Gedeo and Sidama

2.2.1 Traditional Land Tenure systems

As it is narrated, explained and analyzed in detail by several writers, who carried out research on the land tenure (*rest* and *gult*) system of northern Ethiopia, it was principally lineage ownership of land. Lineage ownership refers to usufruct right of an individual to the land he/she owned and submission to periodic redistribution of patrimony among members of that particular family.[126] It was a system, which never transfered any part of the patrimony to outsiders.[127] Similarly, in the southern part of the country lineage ownership was effective until it was abolished by the state. After the conquest, in some parts of newly conquered areas such lineage ownership was destroyed but in some parts it survived for some practical reasons that are explained below. In general, the abolition of traditional landholding system led to the birth of private tenure replacing public ones.

Before the conquest, Gedeo and Sidama had lineage based land tenures managed by traditional institutions that continued to be practiced briefly after the conquest.[128] In this period lands were communal properties that each member had the right to own a piece of land for residential and cultivation purposes by clearing forest areas.[129] Grazing lands were collectively used regardless of the number of cattle each member privately owned. In this period, land ownership was not as

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[126]Allan Hoben, *Land Tenure Among the Amhara of Ethiopia: The Dynamics of Cognatic Descent* (Chicago: The University of Chicago Press, 1973), pp. 11-16, and 130-131; Bahru (2002a), p. 191-192; and Betana, p. 132.

[127]*Ibid.*

[128]Betana, p. 102, Almaw, p. 38; and Sidama Zone Bahel na Turism, *YäSidama Behēr Tarikena Bahel*, pp. 27-28 and Informants: *Ato* Gatiso Hankarso, *Ato* Sadewo Sakuma and Ato Abu Hanfato (Focus Group Discussion, FDG here after).

[129]Bētan Hoṭēso, pp. 131-133; U. Braukamper, *The Ethnogenesis of the Sidama* (London: School of Oriental and African Studies), pp. 8-9; J. Hammer, *Aging in a Gerontocratic Society: The Sidama of Southwestern Ethiopia* (New York, 1972), p. 22; M.L. Bender and R.L. Cooper, "Mutual Intelligibility within Sidamo," *Lingua*, Vol. 27, No. 1(1970), pp. 129-130; and E. Cherulli, *People of Southern Ethiopia and Its Boarder Lands* (London: International African Institute, 1956), p. 79. According to the Sidama people, communal land holding is known as *Danawa* and the private one is called *ṭinṭo Utuwa* is a private land holding that an individual inherits from his parents or relatives.

such sensitive issue because social esteem of individuals in the society was determined by the number of cattle than size of land and other private properties someone owned.[130]

In Gedeo apart from political, cultural and social responsibilities, *ballē* was entitled to manage customary land tenure system.[131] In Gedeo, land was communally owned as property of the seven Gedeo clans, and distribution of lands was one of the prerogatives of the *ya'a* councils (councils of elders).[132] The clan possession was further distributed among sub-clans, families and individuals. According to customary rules of the system, a person could get a plot of land either by inheriting it from his parents or appealing to *ya'a*.[133] Up to 1974, the Gedeo people practiced both collective and private landownerships; however, it was the graduall effective execution of land measurements that seriously affected collective (*utuba*) lands.

Traditionally, every male Gedeo considers claiming part of the family land as a birthright because land ownership defines his very belonging to society and status in society.[134] Land ownership was also required for status and dignity of land owners as heightened by the culture. Traditional Gedeo have several approaches to increase the value of land and force each member to manage land and forest resources properly under his/her possession. For example, they used to bury their deceased relatives (mainly those who died at their old ages) in the garden and plant tree on the graveyard to sanctify both land and trees. Thus, someone who inherits the land with his ancestral bones lying in the land has no absolute right over the land but obliged to maintain it. It was one of the traditional methods that helped the Gedeo people to pay due attention to their ecology in general and land and forests in particular.

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[130]John Hamer, *Human Development: Participation and Change Among the Sidama of Ethiopia*, p.24; Kebede Abera, "Economic Aspect of the Hadicho," p. 45; and Yibeltal Gebeyehu, "Population Pressure and Agricultural Land Fragmentation in Ethiopia, A case study of Shashemene and Dale *Weredas*"(M.A. Thesis, Geography, AAU, 1992), p. 80.

[131]McClellan (1988), p. 25; and Tadesse Kipe *et al.* p. 175; and Informants: *Ato* Jaarso Wario and *Ato* Uko Matti.

[132]*Ibid.*

[133]*Ibid.*

[134]Taddese Kippie (2002), p.92; and Assebe Regasa (2007), p. 28; and Informants: *Ato* Jaarso Wario and *Ato* Uko Matti

Customary land tenure systems of the Gedeo and Sidama people do not consider females. This is because they are excluded both from inheriting family land and land distribution. In both cases the objective of such denial of females' right to land ownership is the same, i.e. protecting clan/ family lands from outsiders coming through marriage.[135] Daughters marry someone outside their clan/family because inter-clan and inter-family marriages are prohibited. Thus, denying their rights to clan/family land through inheritance was a means to protect the community land. Secondly, such system of marriage is designed traditionally to avoid double land grant, which leads to the possession of lands by few individuals. This is because as a precondition to marriage each Gedeo or Sidama young receives land from his respective clan/family. The denial is also designed to encourage proper utilization of lands belonged to a certain clan/ family by providing an individual with a size of land that he could properly cultivate. [136]

According to informants, from the 1970s marriage in Gedeo appeared to be an important institution that asserts someone's entry to farming and access to private landholding; thus, early marriages has become highly encouraged.[137] They further argue that early marriage is an odd circumstance that did not exist in the former Gedeo tradition, which required physical, emotional and mental maturity of the parties. The former one requires young men to show their strength by hunting large dangerous animals such as rhinos or leopards. They also should demonstrate their skill in climbing large trees, hanging beehives in trees, honey harvesting and engaging in small business, such as trade or herding animals in the lowlands etc.[138] Today, the weight given to marriage has considerably decreased and failure rate of marriage has increased, which is a development seen as detrimental by the elders.

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[135]Taddese Kippie (2002), p.92; and Betana, p. 38; and Informants: *Ato* Jaarso Wario and *Ato* Uko Matti.
[136]*Ibid.*
[137]Taddese K. (2002), p.93; Informants: *Ato* Jaarso Wario *Ato* Uko Matti, Ato Dassēcho Waqo and *Ato* Germa Gutumē.
[138] *Ibid.*

As it has been explained above, land ownership in Sidama was clan or sub-clan (*gossa*) based where traditional chiefs had a key role to play in deciding on the land possessed by each clan.[139] The entire Sidama land was divided into fourteen major *gossa*. The share of each *gossa* was further divided into *ga'rē*, a unit next to *gossa*. The process of land division, further continuous from *ga'rrē* to *booso* from *booso* to *ayiddē* and finally from *ayiddē* to *minē,* the lowest level of societal subdivision at household level.[140] In the case of providing individual with plot of land the role of *ayiddē* and *minē* was more notable than others.

Like the case in Gedeo, the local Sidama people had both collective and individual rights to land governed by customary laws executed by heads of traditional institutions, *çimēyē*, *woma* and *motē* (*moticha*). In this case *woma* and *motē* refer to heads of each clan, who had both spiritual and secular importance and highly venerated by their respective clans. The three most dominant forms of the traditional land tenure system of Sidama people were *utuwa*, *ţinţo* and *dannawa.*[141] Accordingly, *danawa* refers to communal land holdings and *ţinţo* to private ones. Finally *utuwa* is a private land holding that someone inherits from his parents or relatives.

The pre-conquest Gedeo and Sidama people largely used to produce *ensät* and cereals like barley on their pieces of gardens by the help of archaic tools made from wood, stone and iron.[142] Such primitive nature of farming tools (unsuitable for surplus production) and low population density markedly reduced contests for land.[143] Their attitude towards private property, which attached

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[139]Bētana, p. 102, Almaw, p. 38; Dubale Asefa, "The Socio-Political History of the Sidama People ...," p. 40; and Sidama Zone Bahel na Turism, *YäSidama Behēr Tarikena Bahel*, pp. 27-28; and Informants: *Ato* Gatiso Hankarso, *Ato* Sadēwo Sakuma and *Ato* Abu Hanfato (FDG)

[140]*Ibid.*

[141]Bētana, p. 102, Almaw, p. 38; and Dubale Asefa, "The Socio-Political History of the Sidama People ...," p. 45; Sidama Zone Bahel na Turism, pp. 27-28, and Informants: Ato Gatiso Hankarso, Ato Sadewo Sakuma and Ato Abu Hanfato.

[142]H. F. Huffnagel, p. 47; J. C. McCann, p. 190, and S. Stanley, p. 31; Bētan Hoţēso, p. 37 John Hamer, *Human Development: Participation and Change Among the Sidama* ..., p.33; and Kebede, "Economic Aspect of the Hadicho," p. 46.

[143]Bētana, p. 102, Almaw, p. 38; and Sidama Zone Bahel na Turism, *YäSidama Behēr Tarikena Bahel*, pp. 47-48 and Informants: *Ato* Gatiso Hankarso, *Ato* Sadēwo Sakuma and *Ato* Abu Hanfato (FDG).

marginal value for land, also reduced its role as a source of social pride.[144] Thus, largest part of the land was covered by forest and the rest used for grazing, farming, residence and other social and cultural purposes.[145]

In general, expansion of the Imperial state and its attempts to realize policy packages designed to centralize political power and economy of the country modified the traditional land tenure system of the Sidama and Gedeo people. Yet to the 1940s measures employed by the Imperial government were not strong enough to abolish customary systems of the incorporated areas, which helped them to survive against new developments. Due to its brief existence in Ethiopia the Italian rule was also not worth mentioning in displacing the local land tenure. However, relatively speaking the period from 1941to 2010 was very remarkable in displacing the traditional land tenure. It was a period that three successive governments of the country enacted series of laws specific to land. As it will be presented below, they used land issues for various purposes such as economic, political, cultural and social interests, which each of them aspired to achieve at the end.

2.2.2 Land Issues From 1941 up to 2010

It was the post-conquest development, which increased the value of land and demand for it because migration of people after the conquest totally changed settlement patterns, composition and interaction of people in the province.[146] As a result, the new land tenure system called *gäbbar*-system was introduced by the Imperial state replacing the traditional one to settle land issues and generate income for the government.[147]

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[144] *Ibid.*
[145] *Ibid.*
[146] Shumet Gizaw, *Livelihood Options of Rural Youth in Ethiopia* (Saarbrucken: Verlag, 2012), p. 41.
[147] NALA, Folder No 341, File No. 51, quarterly report writen from Sidamo to IM (2 Megabit 1960 E.C), pp. 2-4.

As to land cases from 1941 up to 1974 in Sidamo in general and Gedeo and Sidama in particular, there were three forms of landholdings. The first one was the communal form of landholding that was largely practiced in lowland pastoral areas where the land measurement system was not applied. Even if peoples used them on collective basis, lands in such areas were generally part of the government land (*yä mängest yezota*). For example, as one of the official letters written from the Ministry to Sidamo indicates "**አገሩ ቀላድ ያልተጣለበት የዘላን መኖሪያ በመሆኑ የመሬቱ አፅመ-ርስትነት መንግስትን የሚመለከተዉ ስለሆነ በመንግስት መመሪያና ደንብ መሰረት በሚመለከተዉ አካል እንዲለካ በማለት እናሳስባለን።**" Literally means: "Since the country is a pastoral area where *qalad* (land measurement) was not applied and government is proprietor of the land, we recommend to concerned authorities to measure the land in accordance to the law."[148] Writers like Haberland and McClellan came across such forms of landholding in Gedeo and Sidama, in the late 1950 and 1960s. They explained that the extensive lowlands in the eastern shores of Lake Abaya and Lake Hawasa were partly used by the Gedeo and Sidama pastoralists on collective basis respectively, while the rest was covered by extensive farms owned by migrant settlers.[149]

The other two forms of landholding, which had both political and economic significance, were called *qalad* and *utuba/utuwa*.[150] Both of them were products of two different but closely interrelated policies of the restored imperial government. They refer to land measurement and land privatization. Actually, land measurement was already started in Gedeo and Sidama since 1897; however, its effectiveness was gradually expanded to include buffer zones that were not

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[148]*Ibid*, Folder No 193, File No. 42, a letter from IM to Sidamo about land measuring (5 Tere 1960 E.C), pp. 2-4.

[149]Haberland (1963), pp. 274; E. Haberland, "*The Influence of the Christian Ethiopian Empire*," pp. 236-237; and E. Haberland, "Notes on the History of the Southern Ethiopian Peoples," pp. 48-49. and 288; and McClellan (1978), p. 209; and Informants: *Ato* Gerema Bäkälä, *Ato* Eshätu Çaka, *Ato* Abu Hanfato and *Ato* Woqisa Wonbet. According to these sources, such type of landholding was common in other parts of Sidamo like among the Guji, Boorana, Walayaita and others.

[150]Informants: *Ato* Gerema Bäkälä, *Ato* Eshätu Çaka, *Ato* Abu Hanfato and *Ato* Woqisa Wonbet.

yet integrated. Thus, the restored imperial regime had extensively applied it both in agricultural and pastoral areas of the province including Gedeo and Sidama.[151] Oral sources consulted about land tenure unanimously cite the restored Imperial regime as extremely notable in terms of measuring and privatizing various lands of the entire province; thus, just before the outbreak of the 1974 revolution almost all cereals, *ensät* and coffee growing areas were effectively privatized.[152]

As it has been explained above, both before and after 1941 land measurement was conducted by local *balabats* assisted by government delegates. Almost all lands that were measured and distributed to settlers before 1935 were sedentary agricultural areas with farmers cultivating them. These lands were called *gäbbar* lands. In the meantime some open lands that were measured in agricultural areas were doled out to local *balabats* in the form of *siso-gult.* However, in contrast to a common assumption the size of *siso-gult* was considerably less than one-third of the territory under a given *balabat.* After 1941, allotting land to *balabats* was hardly practical because they had already obtained it before 1935. Therefore, most of the lands that were measured after 1941 whether in open farming lands or pastoral areas were made state land, which became source of government grants until the 1974 Ethiopian Revolution.[153]

Land privatization was another policy of the restored Imperial government that was employed in the regions for both political and economic purposes, which affected lands under various tenures. According to Bahru, the three major lands that were involved in the process of privatization were *gäbbar* land, *madäriya* and *čerota* (lands granted by the restored government).[154] As it has been

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[151]*Ibid.*

[152]Yebeltal Gebeyehu, p.61; Deribe Kaske, p. 38 and Asefa Bekele, p. 20.

[153]NALA, Folder No. 104/4, File No. 106/2, Annual report from Sidamo to IM (29 Sane 1964 E.C.), pp. 3-5; Tesema Ta'a, "The Basis for Political Contradiction in Wollega: The Land Apportionment Act of 1910 and Its Consequence," *Northeast African Studies*, Vol 6, No. 2 (1984), pp. 187 and 190; and Informants: *Ras* Mängäsha, and General Bäkälä.

[154]Bahru (2002), p.191; and Crummey, p. 241; and Informants: *Ras* Mängäsha, G. Bäkälä, *Ato* Wubät and *Ato* Uko.

indicated earlier it is also possible to include a *siso-gult*, lands that were dispensed to local *balabts* in the course of land measurement undertaken before the Italian conquest. Therefore, in Sidamo at large and Gedeo and Sidama in particular the four categories of land that experienced the process of privatization were *gäbbar* land, *madäriya, čerota* and *siso-gult*.[155]

With the exception of *gäbbar* land, the privatization of *madäriya, čerota* and *siso-gult* in Gedeo and Sidama was very simple and easily applicable. For example, *madäriya* and *siso-gult* were changed into private holding through the 1955 and 1966 decrees, which described patterns of the conversion.[156] The decrees assert that former owners were permitted to convert fraction of lands into their own free holding and distribute the rest to farmers who formerly paid them tributes. However, lands received from government required no process because the grant itself was made in the form of private property.[157] Regarding such developments, official documents of the period use three Amharic terms to describe purposes of land grants; for example, *bäwuläta* (in gratitude), *bäseṭota* (as a gift), and *bärestenät* (in the form of *rest*).[158] In this case, *rest* refers to the concept that advanced after 1941, which means "... unconditional private property."[159]

In Gedeo and Sidama privatization of *gäbbar* lands was relatively vague as compared to the above-mentioned ones because the pre-war owners themselves carried out the process. Soon after the evacuation of Italians, many of the former owners, mostly patriots, clerics of Ethiopian

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[155]Informants:, *Ato* Wubät Täfära and Uko Matti.

[156]*Nägarit Gazäta*, A Proclamation to Privatize Landholdings, 21/1955, No. 33, Year 23rd (1955); *Nägarit Gazäta*, A Proclamation Amended to Privatize Landholdings 38/1966, No. 71, Year 33rd (1966); and Girma Kebede, *The Process of Land Privatization in the Imperial Ethiopia and Its Socio-economic and Political Implications* (Alexandria: Alexandria University Press, 1990), pp. 33-34; and Informants: *Ras* Mängäsha Seyoum, and General Bäkälä Gäbrägizi.

[157]Bahru (2002), p. 191; Crummey, 240; and Tesema Ta'a (1984), p.188.

[158]NALA, Folder No. 104/4, File No. 106/2, Annual report from Sidamo to IM (30 *Sänē* 1960 E.C.), pp. 3-5; NALA, Folder No. 104/4, File No. 106/2, Annual report from Sidamo to IM (30 *Sänē* 1962 E.C.), pp. 2-4; *Ibid*, Folder No. 104/4, File No. 106/2, Annual report from Sidamo to IM (30 *Sänē* 1963 E.C), pp. 5-8; and *Ibid*, Folder No. 104/4, File No. 106/2, Annual report from Sidamo to IM (29 *Nähase* 1964 E.C), pp. 2-5.

[159]Bahru (2002), p. 191-192; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät Täfära and Uko Matti.

Orthodox Church and descendants of former governors had come to reclaim their possessions.[160] The pre-war *gäbbar* landowners who reclaimed their former rights gradually ended up by holding lands altogether.[161] Correspondingly, this process reduced the pre-war *gäbbar* farmers to the post-liberation tenant farmers.[162]

Measurement and privatization of land affected everything in Gedeo and Sidama both negatively and positively. The two policies were identified by almost all informants as the most notable in terms of revolutionizing coffee production by availing land and labor, which are crucial for the case.[163] For example, evolution of *utuba* in Gedeo and *utuwa* in Sidama was one of the positive developments, which benefited local people.[164] It evolved from the above-mentioned four landholdings, mainly in the process of privatizing *madäriya* and *siso-gult.* As it has been explained above, former *madäriya* and *siso-gult* owners were required to distribute part of their landholding to farmers already cultivating it and paying tribute for it. Gedeo and Sidama who got lands in the course of this distribution were able to become owners of *utuba* and *utuwa* lands respectively[165].

Land purchasing was another source of *utuba* and *utuwa* lands because continuous privatization of land brought corridor areas of the regions under privatization. Thus, those who owned lands in remote areas were able to benefite from the process either by selling or contracting their lands at a better price. Apart from increasing the value of land, this process provided opportunities for many landless people to become landowner through purchasing. Finally, the last source of *utuba* and *utuwa* land was government land grant. Sometimes government made land grant from its

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[160]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, Uko Matti, *Ato* Azänä Kibamo, and *Ato* Yana Kabato.
[161]*Ibid*; Bahru (2002), p. 191 and Ababu, p. 33; Berhanu, p. 229; and Almaw, p. 109.
[162]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, Uko Matti, *Ato* Azänä Kibamo, and *Ato* Yana Kabato.
[163]*Ibid.*
[164]*Ibid.* They indicate that *utuba* is a term commonly used by both Gedeo and Guji people to refer private landholding.
[165]*Ibid.*

reserve to landless tenants. For example, in the first half of the 1950s *Ras* Mängäsha Seyoum personally provided land to landless poor tenants in Gedeo and Sidama with/without the knowledge of the Emperor, which finally spoiled his relation with the Emperor and caused termination of his office term in Sidamo.[166]

As to adverse effects of land measurement and privatization polices, one can mention land alienation as an example. According to official reports from Sidamo, in a matter of two years (1962-1963) a total amount of 2, 556 *gaša* of land in Sidamo was distributed to various individuals by evicting local people from their traditional landholdings.[167] Such a massive grant of land exhausted sources of land to meet a growing demand for land. It also resulted in frequent eviction and revising land measurement all over again under the justification that former measurements were unreliable. The following official report from Sidamo is an indicator of the case in point. It says that:

Amharic	English
በ 1962 ዓ.ም. ራፖራችን እንደገለጽነዉ የግል ርስትም ሆነ ከመንግስት በስጦታ የተሰጠ በአይነ-ገመድ ከዚህ ወዲያ አየተባለ ይዞታ ተደርጎ የተቀመጠዉ መሬት በደንበኛ መሬት ለኪ እንደደንቡ ቢለካ አንድ ጋሻ ነዉ የተባለዉ ሁለትና ሦስት ጋሻ ስለሚሆን ዳግም እንዲለካ ቢደረግ የመንግስትን ገቢ ከፍ ከማድረጉም ሌላ መሬት ሳይሰጠን ቀረን እያለ የሚያላዝነዉን ሕዝብ መሬት ሊያስገኝ የሚያስችል መሆኑን እያስረዳን በዚሁ መሰረት እንዲፈጸም ደግመን እናሳስባለን።	*As we have already stated in the report of 1962 (E.C.), land measures that were previously done on privately owned rest lands and on lands granted by government was more of guess work than accurately. So, if they are now accurately measured, what has been said one gaša could be two or three. Thus, we remind once again the accurate measurement of land carried out all over again because this enables not only to maximize government revenue but will also satisfy peoples complaining for not being given land.*[168]

[166] *Ibid.*

[167] NALA, Folder No. 104/4, File No. 106/2, quarterly report written from Sidamo to IM (29 *Mäskäräm* 1962 E.C), pp. 8-9; *Ibid*, quarterly report written from Sidamo to IM (11 *Mäskäräm* 1963 E.C), p. 15; and *Ibid*, annual report written from Sidamo to IM (29 *Nähasē* 1964 E.C), pp. 3-4.

[168] *Ibid*, Annual report written from Sidamo to IM (30 *Sänē* 1963 E.C), p15.

Land alienation had adversely affected both pastoral and agricultural areas of the region. It also increased hostility of the people towards the Imperial government and caused the outbreak of conflicts followed by arrests and imprisonment of people for various reasons. For example according to an official document evicted farmers desperately involved in theft and other sorts of violent acts. It says: "...ከቅድመ-አያቶቻችን፣ ከአያቶቻችንና ከአባቶቻችን እየተወራረሰ ከመጣዉ የመሬት ይዞታችን ላይ ተፈናቅለናልን በማለት አቤቱታ ሲያቀርቡ የነበሩ ባላገሮች ፍትሃዊ ምላሽ አላገኘንም በማለት አኩርፈዉ በመወሰለት የአካባቢዉን ነዋሪ በማወክ ላይ ይገኛሉ።" Literally means "Local people who were complaining against their evictions from traditional landholdings that they inherited from their forefathers, got dissatisfied due to decisions that failed to comply with their expectations; thus, they embarked up on anti-social activities and found disturbing others."[169]

Tenancy was another form of agreement largely practiced in the regions during the restored Imperial rule, which required payment to be in cash.[170] The relationship between landowners and tenants was largely governed by unwritten accords stating the amount of sharecropping. Sharecropping usually varied from place to place and time to time.[171] Regardless of such variations, three common forms of sharecropping that were practiced in these two regions of the province were *erbo* (quarter of the produce), *siso* (one-third) and *ekul-araš* (half).[172] However, *erbo* was the most common type of sharecropping in all agricultural areas of Sidamo in general and Gedeo and Sidama in particular. In the case of *erbo* tenants were expected to handover to the landowners quarter (¼) of the produce of the land they contracted to cultivate.[173]

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[169] *Ibid*, Folder No. 104/4, File No. 106/2, Quarterly report written from Sidamo to IM (29 *Hedar* 1959 E.C), p.10.
[170] Bahru (2002a),p. 193; and Crummey, p 238; and Informants: *Ras* Mängäsha, and General Bäkälä
[171] Bahru (2002a), p. 192; Patrick Gilkes, *The Dying Lion: Feudalism and Modernization in Ethiopia* (London: Julian Friedmann Publishers Ltd., 1975), p. 119; and Informants: *Ras* Mängäsha, and General Bäkälä.
[172] Bahru (2002), p. 87; McClellan (1988), pp. 57-79; and Informants: *Ras* Mängäsha, and General Bäkälä.
[173] *Ibid.*

As it will be explained below, except during the *Därg,* land sale and eviction of farmers were common characteristics of both the imperial and EPRDF regimes. It is also vital to notice the economic burden of land tax that resulted from continuous privatization and land measurement processes. This was because, like its predecessors, the restored Imperial government was extremely dependent on the income that came from land. As a result, the regime enacted more than eight proclamations in different years that directly related to land tax, which shows the great importance that the regime attached to land. [174] Gradually, such legal provisions of the restored imperial regime laid the foundation for evolution of three forms of tax: agricultural income tax, education tax on land and health tax on land, which were onerous on tenants.[175] The execution of such taxes on land appeared very demanding and affected coffee farmers of Gedeo and Sidama, which gradually pushed most of them to become reluctant to pay and stand against the system.

In addition to this, commercial coffee production and the arrival of people for various purposes also played their parts in accelerating the decline of traditional land tenure system in the province.[176] This was because they increased value of land and demand for land accompanied by competition for lands suitable for coffee production. Particularly, after 1941 the arrival of many people to Gedeo and Sidama was remarkable in intensifying the search for land in the province, which as time went on affected not only the traditional systems but also the relation of settlers and governors, as well. As it will be presented below, for example, from 1941 to 1974 uneasy relationships of *näfṭäññas* and *tekeläññas* were resulted from identifying 'extra' or 'excess' land

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[174] *Nägarit Gazēta*, A Proclamation to Provide for Tax on Land, No.8 (1942), p. 17; *Ibid,* Land Tax Proclamation No. 70 (1944), p.4; *Ibid*, Land Tax (Amendment) Proclamation of 1947, p.14; *Ibid*, Education Tax Proclamation No. 94 (1947), p. 15; *Ibid*, Land Amendment Proclamation No. 106 (1949), p. 35; *Ibid*, Land Tax (Amendment) Proclamation, No. 117 (1951), p. 49; *Ibid*, Land Tax (Amendment) Proclamation No. 230 (1966), p. 31; *Ibid*, Income Tax (Amendment) Proclamation No. 255 (1975), p. 19. In this case a number of writers also tried to analyze other legal provisions related to land tax.

[175] *Nägarit Gazēta*, Income Tax (Amendment) Proclamation No. 255 (1975), p. 19; and Bahru (2002), p. 194

[176] *Ibid.* According to the proclamation government land (*yämänegeset yezota*) consisting of farming, grazing and forest lands. Part of farming was kept as government farms and the rest given to individual in the form of *čerota*, which eventually turned into private property *yägläsäb yezota.* Government land (*yämänegeset yezota*) consisting of farming, grazing and forest lands.

to put on sale, which caused uprooting of one by the other.[177] Thus, in the 1970s land related crisis caused struggle of the local people against the land tenure system, which finally also helped a certain group of people to mobilize support against the Imperial regime and actually succeeded in removing it.

Under the EPRDF government land also continued to be used for economic, social and political consumptions. For example processes of land redistribution and certification were some of the approaches employed by the regime to solicit support for its ethnic based political programs. Accordingly, each farmer of the two regions has been certified ownership of his/her land.[178] Ex-soldiers who returned from various war fronts were provided with plots of land and organized into small entrepreneurs to run various businesses.[179] By 2010 most lands of the region were included into towns and land sell appeared to be language of the day, which increased insecurity of peasants inhabiting environs of towns in Gedeo and Sidama. This shows the continuous importance of land since 1941.

As it will be presented in chapter five, introduction and eventual expansion of commercial coffee production in Gedeo and Sidama was attributed to efforts of provincial governors to maximize the national income. Even if governments of the country worked to diversify the national export menu and maximize income instead of sticking to coffee that entangled with price crisis, governors of the regions facilitated coffee production, processing and marketing by providing land suitable for each case.[180] As a result, most of the coffee farms that were established during

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[177]Informants: *Ras* Mängäsha, and General Bäkälä. According to them in Gedeo and Sidama it was quite difficult to find common name that could refer to all people that arrived to Gedeo and Sidama. This was largely because composition of governors, civil servants, settlers and other economic migrants was highly diversified and consisted of many ethnic, religious and economic groups. Therefore, unlike the case in Arsi-Bale, where settlers were called Sidama (Amhara) no common name for settlers. However, in Gedeo the ruling group was refered as *Yädänbäññä Liji*. In Sidama no such common term referring to them.

[178]Informants: *Ato* Dawit Wonbēto, *Ato* Teferi Kifle and *Ato* Melkamu Kifle, *Ato* Wunshät Tägäññ.

[179]*Ibid.*

[180]Informants: *Ras* Mängäsha, and General Bäkälä.

the Imperial period were able to claim fertile lands found in the outskirt of each town of the two regions.[181] Except redistributing and reorganizing farms of the province the role of *Därg* and EPRDF regimes was insignificant regarding expansion of coffee farms in Gedeo and Sidama.[182] The following tables (table III, IV, and IV) clearly show settlement pattern and classification of lands based on the nature of land and its use. As chapter six will show, one has to be aware of the fact that the land under coffee cover has been gradually shrinking due to various reasons related to economic, social, cultural, and political developments in the two regions.

The 1974 Revolution caused introduction of new approaches to settle cases pertaining to land ownership.[183] According to some writers directions and scale of socio-economic changes from the mid 1970s to the early 1990s in Ethiopia were different from other African countries. For example, Desalegn and Andargachew indicate that the first phase of the revolution was largely busy in destroying the main underpinnings of the old regime and soliciting support to defeat resistance from "remnants" of the old order and radical intelligentsia.[184] Thus, in addition to promoting socialist ideology and carrying-out propaganda against the imperial regime most of the redistribution of lands was undertaken during this particular period.

As it will be shown in chapter five, to manage issues related to land, labor and capital in the region nationalizing properties and lands that belonged to important figures of the imperial regime was carried out by the *Därg*.[185] In this case, it is important to note the 1975 land reform, which was foundation of the measures related to land and resulted from the slogan "land to the

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[181] *Ibid.*

[182] Informants: *Ato* Dawit Wonbēto, *Ato* Teferi Kifle and *Ato* Melkamu Kifle, *Ato* Wunshät Tägäññ

[183] Christopher Clapham, "Centralization and Local Response in Southern Ethiopia," pp. 79-80; and Dessalegn Rahrnato, *Agrarian Reform in Ethiopia* (Uppsala: Scandinavian Institute of African Studies, 1984), p. 66.

[184] Dessalegn (1984), p. 80; and Andargachew Tiruneh, *The Ethiopian Revolution, 1974-1987: A Transformation from an Aristocracy to a Totalitarian Aristocracy* (Cambridge: Cambridge University Press, 1993), p. 191.

[185] Dessalegn Rahmato, *The Peasant and the State studies in Agrarian Change in Ethiopia 1950s-2000s* (Addis Ababa: AAU Press, 2009), p. 12; and M. J. Cohen, "Ethiopia after Haile-Selassie: the Government Land Factor," pp. 371-372.

tiller."[186] The proclamation nationalized all land in the country, abolished agricultural wage labor, and provided for organization of peasants into Peasant Associations (PAs) to undertake administration of their rural environs.[187] It specifically redistributed lands whose outcomes varied from place to place due to differences in the size of population, available land and pre-revolution landholdings.[188] In the regions under discussion, landless tenants were provided with plots of lands to reside and cultivate on and smallholders with inadequate size of land were able to get some more.[189]

Furthermore, the land reform proclamation of 1975 (proclamation 31/75) was enacted to create uniformity of land tenure system in the country against land holdings practiced by the imperial regime.[190] The main goal of the proclamation was establishing public ownership of rural lands and doing away with private ownership, remnants of tenancy and landlordism. As it is stated in the document it prohibited land sell, leasing, mortgaging etc. all related to processes of land commoditization, except the right to land by inheritance. Finally, the proclamation paved ways for public ownership of land to evolve into state ownership under socialist principles; and peasants into state tenants.[191] It was a situation that helped the regime to become more and more authoritarian. Nonetheless, the *Därg* encountered prolems in its attempts to create a uniform land tenure system. Several factors deterred realization of the reform. For example, local resistance, cultural variations, history, ecology, landscape, logistics and some other factors were the major ones in deterring implementation of the reform.[192]

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[186]*Nägarit Gazēta*, Proclamation No. 31, Year 34th, No. 26 (4 March 1975), "Proclamation provided for the Nationalization of Rural Land (1976 E.C.)," see the preamble part also.

[187]Dessalegn Rahmato (2009), p.16; and M. J. Cohen, p.174.

[188]Informants: General Bäkälä Gäbräigzi, Colonel Kasahun Bälachäw, *Ato* Girma Bäkälä, and Ato Abu Hanfato.

[189]*Ibid.*

[190]*Nägarit Gazēta*, Proclamation No. 31, Year 34th, No. 26 (4 March 1975), "Proclamation provided for the Nationalization of Rural Land (1975 E.C)," pp. 4-7.

[191]Wibke Crewett and Benedekt Korf, "Ethiopia: Reforming Land Tenure," *Review of African Political Economy*, No. 116; pp. 206-227; and Desalegn Rahmato, *Agrarian Reform*, pp. 37-38.

[192]Aster Akalu, *The Process of Land Nationalization in Ethiopia* (Lund: CWK Gleerup, 1982), p. 80; John Michael Cohen, "Revolution and Land Reform in Ethiopia," *Rural Development Occasional Paper*, No.6 (Ithaca: Cornell University, 1976), p. 46. They state that, the Ministry of Land Reform lacked budget and logistic supplies to open offices, hire workers, and supply with necessary equipments to implement the reform; for example, it was unable to even open offices at *wäräda* levels to run the case of land effectively.

As to Gedeo and Sidama the reform was executed in the form of successive land redistributions, each with specific features and motives.[193] For example in Gedeo it was carried out in five rounds and in Sidama it varied from place to place from two to five rounds.[194] Whatever the difference, "retention of previous holdings" (in Ahmaric "በያዘ ይዕና") was one of the underlying principles that guided realization of the reform throughout the province.[195] This implies that peasant cultivators would be confirmed in their holdings in so far these holdings were not above the legally prescribed amount.[196] It was found to be the best approach to realize the reform without dislocating individuals from the land, which they tilled.

However, the redistribution was failed to bring about uniformity of land in terms of size and fertility. Until the establishment of cooperatives, PAs and villagization program by consolidating land in the regions, most of the lands held by previous lords were broken up and redistributed among those who did not have any land to their name, such as the migrant workers. It was good for the landless ones in the region because it helped them to have their own private landholding, a plot of land to reside on and cultivate food for their families.

In spite of popular support mobilized from land redistribution, the second phase of the revolution was characterized by oppositions caused by practices such as the establishment of socialist cooperatives formed to strengthen the government control over people, land and other resources of the region.[197] In the 1980s, agricultural production was reorganized under Peasant Producers Cooperatives, which eventually forced stallholders to lose their control over land and pull together important resources

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[193]NALA, Folder No.478, File No.48/22/75, annual report from Sidamo province to the Ministry of Land Reform indicating the process of land distribution realized in line with the 1975 land reform proclamation(1975), pp. 3-7; and Informants: Germa Bäkälä, Ato Abu Hanfato, *Ato* Wolqisa Wonbeto, and *Ato* Eshätu Çaka (FDG).

[194]*Ibid*, Filder No. 519, File No. 50/10/78, annual report from Sidamo province to the Ministry of Land Reform indicating the process of land distribution realized in line with the 1975 land reform proclamation(1978), pp. 20-22; Informants: Germa Bäkälä, Ato Abu Hanfato, *Ato* Wolqisa Wonbeto, and *Ato* Eshätu Çaka

[195]Proclamation No. 31/1957, p. 10. It states that "... any tenant or hire laborer shall have possessory right over the land he presently tills..." Therefore, it was normal for tenants to get recognition from government for their lands.

[196]Informants: Germa Bäkälä, Ato Abu Hanfato, *Ato* Wolqisa Wonbeto, and *Ato* Eshätu Çaka

[197]*Ibid*.

like oxen and farm equipment in villages they settled together. However, the period was unique from the rest of the regimes of the country because there was no land sale at all in the regions.

Finally, the ethnic based government of EPRDF, which took the state power in 1991, had set a new form of economic, political and cultural relations in the country. It decentralized political power along ethnic lines. Accordingly, each district (*wäräda*) in Gedeo and Sidama appeared autonomous and established coffee processing and purchasing centers run by Unions, which helped small coffee producing villages to evolve into towns.[198] Like the pre-*Därg* regimes of the country land sale was common practice of the period in the regions (see also table III, IV and V).

Table III: The Distribution of Land under Various Uses in Gedeo and Sidama (1995)

Zone	Total Area In sq. km	Cultivated	Cultivable	Grazing	Shrub, Bush Land & Forest	Others
Gedeo	1347.0	212.7	709.0	161.2	51.5	212.7
Sidama	6862.0	3406.9	383.4	698.2	434.0	1939.5

Source: - The Regional and Zonal Agricultural Bureau (1995), p. 15

Table IV: Distribution of Farmers by the size of landholding in SNNPRS (Gedeo and Sidama)

Zone	Landholding in Hectares						
	0.01- 0.255	0.255-0.505	0.505-1.005	1.005-2.005	2.005-4.005	4.005-6.005	6.005 & above
Gedeo	2.5 %	5.4 %	15.1 %	45.6 %	24.7 %	5 %	1.7 %
Sidama	4.1 %	12.7 %	29.2 %	34 %	16.8 %	2.6 %	0.6 %

Source: - Household Level Socio-Economic Survey for the SNNPR (1997), p. 14.

Tab. V: Population Size by Sex, Area and Density by Region, Zone and Wäräda (July 2010)

Gedeo Zone	Male	Female	Total	Area in km2	Person/km2
Wonago-Wäräda	62,231	62,854	125,085	141.55	883.7
Yirgachäfe- Wäräda	105,722	105,972	211,694	266.05	795.7
Kochärē- Wäräda	69,369	70,377	139,746	215.33	649.0
Bulē- Wäräda	56,666	55,967	112,633	272.99	412.6
Dilla Zuria- Wäräda	51,930	51,565	103,495	122.26	846.5
Gädäb- Wäräda	78,137	77,894	156,031	319.98	487.6
Dilla /Town/- Wäräda	45,299	41,519	86,818	14.28	6,078.6
Total	**469,354**	**466,148**	**935,502**	**1,210.89**	**772.6**

[198]FDRE, *Comprehensive Coffee Development and Marketing Plan* (Addis Ababa: Federal Democratic Republic of Ethiopia, Ministry of Agriculture and Rural Development, translated from Amharic in July 2004 by the Coffee Improvement Program IV, 2003a), pp. 56-58; FDRE, *Sustainable Development and Poverty Reduction Program Annual Progress Report, 2002/2003* (Addis Ababa: Federal Democratic Republic of Ethiopia, Ministry of Finance and Economic Development. 2003b), p. 20; and FDRE, *Plan for Accelerated and Sustained Development to End Poverty* (Addis Ababa: FDRE, Draft Report, 2005),p.18.

Sidama Zone	Male	Female	Total	Area in km^2	Person/km^2
Shäbädino- Wäräda	101,965	99,901	201,866	197.07	1,024.3
Hawasa Zuria- Wäräda	74,971	73,785	148,756	305.24	487.3
Arbēgona- Wäräda	76,390	77,055	153,445	340.93	450.1
Dallē- Wäräda	116,224	113,139	229,363	276.88	828.4
Alata Wändo- Wäräda	102,747	98,158	200,905	230.50	871.6
Dara- Wäräda	82,742	85,128	167,870	249.99	671.5
Hula- Wäräda	69,321	69,378	138,699	287.28	482.8
Bänsa- Wäräda	135,149	131,832	266,981	551.24	484.3
Arorēsa-Wereda	90,805	90,121	180,926	681.82	265.4
Boricha-Wereda	126,080	125,239	251,319	588.05	427.4
Gorchē- Wäräda	75,304	73,334	148,638	212.25	700.3
Malga- Wäräda	61,417	59,839	121,256	206.74	586.5
Wonsho- Wäräda	65,077	63,224	128,301	179.49	714.8
Loko Abäya- Wäräda	53,797	51,707	105,504	878.16	120.1
Cherē-Wereda	61,093	60,571	121,664	366.12	332.3
Bursa- Wäräda	53,443	53,577	107,020	222.00	482.1
Chuko- Wäräda	93,835	88,711	182,546	308.09	592.5
Bona Zuria- Wäräda	68,668	67,935	136,603	229.87	594.3
Wändo Gänät- Wäräda	83,331	79,666	162,997	226.45	719.8
Total	**1,592,359**	**1,562,300**	**3,154,659**	**6,538.17**	**482.5**

Source: CSA: The National Population and Housing Census of Ethiopia (July 2010), pp. 24-25.

The above three tables indicate population growth, which appeared a threat for lands that were formerly under coffee cultivation and forest cover. This is because the remarkably growing number of population that increased demands for land for the purpose of settlement and food cultivation, which actually able to take parts of land belongd to coffee. As will be indicated in chapter five, it is also important to note population growth acampanied by urbanization which is progressively claiming agricultural lands of the two zones including coffee farms. It is an unavoidable development, which resulted in reducing the size of coffee farm and causing decline of the product.

To conclude, under the three successive regimes of the country administrative systems of the two regions were considerably modified to meet new social, cultural and economic objectives. Local administration and land tenure systems of the regions were modified among other things to acccomodate the expansion of the coffee industry as it will be presented in the following chapter.

Chapter Three

Commercial Coffee Production, Processing and Marketing to 2010

3.1 A History of Commercial Coffee Production, Processing and Marketing to 2010

This research in general is about continuity and change in the interaction and reaction of people and governments in the coffee sector. As part of the main thesis of the research this chapter shows relations and reactions of peoples and governments in the coffee production, processing and marketing. Terms like cash crops, export crops and agricultural commodities, which are being very often interchangeably used, consist of food and non-food commodities either sold locally or exported abroad. The non-food cash crops group consists of tropical beverages like sugar, coffee, cocoa, tea, and tropical fruits (bananas, citrus fruits, oranges, tangerines, lemons, limes and grapefruits), tobacco and spices.[1] As one of the non-food agricultural products, coffee in Ethiopia accounts for more than half of the national export and has played a key role in influencing policies of the country since the 1940s. Simultaneously, policies of the country, which were prone to changes with the rise and fall of governments, caused several changes that seriously affected coffee production, processing and marketing in the regions. Since its evolution from wild existence to commercial farming, coffee brought several changes.

From its origins in Africa, coffee production has expanded both to the east and the west, gradually forming a coffee zone bounded by the Tropics of Cancer and Capricorn.[2]It grows in more than 80 countries on 11 million hectares where growing regions have a moderate sunshine

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[1]J. de Graaf *The Economics of Coffee*, p.54; K. P. Prabhakaran Nair, *The Agronomy and Economy of Important Tree Crops of the Developing World* (Elsevier, Elsevier Inc., 2010), pp. xiii and181; Jean Nicolas Wintgens (ed.),*Coffee: Growing, Processing, Sustainable Production: A Guidebook for Growers, Processors, Traders, and Researchers* (Weinheim: WILEY-VCH Verlag GmbH & Co. KGaA, 2004), pp. ix-x; Salah Ziameche, *The Coffee Trail: A Muslim Beverage Exported to the West* (Manchester: FSTC Ltd, 2003), p. 9; and Sarah Lyon,*Coffee and Community: Maya Farmers and Fair-Trade Markets* (Colorado: Colorado University Press, 2011), p.3.These writers indicate that it contributes to the total foreign currency earnings reaching as much as 80 percent in some countries, such as Uganda, Ethiopia and others.

[2]*Ibid.*

and rain for most of the year, steady daily temperatures around 70°F (20°C), and generally very rich but porous soil.[3] Particularly, in Ethiopia owing to the sunshine and good soil, coffee trees yield coffee beans that are economically important for about 25 million people of the country, who directly or indirectly engage in coffee production, processing and marketing.[4] It is also second to oil as the most important item of global trade and provides jobs to many people in some of the developing countries in the world.[5]

As some writers state, from the two main coffee trees, Arabica produces mild coffee beans. About 70 percent of the harvest comes from México, Cuba, Dominican Republic, Haiti, Jamaica, PuertoRico, Guatemala, Honduras, Salvador, CostaRica, Panama, Nicaragua, Venezuela, Colombia, Peru, Bolivia, Ethiopia and Paraguay.[6] On the other hand, Robusta produces coffee beans with high caffeine which accounts for about 30 percent of the coffee harvest. It comes from Sierra-Leone, Liberia, Ivory Coast, Guinea, Ghana, Togo, Benin, Nigeria, Central African Republic, Congo and Gabon.[7] Finally, countries like Brazil, Ecuador, Cameroon, Zaire, Uganda, Kenya, Tanzania, Malawi, Zimbabwe, Madagascar, India, Vietnam, Thailand, Philippines, SriLanka, Sumatra, Borneo, Java, and Timor produce both Arabica and Robusta at the same time.[8]

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[3]Eric J. Arnould, *Political Economy of Tropical Crops* (California: University of California Press Ltd., 2006), p.44; John M. Talbot, "Tropical Commodity Chains, Forward Integration Strategies and International Inequality: Coffee, Cocoa and Tea," *Review of International Political Economy,* Vol.9 No. 4 (2002), pp. 712–713; J.M. Talbot *Grounds for Agreement: The Political Economy of the Coffee Commodity Chain* (Lanham: Rowman and Littlefield Ltd., 2004), p.128; and Catherine M. Tucker, *Coffee Culture: Local Experiences Global Connections*(New York: Routledge, 2011), p. 18.

[4]Amare Girma *et. al.*, "Coffee Wilt Disease in Ethiopia," Julie Flood (ed.), *Coffee Wilt Disease* (Cambridge; CAB International, 2009), p. 51. He indicates that particularly in Ethiopia since the 1940s it was the most important agricultural commodity, which dominated the national export and largely contributed for the growth of both GDP and GNP of the country.

[5]Mark Pendergrast, "Coffee: Second to Oil?" *Tea & Coffee Trade Journal*, Vol. 2, No. 5(2009), pp. 39–40. He argues that among natural commodities, which have a monetary value it is only oil that surpasses coffee.

[6]Ethiopia, Ministry of Coffee and Tea Development, *Coffee Gift to the World* (Addis Ababa: Coffee Plantation Development Corporation, n. d), pp. 12-13; Ethiopia, Ministry of Coffee and Tea Development, "Coffee Marketing, Processing and Transport and Storage Study: Final Report," *MCTD/ULG: Worwick, England ULG Consultants Limited in Association with Food Studies Group*, Vol. 1 (1987), pp.90-91; Ethiopia, Ministry of Agriculture, "Coffee Improvement Project: Joint Evaluation Team, Joint Recommendation" (Addis Ababa: Ministry of Agriculture, 1986), pp. 26-27

[7]*Ibid.*

[8]Eric J. Arnould (2006), p.46.

Owing to traditional farming methods that most farmers employ, highly fragmented nature of farms, little use of chemical inputs, and absence of research support, historically it has been more expensive to produce coffee in Ethiopia than in any other coffee producing nation of the world.[9]K. Macdonald, D. Giovannucci and some others assert that producing one ton of coffee in Ethiopia is 93% expensive than Brazil.[10] In forest, semi-forest and garden coffee growing arrangements of the country, coffee trees are less productive. Small household farmers also spend part of their productive time waiting for small amount of yield they harvest from very few coffee trees and earn small amount of money, which does not cover their production coast. However, based on the number of [60-kilogram] bags produced during the 1997-98 crop year, the U.S. National Coffee Association prioritized the top ten coffee producing countries of the world.[11]

In Africa, coffee, tea, cocoa, cotton, banana and tobacco are major agricultural commodities that many countries export to earn foreign currency. For example, in Africa from the 1940s to the 1990s there were twenty-five coffee producing countries, the leading producer being Ethiopia.[12] Their joint contribution to the global coffee market is almost equal to Indonesia's, the third

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[9]André Charrier and Julien Berthaud, "Botanical Classification of Coffee," M.N. Clifford and K.C. Willson (ed.), *Coffee Botany, Chemistry, Production of Beans and Beverage* (Westport: The AVI Publishing Company, INC., 1985), p. 43.

[10]Kate Macdonald, "Globalizing Justice within Coffee Supply Chains: Fair Trade, Starbucks and the Transformation of Supply Chain Governance," *Third World Quarterly*, Vol. 28, No. 4, (2007), pp. 807-808; Daniele Giovannucci *et.al.*, *The State of Sustainable Coffee: A Study of Twelve Major Markets* (London: ICO, 2003), 73-74; Catherine M. Tucker, *Coffee Culture: Local Experiences, Global Connections* (New York: Routledge, 2011), pp. 36-37; Daniel Jaffee, *Brewing Justice: fair trade coffee, Sustainability, and Survival* (California: University of California Press, Ltd., 2007), p.3

[11]Eric J. Arnould (2006), p.49. As U.S. National Coffee Association put them in descending order, Brazil (22.5 million bags), Colombia (10.5 million bags), Indonesia (6.7 million bags), Vietnam (5.8 million bags), Mexico (5 million bags), Ethiopia (3.8 million bags), India (3.8 million bags), Jamaica (3.6), Guatemala (3.5 million bags), Côte d'Ivoire (3.3 million bags), and Uganda (3 million bags) were the leading coffee producers.

[12]OSS/State Department, *Intelligence Report* (Cambridge: Cambridge University Press: 1949), p.7-10 (available in the form of micro-film at Institute of Ethiopian Studies, AAU); and Takamasa Akiyama, "Coffee Market Liberalization since 1990," Takamasa Akiyama, John Baffes, Donald Larson, and Panos Varangis (eds.), *Commodity Market Reforms: Lessons from Two Decades, Regional and Sectoral Studies* (Washington, D.C.: The World Bank, 2001), p. 334. According to T. Akiyama, coffee producers in Africa accounted for about 12% of global supply and less than 11% of global exports of the product for the 2009/10 season.OSS also reports that in the 1940s and 1950s Ethiopia was one of the leading coffee exporters in Africa and highly relied on the money that came from coffee to import industrial products.

largest world producer of the crop.[13] In spite of the small supply of African countries to the global market, coffee constitutes a large proportion of both GDP and exports share in some of the continent's small economies. For instance, in Ethiopia and Rwanda, coffee generated about 26% and 22%, respectively, in export revenue in 2009. The majority of Ethiopia's coffee comes from small scale farmers who contribute more than 95% of the total production.[14]

Ethiopia, the birthplace of Arabica coffee, grows a wide variety of coffee, most of which are organic and shade-grown by small-scale farmers. Depending on the year, coffee makes up between 40 and 60 % of the country's export market.[15] About 15 million people in the country depend on the crop, and the majority keeps growing it on small land-holdings of about one hectare although this is still far from being adequately documented.[16] In the case of Gedeo and Sidama; however, coffee does not grow in all parts of the two regions because largely the middleland areas that usually produce the commercial coffee (see also chapter one and map, II).

The introduction and gradual expansion of commercialized coffee farming is a central story in the economic history of the country in general and Gedeo and Sidama in particular. This is because it increased diversity of items in the national export-menu, which helped the country to maximize its income both from local and world markets.[17] Sources indicate that the beginning of commercial coffee farming in Ethiopia was attributed to the Belgians and members of the French

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[13]Samuel G/Selassie and E. Ludi, "Agricultural Commercialization in Coffee Growing Areas of Ethiopia," the *Proceedings of the Fifth International Conference on the Ethiopian Economy*, Vol. III, (2010), p.383; and R. Teuber, "Geographical Indicators of Origin as a Tool of Product Differentiation: The Case of Coffee," *Journal of International Food and Agribusiness Marketing*, 22 (2010), p. 277.

[14]*Ibid.* As the map (see figure III) shows Ethiopian coffee is categorized into three. They are garden coffee (Harar, Sidamo, Arsi-Bale, Kafa and part of Jimma); forest and semi-forest coffee (Illubabor, Jimma, Kafa, Wollega, GamuGofa, Wolayita, Benishangul, Asosa, Tana Islands and Raya-Azebo area and Arsi); and plantation coffees (Jimma and Illubabor).

[15]Samuel G/Selassie and E. Ludi, p. 384; and R. Teuber, "Geographical Indicators..." (2010), p. 280.

[16] *Ibid.*

[17]Teketel, HaileMariam, "The Impact of Coffee on the Economy of Ethiopia," S. R. Pearson and J. Cownie *et al.* (ed.) *Commodity Exports and African Economic Development* (Massachusetts, Lexington Books, 1974), pp. 241-242; and Scott R. Pearson and Ronald K. Meyer, "Comparative Advantage among African Coffee Producers," in *American Journal of Agricultural Economics*, Vol. 56, No. 2 (1974), pp. 310-311.

Missionary Society who started to grow commercial coffee in 1906 at Arbagugu (Golelcha) in Arsi.[18] The first modern coffee industry in Ethiopia, the Arbagugu Coffee Plantation was pioneer in mechanizing both coffee production and processing to meet global needs.[19] It was from Arsi that commercial coffee started to spread into different parts of the country

In spite of its large size, the Arbagugu Coffee Plantation began to work along traditional lines with slight technical changes. For example, a few imported manual tools like saw, sickles, axes, spades, forks etc. were used. Despite their becoming light and handy, easily repairable or cheap, the tools were archaic and time consuming. Cultivation of the plantation was also started by using oxen, most of which were borrowed from the local people, while the rest were the companies' own property from M. Gros Society.[20] In this case, the traditional system was adopted because of the absence of other means of production and its low cost made it the only option at the disposal of the company. This implies that initially possibilities for surplus production and specialization of labor were limited.

Belgian Companies expanded the farm and established four zones of production along the river valleys of Minnē, Tetessa, Bäkäksa, Gollolcha and Chulul.[21] The production process initially included nursing and seedling preparation, digging ditches, clearing forests, leaving big trees for

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[18]D. Buxton, *Travels in Ethiopia* (London: L Buxton, 1949), p. 20; Robert Du Bourg de Bozas, *De la Mer Rouge a l'Atlantique a Travers l Afrique Tropicale* (Paris: F. R. de Rudeval, 1906), p 249; Michel Tuchscherer, "Coffee in the Red Sea Area from the Sixteenth to the Nineteenth Century," in William Gervase Clarence-Smith and Steven Topik (ed.), *The Global Coffee Economy in Africa, Asia, and Latin America, 1500–1989* (Cambridge Cambridge University Press 2003), pp.50-66; and WäldäMäskäl Tariku Research Center (WMTRC here after) Folder No. 423, File No.7 and 8, Contract signed between Shareholders of the Belgian Coffee Companies and the Ethiopian Government (1942 E.C), pp. 3 and 4 respectively; and Informants: Jema Haji (Ph.D), and *Ato* Adäm Osman, *Ato* Täsfayē Sahlu, and *Ato* Zämädkun Yitagäsu.

[19]*Ibid.*

[20]Ministry of Coffee and Tea Development, *Origin and Expansion of the Ethiopian Modern Coffee Industry* (Addis Ababa; *Berhan na Selam* Printing Press, 1981), p.8; WMTRC, Folder No.423, File No.8, Contractual Agreement (1942 E.C.), p. 11; and Rita Pankhurst, "The Coffee Ceremony and the History of Coffee Consumption in Ethiopia," *Ethiopia in Broader Perspective: Papers of the XIIIth International Conference of Ethiopian Studies,* Vol. II (1997), p. 520.

[21]Ministry of Coffee and Tea Development, *Coffee Statistics Handbook: 1962-1983* (Addis Ababa: Government Printing Office, 1984), p. 23; and WMTRC, Folder No.423, File No. 8, Contractual Agreement (1942 E.C.), p. 19.

shelter, plowing and planting coffee plants in rows 3.5 meters apart.[22] It was from this particular place that the method of commercial coffee production proliferated to the neighboring regions as it will be presented below. This was one of the important developments which contributed to the expansion of coffee farms in Ethiopia in general and Gedeo and Sidama in particular.

The establishment of Arbagugu Coffee Plantation brought radical changes on pastoralists and small farmers of Gollolcha and nearby regions.[23] It also became a safe haven for migrants from Sidamo and some other areas of the country who managed to escape injustice or were looking for jobs and income. The plantation introduced a number of new elements in the districts like elaborate irrigation system, system of controlling soil erosion, use of pesticides and above all techniques of coffee production.[24] Moreover, introduction of banana, sugarcane, maize, potatoes, sweet-potatoes, legumes and other vegetables and crops that can be intercropped with coffee was attributed to this company.[25] This helped people of the regions to improve their diets by cultivating various vegetables and crops in their gardens and disseminating them to the nearby regions. Particularly, Sidama migrant laborers and coffee merchants played a significant role in introducing such vegetables and crops into Gedeo and Sidama areas.[26]

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[22] *Ibid*. The above sources indicate that shades were required to protect coffee plant from direct rays of the sun, frost and hail. Apart from big trees left on the farm for sheltering purpose, the companies introduced new trees for shelter called Allison, Lantern, Acacia and the grass called *Gosha*, which kept and protected to raise fertility of the soil. They also grew burr to increase fertility of the soil and used it as a fence around the farm to protect the plantation from intruders.

[23] Ministry of Coffee and Tea Development (1984), p. 31; and Informants: Jema Haji (Ph.D) and *Ato* Adem Osman.

[24] Gezachew Abegaz, "Tenure Issues in Coffee Growing Areas: A Case Study of Manna and Gomma Woredas," in Dessalegn Rahmato (ed.), *Land Tenure and Land Policy in Ethiopia After the Derg, Proceedings of the Second Workshop of the Land Tenure Project* (Addis Ababa; IDR. 1994.), pp. 221-222; Wendimu Workafes and Kebede Kassu, "Coffee Production Systems in Ethiopia," *Proceedings of the Workshop on Control of Coffee Berry Disease (CBD) in Ethiopia* (2000), pp. 102–103; and Bayetta Belachew, "Arabica Coffee Breeding for Yield and Resistance to Coffee Berry Disease" (PhD. Thesis, Department of Economics, University of London, Imperial College Wyle, U. K, 2001), p. 45. According to Bayetta, migrant Sidamas were main activists of the illicit coffee market and made it attractive for those who were looking for profit.

[25] Ministry of Coffee and Tea Development, *Origin and Expansion*..., p. 10; *Addis Zämän*, Vol.23, Year 20th, an editorial, commenting on the role of foreigners in the expansion of various crops (20 June 1952 E.C), 618; *Ibid*, Vol.26, Year 20th, a report, indicating expansion of fruits and vegetables in Geode and Sidama (1953 E.C.), p. 2060; and *Ibid*, news, about coffee production and intercropping (30 November 1953), p. 2092.

[26] *Ibid*.

According to some sources, planting and production of coffee in Gollolcha preceded the Belgian plantation because by 1690, coffee was being exported from Zäyla, and perhaps by other outlets.[27] In 1705 and 1737 there were unsuccessful attempts by Europeans to obtain coffee direct from Ethiopia, meanwhile the growth of plantations in European colonies like Zanzibar, Madagascar and others had rendered such effort superfluous.[28] Nonetheless, Ethiopia contributed to the Red Sea coffee trade during the eighteenth century and it seems likely that coffee was exported from Enarya as well as from Harar.[29] The kingdom of Shäwa was well situated to exploit the development of coffee exports from the south-western highlands, and they would have assisted Shäwa's efforts to distance itself from upheavals further north during the ZämänäMäsafent.[30] The coffee trade may thus have been more significant in the rise of Shäwa in the later eighteenth and early nineteenth centuries than historians have hitherto admitted. Finally, the founding father of the modern coffee production in Sidamo, *Däjjazmač* Balcha Safo, the governor of Sidamo had acquired the idea of commercial coffee production while he was the governor of Harar (1908-1910) from the leading concessionary of the Franco-Ethiopian railway who owned coffee farms around Assabot, Harar.[31]

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[27]Abdulsamed, p. 550; Merid, p.21; S. Topik and Clarence-Smith (2003), p.1; Frederick G. Meyer "Notes on Wild *Coffea* Arabica from Southwestern Ethiopia...," 129; C.W. Major Gwynn, "Journey in Southern Abyssinia," *The Geographical Journal*, XXXVII, 11(1911), p. 182; William H. Ukers, *All About Coffee* (New York: Blackmask, 2009), pp. 35-36; and Catherine M. Tucker, *Coffee Culture: Local Experiences, Global Connections* (New York: Routledge, 2011), p. 36.

[28]F. G. Meyer (1965), p. 133; Gwynn (1911), p. 182; Ukers, pp. 35-36; Tucker, p. 36; Mark Pendergrast, *Uncommon Grounds: The History of Coffee and How It Transformed Our World* (New York: Basic Books. 1999), p. 14; and Michel Tuchscherer, "Coffee in the Red Sea Area from the Sixteenth to the Nineteenth Century" in William Gervase Clarence-Smith and Steven Topik (ed.), *The Global Coffee Economy in Africa, Asia, and Latin America, 1500–1989* (Cambridge Cambridge University Press 2003), pp.50-66.

[29]Abdulsamed, p.551; Merid, p. 22; Robert Du Bourg de Bozas, p 249; WMTRC, Folder No. 423, File No.7 and 8, introductory part of the contract signed between the Belgian Coffee Company Shareholders and the Ethiopian Government (1942 E.C), pp. 1-3.

[30]Abdulsamed, p.551; and Merid, p.22.

[31]Tsehai BerhaneSilassie (1971), p.182; Bairu Tafla, "Four Ethiopia Biographies: *Däjjazmač* Gärmamē, *Däjjazmač* GäbrēEgziabeher Moroda, *Däjjazmač* Balcha and *Käntiba* Gäbru Dästa," *Journal of Ethiopian Studies*, Vol. VII, No. 2 (1969), pp. 78-79; and Robert Du Bourg de Bozas, p. 156. According to these sources, it was during his third round appointment as governor of Sidamo that *Däjjazmač* Balcha Safo worked rigorously to maximize the national revenue. Particulalry Tsehai and Bairu indicate that apart from his experience about coffee production, after the death of Emperor Menilek he became one of the senior members and influential figures around the palace. Finally they conclude that he made attempts to show his concern for the growth of revenue.

As it will be explained in the following parts of this chapter, the foundation of Arbagugu Coffee Plantation is attributed to internal and external initiatives that were taken on the economic sphere towards the end of the reign of Emperor Menilek II.[32] As a result, some small and big foreign investors started to engage in various businesses in the country. The forerunners of French and Belgian capital investors were the French and the Belgian Societies who engaged in the study of geology, botany and zoology in parts of Hararghe and Arsi in 1906.[33] Thus, enterprise of the French man called M. Gros was established under concession in Arsi province in the district of Kulo to southwest of Arbagugu sub-province. The Belgians were given 50 years contract.[34] In addition to the annual regular taxes they had also paid certain amount of the revenue from the sale of their coffee product to the government.

According to Gwynn, the above-mentioned French Society was small colony of missionaries and commercial farmers, who had been raising cattle for the Red Sea and Aden markets.[35] Further, he indicates that this society cultivated some coffee in the Elele River valley of the Kulo district. The M. Gros society had been exporting part of the product through the Gollolcha caravan route to Aden. It was, however, faced with lack of organization to control such widespread cattle diseases as rinderpest. It, therefore, began to look a better site in Gollolcha district through which they had been exporting their cattle.[36] This district is highly suitable for cattle raising and coffee plantation, thanks to the abundant supply of water, its productive climate, the fertile and irrigable lands, and the possibility of an extension of the railway at 150 kilometers. As a result of the

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[32]Robert Du Bourg de Bozas, p. 156; and Jadwiga Winid, "Monoculture of Coffee: Its Relation to the Geographical, Habitat and Its Role in the Economy of Ethiopia," *African Bulletin* (1969), p.133; and Zbigniew Siemienski, "Impacts of the Coffee Boom on Ethiopia," *Middle East Journal*, IX (1955), pp. pp. 67-75

[33]Robert Du Bourg de Bozas, p. 158; F. G. Meyer (1965), p. 133; Birhanu Girma, *Economics of the Ethiopian Coffee Industry* (Addis Ababa: Bole Printing Press, 1989), p.10; and WMTRC, Folder No. 423, File No.7 and 8, introductory part of the contract signed between the Belgian Coffee Company Shareholders and the Ethiopian Government, which briefly narrates history of the companies (1942 E.C), pp. 1-3.

[34]*Ibid.*

[35] Gwynn, "Journey in Southern Abyssinia," p. 182

[36] Birhanu Girma, p. 29; and Ministry of Coffee and Tea Development (1981), p. 72.

railway arrival at Awash, the M. Gros society had started both cattle raising and coffee planting in Gollolcha; however, they suffered from capital shortage to run projects successfully.

After the 1906 Ethio- Belgian Commercial Agreement, Belgian activities began to grow in various parts of Ethiopia.[37] Hence, soon after this agreement, the Belgian Alcohol Monopoly in Addis Ababa and the French-Belgian Cotton plantation in Harar were established.[38] The most successful Belgian Companies in Ethiopia were the *Sociètè Generale de Culture* and the *Sociètè Generale des Plantations d' Abyssinie* in Arsi province established in 1911/12.[39] These companies got the right of free movement within Ethiopia, building infrastructural facilities they found necessary, and duty free import of equipment.[40]

The Belgian Plantation Companies which replaced the M. Gros Society were not short-lived. They stayed for about a decade. They were then brought up by the "SA" (*SociètèAnonyme*) Belgian Company that came to an end due to the Italian occupation.[41] The above mentioned Societies responded to the call of M. Gros and continued to expand coffee plantation, which might otherwise have been destroyed due to bankruptcy of the founder. These plantation companies expanded coffee farm to Minne and Bäqäqsa under their respective leaders M. Strees

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[37]R. D. Buxton, *The Abyssinians* (London: International African Institute, 1970), p. 19; F. Richard Burton, *First Footstep in East Africa or An Exploration of Harar* 2nd Ed., (New York; Devour Publications, 1987), p. 38; F. Richard Burton, *Travels in Ethiopia* (London: International African Institute, 1942), p. 127; and Michel Tuchscherer, "Coffee in the Red Sea Area from the Sixteenth to the Nineteenth Century" in William Gervase Clarence-Smith and Steven Topik (ed.), *The Global Coffee Economy in Africa, Asia, and Latin America, 1500–1989* (Cambridge Cambridge University Press 2003), pp.56-57. D. Buxton, *Travels in Ethiopia.* (London: Lindsay Drummond 1949), p. 138; Teketel HaileMariam, "The Production, Marketing and Economic Impact of Coffee in Ethiopia"(Ph.D. Dissertation, Sanford University, Food Research Institute, 1973), p. 89.

[38]F. Richard Burton, p. 39; William Foster, *The Red Sea and the Adjacent Countries as Described by Joseph Pitts, William Daniel and Charles Poncet.* (London; The Hakluyt Society, 1949), p. 120; Peter Garretson, "The '*Naggadras*' Trade and Selected Towns in Nineteenth Century Ethiopia," *International Journal of African Historical Studies*, XII: 3 (1979), pp. 428-429; Raffaele Ciferri, *The Ethiopian Cotton Industry and Its Economic Significance* (London: International African Institute, 1986), p. 10; and G. Edward Nicholson, "The Production, History, Uses and Relationships of Cotton (Gossypium spp.) in Ethiopia," *Economic Botany,* Vol. 14, No. 1 (1960), pp. 10-11.

[39]Raffaele Ciferri, "The History of Ethiopian Coffee," *African Bulletin*, X (1969), pp. 183-184; Peter Garretson, p. 19; and Daniel Demetrious Huoek, "Belgian Companies in Ethiopia" (PhD Dissertation, Rural Development, University of Leeds, 1998), p. 15.

[40]*Ibid.*

[41]*Ibid.*

and M. Timpont. It was an expansion that caused commercial coffee production in Sidamo, and the companies had become the leading markets for coffee and labor coming from Sidamo (Gedeo, Sidama and Walayita), which marked an important shift of paradigm in the interaction of people in the region. [42]

The two Belgians companies contracted lands from *balabats* and were favored by the Ethiopian government; and then became successful because it was the period of WWI, when export from Ethiopia had dramatically increased and they benefited from the profit.[43] However, according to Daniel D. Huoek, they faced difficulties due to the following local and global incidents. 1. In 1916 the rebellion of Arsi Oromo against cultural humiliation, feudal exploitation and dethronement of *Lij* Eyasu disrupted activities of coffee plantation. 2. From 1918 to1920 there was an immediate fall in the world price of raw material including coffee. 3. There had been from the beginning intense and sharp competition between the two companies for land and labor. 4. There was a financial scarcity that affected the coffee industry. This was because to facilitate their sells the two companies had built roads up to the Bordode railway station and constructed luxurious residential villa, which incurred extra cost, resulted in shortage of money.[44]

After 1920, revival of markets and growing demand for raw material and agricultural product in Europe had natural effect of stimulating Ethiopian export mainly coffee, which encouraged the huge S.A. Belgian Company to buy out previously bankrupted ones.[45] Principally coffee is a product with highly variable yield influenced by demand and supply of the world market. Thus,

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[42]Daniel D. Huoek, p. 26; and Ketebo Baiyo, "A Historical Survey of the Arsi Oromo" (M.A., History, AAU, 1999), p. 52; WMTRC, Folder No. 423, File No.7 and 8(Introductory part of the contract signed between the Belgian Coffee Company Shareholders and the Ethiopian Government, which briefly narrates history of the companies, 1942 E.C), pp. 1-3

[43] Daniel D. Huoek, pp. 49-50.

[44]*Ibid*, p. 51.

[45]*Ibid*, p. 79; and Raffaele Ciferri, "The History of Ethiopian Coffee," pp. 186-187.

the *S.A. des Plantations d' Abyssinie* was attracted by temporary rise of coffee price in the world market and invested very large amount of capital on this farm. As a result, it pulled the plantation out of its crisis and extended its land holding to 2000 hectare of which 1500 hectares were effectively utilized.[46] The Arbagugu coffee plantation, thus, recovered and resumed production of leading quality Ethiopian coffee and even increased the quantity as well.

For example according to D.D. Hueok and M. Tuchscherer, form 1928 to 2199/30 to this effect the coffee of Arbagugu was reported to have dominated Djibouti markets of those days.[47] As volume and quantity of the Arbagugu coffee export to the world market rose, its price doubled and the company was able to attract coffees of the neighboring Sidamo province (Gedeo, Sidama and Walayita).[48] However, better prices that the Coffee Company set to attract it almost seventy-five percent of coffee cultivated in Sidamo was transported to Arsi in the form of illicit commodity. It attracted not only the coffee but also laborers of the province, who were working in coffee farms at a very low payment. This encouraged labor migration and coffee and cattle trade between the Sidama and Arsi Oromo with destination of reaching the Belgian camp at Harar.[49]

It was in this period that the Ethiopian government was able to export large amount of coffee. Thus, 1929/30 was a landmark in the history of Arbagugu coffee plantation, which showed a remarkable expansion in production and increase in profit earnings.[50] In spite of that, beginning from 1930 right up to the end of its monopoly in Gollolcha, the *S.A. des Plantations d' Abyssinie* lost over a million francs because of the following reasons. 1. Fluctuating world coffee price affected coffee through cycles of over-production and lower prices, and under-production and

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[46] *Ibid.*

[47] Daniel D. Huoek, pp. 68-69; and M. Tuchscherer, "Coffee in the Red Sea Area...," p.58.

[48] WMTRC, Folder No. 423, File No.7 and 8 (Introductory part of the contract signed between the Belgian Coffee Company Shareholders and the Ethiopian Government, which briefly narrates history of the companies, 1942 E.C), pp. 1-3

[49] Berhanu Girma, p. 29 and Informants: *Ato* Sadēwo Sakuma, *Gdana* Bashala Gatiso, and *Ato* Salfaqo Sakuma (FDG).

[50] Z. Siemienski, p. 71; and Birhanu Girma, p. 34.

higher prices. For example, the highest price of the 1920s enabled the company to obtain better profit, but once again declined in 1929 at a fast rate and caused loses.[51] This world market crisis affected Arbagugu coffee due to excess production and fall of prices during the World Economic Depression, which had far reaching repercussion on its total output of 1929-30.

2. Arbagugu coffee plantation also suffered from the burden of high tax imposed on coffee export in the 20th century, which reduced the profit of the company. As it is cited in Daniel D. Huoek, the *S.A. des Plantation d' Abyssinie* Company appealed to the Imperial government of Ethiopian as follows.

> *One of the factors affecting our manufacturing price is the export duty imposed on coffee exported from Ethiopia. As this duty is higher than in the other producing countries, and at a time of the worldwide decline in coffee prices, which have shown us their sympathy and taken a keen interest in our efforts will understand the difficulties of the present moment and sustainability lower our cost.*[52]

Further, Hueok indicates that in the above-mentioned two years (1929-30), it was reported that the company had a total of over 30,000,000 francs with about 1500 hectares of land under cultivation.[53] However, Hueok also explains that it was the government reluctance to reduce taxes, which contributed to a total deficit of about 1,460,926 francs alone. On the other hand, according to E. J. Collombet, had there been cooperation between the company and government of Ethiopia it would have become the world leading coffee exporter of the days corresponding to such large European capital was invested on coffee production.[54]

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[51]Z. Siemienski, p. 71; and Birhanu Girma, p. 34.
[52]Daniel D. Huoek, p. 48.
[53]*Ibid*, p. 80.
[54]Edward J. Collombet, *Belgian Coffee Companies and Ethiopian Governments to the 1960s* (London: International African Institute, 1965), p. 33-34.

3. Ecological imbalance that occurred in the district affected the plantation by causing complete damage on coffee trees.[55] It also dried up the rivers, and brought about shortage of crops which forced the company to import crops from other regions and distributed it to workers (particularly to Sidama laborers) instead of cash payment. The measure had hardly solved the difficulty. The company; however, desperately reduced wages by half, which appeared as an incident that forced workers who were seriously suffering from hunger to stop work and attacked the company.[56] 4. The crisis was worsened by an increase made on the amount of land lease, which raised expense of the company to a million francs in less than 20 years period.[57]

In general since its foundation, the Arbagugu coffee company intensively worked to attract coffee produced in Sidamo specifically in Gedeo, Sidama and Wolaayita. Particularly, from the first half of the 1950s to the first half of the 1970s tax based relations between the Belgian coffee companies in Arsi and government of Ethiopia were complicated by individuals with ambitions to be engaged in the coffee business, which increased the volume of coffee informally coming from the three areas to join the company. It encouraged illicit trade and reduced the amount of revenue that government was expected to earn from coffee. Particularly from 1960 up to the 1974 Ethiopian Revolution a number of officials resigned from government duties and took part in the coffee investment at Argagugu and parts of Harar.[58]

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[55] *Ibid*; and Mohammed Hassen "A Historical Survey of Arbagugu" (M.A., History, AAU, 2006), p. 38. This was an incident that coincided with the World Depression in which coffee production in other countries overwhelmed the world market.

[56] E.J. Collombet, p. 39; Mohammed Hassen, p. 40; and Ketebo Abiyo, "A Historical Survey of Arso Oromo," p. 27.

[57] E.J. Collombet, p. 51; and Daniel D. Huoek, p. 61. They indicate that, the total land that had been contracted was about 2000 hectares (50 *gashas*); the annual lease per-*gasha* came to 100 *thaler*. They also note that the total rental expense of 20 years would be approximately 100,000 *thaler*. Particularly Huoek indicates that this important incident forced the company to diversify its export menu.

[58] Edward J. Collombet, p. 70; Daniel D. Huoek, p. 58; and Gebremariam Bekele, "Economics of the Ethiopian Coffee Industry," p.18; *AddisZämän*, a report indicating measures taken by the Ethiopian government (6 March 1958 E.C.), pp. 3 and 4; and Informants: Jämma Haji (PhD.), *Ato* Kifle Mulat, and *Ato* Zämädkun Täshomä (FDG).

This part of the story shows attempts of some major actors in the coffee economy like producers, processors, traders and some others to maximize their income from the sector. As it will be presented in the following chapters, the history of modern Ethiopian coffee economy from 1906 to 2010 witnessed uneasy relations among local actors, national governments of the country and global institutions both in their upward and downward channels of contacts. The source of such apprehension that persisted to exist between coffee producers, processors, and traders on one side and governments of the country on the other side was the world market, which always remained unfair to producers/exporters. This is because prices that the world market used to set for coffee were not adequate to cover production, processing and transportation costs.

The struggle was characterized by attempts of each stakeholder to claim better benefit, under circumstances where rules of the game were in favor of the giants. The unfair nature of prices at the top (in the world market) did not let other participants and facilitators at home to earn an amount of income that could cover their cost. This forced governments of the country to react both by devising strategies to claim more from coffee and encourage production of other items to diversify the export menu and befit farmers who were suffering in the coffee sector.

For example, Ethiopian governments that were looking for foreign currency to import industrial products continued to increase tax and land rent regardless of price shocks that the coffee industry encountered in the world market. Furthermore, governments of the country from 1906 up to 2010 devoted to maximize their income by enacting laws that could help them control markets and lands of the province.[59] Particularly as regards coffee producers, processers and traders, governments of Ethiopia made negligible efforts to subsidize them because coffee continued to be unrewarding. Instead of reducing taxes and land rents and becoming sympathetic

[59]Informants: *Ras* Mängäsha Seyoum, General Bäkälä GäbreIgzi, and Jämma Haji (PhD.), and *Ato* Kifle Mulat.

companions of coffee producers, processers and traders in their times of adversity related to price shocks, governments enacted laws that could maximize their benefits. Therefore, for the last one century both governments of Ethiopia and the world market remained faithful to work against major stakeholders of the coffee sector, producers, processors and traders.

According to oral sources, 1/ governments of the country deliberately used to ignore production of coffee because they wanted to push farmers to look for other alternative crops that could increase incomes of both governments and farmers at the same time.[60] 2. The fate of coffee was under the goodwill of industrialized nations which never took the miserable living situations of coffee farmers into account.[61]

In general, as it will be shown in part III of this work, despite multifaceted local and national importance of coffee, its producers, processers and traders on one hand and governments of the country on the other hand engaged in an unending feud. This was basically caused by the world market and seriously affected livelihood of coffee farmers. Almost all legal provisions enacted by governments of Ethiopia were instruments to squeeze the sector without supplying necessary inputs that could maximize output to benefit stockholders of the sector at each level. Approaches of national governments to coffee from the two regions seemed driving an engine without adding lubricants vital to increase efficiency of the engine and prolonging its use-time. Unlike farmers of other crops no legal protection and financial and material support specific to coffee farmers. This is because due to its unpredictable coffee price, governments never cared for the industry and its operators at all levels, mainly coffee farmers, the first bearers of all troubles related to prices falls and natural disastres. Similarly, as it will be explained in part V of the dissertation, the world market was a legal organization that failed to consider benefits of coffee farmers. This

[60] *Ibid.*
[61] *Ibid.*

is because it was largely known for its steadily declining and unfair prices that were biased against agricultural commodities predominantly exported from developing countries of the world. As to prices of Ethiopian coffee, what happened in the world market seemed a kind of daylight robbery managed by global enterprises under the guardianship of world market.

After the coming of the Belgians, enterprising individuals and peasants began to see coffee beans around their homes, growing and transplanting it in every two or three years throughout southeastern and southern highlands of Ethiopia.[62] Such practice of adopting coffee by the local people led to the expansion of the coffee sector and introduction of new elements, which obviously changed economic, social, and cultural conditions of both pastoralists and peasants of the region. For example, the Arbagugu coffee plantation played an important role in promoting and keeping soil fertility, irrigation, sedentary way of life, cultivation of food and cash crop, which caused the birth of new economic group in Gollolcha (Arsi-Balē), Harar, Gedeo and Sidama.[63]

The beginning of export diversification in Ethiopia was also attributed to the Belgian companies, which produced a range of cash crops along the valley of Awash River for the first time.[64] In the 1940s they started production of sugar cane, bananas, papaya, oranges etc. for commercial purposes.[65] The production of such crops was basically aimed at tackling price shocks in the world market and counterbalancing the growing tax burden imposed by Ethiopian governments.

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[62]Gebremariam Bekele, "Economics of the Ethiopian Coffee Industry" (Unpublished, Ministry of Coffee and Tea Development, Addis Ababa, 1989 E.C.), p.18; and Gezachew Abegaz, p, 223.

[63]Zbigniew Siemienski, "Impacts of the Coffee Boom on Ethiopia" (1955), p.77; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä GäbreIgzi, and Jämma Haji (PhD.), and *Ato* Kifle Mulat. Specifically Siemienski indicates that in the 1920s coffee affected the production of cereals in Arsi-Bale and Harar. However, informants argue that in Gedeo and Sidama it rather encouraged the production of edible-rooted crops and caused the introduction of various types of potatoes into the two regions, which encouraged farmers to adopt and produce sweet-potato, potatoes and vegetable along with *ensät* and coffee

[64]*Ibid.*

[65]*AddisZämän*, Vol. 9, No. 7, Year 2nd an editorial commenting on the contribution of Belgian companies in expanding commercial farms along the Awash Valley and its economic significance (1936 E.C), p. 4.

The 1917 return of *Däjazemač* Balcha Safo to Sidamo as governor of the province, after an absence of several years, brought an influx of people who looked for support, initially as *kitabäl*, eventually, by *madäria*.[66] The arrival of *Däjazemač* Balcha in the region with the knowledge of coffee production was another important factor to change the political center in planning to implement his ambition of expanding coffee business to maximize the government revenue. However, his uneasy relation with *Ras* Täfäri that largely resulted from snags around the palace shattered the career of *Däjazemač* Balcha in Sidamo as governor but unintentionally it caused the birth of new relationship between settlers and local people of the province.[67]

In his third term as governor of Sidamo (1917-1928), *Däjazemač* Balcha, continued to focus on the program of distributing *qälad* land to his new followers.[68] Despite the scarcity of resident labor, settlers often received measured land (*madäria*) in the hope that *gäbbars* might eventually be offered by *balabats or qoros* to solve the problem of labor supply. In spite of the labor shortage, which was very serious in the 1920s, land suitable for coffee production became a bone of contention among migrants who moved to the region with the hope of becoming entrepreneurs. This was an incident that helped local governors of the province under *Däjazemač* Balcha to devise a strategy that could help them to identify more coffee land and distribute.[69] The labor supply, which did not comply with extensive land provisions, inspired some migrants to look for other option including recruiting laborers from neighboring ethnic groups.

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[66]Tsehai, "The Life and Career of *Däjjazmach* Balcha Abanäfso," p. 79; Ababu, p. 43; and Almaw, p.81.

[67]MärseHazän WäldäQirqos, "*Bä Dagmawi Menilek Zämän Kayähut na Käsämahut*," (Addis Ababa, *Mäskäräm*, 1935 E.C, IES, a type written Amharic Script), p. 22.

[68]Tsehai (1972), p. 80; Ababu, p. 52; Almaw (2005), p.86; and Almaw (2009), pp. 49-50.

[69]MärseHazän WäldäQirqos, p. 22. He indicates that, distribution of *gäbbars* the most popular form of *maderia*, by 1917 caused shortage of labor supply. According to the writer, prime difficulty arose from the fact that *gäbbars* were not re-numerated and redistributed as traditional family units matured and new generations established economic independence. Sons continued as clients of their father's patrons, and unscrupulous *näftäñña* attempted to collect a full *gäbbar's* share from each new family unit. He concludes that labor in the region was thus monopolized by early settlers. Therefore, newcomers had to take their *madäria* in *qälad* (measured land) of which there was abundance, but for which there was little labor.

In Gedeo and Sidama, the expansion of commercial coffee was a source of trouble for some landonwers by drawing labor away from their lands because many laborers joined the coffee sector by abandoning their former masters, which contributed to some farms remain untilled and vacant.[70] Furthermore, campaigns made against the slave trade, freed a large number of slaves in the regions and helped them to run away from their masters and settle as tenants and gradually became coffee farmers and tax payers.[71] This was also another incident that intensified the struggle for land and labor in the province. As it will be shown in chapter four, after1941 this struggle for land and labor also continued to occur between the *tekeläñña* and *näftäñña* of the regions.

In the 1920s Sidamo, there was an export crisis caused by the decline of its major exports, ivory and slaves.[72] This happened due to persistent hunting made in various parts of Sidamo that resulted in serious depletion of the elephant population in the province. Simultaneously, Ethiopia also came under strong pressure from global community to end its involvement in the slave trade. In this case *Ras* Täfäri Mäkonnen (regent), made a series of efforts to reduce both the slave trade and export from Ethiopia.[73] Soon after his coronation as Emperor, HaileSilassie I tried to encourage coffee production in various parts of the country.[74] However, before 1941 the output of coffee was very small in Sidamo and largely harvested from bushes and forest coffee plants.[75]

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[70] Tsehai (1980), p. 70; Tsehai, "The Life and Career...,"p. 80; and Tsehai, "The *Balabat*...," p.198.

[71]Tsehai (1972), p. 70; and McClellan (1980), p. 73. Particularly McClellan explains that coffee was a substitute for slave. He also notes that the alienation of *gäbbar* labor from early *näftäññas* was not achieved without struggle. Finally he indicates that coffee caused contests of *tekieläñña* and *näftäñña* for land, labor and power in the region.

[72]McClellan (1980), p. 77; and Ministry of Coffee and Tea Development, p 22. McClellan specifically shows that elephant hunters scoured southern marshes of Ethiopia and ventured into the Northern Frontier district of Kenya and Uganda.

[73]Tsehai (1980), p 2003; McClellan (1980), p. 74; McClellan (1986), p. 180; P. Schwab, "The Agricultural Income Tax and the Changing Role of Parliament in Ethiopia," *Africa,* Vol. 8, No. 1 (1969), pp. 133-134; K. E. Knutsson, 'Dichotomization and Integration: aspects of inter-ethnic relations in Southern Ethiopia', in F. Barth, ed., *Ethnic Groups and Boundaries* (Bergen, V&K Plc., 1969), pp. 283-284. According to Tsehai and McClellan both *Däjazmach* Balcha and *Ras* Täfäri realized the role of coffee when they were ruling Harar and Sidamo.

[74]Z. Siemienski, "Impact of the Coffee Boom on Ethiopia," pp. 70-71. He argues that Ethiopia desperately needed substitute commodities and a solution was found in coffee, which, by the second decade of the century, was rising to prominence. He also indicates that the difficulty of transport made it relatively unprofitable, mainly in the areas like Sidamo and Kaffa where the Abyssinian variety was grown; however, the potential of coffee was demonstrated in Gollolcha (Bale and Harar) where a higher quality variety was grown.

[75]Berhanu Lameso, "A History of Guji Oromo (C. 1850s -1974)" (PhD. Dissertation, AAU, History, 2012), p. 128; McClellan (1980), p. 78; andTsehai, p. 19.

Even if coffee was the centerpiece of the economy by 1915, its rise to eminence at the local level was very slow.[76] Though some little demand for coffee had already existed there, it was the arrival of many people to the regions that helped coffee to expand. Such an increase in the number of the non-local people was resulted from the government successes in controlling the two regions through political and economic assimilation, which made the province less risky for business than it had been in the past. Initially, Gedeo and Sidama farmers used to supply coffee (in its wild state) to their masters largely free of cost because those who used the buffer zone for grazing or supplementary cropping made no special efforts to harvest wild coffee found in the bushes of the regions. Steadily however, due to the growing importance of coffee and demand for it, they started to claim each plot by erecting small huts as residence on it, taking care to remove competing vegetation and transplanting coffee bushes for easier tending.[77]

The region also attracted fugitive *gäbbars*, individuals abused by some governors or resentful of limits put on their economic freedom to entertain benefits of the coffee industry. Circumstances like completion of the Addis Ababa-Djibouti Railway in 1916/7, which reduced transport costs, also helped to expand the boundary of coffee economy in Sidamo.[78] The arrival of railroad insured bulky commodities like coffee to be exported via the capital, thereby avoiding possible competitions from neighboring Italian and British colonies for coffee in the region. The presence of such colonial powers in East Africa made coffee beans prone to smuggling because they used to attract illicit coffee trade by setting relatively better payment for suppliers of the crop.[79]

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[76]Asrate Tefera, *The Structure, Organization and Mechanisms of Domestic Trade in Ethiopia* (Geneva: United Nations Economic Commission for Africa, 1987), p. 45; and Akalou Wolde-Mikael, "The Impermanency of Royal Capitals in Ethiopia," *Yearbook of the Association of Pacific Coast Geographers* No. 28 (1966), pp.150-151.

[77]Z. Siemienski, "Impact of the Coffee Boom on Ethiopia...," pp. 70-71; Pierre G. Sylvain, "Ethiopian Coffee: Its significance to World Coffee Problem," *Economic Botany*, Vol.12, No. 2 (1958), pp. 149-150; and Sheferaw Bekele, "The Railway Trade and Politics: A historical Survey (1896-1935)" (MA. Thesis, AAU, History, 1982), p. 56.

[78]Asrate Tefera (1987), p. 45; and McClellan (1980), p. 77. McClellan shows the status of the railway and says "even if expensive by European standards and not totally reliable, the railway was considerably cheaper and faster than mules."

[79]Zbigniew Siemienski, "Impact of the Coffee," pp. 70-71;Pierre G. Sylvain, p.151; and Richard Pankhurst, *An Economic History of Ethiopia, 1800-1935* (Addis Ababa: HaileSellaisse I Univ. Press, 1968), pp. 43-44; Richard Pankhurst, "The

Apart from better prices which colonial powers set for coffee to secure more supply and attract merchants, it was the growing tax levied on coffee in the formal market, which compelled merchants to opt for illicit markets that found in the neighboring countries.[80] Gradually however, government revised the system of tax collection regarding coffee trade, which to some extent reduced the rate of coffee smuggling.[81] For example, income that was generated from coffee through a series of tax revisions helped *Ras* Täfäri (the regent) to practically implement his plans of modernizing the country and centralizing the administration. For provincial governors like *Däjazemač* Balcha who were skeptical of Täfäri's plans, coffee provided opportunity to challenge centralization by channeling a substantial portion of the new revenues into provincial coffers.

In Gedeo and Sidama, competition of landowners was not only for labor but also for land itself.[82] For instance, forested down-slope areas of the two regions that were largely suitable for coffee were inhabited by settlers, who came from various parts of the country to join the coffee sector. The growing demand for coffee also attracted some Gedeo and Sidama individuals to clear forest land with an accord of customary councils and kin groups mainly for the purpose of coffee production than mere residence. Besides, some land owners especially sharecroppers encouraged tenants (*çisäňňa*) to settle on these areas and, in a few cases, even provided tools, hoping thereby to uphold their claims to the land.[83] In general, areas in the vicinity of Gedeo heartland were developed soon after the distribution of *qälad* whereas those further down slopes were less settled

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Trade of Southern and Western Ethiopia and the Indian Ocean Ports in the Nineteenth and Early Twentieth Century," *Journal of Ethiopian Studies*, Vol. III, No. 2 (1965), p. 189; C. Edward Keefer, "Great Britain and Ethiopia, 1897-1910: Competition for Empire," *International Journal of African Historical Studies*, No. 6 (1973), pp. 471-472.

[80]Zbigniew Siemienski, p. 80; and C. Edward Keefer, p. 70; Bairu Tafla, "Four Ethiopia Biographies: *Däjjazmač* Gärmamē, *Däjjazmač* GäbrēEgziabeher Moroda, *Däjjazmač* Balcha and *Käntiba* Gäbru Dästa," *Journal of Ethiopian Studies*, Vol.7, VII, No. 2 (1969), pp. 23-24.

[81]Akalou Wolde-Mikael, "The Impermanency of Royal Capitals in Ethiopia," p. 154.

[82]Kafyalew Tessema, "A History of Hawassa Town C. 1950s to 1995" (M.A. Thesis, History, AAU, 2010), p. 29; and Mulugēta Gezahēgn, "A History of Yirgachäffē Wäräda: 1934/35-1991" (M.A. History, AAU, 2011), p. 31; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä GäbreIgzi, *Ato* Kebädä Bälachäw, *Ato* Azänä Kibamo and *Ato* Yana Qabato. They explain that sharecropping had little effect on the coffee of Sidama but in Gedeo its widely prevalence identified the case of Gedeo coffee with Gollolicha, Kaffa, Jimma, Illubabor and parts of Wollega. They also assert that local *balabats* and *koros* were influantial individuals at the grassroots level who an important role the overall implementation of sharecropping.

[83]*Ibid.*

and thus less contested. However, it was the gradual expansion of coffee that exacerbated the contest for land, labor, market and other resources of the two regions that made inaccessible areas to fall under coffee cover.

Expansion of commercial coffee production intensified the distribution of land that was basically dependent on efforts of government surveyors who used to employ two systems to classify lands: the *qälad* (leather strip or rope roughly 66-67 meters in length) and the *gasha* (in Sidamo, typically eleven to seven *qälads*).[84] Local assistants involved in the land measurement process whenever difficult situations happen and the surveyor was often new to the landscape.[85] The surveyor and assistants used to receive land in return for their services.[86] However, the expansion of coffee reduced loyalty of surveyors to the government because individuals, who were ambitious to get fertile lands that were located nearby their villages, used to corrupt the surveyor team. Particularly, during the restored Imperial rule, contest for labor and land was formalized the act of bribery, which to some extent undermined formal approaches to land and labor.[87]

After 1941 some of the lands in Gedeo and Sidama reserved for measurement and distribution were already inhabited by "squatters" who were asked either to fulfill requirements to legalize

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[84]Bahru Zewde. *A History of Modern Ethiopia 1855-1991,* 2nd Ed. (Addis Ababa; AAU Press, 2002), p. 191; Bahru Zewde, "Some Aspects of Post-Liberation Ethiopia: 1941-1950," Tadesse Beyene (ed.), *Proceedings of the Eighth International Conference of Ethiopian Studies,* Vol. I (Addis Ababa and Frankfurt/ Main, 1988), pp. 222-223; Christopher Clapham, "Centralization and Local Response in Southern Ethiopia," *African Affairs*, Vol. 74, No. 294 (1975), pp. 77-78; McClellan (1988), p. 46; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrelgzi and *Ato* Kebädä Bälachäw.

[85]McClellan (1988), p. 73; Benti Getahun, "A History of Shashämänē Town from Its Foundation to 1974" (M.A., Thesis, AAU, 1988), p. 18; and Informants: *Ato* Kebädä Bälachäw, *Ato* Azänä Kibamo and *Ato* Yana Qabato.

[86]*Ibid.* The above sources assert that payment of land for surveyors in lieu of salary made them landowners. In difficult terrain, surveyors might simply measure informally based on assumptions. Normally, *gasha* was a nonstandard unit and its size varied based on quality of the land. Even within the same district, *gashas* might vary depending upon the method employed and the personalities involved. *Gasha* varied depending on the financial mighty and bargaining power of individual in the regions.

[87]National Archive and Library Agency (NALA here after), Folder No.233, File No, 33 (Petitions signed by some in individuals from Gedeo and Sidama against corrupted governors in their respective regions and presented to the Emperor, 1956 E.C.) pp. 10 and 13; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrälgzi, *Ato* Wubät Täfära and *Ato* Käbädä Bälachäw. They show how far the rule of law was undermined and officials got corrupted to the extent of taking the law in to their hands.

their informal land holdings or to opt for other options at their disposal.[88] Even if occupants did not officially own lands, they were free to use it for various purposes as they wish. Therefore, they had options like following formal procedures to legitimatize their ownership over the land or corrupting both government and local survivors to get some more use time or abandoning lands they settled on informally.[89] Particularly, after enactment of the 1955 proclamation to privatize land, the issues of labor in the coffee sector became very serious. For example, traditional labor services that *gäbbars* used to offer to their masters were officially revoked; however, landowners secretly approached informal residents to remain on their lands and gradually become tenants, contracted to provide part of the yield to their master who required them to cultivate mainly coffee. [90]

In Sidama such claims of squatters for lands they informally settled on were resolved ultimately, but they often left behind feelings of alienation.[91] However, in Gedeo those who had cleared and worked marginal lands deprived of assets that was lawfully theirs and hoped to reclaim it in time. Older settlers whose *gäbbars* had made coffee lands productive reacted against what they saw as an attack on their economic privilege. Besides, in Gedeo the anger reflected by settlers was centered largely in the *BarudBēt* garrisons of Bulē and Illalcha because *qälad* went primarily to Balcha's *BētLij* and residents of AgäräSälam, irrefutable evidence of favor in the minds of many old- timers.[92]

As opposed to Sidama, in Gedeo intensive search for coffee land through land measurement began along lower slopes where opposition was little, but as surveying teams moved upward

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[88]Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrälgzi, *Ato* Wubät Täfära and *Ato* Käbädä Bälachäw.

[89]*Ibid.*

[90]*Ibid.* They also agree that the coffee economy was a source of complex relations in the region; thus, relations were sometimes cordial but sometimes they end up extremely hostile. In this case informants unanimously agree that some clients feared that if they attempted to resist threats, the longer-standing patron would hold their upland relatives liable for losses. Other clients appealed to their new patrons or to local mediators like the *halabat* or *korro* for mediation. Informants also indicate complextity of the labor base relation that happened in the region. They argue that trouble used to occur when former patron of a client looked for sustained labor provision, which forced clients to meet demands of the patron as well as those of the settler.

[91]Informants: *Ato* Wubät Täfära, *Ato* Käbädä Bälachäw, *Ato* Azänä Kibamo and *Ato* Yana Kabato

[92]Tadesse Kippie (1994), p. 71; McClellan (1980), p. 76;and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, Ato Käbädä, *Ato* Azene Kibamo and *Ato* Yana Kabato. According to them, it was the land issue that appeared to be one of the immediate causes for the 1960 peasant uprising in Gedeo. Particularly the merciless acts of *yädänbäñña leje* (ruling elites in Gedeo) appeared to inspire everyone to develop irreversible mentality.

toward districts like Amba, Bula and Tunticha, they faced stiff resistance.[93] Despite the serious opposition it encountered from the two people, land measurement was utilized by successors of *Däjazmač* Balcha Safo, *Ras* Birru WoldäGäbriel and *Ras* Dästa Damţäw. It also continued until the Italian invasion in 1935/6 and even throughout the restored imperial rule along with re-measurement in several areas. In general, the pre-1941 opposition to land measurement was not that much serious as compared to the post-1941 resistances against acts of land measuring. This was because in the case of post-1941 land measuring practices were very aggressive to the extent of threatening traditional holdings and provoked the Gedeo and Sidama people to react against the case in point.[94]

Particularly in the coffee growing areas of the two regions the issue of land was very hot. For example, where *qälad* holders were found to possess *terefe* (land in excess of recorded quantities), individuals were allowed to retain excess lands as far as they meet additional requirements including tax paying and presenting some other sorts of gifts to immediate bosses.[95] However, in some few cases *teref* was dispossessed and given to new *näfţeññas* or *tekeläññas*. As to upland areas of Gedeo where resistance was stiff and widespread, the local *balabat*, *Balambaras* Assäfa Chimburu, reached a consensus with the government whereby disputed areas were put under the guardianship of Princess Tänaññäwärk (the daughter of Emperor Haile Sillassie and wife of *Ras* Dästa Damţäw).[96] Gedeo was caught in this accord found their economic burdens lighter but still resented working for someone else on lands they felt was rightfully theirs'.[97]

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[93]McClellan (1980), p. 77; Jan Brogger, *Belief and Experience among the Sidama: A Case Study towards Anthropology of Knowledge* (Uppsala; Norwegian University Press, 1986), p. 72; G.W.B. Huntingford (1955), p, 122; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, *Ato* Käbädä, *Ato* Azänä Kibamo and *Ato* Yana Kabato. These sources unanimously assert that in the process of land measurement, government officials met with hostility; protesters destroyed the surveyor's tools and erased evidence of measurement in the night. According to them, though reluctant to become openly involved, *näftäññas* with self-proclaimed rights to the land often encouraged their clients to resist. Finally they note that, both groups carried appeals to Agäräsälaam and Addis Ababa although the cases were resolved rarely in favor of the plaintiffs.

[94]Benti Getahun, "A History of Shashämänē...," p, 68; Kafyalew Tessema, "A History of Hawassa Town ...," p. 43; and Mulugēta Gäzahēgn, "A History of Yirgachäffē Wäräda...," p. 50.

[95]*Ibid.*

[96]McClellan (1988), p. 78; and Tadesse (1994), p. 22; and Informants: *Ato* Azänä Kibamo and *Ato* Yana Qabato.

[97]*Ibid.*

I. In general, in Gedeo and Sidama, both measurement and distribution of land played a vital role in promoting the coffee industry.[98] Events after 1941 had modified the *näftäñña-gäbbar* system markedly specifically in coffee growing areas where economic and social relations between landowners and tenants took new forms.[99] Predominantly, Gedeo tenats found themselves in a poorer position because initially, landoweners were reliant upon produces and labor of their *gäbbars*, on *qalad* land; finally however, landowners started to dictate what was cultivated and who could grow it. While the Gedeo may have done somewhat better economically as coffee producers, they suffered at the same time from a greater involvement of landowners in their daily affairs. This trend was proven by the fact that from the 1920s on, landowners began to build residences in the countryside away from *kätemas* (towns), where they could more effectively supervise their valuable lands. For some Gedeo, chaotic situations that had come from contest for land and labor entertained by migrants of the region led them to look back upon the earlier days of *näftäñña-gäbbar* as the good old days in almost idyllic terms.[100]

II. The second important historical event that contributed significantly to the expansion of coffee cultivation in the country in general and Gedeo and Sidama in particular, was the Italian occupation (1935/36- 1941).[101] It was a period of remarkable expansion of coffee cultivation in

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[98]McCllelan (1988), p. 77; Tadesse Kippie (1994), p. 22; Bētana Hoṭēso, *Sidama Hezebena Bahelu* (Addis Ababa: Bole Printing Press, 1983), p. 174; Berhanu Lameso, "Aladu-Sidama Relation: A Historical Review, C. 1850-1974" (M.A. Thesis, History, AAU, 1993), p. 59; and H. Straube, *The Hadicho Sidama* (Frankfurt; The Frobenius Institute, 1989), p. 62. Bētana and Straube argue that in Sidama, large number of the population and size of their land, and rebellious nature of the people relatively reduced effectiveness of the land measurement and made it not to be as harsh as in Gedeo. In Sidama local *balabats* and *koros*, who were competing for recognition from governors played their part in smoothing government-people relations. They tried to localize government policies to secure their acceptances among government officials and people of the region at the same time.

[99]Richard Pankhurst, *State and Land in Ethiopia* (Addis Ababa; IES and Faculty of Law, 1966), p. 136; and John Markakis, *Ethiopia: Anatomy of a Traditional Polity* (Addis Ababa: Oxford University Press, 1975), 108.

[100]W. Charles McClellan, "Reaction to Ethiopian Expansionism: The Case of Darasa, 1895-1935" (PhD. Dissertation in History, Michigan State University, 1978), p. 69; McClellan (1988), p. 78; and Tadesse (1994), p. 59; and Informants: *Ato* Azänä Kibamo and *Ato* Yana Qabato.

[101]John Hamer, *Human Development*, p.148; Bētana Hoṭēso, p. 176; Alberto Sbacchi, *Ethiopia Under Mussolini; Fascism and the Colonial Experience* (London: Zed Books, 1985), pp. 187-189; Angelo Del Boca, *The Ethiopian War: 1935-1941*(Chicago: The University of Chicago Press, 1969), pp. 124-125; HaileMariam Larebo, *The Building of an Empire Italian Land Policy and Practice in Ethiopia* (Trenton: The Red Sea Press, 2006), pp. 133-134; and Ayele TesfaMariam, "Economic Impact of the Italian Rule in Southern Ethiopia" (M.A. Thesis, Department of Development Studies, Dublin, 1983), p. 67.

the region. Most agricultural farms in Gedeo and Sidama that even survived the period of Italian rule were Italian-owned, and most of them engaged in coffee production. For example, some of the coffee farms that belonged to the Italian entrepreneurs were the "Colaris Coffee Farm" (owned by Signor Collaries), "Rapetti Horticulture" (owned by Signor Mauro Rapetti), and "Bleys Coffee Plantation" (owned by Signor Bleys), "Mario Coffee Farm" (owned by Signor Mussie Cousta) in Sidama; and "Bullon Coffee Farm" (owned by Signor Bulloni) in Gedeo.[102] These coffee farms of the two regions were part of realizing the colonial agricultural and land policy, which were designed to make the region suitable for settlement of the Italian entrepreneurs.[103] Even after liberation, some of the foreigners who owned coffee farms continued to run the industry under the supervision of individuals assigned from the palace.[104]

III. The third historical episode, which largely contributed to the expansion of commercial coffee production in Gedeo and Sidama was the post-liberation land grant undertaken by the restored Imperial government in the 1940s and 1950s. After the Italian rule process of reorganizing and consolidating the Imperial government of Ethiopia was accompanied by land grants made by the Emperor to patriots who had fought the Italians, to returnees from exile and various categories of civil servants.[105] The grant was largely made in favor of upper-echelon elites of the country, such as high-ranking dignitaries, officers and members of the royal family. This land grant created a favorable situation for the expansion of commercial coffee production in various parts of the province because it placed sizable amount of land under the control of non-resident land

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[102]Ayele TesfaMariam, p. 59; Eike Haberland, *Galla Sud Aethiopiens* (Stuttgart: Verlag W. Kohlhammer, 1963), p.344; HaileMariam Larebo, pp. 292-293; and Informants *Ras* Mängäsha, General Bäkälä GäbräIgzi, and *Ato* Wubät Täfära.

[103]Alberto Sbacchi (1985), p. 193; HaileMariam Larebo (2006), 68; and Ayele TesfaMariam, p. 81.They indicate that G. Lessona, the Italian Minister for Colonies played a significant role in preparing agricultural lands in different sizes for the financially capable farmers, who were coming from Italy.

[104] Informants: *Ras* Mängäsha Seyoum, General Bäkälä GäbräIgzi, *Ato* Wubät Täfära and *Ato* Käbädä Bälachäw.

[105]*Ibid; and* Richard Pankhurst (1966), p. 136; and John Markakis (1975), 108.

owners.[106] In this particular case, some sources assert that most of the recipients of this land offer were members of the royal family, namely Empress Mänäne and *Leul* Mäkonen HaileSillassie (the Duke of Harar).[107] Particularly, the Emperor's daughter, Princess Tänañňäwork HaileSillassie was the most notable in receiving the largest proportion of the land grant in the province.[108]

Only very few of the above mentioned beneficiaries attempted to start coffee production impressed by relative successes of coffee companies at Arbagugu. However, the rest leased their land for those who had an ambition to invest in the agricultural sector. The process of leasing lands was open to entertain anyone with financial might irrespective of his/her nationality. For example some of the individuals who got lands through contract from members of the royal family were foreigners like Dr. Thomson (a British physician), Mr. Ottenelli, Mr. Olibettto and Mr. Massaro Olivetti (Italians), Justin Van Billion (a Belgian locally known as Mussie Justa), Mr. Hard (a French), Mr. Anderson Mathew (a Norwegian), Phillipson Norman (a Swedish), and Salah Osmadin (a Yemeni Arab).[109] Most of them were able to continue to run their farms by renewing contracts until the 1974 Ethiopian Revolution, which nationalized their farms and forced them to leave the country.

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[106] Informants: *Ras* Mängäsha Seyoum, General Bäkälä GäbräIgzi, *Ato* Wubät Täfära and *Ato* Käbädä Bälachäw.

[107] *Ibid*; and WMTMA, Folder No. 2135, File No. 2200/10, a report and roster by *Ato* Mäkonen Täshalä on the execution of *qälad* in 1959 E.C. to distribute land to people whom the Emperor made land grants in the name of "*čirota* and *madäria* (1959 E.C.), p. 4; WMTMA, Folder No. 334, File No. 14, land grants made to members of the royal family and other important figures and dignitaries of the country (1946 E.C.), p.1; *Ibid*, Folder No. 334, File No.2, list of individuals, who received land grant from the Emperor, for various purposes (1949 E.C.), pp. 3-5.

[108] Zerihun Mohammed Ali, "Natural Resource competition in Wondo-Genet, South-Central Ethiopia" (M.A. Thesis in Social Anthropology, AAU, 1999), pp. 28-29; and Informants *Ato* Täsfayä Sahlu, *Ato* KäbädäBelachäw, General Bäkälä Gäbräigzi, *Ras* Mängäsha Seyoum, and *Ato* Täklay Kätsäla. They agree that individuals like Princess Ayda Dästa (the wife of *Ras* Mängäsha Seyoum), *Ras* Andargachäw Mäsay, *Woyzäro* Qonjet Abenät, *Girazmach* Nadäw Gäbrē, and some other were the most notable individuals who benefited a lot form the land grants of the 1940s and 1950s in Gedeo and Sidama.

[109] WMTMA, Folder No. 334, File No. 3, list of shareholders and amount of capital each shareholder contributed in the contractual agreement signed between the Belgian Coffee Company and Ethiopian Government (1942 E.C.), p.2; NALA, Folder No. 46, File No. 1, list of foreigners, who owned large scale farms including coffee in various parts of the country (1943 E.C.) p.1-4; Girma Negash, "Agriculture and Trade in Northern Sidama Since 1950: A History" (Ph.D. Dissertation, History, AAU, 2014), p. 93; and Informants *Ato* Täsfayä Sahlu, *Ato* Käbädä Belachäw, General Bäkälä Gäbräigzi, *Ras* Mängäsha Seyoum, and *Ato* Täklay Kätsäla. They got the land specifically from four royal family members namely, Empress Mänäne, *Leul* Mäkonen Hayle Sillassie (the Duke of Harar), Princess Tänañňäwärk HaIleSillassie, and Ayda Dästa.

As it will be explained in part III of the dissertation, which deals with national issues related coffee based on the First and Second Five Year Plans, which promoted commercial agriculture, a number of Ethiopians were encouraged and given support to involve in the coffee business. Accordingly, in the 1950s and 1960s *Ato* Birru Gäda, *Ato* Tadässä Geda, *Grazmač* Worku Dästa, *Grazmač* Alämayähu Waqo, *Ato* Urgē Dhaba in Gedeo; and Dr. Mulat, *Ato* Asäfa Täshome, *Ato* Wubät Täfära, *Ato* Dämesē Yergätē, *Ato* Ahmed Worji, *Ato* Takälä G/Tsadik in Sidama were some of the many individuals who got legal protection and financial support from the central government to take part in coffee production and processing.[110] Ultimately, most of them became successful individuals who financially advanced and opened a number of hotels on the way from Dilla to Addis Ababa and bought coffee washers of their own.[111]

For example, just like *Däjjazmach* Balcha Safo of the 1920s, *Ras* Mängäsha Seyoum (1955-1958 E.C), was the most notable person during the restored imperial rule regarding expansions of coffee production and processing. As oral sources unanimously agree, he played a remarkable role by linking about nine foreign coffee companies with Gedeo and Sidama coffee farmers.[112] It was as a result of his efforts that Yergachäffē modern coffee washing station was opened for the first time to process coffee for the world market. Furthermore, he also played an important role in creating understanding between coffee farmers and foreign experts to give advices on how to go about controlling coffee diseases and harvesting and processing methods. Particularly, some coffee farmers in Gedeo and Sidama have been appreciating concerns of the *Ras* to improve productivity of the crop and prices in local markets to increase income that farmers earn from.

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[110]WMTMA, Folder No.334, File No. 1/15, annual report indicating list of individuals, who were provided with land and financial support to run commercial farming in Sidamo province including coffee production (1946 E.C.), pp. 1-6; and Informants: *Ato* Täsfayä Sahelu, *Ato* Käbädä, General Bäkälä, *Ras* Mängäsha, and *Ato* Täklay Kätsäla.

[111]*Ibid.*

[112]Ministry of Agriculture and Rural Development, *The Role of Individuals in Promoting Ethiopian Coffees* (Addis Ababa, Chamber Printing Press, 2010), p. 12; and Informants: *Ato* Täsfayä Sahelu, *Ato* Käbädä, General Bäkälä, *Ras* Mängäsha, and *Ato* Täklay Kätsäla.

As to mechanization of coffee production in the province both oral and written sources agree on the fact that after 1941financially capable individuals played an important role. Accordingly, in the 1960s individuals like *Gerazmač* Wärqu Dästa, *Gerazmač* Wärqu Qorčo, *Ato* HayläMariam Ashēbo, *Ato* Asäfaw Abära, *Ato* Amarä Täkola, and *Ato* Wärkenäh Abägaz in Gedeo and *Ato* Tägäññ Wäldu, *Ato* Wubät Täfära, *Ato* Dämisē Yirgetie, Dr. Mulat, Mr. Mussie Cousta (an Italian man) in Sidama were some of the important figures who erected modern coffee processing machines, which dramatically changed the structure and volume of coffee production, processing and marketing in the two regions of the province (see also table VI and VIII).[113]

In the 1970s a chaotic situation resulted from the revolution that deposed the imperial regime of Ethiopia and affected the coffee sector in the province.[114] The process of nationalizing lands and properties that belonged to beneficiaries of the Imperial regime and confiscating and giving them to the landless caused opposition of the losers, which affected the coffee sector in Gedeo and Sidama. For example, soon after the outbreak of the revolution there were armed-clashes between some rich members of the emperial regime and revolutionary groups in the environs of Läku, Yirgaläm, Hagäräsälam, Dayē, Alätawondo, Dilla, Bullē, Wonago and some other towns of the province.[115] In this case *Gerazmač* Wärqu Dästa, *Gerazmač* Wärqu Qoričo *Gerazmač* Täfäri and Dhuguma Gaari in Gedeo; and *Ato* Asäfa Oda, *Ato* Alämu Asamnäw, *Ato* Bäqälä Aräga, *Ato* Çuluqē, Ato HabtäMariam, *Ato* Täklu Yota and *Ato* Yētēra Bolē in Sidama were some of the individuals who fought against the *Därg* by becoming bandits *(šifeta)*; though, it was

[113]NALA, Folder No.186, File No. 17.1.6.17.13, a quarterly report from Sidamo province to the Ministry of Interior, showing entire developments of the province including expansion of the coffee sector (1953 E.C), p.7; *Addis Zämän*, Vol.55, Year 20th, a report narrating various developments of the province including the status of coffee production (1952 E.C.), p. 218; and Informants: *Ato* Käbädä , General Bäkälä, *Ras* Mängäsha, and *Ato* Täklay Kätsäla.

[114]Ministry of Coffee and Tea Development, *Origin and Expansion of the Ethiopian Modern Coffee Industry*, p 22.

[115]Ababu, p. 49; Almaw, p. 90; and Informants: General Bäkälä, *Ato* Wubät Täfära and Däjänē Kiflē (MD).

very brief and ended up by claiming their lives.[116]As a result, coffee gardens, processing machines and stores that belonged to them were destroyed and markets of the province suffered from shortage of coffee supply at least for three successive years (1974-1977).[117]

In Ethiopia, it was the 1980s, which marked a remarkable progress in coffee mechanization. The Peasant Associations that were founded as basic units to realize the socialist ideology in Ethiopia imported and erected modern processing machineries, built up-to-date stores, trained manpower, applied pesticides, and planted highly productive and disease resistant hybrids etc.[118] Such developments of this particular period dramatically improved both the quality and quantity of coffee product throughout the regions (see also table VI and VIII). Finally, from 1991 up to 2010 developments regarding coffee of the two regions showed the little attention coffee got from the central government. It is left aside as the basic concern of farmers and cooperatives at regional level and ECX at the national level (see also Table VII and VIII).[119]

To conclude, the modern Ethiopian coffee industry has passed several sages to have the present production, processing and marketing structures. From its 1906 foundation to 2010 several factors contributed to improvements of modern coffee industry. For example, French Missionary Societies, Belgian coffee companies, Italians, and governments of Ethiopia played their part in improving production, processing and marketing sector of the industry. Particularly, the three successive governments of the country from 1941 up to 2010 were very notable in developing

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[116] Informants: General Bäkälä, *Ato* Wubät, Däjänē Kiflē (MD) and Colonel Kasahun Bälachäw.

[117] *Ibid.*

[118] Stefano Ponte, "Standards, Trade and Equity:..," p.80; Tadesse Beriso, "The Changing alliance of Guji Oromo and their Neighbors: State Politics and Local Factors," in Gunter Schlee and Elzabeth E. Watson (ed.), *Changing Alliance and Identification in Northeast Africa* (New York: Berghahn Books, 2009), pp. 231-232;

[119] Oxfam, "Crisis in the Birth place of Coffee," in *Oxfam International Research Paper* (2002a), p.23; Oxfam, *Mugged: Poverty in your Coffee Cup* (London: Oxfam International, 2002b), p 89; and Aslihan Arslan *et.al*, "The Effects of the Coffee Trade-marking Initiative and Starbucks Publicity on Export Prices of Ethiopian Coffee," *Journal of African Economies*, Vol. 3, No. 11 (2011), p. 15. According to Oxfam, up to 2010 due to political decentralization coffee has become no more business of the central government and left for the ECX, regional governments, unions, and farmers.

coffee economy of the country by making interventions at various levels. At this juncture, it is important to note interests of the three governments, which largely emphasized marketing aspect of the sector. The common trouble of the sector from 1906 to 2010 was the world coffee market.

In terms of farm size the imperial period was notable. This was because the regime made vigorous attempts to encourage individuals to own large coffee farms and availed land for sale to address demands for land that come from former settlers and newly arrived individuals. As to industrial expansion and extension services to help coffee farms the *Därg* was worth mentioning because, expansion of washing stations, processing plants and medical supplies was largely witnessed in this particular period. Finally, the EPRDF regime has been playing significant role in liberalizing the market and privatizing the sector. As a result, a number of entrepreneurs started to take part and farmers were able to get markets to sell the crop.

3.2 Factors that Stimulated Expansion of Commercial Coffee

The end of the slave trade coincided generally with the depletion of ivory sources. The imperial treasury had for long relied upon both commodities.[120] Such coincidence appeared to undermine the national export and caused a serious crisis of export revenue. This put the central government of the country in a predicament, which forced it to look for every alternative at its disposal to overcome the fiscal crisis. Hence, coffee production became one of the priorities that won the government attention. Fortunately, coffee became a substitute commodity and the 1920s infrastructure of the country also helped it to be profitable export item.[121] As it has been explained above, the establishment of Arbagugu coffee companies played a vital role in stimulating coffee in Gedeo and

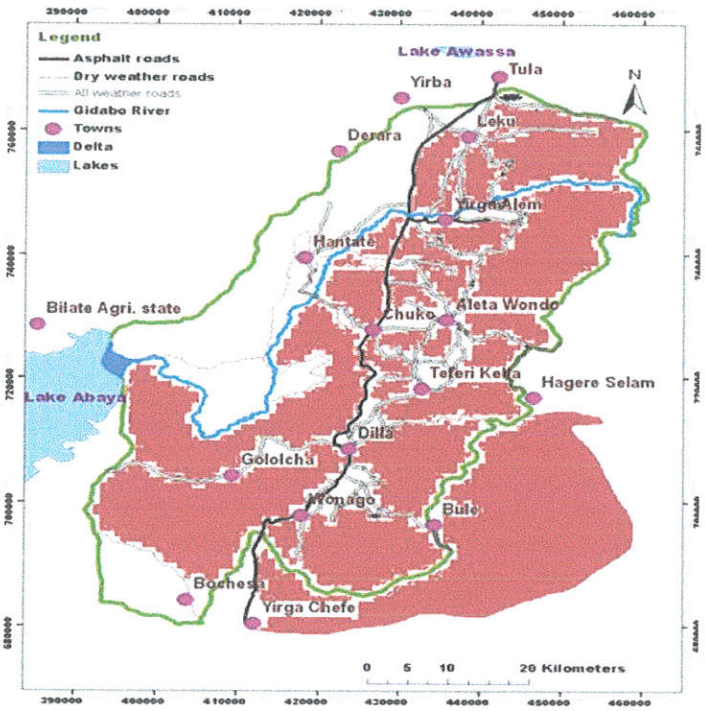
[120]Edward C. Keefer (1973), pp. 470-471; McClellan (1980), pp. 78-79; William H. Lewis, "The Ethiopian Empire: Progress and Problems," in *Middle East Journal,* Vol. 10, No. 3 (1956), pp. 260-261; and Oscar Neumann, "From the Somali Coast through Southerner Ethiopia to the Sudan, " in *The Geographical Journal*, No. 4, Vol. XX (1902), pp. 378-379.

[121]*Ibid.*

Sidama by attracting the trade route of the region towards Gollolcha. Similarly, by 1917 the completion of Addis Ababa-Djibouti railway and roads and bridges constructed by the *gäbbar* labor to link provinces with the capital city also played its part in encouraging the sector in the region.[122]

Fertile land and humid weather conditions suitable for coffee that are found on the lower basins of Lagadara, and Walämē Rivers in Gedeo; and Wamolē, Kubamo, Bulbula and Gidabo Rivers in Sidama were the other important factor that stimulated commercial coffee production (see also the following map). Both Gedeo and Sidama used these adjacent areas usually for seasonal farming and livestock herding but mostly the areas were uninhabited and served as buffer zones. As sources indicate, ranges of the above-mentioned and some other rivers of the regions initially been populated by wild coffee.[123]

Figure II: Major Coffee Growing areas of Gedeo and Sidama (NESPRESSO, 2010)



[122] McClellan (1979), pp. 518; McClellan (1980), p. 80; and McClellan (1990), pp. 38-39.
[123] Edward C. Keefer (1973), pp. 470-471; McClellan (1980), pp. 78-79; McClellan (1979), pp. 518; William H. Lewis (1956), pp. 260-261; and Oscar Neumann (1902), pp. 379-380.

Particularly, McClellan shows that with the expansion of the Ethiopian state, *gäbbars,* who escaped from abusive masters, began to settle in these areas.[124] Sometimes, *kiṭabäl* (the least paid government soldiers who were living precarious life) made incursions to forest areas and started to occupy lands informally for coffee cultivation.[125] Besides, some *näfṭäññas,* who were aware of the growing importance of coffee, utilized *gäbbar* to clear personal landholdings (*kudads)* there and plant the crop. Steadily however, settlers who moved into the territory where wild coffee grew, preserved wild coffee seedlings and transplanted them to cleared farms, which at the same time was a response to the globally rising coffee demand. Obviously, in the 1920s and 1930s coffee lands of the two regions were underdeveloped, had never been officially distributed by the government and were thus being settled illegally.[126]

As it is indicated in chapter two, from the 1889 conquest up to the 1935/36 Italian occupation eight governors were appointed in Sadamo.[127] From 1941 up to 1974 the number of governors appointed in the province was also eight.[128] In both cases governors of the province recieved similar missions from their respective central governments, i.e. maximizing government revenue and keeping stability of the province in line with interests of the centre. As a result, they made efforts to impress their respective bosses by exploiting every possible alternative at their disposal including coffee production to increase the national revenue. Unlike the *Därg* and EPRDF regimes, provincial governors of the Imperial period were not busy in promoting ideologies like

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[124] McClellan (1979), pp. 518; McClellan (1980), p. 80; and McClellan (1990), pp. 38-39.

[125] *Ibid.*

[126] *Ibid*; and Informants: General Bäkälä, *Ras* Mängäsha, *Ato* Täklay Kätsäla and *Ato* Azänä Kibamo.

[127] Tsehai (1971), p. 177- 179; Bahru Zewde (2002), pp. 125 and 129; McClellan (1988), pp. 22-23; McClellan (1978a), p. 60; Ababu (2002), p. 108; Almaw (2005), p. 143; and Almaw (2009), pp. 68-69; and Informants: General Bäkälä Gäbräigzi, *Ras* Mängäsha Seyoum, *Ato* Täklay Kätsäla and *Ato* Azänä Kibamo. According to sources, *Däjjazmač* Bäshah Aboye, *Däjjazmač* LeulSägäd AtnafSägäd *Däjjazmač* Täfäri Mäkonnen (later Emperor HaileSellassie) shared governorship of the province with *Ras* Nadäw Abba Wallo, *Bitwädäd* HaileGiorgis WoldäMikael (*Aba* Mulat, who ruled through his viceroy Naniqebo), again *Däjjazmač* Balcha Safo (three times), *Ras* Berru W/Gebrial and *Ras* Dästa Damtäw were appointed by their respective heads of governments such as Emperor Menilek, *Lej* Iyasu, the Dual Monarchy and finally Emperor HaileSillassie.

[128] *Ibid.* They include *Däjjazmač* Bäkälä Wäya, *Ras* Abäbä Arägay, *Ras* Adäfresäw Yenadu, *Ras* Mängäsha Seyoum, *Däjjazmač* Bäkälä, Bäyänä, *Ras* Andargachäw Mässay and General Isayas G/Sellassie.

socialism, democracy etc. Along with the bureaucracy run by written rules and regulations they also largely preferred to exercise customary laws in handling social and political disputes in the regions, which made the administration relatively simple.

Without government involvement, coffee production would have enriched the status of earlier settlers and created influential southern elite, not in the best interests of the government.[129] However, by distributing resources around, the power of the southern elite was diluted and kept docile to retain its general loyalty in serving interests of the center both in collecting tax and increasing the supply of the country's new main export crop, coffee.[130] Besides, it provided the *näfṭäññas/ tekeläñña* in coffee areas with opportunities to become owners of large farms. In contrast, it increased vulnerability of *gäbbars* by causing severe labor exploitation and intervention in their personal lives.[131]

Due to pacifying efforts governors made in the region, in the 1920s, military situation in the south was notably changed.[132] Thus, the generation aftershock of the conquest was followed by a kind of political stability, which motivated people to start other forms of relations. As a result, there arose a need to utilize southern labor more directly and widely for coffee production, which required closer contact with the local people, a trend that sometimes required mutual deals between the two parties. The birth of such new form of relationship brought relative stability that favored expansion of the coffee sector in the regions.

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[129] *Ibid.*

[130] Girma Kebede, pp. 13-14; McClellan (1979), p.518; and Tsehai (1972), p. 89. As they state, while the *näfṭäññas* did not own the land they supervised, they could at least recruit the labor, which gave them power to determine crops to be grown and length and terms of tenure

[131] *Ibid.* Particularly, McClellan and Tsehai agree that in Geode and Sidama, the system was evolved into a full-scale landlord-tenant arrangement after the Italian war, when surviving *näfṭäññas* were allowed to convert part of their *madäria* into *rest* (freehold), thereby obtaining full rights to the land. However due to the feud between migrants it did not last for long.

[132] McClellan (1979), p.518; Tsehai (1972), p. 89; Ababu, p. 43; and Almaw, p. 68. According to these writers, such a pattern of shift in the political center had been evident in Shäwa itself. Menilek's move from Entoto to Addis Ababa reflected a more stable and secured position, a greater self-confidence that in itself helped to promote assimilation and integration in the area, just as did the movement of Sidamo's capital from Abära (enlightened) to Agäräsälam in 1917. "Agäräsälam" means "Land of Peace," indicating a new chapter in Sidamo history, the beginning of the end of military occupation.

Particularly after 1917, almost all governors of Sidamo had knowhow about coffee as a cash crop and its income generating capacity. Simultaneously, in the province central government employed a strategy of appointing men loyal to the center, specifically to *Ras* Täferi Mäkonnen (later HaileSellassie I) after he became influential in the post-1916 politics of the nation.[133] After 1941 the restored Emperor applied this trend by authorizing the *tekeläññа* to dissolve hostility of *näfṭäññа* patriots towards the fugitive Emperor. This tactic also enabled provincial governors to find more vacant land and put on sale, which helped to expand the coffee industry.[134]

In the second half of the 1930s and the first half of the 1940s there was a notable intervention of foreigners in the political, economic, social and cultural affairs of the province. For example, the Italians and the British made important reforms related to coffee as part of their colonial plans and economic interests in East Africa; thus, they channeled coffee products to reach markets of the neighboring countries like Kenya, Somalia and the Sudan.[135] This was another incident that activated coffee production and trade in Gedeo and Sidama. In addition to seasonal roads that already existed in the province, they also constructed new roads to facilitate trade interaction and help merchants to join colonial markets, which strengthened illicit trade and increased the rate of coffee smuggling.[136]

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[133] *Ibid.* The above writers also indicate that as part of looking for ardent supporter, who could promote interests of *Ras* Teferi *Ras* Dästa Damṭäw, the last appointment before the Italian war, was the emperor's own son-in-law.

[134] Ababu, 49; Almaw (2005), p.103; and Asebe Regassa, "Ethnicity and Inter-ethnic Relation: The Ethiopian Experiment and the case of the Guji and Geode" (M.A. Thesis in Social Anthropology, Faculty of Social Sciences, University of Tromso, Norway, 2007), pp. 40-41.They indicate that *tekeläññoč* were financially and politically strong to promote their interests than the former *näftäññа*. The struggle between the two was very serious in Sidamo because the social, cultural, economic and political contest of the *Yēmērēcho* and *Wollabicho* Sidama helped the feud to persist up to the 1974 revolution.

[135] D. Buxton, *Travels in Ethiopia* (London: Lindsay Drummond, 1949), p. 83; R. Jackson, *Periodic Markets in Southern Ethiopia*, p. 43-44; Sylvia E. Pankhurst, *Ex-Italian Somaliland* (London; Watts and Co., 1950), p.38; Enresta Cerulli, *Peoples of Southwest Ethiopia and Its Boarder Lands* (London: Longmans, Green and Co. Ltd., 1965), p. 129; S. Ponte, p. 270; Z. Siemienski, "Impacts of the Coffee...," p. 79; G. Pierre Sylvain, "Report to the Government of Ethiopia...," p. 38; and G. Pierre Sylvain "Ethiopian Coffee: Its significance to World Coffee Problem," *Economic Botany*, Vol.12, No. 2 (1958), pp. 150-151.

[136] R. Jackson, p. 40; and Sylvia E. Pankhurst, p. 48. According to these writers, colonial powers in East Africa also sponsored banditry by providing firearms, which of course affected stability of the region and eventually helped coffee merchants to grow more recalcitrant and persist in enjoying illicit trade than letting their coffee come to the national market. Jackson asserts that the easily availability of firearms encouraged not only the coffee merchants to entertain better prices in the neighboring countries as alternative but also attracted other farmers to look them as alternative to sell their products and earn better income.

After 1941, the imperial government employed land sale strategy both to maximize its revenue and break the monopoly of labor and land that foreign coffee firms and *näfṭäññas* land owners of the province used to enjoy.[137] Similarly, lands that generally be denied to their squatters were distributed as *madäria* (in lieu of salary) to government employees (largely soldiers) and newly arrived individuals who wanted to produce coffee or run other businesses and pay tax.[138] In this case, some laborers initially working under unlawful owners of emptied lands preferred to remain tenats of new landowners, who formally owned lands under conditions set for various types of lands. Some of the laborers, displaced from emptied lands migrated to different towns of the province seeking jobs to solve economic burdens that resulted from losing their traditional landholdings.[139] Other *gäbbars* soon took advantage of the above circumstances to get hold of the coffee areas.[140]

In general, despite the existence of *näfṭäñña-gäbbar* system asserting monopoly over land and labor of the province, new land was developed and labor distributed more equitably. However, after 1941, *tekeläññas* delegated to handle land cases tried to exploit the situation for their own ends by dispossessing lands that belonged to local *balabats* and former *näfṭäññas* of the regions.[141] In this case, tense relations that existed between the fugitive Emperor and *näftäññas* were manipulated by *tekeläññas* to justify their disguised acts of snatching lands from the hands of older settlers and local *balabats/qoros,* which intensified hostility towards the restored rule. This was one of the major reasons that pushed dissatisfied ones to wish for the downfall of the Imperial regime and react against the system by engaging in protracted ethnic conflicts.

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[137]Tsehai BerhaneSelassie, "The *Balabat* ...," pp. 218-219; McClellan (1980), pp.71-72; McClellan (1990), pp. 44-45; Ababu, p. 51; and Almaw, p. 138.

[138] *Ibid.*

[139]Informants: General Bäkälä, *Ato* Wubät Täfära, *Ato* Täklay Kätsäla and *Ato* Azänä Kibamo.

[140]*Ibid.*

[141]*Ibid.*

On the other hand, older settlers (particularly the *näfṭäññä*) protested as the Gedeo and Sidama and their local *balabats* did against land dispossession acts of *tekeläññas*, which of course remained a futile exercise.[142] For example, in 1960 individuals like *Ato* Amarä Ejegu (*näfṭäññä* in Bulē), *Ato* Adullē Irbo (local *balabat* in Wonago) and *Ato* Asrat Yemänu (*näfṭäññä* in Fesähagänät) in Gedeo; and *Ato* Täsäma Täskē (*näfṭäññä* in Läku), *Ato* Abära Bäferedu (*näfṭäññä* in Guguma/Mahdicho) and *Ato* Yotē Sakuma (local *qoro* in Bänsa) were some of the individuals who made efforts by soliciting local support to stop the acts of *tekeläññas*.[143] According to informants, it was one of the toughest periods in the history of the Sidamo province. This was because due to attempts of the above-mentioned individuals local people had shown tendencies to join them against both the regime and newly appointed governors, who largely resided in the towns and had no access to reach the local people due to distance and language barriers.

In the case of Gedeo, initially they made appeals to *Ato* Asäfa Nägash, Director of the province and Colonel Seläši Defabačäw the governor of Gedeo [Darasa] district reflecting their dissatisfaction about acts of land grabbing employed by *tekeläññas,* which specifically targeted to attack local *balabats/qoros* and older settlers of the province.[144] They mobilized support from other local *balabats* to strengthen their opposition to acts of *tekeläññas* and finally made appeal to the Emperor. However, due to cordial relationships that *tekeläññas* were able to establish with the Emperor decisions were made in favor of them and some members of the opposing group were warranted to be jailed and ended up in prisons.[145]After such official decisions that were deliberately made in favor of *tekeläññas* some of the *näfṭäññas* and local *balabats/qoros* who

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[142] *Ibid.*

[143] *Ibid.*

[144] NALA Folder No. 24821, File No. 13593, a letter written from *Ato* Asäfa Nägash, Director of the Sidamo province to Colonel Seläši Defabačäw, the governor of Darasa District (*Yä Darasa Awuraja Gäže*) and *Tsähafē Tezaz* WoldäGiorgis (*Yä Sidama Awuraja Endärasē)* to make official intervention and to settle disputes peacefully (*Ginbot* 3/1953 E.C.)

[145] Informants: General Bäkälä Gäbräigzi, *Ras* Mängäsha Seyoum, *Ato* Täklay Kätsäla and *Ato* Azänä Kibamo.

involved in the resistance were frustrated and escaped to other places by abandoning their traditional landholding.[146]

Particularly after 1941 the government of the country had designed a strategy of reducing its cost and increasing income by cutting part of its army, which was realized in two forms.[147] 1. It was launched in the form of corrective measure against recalcitrant soldiers who were found guilty of crimes like theft, rape, abduction, squabbles etc., which certainly undermined stability of the province. Thus, some soldiers were fired but in view of their former contributions they were provided with plots of coffee land to start farming and pay tax, which helped both to keep stability of the region and increase the national revenue.[148]

2. The strategy was employed in the form of retirement which aimed at reducing military cost by retiring part of the army that sat idle.[149] This was because new forms of peaceful social and economic relationships that settlers were able to establish with the local people relatively minimized the need for military measures. As a result, part of the soldiers were retired regardless of their ages and given plots of coffee land in lieu of salary to depend on; and for the first time, many built their residences in the countryside away from towns *(kätämas)*.[150] As their numbers increased, settlers also felt more secure and those with coffee lands had shown a profound interest to reside on their coffee farms to supervise their *gäbbars* more effectively. 3. The soldier-farmers pattern of an earlier era relation was replaced by the farmer-soldiers type aimed at expanding coffee industry.[151]

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[146] *Ibid.*

[147] McClellan (1986), pp.182-183; McClellan (1980), pp.70-71; John Hamer and Irene Hamer, "Impact of a Cash…," p. 200; and Informants: General Bäkälä Gäbräigzi, *Ras* Mängäsha Seyoum, *Ato* Täklay Kätsäla and *Ato* Azänä Kibamo.

[148] Christopher Clapham, p. 90; and Almaw, p. 75.

[149] McClellan (1978), pp. 533-534; and Informants: *Ato* Azänä Kibamo and *Ato* Yana Qabato.

[150] McClellan (1980), p. 80; Tsehai (1980), pp. 185-186;Ababu, p. 55; and Almaw, p. 78.

[151] *Ibid.*

Throughout the Imperial regime cases of land distribution, coffee production, labor supply, and commercial matters were interrelated factors that pushed the process of integration a step forward.[152] However, one should not overstate extents of economic, cultural, political and social integrations because opportunities for assimilation and acculturation were not equally accessible to everyone. Undoubtedly, new developments of the first half of the twentieth century required economic and social systems of the province to comply with needs of upper echelon elites at the center. Like garrisons of the earlier era, the newly emerging settler towns were also expected to represent interests of the center at the periphery.[153] Thus, as centers of accumulation, towns of the province used to transfer wealth to Addis Ababa where it was consumed to modernize and develop the capital and its environs. Despite their becoming power centers at the distant periphery, towns like Alätawondo, Dilla, Yirgachäffē, Yirgaläm and some others got negligible benefits from the wealth that they produced and supplied to the center.[154]

For example, as it is presented in chapter three and four, the 1950s and 1960s marked heydays of the Imperial rule in the region.[155] The government achievement in political, economic, social and cultural spheres was quite significant as compared to decades immediately before and after the Italian conquest. This was because relative peace, stability, and appointment of loyal governors that helped the regime to implement laws strictly, supervise and intervene accordingly in the regions. Coffee production, processing and marketing also played a pivotal role in attracting

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[152]Frederick G. Meyer, "Notes on Wild Coffee Arabica from Southwestern Ethiopia, with some Historical Considerations," *Economic Botany,* 19 (1964), pp. 146–147; Frederick G. Meyer, "FAO Mission to Ethiopia, 1964-1965," *A Brief Resume* (1965), p. 5; John Hamer and Irene Hamer, "Impact of a Cash...," p. 200; and Informants: G. Bäkälä, *Ras* Mängäsha, and *Ato* Täklay Kätsäla. Particularly informants agree on the fact that the pre-1940s interaction of people in the region was not all embracing and failed to have participatory features. They indicate that after 1941 the restored Imperial rule launched a package of development plans focusing on land, labor and market issues that accelerated the integration process. As they indicate before and after 1941, despite its slow pace the process of integration continued. They also assert that the ethnic diversity and complex socio-economic relations of Addis Ababa, which symbolized a constant and ongoing redefinition of modern Ethiopian at the national center, witnessed in the towns of Gedeo and Sidama, which reflected the ongoing process of integration.

[153] McClellan (1986), pp.182-183; Asebe Regassa, p. 37; Ababu, p. 68; and Almaw, p. 72.

[154] Informants: General Bäkälä Gäbräigzi, *Ras* Mängäsha Seyoum, *Ato* Täklay Kätsäla and *Ato* Azänä Kibamo.

[155]Christopher Clapham, p. 90; and Almaw, p. 75; and Informants: General Bäkälä Gäbräigzi, *Ras* Mängäsha Seyoum, *Ato* Täklay Kätsäla, *Ato* Azänä Kibamo, *Ato* Mäläsä Gizealäw, and *Ato* Agana Gumata.

people and capital to the province that increased economic importance of the regions. However, as it was stated above the 1950s and 1960s squabbles of *näfṭäññas* (older settlers who had disrespect to the restored Emperor) and *tekeläññas* (largely new commers and advocates of the restored regime) involving few local people in both sides, sometimes followed by minor armed skirmishes, which caused local unrest.[156] There were new political, economic and social developments that helped the process of integration to move a step forward in Gedeo and Sidama, however, intrigues of the above two parties, affected economic interaction of the regions.[157] For example areas like Bulē and Wonago in Gedeo and Shäbadino, Dalē and Aälatawondo, Dayē/Bensa/Harorēsa in Sidama were areas where governors like *Ras* Mängäsha Seyoum and others frequently traveled to settle incessantly occurring disputes between the two.

Particularly, in the second half of the 1960s peace and stability of the region appeared to be almost nonexistent. This was because dissatisfied ones who managed to escape from the reach of the Imperial rule started to attack towns located in remote areas like Bänsa, Bulē and Haroresa. According to informants, recalcitrant individuals, who held a grudge against the Imperial government got support from Somalis' thorough Balē and Borana.[158] They stated that Somalis who were secretly involved in the Balē peasant rebellion and survived crushing defeat by the Ethiopian army led by General Jagama Kēllo gave support for the Bänsa/Dayē resistant groups. As a result, in 1973/74 a large number of government employees and coffee producing settlers were uprooted from aforementioned three towns of the region.[159]

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[156]Informants: General Bäkälä Gäbräigzi, *Ras* Mängäsha Seyoum, *Ato* Täklay Kätsäla, and *Ato* Agana Gumata.

[157]*Ibid.* They state that until 1974, there were armed clashes that interminably occurring among the local people, *näfṭäññas* and *tekeläññas* that destabilized the regions.

[158]NALA, Folder No. 138, File No. 142/36/65, a quarterly report indicating the deteriorating situation of peace in the corridor areas of the province like Bänsa/Dayē, Harorrēsa, Bule Hagäräsälam etc. (19 Mägabit 1965 EC.), pp. 11-15; and Informants: General Bäkälä Gäbräigzi, *Ato* Täklay Kätsäla, *Ato* Agana Gumata, *Ato* Grima Bäkälä, and *Ato* Eshätu Çaka.

[159]*Ibid.*

As it will be presented in chapter four, the 1974 Ethiopian Revolution introduced new approaches to land ownership, labor, capital, and market.[160] From the mid 1970s to the early 1990s reforms were made in relation to land and agricultural products including coffee. As chapter four will tell us, various Peasant Associations, Cooperatives, Agricultural Marketing Board that were formed to centralize government control over land and various agricultural products affected the coffee sector at production, processing and marketing levels. Finally, the government of EPRDF, which took the state power in 1991, had set a new form of economic, political, social and cultural relationships in the country. It decentralized power; accordingly, each district (*wäräda*) in Gedeo and Sidama Zones became autonomous and inhabitants were able to establish coffee processing and purchasing centers run by unions, which helped small coffee producing villages to evolve into towns.[161]

In general, a number of local and global factors combined together and helped the modern coffee industry to reach the present levels of production, processing and marketing. For example, decline of natural resources, interests of the governments of the country to increase their revenue, aspiration of individuals to make more benefit from the sector, improvement in infrastructure etc. can be mentioned. As it will be presented in chapter seven, despite such developments of the industry there were also factors that affected the sector from further expansion and productivity. For example, fluctuating and continuously declining price of the world market, political instability at local and national levels etc. were some of the challenges that affected the industry. As opposed to pitfalls that the modern coffee economy of the country experienced from its

[160]Christopher Clapham, "Centralization and Local Response in Southern Ethiopia," pp. 79-80; and Dessalegn Rahmato, *Agrarian Reform in Ethiopia* (Uppsala: Scandinavian Institute of African Studies, 1984), p. 66.

[161]FDRE, *Comprehensive Coffee Development and Marketing Plan* (Addis Ababa: Federal Democratic Republic of Ethiopia, Ministry of Agriculture and Rural Development, translated from Amharic in July 2004 by the Coffee Improvement Program IV, 2003a), pp. 56-58; FDRE, *Sustainable Development and Poverty Reduction Program Annual Progress Report, 2002/2003* (Addis Ababa: Federal Democratic Republic of Ethiopia, Ministry of Finance and Economic Development. 2003b), p. 20; and FDRE, *Plan for Accelerated and Sustained Development to End Poverty* (Addis Ababa: FDRE, Draft Report, 2005),p.18.

foundation in 1906 up to 2010, it was able to have improved framework of production and varieties as it will be presented in chapter four.

To conclude, the history of modern coffee production, processing and marketing in Ethiopia, which started in 1906, has passed through several stages. Particularly, in the period between 1941 and 2010 it has experienced both local and global developments, which affected the sector either negatively or positively. This part of the study tried to narrate the history of Ethiopian coffee industry as an introduction to the political economy of coffee production, processing and marketing in relation to local, national and global experiences. Accordingly, attempts that have been made to show who played what role in introducing the sector in the country and what affected its expansion and who were affected by the factors explained in the previous chapters. Therefore, the following chapters attempt to show the impact of coffee in Gedeo and Sidama from 1941 to 2010.

Chapter Four

Labor, Wage and Gender in the Modern Coffee Industry

4.1 Labor, Wage and Gender in the Modern Coffee Sector of Gedeo and Sidama

4.1.1 Labor

The dissertation basically manages to show continuity and change in the interaction and reaction of peoples and governments in the coffee economy. This chapter of the study; therefore, assesses the nature of labor organization and supply and technology and techniques used in Gedeo and Sidama in relation to commercial coffee production, processing and marketing in the period under discussion. This part of the discussion explains the role of introduction and expansion of modern coffee economy in affecting the traditional labor. In this case, the discussion compares and contrasts the nature of labor organizations and supplies of the two people before and after incorporation into the country. Finally, it also attempts to show the nature of technologies employed in the production, harvesting and processing levels of the crop and its impact on the productivity of the plant and quality of the product.

Inter-household and inter-family work groups are common forms of cooperatives and approaches to labor supply in work culture of various societies of Ethiopia. Some of the collective forms of labor supplies like *dēē*, *jegi*, *guza*, *wonfäl* and *däbo* are the common ones, which were practiced in different parts of the country with minor variation in rules and modalities of their operations but with a common purpose.[1] Whenever there was a need for additional labor people with common interest used to come together and work in return for similar service at intervals.

[1]Abera Lakew, "Labor, Laborers and Labor Market in Ethiopia" (PhD. Dissertation, Department of Economics, Pretoria, University of Pretoria, 2005), p. 58.

In traditional Gedeo and Sidama societies labor supply was largely collective by its nature. For example, in Gedeo *mura* and *dabalē* (a leadership at grassroots level) were highly responsible to organize public labor called *goottalee* in cases like house, road and bridge constructions.[2] After the incorporation of the region organizing public labor supply was the most dominant activity to meet demands of provincial governors, who required the local people to contribute labor. It also existed during the Italian rule and even from 1941 to 2010 collective labor supply persisted in becoming dominant activity of the region.

As it will be shown below the issue of labor in Sidama was a bit complex as compared to the case in Gedeo because it has social contexts. Labor in Sidama suffered from social stigma resulting from status subdivisions of the society, which divides its people into three/four socially unequal classes. Thus, in Sidama labor lacks equality in labor markets of the region and some labors were more paid than others mainly due to their belonging to higher social groups like Yēmērēcho and Wolabicho. However, Sidama before and after the introduction and expansion of commercial coffee (production, processing and marketing) sources of labor in the traditional agricultural system were farmers themselves. In this case, labor can be utilized privately (at the family level), or collectively, in the form of wage labor, or free of payments for ritual and social reasons. Individuals personally use their own labor for production and other purposes. Sometimes, whenever needs for more labor arise farmers come together and provide collective family labor for the needy in return for similar service. In Sidama this collective family labor was called *dēē*. It was common to provide free labor service for elders, heads of traditional institutions and chiefs for various purposes annually whenever they requested for it. After incorporation of the region into central state of the country wage labor and *corvée* came to be normal.

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[2] Abera Tedecho, p, 28; Asebe Regassa, p. 41; and Tadesse K (2002), p. 192.

Both in Gedeo and Sidama systems of labor mobilizations vary; for example, some forms of labors are family labor, community labor and wage labor.[3] Each of these systems was structured by its particular customary laws and social institutions. They also have unique patterns of recruitment as well as terms and conditions of work. All the above-mentioned systems of labor organization appear to be corresponding to one another and often overlapping. Thus, family labor takes primacy over all other forms of labor supply in Gedeo and Sidama. Family labor itself is the collection of farmers' labor (his spouse and children). Despite this fact, introduction and expansion of commercial coffee sector threatened the traditional labor organization and mode of supply in the regions. This was because the sector attracted both labor and capital from various parts of the world, which significantly modified structure of labor supply in the region as it was true in the case of land tenure, administration and settlement pattern. The first to put modifying effect on labor of the region in relation to coffee production was the Arbagugu coffee plantation in Arsi at Gollolicha.

The Belgian companies had relatively a better position in using labor of the region in general and Gollolcha in particular.[4] Regardless of this fact, there was a fear of future labor shortage (due to coffee expansion), and individuals' monopoly of labor (that affects the expanding enterprise and that indeed coffee plants need abundantly). To overcome the above mentioned fears, the Belgian companies made alliance with influential individuals who leased their lands and with those who

[3]Tadele Regassa, "Farmer's Perception of Environmental Degradation and Their Response to Environmental Management a Case of Dale Woreda, Sidama Zone, SNNPR" (MA. Thesis, AAU, Development Studies, 2008), p. 55; and Anteneh Gebremariam, "Farmers' Awareness about Land Degradation and their Attitude towards Land Management Practices: A Case of Sidama Zone, AletaWondo Woreda, Southern Ethiopia" (MA. Thesis, AAU, Geography and Environmental Studies, 2010), p. 46.

[4]Gezachew Abegaz, p, 223; and Informants: Jema Haji (Ph. D), *Ato* Adäm Osman, *Ato* Gētachäw Kibru, and *Ato* Irbo Tumato (focus group discussion). They show that due to the serious contest for land, labor, market and other resources in the region, the adoption of coffee by small and big farmers and landowners was not as such simple and smooth. They also argue that even in the 1950s and 1960s there were brokers and lobbyist travelled to Sidamo to recruit laborers mainly for politically influential figures, who engaged in the coffee business. Some government officials who involved in the coffee business complicated the competition for resources.

were involved in recruiting Sidama and Gedeo laborers crossing the province of Sidamo.[5] However, the alliance brought no significant results because the landowners themselves wanted to be involved in coffee production[6]

Arbagugu Coffee Plantation is the first large scale plantation in Ethiopia, with over one thousand workers of various types including a considerable number of Yemeni Arabs and Europeans.[7] Workers were organized in each plantation zone for such public activities as the administration of justice. Right up to the end of the 1920s workers of this plantation had enjoyed relatively good wages and living conditions.[8] The number of Sidama and Gedeo laborers who joined the coffee plantation at Arbagugu was dramatically increased, which resulted in eroding labor from Sidamo to Arsi. In general the plantation played a key role in causing scarcity of labor and modified the mode of its supply in Sidama and Gedeo. It attracted people to join the coffee economy and caused growth of new patterns of economic, social and cultural relations among peoples of the region with different linguistic and cultural backgrounds. For example, those who took a lesson

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[5]*Ibid.*

[6]Ministry of Coffee and Tea Development, *Origin and Expansion*..., p. 13; and WMTRC, Folder No.423, File No., 6, appeals made by the Belgian Coffee Companies against measures taken by governors of the Arsi province and acts of robbery undertaken by individuals on the property of the company(1942 E.C.), pp. 5-6. Sources indicate that small landowning peasants benefited very little from the coffee cultivation because there was no tenancy contract to ensure security of tenure for the tenants (in this case the landowners empowered to abrogate contacts unilaterally and tenants were expected give free labor service and hand-over half of their gross coffee produce to the landowners). They also show that some higher officials, who wanted to involve in the coffee production and provided their supports to the local people to mover against the Belgians.

[7]WMTRC, Folder No.423, File No. 3, a document showing number of worker, their nationality and amount of salary that monthly they earn from the company (1942 E.C.) p. 15 (see also appendix, ix); Z. Siemienski (1955), p. 73; Pierre G. Sylvain, "Ethiopian Coffee..." (1958), p. 138 and Frederick G. Meyer "Notes on Wild *Coffea Arabica* from Southwestern Ethiopia...," (1965), p. 140. These sources show that the organization of workers was hierarchical that considered their origins, position in the company, monthly income, and their relation with the government.

[8]WMTRC, Folder No.423, File No. 2, a report describing the amount of income and living conditions of workers in the Coffee Companies (1942 E.C.), p. 15; and Tagegne Gebre, "Rural-Urban Linkages under Different Farming Systems: The Case of Coffee and non-Coffee Growing Regions of Ethiopia," *OSSREA, Social Science Research Series*, No.2 (2001), pp. 22. According to these sources, the fall of the silver *thaler* in the country during the World Depression, affected the company; thus, to overcome this trouble the company introduced token money of aluminum discs worth ½, ¼ and 1/16 of a dollar, and paid wages with it. This appeared as a challenge because the token money could not be used in the local markets for exchange purpose and it annoyed the workers. But of all the elements of the crisis, it was the drought, which had brought about total absence of several crops in the district, with intricate fall in local wages and aggravated the discontent among the whole community.

from the plantation moved to different parts of Sidamo province (which were suitable for coffee production) started to cultivate coffee in their own gardens at the household level.[9]

As compared to other coffee growing areas of the country, cases of labor in Gedeo and Sidama were unique because sources of labor were the local Sidama (Hadicho and Awacho) and Gedeo people. In these two regions of the province settlers brought their kinsmen not to become daily laborers but to be businessmen; thus, most of them resided in towns rather than moving to the countryside where insecurity was very high for both non-Gedeos and non-Sidamas.[10] In addition to this, migrants from Wolayita, Guraghē and some other areas of the country usually preferred to reside in towns of the province either to run a kind of private business or become porters instead of moving to the countryside. This was because mostly for economic migrants, who had no relation with important figures of the period, the countryside was not safe area to run a sort of private business. It also lacked potential to avail various job opportunities that could help laborers to secure their daily needs.

As opposed to the above experiences about laborers in Gedeo and Sidama, in other coffee growing areas of the country absentee landlords, unconstrained by social or kinship ties with the local population, sought to increase their income.[11] To avoid payment of laborers, these landlords recruited tenants who in return for rent planted coffee bushes on the bulk of the landowners

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[9]Informants: *Ato* Yabala Sakuma, *Ato* Sadēwo Sakuma and Pastor Elias Salfaqo (FDG). They argue that it was the financial support and advices that the Belgians offered to the Sidama laborers at Gollolcha, which helped to construct churches and proselytize people in various part of Sidama to embrace Christianity. Finally they conclude that the introduction of Protestantism and certain vegetables and legume plants in Sidama was also attributed to the Gollolcha Coffee Company.

[10]Tagegne Gebre, "Rural-Urban Linkages under Different Farming Systems..." (2001), pp. 22-27; and Informants: *Ato* Azänä Kibamo, *Ato* Kätäma Gatiso *W/ro* Kalitē Kalbo and *Ato* Kätäma Känbata. Particularly informants agree that it was rare case to find the Guraghē, Siliti and Wolayita laborers taking part in coffee farms on daily bases but the lions share belonged to the locally browbeaten and defenseless Hadicho and Awacho Sidamas, who were victims of the Sidama tradition.

[11]Z. Siemienski (1955), p. 72; Tadesse Kippie, *Five Thousand Years of Sustainability? A Case Study on Gedeo Land Use: Southern Ethiopia* (Heelsum: Treemail, 2002), p. 55; and Guluma Gemeda (1994), p. 224. According to these writers, a large number of laborers gain seasonal employment on farms during coffee harvesting. Thus, from September to November, harvests of red coffee beans, maize, *ţēfe* and sorghum all take place; generate a high demand for labor and migrant laborers and the local poor benefit from.

holding while farming only a small part. Once coffee plants were established, the tenant farmers were evicted and coffee was harvested on their farms, as the return from coffee exceeded those from tenants. These coffee farms were run by resident agents who, to keep the cost of weeding and picking the berries down employed wage labor rather than enter into share-cropping agreements.[12]

Such demand for labor was generally met by migrants from outside the coffee area. Even if some local people were hired for the work, the number was too small to meet the growing demand for labor. This was due to the more favorable sharecropping arrangements that they could obtain from the owners and their getting busy in their own farming activities until the coffee harvesting season, which usually started in early December.[13] The location of most coffee farms of absentee landlords at some distance from the cleared farming areas made it impossible for local farmers to work on these farms and at the same time guard their own crops from attacks. As a result, the agents tended to recruit the laborers they needed in the towns of the area.[14]

Regarding Sidama laborers there was a long established tradition of migration to Arsi and Harar that helped them to get skills of modern coffee farm management.[15] During the establishment of Arbagugu Coffee Plantation most inhabitants of the Gollolcha district were pastoralists whose economy had little room for large scale modern farming.[16] They had hardly used money and all

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[12]Berket Kebede and A. Croppenstedt, "The Nature of Share of Cropping in Ethiopia..." (1995), pp. 40-41; and Tagegne Gebre, pp. 28-29.

[13]*Ibid.*

[14]Guluma Gemeda (1996), p. 224; and Tessema Chekun, "Land Tenure Issues in High Potential Coffee Growing Areas: Overview of South Western Ethiopia: Keffa, Illubabor, Wollega," in Dessalegn Rahmato (ed.), *Land Tenure and Land Policy in Ethiopia after the Derg* (Addis Ababa: AAU, Institute of Development Research,1994), pp.204-205. They also show that local persons could hardly be hired as agents, who were usually from the Northern highlands, sought laborers through contacts with their kinsmen. Sometimes there were incidents deliberately instigated by the local people to claim the position of an agent.

[15]Birhanu Girma, *Economics of the Ethiopian Coffee Industry* (Addis Ababa; Bole Printing Press, 1989), p.40;WMTRC, Folder No.423, File No. 3 (Payroll/roster showing number of worker, their nationality and amount of salary that monthly they earn from the company, 1942 E.C.) p. 10; *Addis Zämän*, Vol.266, 20th Year, an editorial describing the role of Arbagugu Coffee Plantation in contributing for the expansion of coffee sector in Gedeo and Sidama (1953 E.C), p. 2060; Informants: *Ato* Abu Hanfato, and *Ato* Rodiso Roramo. They assert that Sidama and Gedeo used to migrate to Arbagugu searching for job.

[16]*Ibid.* They explain that the reason for their avoidances of becoming a day labor was the fear of identified by the society as "*coolly*" or "*wäzadär*" which locally means poor porters, who have nothing to live on. This could finally undermine a person and affects his marriage and societal status.

of their needs were acquired locally. Their tradition that viewed becoming a daily laborer as disgracing business also restricted the availability of labor. As to peasant labor, there was also a problem in terms of numbers as well as its seasonal nature that fluctuated throughout the year. As a result, adequate labor could not be obtained locally. In contrast, the need for forest clearing, residence building, ditch digging, dam and road constructing, nursing and planting of coffee trees caused high demand for labor, which was met by large scale migration from Gedeo, Guraghe, Hadiya, Kembata, Sidama, Wolayita and other areas of the country.[17] Owing to the above developments that were witnessed beginning from 1906, migration of labore to the Arbagugu Coffee Plantation became very high. Even if laborers had come from different parts of the country, it was the Sidama population, who responded most enthusiastically to the heavy labor demand of Arbagugu Coffee Plantation. In this case, some of the surviving laborers as well as those who have studied the matter have described internal and external factors that caused Sidama migration to the Arbagugu Coffee Plantation.[18]

In the history of migration it is often better opportunities available in the destination that encourages migration. However, Bejrtn, Befekadu and some others describe bad and oppressive laws, heavy taxation, unattractive climate, uncongenial social surrounding and even compulsion all as factors that have produced and are still producing currents of migration.[19] Besides, in the first half of the 20th century the expansion of coffee as an important cash crop in Ethiopia made

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[17]LMC (2000), pp. 44-45; and LMC (2003), p.70.

[18]Gunilla Bejrtn, "Migration to Shashemene: Ethnicity, Gender and Occupation in Urban Ethiopia" (Ph.D. Dissertation, Department of Economics, Scandinavian Institute of African Studied Uppsala, 1985), p.218; Befekadu Degefe and Berhanu Nega (eds), "The Role of Urbanization in the Socio-Economic Development Process," *Proceedings of the Workshop of the Ethiopian Economic Association* (Addis Ababa: IES, 2003), pp.110-111; Charles Teller *et.al.*, "Migratory Patterns and Differential Vulnerability as Adaptation to Climate Variability: Case Studies of Rural Youth Outmigration in Ethiopia," (A Paper Presented on the IUSSP Seminar on Demography: Vulnerability to Natural Disasters in the Context of Climate Change Adaptation 23-25 April 2014, Kao Lak, Thailand), pp.17-18; and Sonja Fransen and Katie Kuschminder, "Migration in Ethiopia: History, Current Trends and Future Prospects," *Paper Series: Migration and Development Country Profiles* (Maastricht: Maastricht University Press, 2009), pp. 9-12.

[19]*Ibid.* They assert that as an internal cause the ruthless feudal exploitation from, which the Gedeo and Sidama people had been suffering since the incorporation, eventually forced them to migrate to the area that promised better social and economic conditions. They also indicate that the major forms of exploitation were high tributary labor service and taxation.

many rich people shift to coffee planting, which increased the need for agricultural land and its values. Hence, an immediate cause for the Gedeo and Sidama migration since the 1950s was the expansion of coffee planting, which was followed by eviction of the local population.[20] As a result, a large number of Gedeo and Sidama, who sold or rented or lost their lands due to eviction by governors moved to the nearby areas like Arsi, Balē, Guji and Borana searching for jobs.[21]

Social stratums of the Sidama, which discriminated member of the society to own fertile land, caused migration of labor to the nearby districts.[22] The migrant Sidamas were not the elite and ruling Yēmērēcho and Wollabicho but the despised Hadicho and Awacho Sidamas, who had suffered from marginalization and humiliations from their own fellow ruling Sidama and the settlers. In the parts of the province where they dwell together, both elite Sidamas and settlers used to deny the Hadicho and Awacho Sidamas' land owing right degraded their social, cultural, economic and political status; and regarded them as subhuman.[23] Thus, such marginalized Hadicho and Awacho clans were prone to migrate to somewhere and engage in whatever jobs were available to evade all sorts of injustice at home. As informants assert, the majority of the migrants were Hadicho and Awacho, who escaped from abuse and arrived at Arbagugu, Gollolcha (in Arsi,) and Bekeksa and Mechara (in Harar) searching for jobs and used the opportunity as a means to liberate oneself from

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[20]McClellan (1980),p. 72; Tsehai (1972), p. 89; and Informants: General Bäkälä Gäbräigzi, *Ras* Mängäsha Seyoum, *Ato* Täklay Kätsäla, *W/ro* Shiko latamo, *Ato* Salfako Diro, and *Ato* Banata Buyo.

[21]*Ibid.*

[22]Stanislaw Stanley, "History of the Sidama," p. 3; Jan Brogger, *Belief and Experience among the Sidama...*, p. 29; G.W.B. Huntingford, "The Sidama Peoples," p. 128; Berhanu Lameso, "Aladu-Sidama Relation...," p. 102; Tessema Chekun, "Land Tenure Issues in High Potential Coffee Growing Areas...," pp. 204-205; Almaw (2005), p. 176; Almaw (2009), p. 94; and Feleke Tadele *et.al.*, "Migration and Rural-Urban Linkages in Ethiopia: Cases studies of five rural and two urban sites in Addis Ababa, Amhara, Oromia and SNNP Regions and Implications for Policy and Development Practice" (Final Report prepared for Irish Aid–Ethiopia by Research Group on Wellbeing in Developing Countries Ethiopia Program, ESRC WeD Research Program University of Bath, United Kingdom, 2006), pp. 6-9.

[23]H. Straube, *The Hadicho Sidama* (Frankfurt; The Frobenius Institute, 1989), p. 62; Huntingford, G.W.B. "The Sidama Peoples," p. 52; Stanislaw Stanley, "History of the Sidama" (A paper prepared in advance for the Interdisciplinary Seminar of the Faculty of arts and Education, HSIU, 1967), p. 67; Helmer Smeds, "The *Ensät* planting culture of Eastern Sidamo," pp. 230-231; and K. Deltev, *The Economics of Handicrafts in Traditional Society: An Investigation in Sidamo and GamuGofa Provinces in Southern Ethiopia* (Evanston: SST Press, 1974), pp. 20-21; and Almaw (2005), p. 176.

multifaceted discomforts at home.[24] Furthermore, oral sources show that the stigma that migrant Sidama suffered at home caused an enduring psychological trauma, which reduced their confidence to bargain for better payment. The stigma also followed them to where they newly moved and put them at the lowest social status; hence, they became people, who did not discriminate for jobs.[25]

In Arsi every migrant was called Sidama, regardless of his/her ethnic background, which means "poor" or "enemy".[26] This was because owing to culture and economic based traditional feuds that existed between the Arsi Oromo and the Sidama people, the Arsi Oromo used to interpret the term Sidama in two ways both with negative connotations. First, for the Arsi and Balē Oromo, Sidama means Amhara (Christian) settlers inhabiting the two districts.[27] This was because the Arsi Oromo, who had the experience of invasion from their traditional enemy, the Sidama people identified the conquring army of expanding state with Sidama. In this case, due to extended fighting that happened between the invading Imparial army and the Arsi Oromo during the conquest, the term symbolized the enemy group inhabiting their lands forcefully after the 1886/7 war of conquest.

Second, the term Sidama refers to poor, who were looking for something to loot. This was because mostly for cultural reasons related to *Luwa* and other economic motives, the Sidama bandits used to raid cattle population of the Arsi Oromo in Balē and parts of Arsi districts.[28] As a result, apart from social stigmas that they suffered at home, Sidama laborers who moved to Arsi

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[24]H. Straube, p. 58; Almaw (2005), p. 123; and Informants: *Ato* Tunticha Worako, Sheik Kemal Osman and *Ato* Odicha Tuko. They explain that migrant Sidamas, who managed to escape from home injustice, had no courage even to face those who stand against their interest. They were submissive and simply yes people to whatever order come that come from their bosses and accept whatever payments given form the company owners. Finally they indicate that migrants also used to look for cheap food staffs that they can afford at lower prices.

[25]Informants: *Ato* Tunticha, *Sheik* Kemal *Ato* Odicha Tuko, *W/ro* Shiko, *Ato* Salfako Diro, and *Ato* Banata Buyo.

[26] Ketebo Abiyo, p. 40; and Berhanu Lamesso, p. 219; and Informants: *Ato* Tunticha, *Ato* Banata, and *Sheik* Kemal.

[27]*Ibid.*

[28]Berhanu Lameso (1993), p. 71; and Almaw (2005), p. 43; and Informants: *Ato* Tunticha, *Sheik* Kemal, *Ato* Odicha Tuko, *W/ro* Shiko, *Ato* Salfako Diro, and *Ato* Banata.

and Harar searching for jobs, suffered consequences of the century long traditional feud that existed between the two people. Particularly in the areas where they worked for coffee companies, under unpleasant living condition by tolerating every injustice and enjoying food and job without discrimination their reputations were tarnished.[29] Thus, in Arsi and Harar the Sidama became people of low status. [30]

Bitwädäd Haile Giorgis, the first Trade and Foreign Minister under Emperor Menilek and Prime Minister during the short reign of *Lij* Eyasu, administered Gollolcha from about 1900-1916.[31] He mediated with the companies and the Sidama migrants. Haile Giorgis had his own army that he had recruited from the Sidama province itself. He was sympathetic to the Belgians, who had contracted a large part of his land in Gollolcha and he sent some of his soldiers to recruit the necessary labor from Sidamo. The companies had funds for this purpose and distributed them among the recruiting soldiers. Some of the money, two Maria Theresa *Thaler* each, was given out to the recruits. This was also an opportunity for a large number of despised Sidama to escape from the local stigma and earn income.

Accordingly, 1915 marks the first large scale migration of Sidama laborers to the Arbagugu Coffee Plantation.[32] They were preferred because most of them were desperately looking for job

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[29]Informants: *Ato* Tunticha, *Sheik* Kemal, *Ato* Odicha Tuko, *W/ro* Shiko, *Ato* Salfako Diro, and *Ato* Banata Buyo

[30]*Ibid.* They agreed that it was the land shortage that caused unbearable poverty and forced their Hadicho and Awacho ancestors to migrate to Gololcha looking for daily bread. They also indicate that, there were occasions that irrespective of their social status criminal Sidamas who escaped from the law joined the case. Similarly, in Sidama working in coffee farms as daily laborer was a marginal job largely left for the Hadicho and Awacho groups who were deprived of getting agricultural land due to the stigma that came from their fellow elite Sidamas. Furthermore, the elites did not want to be daily laborers because they felt it quite unsuitable for their socio-cultural status in the society. Finally they indicate that on the other hand, they had no problem to secure their daily bread because they had fertile land to work on throughout the year and produce whatever they liked.

[31]WMTRC, Folder No.423, File No., 9, minutes of the discussion process in mediating the Belgian Coffee Companies and Sidama laborers (1942 E.C.), pp. 8-11; Gunilla Bejrtn, p. 129; and Informants: *Ato* Käbädä Bälachäw, *Ato* Mäläsä Gizealäwu, *Ato* Yabala Sakuma, and *Ato* Birbato Erbo (FDG). Particularly informants unanimously agree that mainly in the 1950s and 1960s mourning rituals had become common experience of the people and the number of orphans and widows had dramatically increased in the province. In these particular periods it was also common to observe a number of old Sidama men and women who were looking for help. In general the migration was followed by a number of socio-cultural and economic crises.

[32]Informants: *Ato* Käbädä Bälachäw, *Ato* Mäläsä Gizealäwu, *Ato* Yabala Sakuma, and *Ato* Birbato Erbo (FDG). They assert that link between Sidamo and Arsi in turn had encouraged illicit trade of coffee to be enjoyed between the Sidama people and the Arsi Oromo which destined to reach the Belgian camps at Harar and Gollolcha. According to informants, Protestantism was also expanded thereby in Sidama.

to secure their daily bread. They were also individuals running from home injustice and ready to work in any situation and at any prices without negotiation about their luxury. They were also hardworking individuals with a lot of experience in farming and farm management in their home areas. Moreover, Sidama laborers who were escaping from home misery had shown a notable diligence for work that helped them to impress the Belgians and become their preferred laborers. The Belgians used to give shelter, clothes, money and food for laborers till they established themselves. Most of them were initially non-Christians but steadily converted to Christianity under the influence of Christians (Protestant groups), who preached to them about the equality of humankind before said as opposed to the stigma that migrant Sidamas experienced in their home area. Nonetheless, they retained their language, culture and some rites.

Despite better conditions of life in plantation areas, Sidama migrants faced some constraints on the plantation.[33] When they arrived at the Arbagugu plantation almost all of them were between the ages of 20 to 40, which is a productive and economically active age. They came to this plantation leaving their families at home and were forced to send back some amount of money, which affected living situations in the work place. Moreover, most of them also died due to malaria, smallpox and other diseases related to poor living conditions. These were circumstances that caused notable socio-cultural crises, which increased the number of orphans and widows in many part of the Sidama province.

Coffee plantation can be described as an advanced economic organization, an enclave in the land of the Arsi pastoralists. It played a significant role as refuge for escaped slaves and criminals. Informants vividly recall a number of victims of the feudal system, who won their freedom by

[33] *Ibid*; and Birhanu Girma, *Economics of the Ethiopian Coffee Industry*, p. 40.

entering the plantation.[34] Once a criminal or slave entered the plantation no one had the right to apprehend and take him away unless the companies allowed. Hence, other than the Sidama there were migrants from other provinces as well. This class of migrants included evicted peasants and people who committed crimes at home. Besides, there were Ethiopian Somalis employed in the plantation particularly for providing transport with their camels. This was a caravan group under its own *nägadras* transporting tools and *thaler* from Arba (Bordodē) station to Gollolcha, and loading coffee back to Arba.[35] In this case they hired Sidama laborers to carry luggage and load camels throughout their journeys. Some of the remnant laborers are still living in various villages found in the environs of Dire-Dawa and in some towns of Hararge.

Eviction of local people from their traditional landholdings was serious in Gedeo as compared to Sidama.[36] As a result, largest segment of the Gedeo people was reduced to landlessness and most of them became daily laborers largely exploited at home by settlers, who owned large tracts of coffee farms. In addition to this, the Gedeo were hardworking and industrious people largely famous for their special skills in farming, land and water management, plant protection and intercropping. Such qualities of the people made them preferred migrant, who were looking for quality labor and better yield to prosper within a short period of time. Thus, most of the Gedeo laborers were locally hired and the rest became *çisäñña* (tenants) under the *gäbbar-näfṭäñña* system of the imperial period by owing a piece of land.

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[34]Mekuria Tadesse *et al.*, "The Status of Coffee Production and the Potential for Organic Conversion in Ethiopia," *Conference on International Agricultural Research for Development* (Berlin, Deutscher Tropentag, 5–7 October 2004), p. 23; and Informants: Jema Haji (PhD), *Ato* Adäm Osman, *Ato* Gētachäw Kebru, and *Ato* Irbo Tumato. They indicate that the Sidama laborers filled the labor gap in many ways because they did never discriminate jobs. However, they did not have knowhow regarding the management and machine operation. Thus, the need for skilled labor was very high.

[35] Birhanu Girma, *Economics of the Ethiopian Coffee Industry*, p. 40.

[36]F.H. Huffnagel, *Agriculture in Ethiopia* (Rome: FAO, 1961), p. 30; Abera Tedecho, "The Gedeo People and Their Values for Land and Forest Resources," p. 53; Berhanu Lameso (1993), p. 84; Berhanu Lameso (2012), p.61; and Almaw (2009), p. 26; and Informants: *Ato* Käbädä Bälachäw, *Ato* Mäläsä Gizealäwu, *Ato* Yabala Sakuma, and *Ato* Birbato Erbo.

As to migration of Gedeo laborers, it was directed towards Guji and Borana because it was affected by the long established relationship, which existed between the Gedeo people and the Guji and Boran Oromos.[37] Owing to the pastoral economy that largely entertains animal keeping along with its mobility searching for grazing land and water, the Borana and Guji Oromo had very little time to spend on their farms.[38] As a result, they used to approach Gedeo laborers (known for their good knowledge of farming and land management) based on the customary sharecropping agreement. In addition to this, some Gedeo men, who suffered from unbearable exploitation and punishments of their *näfṭäññä/tekeläññä* master or failed to meet demands of the *gäbbar-näfṭäññä* system ran away from the reach of their masters and used to take asylum among the Guji or Borana Oromo.[39] Therefore, migrating to Guji and Borana was common experience of Gedeo laborers, which had economic, social and cultural consequences.

The 1950s marked a new beginning because the introduction of Yirgachäffē coffee processing industry and demand for its quality product in the world increased the number of participants in the coffee sector, expanded coffee production and raised demand for labor.[40] As a result, although it was not rewarding, Gedeo laborers started to join the coffee sector in different parts of the region on a daily basis. In the second half of the 1960s and the first half of 1970s, despite the existence of some large size coffee farms in the province, cultivation of coffee in Gedeo and Sidama was largely characterized by manual and small scale production on fragmented gardens at a household level, which did not require highly skilled labor.[41] However, migration of labor to the plantation at Gollolcha gradually caused scarcity of labor and forced coffee planters in Gedeo

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[37] Abära Tädächo, p. 58; Berhanu Lameso (1993), p. 84; and Berhanu Lameso (2012), p.61.

[38] *Ibid.*

[39] *Ibid.* They assert that gradually migrant Gedeo laborers assimilated themselves into Guji through the traditional *mogasa*.

[40] Birhanu Girma, *Economics of the Ethiopian Coffee Industry*, p.40

[41] *Ibid.*

and Sidama to look for other alternatives. This had opened opportunities for Wolayita, Siliti, Hadiya and Kambata laborers to penetrate into corridor areas of Gedeo and Sidama.[42]

Since Ethiopia at that time had not yet established large economic enterprises, which would encourage the growth of skilled labor; it was difficult for the companies like the Arbagugu Plantations to find skilled labor to conduct various operations in the organization. Thus, companies were forced to employ highly paid Indian expatriates for fill the gaps on skilled manpower of the plantation both at technical and administrative fields.[43] In addition to these, there were a considerable number of Yemeni Arabs recruited from different towns including Addis Ababa and employed on building and construction sites of the plantation.[44] Gradually, some of them who moved to Gedeo and Sidama joined the coffee sector as entrepreneurs or opened shops (*suq*) to sell various commodities.[45]

Such business opportunities that flourished as a result of the expansion of plantations in Arsi caused migration of laborers to the province, which largely occurred in each year between October and December. [46] A complementary outflow took place between January and March. Dominated by laborers, this movement also included traders who for many centuries had moved into the regions during the short dry season to purchase goods and sell mules to local traders. The influx also included petty traders and prostitutes who made a living during the harvest season as the traders, laborers and coffee farmers spent some of their earnings.

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[42]Informants: *Ato* Shikure Shafi, *Ato* Omar Usman, *Ato* Arabo Muktar, and General Bäkälä Gäbräigzi,

[43] Zbigniew Siemienski (1955), p. 71

[44]WMTRC, Folder No.439, File No. 23 (Payroll, indicating the amount of workers' salary and their nationality, 1942 EC), pp.1-6; and Informants: Jema Haji (Dr.), *Ato* Adem Osman, *Ato* Getachew Kibru, *Ato* Irbo Tumato.

[45]Informants: *Ato* Shikure Shafi, *Ato* Omar Usman, *Ato* Arabo Muktar, General Bäkälä Gäbräigzi, *Ras* Mängäsha Seyoum, *Ato* Täklay Kätsäla, *W/ro* Shiko latamo, *Ato* Salfako Diro, and *Ato* Banata Buyo. In Sidama and Gedeo the big shops belonged to the Arabs and most of the Yemeni Arabs married to Ethiopian women.

[46]G. Pierre Sylvain, "Report to the Government of Ethiopia on Coffee Production," *FAO Report*, No.359 (Rome; FAO, 1955), pp. 34-40; WMTRC, Folder No.423, File No. 13, a letter written from the Belgian Coffee Companies to the Ministry of Interior (1949 E.C.) p. 4; and *AddisZämän*, Vol. 226 Year 20th, news reporting about the expansion of various farms in Arsi province and its economic contribution (1953 E.C.), p 2060. For example, by the early 1970s this flow exceeded 10, 000 people, which increased the population of the coffee- picking areas by 5 to 10 percent.

One of the major trade routes traversing Sidamo and a route in use since the sixteenth century linked parts of Balē, Arsi and Harar.[47] The late nineteenth century expansion of the Empire increased the importance of this route and attracted the Shäwans to the south.[48] As it is explained in chapter three, interaction of peoples of Arsi, Balē, Gedeo, Harar and Sidama, that started long ago, were symbiotic and not restricted to commerce. This is because interaction of people along this trade route had social, political and cultural aspects. For example, migration of labor from Gedeo and Sidama to Aris/Balē and Harar opened markets for Sidama and Gedeo coffees.[49] There were also occasions that Sidama laborers, who knew about markets in Gollolcha to serve as brokers and guides for traders that came from Sidama and Gedeo towns.[50] In addition to information they also provided shelter and food for itinerant merchants of Gedeo and Sidama, who used to cross Balē, Arsi and Harar for commercial and other purposes. Thus, apart from economic links (to create markets for various products) labor migration also strengthened social and cultural relationships of people of the regions in general.[51]

There were also Wolayita and Guraghe laborers who migrated to the regions. Reasons for seasonal laborers that came from the two specific source areas were complex.[52] For example,

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[47]Merid (1988), pp. 19-20; Abdussamad (1997), p. 553; Gwynn (1911), pp.181-182; Jackson, R. *Periodic Markets in Southern Ethiopia* (London: Franck Cass, 1978), p. 69; Edward C. Keefer, "Great Britain and Ethiopia, 1897-1910: Competition for Empire," *International Journal of African Historical Studies* 6 (1973), pp. 470-471; Oscar Neumann, "From the Somali Coast ...," pp. 378-379; and Huntingford, "The Sidama Peoples," p. 52.

[48]Merid (1988), pp. 19-20; and Wienholt Arnold Hodson, *Seven years in Southern Abyssinia* (Westport: Negro University Press, 1927 rpt. 1970), p. 17.

[49]Gwynn (1911), pp.181-182; R. Jackson, *Periodic Markets* ..., p. 69; D. Buxton, *Travels in Ethiopia*, p. 83; Enresta Cerulli, *Peoples of Southwest Ethiopia*, p. 129; G. Pierre Sylvain, "Report to the Government of Ethiopia on Coffee...," p. 38; and Frederick G. Meyer, "Notes on Wild *Coffea Arabica* from Southwestern Ethiopia...," p. 140.

[50] *Ibid.*

[51]Almaw (2005), p.93; and Agnes Sunga Lee, "The Sidamo, Their Cattle and *Enset*: A Study towards an Understanding of Agro-pastoralism and Sustainability" (PhD. Dissertation, Social Anthropology, University of Colorado, 2000), pp.63-64. They explain that the Arsi-Bale-Harar-Sidamo relation is one of the interesting, oldest and complex relations in Ethiopia that need further research to how it kept people of different geography, culture and language connected.

[52]Richard Giel, "The Plight of the Daily Labourer in the Coffee Growing Province of Ethiopia," *Journal of Tropical and Geographical Medicine*, XIX (1967), p. 581; Bejrtn Gunilla, "Migration to Shashemene: Ethnicity, Gender and Occupation in Urban Ethiopia" (PhD Dissertation, Department of Economics, Scandinavian Institute of African Studied Uppsala, 1985), pp.69-70; and Jonathan Baker *et.al.*, "The Gurage of Ethiopia: Rural-Urban Interaction and Entrepreneurship," *The Rural-Urban Interface in Africa Expansion and Adaptation, The Scandinavian Institute of African Studies Centre for Development Research, Seminar Proceedings*, No. 27 (1992), pp.136-137.

most parts of these areas produce only one crop a year, which is harvested in September and October. From then until March there is little farm work and most of them remain idle. Population densities in these areas are among the highest in the country and rises in places to over seven people per hectare of cultivated land.[53] In Sidama and Gedeo some Wolayita migrants were largely known for their quality products made from clay soil, which also helped them to earn more income from markets of the province. They were also known for their devotion to work in coffee processing stations. However, sometimes Sidama elites used to socially dishonor Walayita laborers due to their indiscriminatory approach to jobs. Finally, as to Guraghe, Siliti and other laborers there was a tradition of gradually transforming oneself from daily laborer to entrepreneur.

Households with spare time needed to supplement their income through non-farm activities. Moreover, high population density in Guraghe areas has led to a tradition of male out-migration. Young Guraghes seek employment but also opportunities for trade as they are noted for their commercial expertise. Coffee farms of the south offered nearby jobs which was mostly attractive owing to possibilities of progressing into trade. With money accumulated through coffee, many Guraghes have become traders and dominated the trade in the south, where coffee trade itself and the wealth it has generated provided many opportunities. However, in Gedeo and Sidama the situation was different. This was because most of the migrants preferred residing in the towns,

[53]Guluma Gemeda (1996), p. 225; and Gezachew Abegaz, "Tenure Issues in Coffee Growing Areas: a Case Study of Manna and Gomma Woredas" Dessalegn Rahmato (ed.), *Land Tenure and Land Policy in Ethiopia After the Derg*, (Addis Ababa: Addis Ababa University Institute of Development Research, 1994), pp.219-220; and Informants: General Bäkälä and *Ras* Mängäsha. According to these sources, labor migration to coffee gardens of Sidama and Gedeo was basically economic driven but it was largely pursued from parts of Wolayita and Guraghe. They further show that while this was in part a result of particularly severe population pressure and proximity to the south. According to them it was also explained by historic links and patterns of information flow because many obtained large tracts of land in Sidamo (Gedeo and Sidama) following the conquest. They also indicate that such ownership links ensured a flow of information between the two areas especially about business opportunities on the coffee market and farms. Finally they conclude that so strong were these links, in some cases, that the seasonal labor needs of one farm were met by migrants from particular Guraghe villages.

where there were chances for economic and social mobility to become government employee or join service sectors and become entrepreneurs rather than picking coffee beans in rural areas.[54]

Since the 1974 Ethiopian Revolution these seasonal patterns of labor migration have come to an abrupt halt. Soon after the overthrow of the Emperor in 1974 and the promise of "land to the tiller," attacks made against non-local people in the south caused labor and capital migrations.[55] In the south feelings ran high; hence, several people who had come from other parts of the country were forced to flee. Specifically, in April 1975, following nationalization of rural lands, Peasant Associations were formed throughout the country to redistribute land in excess of a 10-hectare ceiling and to run coffee farms collectively.[56] Such PAs were devoted to promote socialist ideology among peasants and prevent non-members, especially settlers from picking the coffee in planning to benefit the local people.

In Gedeo both nationalization and redistribution of lands were very serious and involved heavy measures against ex-owners because agricultural lands and coffee gardens of the region were largely owned by migrants who got government backing to expand investment.[57] Nationalized properties, houses and farms of the well-to-do ones in rural areas and towns of Gedeo were distributed to both rural and urban poor. In the meantime, individuals like *Gerazmače* Wärku

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[54]Almaw, p. 49. The problem in Gedeo and Sidama was not with the ownership but with taxations and pre-harvesting sales. In the towns there were opportunities to promote oneself into better economic and political status either thorough trade or becoming government employee. In Sidama and Gedeo almost all business institutions were properties of the non local people.

[55]Alemaychu Geda and Alem Abreha, "Macro Policy, Labor Market and Poverty in Ethiopia: A Micro-simulation Approach" (Unpublished, Department of Economics, Addis Ababa University, 2005), p.20.

[56]Guluma Gemeda, p. 265; and Gezachew Abegaz, p, 223. The writers argue that labor migration received a further setback as the land nationalization proclamation forbade the hiring of laborers by individual farmers. These writers also explain that even if it was ineffective in some areas, this legislation added further uncertainty for prospective migrants because movement outside one's Peasant Association became very difficult. According to these writers, due to revolts in many areas between 1976 and 1978, a pass system was introduced to reduce recruitment to the anti-government forces and association chairmen were afraid to issue passes in case they were later implicated in the recruitment of rebel forces. Finally they conclude that the Revolutionary propaganda that forced all members of PAs to take part in communal activities also restricted mobility; and time free from farming activities spent in digging wells or building roads, communal needs taking priority over individual advancement.

[57]Informants: General Bäkälä Gäbräigzi, *Ras* Mängäsha Seyoum, Dr. Däjänē Kifle (MD.), Colonel Kasahun Bälachäw *Ato* Azänä Kibamo *Ato* Täklay Kätsäla, *W/ro* Shiko latamo, *Ato* Salfako Diro and *Ato* Banata Buyo.

Dästa, *Gerazmače* Wärqu Qoričo, *Gerazmače* Gētačäw Asmarä, *Gerazmače* Abära Läţeyebälu and *Qäññazmače* Teferi Dhuguma who were in predicament desperately opened fire against members of the *Därg*.[58] This was because the process of nationalizing land and other private properties was accompanied by arresting, the owner, ruling elites and rich people of the period in the region and hanging them in public.[59] The lucky ones were able to escape against arrests and abuses of the *Därg* by running somewhere in disguise. This also affected laborers who used to work on coffee farms and processing machines that belonged to the escapees.

However, the case in Sidama was relatively different. There the nationalization process affected only very few gardens that belonged to migrants because most of the coffee gardens were private properties of native Sidama peasants. Besides, most of the coffee gardens that migrants owned were either rented or sold by local *balabats/ qoros*; and unlike the case in Gedeo, relationships between the Sidama people and settlers were relatively good.[60]

Except Gedeo and Sidama, where labor was supplied from within, even if the security situation was improved, the redistribution of coffee land caused continuous decline in the demand for seasonal, migrant labor in coffee growing areas of the country.[61] Throughout the province, communal operation of coffee farms was hardly successful. The bushes and yields, which were increasingly depleted, had also got negligible attention. Such interrelated crises, which affected foreign exchange earnings of the country, forced the government to restore individuals' control

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[58] *Ibid.*

[59] *Ibid.* As they indicate, governors and rich men like *Grazemač* Wärku Dästa *and* some others were hanged in public.

[60] Almaw (2005), p. 82; and Almaw (2009), p. 93; and Informants: *Ato* Salfako Diro, and *Ato* Banata Buyo. As they show the communal operation has become a source of misery for peasants of the region because it caused the birth of new class, who behaved just like governors of the deposed regime and looked for extreme privilege and benefits at the expense of the majority poor Gedeo and Sidama farmers. They also indicate that steadily they took farms for themselves and became emergent economic classes replacing feudal lords in all aspects of life and some of them bought cars, constructed villa houses, opened hotels etc.

[61] Stein Holden and Hailu Yohannes, "Land Redistribution, Tenure Insecurity, and Intensity of Production: A Study of Farm Households in Southern Ethiopia," *Land Economics*, Vol. 78, No. 4 (2002), pp. 578-579; and Christopher Clapham, "Centralization and Local Response in Southern Ethiopia," p. 75. They assert that to limit the income of coffee farmers a ceiling of 1-25 ha per household criteria was set at a national level, an area that can be managed by a household itself. In this case, social links with the employer helped to assure payment for labor despite the government legislation.

of coffee farms. Finally, seasonal labor migration that was rooted in historic trade links and patterns of conquest flourished from the 1950s until the early 1970s.[62] However, in the second half of the 1970s and 1980s the euphoria of the revolution that was followed by national military service and collectivization measures affected the region and impaired urban development.[63] Coffee towns, formerly hives of activity as they harbored migrants became areas of uncertainty, which forced both laborers and entrepreneurs to find other solutions to meet their needs.

In general, in modifying the traditional labor supply and activating the need for labor, the role of Belgian coffee companies was very notable. The situation of labor in Gedeo and Sidama was not similar in terms of value. In Gedeo there was no discrimination of labor on social bases. However, in terms of sex and age the two people commonly used to discriminate. Thus in the modern coffee economy discrimination of labor based on age and sex was the common experience of the two regions as shown below.

4.1.2 Issues of Sex, Age and Wage of Laborers in the Coffee Sector of the Two Regions

Since its expansion in Sidamo, commercial coffee was characterized by labor discrimination and wage discrepancy based on sex and age.[64] Up to the first half of the 1970s, in Gedeo and Sidama coffee was an industry that did not let women and children take part in its production because most of the Gedeo and Sidama households did not force their wives and children work in coffee

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[62] *Ibid.* They show that the government was aware of the labor-supply problem that reduced coffee production in the south-west; thus, it established large state coffee plantations with permanent laborers to boost production. Any resurgence of the traditional labor migration seems remote but in the south the problem was aggravated due to resistances against state reforms.

[63] Christopher Clapham, "Revolutionary Socialist Development in Ethiopia," *African Affairs*, Vol. 86, No. 343 (1987), pp. 157-158; and H. Singer, "The Distribution of Gains between Investing and Borrowing Countries," *American Economic Review Papers and Proceedings*, 40(2), (1950), p. 480.

[64] Tadesse Kippie, *Five Thousand Years of Sustainability...*, p. 131; McClellan (1988), p. 19; J. Hamer and I. Hamer, "Impact of a Cash Economy on Complementary Gender Relations among the Sadama of Ethiopia," pp. 190-191; Wolassa Lawisso, "The Pre-1991 Socio-economic Condition in Sidama: An overview," pp. 29-30; and Matewos Dangiso, "Credit and Saving Schemes as a Vehicle for Women's Empowerment: A Case Study from Sidama," p. 40; and Informants: *W/ro* Shiqo, *W/ro* Haregua, *W/ro* Sirbale, *Ato* Salfako Diro, and *Ato* Banata Buyo.

farms as daily laborers.[65] Basically for socio-cultural reasons related to personal honor, it was the responsibility of each household to provide his family member with their daily needs.[66] Instead of letting their wives and children work on somebody's farm on a daily basis, fathers used to force their children to look after their cattle and wives to take care of their personal gardens. In addition to this, early marriage has become one of the common traditions in Gedeo and Sidama; thus, teen agers of the local people were becoming heads of households at early age. Therefore, it was quite rare to find children below the age of fifteen and female laborer working in the coffee farms.

Women in both Gedeo and Sidama societies were neither able to claim land nor inherit land that belonged to their deceased ancestors. [67] In general, the Gedeo and Sidama people did not give land for their female population. Daughters are known as *manna* in Gedeo and *alagicho* in Sidama, which means outsiders, who are only born to be given away to another clan/family. A young woman's membership to her clan/family lasts only until she gets married and joins her husband's clan/family by abandoning the one she was born into. Therefore, since marriage is also based on social dignity of daughters' families, it is quite socially unadvisable to engage them in activities like making money for their families by becoming daily laborers. Otherwise, it would be quite hard for daughters to get someone to marry.

In Gedeo and Sidama there is gender-based division of labor. Men and boys work in the fields. Women and girls work in the house. Women are also responsible for harvesting, processing and marketing *ensäte* and its products, and for fetching firewood, water and consumable items from

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[65]Helmer Smeds, "The Ensät planting culture of Eastern Sidamo," pp. 213-247; S. Stanley, "The Political System of Sidama," p.5; H. Straube, *The Hadicho Sidama*, p. 70; Almaw (2005), p. 61; and Assebe Regasa, p. 18. Informants: *Ato* Abu Hanfato, *Ato* Woliqisa Wonbeto, *Ato* Dawit Wonbeto, *Ato* Uko Matti, *Ato* Azänä Kibamo, and *W/ro* Šiqo Rigamo.

[66]*Ibid.* Particularly, oral source assert that specially allowing wives and daughters to be daily laborers results in depriving access to marriage for children and funeral ceremony for entire family members.

[67] Taddes Kippie (2002), p.92; and Betana, p. 38; and Informants: *Ato* Abu Hanfato and *Ato* Woliqisa Wonbeto.

markets. In both cases intervention of men in "female" businesses is forbidden, and results in attaching a nickname called *qoreqoranjo/qoreqorancho* respectively. If a man interferes in his wife's duties, she has the right to present her case to the community elders or her family of birth.[68] The latter are entitled by the culture to preside over such matters and to levy a fine (*qaço*) off the party found guilty. On the other hand, if the husband is found guilty, he will be forced to pay a fine (*qaço*) to his wife, as compensation.

Unlike the Gedeo, Sidama women used to come together and discus their issues in public at *kakalo*, and *wawaţo,* women gatherings to make retuals enjoying food made from *hami'ico* (the root of *ensät* plant). Besides, if any husband abuses his wife they were entitled to arrest, physical assault and finally shaming by walking him naked through the village. Such collective measures, which the Sidama women used to take against their abusive husbands was called *yaka*. Therefore, as compared to Gedeo, women in Sidama were highly protected by their traditional gatherings and collective measures against harsh behaviors of their husbands. However, it should be stated that among the Gedeo too mistreating wives or any women was highly punishable.

Men, on the other hand, have a monopoly over cash crops such as coffee and over farm animals except poultry where women and young boys have control.[69] Men are required to build houses, to harvest trees and tree products including honey, to fight in wars and build roads and bridges. Men are also expected to speak in public while women are discouraged from doing so. However, in general Gedeo and Sidama women at first were little more than daily laborers, relying on their skills and knowledge in matters regarding the house as well as *ensete* harvesting and processing with their children (mainly sons). This position of women improved gradually through their children who

[68] *Ibid.*
[69] *Ibid.*

assimilate their mothers with the clan/family of their fathers.[70] This is very important particularly for Gedeo women because until very recently they had no right to share the property even if acquired in marriage. However harsh the situation at home, divorce was not an alternative for Gedeo women because giving birth before marriage and after divorce were symbols of a curse.

Up to the first half of the 1970s it was quite unusual to find female Gedeo and Sidama laborers working on coffee farms of the province.[71] In every African society women have played crucial roles. For example, throughout Africa, women perform domestic tasks, look after children, the elderly and sick, collect firewood, fetch water from rivers, grow and market food etc.[72] Like any African society the burden of women in Gedeo and Sidama was very high and they carryout responsibilities of caring for each family member, cattle population and family garden.

Nevertheless, they were subservient to men by traditional laws and practices and played very limited role in family decision making.[73] Due to their rare supply and physical limitations children and women laborers were not preferences of employers in coffee farms. Therefore, they had no time, freedom and chance to work on coffee farm to make money. However, for children and wives of poor Gedeo and Sidama providing labor service for well-to-do migrants or local elites in return for food was something normal.[74] In general, to the 1970s child and woman laborers were hardly available in the coffee sector.

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[70]Abera Tedecho, p. 22; and Almaw (2008), p. 31; and Informants: *Ato* Jarso Wario, *Ato* Uko Mati and *Ato* Azänä.

[71]Helmer Smeds, "The *Ensät* planting culture of Eastern Sidamo," pp. 213-247; S. Stanley, "The Political System of Sidama," p.5; H. Straube, *The Hadicho Sidama,* p. 70; Almaw (2005), p. 61; and Assebe Regasa, p. 18; and Informants: *Ato* Dawit Wonbēto, *Ato* Uko Matti, *Ato* Azänä Kibamo, and *W/ro* Šiqo Rigamo.

[72]Brett L. Shadle. *Girl Cases: Marriage and Colonialism in Gusiiland, Kenya, 1890–1970* (Portsmouth: Heinemann, 2206), p. 108; Ramzi Mabsout and Irene van Staveren, "Disentangling Bargaining Power from Individual and Household Level to Institutions: Evidence on Women's Position in Ethiopia," *World Development,* Vol. 38, No. 5 (2010), pp. 789 – 790; and N. Jones, Yisak T. and Tassew W., *Gendered Risks, Poverty and Vulnerability in Ethiopia* (London: Overseas Development Institute, 2010), p. 9.

[73]Helmer Smeds, "The Ensät planting culture of Eastern Sidamo," pp. 213-247; S. Stanley, "The Political System of Sidama," p.5; H. Straube, *The Hadicho Sidama,* p. 70; Almaw (2005), p. 61; and Assebe Regasa, p. 18; and Informants: *Ato* Abu Hanfato, *Ato* Woliqisa Wonbeto, *Ato* Dawit Wonbeto, *Ato* Uko Matti, *Ato* Azänä Kibamo, and *W/ro* Šiqo Rigamo.

[74]Takele Bakele, "Changes and Continuity in Gender Division of Roles in Hoe and Plough: The Case of Gedeo Community" (MA. Thesis, Development Studies, 2010), p. 15; Deribe Kaske "Agricultural Information Networks of Farm

Like any traditional society of the country Gedeo and Sidama were patriarchical society where male domination was a reality.[75] Up to the 1970s in both cases decision making power that survived despite the process of national integration was the prerogative of male groups of the society.[76] Therefore, local Gedeo and Sidama coffee farm owners would hardly used their children and wives to participate in coffee production, processing and marketing. Writers like John Hamer, Matewos and others state that, at coffee production, processing and marketing levels, the participation of children and women was very negligible.[77] Rather men usually quarrel with their wives for secretly picking immature coffee beans for the purpose home consumption. However, children and women were entitled to collect leftover (*qaremia)*, coffee beans survived on farms against the first round harvesting.[78] After collecting leftover beans (partly decomposed and damged), children and women used to sell them at low prices and purchase some stationery for personal consumption.

Furthermore, migration of women laborers to Gedeo and Sidama was quite rare. Majority of the laborers in the province were men, who kept their families back at home under the guardianship of their wives. [79] Most of the women populations, where labors came from were busy caring for children and the elderly in the absence of their husbands by remittance money that came from

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Women and Role of Agricultural Extension in Sidama: The Case of Dale *Woreda*, Southern Nations, Nationalities & Peoples' Region" (MSc. Thesis, Harmaya University, Rural Development and Agricultural Extension, 2007), pp. 22-23. Wolassa Lawisso, p. 17; Matewos Dangiso, p.23; and Tadesse Kippie, p. 40; and Informants: *Ato* Abu Hanfato, *Ato* Woliqisa Wonbeto, *Ato* Dawit Wonbeto, *Ato* Uko Matti, *Ato* Azänä Kibamo, and *W/ro* Šiqo Rigamo.

[75]James C. McCann, *People of the Plow An Agricultural History of Ethiopia, 1800-1990 (*Madison,The University of Wisconsin Press, 1995), pp. 76-75; Yegomawork Gossaye *et.al.,* "Women's Health and Life Events Study in Rural Ethiopia," *Official Journal of the Ethiopian Public Health Association,* Volume 17 (2003), pp. 29-30; Emebet Kebede, "Ethiopia: an Assessment of the International Labor Migration Situation: The Case of Female Labor Migrants," *GENPROM Working Paper* No. 3 (2003), p. 31; and J. Hamer, *Human Development: Participation and Change Among the Sidama of Ethiopia,* p. 28.

[76]*Ibid.*

[77]Takele Bekele, p. 16; Deribe Kaske, 24; J. Hamer and I. Hamer, p.29; Wolassa Lawisso, p. 17; Matewos Dangiso, p.23; and Tadesse Kippie, p. 40; and Informants: *Ato* Abu Hanfato, *Ato* Woliqisa Wonbeto, *Ato* Uko Matti, *Ato* Azänä Kibamo, and *W/ro* Šiqo Rigamo.

[78]*Ibid.*

[79]A. P. Wood, "The decline of seasonal labor migration to the coffee forests of South-West Ethiopia," *Geography*, Vol. 68, No. 1 (1983), pp. 54-55; Abebe Damte, "Farm Households Labor Supply to off Farm Activities in Ethiopia" (MA. Thesis, Economics Department, AAU, 2002), p. 52; Solomon Sorsa and Alemu Abera, "A Study on child labor in Three Major Towns of Southern Ethiopia," *Journal of Ethiopian Health Development,* Vol. 20, No 3 17 (2006), p. 5-6; and Belete Geberu, Impact of Male Out-Migration on Rural Women's Livelihood: The Case of Chencha Woreda, South Ethiopia" (M.A. Thesis, Economics Department, AAU, 2006), p. 58.

their husbands. However, some laborers, who succeeded in running their own business, were gradually able to bring their families to share home responsibilities, which also made up for the absence of woman and child laborers in coffee farms up to the 1970s. [80]

After the 1974 Ethiopian Revolution, social, cultural, economic and political situations of the province were significantly changed. The nationalization and distribution of land and other prosperities of the region to landless helped many individuals to own coffee farms.[81] As a result, the industry appeared to be all embracing irrespective of his/her sex and age. Some owners of the processing industries started to employ children and women laborers because they were very cheap, submissive and nonviolent. However, the labor intensive part of the sector, production level persisted to remain the domain of male group. Very recently, beginning from 1991 to 2010 because of government efforts to create job opportunity for youth and women population of each society of the country, vacancies at all levels of the coffee industry have become open for any one irrespective of his/her sex and age.[82] In general, composition and nature of labor supply in coffee industry of Gedeo and Sidama varied periodically.

In general, gender biases in the modern coffee industry of the region, which was an extension of traditional practices of the two people gradually, appeared to decline. Interventions of the *Därg* and EPRDF regimes against malpractices brought relative improvement in the region particularly regarding Gedeo laborers, socially marginalized Sidamas (Hadicho and Awacho), and Gedeo and Sidama women. The 1974 to 2010 coffee-economy appears to have attracted every interested individual to participate on an equal basis irrespective of his/her gender or social background.

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[80] *Ibid.*

[81] Yegomawork Gossaye *et.al.*, pp. 26-27; Emebet Kebede, p. 38; Matewos Dangiso, p. 42; and Wolassa Lawisso, p. 49; and Informants: *Ato* Uko Mati, *Ato* Shikurä Shafi, *Ato* Muktar Redi, *W/ro* Alämitu Ataro, and *W/ro* Harägua Täsfayē.

[82] *Ibid.*

Chapter Five

Types of Land, Technology and Techniques used for Coffee Production

5.1 Types of Land

The focus of this study is continuity and change in the interaction and reaction of people and governments in the coffee industry. Therefore, chapter five examns the type of land and technology used for coffee roduction of the two regions. Lands in Gedeo and Sidama that are largely used for coffee production are fertile agricultural areas located in the middle land (*wäyenadäga*). Historically, coffee used to claim best lands and resources of the region because its introduction and expansion were associated with the arrival of individuals who wanted to make more money. For example, a certain source indicates that "...አንድ ድሃ ሳይሠራበት የሚቀመጥበትን እዳሪ መሬት አቅም ላለዉ ሰዉ መስጠት አገርን መርዳትና ማበልፀግ ነዉ።" This literally mean, "... giving fallow lands, which are kept indolently by some people (poor) to those who could cultivate it, is helping the nation and prospering it at the same time."[1] For example, commercial coffee production in Gedeo and Sidama was a business initially started by migrants who were given lands by provincial governors entitled to maximize government revenue. Thus, they prepared good agricultural lands for those who arrived in the regions to run the industry. Therefore it was able to claim heart-lands of the region, which are very fertile and suitable for cultivation of tropical crops like coffee (see also table III).

It was not only the imperial regime that committed to secure productive and accessible lands but also the *Därg* followed the above tradition of keeping the stature to protect coffee and allow it to dominate agricultural lands of coffee growing areas of the regions. For example, a certain source

[1] *AddisZämän*, Vol. 33, No.4, Year 19th, editorial commenting on the need for granting land for migrants with capital instead of keeping under the possession of poor farmers (4 *Teqemet* 1952 E.C.), p. 1077.

states that "የአገሪቷ የኢኮኖሚ ዋልታ የሆነዉ ቡና ተገቢዉ እንክብካቤና ጥበቃ ሊደረግለት ይገባል። ስለዚህ በአድሃሪያን ይዞታ ስር የነበሩ የቡና ማሳዎች በሙሉ ወደ ገበሬ ማህበር ይዞታነት በማዛወር በቂ ክትትልና ድጋፍ እንዲያገኙ፣ ምርታማነታቸዉ እንዲጨምር እና የቡናዉ ጥራት ከፍ እንዲል ማድረግ ያስፈልጋል።" Literally, "coffee is pillar of the national economy. Thus, it is essential to transfer ownership of coffee that belonged to landlords of the former regime to Peasant Associations to provide protection, maximize productivity of the plant and improve quality of the beans."[2] As a result, coffee lands remained protected for the moment but gradually part of the coffee lands were distributed to the landless ones as it is explained in chapter six. Finally, the government of EPRDF said nothing openly unlike the two regimes that declared officially issues related to coffee land. However, it continued to distribute coffee lands under PAs of the regions.

To conclude, the lions share of coffee supply in Ethiopia in general and Gedeo and Sidama in particular has come from smallholders, who produced it by intercropping with other crops. Farms of the region were characterized by fragmentation, which affected mechanization of production and chemical supply. Therefore, the level of technology in coffee production is very low and is largely dominated by rack, garden fork, spade, hoe, saw, floor mops, scissors, sword, axes etc., which are labor intensive and manual. Coffee farmers use these instruments for weeding, planting and cutting purposes. At household level, coffee does not require complex technology in the process of production. As it will be indicated in chapter five, mainly for economic reason (failure to afford payments) coffee farmers used to relay on very traditional methods and means of production. In the process of production, coffee farmers use animal manure to increase productivity of the plants; however, sometimes their effort ends up by contaminating both the plant and its product as it will be indicated in chapter six.

[2]NALA, Folder No. 341, File No. 171/29/79 a letter from miniatry of Agriculture to Sidamo Province indicating the need for centralizing coffee farms (10 Hedar 1979 E.C.), p. 7.

5.2 Techniques of Coffee Production (*Coffea arabica L. Rubiaceae*)

5.2.1 Seedling, Planting and Harvesting Practices

Basically for two major reasons Gedeo and Sidama coffee farmers largely depend on natural regeneration than raising coffee seedlings in beds.[3] First, it is easy and less costly to produce. Second, farmers used to trust old varieties that lived in the regions for centuries and they are very familiar with. They let seedlings to germinate under mature coffee trees because the soil under older coffee trees is prepared, after harvest to help spared beans to germinate. However, packages of the Coffee Improvement Project (CIP) implemented since 1980 appeared to change the attitude of farmers towards new high-breeds that are very productive and manageable.[4] As a result, the two regions have become breeding grounds for a rich array of genotypes of *arabica* coffee. In general Gedeo and Sidama farmers recognize about five varieties of *arabica* coffee, i.e., *addullēē*, *baddeessa, deegaa*, *kudhumee*, and *wolisho*.[5]

Farmers usually preferred rainy seasons to transplant seedlings to other fields where they finally grow. Under the traditional farming system, particularly during the process of uprootingm it was natural for seedlings to lose their appreciable parts like feeder root, taproot etc. However, farmers did never worry about it because the oldest surviving coffee trees (40 to 50 years old) have grown through such traditional practice, which indicates relative success of the method.[6] Furthermore; habitually coffee seedlings are planted under older coffee trees or *ensät*. In the coffee growing middle lands of Gedeo and Sidama intercropping coffee with *ensät* plants is

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[3]Tadesse Kippie (2002), p. 112; and Taye Abera, "Determinants of Intensity of Adoption of Old Coffee Stumping Technology in Dale Wereda, SNNPRS, Ethiopia" (MSc. Thesis, Haramaya University, Rural Development and Agricultural Extension, 2009), p. 28; and Informants: *Ato* Uko Matti and *Ato* Abu Hanfato

[4]Tadesse Kippie (2002), p. 113; and KetemaYilma, *et.al, A Farmer-based fruit seedling supply system in Dale Pilot Learning Woreda (PLW): Experiences from IPMS* (Nairobi: ILRI, 2010), pp.10-11. Informants: *Ato* Uko and *Ato* Abu.

[5]Tadesse Kippie (2002), p. 112; and Taye Abera, p. 37; and Informants: *Ato* Uko Matti and *Ato* Abu Hanfato.

[6]*Ibid.*

common practice because *ensät* prevents evaporation that helps both crops to yield well and coffee trees to live longer.[7]

As opposed to the traditional method, which did give little care for both planting and transplant seedlings experts recommend to plant coffee seedlings slantingly up to 45 degrees with the ground.[8] This promotes reiteration resulting in vigorous suckers on the upper side of the stem, which helps the plant to develop a bushy structure with a wide low crown and no primary trunk cover to facilitate harvesting. Famers were also advised to select potential suckers that assumed to become more productive and prune the rest instead of keeping all suckers at the same time. Finally, seedlings supplied by the Coffee Improvement Project are grown in the conventional nursery beds. Most of them, however, held on to their traditional method, because it is less costly (in labor and materials) and performs well.[9]

Unlike other plants of the region, coffee does not need deep tilling in times of weeding because it damages essential roots of the plant. Apart from affecting productivity such damages to roots may sometimes kill the plant itself, which was a common damage for coffee plants of the two regions. The most damaging for the coffee plant is weeding practices, which ends up by mutilating shoots and roots of the plant. This is because farmers used sharp agricultural tools like hoes, sharpened steams of various trees, forks etc. to clear weeds from farms, which is wrong. According to informants, the most suitable tools for removing weeds around coffee plants are

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[7]Tadesse Kippie (2002), p. 193; Assebe Regasa (2007), p. 39; and Helmer Smeds, "The *Ensät* planting culture of Eastern Sidamo," *Journal of Economic Research*, Vol. 3, No.4 (1975), pp. 226-227; and Informants: *Ato* Fäläkä Yemär, *Ato* Kassa Kätäma, *Ato* Uko Matti and *Ato* Abu Hanfato.

[8]Tadesse Kippie (2002), p. 112; and Tayä Abära, p. 37; and Informants: *Ato* Fäläkä Yemär, and *Ato* Kassa Kätäma.

[9]*Ibid.* In this case against recommendations of extension services, farmers do not like to prepare planting holes just befor the planting season and transplanting also simultaneously carried out traditionally.

banga, *shollē*, *shiifaa*, *haanto, hookko*, *qoto*, *gäjära*, *mēneça* etc.[10] They help to slash down herbaceous vegetations under coffee trees at the beginning of dry seasons.

To date in the Gedeo and Sidama coffee seedling and planting practices, the traditional method is more preponderant than the modern one. This is because of three major reasons that are related to cultural and social issues. 1. Farmers do resist the modern approach, which puts them aside as ignorant and does not give them a space to apply their traditional knowledge. 2. It is highly demanding and requires farmers to give their energy, time and resources. 3. It does not let farmers to intercrop different crops with the new highbred coffee varieties as they wish because the new varieties are highly sensitive and vulnerable to contaminations and attacks by various micro/macro-organisms coming from other crops. 4. In the midst of spiraling population growth accompanied by high demand for land and food supplies, the modern approach requires high care for the plant and space for ventilation and shading. 5. Comparative advantages that old varieties display over the new ones in terms of size, resistance etc. attracted Gedeo and Sidama farmers to adhere to the old ones. In general, farmers' resistance to the modern coffee production techniques and new varieties has its own impact on the productivity of the two regions.

5.2.2 Harvesting, Storing and Marketing of Coffee Cherries

This part of the narrative, attempts to show how traditionally farmers harvest coffee beans, store and sale them to the processing organizations. When most of the beans are fully ripe, they are stripped off, taking care neither to remove leaves nor to break branches or twigs. To reach out for distant branches, farmers therefore use specially prepared ladders and a fork (*hookko* in Gedeo

[10]Informants: *Ato* Fäläkä Yemär, *Ato* Kassa Kätäma, *Ato* Uko Matti and *Ato* Abu Hanfato. They assert that coffee needs clearing weeds only by cutting them down instead of digging deep inside the ground.

and or *farqo* in Sidama).[11] As to old big coffee trees harvesting is very tough but in the case of the highbred varieties which are very short it is easy to harvest fully ripened red coffee beans without damaging the plant. As it will be explained in chapter five, sometimes farmers would not be serious when they harvest coffee beans. Particularly laborers who rash to pick more beans in return for better payment than caring for the plant were the major ones who damage the plant and green beans at the same time.

Coffee harvest has two phases. In the first phase, called *tisha* in Gedeo and *ţiniqo* in Sidama only ripened (deep red) berries are selectively picked, leaving the greenish ones behind. This requires concentration and time and recently it is a business, which is left to children and women who are adept in this. The household head designates the trees to be harvested. Less value is attached to this harvest since its proceeds are spent on immediately consumable items. This coffee is directly sold to washing stations that now number over a hundred in Gedeo and Sidama (see table VII). Particularly after 1972 government used to fix the bottom price for a kilogram of fresh coffee on a daily basis; however, farm gate price of a kilogram of fresh coffee was very negligible as compared to the amount brokers and merchants used to offer. From 1991to 2010 decentralization process made the issue of price largely local business, which relatively helped coffee farmers to claime relatively better income from their coffee. In this case, the Agricultural Bureau and Departments of Commerce, Industry and Transport made survey indicating the extent to which coffee merchants of Gedeo and Sidama zone became more beneficiaries than others.[12]

The second phase of harvest called *bunin qoččа* in Gedeo and *bunu ţurureša* in Sidama. It needs more organization of household labor, and also the pooling of labor of neighbors or and/or

[11] *Ibid.*
[12] Informants: *Ato* Fäläkä Yemär, and *Ato* Kassa Kätäma.

relatives, *goottalee* in Gedeo and *dēē* in Sidama. Since the second coffee harvest phase was abridged into a short period from mid-December to mid-January, which is important. Loss of yield may easily result, as coffee berries dry on trees if left for too long. As soon as berries are dried on trees, coffee trees initiate flower primordial and picking coffee berries once this has happened means aborting the flower primordial, as these and the dried berries are very close to each other on the coffee twigs. To minimize losses during the second phase of harvest recently, employing off-farm labor, mainly women and children has become normal in Gedeo and Sidama.

Working in the coffee canopy after harvest determines future coffee yield. After harvest, farmers thus return each and every branch to its former position, using *hookko* or *qoto*. Branches must be returned exactly to their former position because displaced branches need a minimum of one year to adapt the new position and initiate flower primordial. Excess suckers and older and exhausted branches also must be removed. Thick mulches are placed at the foot of every coffee tree, as moisture and a sound organic soil layer are the two most important factors required by coffee trees to initiate flower primordial, which is crucial for the next crop season.[13]

Like in the case of cut-and-carry foraging, Gedeo and Sidama tradition allow access to private property, the coffee farm, after its owners of the coffee farm have finished harvesting it. Therefore, small farmers, women and children can enter and glean the remaining coffee berries, a practice called *shēffilē* in Gedeo and *qaremē* in Sidama. Farmers in serious shortage of land for planting coffee can plant a few trees (*rubbana*) in someone else's field, and these remain the planter's property, a tradition which does not exist in Sidama.

[13]Admasu Tsegayē, "On Indigenous Production, Genetic Diversity and Crop Ecology of *Ensät*" (PhD, Dissertation, Plant Sciences, Wageningen University, 2001), p. 43.

Coffee beans thus collected are dried in the sun on a bed at 0.5 meter to 1 meter high from the ground covered by bamboo mats called *qarxxa* in Gedeo and *qiriço* in Sidama. Dried coffee beans are stored in large bamboo baskets called *doonēē* (in Gedeo), and *gimibola or qafiččo* (in Sidama) which are placed on a rack at 30 to 50cm above the floor, to allow good ventilation. The coffee so keeps its good quality until it is sold. Sun-dried coffee can be stored, without spoilage, for more than a year, which helps farmers to keep family asset and react to changing coffee prices. Coffee can be sold to vendors who come to the farmers or it can be taken to towns on pack animals. Fearful of towns, perceived as treacherous and deceitful, most farmers sell their coffee to vendors.[14] Just like in the case of fresh coffee, government fixes the bottom price of a kilogram of sun-dried coffee, which is always prone to fluctuation.

Even if fresh coffee fetches relatively better prices than sun-dried coffee, farmers in Gedeo and Sidama usually preferred to sell their coffee sun-dried. Farmers used to save value in the coffee till late in the *Adooleessa* (late September), which was a means of saving. Money obtained from selling fresh coffee would not have lasted this long and susceptible to abuses and misuses. This was a strategy farmers also applied in relation to marketing other crops like barley, maize etc. Some farmers used to store harvests of two or three years, instead of selling at lower prices of harvesting seasons; however, mostly poor farmers must sell whatever they produced soon after harvest. Therefore, farmers who could defer sale of their harvest to late in the coming season were reputable in Gedeo and Sidama.[15]

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[14]Hussien Mahmoud, "The Dynamics of Cattle Trading in Northern Kenya and Southern Ethiopia: The Role of Trust and Social Relation in Market Network" (PhD, Economics, University Kentucky, USA, 2003), p. 55

[15]Hussien Mahmoud, p. 59; and Admasu Tsegaye, p. 67. According to them *enset* makes farmers so self-reliant that unless they spend extravagantly, most farmers can skip one or two marketing seasons.

5.2.3 Framework of Coffee Production and an Overview of the Coffee Diversity

Currently, Coffee Arabica and Coffee Robusta are the two commercially viable coffee species in the world.[16] Ethiopia is well-known in producing the Arabica coffee, which is widely originated here as it has already been discussed in chapter one. Arabica coffee still grows wild in many parts of Ethiopia, and remains a source of 6, 000 varieties of genetic resources for the world coffee industry.[17] Coffee farming systems in Ethiopia are usually divided into four categories such as forest coffee, semi-forest coffee, garden coffee and semi-modern plantation. In the case of Ethiopia, harvests are very low and estimated at about less than 200 kg per hectare for forest coffee and around 450–750 kg per hectare for semi-modern coffee plantations.[18] It is quite difficult to estimate an exact production because part of the harvest is gathered from semi-wild and wild forests, and a good proportion of the crop is consumed locally. However, estimates suggest that over the past twenty years annual production has fluctuated between 2.8 and 5 million (60 kg) bags, while the United States Department of Agriculture forecasted a harvest of 5.5 million bags in 2006/7.[19]

In Ethiopia, each district (*wäräda*) is classified as a major, medium and minor coffee grower based on the area covered by coffee trees. Coffee production is concentrated mainly in Oromiya

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[16]Firdu Gemech and J. Struthers, pp. 1139–1140. They use Coffee Robusta and *Coffea Canephora* interchangeably.

[17]T.W. Gole, *Conservation and Use of Coffee Genetic Resources in Ethiopia: Challenges and Opportunities in the Context Current Global Situations* (Bonn: Centre for Development Research, University of Bonn, 2003), p.50; Catherine M. Tucker, *Coffee Culture...*, p. 34-37; Amare Girma *et. al.*, "Coffee Wilt Disease in Ethiopia," p. 70; Julie Flood (ed.), *Coffee Wilt Disease* (Cambridge; CAB International), pp. 50-69; Mekuria Tadesse *et al.*, "The Status of Coffee Production and the Potential for Organic Conversion in Ethiopia," pp. 20-21; and A. Charrier, and J. Berthaud, "Botanical Classification of Coffee," pp. 26-27. According to these writers there about 6, 000 varieties of coffee gene pool in Ethiopia, which have been produced through crosspollination of different varieties.

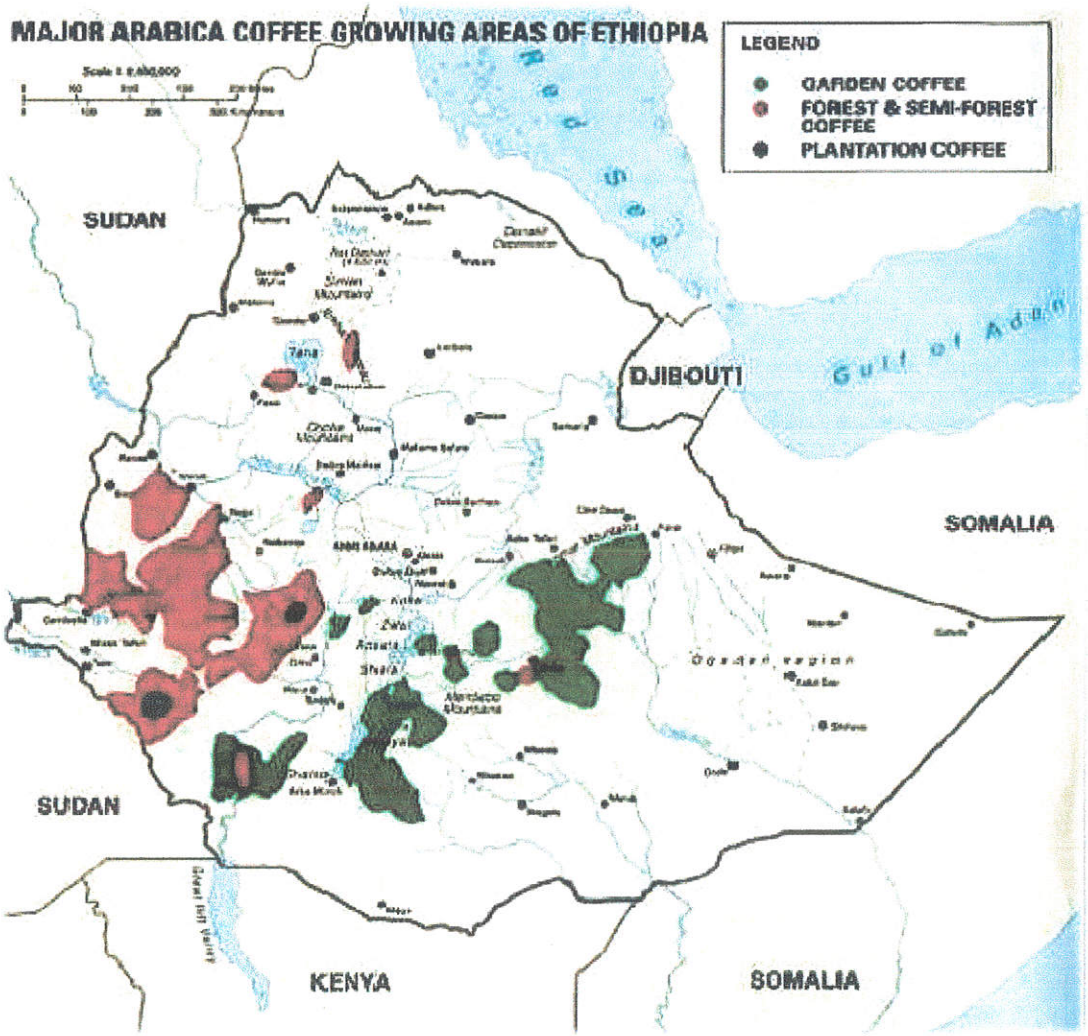
[18]T.W. Gole, *Conservation and Use of Coffee Genetic Resources in Ethiopia...,"* p.50; LMC, *International Coffee Organization/Common Fund for Commodities Study of Marketing and Trading Policies and Systems in Selected Coffee Producing Countries: Ethiopia Country Profile* (Oxford; LMC International Ltd., 2000), p.50; and LMC, *Review of the Ethiopian Coffee Market*, Report prepared for DFID, Program of Advisory Support Services for Rural Livelihoods (Oxford: LMC International Ltd., 2003), p.61.According to them most of the coffee farmers in Ethiopia hardly use fertilizers, pesticides or herbicides, which resulted in reducing both quantity and quality of the bean.

[19]Agrisystems Ltd., *Coffee Support Project: Ethiopia* (Revised Draft Formulation Report for the European Commission, April 2005), p. 33; ICO Statistical Database (2006), p.20; and USDA (2006), p. 55.

and the Southern Nations, Nationalities and People's Region (SNNPR). Major and medium growing *wäräda* contain an estimated 800,000 coffee farmers with approximately 520,000 ha under coffee, of which 63.2 per cent is in Oromiya, 35.9 per cent in SNNPR, 0.8 per cent in Gambela and 0.1 per cent in the Islands of Tana and parts of Raya in the Amhara Region (see also figure II).[20] Smallholder producers are responsible for about 95 per cent of production, while state-owned plantations account for 4.4 per cent and private investor plantations 0.6 per cent.[21] Finally, each coffee coming from every major producing region of the country has a unique taste and a number of them are globally recognized. According to the International Trade Centre, Ethiopia produces some of the world's finest original coffees such as Harar, Limu, Yirgachäffē, and Sidama.[22] The following map shows the above-mentioned coffee producing regions of the country and types of farms found in each region.

[20]FDRE, *Comprehensive Coffee Development and Marketing Plan*,(2003a), p. 29.
[21]FDRE (2003a), p. 15; and ITC, Coffee*: An Exporter's Guide* (Geneva: International Trade Centre, 2002), p. 299.
[22]ITC, *Coffee: An Exporter's Guide*, pp. 101.

Figure III: Major Coffee Producing Areas of Ethiopia



Source: Wiersum (2010), p. 22

5.3. Coffee Processing and Mechanization of the Processing Industry

5.3.1 Coffee Processing

After harvesting, coffee cherries are processed by two widely applied methods, namely dry and wet processing. For unwashed Arabica (or sun-dried coffee), the cherries are dried on mats, concrete, or cement floors soon after they have been picked. After drying to a moisture content of about 11.5 per cent, the outer layer of the cherries are removed by hulling and the green bean obtained is ready for

marketing. For washed coffee (wet processed coffee), once the cherries are harvested they are pulped, fermented in tanks and then finally washed in clean water. The wet parchment coffee obtained is then dried in the sun on raised beds and sorted at 11.5 per cent moisture content.[23]

Currently, there are more than 1000 coffee cherry processing plants in the country, with about 495 hulleries and 611 washing stations, 45 percent of which is found in Gedeo and Sidama.[24] The coffee washing stations are owned by private individuals, farmers' cooperatives or state enterprises, and have an estimated total processing capacity of around 80,000 tons of washed coffee per annum.[25] Historically, over 90 per cent of Ethiopian coffee was sun-dried. However, since washed coffee sells at major premiums over sun-dried coffee, the government has been encouraging cooperatives and traders to invest in machinery to raise the output of washed coffee.[26] In 1980/1, washed coffee was only 9.1 per cent of total coffee exports; by 1989/90 it was 29.2 per cent; by 2004/5, it amounted to 32.7 per cent and by 2009/10 it reached 53.2 per cent.[27]

The first three tables presented here-below indicate coffee produced in Sidamo and arrived at Addis Ababa during the three successive regimes of Ethiopia (at least for ten years) to show the contribution of commercial coffee economy in maximizing the national income and development of the sector in the country at large and Gedeo and Sidama particularly.

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[23]IFPRI, *Getting Markets Right in Ethiopia: An Institutional and Legal Analysis of Grain and Coffee Marketing* (Addis Ababa: International Food Policy Research Institute, 2003), p.9.

[24]FDRE, "Unpublished Statistics"(Addis Ababa: Federal Democratic Republic of Ethiopia, Ministry of Agriculture and Rural Development Coffee, Tea, Spices and Cotton Marketing Department,2011), p.33.

[25]FDRE (2003a), p.55; LMC, *Review of the Ethiopian Coffee Market*, p. 61; and FDRE, "Unpublished Statistics" (2006), p.129.

[26]FDRE, "Unpublished Statistics" (2010), p. 234; .NALA, Folder No.48, File No 9.1.136.07, a review of Ethiopian coffee processing industries and the amount of processed coffee arrived at the national market in Addis Ababa from each coffee producing regions of the country (1977 E.C.), p.8; *Ibid*, Folder No.43, File No. 8.1.124.7, a review of Ethiopian coffee processing industries and the amount of processed coffee arrived at the national market in Addis Ababa from each coffee producing regions of the country (1986 EC.), pp.10-11; and *Addis Zämän* Vol.20, Year 20th, news about the expansion of coffee processing industry in Sidamo Province (1953 EC.) p. 42.

[27]FDRE, "Unpublished Statistics," (2010), p.70; and R. Love, 'The Ethiopian Coffee Filière and Its Institutions, Cui Bono?,' *Review of African Political Economy*, 88 (2001), pp. 230–231.

Table VI: Coffee Arrived at Addis Ababa from Sidamo (in tons): 1959 - 1970

Years	Months	Number of tons
1959-1960	January-December	15084
1960-1961	January-December	16504
1961-1962	January-December	16564
1962-1963	January-December	19261
1963-1964	January-December	22586
1964-1965	January-December	25047
1965-1966	January-December	16008
1966-1967	January-December	26214
1967-1968	January-December	20521
1968-1969	January-December	24424
1969-1970	January-December	32616

Source: The National coffee Board, Statistics (1971), p. 16.

Table VII. Coffee Arrived at Addis Ababa from Sidamo (in tons): 1980-1990

Year	Months	Clean coffee /ton/ supplied to market	Share of Gedeo and Sidama	
			Gedeo	Sidama
1980-1981	January-December	36, 423.60	18, 153.40	16, 070.30
1981-1982	January-December	38, 962.70	17, 400.20	15, 262.50
1982-1983	January-December	39, 553.90	16, 300.45	14, 053.45
1983-1984	January-December	64, 862.40	19, 232.20	16, 230.20
1984-1985	January-December	58, 314.60	21, 500.10	18, 004.50
1985-1986	January-December	59, 236.90	20, 006.30	17, 200.60
1986-1987	January-December	60, 588.70	24, 400.20	19, 218.50
1987-1988	January-December	61, 741.80	22, 300.40	18, 141.40
1988-1989	January-December	57, 286.60	19, 286.20	16, 140.40
1989-1990	January-December	58, 253.90	20, 601.40	18, 152.50

Source: The Ethiopian Coffee Board, *Statistics Data Base* (December1991), p. 19.

Table VIII. Export of clean coffee from SNNPR (Gedeo and Sidama) (in tons)

Year	Months	Clean coffee /ton/ supplied to market	Share of Gedeo and Sidama	
			Gedeo	Sidama
1993-1994	January-December	39, 333.50	13, 727.40	10, 580.70
1994-1995	January-December	39, 854.80	13, 909.30	10, 720.90
1995-1996	January-December	37, 457.20	13, 072.60	10, 076.00
1996-1997	January-December	66, 912.00	23, 352.30	17, 999.30
1997-1998	January-December	52, 054.80	18, 167.10	14, 002.70
1998 -1999	January-December	52, 054.70	15, 920.60	12, 842.60
1999-2000	January-December	57, 667.40	21, 254.90	16, 178.30
2000-2001	January-December	58, 344.80	21, 300.10	15, 044.70
2001-2002	January-December	50, 000.80	19, 167.10	16, 002.70
2002-2003	January-December	54, 000.80	17, 167.10	14, 002.70

Source: Adapted from Bureau for Agricultural Development, SNNPR, 1998

To conclude, commercial coffee production in Gedeo and Sidama was attributed to the Arbagugu coffee company, Italians interest on commercial farming, post-1941 efforts of the Imperial government in availing land for production, conduciveness of soil and climatic conditions of the regions, exposure of laborers to commercial coffee plantation, and awareness of governors about coffee economy. In its early phase, the coffee industry was a business largely run by settlers. In this case the role of local people was highly limited. Up to 1953, the framework of coffee production, processing and marketing was predominantly traditional. Finally, the introduction of modern coffee processing and marketing sytems improved the supply chain; however, in the production system the largest share belonged to smallholding farmers of the regions, who produced 90% of the beans.

5.3.2 Mechanization of the Processing Industry

For Arbagugu coffee company, the need for mechanization was inescapable because under a traditional system of production it was hard to expand the plantation, increase the supply and to maximize the profit. Thus, in 1916/17 measures were taken to improve situations such as water pumping, grass planting, pesticide spraying, using animal manure etc. The use of coffee husks as fertilizer and above all introduction of coffee pulping and processing machinery were important in increasing the product.[28] Finally, it was under the *Societè Generale de Culture* and the *Societè Generale des Plantations d' Abyssinie* (quite successful Belgian Companies in Ethiopia) that two coffee pulping machines were introduced in about 1916 and planted at Minnē and Bäqäqesa zones of the plantation.[29] As a research team of the 1980s asserts these seventy-five years old machines were reported as the first modern coffee industries in Ethiopia.[30]

Furthermore, in the 1940s, transported by pack animals from Bordädē to Assäbot and finally to Gollolcha, coffee processing plants (products of the English John Gordon Company) had processed about 30, 000 quintals of coffee both in the wet and dry methods.[31] This in turn had significantly increased the volume of coffee sold, the amount of money circulating and number of traders and laborers participating in the sector. This created a fertile ground for people of different cultures, languages and interests to come around either coffee production or trade or

[28]Ministry of Coffee and Tea Development, *Origin and Expansion*..., p. 19; WMTMA, Folder No. 334, File No. 14 (A report by the government delegate (Sileshi Akalu) about progresses and challenges of the company in reply to its complaints against the growing tax, 1946 E.C.), p.1; *Ibid*, Folder No. 334, File No.2 (Appeal of the Belgian Coffee Companies made to the Imperial government of Ethiopia for tax reduction, 1949 E.C.), pp. 3-5. In this case cover pages, introductory parts of each document explain efforts of the company in using various mechanisms to increase productivity of coffee plants.

[29]Frederick G. Meyer (1965), p. 140; and Pierre G. Sylvain (1958), p. 128.

[30]Ministry of Coffee and Tea Development, *Origin and Expansion*..., p. 22. It was a research team organized to document the origin and development of the Ethiopian coffee industry and its role in supporting development efforts of the country and to recommend on how to go about improving it efficiency and contribution for the national income.

[31]Z. Siemienski (1955), p.77; Pierre G. Sylvain (1958), p. 128; and Frederick G. Meyer (1965), p. 140.

service sector and interact.[32] Furthermore, owing to the low level of mechanization in the Coffee Plantation manual labor remained vital for both production and processing aspects of the industry, which provided more job opportunity for both skilled and unskilled labor.[33] Thus, the Arbagugu Coffee Plantation was the first mechanized plantation that provided job opportunity for laborers arrived at the camp irrespective of their origins.

In the 1950s and 1960s there were only ten coffee-cherry processing plants in the country, two of them in Gedeo, Yirgachäffē.[34] These two processing plants (washing stations built to process coffee in the washed style, popular in Latin America at that time) revolutionized Ethiopian coffee back in the 1950s. Thus, Yirgachäffē quickly became famous for it's sweetly complex, almost tea like washed coffees, and the area around Yirgachäffē town remains heaven for coffee buyers around the world.[35] Efforts of the Emperial government helped the production aspect to relatively expand more; however, the processing and marketing aspects of the industry remained largely traditional.

Eventually, from 1974 upto 1990 the *Därg* made effort to increase the amount of its income from coffee export. Thus, associations and cooperatives were formed and encouraged to expand processing aspect the coffee economy and mechanized it by erecting processing machines.[36] Finally, from 1991 to 2010 the government of EPRDF owing to low coffee price in the world market employed the policy of export diversification, which reduced the role of coffee in the

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[32]Z. Siemienski (1955), p.78; WMTRC, Folder No. 423, File No. 3 (Agreement signed between the Belgian Coffee Companies and Ethiopian Government, 1938 EC.), p. 19; and Gebremariam Bekele, "Economics of the Ethiopian Coffee Industry" (Unpublished, Ministry of Coffee and Tea Development, Addis Ababa, Ethiopia, 1989), p. 6. Sources indicate that despite onerous nature of the work, they were paid good wages under the initial and later companies. It was a company that employed the Gedeo and Sidama labors that recruited by itinerant slave traders.

[33]Ministry of Coffee and Tea Development, Origin *and Expansion*..., p. 24.

[34]Ministry of Coffee and Tea Development, *Origin and Expansion of the Ethiopian Modern Coffee Industry*, p 22; and Pierre G. Sylvain, "Ethiopian Coffee: It's Significance to World Coffee Problems," p. 122-123.

[35]Ministry of Coffee and Tea Development, *Origin and Expansion of the Ethiopian Modern Coffee Industry*, p 22.

[36]Bezabih Emana, "Cooperatives: A Path to Economic and Social Empowerment in Ethiopia," *CoopAFRICA* Working Paper; vol.1, no.9 (2009), p.5; and Yuko Kodama, "The Effects of Fair Trade on Coffee Producers: A Case Study of Ethiopian Coffee Cooperatives," *Proceedings of the 16th International Conference of Ethiopian Studies,* ed. by Svein Ege, Harald Aspen, Birhanu Teferra and Shiferaw Bekele (Japan/Trondheim; Institute of Developing Economies, 2009), p.1.

national export.[37] However, market liberalization increased privatization in the sector. It was a period when horticulture, particularly flower production has been considerably promoted by the government and the share of coffee in the national export was reduced to 33%.[38] The following table shows expansion of the processing industry in Gedeo and Sidama under the three successive regimes of the country.

Tale IX: Coffee Processing Industries Found in Geode and Sidama upto 2010

Province/Region	No. of Washing Stations	No. of Dry Processing Stations	Years
Sidamo	8 in Gedeo /15 in Sidama	23 in Gedeo /61 in Sidama	1941-1974
Sidamo	27 in Gedeo /69 in Sidama	33 in Gedeo /81 in Sidama	1975-1991
SNNPR	34 in Gedeo / 85 in Sidama	41 in Gedeo /93 in Sidama	1992-2010

Source: Coffee Processing and Storing Enterprise, Statistics (2015), p. 22.

To conclude, in Gedeo and Sidama there were 10 and 24 thousand coffee farmers respectively. In these two regions the nature of labor supply in the coffee industry was affected by sex and age biases. Production, processing, storing, transporting and marketing of coffee largely depended on traditional methods, which used to expose both the plant and its beans to relative wastages. However, as the following chapter shows, production, processing, storing, transporting and marketing aspects of the industry attracted various stakeholders to participate, which caused a number of developments that changed the two regions.

[37]Shewangizaw Sileshi, "The Role of Diversification in Reducing Impacts of Export Instability on Ethiopian Economic Growth: An Empirical Investigation" (M.A. Thesis, Economics Department, AAU, 2003), p. 54.

[38]*Ibid.*

Part III: Structure, Function and Actors of the Coffee Industry and Their Impacts

Chapter Six

Structure, Function and Actors of the Coffee Market in Gedeo and Sidama up to 2010

6.1 Introduction

The main thesis of this rerearch is continuity and change in the interaction and reaction of people and governments in coffee industry of the country in general and Gedeo and Sidama in particular. In line with this, chapter six deals with interactions between market actors and governing bodies in the coffee markets of Gedeo and Sidama. It emphasizes concepts like market, marketing, market management, market performance, code of conduct, and marketing channels to meet objectives of the research. Accordingly, market is defined as "...a particular group of people or an institution, or a mechanism for facilitating exchange."[1]

Definitions of marketing can be grouped into two major categories: narrow (traditional) and broad (modern) definitions. Narrowly, "...marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user or the process in a society by which the demand structure for economic goods and services is anticipated (enlarged) and satisfied through the conception, promotion, and physical distribution of such goods and services."[2] It mainly refers to the physical movement of economic goods and services. On the other hand, the broadest definition of marketing describes it as, "...the collection of activities

[1]Joe Marconi, *Cause Marketing* (Chicago: Dearborn Trade Publishing, 2002), pp.1and 2.

[2]Scott G. Dacko, *The Advanced Dictionary of Marketing* (New York: Oxford University Press Inc., 2008), 318. He states that the breadth of marketing was officially recognized by the American Marketing Association in 1985 when it replaced the classical definition it had approved in 1960 as follows. Therefore, "Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives." This implies that there is no universally accepted definition of marketing, indicating the variety of options, which exist concerning the subject.

undertaken by the firm to relate profitability to market."[3] Here, both the narrow and broad definitions assert that marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services and value with others.[4]

This chapter strictly follows the Rodger's and AMA's approach to marketing which is applicable to most agricultural systems. Hence,

> "*...marketing is the primary management function that organizes and directs the aggregate business activities involved in converting consumer purchasing into effective demand for a specific product or service and in moving the specific product or service to the final customer or user so as to achieve company set profit or other objectives.*"[5]

Similarly, the American Marketing Association (AMA) defines marketing as, "...the process of planning production, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals."[6]

The performance of all business activities moved in the flow of goods and services starting from initial agricultural production up to the point of their reaching the hands of ultimate consumers constitute the practice of agricultural marketing.[7] A farmer's outlook of his business depends on

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[3]Sharan Jagpal, *Marketing Strategy and Uncertainty* (New York: Oxford University Press, 1999), p. 47.

[4]C. Emrich, *Multi-Channel-Communications and Marketing-Management* (Frankfurt: Auflage, 2008), p.112; and Lars Perner, "Introduction to Marketing: 1999-2008" (PhD. Dissertation, Department of Marketing Marshall School of Business University of Southern California, Los Angeles, 2008), pp. 40-41.

[5]Rodger (1991) as cited in Michael Barker, *Marketing Principles* ((Oxford: Butterworth-Heinemann, 1999), p. 110.

[6]American Market Association (1995) as cited in Kolter Philip Kotler and Gary Armstrong, *Principles of Marketing*, 11th edn. (Upper Saddle River, NJ: Pearson Education, Inc. 2006), p. 47.

[7]Kotler (2003), p. 39; and R D. Agarwal, *Agricultural Marketing* (Frankfurt: Auflage 2004), p. 172; D. J. Lichtenthal, and L. L. Beik, "A History of the Definition of Marketing," J. N. Sheth (ed.), *Research in Marketing*, 7, (Greenwich, Conn.: JAI Press, 1984), 143–144. According to Agarwal, the modern marketing concept has evolved over a period of more than a century. He asserts that the role of marketing is primarily a function of the stages of economic development in a country. He shows that in a primitive society based on agriculture and handcrafts, exchange is very limited and marketing is more or less non-existent. In his explanation in early stages of industrialization also, marketing does not pose a serious problem because of the excess of demand over supply; and the main function of marketing in this stage is movement of goods from the points of production to the points of consumption. He also states that, in the third stage when production takes place on a mass scale, production exceeds demand and mass production needs mass distribution, marketing starts assuming an important role in the enterprise. In this stage, main focus of marketing is on selling and distribution. Finally, he indicates that it is in an affluent economy where customer is highly sophisticated and his/her wants take a specific shape, marketing-orientation takes place.

his personal experience, aspirations and opinions; however, there is a need for distinguishing between positions of product oriented and market oriented farmers. Product oriented farmers consider a major portion of their business as being concerned with the goods that their business wishes to produce. As opposed to this, the market oriented farmer places a great deal of emphasis on the production of goods that can profitably be sold and pays the requisite due attention needed to be given to a consideration of the likelihood of profit before production is undertaken.[8] As optimally most production orientation is highly likely to exist under conditions where a seller's market exists. And the challenge that farmers need to face is finding means of increasing outputs.

The other area of emphasis of this research is marketing management, which refers to "...the analysis, planning, implementation, and control of programs designed to bring about desired personal or mutual gain; first, it relies heavily on adaptation and coordination of product, price, promotion, and place for achieving effective response."[9] Thus, marketing management involves "...the choosing of target markets; and the acquisition, keeping and increasing of the numbers of customers by creating and delivering and communicating best customer values."[10] It also involves a coordinated planning, application and control of marketing efforts.[11] Furthermore, management audits the market performance that represents, "...the way in which markets and marketing contribute to various aspects of economic performance."[12] The criteria for assessing the performance can be divided into two categories i.e., those related to economic efficiency and performance objectives. The efficiency category has components related to technical operational

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[8]Michael Baker, *The Marketing Book* (Oxford: Butterworth-Heinemann, 2003), p. 55; and Francis Buttle, *Agricultural Marketing: Theory and Practice* (London: Chapman, 1996), p. 123.

[9]Kolter Philip Kotler, *Principles of Marketing Management* (Harlow: Pearson Education Limited, 2003), p. 39.

[10]*Ibid.*

[11]Robert Evans and Peter Berman, *Principles of Marketing Management* (Oxford: Butterworth-Heinemann, 1990), p. 43. According to them marketing manager performs all stated functions that are performed by all other managers. As they indicate major aspects of the functions are: "setting marketing objectives (including sales targets), planning the marketing mix (comprising the product, pricing, promotion, and distribution), organizing, staffing, coordinating, directing and controlling."

[12]R. Scarborough and D. Kydd, *Marketing Management* (London: Chapman, 1992), p. 27.

and exchange efficiencies, whereas the objective part includes innovation, inter-secretarial resources.[13]

Finally, it is with the aim of marketing attempts of having a look at the case of marketing channels which are sets of interdependent organizations involved in the process of providing a product or services for consumption that this research is designed around.[14] Accordingly, "a marketing channel is a specific sequence of intermediaries and markets through which goods pass from producer to consumers."[15] Thus, distribution decision is a critical component of the marketing decision that a producer can make. In this case, a crucial factor needed for creating customer value and differentiating between offerings of a certain producer from another is the design of a distribution system set by a producer.[16]

As some writers noted, the field of distribution is made up of two distinct branches: channels of distribution and physical distribution.[17] A network of intermediaries that mange a flow of goods and services from the producer to the final consumer constitute the channels of distribution. The actual movement of goods and services (i.e., logistics) make for the physical distribution activities, focusing on the transportation and storage of goods, correspondingly the two particular marketing channels through which farmers dispose of their output are marketing channels.[18] Therefore, the discussion in this chapter depends on the above mentioned concepts of market principles and structures.

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[13]Peter Doyle and Philip Stern, *Marketing Management and Strategy*, 4th ed. (Harlow: Pearson Education Limited, 2006), p. 40.

[14] K.P. Kotler (2003), p. 38; and S. L. Hawkins, How *to Succeed in Network Marketing* (London: Piatkus, 1991), p 80.

[15]Frederick E. Webster, 'The Changing Role of Marketing in the Corporation,' *Journal of Marketing*, Vol. 56, No. 4 (1992), pp. 9–10; and M. Lisa Keefe, "What is the Meaning of 'Marketing'?" *Marketing News*, 15, (September, 2004), pp. 17.

[16]Sally Dibb *et.al. Marketing: Concepts and Strategies*, 5th ed. (New York: Houghton Mifflin, 2006), p. 137; P. Kotler and G. Armstrong, *Principles of Marketing* (Upper Saddle River, NJ: Pearson Education International, 2004), p. 44; Anderson and Vincze, *Marketing Channels* (New York: Wiley, 2000), p. 88.

[17]P. Anderson and W. Vincze, *Marketing Channels*, p.120. According to these writers, in the channels of distributions, as products move from one intermediary to the next, exchange takes place, which includes exchange of physical goods, intangible services, and value added dimensions. They explain that the success of this network depends on relationships among producers, wholesalers, retailers, sales representatives etc.

[18]Michael Barker, *Marketing Channels* (New York: Wiley, 1989), p. 76. He indicates that a number of well tried and tested channels have been used throughout generations by farmers, and the most important of these will be considered from the point of view of their use for particular commodities, and their individual advantages and disadvantages.

6.2 The Structure and Function of Coffee Market and the Role of Governments

6.2.1 Domestic Coffee Market Chain from Growers to Export Transactions

Coffee as an agricultural commodity that Ethiopia relies on to generate income both from local and global markets has played a key role in bringing farmers, laborers, suppliers, traders, consumers, brokers, servicemen, governors, supervisors etc. together to interact. Such interaction of each stakeholder and the money which came from coffee and related business caused several changes that were new to Gedeo and Sidama. Besides, economic history of the country clearly shows the dominant role coffee played in the national export. In the period between 1943 to1969, coffee accounted for more than 62 per cent of the total national export.[19] For example, from 1946-1951 the total income that the country earned from the coffee exported was about 25, 000 USD and the exported amount of coffee was 29, 345 tons. In the subsequent years, 1952-1956 about 53, 186 tons coffee was exported and 48, 000 USD was earned.[20]

Despite benefits that drived from coffee export, it was since 1957 that price fluctuation had become a serious headache for both producing and trading groups of the country. In the history of global coffee market, specifically from 1942 to 2010 the issues of supply, demand and price have remained prerogatives of industrialized nations and there was no room for farmers and suppliers to bargain.[21] Furthermore, the above-mentioned coffee cases were also complicated by independence struggles, global politics and ideological differences of the Cold War era.

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[19]Täkätäl Hailemariam, p. 62; and OSS/State Department, *Intelligence and Research Reports Part XIII; Africa 1941-1961* (Cambridge: Cambridge University Press, 1959), p. 447. It is available in IES (microfilm department).

[20] *Ibid.*

[21]UNDP, *Integrated Development for Africa* (New York: United Nations Development Program, 2005), p. 174; UNDP, "Human Development Report 2005: International Cooperation at a Crossroads" *Aid, Trade and Security in an Unequal World* (New York: United Nations Development Program, 2005), p. 196; Oxfam International, "Annual Report on Developments of Ethiopia" *Oxfam Development Report* (New York, Oxfam, 2005a)" p., 90; and FDRE, "Coffee Development Project" (2003b), p. 142.

In the history of Ethiopian coffee market, both formal and informal trade, which operated at various levels and directions, were very significant. The formal one functions under rules, regulations, orders, directives etc. issued by government bodies at various levels. The informal coffee trade however, was basically dictated by local circumstances like incompatible supply and demand, low price, high tax, coffee diseases, ethnic conflicts, smuggling, etc., which occurred at various times. For example, during the Imperial period coffee markets lacked uniformity and were determined by the will of regional governors.[22] It was during the socialist *Därg* that the structure of coffee market was fairly organized centralized and institutionalized.[23] However, the Imperial and the *Därg* coffee market structures shared similar features because they had only two levels, the local and national, which operated under strict control of the Coffee Board. Finally, the current coffee proclamation by the EPRDF recognizes three coffee markets: the Local Coffee Markets, Coffee Auction Centers and the Ethiopian Commodity Exchange (ECX), which requires any coffee merchant to transact coffee only in these centers.[24]

However, beginning from 1980, there is a domestic coffee marketing chain from farm gate to export. Market participants are numerous and include smallholder coffee farmers or state farms, primary collectors ('*säbsabies*'), suppliers ('*akrabies*'), processors, service cooperatives, unions,

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[22]Ministry of Agriculture and Rural Development, "Coffee Development Project (2003a)," p. 2. It shows that during the imperial and the *Därg* periods the nature of market relation was more of vertical. It asserts that market relations of the two regimes ignored the horizontal one, which was very important to create link among coffee producers and traders to maximize government income from the coffee trade and minimize illicit market.

[23]Institute of Agricultural Research, *Coffee Development Progress Report: 1985/2986* (Addis Ababa: IAR, n.d), pp. 57-58; and International Food Policy Research Institute, *Agricultural Development in Ethiopia* (Rome: FAO, 2001), p. 47. According to IAR and IFRI, throughout the *Därg* regime owing to the socialist ideology it followed there was a tendency of ignoring the western world, which used to consume Ethiopian coffee during the imperial period. They further show that in this particular period exports and imports were dominantly linked to socialist Russia and East Germany. They also indicate that such limited source and destination of markets accompanied by crises at home related to nationalization of coffee farms and inefficiency of associations mandated to handle the coffee production and market seriously reduced the role of coffee in the development of the regions. They finally indicate that this period marked the gloomy phase of coffee trade in Ethiopia, mainly in making foreign currency to maximize the national revenue.

[24]NALA, Folder No.187, File No. 8.1.124.5 (1986 EC.), p.13, a document prepared by Coffee Plantation Development Corporation, government plan for coffee industry of the country; Coffee Quality Control and Marketing Proclamation, Art 2/21 (2001), p. 16; Ministry of Agriculture and Rural Development, "Coffee Development Project (2001a)," p. 2; and Gabre-Madhin *et al.* (2003), pp. 49-50.

exporters and various government institutions. Many participants are required to have specific licenses for their respective functions; for example, *säbsabies* have to sell to *aqerabies*, *aqerabies* deliver their coffee to the auction but are not permitted to export it, and exporters are only permitted to buy coffee from the auction.

In general, official documents many indicate that the domestic market channel from farm gate to export consisted of nine key participants: assemblers/collectors, wholesalers, processors, brokers, exporters, cooperatives/unions, government agencies, financial service providers, and industry associations.[25] The key interface between farmers and markets occurred primarily at the level of the market at *käbälē* and nearby town usually the *wäräda* capital and/or a junction between primary or secondary roads, with marketable surpluses moving onward through a chain of exchanges in regional and terminal markets. Their significances will be analyzed from historical point of view as follows.

6.2.1.1 Local Coffee Markets (Primary Transaction Centers)

Numerically, local coffee market is the largest that found in each coffee growing areas and villages of the two regions. It is also the foundation of all markets at regional, national and international levels. This is because production of coffee in Ethiopia is dominated by small farmers, who supply about 90% of coffee and the rest 10% comes from private and government owned large-scale farms.[26] Owing to their sizable number and location very near to production sites, local markets were open to entertain interests of both informal and formal markets. It was the market where the principle of maximum benefit is more effective than the government rules

[25] *Ibid.*

[26] *Negarit Gazeta*, A Proclamation to Establish Local Coffee Markets, Proclamation No. 57/1957, Article 16, Year 16, p. 3; Ministry of Agriculture and Rural Development (2001a), p. 2; and *Negarit Gazeta*, Ethiopian Commodity Exchange Proclamation, Art 20(1) Proclamation No 550/2007, Year 13, No 61, p. 128, a proclamation to establish ECX.

in dictating the pattern of trade. This market was also basically characterized by a serious scarcity of capital. Particularly, up to the 1970s the role of government rules and regulations was hardly important in regulating the supply of coffee in the local market, which has its own impact on the coffee quality and trade. Collecting coffee from the fragmented small-scale farmers, for instance, is a laborious business, which consumes both energy and time. The conventional practice in the past was that it was done by primary collectors (*säbsabies*), locally licensed coffee traders, who bought it in truckload quantities from farmers in the village markets.[27] Due to lack of sufficient capital for the purchases of such quantities of coffee these people, however, used to operating as sub-agents of the supplier (*aqerabis*).[28]

In the history of coffee sector of the country at large and Gedeo and Sidama in particular, the growing role and involvement of intermediaries was decades-long challenge because they were largely blamed for abusing both the product and the producer at the same time. In an effort to ease difficulties and avoid 'unnecessary' roles as intermediaries and, in a way, improve coffee quality, the Coffee Quality Control and Marketing Proclamation (2001) stipulated for the establishment of local markets called Primary Transaction Centers or Local Coffee Markets. In this regulation, a Primary Coffee Transaction Center is defined as a "...a place prepared by the legitimate regional body for trading red cherry and sun dried coffee..."[29] in coffee producing areas of the country.

Article 5(3) of the regulation stipulates that the organs are entrusted with the power of establishing such centers to determine a number of distributions of such centers in consultation with the organs which regulate trade. But it reserves the right to set down criteria that these organs abide by which include proximity for coffee producers and suppliers suitability for

[27] Institute of Agricultural Research, "Coffee Research Team Report: 1981-1982" (Addis Ababa, IAR, 1983), p. 40.
[28] *Ibid.*
[29] Coffee Quality Control and Marketing Proclamation Article 2/1, b, p. 2. It defines appropriate regional organ as "Agriculture and rural development bureau of a coffee producing region or any other organ of the region in charge of similar functions."

trading red cherry and sun-dried coffees, sharing similar properties for entrance and exist of motor vehicles as well as for transporting the coffee to processing plants within 12 hours after completion of the transaction and with sufficiently permissible distance from school, health and religious institutions. Further requirements of the article include that each center has a minimum dimension specification of 50 by 50 meters common services such as market data board loading and unloading platform(s) and dry waste burning and pit latrines.[30]

Primary transaction centers may be established in such a way as to serve for two or more neighboring coffee producing *käbälēs* or *wärädas* (districts). In such occasions, Article 5(3) of the regulation requires the place and number of the centers to be determined jointly by the appropriate regional organs and/or the bureaus of agriculture and rural development of the respective *wärädas*. Routine transactions are carried out at each center only between coffee farmers or coffee farmers cooperatives that collect and supply coffee from their members on the one hand and coffee suppliers on the other.[31] It is a requirement of the transaction that each supplier has a weighing scale certified by the Ethiopian Quality and Standards Authority.[32] The implication being: the creation of an enabling environment for coffee suppliers to have a direct access to coffee from the farmers or farmers' cooperatives is an integral part of the main objectives of the new coffee legislation.

The purpose of limiting actors in these centers to only producers and suppliers was to reduce the overvalued role that collectors (*säbsabies*) usually played in the coffee provision.[33] This has also made possible meeting two more possibilities at the same time. 1. Shortening the long coffee

[30] *Ibid*, Article 5(1), p. 29; 5(2), p. 33; and 7(1), p. 51.
[31] *Ibid*, p. 36.
[32] Coffee Quality Control and Transaction Council of Ministers Regulation, Art 3(1), p.28 (dealing with coffee quality).
[33] በኢትዮጵያ ፌዴራላዊ ዲሞክራሲያዊ ሪፑብሊክ የኢትዮጵያ ምርት ገበያ የቡና ግብይት አሰራርን አስመልክቶ የተዘጋጀ ጽሁፍ (አዲስ አበባ 2001) ገጽ 3-4. Currently, there are eighteen and fifty primary transaction /local markets in Gedeo and Sidama respectively (see appendix vi)

market chain to enable producers to get fair prices from purchasers at local markets (suppliers). 2. Indirectly affect preservation of coffee quality, the premise of which rests on the assumption that collectors do not increase any value on the coffee they collect from producers but rather coffee quality simply deteriorates as it changes many hands. The other undesirable aspect of maintaining coffee quality was that these collectors were blamed for mixing coffees coming from different agro-ecologies.

To conclude, up to 2010 in Gedeo and Sidama, these centers were established in many coffee producing areas but detailed requirements were not stated and compiled.[34] Moreover, the other challenge in this case was that most of the coffee farmers did not bring their produce to these centers and instead, they continued to supply their coffee to collectors.[35] In general, there were three main reasons that affected successes of these markets.[36] 1. Majority of the coffee farmers were small-scale farmers, that their produce was small and the cost of round trip transportation and other contingent costs they incur made it economically risky. 2. Most of the old (physically weak) coffee farmers were unable to transport their produce to these markets, which made collectors to be the only option at their disposal. 3. There was no major difference in the price at which collectors received from farmers in primary transaction centers. From the above rationales, it is possible to conclude that the role of legal provision seems hardly practical in governing the local market because governing bodies failed to provide and check supports necessary for the implementation of enacted laws at the grassroots level.

[34] *Ibid*, p. 4; and Informants: *Ato* Tayē Chomän, *Ato* Haile Bäyänä and *Ato* Birbato Bonsa. Relatively Oromia was better because in Oromia Regional State, many things including the design of these market centers were about underway.

[35] *Ibid*.

[36] Informants: *Ato* Tayē Chomän, *Ato* Haile Bäyänä and *Ato* Birbato Bonsa.

Finally, local markets have been the most vulnerable whenever coffee crises come. Suppliers of local markets are the majority and the first to suffer consequences of the coffee crisis whatever its type and origin. Even after the fall of the *Därg*, according to the latest Human Development Report, Ethiopia is one of the countries that is most affected by the crisis in world coffee prices.[37] Exports earnings have fallen dramatically and the price shocks absorbed by coffee producers in Ethiopia have been enormous. Using household-level data, UNDP estimates that the loss of income in 2003 amounted to about US$200 per household, while for every $2 in aid received by Ethiopia in 2003, $1 was lost through lower coffee prices.[38]

In its report on the impact of the coffee crisis on farmers in Kafa province, Oxfam International reveals a similar picture. It argues that farmers cannot cover their basic production costs and are operating at a loss, while some primary cooperative societies have gone bankrupt and many traders and exporters were forced to stop operating.[39] However, the differentiation of coffee farmers means that not all of them suffered similar shocks of the crisis in prices. It was also beyond the capacity of Ethiopian government to intervene in stopping the crisis and the most blameworthy for these circumstances was world market, which suffered from world recession of the period that resulted in both low demand for coffee and its prices.[40] The following tables (table X and XI) also show the number of local coffee markets and their coffee suppliers in Gedeo and Sidam which directly or indirectly have been suffering from flactuaing price of the world market.

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[37] UNDP, "Human Development Report... (2005)," pp. 143-144.
[38] *Ibid.*
[39] Oxfam International, "Annual Report on Developments of Ethiopia," p. 121-122.
[40] *Ibid.*

Table X: The number of Major Local Coffee Markets in Gedeoa and Sdama Zone

Gedeo Zone						
Yirgachäfē	Wonago	Fisehagänät/Kocherie	Bulē	Chälläqetu	Qoffē	Total
15	8	7	6	5	6	47
Sidama Zone						
Shebedino Wäräda	Dale Wäräda	AletaWendo Wäräda	DarraWäräda	BensaWäräda		Total
11	16	13	5	5		50

Source: SNNPR, *Statstcics* (2010), p. 12

Table XI: Number of Coffee Farmers/suppliers to local Markets of Gedeo and Sidama

Gedeo Zone						
Yirgachäfē	Wonago	Fisehagänät/Kocherie	Bulē	Chälläqetu	Qoffē	Total
5,110	1,206	1, 200	920	840	741	10,017
Sidama Zone						
Shebedino Wäräda	Dale Wäräda	AletaWendo Wäräda	DarraWäräda	BensaWäräda		Total
5,112	7,010	5, 009	3, 008	4, 010		24,149

Source: UCC (The Japanese Coffee Company) *Statistics* (2010), p. 19

6.2.1.2 Coffee Auction Centers

Historically, the Ethiopian coffee market has been characterized by a long chain in which many actors such as coffee farmers, famers' cooperatives/unions, collectors, brokers, suppliers, service cooperatives, processors and exporters participate at various levels and in different capacities. For long time in the past, particularly up to the 1970s, coffee trade was a business predominantly run by the help of brokers who used to circulate coffee in their handkerchiefs or pockets between farmers on the one hand and suppliers and exporters on the other.[41] As farmers, suppliers and exporters didn't have sufficient information, however, brokers used to play irreplaceable role in coffee trade, which made the trading system costly and highly arbitrary leaving other participants at the mercy of intermediaries.[42] In this case, informants unanimously agreed that at regional

[41]Daniel Ayana, "Coffee and Food Crop Production for Self Sufficiency: the Case of W. Wollega, an Outline," *Proceedings of the Third Annual Seminar of the Department of History* (Addis Ababa AAU Press, 1986), p. 122; and Rita Pankhurst, "The Coffee Ceremony and the History of Coffee Consumption in Ethiopia," *Ethiopia in Broader Perspective: Papers of the XIIIth International Conference of Ethiopian Studies,* Vol. II (Kyoto, 12–17 December1997), p. 526.

[42] *Ibid.*

levels, mainly in Gedeo and Sidama the role of brokers has remarkably been increasing, even to date, in affecting coffee markets of the region.[43]

Even if formalization of coffee trade started in the first half of the 1950s, the establishment of central market was a recent phenomenon. It was only in 1972 that the coffee auction system was established, "...at the request of both suppliers and exporters equally concerned by the need for an improved trading system that would be managed, at their request, by the state as a neutral third party."[44] Thereafter, all coffee produced in the country had to pass through the auction markets.[45] To realize this proclamation effectively two auction markets, one at Addis Ababa and the other at Dire Dawa were established with 80% and 20% shares respectively.[46] In this case Gedeo and Sidama coffees and some other coffees that came from western part of the country like Kafa, Jimma, Illubabor and Wollega were destined to join the auction center at Addis Ababa. However, for some coffee farmers and suppliers of all coffee producing areas, joining auction centers was very tough because they failed to afford transportation cost and to get technical support to meet requirements of auction centers.[47]

The establishment of auction centers forced every coffee supplier of the country to bring coffee of different areas to specific markets they liked to join and sell it without blending. After

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[43] Informants: *Ras* Mängäsha Seyoum, *Ato* Dawit Wonbēto, *Ato* Lēdamo Koroso and *Ato* Umē Utumo.

[44] Coffee Quality Control and Marketing Proclamation, Art 2/21(1972), p. 16.

[45] LMC, *The Ethiopian Coffee and Its Global Challenges* (Addis Ababa: Chamber P. Plc., 2003), p.122; and Dempsey (2006), p. 78. Normally, all Ethiopian coffee should pass through auction centers. However, since 2001, cooperatives and to a lesser extent private investors have been granted permission to by-pass coffee auctions, opening the way for direct export sales.

[46] Nicolas Petit, "Ethiopia's Coffee Sector: A Bitter or Better Future?" *Journal of Agrarian Change*, Vol. 7, No. 2 (2007), p. 242. According to Petit, on arrival in the Addis Ababa or Dire Dawa auction centers, all beans are taken to the auction compound where their provenance and quality is tested on a sample basis by the Coffee and Tea Quality Control and Liquoring Unit (CLU). He also indicates that grading standards are set according to the number of defects and the type of processing. The main export grades are grade 2 for washed coffee and grade 4 and 5 for unwashed coffee. For example, washed coffee supplies are usually dominated by Sidamo 2, Limu 2 or Yirgacheffē 2, while the most common unwashed coffees are Jima 5, Sidamo 4 or Harar 5. Finally he concludes that at the auctions, there is an emphasis on keeping consignments from different regions separate in order to maintain the distinctive flavor of the different regions

[47] NALA, Folder No. 48, File No. 9.1.136. 07 (1977), p.11 (government plan for coffee industry of the country); and Informants: Jämma Haji (PhD), *Ato* Dawit Wonbēto, *Ato* Lēdamo Koroso and *Ato* Umē Utumo

identifying each coffee based on the region where it came from, inspection of quality and grading process takes place which was done on a sample basis by the Coffee Quality and Liquoring Unit of the organs, responsible for overseeing the industry at different times.[48] Grading was made based on the number of defects and type of processing.[49] Samples of the graded coffee were displayed to bidders in the halls an hour before the beginning of auction proceedings. Bidders bid the lots one by one in a "Dutch style ascending price bidding system."[50] Following the sale, sellers were required to take the purchased coffees to the warehouse of the buyer to get paid within three days.[51] Finally, all coffees that met export standards were directed for export and the remaining ones for domestic consumption. At this juncture, the fate of coffees, which failed to qualify for export "*wudaki bunna*" (defective) was very gloomy because sometimes suppliers of such coffees would be forced to handle the selling process by themselves and pay a large amount of money for storing purpose.[52] According to some informants the national market lacked transparency and largely unfair because secretly organized brokers and wholesalers used to confuse merchants who came from various regions (were ignorant of the urban situations) and play hid and sick to purchase their coffees at a lower price.[53]

The legal place given by the present coffee law to the auction model seems confusing. This is because on one hand, the new coffee proclamation recognizes the auction centers as one of the

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[48] J. Dempsey, *A Case Study of Institution Building*..., p.78.

[49] *Ibid*; and Coffee Quality Control and Transaction Council of Ministers Regulation, Feb., Art 2/1(c), Regulations No.161/2009, Year 15, No. 22, p. 9. Particularly Dempsey states that finally, deliveries which do not meet export standards are rejected and redirected for the domestic market. Ethiopia, along with Brazil, is one of the only producing countries with a strong coffee-drinking culture. He also indicates that a large proportion of coffee consumption in Ethiopia occurs, on-farm which makes levels of consumption difficult to assess. Finally Dempsey analyzed ICO statistical database; thus, the ICO estimate for local consumption in 2005 was 1.83 million (60 kg) bags, i.e. more than 40 per cent of production.

[50] Ethiopia Commodity Exchange Proclamation, Article 20(1), Proclamation No 550/2007, Year 13, No. 61, p. 128.

[51] Ministry of Agriculture and Rural Development, Agricultural Marketing Sector, *Coffee: the Gift of Ethiopia to the World*, (Addis Ababa: MoARD, 2007), p. 28; and International Food Policy Research Institute, *Strategies for Food Security in Africa* (Rome: FAO, 2001), p. 47.

[52] Informants: *Ato* Dawit Wonbēto, *Ato* Wolqisa Woma, *Ato* Tayä G/Mariam *Ato* Lēdamo Koroso and *Ato* Umē Utumo.

[53] *Ibid.*

present three coffee market channels. Article 2(21) of the proclamation in particular provides the following.

> *Coffee transaction between a coffee producer and coffee supplier; or where it is supply coffee intended for export, between a coffee supplier and a coffee exporter; where it is supply coffee and below an exportable grade, between supplier and a domestic wholesaler; or where it is not exportable, coffee by product, between a coffee exporter and a domestic wholesaler; shall take place in lawful transaction centers.*[54]

However, on the other hand transaction centers are "...local markets designed by the regional organ having legal power (primary transaction centers) for trading of red cherry coffee and coffee with pulp;[55] the auction centers and the Ethiopian Commodity Exchange (ECX)."[56] In reinforcing this stipulation, Article 6(1) of the proclamation delegitimizes the trading coffee outside of these three market centers.[57] Nevertheless, neither the proclamation nor the subsidiary coffee legislation defined what auction centers were. All the same, and by analogy, there was only one model of coffee auction centers in each of the three administrative regimes of the country. This is because there was no other auction center than the coffee auction model that was functional in the country until 2008.

The above mentioned double standard of the law appeared to be a source of trouble for coffee sector of the country at large and the two regions in particular as it will be presented in chapter six. This was because it put both coffee producers and suppliers in dilemma where to go and what to meet specifically. Some requirements of auction centers were vague and extremely general, which lacked details to be specifically realized by suppliers and other units of the center.

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[54] Coffee Quality Control and Marketing Proclamation, Article 2(21), p. 16.
[55] *Ibid.*
[56] *Ibid*, Article 4(1), p. 39.
[57] *Ibid*, Article 6(1), p. 58.

According to some informants sometimes vagueness of the requirements and increasing rate of storage cost forced suppliers to run away by abandoning their coffees where they were stored.[58]

The coffee court (a special court dedicated exclusively to see coffee cases only) was serious in penalizing such individuals, who ran away by dumping their coffee in stores. For example, in 1973 about seven coffee suppliers four from Gedeo and three from Sidama, who dumped their coffee in the stores and managed to escape without paying for storage services were penalized for their acts of violating the rule.[59] In this case individuals, like *Sheik* Kämal Hamza, *Ato* Kifle Belachew, *Ato* Bäyänä Mumicha and *Ato* Asäfa Täshomä of Läku, *Ato* Täshomä Nure and Ato Re'isom Tädla of Dilla, *Ato* Habtē Tura and *Ato* Asäfa Räda of Yirgaläm, *Ato* Siraj Bädhanē of Alätawondo, and *Ato* Dässalägn Hashamē of Yirgachäffē were some of the individuals who were punished for failure to pay for stores on time.[60] Similarly, abusing coffee was also punishable by law. For example, suppliers who loaded coffee with red-pepper on the track to transport it to auction centers were punished.[61]

Furthermore, the regulation which was issued to implement the proclamation switched all coffee trade to the ECX. According to Article 4(1) of the regulation, "...transactions in supply coffee and coffee by-products shall take place only at the ECX in accordance with the rules of the Exchange."[62] Apparently, this contravenes the above provisions of the proclamation and violates the rule in hierarchy of laws. In other words, regulations issued by the Councils of Ministers cannot

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[58]NALA, Folder No. 528, File No. 37/16/48, penalty passed on twenty two individuals who mishandled coffee beans and failed to pay for storage service, which was violation of provisions made in line to coffee industry (24 *Hedar* 1965 E.C.); and Informants: *Ato* Dawit Wonbēto, *Ato* Lēdamo Koroso and *Ato* Umē Utumo.

[59]*Ibid.*

[60] Kifle Täkläab," Coffee in the Ethiopian Economy," *AgrEkon.* Vol. 8, No 3 (1978), pp. 63-64; and *AddisZämän*, Vol. 33, No.4, Year 19th (4 *Ter* 1952 E.C.), p 3, news of decisions of the court on individuals who abused coffee in transporting.

[61] *Ibid.*

[62] Coffee Quality Control and Marketing Proclamation, Article 2(21), p. 16, and Article 4(1).

contradict the proclamation which is enacted by the House of Peoples Representatives (HPR), the supreme organ at the federal level in which legislative power on all federal matters is vested.[63]

Regardless of this fact, Ministry of Agriculture and Rural Development (MoARD) states that the regulation does not go against the proclamation; rather it did away with the auction model by shifting the whole coffee trade to the ECX. Thus, it advocates this as non-violation of the principle of hierarchy of laws; rather it should be taken as a government move to favor the exchange model over the auction model.[64] Similarly, the ECX provision upholds the view and states that the proclamation sets the general legal framework and up to the Council of Ministers to choose the one which it deems suitable at different times.[65] This means government can stop the present commodity exchange trading system and switch back to the former auction model whenever considers it appropriate.

As it will be explained in chapter seven, it was under such a blurred legal system and unpredictable market situation that coffees that came from two regions were sold arbitrarily and producers and suppliers suffered consequences of the market failures. The legal provisions lacked not only transparency but also failed to have an auditing body whether provision were properly and effectively emplemented or not. There was also a considerable gap between coffee suppliers and higher officials who were mandated to look after the case; thus suppliers who had come from the two regions failed to have someone to appeal to about what happened and find solutions to manage the crises.[66] Lack of clarity in legal regimes at the national level also made the crop vulnerable to mishandling and smuggling in the regional markets.

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[63] *Negarit Gazeta*, Constitution of the Federal Democratic Republic of Ethiopia (hereafter, the FDRE Constitution), 1995, Article 50(2), (55(1), and 77(13) Proclamation No. 1, Year 1, No 1.

[64] Ethiopia Commodity Exchange Proclamation, Art 20(1), Proclamation No 550/2007, Year 13, No. 61, p. 128.

[65] *Ibid*, p. 73.

[66] Informants: *Ato* Dawit Wonbēto, *Ato* Wolqisa Woma, *Ato* Tayä G/Mariam *Ato* Lēdamo Koroso and *Ato* Umē Utumo

Even if price discovery, transparency, reward for quality, immediate payment and competition were labeled as the major strengths of the auction system, it was subject to several weaknesses. For example, the auction model was found to be a forum for secret acts that market actors applied in various forms.[67] 1. It was an instrument of the few to block new entrants and silence the rest. In this case, a few market participants used to control the whole coffee market at large and the export sector in particular. They realized it in many ways like by vertically and horizontally integrating themselves and with others by, among others, forming different sister companies and trading with one another and finally they unduly dominated those coffee traders who did not cooperate with them.[68] As a result, coffees that came from each producing region including Gedeo and Sidama failed to get fair price and transparent market, which in turn affected development of the sector.

According to some sources, the establishment of auction centers inspired provincial governors to organize coffee markets of the province into six major centers. To control the coffee sector effectively each market center was controlled by a committee consisted of two presidents (main and vice) and eighteen members. Heads of each committee were rich and influential men directly accountable to governors of the province and given mandate to supervise each development related to coffee in their respective towns and nearby village markets. The six major centers and their respective president were Yergaläm (*Ato* Abäbä Wäldätsadiq), Alätawando (*Ato* Gēṭu Wändmagäñähu), Dilla (*Ato* Täferi Bäyänä), Wänago (*Ato* Agäññähu Faris), Yergachäffe (*Ato* Täshomä Bädhanē), WalayitaSodo (*Ato* Bäläṭä Wäldätsadiq) see also appendix v.[69] As it will be shown below they played a key role in accelerating government control over the coffee economy.

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[67] *Ibid*, p. 91.
[68] Informants: Jäma Haji (PhD), *Ato* Gētachäw Alako, and *Ato* Shikurē Shafi.
[69] *AddisZämän*, Vol. 33, No.4, Year 19th, news announcing the establishment of committees (10 *Ter* 1952 E.C.), p 3

2. The auction system was characterized by serious contract enforcement problems. In this regard, the most notable and widely practiced problem was issuing of *cheques* in the absence of or insufficient funds in the issuers account, which resulted in payment defaults.[70] As part of the effort to manage prolems related to the auction system government introduced *cheques* in the coffee trade. However, according to oral sources, the dry *cheque* system was a daylight robbery that market actors run against coffee suppliers.[71] For example, in the 1960s and the first half of the 1970s it was very difficult for Gedeo and Sidama suppliers even to get part of their money; thus, they found it totally discouraging. It was the *Därg*, which relatively solved the crises related to dry *cheque* because individuals were almost banned from taking part in purchasing coffee. Eventually however, it appeared to recover during the government of EPRDF along with privatization of the sector.

3. The auction system failed to consider benefits of coffee producers and suppliers. As it has been mentioned above about 95% of Ethiopian coffee comes from small scale farmers. But the share of these farmers from the total market price of coffee both in the national and international markets was negligible.[72] Exporters buy first and second grade coffees from auction centers in commercial grade but they sell it in the international specialty coffee market fetching much higher price than the purchasing price.[73] This in a way adversely affected not only farmers but also suppliers though the degree varies.

In general, the auction system which was functional from 1972 to 2008 continued to affect coffee producers and suppliers. The absence of a clear legal regime regarding its role and structure also

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[70]*Ibid.*

[71]Informants: *Ato* Gäbäyähu Waqo, *Ato* Zälläläwu Urgē, and *Ato* Sisay Agäzä. They agree that, the dry *cheque* was one of the major problems in the coffee market, which exposed suppliers to a series of embezzlement.

[72]Dempsey (2006), p.80.

[73]Informants: Jema Haji (PhD), *Ato* Getachew Alako, and *Ato* Shikure Shafi.

helped a few individuals to manipulate the system for their own ends. Therefore, as part of coffee producing and supplying regions of the country, Gedeo and Sidama experienced similar auction based hazards. The above inherent weaknesses of the auction model, which lasted for about three and half decades (1972-2008), were some of the major causes for expansion of illicit coffee market in these two regions, which affected the national income that was supposed to be generated from the sector. As it is explained in this chapter, unfairness, lack of transparency, vagueness of the law, and strong government control were major defects that discouraged both producers and suppliers from taking the auction system as the best option and look for other alternative markets to sell the commodity at a better and more rewarding price.

6.2.1.3 The Ethiopian Commodity Exchange (ECX)

In the Ethiopian coffee industry the other new market system introduced by the new coffee law in 2008 is the commodity exchange model. As it is noted above, currently coffee trade functions under the guardianship of Ethiopian Commodity Exchange.[74] However, the Ethiopian coffee trade experienced a near collapse in 2008, which forced the government of EPRDF to introduce the commodity exchange model. Coffee sector of the country that has for long been known for its high quality specialty beans was threatened by a number of circumstances like the new government regulation initially aimed at commoditizing.[75] Pricing power along the value chain was eroded by eliminating pricing manipulation through established co-producers and exporters, with farmers as intended beneficiaries.

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[74]Coffee Quality Control and Transactions Council of Ministers Regulations, Article 4/1 (2009), p. 28.

[75]Dawit Alemu & Gerdien Meijerink, *The Ethiopian Commodity Exchange (ECX): An Overview* (Wageningen: EPOSPEA, 2010), pp. 5-6; and Bharat Kulkarni, "ECX, the Trading System," *National Forum of ECX*, Vol. 2, No. 4 (2008), pp. 30-31.

After the dramatic collapse of coffee prices and expansion of 'grey' coffee market for all coffees of the country, government strengthened control of its prized industry through a series of directives enacted throughout 2008. Hence the new legislation was basically enacted to regulate the buying and selling of coffee by channeling all transactions through the Ethiopian Commodity Exchange (ECX).[76] The provision in the legislation suggested aggregation of all coffee beans by producing regions (against demand of specialty buyers) to prohibit rebuying and strengthen local sales. The restriction was meant to curb, while coffee export was generating about 70% of foreign currency earnings, the illicit local market of higher quality export beans, which yields higher profits than exporting albeit in local currency.[77] Particularly, the three specialty coffees of the country, Harar, Sidamo and Yirgachäffē joined illicit markets run by intermediaries, which was damaging for the national export.[78]

In 2009, beyond the regulatory problems, the Ethiopian coffee industry encountered additional challenges that were posed from nature. For example, in that particular year, production was estimated to fall by 60% due to a drought that occurred in Gedeo and Sidamo.[79] It was also the year that pesticide contamination found its way onto the packaging.[80] Japanese buyers, the leading buyer of Ethiopian coffee (purchases 20% of the total export), instituted a ban on Ethiopian coffees when they discovered pesticides on packing bags. Besides, the other problem,

[76]Ethiopia Commodity Exchange Proclamation, Art 20(1), Proclamation No 550/2007, Year 13, No. 61, p. 128; and Dawit Alemu & Gerdien Meijerink,

mainly Gedeo and Sidama coffees suffered a lot was blending.[81] Beginning from the 2006 licensing of the two coffees, which increased their world market value, traders started to mix them with low quality coffees to benefit from their brand names that affected benefits of farmers and suppliers of the two regions.

An attempt of requiring all coffees to be exported through the ECX at spot prices favored both blending and aggregation coffees that damaged the specialty bean market. The ECX set a central processing and exporting system by mixing the 'super premium' coffee beans with the cheaper ones.[82] In this case blending different coffee beans together was basically employed to secure a higher price for each Ethiopian coffee. However, gradually the market situation required to keep the price of some specialty coffees, thus government issued "brand" licenses for each coffee coming from different areas as specific grades to be purchased at spot prices on the ECX.

Finally, the most notable measure that rescued Gedeo and Sidama coffees from abuses was allowing specialty coffee suppliers to bypass the ECX, as can be recognized from farmer cooperatives. Such crises which resulted from blending activity helped to revise requirements and let coffee suppliers of the two regions to join world coffee market directly, which appeared as a golden opportunity for some farmers to become direct exporters.[83] As it will be explained in chapter six, it was also a scenario that increased the number of unions, cooperatives and private limited companies that directly export their coffees to markets found in USA, EU and Asia.[84] This also reduced the role of brokers and increased the amount of income that farmers earn from coffee.

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[81]Informants: Jäma Haji (PhD), *Ato* Gētachäw Alako, and *Ato* Shikure Shafi.

[82]Girma Nigussie, p. 15. He states that additional provisions to accommodate the specialty market are in consideration as government grapples with the consequences of how the ECX has been implemented. However, in 2010 ECX appeared on of the successful institutions that could able to become for other African countries in regulating markets of agricultural products.

[83]Coffee Processing and Storing Enterprise, *Statistics Booklet,* indicating the number of coffee exporting unions, cooperatives, and PLCs of Gedeo and Sidama (Addis Ababa, the former Coffee Board of Ethiopia, 2006 E.C.), p. 33; and SNNPR, "Progress Report on Coffee Trade" (Hawasa, Department of Commerce, Coffee Section, 2006 E.C.), compiled report indicating developments related to coffee trade in the entire region, p. 17-19.

[84] *Ibid.*

In general, the ECX was launched in May 2008 to export grain to world markets. Government saw declining usage of exchange due to rapidly rising commodity costs in 2008 and proceeding rapid decline in demand. In a dual-purpose strategy, the Ethiopian government mandated all coffee exported to be traded through the ECX. In August 2008, it established the "New Coffee Law," or "Coffee Quality Control and Marketing Proclamation" to control all coffee exports through the ECX, in planning to increase the volume of coffee and control manipulation of commodity prices, which was very serious problem of the day.[85]

Exporters previously used to have a substitute for the auction houses for procurement of coffee cooperatives were favored by auction houses for reasons of their capacity to control coffee supply and importers who had a better access to the supply, while local farmers were subject to a murky supply chain providing them little control or ability to get their product to market.[86] While the exchange is meant to trade spot and future contracts, the exchange began by processing only spot transactions where immediate delivery of goods was required. The ECX, under the leadership of Dr. Eleni Gabre-Medhin remarkably improved coffee markets of the regions to the extent of erecting price billboard in each town of the coffee producing *wärädas*. Despite such important contributions of the ECX in organizing markets of agricultural commodities like coffee, there were invisible hands of Development Agents of the government (DAs hereafter) manipulating the system for their own ends.[87]

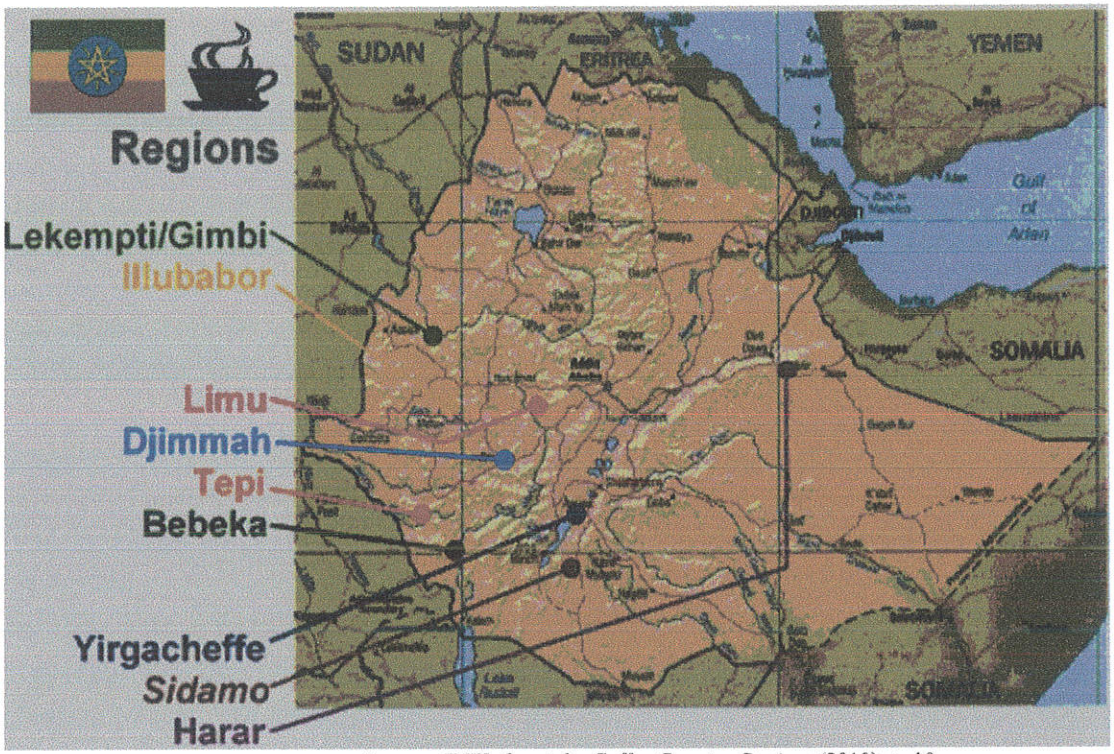
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[85] Coffee Quality Control and Transaction Council of Ministers Regulation, Feb., Art 2(1), Section C, Regulations No.161/2009, Year 15, Vol. 22, p. 9.

[86] Girma Nigussie, p. 18.

[87] Informants: Jäma Haji (PhD), *Ato* Gētachäw Alako, and *Ato* Shikurē Shafi.

Figure IV: Major Specialty Coffee Growing Regions of the Country Certified by ECX



Source: ECX, *Specialty Coffee Growing Regions* (2010), p. 10

6.3 Origins and Interests of State and Non-state Actors of Coffee Markets

Sources indicate that for long in the past coffee trade of the country was dominated by itinerant merchants who had crossed the regions for commercial and other related economic interests.[88] Up to the 1930s the trade had a relay nature, which resulted in diversifying composition of merchants. Merid and Abdussamad argue that, crossing a certain territory, carrying valuable commodities without securing protection of people inhabiting areas where trade routes traverse was a risky business. Thus, creating a sort of symbiotic link with people along trade routes in return for protection was inescapable. Informants who participated in the trade also assert that, such mutual interdependence of itinerants and local people along the trade route helped coffee

[88] Merid (1988), pp. 19-20; and Abdussamad (1997), p. 553.

market to flourish in the regions.[89] Gradually, the growing protection of governments for markets and traders against banditry acts to some extent reduced the threat. They also found protections along trade routes and destination markets across regional boundaries vital to increase the number and diversity of traders in the long distance trade. [90]

Since 1941, coffee has become the main concern of the governments of the country that wanted to get more revenue from the sector.[91] For example, the Imperial regime made significant efforts in encouraging financially capable individuals and governors to involve directly in coffee production or trade.[92] Sometimes higher officials of the country used to involve in the sector through sharecropping agreements with local *balabats* and regionall governors, which helped them to monopolize local markets.[93]

Initially, Imperial rule made the formal coffee trade open to everyone; however, gradually, after setting a system suitable to control it, the local coffee market was made highly exclusive and prejudiced.[94] It was deliberately restructured to engage few recognized individuals. This was because, first, the emperor wanted to run the market by those who were loyal to the system by arranging loans, which became suitable for the birth of new economic class that was devoted to

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[89] *Ibid.*

[90] Informants: *Ato* Käbädä Bälachäw, *Ato* Wubshät Tägäññ, *Ato* Hassän Abdälla and *Ato* Shikure Shafi. They used to participate in the long distance trade crossing Sidamo- Bale-Arsi-Harar and Sidamo- Bale-Arsi-Harar provinces since 1960 & 19703 and new the history of the trade route. Based on their experience and knowledge, they argue that the relay feature of the long distance trade had required mutual and symbiotic relation of two or more groups who involved in the commercial activities sharing both benefits and misery either in providing of protection or selling goods. Thus, from origin of the commodity to its final destination, coffee market involved a number of people from various ethnic groups in their respective territories

[91] Informants: *Ras* Mängäsha Seyoum, *Ato* Shitaye Filatie, *Ato* Kamiso Wolato, W/ro Sirbale Hariso and *Ato* Alako Harqa. They indicate that it was after the coronation of Emperor Haile Silassie in the first half of 1930s coffee trade in Gedeo and Sidama was organized due to the appointment of newly promoted governors, who were strictly loyal to the imperial orders. This trend was continued after 1941 through appointing emerging political elites called *tekeläññas* (see also chapter two).

[92] *Ibid.*

[93] Christopher Clapham, "Centralization and Local Response in Southern Ethiopia" (1997), p. 553; and Ayalew Lemma and Stefan Dercon, "Smuggling and supply Response: Coffee in Ethiopia," *World Development* (1995), Vol. 23, No. 10, p. 231. They indicate that, in this case some local *balabats* had exploited the situation to assimilate themselves into the imperial system by displaying their loyalty in maximizing the government income from tax or coffee business.

[94] Ayalew Lema and Stefan Dercon, p. 231; and Informants: *Ras* Mängäsha, and *Ato* Käbädä. These sources unanimously agree that the regime did not want to make itself busy by leaving the market for many people. Similarly, it wanted only very few individuals with a large amount of capital and foreigners, who had financial mighty to dominate the sector because it was quite easy for the government to collect tax and deal with such few people about the industry.

serve interests of the government. Second, it was a strategy to care for the market and protect it from intruders and smugglers. Third, it was to minimize squabbles and manipulations around coffee trade, which reduced the government income. Fourth, it was an indirect push of people to the service sector; thus, those who had suffered marginalization in the coffee market moved to the service sector and opened several shops, bars, hotels etc. Fifth, coffee as an industry needs a large amount of capital; thus, the regime wanted to let only some Ethiopians with a large amount of capital and foreigners who had come with money (mainly foreign currency) to run the coffee industry. Finally, foreigners were the most preferred business partners of the regime and highly favored to dominate the coffee sector.[95]

After the collapse of the Imperial rule, the *Därg* regime, which followed the socialist system and nationalized private properties kept everything under the party command.[96] Association and cooperatives were mandated to dominate the industry under supervision of the Coffee Board. Coffee market had no space for private dealers and it suffered from lack of diversity and competition, which caused stagnation of quality and quantity of the product. In this period very few people had come to emerge as notable figures in the sector. [97] This means, the Imperial period was relatively better than the *Därg* in letting coffee trade to enjoy the principles of market. Besides, the *Därg* expelled foreigners by dispossessing them, which was another blow on the sector that caused scarcity of capital and expertise in the sector and lack of market to sell the product.[98]

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[95]*Ibid*. Mainly informants note that the Imperial regime favored foreigners because they were sources of hard currency for the regime and and fund its modernization agenda by selling coffee to their home countries, which reduced pitfalls that the government was supposed to face in the world market. Finally, governments needed not only income from taxation but also foreign currency to import vital goods to sustain it's power. However, the virtual role of coffee as a source of revenue has declined since the middle of the 20th century.

[96]Samuel GebreSelassie, "Agricultural Commercialization in Coffee Growing Areas of Ethiopia (2008)," p. 4.

[97]Informants: *Ato* Markos Uko, *Ato* Yana Kabato, and *Ato* Mulugeta Zärefu. They unanimously agree that, there was even no individual to borrow money for other social cases because everyone got equally poor. Only the cadres appeared rich and arrogant. Sometimes it was natural for party members to intimidate civilians in the coffee market.

[98]NALA, Folder No. 218, File No. 22, national plan for coffee development describing what must be done to develop the sector throughout the country, (1977 E.C), p. 11; and The Ethiopian Coffee and Tea Development (1981), p 22.

Finally, government backed actors (like unions, cooperatives and PAs) of coffee market forced the trade to meet party interests by realizing the party plan about the sector. For example, markets appeared to follow what had been described by the party. According to some informants the song dedicated to amplify the role of coffee in the national economy indicates the extent to which it was able to attract attention of the socialist government of Ethiopia. It says:

Amharic	Gloss
የኢኮኖሚ ዋልታ ቡና ቡና	*Pillar of the economy, coffee coffee,*
የገቢ ምንጫችን ቡና ቡና	*Sources of revenue, coffee coffee,*
የእድገታችን ገንቢ ቡና ቡና	*Foundation of national development, coffee coffee,*
አዉታር ነዉ ቡናችን ቡና ቡና::	*Our coffee is a pillar, coffee coffee.* [99]

After 1991, the structure and actors of coffee market in Gedeo and Sidama persisted in having similar feature with the past two regimes.[100] This is because most of the market actors are members of the EPRDF and privileged individuals who got government support and market priority. Though it is not explicitly stated on the party document, members of the party of the EPRDF are used to touting the "supposed" clout that their membership cards carry to claim and gain any sort of advantage on their behalf. Hence, the coffee trade remained under their command as it was true in the past two administrative regimes. For example, during the Imperial period (soon after the establishment of auction center), coffee was delivered by licensed suppliers (*aqerabies*) who collected it from licensed suppliers (*säbsabies).*[101] There were inspections and checks, export taxes and sorting principally by exporters. This same structure was essentially allowed to continue throughout the *Därg* period in parallel with the nationalized state

[99]NALA, Folder No. 108, File No33, a letter written from the Ministry of Coffee and Tea Development, to the Central Committee of the *Därg* for further approval of the national coffee song written by *Ato* Girma Täshalä (from Jimma, Bosa, O4 Käbälē, 1970/71 E.C.), p. 3.

[100] Informants: Worknäh Amito (Ph.D), *Ato* Tayä Çomän, *Ato* Gämäda Gabiba and *Ato* Tadässä Ayänäwu.

[101]Teketel Haile-Mariam (1973), p.76.

system, despite the domination of the latter. Under the EPRDF the same market structure also continued to persist.

As to how the same structure has kept itself functional in three very different regimes can have many explanations. For example, owing to the absence of industrialization there are strong elements derived from the later Imperial period, which may not now be the most efficient but politically and culturally are difficult to change and suit the present regime to maintain the status quo.[102] Factors in the institutional environment, such as land tenure regulations, cannot be taken as given but placed in their social context where various interest groups (classes and elites) contest for power and influence over resources in an ongoing struggle.[103] In addition to this, there is an underlying continuity of class forces (particularly an emergent economic and political class), connected with centralized state power and ethnic dominance for which a centralized and regulated set of institutions remain overriding.[104] This implies that without industrialization the principal sources of wealth have been from the land and through trade, and every regime of the country after 1941, in various ways sought to control and tap the wealth so produced.[105]

The gradual transformation of traditional means of raising money through tribute and tithes (two forms entailing direct taxation), particularly by the government of HaileSelassie was conducted in such a way that could only strengthen the central powers of the state.[106] Likewise, the long

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[102]Tadesse Kuma (2008), p. 12. He argues that, for example, using land as major economy and maintain class relation in the ethnic groups have remained important since the imperial period.

[103]S. Rutherford, "Challenges of Agricultural Developments in Courtiers of Sub-Saharan Africa" *AgriEcon*, Vol. 9, No. 2 (1994), p. 67; and P. Stanfield, "Land and Development in East Africa," in *Agrkcon*, Vol. 17, 6 (1999), p. 44; Yacob Arsano, "The Impact of State Interaction on Land and Traditional Leadership in Borana" (Research Submitted to Institute of Social Studies at Hague, The Netherlands, 1994), pp. 711; Gämech Tatä, "Indigenous Survival Strategies in the fall of Famine: The Case of Borana Oromo, Southern Ethiopia" (M.Sc. Social Anthropology, AAU, 2002), pp. 42-43. Particularly Yacob indicates that the cultural and political factors are powerful contributors to the distinctive pattern of continuity that is evident for absence of change in the institutional structure. Finally Gämech notes that, the presence of the auction and its operational characteristics, and the licensing arrangements for *säbsalbies* and *akerabies* are all rooted in history.

[104]Addis Hiwet (1975), p. 92; and Donham & James (1986), p. 57.

[105]Shiferaw Jammo (1995), p. 30.

[106]Abera Aschalew, "Tax Laws and Ethiopian Coffee since the Establishment of Coffee Board," *Journal of Law*, Vol.13, No.26 (2008), p. 46.

tradition of granting concessions to long distance traders, in exacting tax as they passed through different parts of the country, and in taxing market traders has continued in a modified form through to the present. As it has been indicated above, the structure of coffee trade in, and from, rural areas persisted being highly regulated. This process also ensured that coffee exports are channeled through specified terminal markets within the country and exit via a limited number of ports, thus enabling a final tax on export to be collected, with the involvement of centralized agencies such as the National Bank and Offices of Customs and Excise Tax.[107]

For example, before arriving at the auction center coffee coming from Gedeo was expected to be checked at Dombosco (exit to Dilla on the way to Addis Ababa) and join the Sidama coffee at Čuko and Aposto (checking stations near Yirgaläm). After joining Sidama coffee two of them were expected to be checked whether they were taxed and produced pass papers. The two coffees also again were supposed to be rechecked at Tekurwuha (famous checking station nearby Shashamanē). In general there were seven major checking stations from Dilla to Addis Ababa, which the two coffees were expected to pass through. All of these were designed to control the trade strictly. This implies that it was completely difficult for an ordinary coffee merchant to join the national market; thus, it was natural for such people to join illicit markets to maximize their income. Under the three successive regimes of the country, it was quite normal to find both producers and suppliers complaining about the strict control applied through check stations of the two regimes.[108] Even for the already recognized ones sometimes coffee trade appeared to be very tough to the extent of claiming their lives. For example, in 1979 the notable coffee merchant

[107]Theresa Osborne, "Market News in Commodity Price Theory: Application to the Ethiopian Grain Market," *The Review of Economic Studies*, Vol. 71, No. 1 (2004), pp. 149.

[108] Informants: *Ato* Käbädä Bälachäw, *Sheik* Kämal Hussien, *Ato* Yana Qabato, and *Ato* Uko Matti.

in Dilla and committee member of coffee merchant association, *Ato* Täshomä Nur committed suicide because of the dispossession made against his coffee loaded on two Lorries.[109]

The comparative decline of exports that resulted from taxation is now balanced by authorizing the state to take a share of the value added at other stages in the production and distribution chain. [110] This can be achieved not simply by levying direct taxes on incomes, land and profits but through charging the whole range of general taxes and licenses because coffee generated incomes were spent to improve systems of public administration. The current reform of fiscal decentralization means neither that the elite interests will no more continue to impact policy nor that they will considerably relax the degree of control and regulation that has been present all through the twentieth century history of the country.[111] This is because up to 2010 some eighty per cent of government revenue was collected by the central government, which implies that the form may have changed but underlying objectives remained similar.

The net effect on coffee sector of such political calculations was to ensure that the cultivation of coffee was likely to remain dominated by smallholders.[112] This is because smallholders are poor peasants, who fight for their daily bread and have no bargaining power against official decisions made in favor of governments to control the industry under pretext of benefiting poor farmers, protecting markets and keeping quality of the product. This deterred farmers from supplying their coffee to the formal maket, which increased the rate of coffee smuggling. Despite this fact,

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[109] Informants: W/ro Shito Kemal (wife of *Ato* Teshome Nur), Sheik Kämal Hussien and *Ato* Uko Matti

[110] *Ibid*, p. 149.

[111] Tegegne Teka, "Fiscal Decentralization and Its Challenges in the Contemporary Ethiopia" *The Review of Economic Studies*, Vol. 62, No. 3 (1998), p. 120; and Mesfin Araya, "Changes in the Ethiopian Contexts," *Economic Society of Ethiopian*, Vol. 10, No. 8 (1991), p. 79. They indicate that yet it is not only the past that is relevant because contemporary political interests will also be shaping the institutional outcome as they come to grips with the fractured legacy of the past. They argue that it would be surprising if the present government, given its origins, was not wary about the possible revival of landed wealth reappearing if a market in land were to be allowed to re-emerge. Finally they conclude that a focus rather on industrial expansion, mainly if decentralized, and of building up alternative nonagricultural power bases, may be seen as part of the same concern and is consistent with the analysis of current political issues in terms of problems of inter-elite integration.

[112] Chanē Abära, "The Role of Smallholders in the Ethiopian Economy," *The Review of Economic Studies*, Vol. 62, No. 3 (1998), p. 78.

collection of local revenues and monitoring regulations helped to generate job opportunities that minimized local oppositions.[113] This is part of the traditional aspect of political control which depends upon the patronage rather than job creation in the public sector.

To conclude, coffee generated wealth that helped to abort local opposition and integrate ethnically diverse entrepreneurs into the government nexus. This is because the money that came from coffee sector helped governments to pay for newly introduced institutions of the regions and individuals to open a number of business centers that local people used to entertain. Finally, it is important to note that there was no clear difference between state and non-state actors of coffee markets of the two regions. This is because both were government sponsored and favored ones to run the industry in line with interests of each government of the country. Similarly, market structure was designed in a discriminatory manner to engage only very few people who were able to meet successfully the screening parameters set to test loyalty to their respective regimes.[114] Such individuals were expected to come together and form different units like unions, associations and cooperatives and private limited companies, which helped each regime of the country to control the sector and maximize their benefits.

6.4 Cooperatives, Unions and Associations in the Coffee Sector

Some organizations, groups and others with specific interests defined cooperatives by stating objectives that they aspired to achieve at the end. For example, the International Cooperatives Alliance defined it as "...an autonomous association of persons, united voluntarily to meet their

[113]Bezabih Immana, "Cooperatives in Ethiopia... (2008)," p. 8. According to Bezabih, the federal and regional governments have their own strategies; however, revenue remains highly centralized, and over 50 per cent of public expenditure has been devolved to regional governments. The money was largely spent to strength the security by expanding prisons, deploying special armed force and increasing number of the regular police force and spies in the regions.

[114]Informants: *Ras* Mängäsha, G. Bäkälä, *Ato* Wubät Täfära, *Ato* Wubshet Tägäññ, and *Ato* Sadēwo Sakuma. Some of them were either government officials or the individuals who were allowed to engage in the coffee business in return for their loyalty to the Imperial government.

common economic and social needs through jointly owned and democratically controlled organization or enterprise."[115] For the International Labor Organization (ILO) cooperative is a platform where members accept a fair share of the risks and benefits of their activities.[116] As far as the Central Council for Agricultural and Horticultural Cooperation is concerned, it is "...an association of producers or consumers who together can achieve some commercial objective more successfully than they can as individuals."[117] The above definitions indicate that the primary activity of any cooperative is engaging in any economic activity based on certain principles like democracy, human rights etc.[118]

Regarding the case in Ethiopia, despite the existence of traditional cooperatives for several years in the past, there is a view that modern cooperatives were introduced in Ethiopia soon after the 1936 Italian invasion.[119] However, the history of formal cooperatives in Ethiopia dates back to 1960 that marked issuance of the first directive of cooperatives. After that the country has enacted four new proclamations and amendment of acts.[120] In general, Ethiopian cooperatives have been classified on the basis of activities in which they engaged. They could run a single activity, like production and marketing; or multiple activities. Thus, historically there were producers', marketing, consumer, handcrafts, mining, housing, construction, multipurpose and

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[115] International Cooperatives Alliance, *Fundamental Principles of Cooperatives* (New York: ICA, 1995), p. 107.

[116] ICAUN, *Definition of Cooperatives and Their Global Contexts* (New York: UN, 1995), p. 80.

[117] R. Barker, *Cooperatives under United Nations* (New York: ICA, 1989), p. 58. Barker argues that basic principles of cooperative societies like self-help and mutual help, membership shall be open and not determined by religion, sex, race, political stand, where democratic can be rule of the law on the basis of one man one vote, not in proportion to capital, that interest on capital be fixed, and the members benefit from the activity of the society based on the business they do with it.

[118] A. Marvin, *Democracy and Cooperatives* (Cambridge: Cambridge University Press, 1980), pp.67-68. According to Marvin cooperative is "a business voluntarily owned and controlled by its member patrons, and operated for them and by them on a nonprofit or cost basis." He argues that a cooperative enterprise belongs to the people who use its services, i.e., members control it, and its gains are distributed to the members based on the use they make of its services; where membership is voluntary, based on mutual interest in achieving the desirable objective, and requiring a willingness and ability to conform the conditions agreed upon. Finally, Marvin defines a true cooperative as "a business voluntarily organized, operating at cost, which is owned, capitalized and controlled by a member patrons, sharing risks and benefits proportionally on their participation."

[119] Belshaw (1959) cited in Zämän, "Agricultural Cooperatives in Ethiopia," *AgriEcon*, Vol. 38, No. 3 (2005), p. 129.

[120] The Imperial Government of Ethiopia, *NägaritGazēa*, Article 2 (a), Directive No.44/1960, Proclamation No.241/1966; Proclamation No.138/1978, Proclamation No. 85/1995, Proclamation No. 147/1998, and Amendment act No. 402/2004. The latest proclamation ensures that cooperative policy is fully consistent with the Universal Cooperative Principles and the ILO's Promotion of Cooperatives Recommendation 193/2002.

services cooperatives etc.[121] In Ethiopia, most of them were engaged in marketing of agricultural inputs and produce; and a significant proportion of cooperative unions were engaged in marketing of agricultural produce.[122] Cooperative unions were involved in export and domestic marketing activities, financial transactions and social capital development.[123]

Formation of coffee cooperatives in Gedeo and Sidama dates back to the Imperial period. The restored imperial government of Ethiopia tried to organize landless individuals and ex-soldiers into agricultural cooperatives under the Ministry of National Community Development in 1960.[124] To this end, government issued a Farm Workers Decree to facilitate the organization of landless individuals into cooperatives.[125] In this case, two groups of people (landless ones and organized ex-soldiers) arrived at Sidamo to get land for coffee production; however, they hardly succeeded in getting lands to realize their ambitions. This attmpt of organizing landless ones in the regions faced a stif resistance from landowning groups of the period because they felt the scheme as a move to diminish the number of tenants (who plow their lands) whom they totally depend for cultivation. Thus, the plan, which was designed to organize about 20 cooperatives ended up by forming only two.[126] Finally, a modern cooperative in Ethiopia was started first in 1961 based on the first cooperative law that enacted in this particular year.[127] In the meantime, in order to

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[121]G. Bernard *et al.*, "Cooperatives in Ethiopia and Their Economic Importance," *The Review of Economic Studies*, Vol. 83, No. 6 (2007), p. 123.

[122]*Ibid.*

[123]CSA, (2010), pp. 22-25. As it indicates; for instance, four unions (Oromia, Yirga-Chefe, Sidama and Yeka-Chaka coffee farmers' unions) have generated a total USD 104,154,838 by exporting 36,593.36 tons of coffee between 2000-2007/08. This was equivalent to 0.9 per cent of Ethiopian GDP in 2006.

[124]NALA, Folder No.186, File No. 18.1.06.15.01, a letter written from the Ministry of Interior to governor of Sidamo containing list of individuals looking for agricultural land in Gedeo and Sidama (11 *Hedar* 1952, E.C.), pp.1-4; and Informants: *Räs* Mängäsha and General Bäkälä. Ex-police officers and some landless individuals, who presented their application to get land, were sent to the province. However, due to the controversy the land provision failed to be practical.

[125] Farm Workers Decree, No. 44 (1961), pp. 3-4.

[126]NALA, Folder No.186, File No. 18.1.06.15.03, a circular passed by the Imperial government of Ethiopia on how to go about managing the land provision for ex-soldiers (11 *Mägabit* 1952, E.C.), pp. 3-5; and Informants: *Räs* Mängäsha and General Bäkälä. As most of the land lords were at the same time, part of the existing government machinery, it was not so disrupt any program that seemed to work against their interests.

[127]Farm Workers Decree, No. 44 (1961), p. 3-4. According to this legal document, rationales behind enacting the decree were increasing rate of unemployment, fast growing migration from rural area to urban, the increase in number of students who drop out of their education, and finally the disarmament of the military without proper compensation and pension.

incorporate international principles and regulation of cooperatives, the above decree was replaced by proclamation number 241/1961.[128]

After the Cooperative Societies Proclamation of 1966, the modern cooperative began to expand in Ethiopia.[129] As it will be shown in chapter seven, the Third Five-year Plan (1968-1973) also placed great emphasis on the formation of cooperatives in the rural sector and multi-purpose agricultural cooperatives were considered to be among the best institutional forms for carrying out programs necessary for development of peasant agriculture.[130] The target of establishing new cooperatives was to create 300 new ones, of which 158 were formed. Out of 158, 98 were agricultural multi-purpose cooperatives, 23 were coffee growers' cooperatives (four of them in Gedeo and Sidama) and the remaining were other types of cooperatives such as consumers, weavers, etc.[131]

During the *Därg* regime there were three groups namely, Peasant Associations (PAs), Service Cooperatives and Producers' Cooperatives that were mandated to run coffee sector of the two regions.[132] PAs, the lowest form of administrative hierarchy, were mainly formed to encourage participation of peasants in political, economic and social activities of the regions. PAs replaced not only the traditional rural administrative organs responsible for land distribution, and use, and

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[128] *Ibid*, Proclamation No. 241 (1961), pp. 8-9.

[129] Cooperative Societies Proclamation" No. 81 (1966), pp. 3-8.

[130]The Imperial Government of Ethiopia, *The Third Five-Year Plan (1968-1973)*, p. 33.

[131]NALA, Folder No.186, File No. 18.1.06.15.07, quarterly report written from Sidamo province to the Ministry of Interior indicating the number of cooperatives formed in the province and land provision made to them (30 *Hedar* 1958, E.C.), pp. 3-5; and Informants: *Räs* Mängäsha, General Bäkälä and *Ato* Wubät Täfära. Informants argue that, in this time, relatively wealthy farmers who often employed landless people as farm workers formed most agricultural coffee cooperatives. The main purpose of joining cooperatives at that time was to get loans for farm inputs, funds for processing and marketing of coffee. Further they note that, coffee grower cooperatives were almost entirely engaged in marketing activities aimed at obtaining better prices for their members but only a small portion of the marketed Ethiopian coffee was sold through cooperatives. They also argue that virtually no inputs were distributed to growers by these cooperatives. Much cannot be said about these cooperatives, as they were practically at their infant stages when *Därg* destroyed them in the second half of the 1970s and replaced them by new types of cooperatives that operated designed to meet socialist objectives.

[132]NALA, Folder No. 48, File No. 9.1.136.07, annual report written from Sidamo to Ministry of Agriculture indicating progress of PAs and Cooperatives in the province (30 *Sänē* 1977 E.C.), p. 7; *NägaritGazēta*, Proclamation No.71/1975; and Proclamation No. 138/1978. Shortly after the 1974 Revolution, Peasant Associations emerged as a result of Proclamation No.71 /1975 and Proclamation No. 138/78 issued by the military government on land reform and cooperative organization respectively.

local defense, but also, were vested to restructure rural self-administration, cooperative organization, and villagization programs.[133] PAs also engaged in assessing input needs and distribution of inputs to peasants. The proclamation on land reform and cooperative organization proclamation stipulated that service cooperatives were to be formed by 2 to 10 peasant associations.[134] Objectives of service cooperatives were mainly to provide members with services like political education, extension services, market information, arrange loans, storage and savings, supply consumer goods, and supply improved agricultural.

The *Därg* considered cooperatives as a collectivization program, which ultimately aimed at transforming the rural economy into the socialist mode of production.[135] As a result, individual farmers were encouraged to form producers' cooperatives with collective ownership of production to reach the organization and stage-by-stage development of producers' cooperatives as elaborated in the 1979 directives of agricultural producers' cooperatives.[136] Besides, owing to a considerable emphasis that the Ten Year Plan (1984-1994) gave to cooperatives and support given from the *Därg,* their number was notably increased in Gedeo and Sidama.[137] Sources indicate that along with several non-registered groups or associations that provide functions similar to the cooperative model, the number of registered coffee cooperatives in regions gradually increased.[138]

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[133]Yeshitla and Zehirul, "Significances of Peasant Associations in Ethiopia" *AgriEcon* Vol. 13, No.5 (1997), p. 138.

[134] Proclamation on Land Reform (1975), p. 4; and Cooperative Organization Proclamation (1966), p. 3.

[135]*NägaritGazēta*, The Agricultural Producers' Cooperatives Directives (1979), p. 45. Accordingly, there were three stages as per directives: *Mälba* (Primary), *Wolba* (Advanced), and *Wäland* (Union of *Wolbas*). Generally, the peasant did not like the idea of producers' cooperatives.

[136]*Ibid.* However, generally peasants did not like the idea of producers' cooperatives but actually were forced to set-up such cooperatives. The disliked for cooperatives was witnessed immediately after declaration of the economic reform program in 1990 because some service cooperatives and almost all producers' cooperatives were destroyed by their own members.

[137]FCA, "Revitalizing Market-Oriented Agricultural Cooperatives in Ethiopia," *ACDI/VOCA*, Vol 10, No.6 (2010), pp. 79-91; Lämma Täshalä "Agricultural Cooperatives and Their Contribution for Developmental," *AgriEcon* Vol. 89, No. 7 (2009), p. 140; and NALA, Folder No.182, 17.1.6.11.04, quarterly report from written from Sidamo to the MoA (08 *Hedar* 1972 E.C.), p. 12.

[138] FCA (2010), p. 88; Lämma Täshalä, p. 146; and SNNPR (2010), pp. 55-56.

The other important development regarding cooperatives was the1990 change, which caused shift of government policy towards a more liberal economic form called "Mixed Economy." In spite of the growing popularity of cooperatives in the regions and their leadership in many areas the shift of economic structure from command to liberal provoked farmers to move against cooperative. No disagreement was articulated against PPCs' new policy announced by the President, Colonel Mengistu HaileMariam, on 5 March 1990. However, soon after the proclamation farmers reacted against cooperatives throughout Gedeo and Sidama and eventually the reaction grew to implicate the regime as a whole. In general, the number of cooperatives purposely increased in the regions during the *Därg*. However, owing to their high involvement with politics of the *Därg*, many of the cooperative organizations were doomed to destruction under the EPRDF regime just after the collapse of the *Därg* in 1991.[139]

Gradually however, several factors forced the EPRDF government to restore cooperatives and subsequently provided policy supports that helped cooperatives to flourish again. Accordingly, in 1994 a proclamation on agricultural cooperative societies was issued, based on principles of international cooperative; however, it was designed to solve problems only related to agriculture; and there was no sovereign body mandated to support these cooperatives both at federal and regional levels.[140] In addition to enacting the proclamations, a five year cooperative development program has been formulated to help the cooperative network to expand in the country. [141] However, at the district level where decision making, capacity building, budgeting and resource allocation takes place, lack of awareness about the role of cooperatives in economic and social

[139]Lämma Täshalä p. 142; and NALA, Folder No.183, 1.124.6, letter from MoARD to SNNPR announcing official nullification of cooperatives of the forgone regime (1986 EC.), p. 12.

[140]*NegaritGazeta*, A Proclamation on Agricultural Cooperatives Societies No. 85 (1994), p. 5.

[141]*Ibid*, p. 12. As a result, the number of primary cooperatives increased from 19,147 in 2005 to 24,167 in 2007, while the total number of primary cooperative members increased from 3,911,834 in 2005 to 4,668,564 in 2007.

development, and lack of awareness regarding cooperative law affected expansion of cooperatives in other sectors.[142]

The government of EPRDF also set four developmental stages for cooperatives in Ethiopia, namely primary cooperative, cooperative unions, cooperative federation and cooperative confederation, where the apex in many regional states was the cooperative union.[143] However, regional governments were motivated to establish Regional Cooperatives Federations. The Southern Nations, Nationalities and Peoples Region (SNNPR) recently established the first Regional Farmers' Cooperatives Federation in Ethiopia, which became functional in 2009.[144] In this case, the cooperative policy was largely determined by the Government and the role of cooperative unions in making policies was negligible, as most of the cooperative unions lacked capacity to make independent decisions.[145] The role of the union as an apex body was likely to increase once the union's human and financial capacities increase; thus, currently except in the coffee sector of the two regions the role of unions as service provider is quite immense.[146]

The regional cooperative federations focus on major economic and social services that individual unions cannot effectively realize. Up to 2010, the influence and advocacy role of cooperative federations were expected to be effected once functional cooperative confederations were established. Government institutions, colleges, universities NGOs and other organizations were

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[142] Lemma (2009), p. 43.

[143] *Ibid*; and Proclamation No. 85 (1994), p. 19; and Bezabih Emana, "Cooperatives: A Path to Economic and Social Empowerment in Ethiopia" in *CoopAFRICA* Vol.1 No.9 (2009), pp. 10-11. According to Bezabih, cooperatives play crucial roles in economic and social development. According to him cooperatives created approximately 82,074 jobs and generated approximately half a billion Ethiopian Birr in wages during 2008. He also indicates that, the participation of cooperatives in agro-processing, marketing and finance (saving, credit and banking) is increasing. Finally he notes that, the social role of cooperatives is promoted by voicing of common goals, enhanced participation in value chains, and protection of producers from unfair pricing. Therefore he concludes that cooperatives create opportunity for networking and working in partnership with other agencies.

[144] The Oromia Region also just recently formed the Regional Federation of Farmers' Grain Marketing Cooperatives.

[145] SNNPR, Regional Farmers' Cooperatives Federation Proclamation No 20/2007. The production of the "*Black Gold*" documentary film by Oromia Coffee Farmers' Cooperative Union is living evidence of the case in point.

[146] Informants: *Ato* Kätäma Kenbata, *Ato* Hussien Omar and *Ato* Hailu Wolasa.

assisting cooperatives to build capacity through short or long term trainings.[147] However, practically, apart from training contracts given by the Federal Cooperative Agency and training of cooperatives students in their regular programs, universities did not have their own schedule to assist cooperatives in technical capacities.[148] For example, Hawasa and Dilla universities tried to support farmers; however, their support was more propaganda, which failed to have a clear and sustainable plan. Specifically regardin coffee, despite its becoming giant in the regions, their support was negligible.

Finally, from 2008 to 2010 cooperatives and unions in the coffee sector of the two regions have been organized under the ECX based on the 'Plan for Accelerated and Sustainable Development to End Poverty' (PASDEP).[149] The policy and strategy document of PASDEP outlined the different types of cooperatives to be organized and the type of supports to be provided to cooperatives included training, technical support, loan provision and networking. Government institutions were also required to create links with international organizations to solicit support for cooperative developments. The Rural Finance Intermediation Program (RFIP) is a typical example. It was established by the Federal Cooperative Agency and funded by the International Fund for Agricultural Development (IFAD) and the African Development Bank to foster and enable the capacity of cooperatives involved in the rural financial services.[150]

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[147]Aregay Waktola, "Exploratory Study of SNNP and Amhara Regions in Ethiopia to Identify Target Areas and Partners for Intervention," in *The Drylands Coordination Group (DCG) Norwegian Church Aid, Report* No. 6 (1999), p.10. In Gedeo there are about 4 NGOs and 10 projects; and in Sidama 14 NGOs and 39 projects.

[148]*Ibid.* According to Aregay, the functionality of cooperatives is constrained by shortages in skilled human resources (especially in cooperative business development), due to high staff turnover and repeated structural adjustment of the cooperative promotion agencies. He argues that, this has resulted in transfer of experienced cooperative experts to other economic sectors. The functionality of cooperatives is also constrained by shortage of capital and limited access to credit. He also note that, an effective and sustainable cooperative movement requires overcoming major credit constraints and strengthening capacities of administrators and management staff associated with cooperatives. He believes that, this capacity building should aim at empowering cooperatives so that they can make key decisions with minimum or no external support.

[149]J. Dorsey & Tesfaye Assefa, *Final Evaluation Report of Agricultural Cooperatives in Ethiopia (ACE) Program Activities*. (Washington, D.C.: USAID, 2005), p. 136.

[150] SNNPR, Regional Farmers' Cooperatives Federation Proclamation No. 20/2007, p. 12.

Associations of primary cooperative societies have been formed with an increasing role in the last five years with support from government and funding from overseas donors. In 2010, there were four cooperatives unions: Oromia, Yirgachäffē, Sidama and Kaffa Coffee Farmers Cooperative Unions.[151] From 2001, they obtained a permission to bypass the auction and export coffee directly to overseas buyers. The major functions of the cooperatives union include providing assistance in developing producer-buyers linkages through facilitating organic and fair trade; for example, exporting members' coffees directly, providing warehouses and transport services, promoting high quality coffee production and providing saving and credit services as well as training and education programs for members.[152]

The Sidama Coffee Farmers Cooperative Union (SCFCU) was formed in July 2001, consisting of 39 primary cooperatives having 82,275 members, producing around 35,000 tons of coffee (60 per cent washed), owns 89 pulperies, one hullery and has a warehouse capacity of 5000 tons.[153] The Yirgachäffē Coffee Farmers Cooperative Union (YCFCU) was formed in July 2002 by 21 primary cooperative members representing 42,065 coffee farmers, 46 pulperies, 4 coffee hullers and warehouse space for 4600 tons.[154] However, as it will be explained below, from their introduction up to 2010 almost all coffee cooperatives, unions and associations formed under the three regimes of the country slightely improved the coffee sector in Gedeo and Sidama. This was because their inherent weakness (particularly their ambiguous status) that limited their activities and made them prone to government manipulation for political other related purposes.

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[151] J. Dorsey & Tesfaye Assefa, p. 140. They indicate that, the largest in the country, Oromia Coffee Farmers Cooperative Union (OCFCU) First union founded in June 1999 (it includes 34 cooperatives representing 22,734 farmers producing around 16,000 tons of coffee; infrastructure includes 32 pulperies, 3 hulleries, warehouse capacity of 9550 tons). They also note that, the smallest in the country, Kaffa Forest Coffee Farmers Cooperative Union (KFCFCU), founded in March 2004 by 26 primary cooperative members representing 6032 coffee farmers.

[152] *Ibid.*

[153] SNNPR, Regional Farmers' Cooperatives Federation Proclamation No.20/2007, p. 33.

[154] Yirgacheffe Coffee Farmers Cooperative Union, *Yirgacheffe Coffee Farmers Cooperative Union 1995–1997 3-Year Activities Major Achievements (*in Amharic: *YäYeregach'äfé Buna Gäbäréwoch Heberät Sera Mahebärat Yuniyän Kä 1995-1997 Yäsoset Amät Yäsera Eneqeseqasé Äbäyet Kenewunoch,* Unpublished, Addis Ababa: Yirgacheffe Coffee Farmers Cooperative Union, 2005), pp.1-15.

6.4.1. The Manipulative Nature of Cooperatives/Unions in the Coffee Sector

The origin of the problem that made cooperatives less helpful to coffee markets of Gedeo and Sidama was policy directions of the country.[155] Recognitions that were given to cooperatives depended on policies of the ruling regime; thus, legal frameworks set by each government for cooperatives to depend on crippled their power and restricted their activities.[156] As a result, at the expense of their natural objectives, cooperatives of the country since 1960 were ideological instruments of their respective governments. Similarly, almost all of them were number (figure) oriented than quality of their services. In the Imperial and the *Därg* periods cooperatives were subject to the domination of a certain ministerial office.[157] After 1991 they were left without a responsible body at federal level to check their progress and efficiency.[158]

Almost all cooperatives of the two regions were characterized by a unanimous hostility to legacies of the past government(s) and with a tendency to disregard every contribution of the past regardless of its importance. This was largely because most them were impositions made without creating awerness and promoting sense of community ownership. Sometimes they served as places to excerise cohercive lows. They were also staffed by political activists rather than professionals, which reduced the role of cooperatives from agricultural development institutions to mere forum for ideological debate contributing for the expansion of coffee markets. As a result, there were attempts to demolish buildings and burning down documents, which belonged to cooperatives of the past governments and thus justify the need for forming new ones.[159]

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[155]J. Dorsey and Tesfaye Assefa, p.23; and Abebe, Tilanhu, "Diversity in home-garden agro-forestry systems of Southern Ethiopia (PhD. Dissertation, .Wagninnegen University, Norway, 2005), p. 143.

[156] Ibid, p. 26; and Informants: *Ato* Amarä Ejigu, Jäma Haji (Ph.D), and *Ato* Assäfa Ejērē.

[157]J. Dorsey and Tesfaye Assefa, p. 47.

[158]*Ibid.*

[159]FCA (2005), p.22; and Dessalegn Rahmato, 'Civil Society Organizations in Ethiopia," in Bahru Zewde & S. Pausewang (eds.) *Ethiopia: the Challenge of Democracy from Below* (Addis Ababa: Forum for Social Studies, 2002), p.109.

During the restored Imperial rule, the number of cooperatives was very few and they were less recognized.[160] They were predominantly engaged in the production of industrial crops, such as tea, coffee and spices. Members of cooperatives during this period included just a few producers of these crops and landowning ones living in different parts of the country. For example, the four cooperatives formed in Gedeo and Sidama on the bases of the amount of capital/share of each member, service year of civil servants and title of police officers failed to be effective because they lacked physical foundation (infrastructural establishment) and guidelines to follow.[161] However, in the 1960s and the first half of the 1970s they appeared to create chaotic situations that restricted new entrants into the sector of the region.[162]

To conclude, during the *Därg* and the EPRDF regimes cooperatives were able to get notable recognition.[163] This was because the *Därg* regime took cooperatives for granted as a mass movement that supposedly could ensure control, equitable mobilization and sharing out of resources including land.[164] As a result, cooperatives were viewed as instruments for planning and executing socialist policies and established to achieve these specific objectives.[165] By the same token, cooperatives were used as a means to mobilize public support for the ruling party. In this period, this was more evident as cooperatives were forced to operate in line with the socialist principle, where production and marketing of coffee were done collectively and members pooled their land resources under communal tenure.[166] It was the most disastrous period for coffee markets of the country in general and Gedeo and Sidama in particular.[167]

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[160] J. Dorsey and Tesfaye Assefa, p. 81; and Informants: *Ato* Bälätä Gänbärē, *Ato* Wubät Täfära and *Ato* Käbädä.

[161] NALA, Folder No. 129, File No. 9.1.136.07, government plans for the coffee industry (1977 E.C.); *Ibid*, Folder No. 183, File No. 1.124.6/7/8, government plans for the coffee industry (1986/7 E.C.), pp.1-8.

[162] Lemma (2009), p. 42

[163] Bezabih Emana, "Cooperatives: A Path to Economic and Social Empowerment in Ethiopia," *Coop AFRICA Working Paper* Vol.1 No.9 (2009), p. 8.

[164] *Ibid.*

[165] J. Dorsey and Tesfaye Assefa, p. 83; and Dessalegn Rahmato, "Cooperatives, State Farms and Smallholder Production," IS. Pausewang, Fantu Cheru, S. Brune & Eshetu Chole (eds.), *Ethiopia: Rural Development Options* (London: Zed Books, 1990), pp. 106-107..

[166] Lemma (2009), p. 42

[167] Informants: Jema Haji (Ph.D.), Säwunät Mängestu (Ph.D.), *Ato* Dawit Wonbeto and *Ato* Ayana Hatiso.

In general, just after the fall of the *Därg*, most of the rural based cooperatives were abolished and their resources were looted and destroyed.[168] As it is noted above, the current regime gave no attention to cooperatives during the transition period, meaning that cooperatives were relatively stagnant between 1991 and 1993.[169] There after government acted as a facilitator for cooperative development. This involved enacting legislation, developing cooperative policy and maintaining law and order. This implies that the role of government seemed more of support oriented than becoming main actor of the case. However, practically this was hardly possible in the regions because frequent restructuring of government institutions made in cooperative promotion has quite often hindered the growth and development of coffee cooperatives.[170]

Finally, apart from the price fluxes and disease attacks, in the 1970s and 1980s cases like quota, system and national military service accompanied by several obligations caused chaotic situation that affected each activity of the coffee sector.[171] Similarly, Peasant, Women and Youth Associations used to call frequent meetings one after the other, where members of each household got busy and wasted their working hours by attending various meetings.[172] Finally, farmers who had spent their working hours wastefully by attending *käbälē* meetings failed to have enough time for weeding and looking after their farms as it was in the past. This had a negative repercussion on the coffee economy of the period. Therefore, cooperatives/unions particularly those formed in the coffee sector of the two regions since the 1960s served as instruments of governments to silence any sort of opposition to their rules and interests. They helped each government of the country since 1941 to control the export and maximize their hard currency earning and caused several changes that will be showed next.

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[168] Lemma (2009), p. 43.

[169] Dorsey, J. & Tesfaye Assefa, *Final Evaluation Report of Agricultural Cooperatives in Ethiopia (ACE) Program Activities* (Washington, D.C.: USAID., 2005), pp. 144-145.

[170] Lemma (2009), p. 48

[171] Informants: Däjänē Kifle (MD), *Ato* Wubshät Tägägn, *W/ro* Hargua Täsfayä, and *Ato* Uggo Matti.

[172] *Ibid.*

Chapter Seven

Coffee Induced Economic, Social and Cultural Changes in Gedeo and Sidama: 1941-2010

7.1. Coffee Based Developments

7.1.1. Settlement Patterns

The dissertation in general shows continuity and change in the interaction of peoples and governments in the coffee economy. Corresponding to this chapter seven deals with multifaceted local developments like economic, political, social, cultural and urban etc. attributed to coffee in Gedeo and Sidama. It attempts to show continuity and change that happened in these two regions beginning from 1941 up to 2010. For this particular study it is important to explain the term urban and urbanization. Almost every country uses different definitions to classify its population into urban and rural categories. For statistical consumption, the United Nations expects each nation to set its own national definition distinguishing urban areas from rural ones.[1]

For example, many African nations define urban areas as settlements that have 2,000 or more people. Ethiopia also uses 2,000 as its lower limit.[2] Some nations stipulate a minimal number of persons per hectare or square kilometer, and others use additional criteria like secondary schools, government and private offices, or mills and factories.[3] At this juncture, contrast of data on urban populations between countries and regions needs to be treated with care. When the term town is

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[1]United Nations Centre for Human Settlements (UNCHS/Habitat), *Global Report on Human Settlements* (Oxford: Oxford University Press 1997), p. 22. According to this source; for example, Nigeria defines as urban towns with 20,000 or more inhabitants whose occupations are not mainly agrarian. In Latin America, Peru defines as urban populated centers with 100 or more occupied dwellings. Further it indicates that in Asia, India defines as urban a town that possesses specific municipal administrative bodies, while Japan uses 50,000 inhabitants as its minimal definition.

[2]Bertrand Renaud, *National Urbanization Policy in Developing Countries* (New York: Oxford University Press, 1981), p. 20; Central Statistical Office, Statistical Bulletin (Addis Ababa, 2002), p.3; and Sisay Sileshi "Urban migration and the Labor Movement in Ethiopia," *Proceedings of the Fifth International Conference of Ethiopia Studies*, Session B (Addis Ababa, AAU Press, 1978), p. 228.

[3]Central Statistics Office, p. 4, and Sisay Sileshi "Urban Migration and the Labor Movement in Ethiopia," p. 131. They show that apart from the number of urban inhabitants, in the case of Ethiopia towns can also be marked by the number of shops, hotels, roads, services, governmental institutions and some other parameters.

used here, it may refer to any settlement ranging from the smallest rural town to the largest city Addis Ababa, the capital city, which has a set of developments to meet international standards than other towns of the country.

Urbanization in Ethiopia was relatively different as compared to African countries to the south of the Sahara.[4] In those African countries many towns and cities had colonial foundation and origin, where settlement patterns, structure and infrastructural settings were purely colonial in origin.[5] The rules and regulations that govern African towns were the brainchild of the colonial masters, who ruled the Continent for at least half a century. In the period after 1960 following independence, except for expulsion of the colonialists no remarkable changes were made concerning structures of towns.[6] However, the case in Ethiopia was quite different from what has been mentioned in relation to other African towns.[7] Settlement patterns and structure of Ethiopian towns were indigenous to the country.[8] As a result most of them in the south were established from strategic point of view, for military purposes to use them as garrisons to subdue local resistances. Thus, ruling groups who were looking for multiple supplies let many people settle in the towns hoping to benefit from their services.

As it has been explained in chapter two, after the second half of the 1880s all towns in Sidama and Gedeo were garrison towns or military centers.[9] Eventually however, thanks to service and commercial sectors that let migration of civilians into garrison towns, they were modified to harbor civilian interests and interactions. Moreover, the growing demands of settlers and their

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[4]Mesfin WoldeMariam, "Some Aspects of Urbanization in Ethiopia," *Ethiopian Geographic Journal*, Vol. 3, No. 2 (1965), p. 90; and Bertrand Renaud, p.33.

[5]*Ibid.*

[6]William Hanna and Judith Hanna, *Urban Dynamics in Black Africa: An Interdisciplinary Approach* (New York: Aldine Publishing Co., 1981), p. 341.

[7] Mesfin Wolde Mariam, p.93.

[8] McClellan (1986), p. 13; and McClellan (1991), p. 42.

[9] McClellan (1990), pp. 35-36; and Ababu, p. 40.

families for goods encouraged the flow of people from various parts of the country into the regions; thus, apart from their military and administrative duties garrison towns started to exhibit civilian status officially.

As it has already been mentioned in chapter two, up to the 1974 Revolution inhabitants of Gedeo and Sidama towns were settlers who came to enjoy the post 1941 coffee boom and subsequent opportunities. In this particular period, the most dominant group of people who inhabited the towns were Amhara, Guraghē, Siliti, Wolayita, Oromo, Tigre and Dorzē migrants.[10] In the towns, they became merchants or daily laborers or engaged in the service sector. They were accustomed to save money against demands of urban life in planning to eventually open their own private business centers and become economically influential figures. Furthermore, some of them were relatives or compatriots of the provincial governors; thus, highly favored and provided with protection and a number of facilities (like suitable land, loan etc.) to open certain private businesses in a short time and at a very low cost. In this case governors also usually acted in favor of migrants than local people because migrants were found to be a reserve force that would be used by government whenever needs arose.[11] This implies that the urban environment was repulsive for local Gedeo and Sidama people because assimilating themselves into town life required new language, capital, religious and martial links to other non-local town dwellers.[12]

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[10]Jonathan Baker & Poul Ove Pedersen, "The Gurage of Ethiopia: Rural-Urban Interaction and Entrepreneurship," *The Rural-Urban Interface in Africa Expansion and Adaptation, The Scandinavian Institute of African Studies Centre for Development Research, Seminar Proceedings* No. 27 (1992), p.131-132; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä. They assert that diversity of migrants was not only ethnic based occupational diversity was also there. Accordingly the occupational diversity included clergy men from Ethiopian Orthodox Church, Muslim religious leaders, artisans, etc; however, after adapting the situation most of them abandoned their usual service and transformed into business men.

[11]*Ibid.* According to the above sources, migrants were reserve military groups, who could give support to governors to crash internal opposition that come either from local Gedeo and Sidama people or former *näftäñña* settlers, who persistently worked against the restored emperor and his rule.

[12]McClellan (1991), p. 45. He points that the loser Gedeo and Sidama, who were humiliated in the resistance against expansion of the central government deliberately used to avoid the towns under the umbrella of traditional institutions, which required them to keep purity. They used their traditional institutions as cozy-room to avoid the reach of government officials.

Up to the 1930s demographic factor was not that significant to affect economic, political, social, cultural and environmental situations of the two regions profoundly.[13] However, soon after independence in 1941, garrison towns modified their initial motives and had become busy in handling civilian matters.[14] Radically growing number of migrants troubled both governors and environments of the region, which also forced small garrison villages inhabited by professionally homogeneous groups to expand their territories and harbor diversity of interests. It also required governors of the region to exploit every opportunity at their disposal to find solutions for the needs and demands of migrants. Division of power started to be employed; thus, municipality and other government offices were opened to work together and handle cases of migrants.[15]

In these two regions of the province, the number of non-local people gradually increased due to the expansion of state, which accompanied by several political and economic developments. For example, coffee boom played its part in attracting many people and caused several changes that created job opportunities for the non-local people who arrived to the regions by aspiring to make more money. Sometimes individuals had come to the regions by producing letters (asking for special attention) from higher officials of the day. In this case regional governors used to handle such cases without delays by providing suitable lands and other facilities based on their requests. Such prompt decisions of governors mainly in providing such pervilaged people with suitable lands played significant role in expanding the territory of each town of the regions.

As a result, the majority of the local people were cornered away from almost all towns of the regions, which ultimately resulted in creating four groups of people and settlement patterns in the

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[13] *Ibid.*

[14] Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä.

[15] *AddisZämän*, Vol. 5, No.4, Year 7th, news announcing the commencement of municipality offices at three *wärädas* of the Darasa {Gedeo} *Awraja* and five *wärädas* of the Sidama *Awuraja* (17 *Hedar* 1940 E.C.), p 3; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä.

two regions.[16] The first group was the local Sidama and Gedeo people. The second one was the *näfṭäññä* group, who arrived in the region in the 1880s and1890s as part of the occupation of the two regions. Most of them were soldiers of emperor Menilek who remained defiant to the restored rule of Emeror HaileSillassie. The third group, the *tekeläññä* was an elite group both politically and economically favored to execute policies of the restored imperial government and overcome any sort of opposition to imperial rule whatever the cost. Finally, the fourth group consisted of economic migrants, whose prime objective was exploiting every alternative at their disposal to share benefits that come from the coffee industry or other economic activities of the regions. It was a group that consisted of laborers, artisans, traders and others basically looking for financial opportunities.

Furthermore, the post 1941 government policy, which encouraged production of cash crops and expansion of service sectors in Gedeo and Sidama was also responsible for the birth of the following four categories of settlement pattern in the regions. Accordingly, towns were inhabited by governors, soldiers, spies, and migrant merchants, laborers, and artisans, who came from various parts of the country. Until the second half of the 1970s, almost in all towns of Gedeo and Sidama, which were both political and military centers of the period, it was very hard to find local people who run their own private business.[17]

Next to towns, environs were largely populated by local *balabats* or *qoros*, *näfṭäññas* settlers and their families who were given land to settle. In this part of the regions it was normal to find individuals who purchased land from local *balabat* for coffee production and guards of coffee

[16]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä. They indicate that frustrated ones, who suffered humiliating defeat during the resistance against incorporation, failed to assimilate themselves and deliberately avoided the towns by moving into corridor and remote areas of the regions.

[17]Informants: *Ato* Shikure Shafi, *Ato* Uko Mati and *Ato* Abära Tämäsgän. According to them uneasy relations started during the conquest had continued to persistent in cultivated mistrust between local people and governors. Thus, up to 1991 Gedeo and Sidama towns were targets of local people who interminably used to attack them, which increased vulnerability of towns. Local people used to show a tendency of perceived towns as threats to their social, cultural, economic, political activities.

farms that belonged to town elites.[18] Moreover, these areas were basically inhabited by coffee producing individuals who were economically and politically influential. Almost all large coffee farms were found here. It was an extension of towns because majority of the coffee farms belonged to the well-to-do and politically active town dwellers and owners of private businesses found in the nearby towns. Some of the coffee farm owners were former soldiers or governors, who made a shift from military to business sector in response to government calls for modernization and played crucial role in urbanizing the region and emplementing laws. Owing to their link with governors, knowledge of the system and financial strength, they persisted in becoming influential figures of the regions up to the 1970s.[19]

The area just next to the environs of towns was inhabited by local Gedeos and Sidamas, who were familiar but failed to comply with new developments that happened in the towns and their environs of the regions.[20] It was an area largely inhabited by people those who were evicted from their traditional landholding nearby towns and given land by their relatives to protect them and their families. Some of them were descendants of those who suffered humiliating defeats in the 1889/1896 wars of conquests and their aftermath. This group used to suffer consequences of the reaction of their compatriots against the conquering imperial force. On their very small and fragmented pieces of gardens, they planted coffee along with *enset* for various reasons. In spite of uneasy relations that they had with towns their social, economic and political links with towns were very crucial. Due to their becoming familiar with town realities of the day and low income that they earn from their small farms, they needed towns to make additional income.

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[18]Informants: *Ato* Wubät Täfära *Ato* Salfaqo Sakuma, *Ato* Märgia Tägäññ and *Ato* Fitamo Qabato. Some of the local *balabats* or *qoros* were collaborators, who peacefully submitted to the conquering force and continued to exercise their traditional power over their fellow Gedeo and Sidama people. However, governors were individuals appointed by the Imperial government to implement policies and maximize government revenue in the regions. The other group was consisted of investors.Most of them were civilian, expected to implement the modernization plan through investment.

[19] *Ibid.* It was an investment group that received support both from central and regional governments until 1974.

[20]Almaw, p. 58; and Ababu, p. 36.

Finally, the fourth circle, remote and inaccessible highland and lowland areas of the regions were inhabited by local Gedeo and Sidama people at large, who totally avoided towns and town elements. Avoiding towns was related to the following major reasons, such as political dissatisfaction, the need for keeping traditional purity (*anga*) and effectively operate traditional institutions, failure to meet requirements of urban developments and pastoral economy, which required moving in search of grazing land (*godansu*) and water.[21]

As it is explained in chapter three, throughout the three successive regimes of the country, coffee boom in general was not a boom for ordinary smallholding coffee farmers.[22] It was a boom for intermediaries, officials, traders, and financially strong settlers who were involved in coffee economy from local to national levels. Besides, smallholders did not want to grow coffee (the government plant), which did not let coffee farmers to decide on the fate of their produce about when to sell, where to sell and for how much to sell. Farmers were required only to care for the plant, harvest the berry, supply it to markets and sell it at the price fixed nationally. As some informants put it:

> *We farmers living on the fragmented small plots of land do not want to grow coffee. We do not like coffee in general; however, failure to grow at least a certain number of coffee plants in our gardens could result in an intimidation that finally ends by uprooting us from the land where we cultivate food for us and our families. This is because ignoring coffee plant would be regarded as defiance to the government calls to support its efforts of modernization by contributing either financially by producing coffee. Apart from the political pressure that forced us to grow coffee plants there was also social pressure from inside that made coffee cultivation mandatory. The one who did not grow coffee plant could have lacked a means to assimilate oneself, and claim social mobility or social privileges to secure marriage or local leadership.*[23]

Coffee was a potential threat for food crop production. Particularly in western and southeastern parts of the country, which cultivate cereals, the situation was very serious because fallow period

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[21] *Ibid.*

[22] W.C. McClellan (1991), p. 49; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä.

[23] Informants: *Ato* Salfaqo Sakuma, *Ato* Garje Ogato, *Ato* Yawala Sakuma and *Ato* Binbesa Biratu (FDG).

(when lands remain vacant during dry season, soon after harvesting) was a time that exposed land for sale.[24] Those who migrated to the region to maximize their profit from coffee and regional governors used the occasion as a golden opportunity to grab lands from local people or elites. However, in the case of Gedeo and Sidama the reality was relatively different because coffee was not a threat to any crop of the two regions. Since the two areas basically depend on *ensät,* and other perennial fruit and root plants, it was quite unusual to find such vacant lands attracting land grabbing. Acts of land grabbing were there but land grabbers targeted collectively owned grazing lands and farmers inhabiting environs of major towns. In general settlement pattern and population composition of the two regions were results of coffee boom and its aftermath.

To conclude, settlement patterns of the two regions were initially formed due to the military situations stemming from the conquest; however, gradually they were restructured as a result of expanding coffee economy. Finally, the current settlement patterns are results of political, economic and social changes that happened during the *Därg* and EPRDF governments (see also chapter three).

7.1.2. Rate and Nature of Urbanization

Since 1941, the rate and nature of urbanization in Gedeo and Sidama had three distinct phases that can be characterized based on policy directions of the three regimes, the Imperial, *Därg* and EPRDF. The rate and nature of urbanization that took place under each regime were unique when one looks at them critically because each of the three governments had come to power by liquidating and blaming the forgone ones. For example, the restored Imperial rule worked against the Italian legacies. Then the *Därg* took political power by deposing its predecessor and totally

[24] Guluma Gemeda, p.106.

destroyed all legacies of the period. Finally, EPRDF also employed the same strategy. Each of them had attempted to adopt new policies by ridiculing the former as brutal and exploitative. Such a strategy by new regimes to discredit former regimes to prolong the life span of their rule was very significant in causing new changes in the regions.[25]

As it has been shown in chapter three, garrison towns that were established in 1889 to serve the interest of the conquering force gradually shifted from military to administrative centers.[26] Until the 1935/36 Italian occupation, towns had become relatively enjoyable place for governors, soldiers, settlers, and their families.[27] However, except few collaborators, the majority of the Gedeo and Sidama people failed to have good feelings about towns because towns were residences of people who denied their rights of enjoying traditional autonomy.

As it has already been mentioned, in this particular period towns were predominantly inhabited by the *näftäñña* groups (*yäbarud bēt* and *yäbēt liji*), their families and compatriots, who had come to the regions with their masters to provide them with various services. In the pre-Italian occupation period governors like *Däjjazmač* Leulsägäd Atnafsägäd, *Däjjazmač* Balcha Safo, *Ras* Täfäri Mäkonnen (the later emperor HaileSilassie I), *Däjjazmač* Berru Wäldägebreal and *Ras* Dästa Damtäw (son-in-law of the Emperor) had put their finger prints on the towns of the two regions.[28]

Particularly in the case of Hagräsälam, Bullē, Illalicha, Abära, Wonago, Täfärikēla, Yirgachäffē, Dilla, Alätawondo, Bänsa, Yirgaläm, Läku, and Abēlla legacies of these governors were clearly

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[25]Bahru Zewde (2002), p. 183; and Andargachew Tiruneh, p. 195; and Sarah Vaughan and Kjetil Tronvoll, *The Culture of Power in Contemporary Ethiopian Political Life* (Stockholm: Sidastudies, 2003), p. 138.

[26]W.C. McClellan (1991), p. 48; Ababu (2002), 83; and Almaw (2005), p. 120.

[27]*Ibid.*

[28]Ababu, p. 33; W.C. McClellan (1986), p. 76; and Tsehai Berhane Sillassie (1971), p. 8; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä.

discernable.[29] For example, they provided land and loans for those who had plans to engage in any sort of business, mainly of opening hotels. Itinerant merchants were also highly encouraged to settle in garrison towns and contribute their part in urbanizing them. Thus, some itinerant merchants, who got protection and incentives, had built shops (*suq*) and become urban dwellers of the above mentioned towns.

Some soldiers were deliberately made free from military service and encouraged to open hotels, *ţäj-bēt* (*ţäj,* local drink made from honey), *mäshäta-bēt* or *mäţäţe bēt* (tavern or alcoholic liquors vending houses), *lekwanda-bēt* (butchery), *wofečo-bēt* (grain-mill), build house for rent etc., which markedly increased civilian tastes of the regions.[30] Within towns migrants formed sub-villages called *säfär* or *mändär* based on their place of origin, type of business they ran, occupation they engaged in etc.[31] However, some official documents indicate, that such sub-villages (*säfär* or *mändär*), which were formed on the basis of occupation, religious and ethnic or linguistic or identities of individuals were centers of clashes and violence.[32] Whenever clashes happned between sub-villages in holidays and other occasions it was very difficult to hunt for criminals, who took asuylum among their fellow groups. This was because whether an individual was wrong or right and guilty or innocent member of each sub-village were always committed to blindly (irrationally) support their guys whenever violence broke out between members of

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[29] *Ibid.* They argue that, towns like Dilla, Yirgaläm and Hawasa were not garrison towns and their foundation was not associated with military purpose. Prior to the expansion of central government these areas were grazing lands. Contests to monopolize them were said to have claimed a number of lives from various Sidama clans. For example, in the case of Yirgaläm *Ras* Dästa (the governor of Sidama) bought the land from heads clans to end protracted skirmishes of Sidama clans. Eventually he made it political center of the region and distributed it to migrants. Similarly, to avoid clashes of the Arsi Oromo, Sidama and Wolayita people *Ras* Mängäsha Seyoum established Hawasa town, meeting place of the three ethnic groups.

[30] *Ibid.* In this particular period, mistrusts between town dwellers and local people had reduced the amount of supplies that supposed to come from the local people.

[31] For example *shäkela-säri säfär* (potters' village) Wolayita-sefer, Dorzē- *säfär* (weavers' village), Arab- *säfär* (where shops/suqes largely located), *qäteqach- säfär (*blacksmiths' village) etc. were formed in each town of the regions.

[32] NALA, Folder No. 195, 17.1.6.21.05, quarterly report indicating the outbreak of conflicts and related measures taken against violent ones and official efforts made to settle disputes (1946 E.C), pp. 10-13; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä. Informants assert that particularly, in the case of Yirgachäffē, Dilla, Alätawondo, Bänsa, Yirgaläm, and Läku such identity based sub-villages were sources of ethic clash, which were demanding to control.

certain sub-villages. Group squabbles were common experiences of each sub-village mainly during theft, hunting for criminals, using derogatory terms one against the other, religious and other festivals etc.

Initially towns were largely populated by small huts or shacks or cottages (*gojo-bēt*) made of straw.[33] Gradually civilian interactions accompanied by surplus production and profit relatively stabilized the regions and attracted a large amount of capital. Relative stability of the region and commercial interaction of the people encouraged settlers to construct houses with corrugated sheets of iron for various purposes. Regional governors and their compatriots and some others, who received official advices from the center to expand service sector, rigorously engaged in constructing houses for rent. Such an act of building houses, which continued to be practical to the 1970s, was employed for four major reasons.

1. It was a move to facilitate trade activities by providing rooms for migrant merchants, who had come to each town with a certain amount of capital. 2. It was also an attempt to increase government revenue from tax and individuals' income from house rent. 3. It was a disguised move against local resistance that targeted officials and settlers inhabiting the towns.[34] According to informants, this was because extending road and house construction, increasing the number of town dwellers and introducing markets were some of the government strategies employed to minimize hostilities, promote symbiotic relations and divert the attention of local bandits by tempting them to join new developments of the region. 4. Merchants who supplied towns with various goods and food items were highly protected and subsidized by governors; thus, availing houses for such merchants at a very low rent was part of the incentives.[35]

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[33]Ababu, p. 33; and W.C. McClellan (1986), p. 76
[34]Informants: *Ras* Mängäsha, G. Bäkälä, *Ato* Wubät and *Ato* Käbädä.
[35]*Ibid.*

At the same time, in each town governors had identified market places and introduced weekly markets for various purposes.[36] Such measures of introducing new markets and recognizing the already existing ones were strategies applied by local *balabats/qoros* and other governors along with other orders given from their immediate bosses. This was an important measure that had cultural, social, economic and political significances because markets were not only places to sell and buy goods but also places to announce government measures, decisions and policies.[37] Urbanization of the pre-Italian period was market centered because most of the houses built for rental and trading purposes were located in or immediately close to markets. Similarly, the service sector that was a cornerstone of the post-1941 urbanization process was largely concentrated around markets of the towns of the region.

During the Italian occupation (1935-1941), objectives of urbanization, composition of town dwellers and town relations were completely changed and designed to meet colonial motives.[38] Strategically key areas and houses of towns were controlled by Italian commanders and soldiers, who succeeded in defeating the Ethiopian army at the battle of Dollo (in the southern front) led by *Ras* Dästa Damtäw.[39] They completely demolished the political system set up by the *näfṭäññas* and installed their own.[40] They also launched road and house construction projects and provoked Gedeos and Sidamas to join them as collaborators.[41] It was a period opened towns

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[36]Jan Brogger, *Belief and Experience among the Sidama: A Case Study towards Anthropology of Knowledge* (Uppsala: Norwegian University Press, 1986), p. 48; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä. Informants argue that throughout the three regimes market, urbanization and coffee production were instruments largely employed to crush resistances and create new class that diligently committed to serve the regimes. They also explain that mainly during the Imperial and EPRDF periods officials worked to promote their personal interests under the umbrella of government policies.Finally they conclude that during the Imperial period the *tekeläññä* and the EPRDF DAs were examples of the case.

[37]John H. Hamer, "Achievement and Motivation, Culture and Socialization in a Developing society: The Sidama of Southwestern Ethiopia," *Journal of working Paper*, Vol. IX, No.3 (1981), p. 143; and John H. Hamer, "Voluntary Association as structures of Change of Sidama of Southern Ethiopia," *Anthropological Quarterly*, Vol. 4, No. 2 (1967), p.79. According to Hamer, markets were places to exchange ideas, meet relatives, create trade partners (*jalla*), and get information about government interests.

[38]Ababu, p. 58; and Almaw, p. 71.

[39]Bahru Zewde (2002), p. 62.

[40]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and Ato Käbädä.

[41]*Ibid.*

for local people and introduced a number of new developments and to some extent caused social mobility among very few Gedeo and Sidama individuals to join town lives.[42] In this case, some living legacies of the Italian period and some sources assert the remarkable role Italians played in urbanizing the region. For example, the main road, which connects the entire region, was their legacy. Furthermore, hotels, bridges, custom centers (*kēllas*) etc. which are still functioning are indicators of Italians' contributions.[43]

After liberation, the most important individuals who played notable roles in urbanizing the region were *Ras* Adäfrisäw, *Ras* Mängäsha Seyuom and *General* Issayas GäbräSilassie.[44] From 1941 to 1950, the regime had a very tough time because pacifying the region was demanding. As it has been noted in chapter three, situations were complicated by five major factors related to Italians, patriots, collaborators, heads of traditional institutions and the British (see also chapter two).[45] After settling crises related to the above mentioned groups, the imperial regime started to utilize fully its energy to urbanize the region at large; thus, the 1950s marked the beginning of remarkable expansion of urbanization of the regions.

As it will presented in chapter eight, the Imperial government employed three successive national development plans, as integral parts of the modernization policy that was accompanied by intensive urbanization, industrialization, infrastructure construction and cash crop

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[42]Ababu, p. 58; and Almaw, p. 71. It was the toughest period for settlers because they remained defenseless and hunting for them was very serious. The Italian administrators instigated violence deliberately to destabilize the region and destroy legacies of Ethiopian government so as to create favorable ground that could help to install their own. They also opened three Italian language schools at Yirgaläm, Dilla, and Alätawändo to increase their acceptance and contact with the people.

[43]*AddisZämän*, Vol. 23, No.28, Year 26th, an editorial commenting on the status of enemy properties (26 *Genebot*, 1959 E.C.), p. 526. In Yirgaläm, Dilla, and Alätawändo there are few garages, buildings, custom centers, lumbering and hotels constructed during the Italian five years occupation and still functioning.

[44]*Ibid*, Vol. 18, No.15, Year 22th editorials commenting on the expansion of hotels in the province (13 *Teqemet* 1951 E.C.), p. 750; and *Ibid*, (22 *Teqemet* 1951 E.C.), p. 1077. Sources assert that *Ras* Adäfrsäw, *Ras* Mängäsha Seyuom, and *General* Isayas GäbräSilassie had also played an important role in the history of urbanization of the region. The role of Empress Tänañ Wäreq (the daughter of emperor Hail Silassie), *Ras* Andargachäw Mässay and some other individuals were also very significant.

[45]Bahru Zewde, "Some Aspects of Post-Liberation Ethiopia: 1941-1950," in Tadesse Beyene (ed.), *Proceedings of Eighth International Conference of Ethiopian Studies* Vol. I (1988), p. 77.

production.[46] The first five years plan was basically launched to improve infrastructure of the country to realize modernization efforts and fulfill ambitions that the Imperial government was hoping to achieve.[47] Besides, it was manipulated by the regime and its loyalists to ridicule colonial legacies and settle local instability by introducing new settlement patterns and towns.[48]

Sources indicate that the quality of houses constructed for various purposes such as residences, hotels, shops, offices, stores etc. in Yirgaläm, Alätawändo, Dilla and Yirgachäffē towns were indicators of the governors' success in urbanizing the region.[49] In addition to these, road network and transportation facilities were mentioned as areas of remarkable progresses.[50] The amount of capital circulated, diversity of inhabitants, variety of commodities found in shops/ markets, quality of services and variety of alcoholic drinks hotels provided their customers with, and the number of tax payers and amount of revenue government collected were remarkably improved.[51] In this case the role of government in providing loans for those with shortage of money to expand their business was notable.[52]

In the 1960s, other towns like Hagräsälam, Läku, Täfärikēla and Abēla started to flourish and witnessed similar developments displayed by the above mentioned three towns of the province. Apart from former towns of the province that were initially formed for military purpose, some other towns were born mainly to support the coffee sector. For example, towns like Bänsa, Dayē, Çuko, Dara,

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[46]Dessalegn Rahmeto (1984), pp. 35-36. The three successive plans were: The First Five Year Plan (1958-1963), Second Five Year Plan (1963-1968), and the Third Five Year Plan (1968-1974).

[47]*AddisZämän*, Vol. 23, No.28, Year 26th, a report on the expansion of towns (26 *Genbot* 1959 E.C.), p. 526, In this case based on the report one can argue that in the 1950s, Yirgaläm, Alätawendo, Dilla and Yirgachäffē were the four major towns of the province which witnessed elements of urbanization and related changes of the period. However, the establishement of Hawasa town in 1968/9 changed the natur of urbanization in the province.

[48]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and Ato Käbädä. They indicated that resistance of *näftäñña*s and some local *balabats/qoros* against the restored Imperial rule made them disadvantaged. In the meantime there was a tendency of restoring the pre-Italian style of urbanization but the diversity, speed and nature of urbanization appeared unique form both the pre-Italian and the Italian periods.

[49]*AddisZämän*, Vol. 23, No.28, Year 26th, report (26 *Genbot* 1959 E.C), p. 526. The report indicates that quality of services provided by hotels in Yirgaläm, Dilla and Alätawendo were highly appreciated by the imperial delegates.

[50]*Ibid.*

[51]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, *Ato* Bäläṭä Jänbärē (bäjirond) and *Ato* Käbädä.

[52]*Ibid.*

Eriba, Tulla, Gorchē in Sidama; and Çiçu, Qoffē, Wonago, Abära, and Bullē in Gedeo whose economic origins related to the coffee market.[53]

As it will be shown in chapter eight from 1963 up to 1974 there was a high rate of urbanization followed by a number of changes in the region.[54] This was because objectives of the second and the third Five Year Plan emphasized improvement of administrative and legal systems to control each and every development of the region. They also gave due attention for expansion of agriculture, industry, education, health, transportation and communication. Based on objectives of the two development plans, master plans were prepared for Dilla, Yergaläm, Alätawändo and Hawasa towns.[55] Thus, urbanization remarkably expanded, which also resulted in increasing number of migrants, land price, interaction of people, demand for land, competition for resources etc.[56]

According to the 1964 census and some other sources, financially strong individuals and devotee disciples of the regime were provided with a substantial amount of government loan to engage in construction of houses for various purposes and for coffee production and trade, which were vital to increase both regional and national incomes.[57] Similarly, regional governors were committed to increase their acceptability by opening schools, clinics and providing protection and incentives for those who ran various businesses in the regions. According to the government plans that emphasized participation of people, governors requested their subject people to participate in the

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[53] *Ibid.*

[54] Getnet Bekele, "Knowledge, Power and a Region: The Making of Ethiopia's South Central Rift Valley Agricultural Environment and Society, 1892-1975" (PhD Dissertation, Michigan State University, Michigan, 2005), p. 44; and Informants *Ras* Mängäsha, General Bäkälä, *Ato* Wubät Ato Bäläṭä Gänbärē and *Ato* Käbädä.

[55] NALA, Folder No. 319, File No. 27/13/69, quarterly report indicating master plans of four major towns of the province (22 *Hedar* 1961 E.C), pp. 11-13; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, Ato Bäläṭä Gänbärē and *Ato* Käbädä. Almost all informants involved in preparing master plan of the province at various times.

[56] *AddisZämän*, Vol. 22, No.26, Year 22th, news on expansion of towns in the region (23 *Teqemet* 1956 E.C), p. 8099.

[57] *Ibid,* (28 April 1962), p. 3440; *Ibid*, (11September, 1962), p. 6090; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä. Particularly Dilla became destination of many merchants, investors and day laborers, which inspired the governors to work hard and implement the development plans strictly. As a result it appeared the most urbanized and sophisticated as compared to the other nearby towns.

construction of roads, schools, police-stations, etc., either by contributing money through their bosses or giving labor service.[58] As a result, a large number of residential and rental houses, coffee stores, hotels, schools, clinics, etc., were constructed.[59]

The 1950s and 1960s urbanization, which was dictated by government development plans, was very strong in negatively affecting the natural environment.[60] The arrival of many of people to the regions caused expansion of construction work and coffee cultivation and high demand for food and other supplies on a daily basis, which reduced forest lands of the regions into residential and production sites. As it has been explained in chapter three, it was also a historical phase, which caused the birth of new classes, settlement patterns and landholding in the history of Gedeo and Sidama. It introduced a new form of contest for resources, power, land, market, etc., that caused the outbreak of peasant rebellions and a shift of administrative center of the region.[61] Finally, the 1968 shift of capital from Yirgaläm to Hawasa marked the beginning of new phase in the urban history, which affected expansion of other towns in Gedeo and Sidama.[62] In the first half of the 1970s, most of the people who were dissatisfied by coercive measures taken by governors of the province had joined the anti-Emperor movement, which also affected the expansion of towns of Gedeo and Sidama as it will be explained in chapter eight.

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[58]*AddisZämän*, Vol. 28, No.27, Year 30th, report regarding development of the province resulted from participation of people (2 *Tekemet* 1962), pp. 8100, 8101 and 8104; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä Bälachäw. Apart from cash-crop production to increase incomes at various levels, governors also prepared land for mechanized frames to produce food items. This was part of attempts to realize Five Years Plans.

[59]WMTRC, Folder No. 159, File No. 6, list of government properties found in the province (10 *Yäkatit* 1951 E.C.) pp. 16-17. There were 55 and 49 government houses that rented for various offices in Gedeo and Sidama respectively. These houses were constructed by the government money to alleviate the housing problem.

[60]Informants: *Ato* Uko Matti, *Ato* Wolqisa Wonbēto *W/ro* Mulunäsh Borojē, *Ato* Fitamo Qawato *Ato* Addisu Bäriso, *Ato* Adäm Osman, *Ato* Bawiso Humēsa, and *Ato* Abu Hanfato.

[61]NALA, Folder No. 186, File No. 17.1.6.17.03, petition signed by local people and presented to emperor HaileSillassie (1968), p.1 (see appendix x and xi). The land grabs which were very aggressive and exposed the majority of Gedeo and Sidama peasants. As a result peasants under the leadership of their traditional leaders and some *näfṭäñña*s put an assault on coffee farms and their immediate bosses. Finally, rebellions were crushed but claimed a number of lives from both parties.

[62]Ababu, p.93, Almaw, 120; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, *Ato* Käbädä, *Ato* Uko Matti, *Ato* Wolqisa Wonbēto *W/ro* Mulunäsh Borojē, *Ato* Fitamo Qawato *Ato* Addisu Bäriso. According to informants, the 1968/9 shift of administrative center from Yirgaläm to Hawasa caused migration of capital, labor, and people from each town of Gedeo and Sidama to Hawasa. In addition to this the *Därg* worked against rich men; thus, they found Hawasa an asylum for life, family, property and money.

The 1974 Ethiopian Revolution, which brought the *Därg* to power by deposing the Imperial regime caused the beginning of new phase in the urbanization history of the country in general and the region in particular.[63] The Socialist *Därg* that declared land to the tiller and nationalized private possession of wealthy individuals including homes had completely changed the rate and structure of urbanization and composition of town dwellers.[64] It smashed systems, advocates and legacies of the imperial government. In this case landowning settlers, who played a vital role in transforming towns by generating money both from trade and coffee production or investing in the service sector, had been either killed or uprooted. As a result, except nationalizing rural lands/ farms, urban houses, hotels, etc. which belonged to key figures of the forgone regime and delegating *käbälē* or other organizations to administer them, the *Därg* contributed almost nothing in advancing urbanization in the two regions.[65] Regardless of this fact, in the 1970s and 1980s there was a notable expansion of schools, clinics, telecommunication, roads and transportation services in the province.[66] Particularly, for local Gedeo and Sidama people the *Därg* regime brought important changes in terms of improving their economic, political and cultural lives, even if it gradually affected them adversely. In expanding public service and promoting equality of people irrespective of ethnic and sex difference the *Därg* was very notable.

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[63]*Ibid.* It was the fifth important historical event to change the pattern of settlement, land holding system, interaction and composition of the people etc. of the region since the sixteenth century. The Oromo population movement of the sixteenth century, the Central Highland State expansion in 1989, the Italian Occupation in 1935/36, the restoration of Imperial rule in 1941, the Ethiopian Revolution in 1974 and the EPRDF in 1991 were important historical events that caused lasting changes in Gedeo and Sidama. At the same time, owing to the absence of political tradition of peaceful transfer of power, one regime used to work against contributions of the other, which resulted in demolishing houses, hotels and other buildings of the forgone regimes.

[64]*Ibid.* A group of settlers called *tekeleññä* and *näftägñnä* were seriously affected. However, the period transformed a large number of local Gedeo and Sidama individuals to become urban dwellers. Furthermore, expansion of modern education, national military service and coffee economy played their part in assimilating local people into towns.

[65]Informants: Bälätä Gäberä (Bäjirond), *Ato* Uko Matti, *Ato* Wolqisa Wonbēto *W/ro* Mulunäsh Borojē, *Ato* Fitamo Qawato *Ato* Addisu Bäriso, *Ato* Adäm Osman, *Ato* Bawiso Humēsa, *Ato* Abu Hanfato, *Ato* Zälälawu Abära, and *Ato* Wubshät Tägäññ. They unanimously agree that contribution of the *Darg* in urbanizing the region was very negligible. The poor peasants, urban daily laborers, proletariats and other organized groups took the leadership. However, they emphasized consuming and distributing nationalized properties and undertaking retaliatory acts against wealthy individuals. Thus, in this particular period towns were believed to have suffered from remarkable stagnation and final deterioration.

[66]*Ibid.* As it will be presented in chapter eight, nationalization, villagization and national military services were the most dominant events, which believed to have disorganized each development in the region.

Finally, the coming of EPRDF to power in 1991 through the long-established political tradition of the country, which is armed struggle, employed the same strategy such as blaming the former regimes and destroying their contributions.[67] It was also a period when remnant legacies of the Imperial regime and achievements of the *Därg* were ridiculed and demolished. As a result, some surviving settlers and their descendants were forced to evacuate lands and farms inherited from their ancestors. It was a period that cleaned rural areas from the non-local people.[68] It accelerated expansion and development of the Hawasa town because financially capable settlers, who found other towns of Gedeo and Sidama places of insecurity, migrated to Hawasa and became big business owners.[69] In general, this implies that hectic situations of the 1970s, 1980s and 1990s helped Hawasa to flourish by attracting money, labor and human and natural resources of the regions at large.

7.2 The Role of Coffee Industry in Rural-Urban Links

There is a view that small urban centers play a positive role in rural-urban linkages by providing markets, service centers and inputs.[70] Despite that fact, there are occasions in which small urban centers played no positive role and they became areas to exploit the rural economy through detrimental relationships.[71] There are also some development debates that are predicated on the distinctiveness of urban and rural areas of the country.[72] However, instead of taking urban and rural sectors as distinct entities, a more plausible approach is to consider them as a continuum,

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[67]Informants: *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, *Ato* Dawit Wonbēto, and *Ato* Täfäri Kifle (FGD).

[68]*Ibid.* The availability of land for sale, wildness of the town, ethnic diversity etc. made Hawas a safe haven for the escapees, who run away from aftermaths of the 1974 revolution and the 1991 ethnic cleansing. As a result people from various corridors of the region, particularly settlers and their families made marches to Hawasa with their capitals.

[69]Kefyalew Tessema, "A History of Hawassa ...," p. 103; Almaw, "Customary Laws of the Gedeo and Sidama...," p. 39; Yebeltal Gebeyehu, "Population Pressure and Agricultural Land Fragmentation in Ethiopia, A case study of Shashemene and Dale *Weredas*" (M.A. Thesis, Geography, AAU, 1992), p. 51; and Abära Yarägal, "Expansion of Hawasa and Its Economic Importance," (MSc Thesis, Economics Department, AAU, 2000), p. 39.

[70]R. Southall, *Nature of Rural-Urban Linkages in Sub-Saharan Africa* (Stockholm: McKim P. Press, 1999), p. 213.

[71]Ahmed and Rahman, *Rural-Urban Linkage along the Upper Nile Basin* (Alexandria: Mannar P. P., 1999), p. 264.

[72]Harris and Todaro, *Models of Rural-Urban Linkages* (London: Oxford University Press, 1990), p. 19.

running from capital city of the country to larger regional centers, to smaller market towns, to the rural areas in which coffee producers live. Thus, this research employs the continuum approach because it helps to show the extent to which coffee economy impacted the rural-town link to become more symbiotic, i.e. towns were important sources of demand for rural products, and rural residents were sources of demand for goods sold in towns. Such mutual links of the two areas, which improved welfare of the people of the regions, were also further strengthened by improved presence of roads, transport and their quality. In line with the above introduction, the role of coffee economy in affecting rural-urban links in Gedeo and Sidama is analyzed as follows.

Literature regarding the role of markets in rural-urban links in Ethiopia is very limited; however, very few people studied market based rural-urban links and tried to show the nature and types of the links, which existed in some parts of the country. For example, Ayele Bekere found that small towns in northern Ethiopia served only as regional markets.[73] After assessing growth and functions of small towns in Ethiopia, he noted that these towns provided important ranges of economic and social services, though utilization of services was found to be problematic due to poor accessibility.[74] Mäsfin Ayalew arrived at the same conclusion after studying market linkages in Western Shawa Zone. He reported the existence of poor integration that was observed between rural and urban areas and lack of proper infrastructure to enrich linkages.[75] The same generalization has been documented by Tegegn Wale and Tilahun Engida after they have studied two small towns, although they made an exception for forward linkages i.e., other form of rural-urban linkage are minimal or nonexistent.[76] The only countrywide analysis of its

[73]Ayele Bakere (1986), p. 9.

[74]*Ibid* (1990), p. 16. Baker's study focuses only on small urban centers and does not deal with the linkages.

[75]Mesfin Ayalew, "Rural-Town Linkages in Western Shawa," *AgriEcon*, Vol. 87, No.21 (1995), p. 10. This study, however, is limited only to the marketing linkages.

[76]Tegegne Wale and Tilahun Engida, "The Role of Rural-Urban Linkage in Economic Development," *AgriEcon*, Vol. 89, No.22 (1996), pp. 218-240. The study is general in its approach which lacked household patterns.

kind concerned with the entire rural-urban linkages in Ethiopia was done by John P. Mason which though it was very general gave due attention to the case of cereals and coffee producers in the northern and western parts of the country respectively.[77]

In spite of the above reality in some parts of the country, the case in Gedeo and Sidama was relatively different because the existence of coffee and its market relatively helped to improve the nature and types of rural-urban links and infrastructure of the regions. From the 1941 up to 2010, owing to coffee becoming main export item, governments of the country tried to promote the sector and provided necessary supports, which helped to strengthen rural-urban linkes and improve the infrastructure.

The consensus among some linkage studies is that linkages are location specific and their potentials vary from place to place.[78] Depending on the type of agriculture that is practiced, the nature of linkage that could be generated is subject to variation because market access, input intensity and processing requirements vary across cropping systems.[79] This shows magnitude of the importance of rural economies in determining the nature of labor use, crop consumption, income distribution, degree of marketing of agricultural products and types of services and functions needed.

It does not mean that rural markets were the only important ones in rural-urban links of the post 1941 Gedeo and Sidama because rural people heavily relied on urban markets for their daily intakes. This means rural-urban links were symbiotic (give-and-take type) that caused several changes in the regions. In this case, though coffee was the most dominant, there were items that

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[77]John P. Mason, "The Role of Urbanization in National Development: Bridging the Rural-Urban Divide," *A.I.D. Program Evaluation Discussion Paper* No. 27 (1999), p. 9.

[78]Sarah Vaughan and KjetilTronvoll, *The Culture of Power in Contemporary Ethiopian Political Life* (Stockholm: Sidastudies, 2003), p. 138; Aderanti Adepoju, "Managing Cities in Sub-Saharan Africa," *POPULI, Journal of the U.N. Fund for Population Activities* Vol.13, No. 1 (1996), pp. 36-37; and David Booth *et.al.*, "Development and the Rural-Urban Divide" in *the Journal of Development Studies* Vol. 20, No. 3 (1994), pp.143-144.

[79]Jacques Ledent, "Rural-Urban Migration, Urbanization and Economic Development," *Economic Development and Cultural Change*, Vol. 30, No. 3 (1992), pp. 517-518.

both rural and urban people produced and exchanged in the markets.[80] To this end, rural-urban links arose from two spatial units, namely towns and rural areas of the regions under the three regimes of the country.

As some studies on the rural-town linkage would have it there is a set of factors that shape the nature and strength of linkages. The first condition for a dynamic rural sector is a sustained growth in agricultural output.[81] An agricultural growth strategy is also crucial for rural linkages because it affects the nature of agricultural growth and income distribution within the agricultural sector.[82] A dualistic or bimodal agricultural development (a situation where the same body lik government, organization, company etc. manages both supply of inputs and collection of outputs) leads to weaker linkages than to more egalitarian agriculture because when the distribution of income gets more evenly the consumption of local products will increase.[83] For example, in the case of Gedeo and Sidama it was the expansion of coffee economy that helped the rural-town linkage to be more active. As it will be explained below, as a result of money which the coffee sector generated and the people it attracted expansion of the service sector flourished and helped rural-urban links to grow symbiotically.

Furthermore, higher income farmers tend to spend more on non-food products but import a higher proportion of these products from large urban centers or abroad, whereas low income households tend to spend a higher proportion of their income on locally produced items, when considering both food and non-food products. This was typical example of income based rural-

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[80]Informants: *Ato* Uko Matti, *Ato* Wolqisa Wonbēto *W/ro* Mulunäsh Borojē, *Ato* Fitamo Qawato *Ato* Addisu Bäriso, *Ato* Adäm Osman, *Ato* Bawiso Humēsa, *Ato* Abu Hanfato, *Ato* Zälläwu Abära, and *Ato* Wubshät Tägäññ.

[81]P. Funnel, *Models of Rural-Urban Linkages* (Colorado: Westview Press 1997), p. 86; and Jean-Marie Cour, "Urban-Rural Linkages: Macroeconomic and Regional Implications," *Interim Report of African Technical Department, Africa Technical Infrastructure Regional Studies* (Washington, D.C.: World Bank, 1999), pp. 218-219.

[82]Richard Rhoda, *Urban –Rural Linkage Analysis for Development Planning* (Colorado: Westview Press, 1994), p. 61.

[83]United Nations Deployment Division, *Patterns of Urban and Rural Linkage* (New York: United Nations Deployment Division, 1996), pp. 170-173.

urban linkages in Gedeo and Sidama. This is because coffee farmers who were usually earning low income from coffee sector largely used to consume homemade products with low prices and cotton products, kaki cloths and secondhand materials.[84] They also used to spend their money in nearby towns of Gedeo and Sidama by consuming local products, which strengthen rural-urban links of the regions than other areas of the province. This created market opportunities for rural products and town goods at the same time, which made rural-urban linkages in Gedeo, Sidama and Walayita (where coffee economy functions) more active and all embracing in terms of creating equal opportunities for producers of every item.[84] In this case, an increase in the consumption linkage was consistent with the extent of labor use because labor incomes were locally spent. As opposed to this brokers, traders etc., inhabited towns and involved in the trading part of the economy were able to make more money and consume quality products imported from abroad.[86] They had also more money to enjoy luxurious life than rural people.

As it has been explained in chapter three, labor use in Gedeo and Sidama varies according to the type of cultivation practices. However, up to the 1980s coffee based rural-urban linkage was basically male dominated. Regarding other items the role of women was noteworthy.[87] This was because in markets except coffee, cattle and clothes for traditional Gedeo and Sidama men involving in markets of other items was embarrassing. For example, selling chickens, cabbage, milk, *qoço* (product of *ensät* plant) etc. was culturally humiliating and abashing business for male groups of the two people. Therefore, the main actors of the rural-urban linkage in the case of such items were women.

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[84]Informants: *Ato* Tekola Abebe, *Ato* Täklay Qätsäla, *Ato* Täshomä G/Mikael, *Ato* Shikurē Shafi, *Ato* Kasahun Belachäw, *Ato* Gētachäw Kebru, *Ato* Gulelat Amarä, and *Ato* Guchē Galigalo.

[85]*Ibid;* and Hussien Mahmoud, "The Dynamics of Cattle Trading in Northern Kenya and Southern Ethiopia...," p. 49.

[86]*Ibid.*

[87]Tadesse Kipie (2G02), p. 169; and Betana Hoteso, p. 132.

In terms of inputs, labor intensive farming and small farmers use more local inputs while modern inputs such as fertilizers and machinery are imported and are used by large scale farmers.[88] A greater potential for generating inward (rualward) linkage, thus, can be discerned in smallholder coffee farms, which use locally produced tools than large-scale farmers, who use modern imported machinery.[89] This was mainly due to overwhelming domination of small-scale coffee farm in Gedeo, Sidama, and Walayita (areas with coffee economy) input based rural-town linkages were very active and symbiotic than other areas of the province. However, inputs in rural-urban relations largely rest on processing and distribution of agricultural products, which could be distinguished between household processing and commercial forward (townward) linkage.[90] On the other hand, commercial forward linkage depends on the degree of marketing of agricultural outputs, crop composition, technological choices, marketing organization and markets location as it is shown below.

Since 1941 a number of factors helped coffee sector to play significant role in urban-rural links to have both service and growth orientation because farmers living in the environs of each town of Gedeo and Sidama had better access to inputs and were likely to use inputs and services vital to increase agricultural yields.[91] This implies that towndwellers provided agricultural inputs and services; hence, farmers were able to have better access to these inputs. Such increases in inputs played a role in connecting coffee farmers with nearby towns in rurlaward linkages.[92] For example, as it will be presented in chapter eight, farmers who produce the recently expanding cash crops such as, *çat /khat/chat* and sugarcane are highly advantaged to exploit such rualward production linkages related to input supply that existed between rural and urban areas of Gedeo and Sidama.

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[88]W. Stewart and G. Ranis, *Strategies of Rural-Urban Linkages in Sub-Saharan Africa* (Washington, D.C: World Bank, 2004), p.209.

[89]Robert Bagawacha and W. Stewart, *The Role of Rural-Urban Linkages in Developing Asian Countries* (Hamburg; LIT, 2002), p. 172.

[90]*Ibid.*

[91]Mathews Dangiso, "Credit and Saving Schemes as a Vehicle for Women's Empowerment: A case study from Sidama" (M.A Thesis, Development Studies, Dublin University, Ireland, 1999), p. 16.

[92]*Ibid.*

Throughout the three regimes of the country, farmers inhabiting nearby towns of the regions were motivated to sell their harvest and hence a sizable amount of their output was sold.[93] This was because towns provided farmers with market places and facilities, which encouraged them to supply towns with a larger and quality output of their produce. As sources assert, successively increasing amount of output, which farmers sold in each town of Gedeo and Sidama indicated marketing opportunities that towns were able to provide to farmers in the vicinity of each town.[94] Besides, rural people needed both urban goods and services that much of them were offered by towns.[95] This encouraged the growth of symbiotic relation between the two; and provision of consumption goods and various services by urban people, which resulted in increasing agricultural production.

Moreover, farmers established financial linkages with town-based fiscal institutions and money lenders to get loans for various purposes and deposit their savings.[96] This was an important link, which increased the amount of money circulating in the regions and helped some individuals to emerge financially strong and some institutions to expand financial services.[97] Similarly, town dwellers were linked to rural economies through buying agricultural products because town people looked for food and other agricultural goods that were likely to be provided by the environs.[98] Here one has to be aware of the fact that growing demand for agricultural products

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[93]WoldeAmanuel Tesfaye, "Analysis of Subsistence Farmers Rationales in Switching to Commercial Agriculture: The Case of Small Farmers in Wondo Genet, Southern Ethiopia" (MSc. Thesis, Economics, Wageningen University, 2003), p.38.

[94]*Ibid.*

[95]Hussien Mahmoud, "The Dynamics of Cattle Trading in Northern Kenya and Southern Ethiopia...," p. 49; and Endeshaw Asefa, "Assessment of Production and Marketing System of Goats in Dale District, Sidama Zone," (MSc. Thesis, Department of Animal Production and Range Sciences, University of Hawassa, Hawassa, 2007), p. 18.

[96]*Ibid.* They indicate that, usually rural areas were not vulnerable to various attacks made coming either from bandits or government officials, which forced them to keep their money somewhere in towns to avoid acts of robbery. According to these sources rural areas were largely areas where people used to keep properties than cash money. They conclude that it was natural for farmers to create financial links with towns.

[97]Gebremariam Bekele, "Economics of the Ethiopian Coffee Industry" (Unpublished, Ministry of Coffee and Tea Development, Addis Ababa, Ethiopia, 1989), p. 15. He indicates that it was the growing link between rural and urban centers that influenced farmers to borrow and deposited money among individuals at nearby towns.

[98]Informants: *Ato* Girma Bäkälä, *Ato* Eshätu Çaka; and *Ato* Wolasa Lawiso. They indicate that consumptions of town dwellers consisted of several items of which demand for farm products and food from surrounding was a significant portion.

and provision of more inputs helped farmers to increase agricultural output and productivity. This helps to identify both beneficiaries and reciprocal impact of linkages in the case of Gedeo and Sidama. This is because participants of the sector had specific role to play and benefits to claim in return for their roles in the link. Evidence like the extent to which rural households purchased urban goods and services and where did they come from and services are important to explain the nature of the links.[99] Variables on household annual spending for different items and sources of purchase (outside or inside the regions) were also important indicators of rural-urban links in the coffee sector.

Towns in Gedeo and Sidama were major destinations of migrants from the environs.[100] Small towns reduced migration of people from rural areas to larger towns by absorbing them and providing their daily needs and demands. In addition to this, economic benefits and job opportunities available in small towns were main causes of migration to nearby towns.[101] Even if there were several causes of migration; job availability was considered to be the main cause of rural-urban migration in this study. Rural areas of the regions were characterized by poverty and low standards of living; hence, economic reasons were outweighing all other reasons for migration among rural inhabitants. For example, the recent expansion of towns created job opportunities for poor people of the region, which helped to sell what they have including their labor largely to secure their daily bread against overriding poverty they used to suffer from.

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[99]Endeshaw Assefa, p.43; and Mulugēta Gezahēgn, "A History of Yirgachäffē Wäräda...," p. 61.

[100]Bereket Tassew, "Aspects of Decentralization Practices in Sidama Zone: Bensa Woreda" (MA. Thesis, Regional and Local Development, AAU, 2008), p. 39; Ayele Tedecho, p. 55. The origin and figure of migrants in the small towns was an indicator whether the small urban centers were the major attractor of migrants from the surroundings. Migrants always preferred to move to places where they have information about and their relatives lived. Therefore, instead of migrating to the distant towns their best choices were the nearby small towns.

[101]Wolassa Lawisso, "The Pre-1991 Socio-economic Condition in Sidama: An overview" (Unpublished and a Paper sponsored by the Team of Sidama Development Corporation, Hawasa, 1999), p. 21. Sometimes their becoming asylum for the criminals, who ran away from arrests also increase number of migration.

Most economic activities of towns increase demands for rural raw material and labor, which generate income for rural households in the nearby areas.[102] As unavoidable implication of this would be the broad extent and significances of forward production linkages, which an active rural economy was expected to have with towns. For example, almost all rural areas of Gedeo and Sidama were sources of raw materials and labor because expanding economic activities of towns provided market for rural labor and raw materials. On the other hand, some of the urban businesses depend on rural raw materials and laborers; thus, the type and nature of raw materials and labor were elements that also played an important in the rural-urban links.

In Gedeo and Sidama there was an economic situation where linkages were strong between the coffee and non-coffee areas of the regions.[103] This could be partly explained in terms of the fact that coffee farmers being better income-earners, their purchasing power was boosted, leading to increased flow of inputs from towns which guaranteed the persistence of backward production linkages. It is also due to the fact that urban residents met most of their demands for rural producers from nearby non-coffee growing areas than from coffee regions.[104] This, in turn, was because in coffee regions, there were less food crops and, hence, urban households may import from other places unlike the non-coffee region, where urban households to a large extent depend on rural hinterlands. This was found to be important because it increased backward rural-urban linkage and mutual dependency of the two people.

And yet the most important rural supplies next to coffee, as far as Gedeo and Sidama were concerned, were firewood, animals and animal products, fruits and vegetables, leather, and cotton

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[102]*Ibid.*
[103]Endeshaw Assefa, p. 40; and Wolassa Lawisso, p. 81.
[104]Mathews Dangiso, p. 53.

as well as bamboo made furniture.[105] Apart from coffee domination in the lives of the people of coffee growing areas of these two regions, owing to their ubiquitous dietary restriction to the traditional staple food *qoço* (made from *ensät* plant), they hardly produce cereals for market consumption. For the majority of the town dwellers, therefore, cereals and other food items were supplied by merchants who imported them from nearby provinces like, Arsi, Balē and Shäwa.[106] This shows demands of both rural and urban people of the two regions for products of their neighbors mainly cereals, rural-urban linkage played an important role in increasing the amount of money rural people spend in purchasing cereals from nearby towns.

To conclude, despite several links that existed between the two, rural and urban spaces were largely presented as separate in a number studies. Arguably, however, the links between rural and urban areas of Gedeo and Sidama were relatively varied. Particularly, the links of the two areas, for example, through the markets that towns provided rural people with a set of benefits were important. Some of the major benefits that rural people were able to get from town markets include larger markets for agricultural and non-agricultural goods that rural households produced and improved access to inputs needed for agricultural production.[107] It also provided rural people with improved access to services like health, education, and contract enforcement and additional sources of livelihoods such as remittances and markets for off-farm labor, and better access to goods for consumption.

Furthermore, benefits from the above market based rural-urban links operate through several channels. 1. They provided households with opportunities to sell goods and services. Such

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[105]Informants: *Ato* Uko Matti, *W/ro* Mulunäsh Borojē, *Ato* Wolqisa Wonbēto *Ato* Fitamo Qawato *Ato* Addisu Bäriso, *Ato* Adäm Osman, *Ato* Bawiso Humēsa, *Ato* Abu Hanfato, *Ato* Zälläwu Abära, and *Ato* Wubshät Tägäññ.

[106]*Ibid.*

[107]Hussien Mahmoud, "The Dynamics of Cattle Trading in Northern Kenya and Southern Ethiopia...," p. 108; and Admasu Tsägayē, "On Indigenous Production, Genetic Diversity and Crop Ecology of *Ensät*."p. 86.

opportunities increased household income either because they caused utilization of previously unemployed household resources or because households reallocated resources in order to take advantage of the new, more profitable activities. In this case, as it will be explained in chapter seven, decisions made by the Gedeo and Sidama farmers to make shift of production from coffee to other crops in the times of coffee crises caused by either price fall or disease attacks and damages by heavy rain (accompanied by ice) can be taken as an example of the case in point.

2. Links are potentially important to improve prices that rural households expected to receive for their produce that they supplied to towns. Either one of two possible scenarios could bring about this improvement in rural-households receivable prices. Such as, households can benefit from increased demand for their goods or large markets of towns serve as "absorbers of surplus," because they have capital, stores and large number of consumers that could make them potential places to easily absorb rural products without causing prices to decline dramatically. Last but not least, links may permit households access to either a wider variety of productive inputs, better quality inputs or to inputs that are available on a timely basis. Besides, benefits in terms of price, variety, and quality apply to purchases of goods for consumption. Other links that seemed subtle were important in minimizing risks of households; for example, Stark has observed that urban-rural remittances can effectively substitute for missing credit markets.[108] As it is noted above a more diversified opportunities of money making activities is both directly welfare enhancing (by reducing income variability) and indirectly, but permitting households to enter riskier, but higher return, activities.

In Gedeo and Sidama interactions between urban and rural areas was similar with others because almost all market based rural-town links of the country make for households new opportunities

[108]Raphael Stark, "Perspectives of Rural-Urban Links," *Sociological Quarterly*, Vol. 34, No. 16 (1991), pp. 499-501.

for the sell of goods and services leading to increased household income by either employing new household resources or reallocation of resources to get more advantage from new profitable activities.[109] By the same argument, links to coffee markets and towns improve prices received by rural households since households can benefit from increased demand for their goods or to reiterate the point that was already made in the preceding page, larger markets have a greater capacity to absorb production from rural areas without resorting to a condition of price decline. Furthermore, access to a wider variety of productive inputs and services, better quality inputs or to inputs that are available on a timely basis can be gained through these links. Benefits in terms of price, variety, and quality also apply to the purchase of goods for consumption.

3. In addition to rural-urban interactions in the coffee market, it was the money that came from coffee sell that played a vital role in strengthening urban-rural links. Particularly from August to January, the wet coffee bean and from January to March the dry coffee bean markets were sources of money for both Gedeo and Sidama coffee farmers. After selling the coffee they would entertain in hotels, and purchase town supplies, which helped the town people to collect a sizable amount of money through their businesses. Surprisingly enough, due to strong rural-urban links that existed in the regions, every non- Gedeo and non-Sidama settler of each region irrespective of his/her ethnic origin knows the languages of the local people. As it will be presented below, such links also significantly helped the service sector to flourish by attracting people and capital from various parts of the country to make Gedeo and Sidama towns their destination.

[109]Mathews Dangiso, p. 70.

7.3 The Coffee Industry and Expansion of Service Sector: Hotel Industry and Its Impact

It is natural for every town/city to have institutions that could provide lodging, food and other sorts of recreational services for individuals who could meet requirements of service offering institutions and able to afford payments for services they rendered. Some of the modern service offering institutions include, mall, motel, hotel, bar, restaurant, pub, café etc. Each service providing institution has its own unique characteristics, building style, types of provisions that could render its customers with etc. They can be affected by legal, social, cultural, economic, political, and geographical factors.[110] For example; site of institutions, level of societal development in terms of understanding, income, science and technology etc. have their own impact on the range and quality of services that institutions are supposed to provide.

Some sources indicate that the introduction of hotels and bars in Gedeo and Sidama was largely associated with *Däjazmač* Balcha Safo, the governor of Sidamo.[111] Particularly during his second round governorship of the province (after coming from Harar) he had come with a number of new ideas like expansion of trade, coffee production, opening of hotels/bars etc. to maximize the government revenue. As a result, apart from the already existing traditional liquor vending small huts that served interested ones in the towns, fairly standardized hotels were opened at Hagäräselam for the first time. [112] Similarly, *Ras* Dästa made efforts by encouraging

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[110]Thomas C. David, *The Political Economy of Hotel Industry* (London, Routlage, 2007), p. 31; and Jennifer L. Beard, *The political economy of Desire: International Law, Development and the Nation State* (New York: Routledge, 2007), p.10.

[111]Tshai BerhaneSillassie, p. 201; GäbräEgziabhēre Eliase, "*Yä Zämän Tarik Tezetayē Bä Nägästa Zäwditu Zämänä Mängest*" (IES, MSNo. 2062C (1938 E.C), p.310; and Informant: *Ras* Mängäsha. They indicate that efforts of former governors such as *Däjjazmač* Balcha Safo, *Ras* Dästa Damtäw and *Ras* Berru Woldägäbreal should get a credit in relation to introduction and early expansion of hotels and bars in the region. Sources also show that they played a significant role in promoting hotel and bar services to break conservative traditions of the period, which did not appreciate eating and drinking in hotels/bars. Finally they note that the one who enjoyed hotel and bar services was prone to social stigmas as extravagant and irresponsible.

[112]*Däjjazmač* Bäqälä Bäyänä, " *Yä Sidamo Täqlay Gezat Yä Shumoch Yä Läwṭe Terätoch*: 1933-1960 E.C.," (A type written pamphlet in my possession, 1960), p. 5.

some of his followers to open hotels at Yirgaläm and Alätawändo.[113] Finally, the Italian period was also insignificant regarding the expansion of hotels/ bars in the region.

After 1941, both production and marketing of coffee played an important role in accelerating expansion of towns and migration of labor and capital in Gedeo and Sidama. However, the role of the market was more notable than the production aspect because it was more participatory and had more space to accommodate all migrants according to their interest, amount of capital and types of skills. In addition to this, up to the 1970s the coffee sector was highly politicized and became prerogative of a certain group of people, who had some kind of links with either the palace or regional ruling elites.[114] Therefore, the majority of the migrants, who marched to the region hopping to share benefits of the coffee boom, were forced to engage in the service sector and run some kind of business or sell their labor or rent equipment etc. For those who had no ties with the ruling elites, the service sector was the only way to economic, political and social mobility. During the *Därg* the coffee economy was totally government dominated.[115] Under the EPRDF, it became open for any interested one to take part in the sector at local level, particularly in the trading activity. However, for someone to engage in the export level or own processing machines, he/she is expected fulfill a number of requirements.[116]

Furthermore, large businesses like constructing houses for rent and hotels/bars, owning coffee farms, and engaging in the coffee trade were prestigious economic activities, which required substantial amount of capital and large plots of land.[117] In this case, getting government

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[113] *Ibid.*

[114] Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, Bälätä Jämbärē (*bäjirond*) and *Ato* Käbädä.

[115] Informants: *Ato* Uko Matti, *Ato* Wolqisa Wonbēto *W/ro* Mulunäsh Borojē, *Ato* Fitamo Qawato *Ato* Addisu Bäriso, *Ato* Adäm Osman, *Ato* Bawiso Humēsa, *Ato* Abu Hanfato, *Ato* Zälläwu Abära, and *Ato* Wubshät Tägäññ.

[116] *Ibid.*

[117] *Ibid*; and WMTRC, Folder No. 334, File No. 3, list of hotels, number of hotel owners association and (18 *Genbot* 1942 E.C.), p. 3; and *Ibid.* File No. 2, awards given to some hotel owners in appreciating their contributions in the sector (17 *Tahesas* 1942 E.C.), p. 28.

permission and support to run such businesses was very tough for ordinary people. In spite of that, for migrants with small amount of capital, running small business and transforming oneself was relatively simple. Thus, for someone who had the patience and ability to manage challenges of various types, becoming economically influential one was a matter of time.

In addition to engage in business activities, during the Imperial period, marriage and traditional institutions and religious means were some of the venues to transform oneself to achieve social, economic and political mobility.[118] Some Gedeo and Sidama individuals used embracing Christianity, marrying settlers and becoming loyal to the system as ways to promote oneself and assimilate into the political and economic systems; and as a strategy to minimize challenges coming from above.[119] For example, it was quite normal to find a number of local *balabats*, becoming deacons and priests serving in the Orthodox Christian Churches of the regions.

In the 1950s and 1960s there were incentives given both at national and regional levels for those who had interests to invest in the service sector.[120] This was because constructing hotels by involving people was found to be part of implementing one aspect of the Imperial policy of modernizing the country. For example, those individuals, who opened hotels at various towns of Gedeo and Sidama were highly appreciated and provided with either letter of appreciation or certificate.[121] Regional governors had also participated in the construction of hotels in the name of their relatives and families.[122] They also informally ordered financially strong individuals

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[118]Informants: *Ato* Abu Hanfato, *Ato* Shashamo Hanqamo, *Ato* Shanaka Qa'am'iso and *Ato* Wolqisa (FGD). They argue that economic interest was the main factor that attracted people to make Gedeo and Sidama towns their destinations.

[119]*Ibid.*

[120]*Däjjazmach* Bäqälä Bäyänä, p. 5; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä.

[121]WMTRC, Folder No. 159, File No. 6, list of hotels, number of hotel owners association and awards given to some hotel owners in appreciating their contributions in the sector (1962 EC.), pp. 1-2; BäkuräTsion Tilahun, "*Bä Sidamo Täqlay-gezat bä Sidama Awraja-gezat yä Yergaläm zuria yä Dalē Wäräda-gezat yä agärena hezebe hunēta tarik mägläča*," Hedar 26, 1964 E.C. (A Hand written Amharic letter addressed to HSIU, IES), p. 3; and Informants: *Ras* Mängäsha, G. Bäkälä and *Ato* Wubät.

[122]Informants: *Ato* Täkola Abäbä, *Ato* Täklay Qätsäla, *Ato* Täshomä G/Mikael, *Ato* Shikurē Shafi, *Ato* Kasahun Belachäw, *Ato* Gētachäw Kebru, *Ato* Gulelat Amarä, and *Ato* Guchē Galigalo.

and some officials of each town to invest their money in a certain visible investments particularly on the construction of hotels, houses for rent, villas for residence etc.[123]

The period after 1941 was the most remarkable as to the expansion of hotels and bars in Gedeo and Sidama.[124] It was accelerated by expansion of coffee economy followed by growing number of migrants, opening of different government offices and a flourishing service sector. The five years development plans also played a vital role in encouraging construction of hotels and bars in the province.[125] For example, the 1950s and 1960s witnessed notable expansion of hotels and bars because lands and credits were given for some interseted individuals with a certain amount of intial capital.[126] Particularly, governors at Yirgaläm, Alätawändo, Dilla, Yirgacheffē, Hagäräsälam and Bulē were given official order to encourage people to open hotels and bars. In this case individuals like *Ato* Amarä Läma of Dilla, *Ato* Qätsäla Mänegestu of Yirgaläm, *Ato* Täsäma Aseräs of Yeigacheffē, *Ato* Wärku Dästa of Bulē, *Ato* Säyefu Yemär of Läku and *Ato* Gerum Gässäsä of Alätawändo were some of the individuals who opened hotels and got appreciation from governors of the towns. There were also a number of hotels opened in many towns of the province by the money contributed from the people. For example, Wosänsägäd Hotel in Alätawändo was one of the hotels constructed by the governor of Alätawändo, *Däjjazmach* Daňē (in memorial of his father) to give service for delegates of the central government, who had come to the town for various purposes.[127] It was constructed by the money contributed by inhabitants of the *wäräda* (district) irrespective of their ethnic, religious and economic backgrounds.

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[124]Ababu, p. 20; and Almaw, 46.

[125]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, Bälätä Gäberē (*bäjirond*) and *Ato* Käbädä.

[126]*AddisZämän*, Vol. 29, No.6, Year 30th, editorial commenting on remarkable contribution of individuals of the province in opening standardized hotel and appreciation and support the Imperial government made to them (19 *Genbot* 1951 E.C.), p 526; *Ibid*, Vol. 30, No.9, Year 31th , news about expansion of constructions (21 *Sänē* 1953 E.C.), p. 710; and *Ibid*, Vol. 31, No.3, Year 32th report on expansion of roads and hotel services (8 *Miazia* 1954 E.C.), pp. 1 and 4.

[127]*Ibid* , Vol. 30, No.10, Year 30th, report on expansion of roads and hotels in the province (25 *Hamelē* 1952 EC.), p. 742; and *Ibid*, Vol. 31, No.12, Year 33th report about the expansion of roads and schools (8 *Genbot* 1955 E.C.), p. 8804.

The expansion of hotels was deliberately promoted by governments because official and civil servants sent from the center for various official duties were suffering from the absence of logistic supplies including residence.[128] Initially there was a tradition of lodging them at houses of provincial governors. However, the expansion of state structure that resulted in opening various government offices increased the number of officials and civil servants coming to the regions and made the provision of accommodations very difficult and biased. Thus, accommodation was available only for higher government delegations and for lower ones it was quite very hard to get accommodation services at all which increased the rate and number of complaints presented to the Emperor, HaileSillase.[129] In this case, to manage crises related to logging, the Imperial government encouraged individuals to open hotels and provided them with financial support (credit) and legal protection; as a result, and a number of hotels were opened, which minimized the burden of governors of the two regions and their subject people. It also reduced the frequency of complaints that had been coming from mishandled and unfairly treated officials like supervisors, auditors, reporters etc.[130]

Apart from providing various facilities for individuals irrespective of their varied backgrounds like religious, ethnic, sex etc., expansion of hotels and bars stimulated markets to meet interests of hotels in providing them with a variety of supplies.[131] Growing needs and demands of hotels for a range of rural products and labor created job opportunities for migrants and a ground for the birth of a new form of interaction among people of diverse backgrounds.[132] In the first half of the 1970s hotel

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[128]Alämayähu Arsicha, "*Sidama Kä Tenante Eskä Zarē,*" Yergaläm, 1972 E.C. (A type written Amharic pamphlet available in Yergaläm Public library), p. 10.

[129]NALA, Folder No. 246, File No. 34/183/55, complaints presented to Ministry of Finance by group of government delegates sent to Sidamo Province to evaluate and audit government income from various sources such as land, trade house rent etc. (1955 E.C.), pp. 2-4; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, Bälätä Gäberē (*bäjirond*) and *Ato* Käbädä.

[130]Wolassa Lawisso, "The Pre-1991 Socio-economic Condition in Sidama: An over View" (1999), p. 10.

[131]*Däjjazmach* Bäqälä Bäyänä, p. 5. He argues that, expansion of hotels had come to be an engine string up markets of the region except coffee because coffee market had nothing to provide for hotels except customers.

[132]Sidamo KefläHagär Isäpaako Komitē (COPWE). "*Yä Sidamo Behēräsäb.*" (A type written Pamphlet available in Awasa public library, Awasa, 1974 E.C), p. 24; and Informants: *Ato* Girma Bäkäle, *Ato* Eshätu Çaka, and *Ato* Ali Yosuf (FGD).

industry was notably expanded and proliferated into remote and pocket areas found in the outskirts of Abära, Täfrikēla, Bulē and Wonago in Gedeo; and Läku, Eriba, Bänsa and Dayē in Sidama.[133]

The majority of the non-local people had come to the regions by leaving their families back at home to make more money to subsidize their families' income. Gradually, the successful ones were able to either bring their families or go back to their homes. On the other hand, bachelors, who succeed in making more money and opening a sort of private business, looked for partners whatever her/his origin. Moreover, entertaining with sex workers was a common practice among many migrants. As a result, sex workers from various parts of the country arrived in each town of the province to share from the economic benefits.[134] Particularly in the months from September to January of every year towns of Gedeo and Sidama were destinations of many sex workers.[135]

Furthermore, until the 1990s outbreak of HIV/Aids in Ethiopia, it was natural for someone to have more than one sexual partner, which helped the sex industry to flourish. Particularly, governors, civil servants, merchants, government delegates were potential customers of sex workers who migrated to the province from various parts of the country.[136] However, the growing expansion of sex industry appeared to have worried governors of the two successive

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[133] *Ibid*; and WMTRC, Folder No. 644, File No.1/ 8/42, quarterly report written from Sidamo province to MI(1942 EC.), p.3.The incursion of coffee production and market into the corridors of the region was increased the importance of hotels, bars, shops, tea houses etc. to serve the migrants moved to these areas with various missions dominantly economic.

[134] *AddisZämän* Vol. 33, No.7, Year 34th editorial commenting on the need for taking measures against sex worker (21 *Mäskäräm* 1955 E.C.), pp. 7070-7072; and Informants *Ato* Mäkuraye Täsäma, *Ato* Haile Bäyänä, and *W/ro* Haregua Täsfayē. They argue that expansion of prostitution was criticized as an abashing business. In the country where most of the governors were Christians letting the expansion of sex business was highly criticized. They also agree that keeping concubines in hotels and bars was an adventure for many merchants, civil servants and governors at various levels. Some of the sex workers who were lucky to establish cordial relationship with economically and politically influential ones transformed into hotel/bar owners.

[135] Wolassa Lawisso, "The Pre-1991 Socio-economic Condition in Sidama" p. 18; Informants: *Ato* Anshēbo Abigo, *Ato* Asäfa Ilala, and *W/ro* Ilifē Yemär. Oral source shows the status and nature of prostitution in Gedeo and Sidama; accordingly, in the 1970s and 1980s it expanded to Hawasa, Läku, Yirgaläm, Çuko, Alätawondo, Dilla, and Yirgacheffē. According to informants, many hotel owners used to encourage vulnerable girls and women to join the sex industry. In addition to the role hotel owners played in facilitating the expansion of the industry, prostitutes also found it a business to make more money. It was the outbreak of HIV/Aids and it's claiming millions' life that reduced the importance of sex industry in the regions. Sources also indicate that almost all hotels and bars of Gedeo and Sidama were major destinations for school dropout girls coming from all parts of the country.

[136] NALA, Folder No. 147/1, File No. 38, circular passed by the *Därg* to control expanding sex industry (15 *Teqemet* 1975 E.C.), pp. 1-3; and Informants: *Ato* Täkola Abäbä, *Ato* Täklay Qätsäla, *Ato* Täshomä G/Mikael, *W/ro* Emäbēt Endalä, *W/ro* Aster Kätäma, *W/ro* Ayäläch Amarä, *W/ro* Tigisit Abäbä and *Ato* Gētachäw Kebru.

regimes of the country, the Imperial and the *Därg*.[137] The unique aspect of the sex industry of the region was its exclusive nature, which did not integrate local women; thus, until very recently it was quite hard to find Gedeo and Sidama sex workers.[138]

Irrespective of their diverse backgrounds people migrated to Gedeo and Sidama for centuries in the past. However, the post 1941 migration was relatively different from the former one mainly in terms of diversity and number of migrants and favorable conditions created to make their dreams pragmatic.[139] Comparatively speaking after 1941 social, cultural, economic and political situations of the regions were relatively favorable to engage oneself in certain kinds of businesses. Thus, migrants like laborers, artisans, business men, priests, sex workers etc. arrived in the regions with ambitions to realize gradually. Some of them had totally abandoned their former occupations and become private business owners or part of the administration.[140] However, up to the first half of the 1970s it was quite hard to find Gedeo and Sidama hotel and bar owners in the towns of the region, sectors which were highly dominated by non-Gedeo and non-Sidama settlers.[141]

As it has already been noted in chapter three, despite the rigorous effort made by the Imperial government to expand hotels and bars in the regions, the first shock happened when shift of administrative center was made from Yirgaläm to Hawasa in 1968/69. It was one of the historical events that negatively affected the expansion of the industry by creating an opportunity for the

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[137] *Ibid*, circular passed by the *Därg* to control sex industry (12 *Mäskäräm* 1966 E.C.), pp. 1-8 (see also appendix xii).

[138] *Ibid*, Folder No. 147, File, No. 38 (2 *Hedar* 1954 E.C.), pp. 1-3; *Ibid*, (12 *Mäskäräm* 1966 E.C.), pp. 1-8; and *Ibid*, (15 *Hedar* 1975 E.C.), pp. 1-3. The growing expansion of sex industry and its regional and national impact was able to attract attention of central governments of the country; thus, circulars were dispatched to control it (see also appendix xii).

[139] Jonathan Baker & Poul Ove Pedersen, "The Gurage of Ethiopia: Rural-Urban Interaction and Entrepreneurship," *The Rural-Urban Interface in Africa Expansion and Adaptation, The Scandinavian Institute of African Studies Centre for Development Research, Seminar Proceedings* No. 27 (1992), p.135-136; and Informants: General Bäkälä, *Ato* Wubät T and *Ato* Bälätä Jämbärē (*bejirond*).

[140] Informants: *Ato* Shikurē Shafi, *Ato* Sirmollo Sani, *Ato* Tilahun Fango and *Märigēta* Mäsärät Märi. They assert that some of them arrived in the regions as daily laborers and gradually became urban elites of the region with a substantial amount of capital and opened a number of shops and bought a number of cars.

[141] Kafyalew Tessema, "A History of Hawassa…,"p. 28; and Informants: G. Bäkälä, *Ato* Wubät and *Ato* Käbädä.

birth of new urban elite and inspiring capable individuals to migrate with their capital to the new political center by abandoning the former towns.[142] As a result, a number of financially and politically influential figures withdrew their capital and equipment from Gedeo and Sidama towns and invested in Hawasa. For instance, Warka Hotel, Amarä Hotel, Menejar Hotel, Sägon Hotel etc. were some of the hotels opened by individuals who moved their capital away from Yirgaläm, Alätawondo and Dilla to Hawassa.[143]

Some of those who participated in the very extended but unsuccessful appeal to restore the administrative role of Yirgaläm town got scared and desperately joined the flock that abandoned other towns of the two regions and migrated with their capital to the new capital, Hawasa.[144] In addition to this, abandoning other towns of the province was also exacerbated by the 1974 Revolution, which was the second blow to the expansion of the hotel industry.[145] This was because the aftermath of the Revolution was unsafe particularly for political and economic elites of the regions; thus, they managed to escape to Hawassa seeking an asylum both for their family and capital against acts of intimidation and robbery. Some of the hotels, which belonged to escapees, were demolished and the rest remained unprotected, which was a disastrous incident for enterprises in other towns of the province except Hawassa.[146] In general the *Därg* period marked the gloomy feature of the industry because the socialist system, which worked against

[142]Abera Yaregal, "Expansion of Hawasa and Its Economic Importance,"p. 39.

[143]Wolassa Lawisso, "The Pre-1991 Socio-economic Condition in Sidama: An over View," p. 13.

[144]Ababu, p. 113; Almaw, p.192; and Wolassa, p. 15.

[145]Informants: *Ato* Girma Bäkäle, *Ato* Eshätu Çaka, *Ato* Anshēbo Abigo, *Ato* Lēdamo Darara and *Ato* Ali Yosuf.

[146] Informants: *Ato* Girma Bäkäle, *Ato* Eshätu Çaka, Wro Hargua Tsäfaye and Dr. Dejene Kifle. The revolution targeted both urban and rural settler and succeeded in uprooting the majority of them. It was a period, which laid foundation for the birth of new local Gedeo and Sidama hotel and bar owners. The revolution, which displaced economic and political elites of the deposed regime, had secured chances for emerging groups to fill economic and political vacuums in the towns. As a result, the *Därg* had deliberately encouraged local Gedeo and Sidama individuals to become supporters of the regime. Some provincial governors of the Imperial regime were hanged in public (for example *Gerazmach* Wärku Dästa who was hunged in public at Dilla and some other were cases in point) and their lands and properties were confiscated by local people as incentives to support the new regime, the *Darg*. Here, Eshätu Hotel at Leku, Ashēbo (Aster) Hotel at Dilla, Lēdamo Hotel at Morocho, and Alito Hotel at Hawassa etc. can be mentioned as examples of the case in point.

private property, did not allow the expansion of hotels. Besides, the existing ones that survived against destruction were poorly handled and abused.[147]

After 1991, developments of the two regions were similar to those of the *Därg* period. This was because the EPRDF regime promoted ethnic federalism and favored the local people, which put a pressure on the non-local people inhabiting the two regions. [148] Initially, this situation, affected the hotel industry because as it happened in the early days of the *Därg*, there was migration of capital and people to Hawasa against acts of intimidation and robbery. However, up to 2010 gradual displacement of settlers has created opportunities for local Gedeo and Sidama people to integrate themselves into towns and urban systems and ways of life. As a result, they started to own hotels, bars and run other private business, which helped the hotel industry to flourish in a new form.

Furthermore, the post 1991 expansion of the hotel industry in these two regions is more notable as compared to the pre-1991 realities of the sector. This is because the sector has totally been privatized and its expansion was not only in terms of number but also emphasized service quality. The amount of capital that the sector has been attracting is enormous. In general, except the case in Hawasa, which had the advantage of its location and political stature to attract millionaires from different parts of the country, expansion of hotels in the towns of Gedeo and Sidama was basically attributed to coffee economy (see also the following tables XII and XIII).

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[147]Bereket Tassew, "Aspects of Decentralization Practices in Sidama Zone: Bensa Woreda" (MA. Thesis, Regional and Local Development, AAU, 2008), p. 34; Mulugēta Gezahēgn, "A History of Yirgachäffē Wäräda," p. 46; Gämech Tatä, Indigenous Survival Strategies in the fall of Famine: The Case of Borana Oromo, Southern Ethiopia" (M.Sc. Social Anthropology, AAU, 2002), p. 70. Regardless of established religious, social, and cultural relations between settlers and local people of the region, there were mobs one against the other because of the government propaganda against ancient regimes.

[148]Informants: *Ato* Girma Bäkäle, *Ato* Eshätu Çaka, *Ato* Anshēbo Abigo, *Ato* Lēdamo Darara and *Ato* Ali Yosuf.

Table XII: Some High Standard Hotels and Pensions in Hawassa Town

No.	Name	Place/Town	Status	Name	Place/Town	Status
1	Alazar Hotel (United Africa Group)	Hawassa	**Hotel**	Dukale Waqayo	Hawassa	***Pensione***
2	Midrock Zewd Village Hotel	Hawassa	**Hotel**	Çirē Awicho	Hawassa	***Pensione***
3	Yamare Hotel	Hawassa	**Hotel**	Lake Side	Hawassa	***Pensione***
4	Pinna Hotel	Hawassa	**Hotel**	Hawassa Green W.	Hawassa	***Pensione***
5	Tadesse Enjori Hotel	Hawassa	**Hotel**	Atenät	Hawassa	***Pensione***
6	Lewi Hotel and Resort	Hawassa	**Hotel**	Yishamu	Hawassa	***Pensione***
7	South Spring Hotel	Hawassa	**Hotel**	Shägär	Hawassa	***Pensione***
8	Central Hotel	Hawassa	**Hotel**	Andenät	Hawassa	***Pensione***
9	Blue Nile Hotel	Hawassa	**Hotel**	Dagem	Hawassa	***Pensione***
10	Circle of Life Hotel	Hawassa	**Hotel**	Amē	Hawassa	***Pensione***
11	Haroni Hotel	Hawassa	**Hotel**	Josi	Hawassa	***Pensione***
12	Oasis Hotel	Hawassa	**Hotel**	Buze	Hawassa	***Pensione***
13	Paradise Hotel	Hawassa	**Hotel**	Green Bird	Hawassa	***Pensione***
14	Cembalala Hotel	Hawassa	**Hotel**	Rehoboth	Hawassa	***Pensione***
15	Haile Resort	Hawassa	**Hotel**	Bäshu	Hawassa	***Pensione***
16	Hawassa Vision Hotel	Hawassa	**Hotel**	Adarē	Hawassa	***Pensione***
17	Hawassa In	Hawassa	**Hotel**	Amänu	Hawassa	***Pensione***
18	Hawassa View Hotel	Hawassa	**Hotel**	Beza	Hawassa	***Pensione***
19	Prince Hotel	Hawassa	**Hotel**	Adane	Hawassa	***Pensione***
20	GebreKiristos Hotel	Hawassa	**Hotel**	Lelem	Hawassa	***Pensione***
21	Debub Hotel	Hawassa	**Hotel**	Mulunesh	Hawassa	***Pensione***

Source: *Hebere Hawassa* (Hawassa: Municipality Office, 2010), p. 147

Table XIII: Some High Standard Bars/ Restaurants /Cafés in Hawassa Town

No	Name	Place/Town	Status
1	Network	Hawassa	**Bar and Restaurant**
2	My	Hawassa	**Café and Restaurant**
3	Dolchē Vita	Hawassa	**Restaurant**

4	Post Rendezvous	Hawassa	**Restaurant**
5	Fēnät Kitfo	Hawassa	**Restaurant**
6	Total	Hawassa	**Restaurant**
7	Hiywet	Hawassa	**Restaurant**
8	Time	Hawassa	**Café and Restaurant**

Source: *Hebere Hawassa* (Hawassa: Municipality Office, 2010), p. 148

As it has been stated above, apart from political changes in other towns of the province that caused migration of capital and labor, location and geographical and social advantages of the town have helped Hawassa to become the leading center of the hotel industry of the region. Almost the majority of the hotels, pensiones, cafés and restaurants owners, are ex-coffee merchants who migrated from Gedeo and Sidama towns. On the other hand, other Gedeo and Sidama towns appeared to lose their capital and manpower and be reduced to tributaries of Hawassa town. The following table (table XVI) shows distribution of hotels in major towns of the two regions that were largely built as a result of coffee economy.

Table XIV: Distribution of Service Giving Institutions in Major Towns of Gedeo and Sidama

Town	Hotels/Pensions	Bars/ Restaurants	Café /Tea Hous	Butchery	Täj Bēt	Remark
Aletawando	26	8	22	6	12	Sometimes overlapping
Cuko	18	5	13	6	4	Sometimes overlapping
Dilla	68	21	36	19	28	Sometimes overlapping
Leku	19	7	18	10	10	Sometimes overlapping
Yirgalem	36	16	33	12	13	Sometimes overlapping
Yirgacheffe	22	10	11	9	11	Sometimes overlapping
Dayē	10	7	18	10	9	Sometimes overlapping
Hawassa	178	123	207	76	43	Sometimes overlapping

Source: SNNPR census (2010), pp. 56-58

To conclude, thanks to the coffee economy Gedeo and Sidama, towns were able to expand throughtout the province. This means, the coffee ecomomy of the regiosns was greatful for the expanding hotels because most of them belonged to coffee merchants. However, some changes since 1960 helped Hawassa town to attract all sorts of resources from the entire province, which made it the leading center of the hotel industry. As chapter eight will show, several factors made Hawassa town number one choice and destination of both human and financial capital of the regions.

7.4 Expansion of Infrastructure, Health and Education

The other important contribution of the coffee industry of the regions was relative infrastructural expansion. As compared to other parts of the province Gedeo and Sidama were said to have been relatively more networked and interconnected by roads and telecommunication lines. Forcing subject people, in one way or another, to subsidize the government budget by contributing money for various purposes was a common tradition of the three successive regimes of the country.[149] Demanding labor services in lieu of money was also practiced in Gedeo and Sidama during the Imperial, the *Därg* and EPRDF regimes. Contributed money and labor services were basically utilized for construction of roads, schools, clinics, police stations, hotels, offices etc. For example, Imperial governors in Gedeo and Sidama, who were devoted to win the gratitude of the emperor (one of the requirements to be promoted or decorated), used to nag their subject people for contributions of money and free labor services. To show supervisors, sent from the central government and win gratitude of the Emperor in the 1950s and 1960s, governors of Gedeo and Sidama got busy in construction activities by mobilizing local contributions.[150]

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[149]Alämayähu Arsicha, p. 14; NALA, Folder No187 File No,17.1.6.17.03, annual report written from Sidamo province to MI indicating contribution of people in developing the region (30 *Säne* 1960 E.C.), p. 1-9.

[150]*Addis Zämän,* Vol.37, No. 23, 23rd Year, news about extensive road construction to strength links with in the province (9 *Teqemet* 1957 E.C.), pp.1 & 2; *Ibid* Vol.37, No. 23, 23rd Year, news on improved road and transportation (6 *Hamelē*

Marketing channel describes the movement of a product or goods from the site of production to the place of consumption.[151] It may include transportation, handling and storage, ownership transfers, processing, and distribution. As to Gedeo and Sidama it was coffee production and trade that certainly contributed to expansion of transportation and road network. Apart from the main road that crosses the region on the way to Addis Ababa, capital city of the country, there are minor and seasonal roads, which radiate from each garrison town to nearby villages at their environ. Constructions of such roads, which helped to create marketing channels, were attributed to coffee trade of the regions.[152] This is because the need for transporting coffee beans from production areas to processing stations and then to markets required each stockholder to pay due attention to construct seasonal and other forms of roads to realize their dreams of making more money from the sector. As a result almost all villages of coffee growing areas of the two regions are relatively well networked as compared to the non-coffee growing areas.

Furthermore, expansion of coffee markets resulted from formation of coffee traders associations and establishment of the Coffee Board, which opened a number of purchasing centers and branch offices in each coffee producing *käbälē* and *wäräda* of the two regions since the 1950s, enhanced the expansion of infrastructure. For example, according to the report compiled by the mayor of Dilla town *Ato* Gässäsä Tamrat the town had about one major road crossing the town and eighty tributary roads linked with the major one.[153] Similarly, expansion of urbanization in the region increased the need for road construction and improved transportation, communication network,

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1955 E.C.), p.4; and WMTRC, Folder No.159, File No. 7, quarterly report written from Sidamo province to MI (1958), p.3; NALA, Folder No.24, File No.17.1.6.07.03 (1960), pp.1-3. In this particular period governors used the contributions for either personal purpose or public (see also appendix, xiii, pp. 1-2).

[151]Pinkerton (2002), p. 12; and Yuka Kodama, New Role of Cooperatives in Ethiopia: the case of Ethiopian Coffee Farmers Cooperatives, *African Study Monographs*, Suppl.35 (Institute of Developing Economies, March 2007), pp. 90-91.

[152]NALA, Folder No187 File No,17.1.6.17.03, annual report written from Sidamo province to MI indicating contribution of people in developing the region (30 *Säne* 1960 E.C.), p. 1-9.

[153]*Addis Zämän*, Vol. 39, 23rd Year, editorial commenting on the importance of formation of coffee associations in the coffee growing areas (3 *Hamelē* 1957 E.C.), pp.2 and 5.

health services and educational cover. At this juncture the imperial period played an important role in setting foundation for each of the above mentioned cases. For example in 1966 there were about 20, 595 cars in the country of which 69 were found at Yirgaläm, and 40 in Dilla.[154] In the same year, there were five schools in Gedeo and six schools in Sidama.[155] There were also about 164 municipality offices in the country of which seventeen were found in Sidamo.[156] In the first half of the 1970s the number of schools, clinics, roads and transportation facilities significantly increased.[157]

As to the telecommunication network, the system was started in the region for administrative reason when Abära was linked by telegraph with Addis Ababa before it ceased to serve as an administrative center. At the outset, the connection of Agäräsälam with the center by telegraph and telephone lines in 1920 was both administratively and commercially motivated.[158] Finally, since the 1940s along with expansion of administrative posts telephone, roads and schools expanded as basic concerns of governments. Up to the first half of the 1970s almost all towns of Gedeo and Sidama were supplied with telecommunication service both for administrative and civilian consumption.[159] Coffee economy that increased income of town dwellers and activated other economic activities also made telecommunication service available and affordable for personal consumption. At this juncture, owing to expanding coffee economy, towns like

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[154]*AddisZaman* Vol. 37, 23rd Year, report indicating improvements in transportation services and growing number of cars in the country (9 *Teqemet* 1957 E.C.), p.1; and *Ibid* (3 *Nähasē* 1957 E.C.), p. 1.

[155]*Ibid,* Vol. 37, 23rd report (3 *Nähasē* 1957 E.C.), p. 1; and *Ibid*, report (11 *Teqemet* 1957 E.C.), pp.1-2.

[156]*Ibid;* and *Däjjazmach* Bäqälä Bäyänä, p. 11; and Informants: *Ras* Mängäsha and General Bäkälä.

[157]NALA, Folder No. 113/4, File No. 6/22 quarterly report written from Sidamo province to MI indicating expansion of institutions (6 *Hedar* 1964 E.C.), pp.7-11(see also Appendix xiv).

[158]Garretson (1980), p.91; McClellan (1990), p. 75; and Informants: *Ato* Käbädä Belachäw, *Ato* Azänä Kibamo and *Ato* Yana Qabato. They show that local people and settlers, used to refer to Agäräsälam as Addis, a certain reference to the town's newness as well as an allusion to its similarity to the national capital which many had seen. Settlers periodically visited the capital to conduct trade, deliver tribute, or visit friends. They also argue that many local people saw it firsthand in the company of their *näfetäñña*s. The finally conclude that in their early establishment, Addis Ababa and garrison towns of Sidamo like Agäräsälam differed more in size than in style.

[159]NALA, Folder No. 113/4, File No. 6/22, annual report written from Sidamo province to MI (30 *Sänē* 1964 E.C.), pp.7-11; and *Däjjazmach* Bäqälä Bäyänä, p. 33.

Yergaläm, Läku, Alätawondo, Dilla and Yirgachäffē were able to get the service since the 1940s.[160]

During the *Därg* rule, roads and transportation, telecommunication, health and education also continued to expand.[161] In this particular period, coverage of education, health, roads, transport and communication was better than the imperial period.[162] Apart from the main road crossing the region and constructed by the Italians, the *Därg* government made remarkable attempts to create vertical link among towns of the region by launching road construction projects. In addition to this, efforts were made to connect each coffee producing *käbälē* of the two regions with their respective *wäräda* towns through cleared roads. For political and security reasons roads and telecommunication services were deliberately expanded throughout the province. In spite of the road expansion, transportation facility had shown no improvements because transport sector was government dominated.[163]

Similarly, primary schools and health stations were constructed in each *käbälē* of the two regions, which helped to expand education and health service. Despite extensive construction of schools in each *käbälē* of the two regions expansion of education remained unsuccessful in reaching children of the local people mainly due to two major factors. Firstly, local people did not want to send their children to schools for cultural and social reasons. Secondly, after joining schools at various levels children of local people used to dropout from schools during coffee

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[160]*Ibid.*

[161]Sidamo KefläHagär Isäpaako Komitē (COPWE), p. 38; and Informants: *Ato* Uko Matti, *Ato* Wolqisa Wonbēto *W/ro* Mulunäsh Borojē, *Ato* Fitamo Qawato *Ato* Addisu Bäriso, *Ato* Adäm Osman, *Ato* Bawiso Humēsa, *Ato* Abu Hanfato, *Ato* Zälläwu Abära, and *Ato* Wubshät Tägäññ.

[162]NALA, Folder No. 186, File No.17.1.6.35.02, plan prepared to expand communication network based on the number of inhabitant of each town of the province (1967 E.C.), p 8; and Informant: Ato Girma Bekele and *Ato* Eshätu Çaka

[163]Informants: *Ato* Dawit Wonbēto, *Ato* Shikure Shafi, *Ato* Wolqisa Wonbēto and *Ato* Märgia Tägäñ.

months to make money and get married. This implies that the role of coffee in hindering the expansion of education in Gedeo and Sidama was highly significant.[164]

In general, during the *Därg* regime, the issue of contributing money and providing free labor service were the daily routines and became sources of grievances for the people to move against the regime.[165] Nationalization of land and property, unending requests for money and free labor services, youth hunt for national military service and heavy-handedness of government officials had troubled the entire region and made the people to have common understanding against the *Därg* regime in general and government officials of the regions in particular.[166] Finally, after1991 the government of EPRDF employed decentralization of power and resource based on the principles of ethnic federalism, which forced infrastructural issues to be the concern of regional governments. This helped road, transportation and communication to expand more than ever before.[167]

To conclude, the expansion of infrastructure, health and education is a cumulative result of efforts made by each government of the country since 1898. Particularly governments after 1941 made notable efforts to improve road, communication, health and educational coverage of the province at large and the two regions in particular. Parallel to efforts of the government, community participation both in contributing money (through various means that governors set for the case) and providing free labor service for the construction of institutions was noteworthy. For example, sources indicate that the money contributed by coffee farmers and labor mobilized

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[164]Alämayähu Arsicha, "*Sidama Kä Tenante Eskä Zarē*," p. 18; Wolassa Lawisso, "The Pre-1991 Socio-economic Condition in Sidama..." p. 51; and Informants: *Ato* Shikure, *Ato* Wolqisa Wonbeto, *Ato* Abu Hanfato and *Ato* Asrat Gonchu.

[165]*Ibid.*

[166]*Ibid.* They agree that in its final days the Darg got disorganized. It was a period when private life was totally undermined and individuals were disorganized and over exploited for nothing. Plans failed to be realized. Under the umbrella of *yä enat-agär-teri*, government officials used to collect money informally from the people and throughout the week they order people to offer free labor service. It was the toughest period for everyone irrespective of any background.

[167]Bereket Tassew, "Aspects of Decentralization Practices in Sidama Zone...," pp. 34-35.

by local *balabats* were important inputs that accelerated the construction of public and private schools in Gedeo and Sidama. As a result, in addition to schools constructed by aid given from the Swedish government almost all primary schools of the two regions were constructed by the community participations. The following table (table xiii) extracted from educational statistics (annual abstract 2005/6), shows the level of schools expansion in the regions that made them leading as compared to other zones of SNNPR.

Table XV: Expansion of Schools in Gedeo Zone (1941-2005/6)

Gedeo Zone	Grade 1-4 No. of schools	Grade 5-8 No. schools	Grade 9-12 No. schools	Total No. Schools
Bule Woreda	25	8	1	34
Dilla Town	9	8	2	19
Dilla Zuria	16	5	-	21
Kochere Woreda	22	6	1	29
Woanago Woreda	19	5	1	25
Yirgacheffe Woreda	30	9	-	39
Yergachefw Town	4	4	1	9
Gadab Woreda	17	6	-	23
Total	**142**	**51**	**6**	**199**

Source: Gedeo Zone Educational Statistics (1998 E.C), pp. 1-15

Table XVI: Expansion of Schools in Sidama Zone (1941-2005/6)

Sidama Zone	Grade 1-4 No. of schools	Grade 5-8 No. schools	Grade 9-12 No. schools	Total No. Schools
Alata Wondo Town	6	4	1	11
Alata Wondo Woreda	36	23	1	60
Arbagona Woreda	36	18	1	55
Aroresa Woreda	28	7	-	35
Awassa Zuria	42	26	-	66

Bensa Woreda	36	15	1	52
Boricha Woreda	32	11	1	44
Dale Woreda	55	23	-	78
Dara Woreda	26	9	1	36
Hula Woreda	31	24	1	56
Shabadino Woreda	27	23	1	51
Yirgalem Town	6	5	1	12
Total	**361**	**188**	**9**	**558**

Source: SNNPR, Educational Statistics Annual Abstract (1998 E.C), p.60

7.5 Market Based Ethnic Interaction and the Birth of New Social and Cultural Scenarios

Expansion of coffee markets in the regions since 1941, which attracted people with diverse backgrounds and interests from various parts of the country, laid a fertile ground for both horizontal interactions of people with each other and vertical relationship with their respective governors. Such interaction of people with different languages, cultures, religions, ages, sexes, interests, experiences and skills, amount of capital etc. with each other on one hand and with governing bodies in markets of the regions on the other hand resulted in causing new economic, political, social and cultural developments.[168] In the processes of interaction, which were largely symbiotic people used to join markets to maximize their benefit without bothering about backgrounds of their business partners as far as they agreed mutually. In this case government involved as facilitator and provider of place, mode of conduct and protection for market participants in return for tax. Such market based interactions, which were witnessed in the regions during the three governments of the country and their contributions for the birth of new social and cultural environments from 1941 to 2010.

[168] Ababu Aligaz, p. 102; Wolassa Lawiso, p. 41; and Alämayähu Arsiča, p. 10..

For example, even if their number was relatively small Gedeo and Sidama coffee farmers were more likely to speak Amharic and embrace Christianity. Despite ongoing contacts and strong communal bond with their relatives, coffee farmers had shown little interest to partake in the customary ritual cycle called *Gada* and *Luwa* in Gedeo and Sidama respectively. Sources indicate that due to their engagement in the coffee business, which made them either busy or less interested in *gada/luwa*, they gradually abstained from traditional and religious festivals.[169] This implies that commercial links of settlers and local people (whatever its nature) and expansion of coffee sector in the region were liable to the formation of new urban Gedeo and Sidama groups. As far as settlers in coffee areas recruited their own labor, kin link there tended to be more mixed and Gedeo and Sidama loyalty to and linking with their tribal sub-groups began to decline. They also relied immensely upon *balabats* (political appointees) than *aba-gada* (who used to avoid towns and reach of government institutions) to deal with local problems and were more likely to seek redress in government courts.

Towns of Gedeo and Sidama represented mini-Ethiopia because in each town it was quite normal to find members of almost all ethnic groups and speakers of many languages simultaneously. Learning languages of other ethnic groups was also a common practice among many individuals; thus, almost all inhabitants of towns were multilingual. Sometime, one can find individuals who speak many languages of the country. Every inhabitant of the two regions for various reasons speaks either Gedeo or Sidama language. In addition to language, marriage crossing ethnic and religious boundaries was common in all towns of the two regions. This implies that, ethnic and

[169]John and Irene Hamer, "Achievement and Motivation," p. 37; and Informants: *Ato* Uko Matti, *Ato* Wolqisa Wonbēto *W/ro* Mulunäsh Borojē, *Ato* Fitamo Qawato *Ato* Addisu Bäriso, *Ato* Adäm Osman, *Ato* Bawiso Humēsa, *Ato* Abu Hanfato, *Ato* Zälläwu Abära, and *Ato* Wubshät Tägäññ. They argue that the tradition of avoiding urban life was exceptional to Sidama. Until the 1970s it was quite hard to find Sidamas in any town of the region. The same was true in Gedeo, however it was not the Gedeo who avoided towns but the system did never allow him to enjoy urban way of life. It was quite very hard to find Gedeo urban residents in the towns until the 1974 Revolution.

religious identities of the town people were prone to modification based on political, economic and social status and role of individuals in the regions.

Owing to reasons that will be explained in the following two chapters, the impact of coffee economy was stronger in causing social, cultural and political changes in Gedeo than in Sidama.[170] Certainly, the integration of Gedeo was continuing, but its pace was influenced and largely determined by the role Gedeo people played in supporting the dominant mode of production of the state. This was because the ways the two people submitted to the conquering force, size of their population and lands they inhabited played an important role in maintaining their traditional institutions and cultural identities.[171] However, coffee was found helpful in promoting modernization and centralization campaigns of the central government in the two regions. Particularly, revenues generated from the coffee sector helped to promote campaign in the other parts of the country.

Integration of the Sidama and Gedeo people was a process that started from the 1889/1896 conquests and continued to run over generations to the present; thus, everybody earnestly looked for ways to integrate oneself into the dominant system.[172] This was because as far as someone integrated himself into the system he could be exempted from many obligations; allowed to own his own plot of land and play mediatory role between the people and government to the extent of becoming *koro* or *balabat*, representing the government. Therefore, many exploited the simplest option of integration and had become tenant coffee producers on the land that they cleared and made productive.

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[170]NALA, Folder No. 4111, File No. 23, quarterly report written from Sidamo to MI (16 *Tahesas* 1963 E.C.), pp. 10-11; and Informants: *Ras* Mängäsha and *Ato* Garjē Garuma. Sources show that the introduction of coffee processing machine in Yirgacheffe and its coffee test, which is globally recognized as the best had increased the impact of coffee in Gedeo. In this case oral source assert that the manageable size of land and people of Gedeo played an important role in making the Gedeo peole irresistible against the government operation which also increased the impact of coffee in Gedeo.

[171]Informants: *Ras* Mängäsha Seyoum and *Ato* Garjē Garuma.

[172]John Hamer and Irene Hamer, "Impact of a Cash Economy...," p. 200. He says "A sense, they had become a rural proletariat, producing a valuable national commodity for which they were rewarded by retention of a small portion of the harvest as a type of wage .Particularly, in Sidama there was a rush for assimilation due to the traditional feud existed within."

However, most of them did not fully join the coffee sector and they had a hand in both traditional and cash economy because the two were interdependent. Monopoly of governments, settlers, and expatriates over marketing and processing aspects of the industry also slowed coffee based integration. This was because it reduced profits that Gedeo and Sidama earned from their coffee and made it more negligible as compared to what it actually brought on the world market.[173] After 1941, despite opportunities that coffee provided for everyone in the regions, the majority of the Gedeo and Sidama people got largely frustrated. According to some sources, especially the Gedeo were resentful of their deteriorating status, which of course was solved by the 1974 Revolution and events after it.[174]

The birth of store owners and borrowers like butchers, middlemen, traders and influential individuals who were aware of the marketing channels was attributed to the coffee trade of the regions.[175] Informants agree that, some farmers even today believe that financial support they got from these people were real and timely though they have been unfair and deceitful.[176] The most used marketing channels that farmers ranked as the most preferred were individual borrowers, then butcheries as the second most preferred and middlemen as the third. The least preferred was governmental financial assistance while the rest were largely seen as un-preferred.

Particularly after 1941, expanding coffee smuggling forced governments to set strategies of controlling it. For example they formed a group of traders to participate in illicit commerce by disguising themselves as innocent civilians. Such groups were staffed by spies organized to

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[173]*Ibid.* He argues that *ensete* producing kin provided subsistence and labor to down slope coffee producing relatives, while economic rewards of coffee provided limited access to cash economy for all. Yet without pack animals and processing facilities, both Gedeo and Sidama lacked the means to profit much from their efforts. By firmly regulating the commodity, the state got a substantial proportion.

[174]NALA Folder No. 2355, File No. 41, annual report written from Sidamo to MI (30 Sänē1952 E.C), pp. 12-25; *Ibid*, Folder No. 195, File No. 17.1.6.21.01, quarterly report written from Sidamo to MI (30 Hedar1946 E.C.), p.3; and Informants: *Ras* Mängäsha Seyoum and *Ato* Garjē Garuma. Sources indicate the extent to which Gedeos suffered from sharecropping approach and finally corrective measures that taken by the Provisional Military Government.

[175]R. Nsoso, "Market Channels and Agricultural Commodities in Ethiopia," *AgriEcon*, Vol. 92, No. 36 (2004), p. 45.

[176]Informants: *Ato* Abu Hanfato, *Ato* Mäläsä Gizēaläw, and *Ato* Agano Gumata.

collect information about the system and identify factors that contributed to the rise of informal trade that could help governments to make interventions against smugglers.[177] For example, in the 1950s and 1960s by the help of the information that obtained from disguised merchant the government was able to controle informal market channels.[178] Therefore, some of the informal market channels were government funded and had financial power to pay for pre-mature coffee, while it was on the farm. They usually work informally, without displaying their becoming government agents.

Coffee farmers in Gedeo and Sidama usually suffer chronic poverty at the end of each year and they need money seriously. During all the three regimes, pre-mature coffee sell was found to be the most unfair deal that inflicted adverse effects on coffee farmers. This was because coffee farmers who dedicated part of his land for coffee crop would usually face serious scarcity of food supply, which exposes the entire family members to hunger. Therefore, every family member, who was looking for food desperately, would agree to sell the pre-mature coffee beans (*qareçē*) at a very low price while it was on the plant (without harvesting) for someone to harvest them in the harvesting season (when they get matured). This was certainly detrimental for the farmer because the pre-mature coffee bean was very cheap and its price was less than by half from the matured one. It was also detrimental for the plant itself because to avoid the risk of robbery, those who bought the pre-mature coffee beans used to rush to collect it without waiting until beans get ripe enough for harvesting, which affects quality of the bean.[179] In addition to this, rushing to collect pre-mature coffee beans damages different parts of the plant and affect its productivity in the coming seasons.

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[177] *Ibid*. The profitseeking money lenders, who look for every opportunity that could increase their profit, were accustomed to use the time of adversity for coffee farmers.

[178] *Addis Zämän*, 23rd Year, Vol. 29, editorial commenting on premature coffee sale and its impact on the product and the plant at the same time (8 March 1954 E.C.), p. 3440; *Ibid*, Vol.30 (25 June 1954 E.C.), p. 6058.

[179] Informants: *Ato* Abu Hanfato, *Ato* Mäläsä Gizēaläw, and *Ato* Agano Gumata.

Furthermore, during all the three regimes the role of traders in local production was not something overlooked. Many private traders, who made profits purely from market, assert that in coffee collecting seasons they used to buy processing equipment to distribute them to farmers.[180] This implies that in some places where rural infrastructure was very poor and rural incomes were very low, traders became dominant local economic actors. Traders had also a power to influence quality of the production. If they were long-term investors in a local area, they may well support producers in improving the quality of coffee. However, if they take only a short-term view, local farmers will not be supported in improving quality of their coffees.

Both formal and informal rural credit played their parts in promoting the coffee sector. They also caused the emergence of new economic class, which affected political, economic and social relations in Gedeo and Sidama. Formally, banks played their part in expanding coffee economy. Both in the Imperial and the *Därg* regimes, the National Bank that controlled works of the three main banks, the Commercial, Development and Mortgage banks offered credit for traders.[181] The banking sector that was liberalized in the early 1990s has encouraged private banks to compete against the government ones. However, since liberalization the Commercial Bank has become an expanding major rural bank to offer credit for co-operatives. Similarly, it is vital to introduce coffee exporters, which affected commercial interaction in the region because issues of supply and demand have become prerogatives of exporters. Finally, the Coffee and Tea Authority (CTA) was mandated to regulate the quality of exportable coffee. Particularly during

[180] *Ibid.* They argue that many farmers had no many to transport their coffee to another potential buyer; thus, they would be forced to use the only available option traders at the nearby distance. As a result, in the course of providing coffee farmers with equipment traders gradually evolved into petty-coffee producers, processers and traders.

[181] Wondwossen, "Ethiopia Got More Not Less Says Government," *poor farmer. Blogspot.com* (30 July 2007), Retrieved 19 May 2010; and Wondwossen, "A Charity Falls Out with a Coffee Chain" (7 November 2006, www.economist.com) Retrieved on 19 May 2010.

the *Därg* period its intervention was helpful for coffee farmers of Gedeo and Sidama because they benefited from the system to get financial, material and technical supports.[182]

Coffee market also played an important role in expanding livestock production and market. The Gedeo and Sidama livestock markets were the most active markets that attracted livestock products of the entire region.[183] This was because the growing importance of coffee in generating money for coffee farmers raised their purchasing power to consume livestock products than others. Thus, the growing demand for livestock products in Gedeo and Sidama markets stimulated livestock production and trade in Guji, Borana, Arsi, Balē and Wolayita to serve butcheries that used to mushroom only in the coffee season (September to February).

In general, income generated from coffee markets resulted in causing high demand for livestock products, and improvement in infrastructure and transportation facilities, which helped livestock farmers of the whole region to establish strong links with Gedeo and Sidama markets and exploit opportunities to maximize their benefits from the sector.[184] The relative development of market links in the region contributed to the increased level of food security by reducing consumer prices, increasing returns to producers or both.[185]

Since the 1974 Ethiopian Revolution the rural-urban relation became a bit uneasy because the propaganda launched by the *Därg* against rich men of the period motivated rural people to react against towns, where most of the rich people inhabited. Particularly, the expansion of coffee

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[182]CTA, p. 23.

[183]Endeshaw Assefa, "Assessment of Production and Marketing System of Goats in Dale District, Sidama Zone" (MSc. Thesis, Department of Animal Production and Range Sciences, University of Hawassa, Hawassa, 2007), p. 19.

[184]Getahun, Lemma, "Goat Market in Southern Ethioia: the Case of Dilla and Shashamane Towns" (MSc. Thesis, Marketing Department, Haramya Univeristy, 2006), p. 29; Hussien Mahmoud, "The Dynamics of Cattle Trading in Northern Kenya and Southern Ethiopia: The Role of Trust and Social Relation in Market Network," p. 121; Asebe Regassa, "Ethnicity and Inter-ethnic Relations...," p. 118; and Larry Luxner, "Ethiopian Coffee Struggles for International Recognition," (2008), p. 31.

[185]Million Demeke, Market Integration in Eastern and South Eastern Ethiopia" (PhD. Dissertation, Agricultural Economics, University of Pretoria, Southe Africa, 2003), p.81; and Light Years IP, *Distinctive Values in African Exports*...(2008), p. 89.

market witnessed after 1991 appeared to increase economic importance of each coffee producing *käbälē*; as a result, they evolved into small towns detaching from the nearby old towns. As it has been explained above, this was also another historical episode, which made coffee liable to create new forms of relations and economic groups in the region. It caused not only the rise of new forms of relations but also groups of people who formed new towns to assert their freedom from economic, political, social and cultural control that dwellers of old towns enjoyed in the past.

The birth of *çat/khat/qat* consuming group for entertainment was attributed to developments after 1941 that made production and consumption of *çat/khat/qat* more vigorous.[186] In relation to coffee boom, the arrival of Silite and Worji Muslim merchants and laborers and some Arabs to the regions who were able to proselytize very few Gedeo and some Sidama individuals deserved a credit for further proliferation of the plant into remote areas of the regions.[187] As it will be shown in chapter eight, this was because most of them were consumers of the leaf who created demand for it and encouraged their converted fellows to cultivate the crop. The expansion of *çat/kat/qat* was highly associated with expansion of trade, specifically coffee trade, which stimulated the rest. This is because daily laborers, who worked the whole day long in the coffee sector, used to consume the leaf to avoid fatigue. Finally, next to alcoholic liquors, *çat/kat/qat* appeared a substance of entertainment for many inhabitants of the regions irrespective of their gender, economic, cultural, religious, ethnic, and age differences.[188]

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[186] *AdisZemen* Vol. 30, 23rd editorial commenting on the expansion of cat and its social impact (12 *Teqemet* 1955), p. 8052; *Ibid* Vol. 41, 24th Year, report on the amount of government revenue collected from cat (18 *Hedar* 1957 EC.), p. 2.

[187] Informants: *Ato* Shikure Shafi, *Ato* Sadewo Sakuma, *Ato* Käbädä Bälachäw and *Ato* Omor Sakuma. They argue that the Gedeo and Sidama majority do not consume *Çat/khat* but they only produce it to earn money. However, very recently the younger group appeared a voracious consumer of the leaf for various purposes.

[188] *Ibid.*

The other important development which resulted from the coffee trade was the expansion of drunkenness. Up to1941, the habit of drunkenness was very limited among the traditional Gedeo and Sidama.[189] This was because alcohol production requires a substantial amount of cereals but these people largely depend on *ensät* and other root plants, which rarely serve for alcohol production. It was also scarcity of money to afford purchasing alcohol that restricted local people from enjoying it. Thus, coffee as cash crop helped them to make money and pay for alcohol. Expansion of coffee economy, which helped them to maximize their income also created demand for alcohol and provided opportunities for alcohol producers and venders to make Gedeo and Sidama towns their destination.

However, it was after the incorporation of the regions in the 1890s that drunkenness appeared to expand in the region by soldiers of the conquering force, which had the tradition of entertaining alcoholic drinks.[190] Oral source assert that soldiers of the imperial army were accompanied by service offering individuals, who had a very good knowledge of traditional liquors like *ţäla*, *ţäji*, and *katikala* production.[191] Soon after the conquest such individuals with knowhow about processing producing, consuming and vending such traditional drinks were officially given places and opened vending houses because it was recognized as service provision. Members of the imperial force (who had victoriously controlled the regions) were accustomed to take alcoholic drinks either occasionally during their holidays and traditional festivals or daily for recreational purposes. They started to enjoy such traditional liquors during their spare times.

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[189]Informants: *Ras* Mängäsha, *Ato* Uko Matti, *Ato* Wolqisa Wonbēto, *W/ro* Harägua Täsfayē, and *Ato*, Käbädä

[190]Almaw (1991), p. 55; *Ibid* (2005), p. 123; and *Ibid* (2009), p. 39. Gradually, it became a means to assimilate oneself into the new system of rule because it used to create a forum for discussing maters with governing people of the region.

[191]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, *Ato* Käbädä, *Ato* Girma Bäkälä, *Ato* Yabala Sakuma, *W/ro* Harägua Täsfayä and *W/ro* Siribale Wombeto. As these informants have been told by their parents, most of the *täla, täji* and *katikala* producers and vendors who were given places and erected huts for this particular purpose were concubines of either ordinary soldiers or commanders of the army. Gradually every member of the invading army started to bring their relatives and wives, which expanded alcohol businesses in the region.

Finally, it became an entertaining substance that local Gedeos and Sidamas adopted from their governors and non-local settlers of the regions.[192]

During the 1935/36 to 1941 Italian occupation of the region alcohol production, consumption and trade expanded more significantly. Some sources indicate that majority of the Italians in the region were alcoholic and encouraged the production and trade of alcohol.[193] In addition to locally produced liquors, they imported industrially processed and packed alcoholic drinks from abroad. By the help of local collaborators, Italians started to entertain sex with wives and concubines of the northern settlers by paying money and presenting gifts in return for sexual relations, which eventual reduced them into prostitutes. Italians also encouraged them to engage in alcohol production and vending business by becoming regular customer of their products.

However, after 1941, expansion of coffee and *çat/kat/qat* production and trade caused expansion of alcohol production, trade and consumption in Gedeo and Sidama. Some sources unanimously agree that in these two regions alcoholism became very rampant after 1968/9 and surprisingly enough it was normal to find a number of alcohol addicted people.[194] This was because in this year the opening of coffee processing stations in different parts of the regions helped coffee production to expand more, which increased farmers' income to spend part of it for drinking purpose. In 1968/69 to stop the shift of administrative center from Yergaläm to Hawasa some governors tried to convince both settlers and local people to contribute money to invite and bribe deligates, which increased drunkenness. For everything, namely for social, cultural, religious and other get-togethers preparing or purchasing various types of alcoholic drinks appeared common practices among the people, which

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[192] *Ibid.*

[193] Ayele TesfaMariam, "Economic Impact of the Italian Rule in the Southern Ethiopia" (M.A. Thesis, Department of Development Studies, Dublin, 1983), p. 37; Informants: *Ras* Mängäsha, and General Bäkälä.

[194] NALA, Folder No. 38, File No. 147/1, circular dispatched from central government of the country to fourteen provinces on indicating regulations alcohol venders ought to follow (20 *Mäskäräm* 1954 E.C.), pp. 1-3; *Ibid*, Folder No. 38, File No. 147/4 (12 *Mäskäräm* 1966 E.C.). pp. 1-8; and *Ibid*, Folder No. 38 File No. 147/8 (15 *Tahsas* 1975 E.C.), pp. 1-3; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä GäbräIgzi, *Ato* Wubät Täfära and *Ato* Käbädä Bälachäw.

was an alien tradition in the regions. Particularly, since the 1950s, owing to the abundance of alcohol production and supply in these two regions, inviting someone any sort of alcohol appeared to be the sign of respect or friendship.

The growing impact of alcohol in Gedeo and Sidama had worried the Imperial and *Därg* officials; thus, curfew and other sort of restrictions were imposed to minimize daytime drinking and rate of alcohol driven crimes.[195] In the coffee season (September to December), it was quite normal for people to take alcohol except for Muslims and protestant Christians.[196] The situation of drunkenness was very serious in Gedeo than Sidama. For example, conservative Sidamas, who valued their traditional institutions and wanted to meet their requirements, had shown no interest to appreciate and enjoy alcoholic drinks because traditional institutions required them to keep their traditional sanity called *anga*.[197] Beginning from 1990/1, particularly after the return of ex-soldiers to their home areas and the increase of coffee farmers and merchants, the production and consumption of alcohol and *çat/kat/qat* was intensified. After 1991 production and consumption *çat/kat/qat* and alcohol have been expanding ever than before in the history of the two regions. As it will be explained in chapter eight, along with expansion of towns and trading activities, production of *çat/kat/qat* overwhelmingly expanded and became available everywhere and easily affordable.

Finally, the expansion of coffee economy also made contributions to the growth of bribery and corruption acts in the regions.[198] The traditional Gedeo and Sidama societies were loyal to their traditional belief, god, and institutions. They used to pay due respect to the spirits of their forefathers, swear in their names, and totally surrender to their customary laws, which made the

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[195]*Ibid*, Folder No. 38, File No. 147/1, circular dispatched from central government of the country to provincial governors indicating what must be done regarding day time drankness (14 *Tere* 1958 E.C.), pp. 1-3; *Ibid* (15 *Tahsas* 1975 E.C.), pp. 7-8(see also Appendix, xv); and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä.

[196]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä.

[197]Aelmayehu Arsicha, p. 16; and Informants: *Ato* Abu Hanfato, and *Ato* Uko Matti.

[198]NALA, Folder No. 20, File No. 131/5, petitions by some settlers presented to Emperor HaileSilassie against acts of corrupted officials (1968); *AdisZemen* Vol. 49, 43rd editorial commenting on maladministration, and acts of briery and corruption (20 *Teqemet* 1968), p, Alemayehu Arsicha, p. 17; Wolassa Lawiso, p. 62; and Informants: *Ato* Abu and *Ato* Uko.

process of investigating criminal acts very simple. This was because telling lies to elderly judges who represented both traditional institutions and spirits of their forefathers; *akako/abbo* was believed to inflict a kind of inadvertent disaster either on deceivers or their family members and properties.[199] Even if not absolute, such relative absence of deceitful acts, bribery and corruption in the system of customary administration of the two people indicators virtual fairness.

As it has been explained in chapter three, however, after the 1889 and 1896 conquests, which were accompanied by introduction of the *gäbar* system in the regions, the role of customary laws and traditional institution gradually declined. It was the *gäbar* system that laid foundation for corruption and bribery acts to be common practices in the regions. This was because most of the governors were accustomed to receive a certain kinds of gift (*eje mänsha* or *gubo*) from their subject people for any sort of service they rendered. Ultimately, it was the expansion of coffee economy that intensified bribery/corruption and made it the simplest alternative/ a short-cut to government services.[200]

Sources indicate that throughout the three governments of the country after 1941, there were government officials who failed to have smooth relation with their immediate bosses, which increased their liability to punishment either by transferring to less rewarding areas (demotion) or dismissing them for good. Such scared officials of the regions used to grab money informally to react as early as possible before something negative happened to them.[201] It was also quite normal for them to justify means of collecting money for themselves. Therefore, particularly during the

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[199] *Ibid.*

[200] Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, *Ato* Käbädä, *Ato* Abu Hanfato, and *Ato* Uko Matti. They argue that, the pre-Italian governors were relatively fair and transparent and more responsible as compared to the post 1941 governors of Gedeo and Sidama. For example, *Ras* LeuSägäd AtnafSägäd,, *Däjjazmač* Balcha Safo, *Däjjazmač* Berru W/Gäbereal, and *Ras* Dästa Damtäw were people of good image and men of justices. Further they indicate that, during the restored imperial government except two governors of the province, namely: *Ras* Mängäsha Seyoum and *Ras* Adäferesäw the rest were found guilty of corruption and bribery to the extent of being warned by the Emperor, HaileSillasie. As to t the *Därg* and EPRDF some informants indicate that, it was quit very hard to find uncorrupted government official in the regions.

[201] NALA Folder No. 186 File No. 17.1.6.17.04, quarterly report written from Sidamo to the MI indicating measures taken against some corrupted individuals (21 *Tere* 1963 E.C.), pp. 7-9; *AdisZemen*, Vol. 30, Year 20th editorial commenting on some informal money collection (23 *Mäskäräm* 1955 EC.), pp. 7078 and 7082; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä (see also appendix xv and xvi).

Imperial period corruption was everywhere and at all level but some of the most corrupted government offices of the regions were the court, election board, municipality and police.[202] Furthermore, sources assert that (from 1941 up to 2010) money that earned from coffee and available in the hands of the people increased their potential to pay, which encouraged them to find short cut instead of following formal procedures to get any sort of service. Therefore, many people of the two regions found corruption as the simplest option for every thing they need.[203] In general, in these two regions (from 1941 to 2010) due to the money that peoples earned from the coffee sector and pay for services, it was common to find few corrupted government officials and civil servants.[204] On the other hand, there were also innocent government officials and civil servants who obey the rule effectively without entertaining acts of corruption and bribery.

To conclude, coffee played an important role in transforming the two regions. Its commercial production and the expansion of coffee trade in the region attracted a large number of people to the region, which resulted in causing several developments. For example, expansion of towns, trade based interaction of various people, the birth of new groups and settlement pattern, expansion of infrastructure etc. were some of the contributions of coffee sector in the province.

Besides, economic dependency of the country on coffee due to the prominent role it used to play in the GDP and GNP forced governments of Ethiopia to intervene directly in coffee producing regions on a daily basis. However, such interventions of governments lacked consistency and varied from region to region.[205] For example, as compared to other coffee growing areas of the country, interventions in Gedeo and Sidama seemed unique. The uniqueness of interventions was

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[202]NALA, Folder No. 46, File No.9/2(1968), pp. 2-5; and Informants: *Ato* Abu Hanfato, and *Ato* Uko Matti.

[203]Bereket Tassew, "Aspects of Decentralization Practices in Sidama Zone…," pp. 34-35; and Wolassa, p. 80.

[204]NALA, Folder No.186, File No.17.1.617.04 (23 *Mäskäräm* 1962 E.C), pp.1-6; *AdisZemen*, Vol.30, 23rd Year (23 *Mäskäräm* 1955), pp. 7078 and 7082; Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä.

[205]Tadesse Kuma *et al.*, "Spatial Integration of Coffee Growers Markets in Ethiopia," *Ethiopian Economic Association, Proceedings of the Seventh International Conference on the Ethiopian Economy,* Vol. III (May 2010), pp.245-264; and K. Fukui and J. Markakis (eds.), *Ethnicity and Conflict in the Horn of Africa* (London; James Curry, 1994), pp. 175-180.

largely attributed to financial insecurities of the country, rising economic role of coffee and arrival of merchants aspiring to make more profit from coffee business. On top of these, absence of a single reputable and traditionally recognized ruling family or clan in Gedeo and Sidama caused internal power struggle.[206] Such internal contests for power, which messed the local politics, had become a fertile ground for central governments of the country to claim for more involvement in the regions than other coffee growing provinces. Hence, such economic driven interventions of Ethiopian governments had bestowed an ultimate power for coffee market to dictate social, political, economic, cultural and other developments of the regions.

In general as this chapter shows coffee economy caused several changes that are directly attributed to the sector. It modified economic, political, social, and cultural situations of the province at large and Gedeo and Sidama in particular. It also attracted a large number of migrants with a range of interest and capital, which forced each government of the country after 1941 to react accordingly. Coffee as an industry helped the two regions to become destinations of migrants who were interested to exploit opportunities and economic advantage that it created in these two particular regions of the province, which caused new socio-cultural developments. It was also the existence of coffee economy, which generated money for both people of the region and governments of the country that helped to improve expansion of education, health, communication facilities and infrastructure in the Gedeo and Sidama regions, which made them leading in this regard as compared to other regions of the province. However, factors that will be explained in the following chapter weakened its power of causing more changes

[206]Berehanu Lamēsso (2012), p. 161; Assäbä Rägassa (2007), p. 121; Tadässä Kippie (2002), p. 191; Almaw (2005), *Ibid* (2009), p. 59; Dubalä (2010), p. 48; and Informants: *Ato* Uko Matti, *Ato* Wolqisa Wonbēto *W/ro* Mulunäsh Borojē, *Ato* Fitamo Qawato *Ato* Addisu Bäriso, *Ato* Adäm Osman, *Ato* Bawiso Humēsa, *Ato* Abu Hanfato, *Ato* Zäläläwu Abära, and *Ato* Wubshät Tägäññ.

PART III - Challenges of the Coffee Economy

Chapter Eight

Local Factors Affecting the (Role of) Coffee Economy in Gedeo and Sidama: 1941-2010

8.1. Power Gaps during Transitional Periods and Reactions of the People

Basically this dissertation focuses on the interaction and reaction of peoples and governments in the coffee industry. As part of explaining interactions and reactions in the coffee sector (main thesis of the research) this chapter treats factors that affected the coffee economy and reactions of peoples and governments to manage both the factors and their consequences. Sidamo province at large and the two regions in particular had experienced power gap whenever political changes happened in the country. For example, just after the Italian invasion (1935/6), restoration of the Imperial government (1941/2), emergence of Provisional Military Government (1947/75), and the Transitional Government (1991/2) there were power gaps, that created opportunities for local people to exercise freedom and react against imposed system and its activist. It was gradually that each government, which took power by deposing the former one, was able to establish systems that could comply with their interests and install its political program. Demolishing remnants of the forgone regime and tranquilizing each sort of resistance were very demanding tasks that each government of the country had gone through soon after taking the state power.

For example, in 1940/41 the Italian colonial rule was gradually smashed in southern Ethiopia by the help of the British army led by General Cunningham, which arrived at Addis Ababa through Kenya.[1] It was with the help of the British army that the Imperial regime restored its control over southern part of the country. As it has already been noted in chapter two, however, restoration of

[1]Bahru Zewde (2002), p.145.

power was not an easy task for the Imperial government because it faced resistance from patriots (mainly from *näfṭägñña*), who felt the Emperor's leaving for London in 1935/36 as an act of betrayal.[2] It also faced resistance from the local people to some extent who were able to exercise relative freedom to practice traditional law under the Italian patronage. Steadily however, the restoration was partly realized by empowering emergent elites called *tekeläññas*[3] (see also chapter two). Soon after the restoration of the Imperial rule in the province, relation of the three groups such as, collaborators (*banda*), patriots (largely consisted of *näfṭägñña*) and newly appointed governors (*tekeläññas*) was not smooth.[4] In the struggle one against the other, the *tekeläñña* group that had political, financial and military backings of the restored government was finally able to emerge victorious against its adversaries in the regions.

Former settlers of the regions (*näfṭägñña*, some servicemen and their families) were displaced for the second time from their land holdings, i.e. first by the Italians and then by governors of the resorted Imperial government. In both cases measures taken against the fromer settlers resulted in dispossessing lands that they owned after the incorporation of Sidama and Gedeo in 1889 and 1896 respectively. During the Italian colonial rule (1935/6 to1941), in planning to dissolve local resistance and to mobilize support against patriots (*fano*), almost all lands that belonged to the *näfṭägñña* were either restored to local chiefs or confiscated and given to collaborators.[5] Similarly, soon after the restoration, the Imperial government had continued to hunt for patriots

[2] *Ibid*; Almaw (2005), p. 49; and Ababu (2002), p. 34.

[3] *Ibid;* and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, *Ato* Käbädä, *Ato* Abu Hanfato, and *Ato* Uko Matti.

[4] *Ibid.*

[5] Ayele TesfaMariam, "Economic Impact of the Italian Rule in the Southern Ethiopia," p. 17; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, *Ato* Käbädä, *Ato* Abu, and *Ato* Uko. They indicate that, colonial measures taken against settlers were notable in isolating and humiliating them in the regions. Further sources indicate that they got defenseless due to harassments they encountered from both sides. They also assert that local Gedeo and Sidama reacted against *näfṭägñña* and their companions.

who refused to submit peacefully and worked against their landholdings.[6] Thus, vulnerable *näfṭägñña*s were forced either to submit to the restored rule or look for other options. This helped the restored regime to restructure settlement pattern, and economic and political systems that were formed after the 1889/96 conquests of the two regions. As a result, from 1941 up to 1974 new settlement patterns, economic and political groups were formed in the province replacing the former one.[7]

Furthermore, in the process of restoration of power, governors employed force to take coercive measures against both the *banda* and *näfṭägñña* groups of the regions. As a result of successes in handling crises, effectiveness in crushing oppositions and attempts to promote the restored Emperor, peoples of the regions started to pay overvalued respect for the Imperial regime.[8] Thus, new political and economic systems that were formed after 1941 laid a foundation for the birth of new elites, who were able to have large coffee farms, processing stations and capital to dominate markets of the regions with the help of support and protection they got from the Imperial government.[9] According to oral sources, regarding coffee farms of the regions, the Imperial period was better in providing opportunities for individuals to get large farm lands to cultivate coffee[10] Such expansion of coffee farms resulted in evicting some farmers from their traditional holdings and caused resistance that finally settled through coercive measures.[11]

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[6] *Ibid.* They also argue that growing defenselessness of the *näfṭägñña* group had provoked local Gedeo and Sidama people to retaliate for what happened during the 1889/1896 occupation; thus, they managed to escape.

[7] Ayele TesfaMariam, p. 70; and Ababu, p. 52. They argue that during the Italian colonial rule in Gedeo and Sidama the war was between settlers and the Italian but during the restored Imperial rule the struggle was usually among the settlers.

[8] Bahru Zewde, *The Pioneers of Change*, p. 77; and William H. Lewis, "The Ethiopian Empire: Progress and Problems," *Middle East Journal*, Vol. 10, No. 3 (1956), pp. 260.

[9] Informants: *Ato* Käbädä Bälachäw, *Ato* Habtämairaim Assäfa, *Ato* Shikurē Shafi and *Ato* Gabiso Gari.

[10] *Ibid.* They indicate that through land measurement system large plots of farm lands were made available for sale; as a result, those who were able to pay purchased the land and planted coffee for commercial purpose. In this period it was normal for a single individual in Gedeo and Sidama to have more than 500, 000 coffee plant in a single farm at an individual level.

[11] Bahru Zewde (2002), p.198.

Just after the 1974 Revolution, experience of the *Därg* government was not different from its predecessor. Soon after the fall of the Imperial regime, the *Därg* nationalized farms and private properties of rich people, and imprisoned governors and propertied groups of the period.[12] Legacy of the Imperial period like schools, roads, institutions, factories, etc were detested to the extent of changing their names. As a result, rich people and officials of the Imperial regime became vulnerable to attacks from local people who held grudges against government officials at various levels. Oral sources indicate that it was the toughest period for both governors and well-to-do people who were sandwiched between militancy of the *Därg* and furry of the local people.[13]

Immediately after the Revolution, owing to unconsolidated power of the Provisional Military Government, when the country was ruled without written law, there was anarchism (1974-1978) where people reacted according to their own personal will.[14] It was a period that provided opportunities for the local people to exercise relative freedom and restore customary laws to manage acts of unruliness and to react against alien systems and their activists. At this particular time a large number of coffee farms, processing stations, stores and purchasing centers were looted and damaged by those who had hostility to the Imperial regime and governors of the period. According to oral sources, owing to their site that was entirely situated in the countryside (far from the abrupt reach of owners who were living in the towns) damages on coffee farms and wet cherry processing stations were immense.[15] This was because all wet coffee processing machines and coffee farms were located outside towns and little protected; thus some of them were easily attacked and robbed, which was detrimental to the sector as a whole.

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[12]Informants: Informants: *Ras* Mängäsha, General Bäkälä, and *Ato* Wubät.

[13] *Ibid.*

[14]Adargachew Tiruneh (1994), p. 75. He indicates that fafter the fall of the Imperial regime, the country was governed without any perspective plan for four years (from in 1974-1978). He further explains that however, from 1980 up to 1984 there were annual plans called "Zemecha" which envisaged economic and social rehabilitation and inculcation of socialism (PMGSE, 1984). Finally he concludes that after 1984; however, the regime prepared a ten-year perspective plan (1984/85-1994/95) which was assumed to be implemented through three medium term plans.

[15]Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrälgzi, and *Ato* Wubät Täfära.

Nationalized coffee farms, which were initially given to the Peasant Association or Cooperatives were steadily confiscated and given to landless individuals to use it for various purposes.[16] This marked the beginning of using coffee lands for other purposes, which intensified problems of small landholding and fragmentation of farms. As to coffee processing industry, despite damages that the sector suffered during the interim period, Associations, Cooperatives and government enterprises finally played a notable role in expanding it by opening a number of new processing stations for both wet and dry coffee beans.[17] Therefore, due to such considerable increases in the number of coffee processing stations, the *Därg* period was a period of relative successes as to processing industry in Gedeo and Sidama. However, the role of coffee sector in generating income for farmers to improve their living conditions, and developing the regions was extremely insignificant.[18] This was because government dominated processing and marketing aspects of the coffee economy of the period were contrary to individuals' prosperity and rights, which steadily increased hostility of the people to the regime and encouraged them to struggle against it.

Finally, experience of the EPRDF government was also almost a replica of what had happened during the two former regimes of the country since 1941. For example, in 1991 just after the fall of the *Därg* there was a power vacuum and unrest in the country that rebel groups failed to fill in. In Gedeo and Sidama, particularly the period between the fall of the *Därg* and formation of the Transitional Government was characterized by chaos and instability.[19] This was because soldiers and officials of the dying *Därg* and university students admitted to the military training camp at Bilatē managed to escape to Kenya carrying firearms that they got by storming arsenals. As a

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[16] *Ibid.*

[17] NALA, Folder No.48, File No. 1.132.07, a report by the Ethiopian Coffee Board (1977 E.C), pp. 10-11.

[18] Desalegn Rahmeto, "The Dynamics of Rural Poverty: Case Studies Southern Ethiopia," *Monograph* Series 2/92 (1992), p.30; and Wolassa Lawiso, p. 49.

[19] Dessalegn Rahmato, "The Unquiet Countryside: The Collapse of 'Socialism' and Rural Agitation in 1990 and 1991," Abebe Zegeye & S. Pausewang, Ethiopia (eds.), *Change: Peasantry, Nationalism and Democracy* (London; British Academic Press, 1994a), pp. 257-258; and Informants: *Ato* Wubshät Tägäññ, and *Ato* Dawit Wonbēto (FDG).

result many people were able to buy modern firearms at a very low price, which helped them to become armed and unruly. However, it was also a period of relative freedom for the local Gedeo and Sidama people to restore customary law and protect their society from any sort of vandalism and react against the system that they found unfair for their people. As a result, some heads traditional institutions started to play the role of leadership and fill in the power gap.

Despite the fact that, those who suffered from adverse effects of the *Därg* rule started to attack everything that belonged to the regime.[20] Accordingly, coffee farms, processing stations, stores etc. under Farmers' Associations, cooperatives and government enterprises were raided, looted and damaged. This marked the worst experience in the history of coffee industry of the two zones that resulted in causing several market crises.[21] Besides, ethnic based decentralization of power to some extent resulted in causing hostility among some ethnic groups of the regions. As a result, non-Gedeo and non-Sidama individuals were scared by local developments and migrated with their capital and knowhow to other regions by selling their coffee farms and other equipments and institutions related to the coffee business.[22] It also caused the outbreak of ethnic conflicts between the Gedeo and Guji Oromo, Sidama and Walayita and others, which all affected the coffee industry. [23]

Unlike the former two regimes of the country, the Transitional Government of Ethiopia, gradually the EPRDF government did not want to engage itself directly in the coffee business both in the maintenance of processing machines and production of the cherries. As a result, there was no

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[20] *Ibid.*

[21] Coffee Processing and Warehousing Enterprise, *Statistical Abstract (Addis Ababa: CPWR, 2015), p. 10* It shows that currently, there are 34 and 86 coffee washing station in Gedeo and Sidama, almost more than half of them were damaged and looted in 1991 became functional for one year until they got maintained in 1992 and some more built recently.

[22] Shumete Gizaw (2009), p. 840; John Campbell, "Land or Peasants?: The Dilemma Confronting Ethiopian Resource Conservation," *African Affairs*, Vol. 90, No. 358 (1991), pp. 10-11; and Informants; *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, *Ato* Dawit Wonbēto, and *Ato* Wolqisa Wonbēto (FDG).

[23] *Ibid.*

supply of wet processed coffee from Gedeo and Sidama for at least one year due to machine damages and absence of responsible body to run the business.[24] Finally; however, the sector was privatized in line with the 1991structural reforms, which helped coffee processing to resume. Besides, there was a confiscation of coffee farms that were given to landless ones mainly for x-soldiers, who had come home from various war fronts.[25] Targets of the confiscation were farms owned by the Farmers' Association, cooperatives and government enterprises, which exposed coffee farms of the regions to further fragmentations.

According to oral sources, those who received the coffee farm, cleared it to build houses and plant *ensät* for food; thus, the land distribution was again slashed the land share of coffee and reduced its supply in the market. [26] As for markets in the two regions, the period of EPRDF was a period that improvements have been achieved, which relatively increased both supply of the bean and its price in local currency.[27] This was because coffee market was liberalized and considerably expanded into remote areas of the region and any interested individuals were allowed to take part in the business. In general, power gaps during change of regimes in the country played its part in affecting the coffee sector of the region, which in turn reduced market value of the crop in terms of generating income for farmers and other stakeholders of the sector.

To conclude, transitional periods (just after the restoration of the Imperial rule by ousting the Italians, soon after the coming of the *Därg* to power by deposing the Imperial regime, and between the establishment of the Transitional Government and the collapse of the *Därg*) resulted in displacing people who had economic or political importance under the deposed governments,

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[24] The Ethiopian Coffee Board, *Statistical Report: 1991-1992*(Addis Ababa: ECB, 1993), p. 10.

[25]Stein Holden and Hailu Yohannes, "Land Redistribution, Tenure Insecurity, and Intensity of Production: A Study of Farm Households in Southern Ethiopia," in *Land Economics*, Vol. 78, No. 4 (2002), pp. 580-581; and Informants: *Ato* Mulugēta, *Ato* Wubshät, *Ato* Dawit, and *Ato* Wolqisa

[26] Informants: *Ato* Mulugēta, *Ato* Wubshät, *Ato* Dawit, and *Ato* Wolqisa.

[27] The Ethiopian Coffee Board, *Statistical Report: 1991-2000,* Section II, Summery, (Addis Ababa: ECB, 2001), p. 47.

which helped winners to form new political and economic group. In this case, each government of the country used land issues to dissolve resistance of the forgone regime and mobilize support for the new system. By declaring land as government property and giving only use right for people, each regime designed and executed land based strategies like measurement, confiscation, distribution, resettlement, investment and lease, which served as tools to uproot "reactionaries" and replace them by emerging ones, "revolutionaries".[28] Such land based strategies, aimed at displacing and replacing have been enduring practices that threatened investment in the coffee sector of the regions. Similarly, acts of displacing and replacing people affected the coffee sector by causing further fragmentations of coffee farms, destructions of the plant and migration of labor and capital.

8.1.1. Measures of Governments and Expansion of Urbanization

Each government of the country had taken several measures and made interventions to attain objectives that were described in their policies. For example, as it is shown in chapter eight the restored Imperial regime used to promote private investment by availing lands for sale, preparing specific legal provisions and setting a package of incentives; thus, financially strong individuals exploited the opportunity to emerge prosperous.[29] The period was also characterized by totally ignoring the poorest population of the country and protecting propertied few at the expense of the majority poor.[30] In this case, economic mobility was not blocked because for anyone who wanted to run a sort of business opportunities were available. This was because a number of poor economic migrants were able to exploit opportunities of the regions and gradually transformed

[28] S. Holden *et.al.*, "Land Redistribution...," p. 583; and J. Campbell, "Land or Peasants..." p. 10.

[29] Shiferaw Jammo "An Overview of the Economy, 1941-1974," in Shiferaw Bekele (ed.) *An Economic History of Ethiopia: The Imperial Era*, 1941-1974 (CODESRIA Books Series, 1995), pp. 46-47.

[30] William H. Lewis, "The Ethiopian Empire: Progress and Problems," pp. 260-261; and Girma Kebede (1994), p. 22; Bahru Zewde (1988), p. 223.

themselves into owners of private business institutions. Furthermore, classifying lands of the country (into *läm*, *lämṭäf* and *ṭäf*) by the help of land measurement system and putting them on sale was unique to the regime.[31] It was a system that helped to maximize government revenue and expand investment in the regions by availing lands for interested ones, which attracted labor and capital.[31]

Similarly, the *Därg* regime was highly concerned to promote command economy by centralizing everything.[32] To this end, it strictly employed nationalizing private properties including land, which seriously affected economic, political, social and cultural milieus of the country. In Gedeo and Sidama nationalization caused several changes with devastating impact on the economy of the region, particularly to the coffee industry because everything that was nationalized remained poorly functional.[33] Owing to the command economy that totally defied individuals' right to private property nationalized coffee farms, processing industries and market of the two regions remained economically unrewarding in terms of improving living conditions of farmers and traders in the coffee sector.

After getting rid of the Imperial regime, the *Därg* government nationalized land in 1975 and subsequently distributed use rights to cultivators.[34] Legally, land was to be offered to families based on their household size. In most areas, cultivators were allowed to retain some of the land

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[31]Dessalegn Rahrnato, *Agrarian Reform in Ethiopia* (Uppsala: Scandinavian Institute of African Studies, 1984), p. 12.

[31]WMTRC, Folder No.334, File No.14, quarterly report written from Sidamo to the MI indicating types of land available in the province and the amount of income that government earned from land (30 *Yekatit* 1948 E.C.), p.12; *Ibid*, Folder No.3188, File No.2, annual report written from Sidamo to the MI (30 *Sänē* 1957 E.C.), pp.1-3; and *Ibid*, Folder No.804, File No.14, annual report written from Sidamo to the MI (30 *Sänē* 1958 E.C.), pp. 2-5.

[32]S. Holden *et.al.*, "Land Redistribution...," p. 583; J. Campbell, "Land or Peasants...," p. 10; and Desalegn Rahmeto, "Agrarian Changes and Agrarian Crisis: State and Peasantry in Post Revolutionary Ethiopia," *Journal of the International African Institute* (63) 1, pp. 46-47.

[33]Desalegn Rahmeto, "Cooperatives, State Farm and Smallholder Production," in Siegfried Pausewang *et al.* (ed.), *Ethiopia: Rural Development* (London; Zed Books Ltd. 1900), pp. 104-105; Almaw (2005); p. 138; Wolassa Lawiso (2002), p. 79; and Informants: *Ato* Wolqisa Wonbeto and *Ato* Uko Matti.

[34] Christopher Clapham, "Centralization and Local Response in Southern Ethiopia" (1975), pp. 77-78; and Dessalegn Rahrnato, *Agrarian Reform in Ethiopia* ... ,p. 58.

they had been cultivating, including farmers that had inherited land or were simply tenants for large landlords, while landless farmers were accommodated as well. Yet, it appeared that political and local factors played a great role as well, implying a diverse experience in implementation.[35]

Ever since the first land reform in 1975, the actual implementation was at the local level.[36] Land redistribution decisions were taken at the level of a specific committee at the Peasant Association (PA). The PA was an administrative unit usually consisting of one or a few villages. During the initial land reform and subsequent redistributions, the leadership of the PA was instructed to consider household size as the specific criteria for need.[37] However, the process left much room for interpretation like considering newly formed household, location, quality and size of land; thus the legal framework remained the same throughout the *Därg* period (see also chapter three).[38] Periodic land redistributions were used to reallocate land to accommodate the needs of new claimants. This attempt failed to address the growing demand for land, thus, widespread land tenure insecurity was created almost in all areas of Gedeo and Sidama.

After the fall of the *Därg* regime in 1991, land redistribution was temporarily suspended without any provision to address the needs of the landless and the land hungry. The practice of repeated land redistribution had been already frozen in 1989, as part of the market-oriented reforms

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[35] *Ibid.*

[36] Warren C. Robinson and Fumiko Yamazaki, "Agriculture, Population, and Economic Planning in Ethiopia, 1953-1980," *Journal of Developing Areas*, Vol. 20, No. 3 (1986), pp. 331-332.; S. Holden *et.al.*, "Land Redistribution...," p. 583; and J. Campbell, "Land or Peasants...," p. 10. They unanimously agree that rights to land in Ethiopia are neither complete nor fully individualistic. They argue that since 1975, after overthrowing the emperor the rights of cultivating lands was given to rural households. In principle, rights to the stream of benefits were offered, but as land redistributions continued regularly throughout the 1980s, their horizon and security were severely undermined. Particularly Holden and Campbell further analyzed land policy of the EPRDF and argue that, after 1991the new government made commitments to strengthen individual land rights via offering more long-term tenure security and secure the right to transfer as reflected in the 1994/5 new constitution. Finally they conclude that uncertainty has continued, and then, the failure to cement new principles of the law in many regions and slow progress in Promised Land registration programs (which only in the last few years have taken off).

[37] Dessalegn Rahmato(1984), p.58

[38] Christopher Clapham, "Centralization and Local Response in Southern Ethiopia..." (1975), pp. 76-77, Altaye Menu *et.al.*, "Rural Land Transactions among Smallholder Farmers and Access to Land for Commercial Agriculture in SNNPRS: The Cases of Alaba and Wondo Genet Weredas," in GizachewAbegaz*et.al.* (ed.), *Proceedings of a Consultative Meeting: Strengthening Land Administration Program* (Addis Ababa: ELAP, 2009), pp. 68-69; and Nigusse Abebe, "Perspectives on Access to Rural Land and Compensation Payment Schemes for Agricultural Investment," in GizachewAbegaz *et.al.* (ed.), *Proceedings of a Consultative Meeting: Strengthening Land Administration Program* (Addis Ababa: ELAP, 2009), pp. 10- 11.

undertaken by the *Därg*.[39] In practice, at the local level, some occasional land redistributions continued to take place. Politically, land rights became again a hotly disputed issue and views were raised for a dramatic reversal towards privatization of land, but in 1994/5, a new constitution was adopted. Targets of the distribution process were coffee lands because most of the nationalized lands were large coffee farms, which initially belonged to well-to-do individuals of the imperial period and gradually owned by Peasant Associations of the regions.

As it has already been explained in this chapter nationalization and collectivization practiced in different parts of the country, which totally ruined the support that the *Därg* got from farmers through land to the tiller.[40] Mainly under proclamations issued in 1978 and 1979, aimed at accelerating movement toward collective farming, collectivization program was launched in Gedeo and Sidama. It was justified as the way to come out from Ethiopian tradition and to fit the Ethiopian circumstances in a Soviet style.[41] Initially little progress was made through persuasion but finally things had fallen apart and grew against both the regime and the program. Thus, it failed to fit in with the existing political, economic, social and cultural situations of the country and put a very serious burden on the ordinary farmers of the regions.[42]

Regarding coffee economy of the regions collectivization caused several crises on each aspect of the sector such as production, processing and marketing.[43] This was because some of the lands already under coffee production were cleared for settlement purpose, which for instance in Taramēs, Gumbē and Afarara (both Diramo and Tēllamo Afarara), Ganē, Shoyē, Moto and some

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[39] *Ibid.*

[40] Dessalegn Rahmato, "Land, Peasants and the Drive for Collectivization in Ethiopia," in T.J. Bassett and D.E. Crummey (eds.), *Land in African Agrarian System* (Madison; Wisconsin University Press. 1994b), pp. 284-285; and Desalegn Rahmeto, "Agrarian Changes and Agrarian Crisis: State and Peasantry in Post Revolutionary Ethiopia," *Journal of the International African Institute* (63) 1, pp. 49-50.

[41] Fassil G. Kiros, Mobilizing the Peasantry for Rural Development: The Ethiopian Experience in Progress," *Proceedings of the VII[th] International Conference of Ethiopian Studies* (1984), pp. 580-581.

[42] Informants: *Ato* Abu Hanfato, *Ato* Wolqisa Wonbeto and *Ato* Uko Matti. Particularly Walamē and Smarogambēl in Gedeo and Sadēqa, Dagra, and Wara in Sidama were specific example of the development in the period under discussion.

[43] *Ibid.*

other areas of Sidama; Walamē, Samaro-Gambēla, Qadida, and Gadab-Gälcha, Jaldu and some other areas of Gedeo had experienced.[44] In some cases, farmers with knowhow about coffee cultivation also were ordered to involve in other activities like animal husbandry, etc. Besides, government owned coffee processing and marketing scarcely rewarding for poor household farmers who used to work intensively for collectives or associations. This was because ruling groups were group and party focused instead of working to benefit individual household farmers. Such lack of incentives to encourage individuals reduced productivity of the sector and affected its importance to develop the regions and prosper individuals.

Moreover, among the interventions of the *Därg,* villagization program and resettlement schemes were notable ones in annoying the people.[45] As to their nature in the regions, villagization referred to bringing different households to a single village in their own region, whereas resettlement was moving a group of households across to somewhere outside their region and settling them with other ethnic group.[46] However, both resettlement and villagization were realized simultaneously in Gedeo and only villagization was carried out in Sidama.

Accordingly, the Gedeo land was assumed fertile and productive in comparison to others, and received settlers such as the Walayita community in and around Harorēssa and some other places in Gedeo during the *Därg* period. In this case the basic rationale behind the resettlement program was that it focused on displacing a number of people to fertile areas as a means of coping with the existing food shortage.[47] This was also another event that slashed the size of coffee farms in

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[44] *Ibid.*

[45] *Ibid.*

[46] Shumete Gizaw (2009), p. 840.

[47] Shumete Gizaw (2009), p. 841; and Informants: *Ato* Abu, *Ato* Wolqisa and *Ato* Uko. They show that regardless of the fact, it left everlasting shock among the Wolayita settlers who were forced to cross the regional boundary and transported to Gedeo. This is because the Walämē communities and Haroressa PA explained that they afraid if the same mistake done by *Därg* regime may be repeated. As Shumete puts it, they said that: "When the *Darg* regime brought us here we missed our homes, our closest families, our community who support us in our sorrow, our culture, and today we are 'fallen from two trees' (a metaphor

Gedeo by claiming part of the land that was already under coffee cover. Similarly, villagization programs undertaken in Gedeo and Sidama played the same role in reducing coffee farms into settlements, which affected both production and supply of coffee cherries in the regions.[48]

Finally, the government of EPRDF has also persisted in practicing the strategy of resettlement in the regions. In this case, most of the people in the country and even the international community were afraid of repeating mistakes committed by the *Därg*; however, the government continued implementing re-settlement programs ignoring criticisms.[49] The concern of this research is not arguing about objectives and methods of resettlement and villegization but showing their impacts on the coffee economy. Therefore, resettlements both internal (commonly practiced in Sidama) and external (the case in Gedeo) types slashed the size of coffee farms of the two particular regions, whatever their objectives and methods. In general, measures taken and interventions made by the *Därg* regime (land distribution, villagization and resettlements) and the EPRDF government (land distribution and resettlements) used to target coffee farms. As a result, along with the policy, market, disease and nature related crises, such interventions of governments that victimized coffee farms, have been causing problems threatening the future of coffee industry.

As it has already been explained in chapter six, urbanization which has been expanding since the 1980s appeared another threat to coffee production. Apart from extensive construction of residences in the outskirt of each town, opening of new hotels, schools, clinics, hospitals,

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to explain a person who lost two things at the same time). Now we are asked to go to another place in the southern region for re-re-settlement. This is our tale. We don't know what to do because we are confused but only God knows."

[48]Informants: *Ato* Abu Hanfato, *Ato* Wolqisa Wonbeto and *Ato* Uko Matti. The indicate that villagizations of Gedeo at places such as Haroresa, Walame, and parts of Çiçu Samrogambela; and Sidama at Taramesa, Shoyē, Ganē, Dagara, and Afarara played their parts in reducing the coffee lands to residential sites.

[49]Shumete Gizaw (2009), p. 843. According to Shumete, theses seem contradictory ideas because re-settling one ethnic group on the recognized territory of another ethnic group in the middle of ethnic based federalism goes against the constitution. Moreover, the Haroressa farmers who are bordering the Guji Oromo shall cross the border river, just few meters far from their homes, and get the right to cultivate anything against high population density and food shortage.

universities and offices of various sorts intensified the invasion of coffee farms in the regions. For example, the town of Dilla is expanding rapidly at the expense of its immediate peripheries and rural PAs such as Harorēssa, Qofē, Gidicho and Wallämē. This horizontal expansion had a great impact on agricultural productivity. According to the Rural Development Office, about 34,566 household farmers were uprooted as a result of the expansion of Dilla town.[50] Expansion of Yirgachäffē, Wonago, Kochärē and Bullē put akin impact on their outskirts.[51] Similarly in Sidama towns that were found in coffee growing areas such as Läku, Yirgaläm, Chuko, Alätawondo, Arbagona and Bänsa/Daye are expanding by incorporating villages in their outskirts, which were known by their coffee production.[52]

Both in Gedeo and Sidama owing to unsuitable relations and competitions they used to have with inhabitants of old towns, people of nearby villages were working hard to change their villages to evolve into small towns by undertaking extensive constructions. They were also attempting to assert their freedom against domination, which dwellers of old towns in the province used to exercise over people of the nearby villages for long in the past. In addition to this, coffee processing stations that were opened in rural parts also claimed at least a kilometer square each from coffee lands of the regions.[53] Except few schools of the Imperial period almost all primary, secondary and high schools were opened on coffee farms that were owned either by the PAs or

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[50]Gedeo Zone Archive, The Wäräda Rural Development Office, Folder No.2, File No. 10, annual report written from Gedeo Zone WRDO to SNNNPR (2003), pp. 3-6.

[51]Informants: *Ato* Abu Hanfato, *Ato* Wolqisa Wonbeto, *Ato* Azänä Alämu, *Ato* Eshätu Chaka, *Ato* Abära Waqo and *Ato* Uko Matti. The current expansion works of Dilla University, Qofē Hospital and other private and government schools and institutions are taking place by clearing coffee farms that already under coffee cultivation since the imperial period.

[52] Sidama Zone Archive, The Wäräda Rural Development Office, Folder No.6, File No. 13, annual report written from Sidama Zone WRDO to SNNNPR (2003), pp. 7-8

[53]Informants: *Ato* Abu Hanfato, *Ato* Wolqisa Wonbeto, *Ato* Azänä Alämu, *Ato* Eshätu Chaka, and Abära Waqo. They indicate that in Gedeo and Sidama wet coffee processing stations are very traditional. Particularly *Ato* Abera, a machine operator argues that traditional wet mills occupy a lot of space and consume large volumes of water. He also asserts that products are usually conveyed with the help of water in open channels which are also used to grade coffee at the end of the line. He indicates that fermentation tanks occupy a large area, consume a lot of water and require much labor; however modern wet mills are much more compact, using a single, combined ecological machine in some cases. Finally he concludes that the transport of products in channels has been replaced by dry feeding, fermentation tanks are not necessarily required, water consumption has fallen dramatically, and the little water that is used is recycled and properly treated and/or disposed of.

individual farmers. Constructions of stadiums, clinics, offices, mosques and churches of various types, which are currently expanding widely, have been taking parts of coffee lands. Finally, in rural Sidama individuals used to display their economic and social success by building houses with iron sheets parallel to huts, which slashed lands covered by coffee trees.[54] In general, the current spiraling urbanization and expansion of institutions responding to migration of people to towns have been threatening the future of coffee industry in the two regions of the country.

8.1.2 Shift of Administrative Center and Migration of Labor and Capital

Shift of administrative center made in 1968/69 was an important land mark in the history of the province at large and the two regions in particular. According to various sources the immediate cause for the shift of capital from Yirgaläm to Hawasa was a deliberate neglect of the customary gift (coffee farm) used to be given for the newly appointed governor of the region, since 1941.[55] At his appointment as a governor of Sidamo, General Esayas GebreSilassie was deprived of getting private coffee farm that was usually given to newly arriving governors of the province. At this juncture, he initially made a civil request for his juniors to settle the case smoothly; however, they persisted in depriving him of enjoying the traditional privilege.[56] As a result, he started to keep on rigorously justifying the need for making shift of administrative center, which of course was very convincing and logically argued.

The idea of establishing Hawasa (Tabor) as a station town to control ethnic conflicts was the brainchild of *Ras* Mängäsha Seyoum, governor of the province.[57] He also played an important

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[54] *Ibid.*

[55] Ababu Aligaz (2002), p. 51; Almaw (2005), p.74; Kefayalew (2010), p. 16; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä GäbräIgzi, *Ato* Wubät Täfära, *Ato* Käbädä Bälachäw, *Ato* Abu Hanfato, and *Ato* Uko Matti.

[56] *Ibid*

[57] Informants: *Ras* Mängäsha, G. Bäkälä GäbräIgzi, *Ato* Wubät, *Ato* Käbädä, *Ato* Abu Hanfato, and *Ato* Uko Matti.

role in indicating the potential of Hawassa and geographical advantages it has over other areas of the province. However, the foundation of Hawassa as an administrative center of the province was totally attributed to the governor, General Esayas GebreSilassie. He made meticulous endeavor to convince the Emperor and mange challenges that came from officials, settlers and local people of the province who did not want lose their advantages at Yergalem. In preparing master plan for the town and approaching people to support the idea and to get budget from the Emperor and implement the plan, General Isayas was the most notable person.[58] As compared to *Ras* Mängäshä, General Isayas had a very good relationship with Emperor HaileSillasie and was able to win his trust, which helped him to convince the Emperor easily and realize the shift of capital.

According to his justification, Yirgaläm was found to be less preferable as compared to Hawasa, which displayed a number of advantages like location shared by various ethnic groups, which helped to settle ethnic conflicts, and relative vicinity to the capital city of the country; virgin land suitable for investment, urban expansion and large scale farming; lake for fishery and tourism, etc.[59] After successive appeals to the Emperor made by both settlers and local Sidamas against the shift of capital, the governor emerged victorious in convincing the Emperor and finally in 1968/9 Hawasa was declared capital city of the province, Sidamo.[60] However, the birth of Hawasa as an administrative center and subsequent developments caused several crises that persisted in depressing development, expansion and economic activities of other towns of the province including the coffee sector.

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[58]NALA, Folder No.186 File No.17.1.6.17.03, justification of the shift of administrative center from Yirgaläm to Hawassa written by General Isayas G/Sillasie to Emperor HaileSillasie (10 *Teqemet* 1959 E.C.), pp.3- 4. According to the document the shift of capital from Yirgaläm to Hawassa was justified from geographical, economic, political, economic, social and cultural points of views (see also appendix xvii).

[59]*Ibid.*

[60]*Ibid.* pp.1- 2

The General, who won support of the Emperor and succeeded in founding new administrative center of the province, was able to secure a large amount of budget and additional funds from the central government to develop the town.[61] Thus, he used the money to attract individuals to partake in developing the town and create new economic and political elites committed to serve interests of the governor against all sorts of conspiracies of the losers. This in turn caused rushes of individuals for appeasement to sanitize oneself either by confessing or exposing blameworthy ones.[62]

Ultimately, those who succeeded in joining the General's club were able to secure a number of benefits like promotion, decoration, appointment, money and land for investment etc. According to oral sources, particularly for the wealthy ones, failure to invest at Hawasa was denoted as a move against the General's plan; thus, having a kind of possession or investment at Hawasa implied both asserting loyalty and joining modernity, which totally ruined image and importance of the old towns.[63] This finally drained away a huge amount of money from old towns to the new capital, which resulted in causing stagnation of developments and decline of interest to invest in old towns and an enduring obsession of people for the new town, Hawasa.

As compared to other towns of the province, Hawasa was relatively safe town. Oral sources assert that, the town is safe haven and more secure place both to live and invest in.[64] Thus, let alone to invest, no one wanted to keep his money in the old towns of the region, which were continued to be prone to ethnic based feuds and attacks whenever any sort of change happened.

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[61]NALA, Folder No.188 File No.17.1.6.17.09, master plan of Hawassa town prepared by a task force delegated by the General with detailed description of budget required to realize the plan and apresented to Emperor HaileSillasie (3 *Tere* 1960 E.C.), p.1.

[62]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, *Ato* Käbädä, *Ato* Abu Hanfato, and *Ato* Uko Matti. They argue that living in the old towns was taken as the sign of weakness and low status. They also point out that becoming a person without investment at Hawasa represented administrative and political incompetency of an individual.

[63]Kafyalew "A History of Hawasa Town...," p. 29; Bereket Tassew, p. 78; Hawassa Municipality Office, p. 103; and Informants: *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, *Ato* Dawit Wonbēto, and *Ato* Wolqisa Wonbeto.

[64] Informants: *Ato* Abu Hanfato, *Ato* Mälkamu Kifle *Ato* Tilahun Fango, *Ato* Asäfa Gētachäw and *Ato* Uko Matti

As a result, after making a certain amount of money by living, working and running businesses in old towns and abandoning them to join Hawasa, either to start a certain kind of business or purchasing a land to construct a house for residence appeared to be the wish of everyone in the regions.[65] This was one of the factors that affected expansion of investment in the coffee sector largely by slashing the amount of money circulating in coffee markets of old towns. In this case, individuals with a long time experience and a large amount of capital in the coffee sector have abandoned the sector and moved to hotel industries at the new town, Hawasa.

Furthermore, the growing economic, political and socio-cultural prominence of Hawasa appeared to attract skilled and highly experienced labor power of the old towns. Owing to better payment and job opportunity available at Hawasa, coffee industry in old towns suffered from high turnover of workers such as machine operators, drivers, finance heads, mangers, auditors, mechanics etc.[66] Therefore, migration of capital and labor from old towns of the regions to the newly flourishing town, Hawasa persisted in affecting the coffee industry of the two regions, which also directly affected economic significance of the sector in generating income both for the people participating in the coffee industry.

To conclude, expansion of urbanization and attempts of Ethiopian governments to address growing quests for land in Gedeo and Sidama have been adversely affecting the coffee economy. As it has been shown in chapter six, expansion of coffee industry had significantly contributed to the expansion of towns and migration of people and capital to the province. Gradually however, expansion of towns and migration people to the regions appeared to threaten the future of coffee sector by claiming lands that were already covered by coffee trees. Such impact of urbanization

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[65] Kefayalew (2010), p. 37.

[66] Informants: *Ato* Wubshät Tägäññ, *Ato* Dawit Wonbēto, and *Ato* Wolqisa Wonbeto (FDG). They explain that particularly, old towns like Leku, Yirgaläm, Alätawondo and Dilla have been suffering from the aftermath of migration.

has been further complicated by governments of the country that used the issue of land for both economic and political reason. Sometimes, measures taken in relation to land and expansion of towns and migration of people appeared to cause the outbreak of conflicts affecting coffee industry of the province in general and the two regions in particular, as we shall see.

8.1.3 Illicit Trade and the Outbreak of Conflicts

There may well have been a factor in attempts by Ethiopian emperors in the seventeenth and early eighteenth centuries to develop trade relationship with Yemen, India and with the Dutch in Java.[67] By I690, coffee was being exported from Zayla, and perhaps by other outlets.[68] In 1705 and 1737 Europeans made unsuccessful attempts to get coffee directly from Ethiopia, meanwhile the growth of plantations in European colonies had rendered such effort superfluous.[69] Nonetheless, Ethiopia contributed to the Red Sea coffee trade during the eighteenth century and it seems likely that coffee was exported from Enarya as well as from Harar.[70] The Kingdom of Shäwa was well situated to exploit development of coffee exports from the south-western highlands, and they would have assisted Shawa's efforts to distance itself from upheavals further north during the Zämäna Mäsafent.[71] All the above sources have said nothing clearly about the nature of trade whether it was formal or informal; however, in their arguments on the nature of merchants they tended to show interested individuals to trade the crop informally.

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[67]Catherine M. Tucker, *Coffee Culture: Local Experiences, Global Connections* (New York: Routledge, 2011), p. 36

[68]Abdussamad, pp. 550-551.He shows only the role of a certain *nägadras* in the export sector but no evidence was mentioned as to how it was exported and who it was legally taxed. Owing to domination of Orthodox Christianity, coffee was categorized as Muslim crop, which might give a space to export it illegally. This was because a member of Orthodox Christianity might not want to take the responsibility or the blame for trading the Muslim crop in the middle of the Christian society.

[69]Merid, pp. 21-22. He indicates that, their attempts were largely informal and recorded in the travelers account.

[70]*Ibid.* According to Merid, initially coffee trade was enjoyed by individuals (*Afekal* or *Jäbärti*) and gradually the Shäwans joined it. Their involvement was also not as formally organized to pay tax for the central government of the period, which was busy in wars.

[71]*Ibid.* Finally Merid asserts that coffee trade of the period caused the rise of Shäwa in the late eighteenth and early nineteenth centuries. This was because the growing involvement of many people from Shäwa in the coffee trade and fear of insecurity along the trade route increased the need for protection. The protection was; therefore, given by the Shäwan state in return for of tax that helped it to collect a large amount of revenue and emerge strongest.

As it has already been explained in chapter four, probably *Däjjazmach* Balcha had acquired the idea of commercial coffee while he was in Harar (1908-1910) from the leading concessionaires of the Franco-Ethiopian railway who owned coffee farms around Assabot (Harar) and introduced it to Sidamo for commercial purpose. [72] Owing to the absence of organized market for the crop in the province and the attraction of Gollolcha Coffee Plantation Company through better price, almost seventy-five percent of coffee cultivated in Sidamo was transported to Arsi.[73] It attracted not only coffee beans but also laborers, who used to work in coffee farms at a very low payment. This had encouraged illicit trafficking and coffee trade between the Sidama and Arsi Oromo with the destination of reaching the Belgian camp at Harar.

As it has already been explained in chapter three, the foundation of Arbagugu Coffee Plantation could be attributed to internal and external initiatives that had been taken on the various economic spheres towards the end of the reign of emperor Menilek.[74] Gollolcha district is highly suitable for cattle rasing and coffee plantation, thanks to the abundant supply of water, its productive climate, fertile and irrigable lands, and the possibility of an extension of the railway at 150 kilometers. As a result of the railway arrival to the Awash, the M. Gros society had started both cattle raising and coffee seedling in Gollolcha.[75] However, they suffered from capital shortage to run the projects successfully, which forced them to be surpassed by the Belgian Plantation Companies. The Belgian Plantation Companies which replaced the M. Gros Society

[72] Tsehai BerhaneSilassie, "The Life and Career of *Däjjazmach* Balcha...," p. 26; and *Ibid*, "The Balabat...," p. 203.

[73]WMTRC, Folder No.287, File No.7, coffee supplied from Sidamo to Arbagugu Coffee Companies (1942 E.C.), pp. 1-3; and *Ibid*, Folder No.360, File No.21, coffee supplied from Sidamo to Arbagugu Coffee Companies (1960 E.C.), pp.3-5.

[74]Ministry of Coffee and Tea Development, "The Ethiopian Coffee Industry" (1967 E.C.), pp. 4-5. It shows that some small and big foreign investors started to engage in various business of the country. The forerunners of French and Belgian capital investors were the French and the Belgian Societies who had engaged in the study of geology, botany and zoology in parts of Hararghe and Arsi in 1906. Thus, the enterprise of the French man called M. Gros was established under concession in Arsi province in the district of Kulo to southwest of Arbagugu sub-province. The Belgians were given 50 years contract. In addition to the annual regular taxes they had also paid certain amount of the revenue from the sale of their coffee product to the government.

[75]*Ibid*. According to this source, the M. Gros society (French Society) was small colony of missionaries and commercial farmers, who had been raising cattle for the Red Sea and Aden markets. Besides, this society cultivated some coffee in the Elele River valley of the Kulo district. The M. Gros society exported part of the product through the Gollolcha caravan route to Aden. It however, suffered from lack of organization to control such widespread cattle diseases as rinderpest. It, therefore, began to look for a better site in Gollolcha district through which they had been exporting their cattle.

were not short-lived.[76] They expanded the coffee farm to Minnē and Bäkäksa under their respective leaders M. Strees and M. Timpont. It induced the commercial coffee production in Sidamo and the companies had become the leading markets for the Sidamo coffee and labor, which marked a shift of paradigm in the interaction of people and markets of the region since the 1940s.[77] (See also chapter two and three).

Since its foundation, the Arbagugu coffee company intensively worked to attract coffees produced in Gedeo, Sidama and Wolayita.[78] Particularly, from 1965 to 1973 owing to disagreements that grew between the government of Ethiopia and the company on tax issues, which were complicated by those who had ambition to engage in coffee business, it started to pay more for coffees informally coming from three areas.[79] This encouraged illicit coffee trade, which largely affected government revenue from coffee trade. Particularly from 1965 to 1973 due to it's becoming lucrative business many individuals joined coffee investment at Argagugu and parts of Harar by abandoning government responsibilities.[80]

During the Imperial period the largest part of coffee farms in Gedeo and Sidama were owned by well-to-do individuals of the period (largely the *tekeläññä*) who persisted in keeping themselves very loyal to the system.[81] Some of them were given responsibilities to support government by producing coffee for export. To this end, they were provided with a package of incentives

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[76]*Ibid.* Finally the source indicates that after the 1906 Ethio-Belgian Commercial Agreement, Belgian activities began to grow in various parts of Ethiopia; hence, soon after this agreement, the Belgian Alcohol Monopoly in Addis Ababa and the French-Belgian Cotton plantation in Harar were established. The most successful Belgian Companies in Ethiopia were the *Sociètè Generale de Culture* and the *Sociètè Generale des Plantations d' Abyssinie* in Arsi province established in 1911/12.

[77]Ministry of Coffee and Tea Development, "The Sidamo Coffee Enterprise (SCE)," 15/6, (1967 E.C.), p. 13.

[78]*Ibid;* and NALA, Folder No. 48, File No. 1.6.06.01, national coffee plan (1979 E.C.), p. 6 (see also appendix, vii).

[79]WMTRC, Folder No. 188, File No. 2, appeals made by the Belgian coffee company against conspiracies of some government officials to spoil relationships of Ethiopian government and the Company (26 November 1960 E.C.), p. 8.

[80]*AddisZämän* Vol. 5, No.4, Year 7th editorial commenting on the role of Belgian Coffee Company in expanding coffee production and market (6 *Meazia* 1958 E.C.), pp. 3 and 4; and Informants Jäma Haji (PhD.) and *Ato* Kifle Mulat

[81]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, *Ato* Käbädä Bälachäw, *Ato* Abu Hanfato, and *Ato* Uko Matti.

including land, loan and legal protections; thus, they did not join the illicit trade. As opposed to this, small household coffee farmers, who needed money and fed up of selling their coffees at lower prices in formal markets preferred to join the smuggling. Similarly, the *näfṭäññä*, who were mistreated by regional governors of the restored Imperial rule, had become main activists of informal markets in the regions. As a certain informant put it:

Amharic	English
የኮንትሮባንድ ንግድ የተሻለ ክፍያ ወይም ገቢ ማግኛ ብቻ ሳሆን የመንግስት ቡና ግዥ ጣቢያዎች ዋጋ እንዲጨምሩ ወይም እንዲያስተካክሉ የማስገደጃ መንገድም ነበር። ለክፋዉ ደግሞ ማኩረፊያ ነበር። ለክፉ ቀንም ዱርና ገደሉን፤ ጥምና ረሀቡን፤ ተኩስና አደኑን መለማመጃ፤ ራስን ማስከበሪያ እና ዉሎ መግቢያም፤ በአጠቃላይ ለክፉ ጊዜ ራስን አሰልጥኖ መዘጋጃ ጭምር ነበር። እሱ ባይኖርማ ስንቱ አዋርዶ በደፈረንና በፈነጨብን ነበር።	*Illicit trade was not only the way to earn better price but also it was a means to force formal coffee markets to revise their price. Sometimes it was also a forum to display dissatisfaction. It is a training ground to build capacity and prepare oneself for times of adversity. Had it not been the case we would have been humiliated.* [82]

In general, in this particular period there were two major causes for the expansion of informal trade: searching for better price and reflecting defiance to the Imperial regime.[83] The illegal trade was further exacerbated by the discrimination of merchants on political basis and intrigues that happened between some governors and Coffee Companies at Arbagugu. Gradually, from 1965 up to 1973, sizable profits that coffee merchants were earning from illicit trade appeared highly seductive to the extent of involving individuals loyal to the regime.[84] Whatever the case it affected the role of formal trade of the regions.

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[82] Informants: *Ato* Asäfa Eshätē , owner of coffee washing station ad experienced coffee merchant.

[83] Ministry of Coffee and Tea Development, "The Sidamo Coffee Enterprise (SCE), 15/6, (1967 E.C.)," p. 15.

[84] *AddisZämän*, Vol.266, Year 20th, report indicating loses of Coffee Companies resulted from illegal measures taken by some corrupted government officials (9 *Mägabit* 1953 E.C.), p 2060; and *Ras* Mängäsha, General Bäkälä, *Ato* Wubät, *Ato* Käbädä, *Ato* Abu Hanfato, and *Ato* Uko Matti.

The *Därg* was initially able to minimize coffee smuggling by nationalizing private coffee farms and processing plants of the country. However, confiscation of land including coffee farms increased the number of household coffee farmers and revitalized illicit coffee trade.[85] Moreover, the markedly low price that farmers received in return for their coffee beans appeared to be totally discouraging, which helped smuggling to emerge as the only option at their disposal.[86] Mainly, in the 1980s due to several factors that were caused by political, economic, social and cultural dissatisfactions the number of smugglers participating in illicit coffee trade had dramatically increased.

In attempts of reducing the share of agricultural products in the national export, surtax levied on coffee was very high, which reduced income from the world market.[87] Such higher taxation of coffee appeared a rationale for smugglers (to evade the tax burden) and to go for local sales (where there was no or little tax on local markets of export items). Thus, coffee was smuggled to markets of the neighboring Sudan, Somalia, Eritrea, etc., and reduced national benefits from the coffee sector, which caused harsh reactions of governments affecting the industry.[88] Besides, it reduced purchasing power of governments to provide supplies necessary to improve productivity of the coffee industry.

As it will be presented in chapter nine, measures like devaluation, price deregulation and market integration, which were taken by Ethiopian governments after 1941 has played a significant role in minimizing illicit trade. However, they also opened new situations attracting smugglers; thus, the importance of illicit trade has been continuing to prevail over the regions. As chapter nine

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[85]NALA, Folder No. 48, File No. 1.6.06.01, government plan for coffee sector (1979 E.C), p. 6 (see also appendix, viii).

[86]*Ibid*; and Informants: , General Bäkälä Gäbräigzi, *Ato* Wubät Täfära, *Ato* Abu Hanfato, and *Ato* Uko Matti.

[87]S. Dercon and Lulseged Ayalew, "Smuggling and Supply Response: Coffee in Ethiopia," *World Development*, Vol. 23, No.10 (October 1995), pp.1801-1802; and Fiona Rotstein and Andrew Christe "Blood, Toil, Tears and Sweat: the Battle of Sidamo," *European Intellectual Property Review*, Volume 32, Issue 9, (2010), pp. 10-11.

[88]*Ibid.*

will show us the continuous disregard for coffee in the national policies like export diversification and promotion has played important role in activating the trade to vie against formal market in Gedeo and Sidama. In general, from 1941 to 2010 coffee smuggling survived competing against formal markets of the two regions. It persisted in becoming a challenge to the contribution of coffee sector in maximizing national revenue both from local and foreign trades. This in turn adversely effected potential of the country to provide some supplies indispensible for expanding the sector and increasing its productivity.

Finally, ethnic strife that happened interminably between people of the two regions after 1941 used to affect coffee industry. Both Gedeo and Sidama are adjacent to the Oromo and Wolayita peoples. Usually resource-based traditional skirmishes used to break out between the Gedeo and the Guji Oromo, and the Gedeo versus the Walayita people.[89] Similarly the outbreak of traditional conflicts between the Sidama and the Walayita, and the Sidama versus the Arsi Oromo was a common circumstance in the region for long in the past. Apart from claims for resources, ethnic conflict was a means to display defiance to the regimes and systems of rules.

For example, civil conflict of the Gedeo people and Guji Oromo was a factor of vulnerability that hindered commercial relations, destroyed social and private property, wasted productive time, and caused high food insecurity among populations inhabiting areas of recurring conflicts.[90] For example, people of the Wonago *wäräda* in general and the Harorēssa and Chichu PAs in particular were victims of such kind of ethnic conflicts. The two big conflicts that happened in 1995 and 1998 as a result of disagreements over the issue of resource and territorial reallocation were

[89]WMTRC, Folder No.159, File No. 8, minutes of the meeting of government delegates consisted of governors and local people to settle ethnic conflicts (15 *Genbot* 1958 E.C.), pp. 1-4; and *Ibid*, Folder No. 48, File No. 3 minutes of the meeting of government delegates consisted of governors and local people to settle ethnic conflict (1962-1965), pp. 1-10. In my earlier three works, "A History of Arsi-Sidama Conflict (1898-1974)," "A History of Sidama People (1898-1974)," and "Customary Law of the Gedeo and Sidama People: A Comparative Study," I have made attempts to show the role of ethnic conflicts in affecting economic, political, social and cultural lives of the two people in the province.

[90] Berhanu Lameso, p. 108; and Asäbä Rägassa, p. 136.

factors for displacement of many Gedeos and some Guji Oromos from the conflict and border areas apart from the destruction of many invaluable assets.[91]

In the process of conflict settlement the Gedeo land was taken away by the Guji-Oromo through government mediation.[92] Thus, they are living in a highly populated area of the Zone (Wonago *wäräda*), and have started to cultivate small plots of land for a large family, which made the poverty very serious. Oral source indicates that consequences of ethnic conflicts and high population in some parts of Gedeo like Wonago, Yirgachäffē and Kochärē appeared to make the future of coffee production and markets very gloomy.[93] In the case of Sidama, Shäbädino, Bänsa and Harorēssa were coffee growing areas that most frequently affected by the Arsi Oromo or Somali insurgents occasionally encroached on the regions.[94]

According to oral and archival sources, after 1941 ethnic conflicts in Gedeo and Sidama appeared to be more devastating due to external elements that changed the scope and magnitude of their impacts. For example, in the 1940s and 1950s involvement of patriots and loser *näfṭäññä* bandits in ethnic conflicts as an outlet to disclose their resistance to the regime intensified the case, which also affected coffee markets in the region.[95] The 1960s and the 1970s conflicts were joined by Somali irredentists and farmers evicted from their traditional holdings.[96] In the 1980s

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[91]Gedeo Zone Archive, Folder No. 31. File No. 12, minutes of the Mediating Committee (1999), pp. 2-8; Informants: *Ato* Azänä Alämu, *Ato* Uko Matti, *Ato* Jarso Wario, and *Ato* Abera Waqo.

[92]*Ibid.*

[93]Shumet Gizaw, p.860; and Asäbä Rägassa, p. 136.

[94]Zerihun Mohammed Ali, "Resource Competition and Inter-Ethnic Relations: The Case of Arsi Oromo and Sidama in south-Central Ethiopia" (PhD. Dissertation, University of Cambridge, 2008), p. 71-72, Almaw (1991), p. 81; and WMTRC, Folder No.159, File No. 8, minutes of the meeting of government delegates consisted of governors and local people to settle ethnic conflicts (26 *Hedar* 1958 E.C), pp. 1-4; and *Ibid*, Folder No. 48, File No. 3, compiled minutes of the meeting of government delegates consisted of governors and local people to settle ethnic conflicts (1962-1965), pp. 1-10 (see appendix xii).

[95]NALA, Folder No.338 File No. 11.1.6.30.01, minutes of the meeting of government delegates consisted of governors and local people to settle ethnic conflicts (1968), pp. 1-6; and *Ibid*, Folder No. 339, File No. 17.1.06.14.05, minutes of the meeting of government delegates consisted of governors and local people to settle ethnic conflicts (1969E.C), pp. 1-5 (see also appendix xii).

[96] *Ibid.*

most of the ethnic conflicts were instigated by those who worked to depose the *Därg*.[97] Finally, the post-1991 ethnic conflicts were results of boundary disputes and intervention of individuals with political interest.[98]

In general, ethnic conflicts, therefore, exposed a number of people to fear, instability, migration, loss of assets and family, etc. This in turn negatively affected the development of agriculture which is the main agenda of poverty reduction and food security. Thus, as one of the agricultural products, the fate of coffee production and market suffered from consequences of ethnic conflicts that sporadically broke out in the region after 1941. This implies that conflicts played their parts in undermining economic importance of coffee markets in terms of generating more income both for people of the regions and the country at large.

8.2. Social Settings, Nature of Farms and Problems Inherent to Coffee

8.2.1. Population Growth and the Growing Fragmentation of Farms

Population trends and growth rates are not determined by mere biological functions because the whole network of the social system has a very important role to play in shaping levels of human fertility.[99] For example, factors like economic conditions, religious and cultural patterns, status of women, health facilities and educational levels of the people and other variables have a role to play in this regard. As it has been described in chapter one and two, the 1994 population census of the country shows that Gedeo and Sidama are some of the densely populated areas of the country (see also table iii).[100] As it has been presented in chapter one, after 1974 population growth of the two regions has been rated in terms of geometrical progression because factors like

[97] *Ibid.*
[98] Informants: *Ato* Azänä Kibamo, *Ato* Uko Matti, *Ato* Jarso Wario, and *Ato* Abära Waqo.
[99] Robert C. Andrew, *Determinants of Population Growth in the 21st Century* (London: Zed Books, 2010), p. 22
[100] CSA, *The National Population and Housing Census of Ethiopia* (Addis Ababa: CSA, 2010), p. 9.

better health care and living conditions, balanced diet, pure water, absence of war, etc., reduce the death rate and increased the life span of people throughout the world (see also chapter one).

There were also some additional factors that contributed to the growth of population in Gedeo and Sidama. For example, early marriage, polygamy, divorce, social welfares, inheritance and land tenure, distribution of property, dowry payment, high value of children, male domination preference, absence of awareness about benefits of small family size, poor family planning, lack of awareness and access to contraceptives, etc., can be mentioned as cases in point.[101] Such factors that contributed to high population growth do not fit in with natural resources of the regions.

In Gedeo and Sidama more than half of the population is poor and food insecure, of which the largest group is rural people with insufficient assets to produce and purchase food.[102] Agricultural planning and policy strategies, which are meant to mitigate poverty, tend to be ineffective for many reasons and resulted in increasing level of food insecurity in the regions.[103] The most current definitions describe food security in terms of four main components: food availability, access, stability and utilization, hardly witnessed in the contemporary Gedeo and Sidama.[104] These people were traditionally self-reliant in food; however, currently, along with high population growth, various human and natural factors have increased their vulnerability and made them needy.[105] Accordingly, the continued existence of poverty and food insecurity in southern Ethiopia even to date appeared to attract the attention of many researchers to find out what the underlying causes could be and what measures should be taken.

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[101]Haile Daniel and Yimer Erku, "Law and Population Growth in Ethiopia," *Law and Population Monograph* Ser. No. 35 (1976), p.11.

[102]Sisay Abate and Adugna Roba, "Agricultural Productivity and Population Growth in Ethiopia" *Journal of Population* Vol. 76, No. 16 (2001), p.33; CSA (2003), p. 5.

[103]Tekolla Asaminew, "Agricultural Planning and Policy Directions in Ethiopia," *Agrekon*, Vol. 37, No 6 (1997), p.118

[104] UNDP, *Agricultural Productivity Report in Africa* (New York: UN, 1996), p.164

[105]Tadesse Kuma, *et. al.*, "Producer Price and Price Transmission in a Deregulated Ethiopian Coffee Market" *Agrekon*, Vol. 47, No 4 (2008), p.238.

Several factors were put forward to explain different forms of poverty and food shortages in northern, central and southern highlands of Ethiopia. In the case of southern highlands dependence on perennial crops (coffee *çat/khat/qat, ensäte, etc.*) and adoption of traditional farming systems have reduced the subsistence crop yield and resulted in food insecurity.[106] In the presence of cash crops like coffee, *çat/khat/qat*, fruits and other commercially viable trees as sources of income together with *ensäte* and other food crops, some Gedeo and Sidama farmers suffered from poverty and food insecurity; and the traditionally known self-reliant farmers became recipients of food aid. In this case population growth, which was manifested in small landholding and highly fragmented nature of farms, was often mentioned by many writers as a source of all evil that have been happening in the regions.[107]

Some major factors were mentioned as responsible ones for the growing poverty and food insecurity of some farmers of these two regions. For example, population growth and scarcity of resources, small landholding, farmers skills and low level of education, lack of good-governance, participation and empowerment, inappropriate production systems and marketing services, drought and variability of rainfall, politics and ethnic conflicts, urban expansion, lack of access to credit services and income (opportunities, in - and off- farm unemployment, lack of access to health services etc. were some of the factors.[108]

The two zones were among the densely populated regions of the country. Particularly in the coffee growing areas of the regions, population growth was attributed largely to both internal and

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[106]Eyasu Shibeshi, "Challenges of Smallholding Farmers in Southern and Southeastern Ethiopian," *Agrekon*, Vol. 36, No 7 (1998), p. 51.

[107]Rural Development Office (2003), p.33; CSA (2002), p.18; and UNDP (1996), p. 164. According to the estimation of the population and housing census, the total population of Gedeo Zone was 728, 918. This make up about 5.5% of the population of SNNPR. The UNDP's estimation of the population density showed that Gedeo Zone has the largest population density in the country.

[108]SNNPR, *The Regional Food Security Assessment* (2003), pp. 9-22; and Shumete Gizaw, "Poverty, Food insecurity and Livelihood strategies in Rural Gedeo: The case of Haroressa and Chichu PAs, SNNP," *Proceedings of the 16th International Conference of Ethiopian Studies*, ed. by Svein Ege, Harald Aspen, Birhanu Teferra and Shiferaw Bekele (Trondheim, 2009), pp. 842-844.

external factors high birth rate and migration respectively.[109] Beginning from the incorporation of the regions into the Ethiopia state in 1889 and 1896 up to the present there have been migrations of people to the regions for various reasons, which in one way or another contributed to the growth of population. Such migration of people along with high birth rate contributed a lot to the dramatic growth of population, which posed a pressure on land and other resources. Mainly for small landholding farmers of the regions the situation food insecurity was serious.

In Gedeo and Sidama, coffee production system is garden type, located near residence houses and with an area of less than 0.5 hectares.[110] As to coffee farms of Gedeo and Sidama the golden age was the Imperial period because the sizes of farms owned by individual coffee producers were relatively larger as compared to the *Därg* and EPRDF regimes. During the Imperial regime there was a land measurement system, which helped regional governors to prepare land for sale. As a result, capable individuals were able to buy land according to their wishes and owned large coffee farms.[111] Soon after the fall of the Imperial regime lands were nationalized and distributed to landless tenants; and coffee farms were nationalized and kept under various associations that were totally unproductive.[112] Steadily, even coffee farms were given to poor farmers and some of them were unofficially reserved for higher officials of the period (particularly for heads of PAs at käbälē level and few ones at wäräda levels).[113] Fragmentation of coffee farms that officially started during the *Därg* has been continuing under the EPRDF regime through the process of giving land for the landless youth and ex-soldiers.

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[109]Gessesse Dessie, "Forest Decline in South Central Ethiopia: Extent, History and Process," (PhD. Dissertation, Department of Physical Geography and Quaternary Geology, Stockholm University, 2007), p. 5.

[110]Workafes Woldetsadik and Kassu Kebede "Coffee Production Systems in Ethiopia," *Proceedings of the Workshop on Control of Coffee Berry Disease (CBD) in Ethiopia*, 13-15 August 1999 (Addis Ababa: ELRI, 2000), pp. 102-103.

[111] Informants: *Ato* Käbädä Bälacheäw, *Ato* Abu Hanfato, *Ato* Yana Kawato and Colonel Kasahun Bälacheäw.

[112]Stein Holden and Hailu Yohannes, "Land Redistribution, Tenure Insecurity, and Intensity of Production: A Study of Farm Households in Southern Ethiopia," *Land Economics*, Vol. 78, No. 4 (Wisconsin: University of Wisconsin Press, 2002), p. 580.

[113]Informants: *Ato* Azänä Kibamo, *Ato* Uko Matti, *Ato* Jarso Wario, and *Ato* Abära Waqo. They assert that almost all heads of PAs (chairmen of rural kebeles of the region were able to keep largest coffee farms for their sons, relatives and themselves under the pretext of land redistributions. In this case in each wärädas of Sidama and Gedeo their land possession existed to date. Almost all farms grabbed by chairmen of PAs are still functional as their private landholdings of ex-chairmen.

As a result, some of the former coffee farms, which were distributed to various peoples, have been reduced into residences site or *ensät* farm.[114] Currently, in Gedeo and Sidama coffee is growing on very small landholdings owned by individual farmers. In this case, it is also quite normal to find individuals owning less than ten coffee trees, along with *ensät* plants, which made the provision of extension service very difficult.[115] It was also such growing fragmentation of land and becoming very smallholding have been forcing farmers to look for high valued crops like *çat/kat/qat*. As the reality on the field shows there is totally no land for investment to cultivate coffee for commercial purpose. Let alone to find land for lease, even the existing coffee farms are in the state of shrinking from day to day. Finally, in such highly fragmented farms making intervention to solve coffee problems and increase the productivity was difficult; and owing to its little pay farmers lacked motivation to care for few coffee trees. Thus, population growth and growing division of land appeared to be threats for coffee sector of the two regions.

8.2.2 Consumers' Choice and Coffee Adaptation

Like other crops of great industrial importance, the uniqueness of coffee restricts its growth in the southern hemisphere and its consumption mostly in the Northern hemisphere.[116] It cannot grow either in Europe or North America, where countries in the northern hemisphere consist about 80 percent of coffee consumption.[117] Thus, consumers' choice and income not only dictate the level of coffee consumption, but also the type of coffee grown as well as production and processing practices employed by coffee producing countries like Ethiopia.

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[114] Tadesse Woldamanual *et al.* Management of Fragmented Farms in Chercher Highlands (2002), p. 238.

[115] Anteneh Gebremariam, "Farmers' Awareness about Land Degradation and their Attitude towards Land Management Practices: A Case of Sidama Zone, AletaWondo Woreda, Southern Ethiopia" (MA. Thesis Submitted to Addis Ababa University, College of Education, Department of Geography and Environmental Education, 2010), pp. 11-12.

[116] Lennart Schüßler, "Protecting Single-Origin Coffee within the Global Coffee Market: The Role of Geographical Indications and Trademarks," *The Estey Centre Journal of International Law and Trade Policy*, Vol. 10 No. 1 (2009), pp. 159-160.

[117] *Ibid.*

Ground coffee that was traditionally produced and largely supplied by developing countries like Ethiopia, accounted 80% of the sale in the world market mainly in the United States and Europe.[118] Blends like instant flavored or decaffeinated, that have to go through many process after roasting, are usual forms of roasted coffee offered for sale. Very recently consumers have been worrying about coffee information like content, origin and methods of precaution. For example, exact knowledge of the characteristics of a coffee (including species, identity, varieties, production region, storage, nature of impurities and defects) determines which of the current techniques of roasting should be applied.[119] Specifically after the introduction of contest among producers for trademarks such concerns of roasters for types, contents and origins of coffees have been dictating coffee varieties in Ethiopia at large and Gedeo and Sidama in particular.[120] Owing to their high demand and better prices in the world market the garment/specialty coffees have been adversely affecting the other varieties to the extent of replacing them.

In the 1950s and 1960s consumers rarely worried about test difference.[121] However, consumers' preference grew as an inevitable byproduct of progress in science and technology in addition to test and health concerns, which have added a new aspect to coffee production and processing. The rise of consumers' preferences since 1975 to shade grown/organic/specialty garment coffee in Europe and the USA, for instance, provided a golden opportunity for organically grown coffees of Harar, Limu, Yirgachäffe/Gedeo and Sidama to increase their bargaining power.[122]

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[118]Franz Gatzweiler *et. al.*, "Why Financial Incentives can Destroy Economically Valuable Biodiversity in Ethiopia," *ZEF Discussion Papers on Development Policy*, Vol. 79, No. 115, (2007), p. 6.

[119]William Gervase *et.al*, "Coffee Economies: A Global Comparison, the Global Coffee Economy in Africa, Asia, and Latin America, 1500-1989," *Journal of African History*, Vol. 46, No. 1 (2005), pp. 156-158; Abera Gure, "Investigation of Metals in Raw and Roasted Indigenous Coffee Varieties in Ethiopia" (MSc. Chemistry Department, AAU, 2006), p. 34; and Ivette Perfecto *et. al.*, "Shade Coffee: A Disappearing Refuge for Biodiversity," *Bioscience*, Vol. 46, No. 8 (1996), pp. 601-602.

[120]*Ibid.* Concerns of rosters affected diversity and genetic pool of the country and caused extinction of old verities.

[121]Catherine M. Tucker, *Coffee Culture: Local Experiences, Global Connections* (New York: Routledge, 2011), p. 40.

[122]Aslıhan Arslan*et. al.*, "The Effects of the Coffee Trademarking Initiative and Starbucks Publicity on Export Prices of Ethiopian Coffee," *Proceedings of the German Development Economics Conference*, No. 22, (Hannover; ZBW, 2010), pp. 10-12. He argues that the specialty concept is derived from the belief that there are certain coffees that exhibit unique crop quality and hence consumer satisfaction, as they are grown in specific regions and processed in a special manner.

This was brought about by the aversion to chemical intensive farming that consumers developed with the awareness that chemical farming is prone to pesticide contamination of agricultural products, which pushed many consumers to opt for organic agricultural products including coffee.[123] Thus, the growth of coffee under all kinds of shade trees appeared an urgent necessity that demands varieties to dwell under shade. This demand, with its both positive and negative aspects on the part of consumers, presented a challenge for coffee breeders.[124] This is because they were required to follow only consumers' tastes and abandon the rest. Even if it looks good for the already identified coffee varieties, which are able to secure brand names and trademarks, it posed devastating impact on genetic diversity.[125]

The preoccupation of breed to the development of disease-resistant varieties has threatened the existence of old coffee varieties.[126] As a consequence the future of old coffee varieties which do not conform to consumer and market requirements has become very gloomy. As early as 1925, in India and Brazil breeding coffee in response to disease attacks and consumers preference took the form of systematic breeding programs.[127] Sooner or later, in Africa, breeding activities commenced around 1934 in Tanzania, 1944 in Kenya and 1957 in Ethiopia.[128]

At their inception, the programs were highly concerned with the improvement of quality, yield, and adaptation. With the shifting of breeding priorities to the development of disease resistant varieties, which grew out of the threat of leaf rest and coffee berry disease (CBD) in the 1960s

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[123]K. Basu Arnab and L. Hicks Robert "Label Performance and the Willingness to Pay for Fair Trade Coffee: A Cross-National Perspective," *ZEF – Discussion Papers on Development Policy* No. 125, (2008), pp. 22. He shows that coffee is no exception because organic coffee is processed separately under natural environment without chemicals. This development, which is of a recent origin, has spurred the adaptation of minimal use of inorganic inputs on coffee crops.

[124]Teklu Tesfaye, *Coffee Forest Conservation: Local-level Institutions Influencing the Conservation and Use of Coffee Forests in Southwest Ethiopia* (Herausgegeben von Margraf Publishers GmbH, Scientific books, 2006), p.165.

[125] EIPO, *Initiatives for Trade-Marking Ethiopian Coffees (2012),* p. 2.,http://www.ethiopianintellectualpropert.org.

[126] Franz Gatzweiler *et. al.*, p. 9

[127]H. Hindorf, "Current diseases of *Coffea Arabica* and *C. Canephora* in East Africa Causing Crop Losses," *Journal of Plant Protection*, Vol. 6, No. 3 (1998), pp. 861-865. He indicates that, while the Indian program concentrated on rust resistance and yield and quality enhancement, Brazil concentrated on genetic or cytogenetic evaluations.

[128] *Ibid.*

and 1970s it was a common practice to give due attention to the replacement of a given variety with other economically viable commodities.[129] In the absence of resistant varieties, fungicide application to combat the disease appeared as an alternative that was largely adopted from the elaborate spray programs developed in Kenya to control both CBD and the coffee rust.[130] Such, breeding for disease resistance as an ultimate option against new diseases by developing new varieties through systematic breeding caused total displacement of the long-existed old coffee varieties in Gedeo and Sidama.[131] As a result, the new verities have come to dominate the market totally at the expense of the older ones. As one of my informants put it:

Amharic	English
የድሮዉ ትልቁ የቡና ዛፍ አንዱ ብዙ ያፈራል፤ አደጋ ይችላል፤ በመካከሉ ሌላ ሰብል ያበቅላል፤ ብዙ ክብካቤ አይፈልግም ደግሞም ለምደነዋል ::አዲሱ ግን ትንሽ፤ ክብካቤዉ ብዙ፤ ደባል የማይሻ፤ በሽታ የማይቋቋም፤ ጣጣዉ ብዙ የሆነና የአዋቂ ምክር የሚፈልግ ነዉ:: ነገርግን ለመልቀም ይመቻል:: ለኛም ሆነ ለምርቱ ግን ያዉ የለመድነዉ ዛፉ ይሻለን ነበር አጠፋብን እንጅ::	*The old forest coffee plant is highly productive, disease resistant, suitable for intercropping, does not need due care and we are familiar with it. However, the new highbred which is small in size, highly sensitive, requires technical support and demanding but easy to harvest. Both for us and productive the crop, the old variety is good, and we are familiar with but they destroyed it.*[132]

To use the early generation selection for commercial purpose, the Kenyan program embarked on the production of hybrid varieties. Superior breeding lines are used as pollen donors, whereas selected *Catimor* progenies, originally from Colombia, are used as maternal parents.[133] Gradually, in the 1970s due to its qualities in rust resistance, commercial acceptance, short stature

[129] *Ibid.* He notes that as it was the case when *Hemileiavastatrix* first hit SriLanka in 1869.

[130] *Ibid.* For both CBD and leaf rust, elaborate breeding programs are now in place in a number of countries.

[131] Till Stellmacher, "Institutional Factors shaping Coffee Forest Management in Ethiopia," p. 28; and Informants: Azänä Kibamo, *Ato* Uko Matti, *Ato* Jarso Wario, and *Ato* Abära Waqo. They unanimously agree that recently totally new types of coffee verities have been dominating both the Gedeo and Sidama farms due to their preference in the global markets related to the consumers taste. They also argue that the new verities also introduced owing to their ability to resist various coffee diseases.

[132] Informant: *Ato* Wubshät Tägäññ, coffee farmer and merchant for the last 50 years.

[133] Derso Endale, "Coffee Diseases and Their Significance in Ethiopia," pp.724-725. He notes that the use of *Catimor* as a mother population in the hybrid program has a number of advantages. Accordingly, "First, the *Catimor* lines bring with them the rust resistance of *Hibrido de Timor*, but in a genetic background, which is commercially more acceptable than that of the original Timor hybrid. *Catimor* also possesses one of the CBD resistance genes also originating from *Hibrido de Timor*. The final advantage is the short stature, which is more productive and disease resistant, a character that is more or less fixed in the variety."

which is easy to collect, high productivity and fixed amount of yield, this variety was introduced to Ethiopia by the help of experts, who participated in the coffee symposiums.[134] The dissemination of such productive varieties to Gedeo and Sidama maximized the amount of export from the two regions and increased the role of coffee in expanding markets and towns. However, the old forest coffees, famous for their high productivity and organic taste were completely marginalized and about to be extinct. This has its own negative impact on the biodiversity of the country at large and the region in particular, which also made the forest coffee varieties unavailable for good from markets.

8.2.3. Commodity Problems, Coffee Crisis and Annuity of the Crop

The other threat to the coffee industry of the country in general and the regions in particular was the commodity problem. The combined effects of both short-term price flux and fading terms of trade that ultimately exposed producers of the crop and governments to suffer the dual problem of low returns and high risks presented/posed coffee as a problem commodity.[135] The impact of such trends in the short and long terms was tough mainly for coffee reliant developing countries like Ethiopia.[136] This was because for the last twenty years prices of many agricultural commodities used to show a high degree of volatility and the behavior of commodity price cycles was characterized by periods of low prices endured for a longer time than price rises.[137] According to some sources for the last fifty years instead of leaving the export quota given for the country, Ethiopian coffee was forced to endure extremely unfair prices and terms of trade in

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[134] *Ibid*; and Ivette Perfecto *et.al.*, "Shade Coffee: A Disappearing Refuge for Biodiversity," p. 600.

[135] DFID, *Coffee Development Project of Africa* (2004), p. 173; and Fiona Rotstein and Andrew Christe "Blood, Toil, Tears and Sweat: the Battle of Sidamo," *European Intellectual Property Review*, Vol. 32, No. 9 (2010), pp. 10-11. They indicate that coffee is the sector characterized by greatest price asymmetry. Apart from fuels, coffee is also the commodity which bears the greatest losses associated with increasing price spread between world prices and domestic consumer prices. They also note that asymmetric price response is largely caused by dominant positions of world trading companies on the world market.

[136] DFID (2004), 178; and Ivette Perfecto *et.al.*, p. 603. They show that in addition to price volatility in the short-term, the world market also operates to constrain the economic growth potential of commodity exporting countries. They conclude that concentrating efforts on the production of primary commodities for export was highly criticized, and import-substitution strategies became a major component of development strategies until the rise of neo-liberalism in the early 1980s

[137] *Ibid.*

the world market.[138] Regardless of its age-old contribution for the world market, coffee industry of the country in general and the regions in particular has been staggering to survive than flourishing to the level of expectation.[139]

In addition to short-term price volatility, the world market syatem also operate to constrain the economic growth potential of commodity exporting countries. According to Maizels, since the end of WWII, there has been a significant downward trend in the prices of primary commodities in relation to those of manufactured goods.[140] Theoretical reasons for deteriorating terms of trade in the long run were originally advanced in 1950 by Prebisch and Singer and then repeatedly tested and found valid. Thus, structuralists questioned the wisdom of concentrating efforts on the production of primary commodities for export, and import-substitution strategies became a major component of development strategies until the rise of neo-liberalism in the early 1980s.

It is also important to consider the nature and scope of the coffee crisis both at local and world markets. The ideas about economic development and poverty effects of reliance on primary commodities for export were able to get attentions yet again in 2002 because the coffee price fall that began in 1997, reached its climax during the 2002 coffee crisis, which lasted up to 2004.[141] Such a fall in prices from 1997 up to 2004 was very harsh and in some cases it appeared to be inadequate to cover production costs[142] For example, in the case of Gedeo and Sidama it was one

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[138] WIPO, "The Coffee War: Ethiopia and the Starbucks Story" (2010), p. 52

[139] Sofia Karlsson, "Reducing Farming Household Vulnerability in Connection to Kahat Cultivation..." p.24.

[140] P. Maizels, *Deteriorating Terms of Trade and Prices of Primary Commodities* (London; Zed Books, 1987), p.67.

[141] Tiago N. Caldeira (ed.), *Economics of Developing Countries* (*New York:* Nova Science Publishers, Inc., 2009), p. 4; and Abdurezack Hussein, "Market Efficiency of the Ethiopia Commodity Exchange: The Case of Export Coffee Trading" (MA. Thesis, Economics Department, AAU, 2010), p. 14.

[142] Néstor Osorio (2002), p. 28. Osorio, ICO's executive director, observed that coffee prices on world markets of that year reached their lowest point in real terms for a century. He was able to identify complex set of problems that the Ethiopian coffee commodity chain faces in its production, processing and marketing levels. He states that constraints most commonly referred to include the high incidence of Coffee Berry Disease (CBD), with an estimated 50–60 per cent of production potentially at risk; the shortage of improved cultivars adapted to different localities; poor harvest and post-harvest practices reducing coffee quality; and weak linkages between research, extension services and producers. He also shows that lack of accurate and topical data considerably reduces the scope for informed analysis, the diverse taste profiles of Ethiopian coffees are not fully reflected in

of the toughest times for the regions, which nullified economic role of the crop and forced coffee farmers to react desperately against the plant. According to Oxfam, in 2002, some coffee dependent farming families of the regions pulled their children out of schools; they failed to afford basic medicines and were compelled to cut back on food consumption.[143] Similarly, some coffee traders abandoned the business; thus, many seasonal workers, the poorest and most susceptible partakers in the coffee industry lost their jobs.[144] Moreover, government funds in producer countries were being squeezed, putting pressure on health and education provision and forcing governments further into debt.[145]

According to Oxfam, about two million small-scale Gedeo and Sidama farmers used to produce over 65% of Ethiopia's coffee on very small plots of land.[146] It explains that farmers in major coffee-producing areas of the region were heavily dependent on coffee income as the main source of their livelihoods. It also asserts that, for some seasons when farmers lacked cash income, coffee trees served as collateral to obtain credit from informal moneylenders. Through it intervention Oxfam realized that a large proportion of coffee farmers were food deficit and depend on purchased food grains for family consumption from neighboring regions. In years with good prices, farmers were able to purchase enough food for family consumption, pay their agricultural credit and government taxes, and meet other obligations from coffee sales. Oxfam indicates that good prices also had positive spill-over effects when it comes to input use, consumption of manufactured goods, and access to education and healthcare. It concludes that,

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the current national classification system, and there are various shortcomings in the marketing system and in the organizational structure at government level. In his report, environmental degradation is a serious concern, with rates of deforestation estimated at 10,000 ha/year in the coffee growing areas of the South Western parts of Ethiopia, threatening its coffee genetic resources. Finally he concludes that high levels of river pollution are also a major problem near coffee pulping and washing stations.

[143]Oxfam International (2002b), p. 122..

[144]*Ibid.* Oxfam indicates that as a result price fall, government funds were being squeezed, putting pressure on health and education provision and forcing governments further into debt.

[145]*Ibid*, p.152.

[146]*Ibid*, p.158.

conversely, when coffee income failed to cover cash requirements, farmers used to sell off their assets such as oxen, land, property, etc. and/or leave their homes in search of work in other places, which in turn aggravates the status of household food security

As compared to the crisis years of 1997–2004, there was a notable price recovery since January 2005, reflecting a balance between supply and demand.[147] However, while settings for producers, other actors in coffee trade and government improved rapidly, price recovery was only provisional concerning the inherently cyclical nature of the coffee markets.[148] Even if the oversupply of coffee was just one of the key factors behind this dramatic fall in prices, and the coffee sector had long practices of boom and bust in price cycles, this crisis was unique because it caused key structural changes in the global coffee commodity chain in the last twenty years as it has been summarized in chapter eight. For example, one of my informants explained disastrous situations that resulted from the price as follows:

Amharic	English
ዘመን ተሸጋሪ የሆኑ ሰዉ ስራሽና የተፈጥሮ ችግሮችን እየተጋፈጥን ተቋቁመን ስኽዛሬ ድረስ ክቡና ጋር አብረን ዘልቀን ነበር። ነገር ግን አሁን እንደ ቀድሞዉ ተቋቁመን ልንሻገር የማንችለዉ ጥልቅ ገደል ክፉታችን ስለተጋረጠብን ቡናን ጥለን ሌሎች ምትክ አማረጮችን እንድንመለከት ተገደድን።	*So far we lived with coffee tolerating all manmade and natural problems. However, currently we encountered unbearable challenge that forced us to abandon coffee and look for other alternatives instead of persisting in cultivating it.*[149]

Apart from prices fall, as it is explained under chapter eight annuity of the crop was another characteristic of the crop, which forced farmers to look for other alternatives at their disposal. Waiting for four years until it starts to give product appeared to be tiresome, which forced them

[147] Informants: *Ato* Tayä Gäbrämariam, *Ato* Haile Bäyänä and *Ato* Dawit Wonbēto.
[148] Lewin *et al.* (2004), p. 48.
[149] Informant: *Ato* Ayäle Täkola and *Ato* Wubshät Asmamaw

to look for other substitute cash crop. There was a song by an *azmari* (singer), which indicates the need for shift of production in line with socially and economically tempting situations. He says:

Ahmaric	English
ቡና በአራት አመት እየተዳለሰ፤	To harvest coffee one has to wait for four years,
ጫት በሁለት አመት ብድሩን መለሰ፤	But *çat/khat* requires only wo years to harvest,
ባርዛፍ በሁለት አመት ብድሩን መለሰ።	Eucalyptus requires only two years to harvest [150]

Finally the absence of value adding chain to create job opportunities for others and maximize income of the usual participants, such as producers, processors and traders is another weakness of the crop that appeared to minimize economic role of the crop in the regions. Therefore, to conclude, problems inherent to coffee coupled with some technological and economic challenges have been undermining the importance of coffee industry and affecting its prospect.

8.3 Natural and Technical Challenges to the Coffee Industry

8.3.1 Coffee Diseases and Pests versus Reactions of Peoples and Governments

Coffee is one of the export items that required government interventions to settle crises of the industry by issuing a series of proclamations whenever the need arose. Coffee disease was the major hazard to the industry that affected the economy of coffee producing regions of the country in general and farmers in particular. Whatever their differences, all coffee diseases have a single end, reducing productivity or life span of the plant by damaging its parts. Such disease attack on the coffee plant and crises at a production level affected the sector, where all stakeholders like producers, processers, brokers, traders, governors etc. came to interact accordingly to secure their claims. Diseases that affected both the coffee plant and its product, used to cause economic

[150] Informants: *Ato* Ayäle Täkola and *Ato* Wubshät Asmamaw

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[150] Informants: *Ato* Ayäle Täkola and *Ato* Wubshät Asmamaw

crises followed by social, cultural, political and environmental problems that forced everyone in the regions to devise a strategy of managing consequences either individually or jointly or institutionally. Thus, though the first bearers of the disaster were coffee farmers and their families whenever crisis happened at the production level, it was natural for each stakeholder to play a part in the efforts of alleviating aftershocks.

Since 1941, of all the crises that coffee has been experiencing in Gedeo and Sidama the most devastating one was disease attack.[151] The commercial production of coffee is affected by several diseases whose relative impact varies depending on the locality and variety involved. Due to differences in their variety, causes, types of attacks and impacts of coffee diseases vary from season to season and from place to place. All parts of the coffee tree, including foliage, berries, stems and roots are prone to attacks by one or other types of coffee diseases. However, they attack various parts of the plant at various stages. Some affect leaves or stems or roots or fruits of the plant while it is young or adult or old. Some attack only a certain species like *Coffea arabica,* which represents 75 percent of total world coffee, both in terms of production and trade.[152] Seasons also dictate the pattern of disease occurrence because some need humid and some need dry atmospheric conditions to sprout.[153] Thus, coffee diseases can be grouped and discussed as per the part of the coffee plant, where the pest attack occurs.

Finally, to characterize the season, place, type and mechanism of occurrence of a disease, to identify magnitude of the attack by a particular disease and reactions of people and governments both to the disease and aftershocks of the attacks at various periods, it is relevant at this juncture

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[151]NALA, Folder No. 48, File No. 1.36.07, Coffee Board report on disease attack (1979 EC.), p. 5; and Arega Zeru (2006), p. 15; and Informants: *Ato* Shikure Shafi, *Ato* Hailē Bäyänä and Jäma Haji (PhD.). They show that disease attacks were largely common from the 1960s to the 1980s and attacked old verities of forest coffees. It was very devastating both for farmers and national economy. Gradually, the impact of disease attack minimized by introducing resistance variety adopted from Kenya.

[152]Kingori Masaba, "Coffee Leaf Rust Experience in East Africa" *Agronomics* Vol. 28, No.5 (1994), p. 34. He indicates that warm and humid conditions, like those found in equatorial regions below 1500m above MSL, are mostly unsuitable for the growth of *Arabica* coffee and conducive to the spread of latent infection leading faster development of epidemics.

[153]CABI, "Surveys to Assess the Extent of Coffee Wilt Disease in East and Central Africa," Final Technical Report, CABI Regional Center, Nairobi/ Kenya (2003), p. 49

to examine the types of diseases and the nature of their attacks. Thus, major types of coffee diseases, causes, nature, scope and impact of their attack and efforts of peoples and governments to control diseases and manage the crises in Gedeo and Sidama are illustrated as follows.

Diseases of the Foliage (Coffee Leaf Rust) : The foliage diseases known as the coffee rust leads to leaf shedding (the abscission or separation of leaves from branches of the pant and consequently falling down to the ground) and leaf spot or brown eye (characteristic orange or redish orange iron rest-like spots on individual leaves).[154] It severely attacks and affects the production potential of the coffee plant by injuring large areas of leaves and results in shedding of leaves. Since the total number of green leaves determines the plant's capacity to make its food in the form of carbohydrates through the process known as photosynthesis, a disease that causes a reduction in the total number of leaves of the plant disrupts the photosynthesis process leading to inadequate production of carbohydrates, thereby leading to the starvation of growing berries, malnourishment of shoots and roots and decline of production.[155]

The Coffee Leaf Rust (CLR) is, by far, the most serious among foliage diseases in attacking the *Arabica* coffee.[156] Some leaf diseases are pathogens that live at high altitudes, affect young leaves and cause their death and dieback of shoot tips. In Ethiopia in general, and Gedeo and Sidama in particular, coffee leaf infection is the most serious problem because wounding and physiologic damages resulted from hot and cold weather and diseases which expose the leaf for

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[154] R. Cannell "Coffee Leaf Rust Attack on *Arabica* coffee," *Agronomics* Vol. 4, No.9 (1970), p. 131.

[155] Arega Zeru *et al.*, "Occurrence of Fungal Diseases of *Coffea arabica* L. in Montane Rainforests of Ethiopia," *Journal of Applied Botany and Food Quality* 82, (2009), p. 150. They show that in 1970 the disease then spread Ethiopia and establishing itself as the most significant coffee disease in Gedeo and Sidama. According to them, despite its seriousness in the 1970s and 1980s Ethiopia, coffee leaf rust was ignored due to the lack of global links to get advices and support; thus, the production declined and coffee farmers were advised by the DAs to cut down the infected coffee trees.

[156] Kingori Masaba (1994), p. 40.

pest attacks.[157] It was in the 1970s that CLR appeared to be widely recognized in the region; however, scarcity of fungicidal sprays enfeebled efforts of controlling the case.[158]

According to some sources, in the 1970s and 1980s chemicals were very effective to control the disease, however eventually due to improper chemical utilization and related adaptation of the disease to the existing chemicals totally undermined efforts of controlling the disease. For example, in 1979, 1998 and 2002 the disease was reported to have caused serious damage on the coffee plants of the province. In these cases, people of the two regions and governments of the country jointly reacted to minimize the impact and helped coffee farmers with subsidies.[159]

Coffee Berry Disease (CBD): occurs only in Africa where it causes a big loss in *Coffea arabica*; however, a less-severely damaging form of fungus that causes diseases, which occur worldwide, attack only ripening berries to form "brown blight" (drying, browning, death of the surface of the berry) without damaging maturing beans inside.[160] It also reduces the area of the juicy part underneath the outer surface of the berry, as a result, the pulp (a soft grey to which material surrounding each bean) sticks to the bean, which makes wet processing difficult and reduces quality of the product.[161] Succeeding development of the disease depends on the rainfall distribution and cropping pattern of the coffee trees. In the 1930s, the disease was reported first in Kenya and gradually proliferated into almost in all *Arabica* coffee-growing countries of the

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[157] Tesfaye Nigatu *et al.*, "Status of CBD in SNNP," *Proceedings of the Workshop to Control CBD in Ethiopia*, 13-15 August 1999 (Addis Ababa/ Ethiopia, 2000), pp. 19-20.

[158] Wondimu Melese, "Epidemiology and Resistance of Coffee Leaf Rust in Ethiopia," (Seventy Pages Report compiled by the Ministry of Coffee and Tea Development, Addis Ababa/ Ethiopia, 1991), p. 20.

[159] *AddisZämän*, Vol. 29, No.30, Year 32th, news announcing the coffee disease attack in Sidamo province and reaction of the people (17 *Hidar* 1964 E.C.), p 3 (see also appendix xiii); and Informants: *Ato* Tayä G/Mariam, and *Ato* Hailē Bäyänä.

[160] Wondimu Melese. 28. He notes that though diseases causing damage to coffee berry may not cause damage to other parts of the plant, they lead to yield loss. Several fungi have been found to affect berries. CBD caused by *Colletotrichum kahawae* is a devastating disease that makes the developing berries to rot and shed before the beans get matured inside.

[161] Tesfaye Nigatu *et al.*, p. 15. He indicates that the source of the pathogen's spores are *acervuli* on the maturing bark of young twigs and on diseased berries, and their production, dispersal, germination, and infection depend on water.

continent.[162] In Ethiopia it was recognized in 1943 by the Arbagugu coffee planters and in 1960 it started to affect coffee plants in Gedeo (Yirgachäffe) and some areas in Sidama.[163]

In Gedeo and Sidama since the 1960s, some of the major approaches to control the disease were spraying chemical, planting resistant varieties and cultural practices; however, the chemical control which was very costly did not stop the disease from occurring in bad weather.[164] The use of systemic fungicides (chemicals capable of penetrating into internal parts of a plant and kill fungi structure in these parts), which were at the beginning very effective, was discontinued later due to the transformation of pathogens (i.e., disease causing fungus) into a modified organism capable of resisting effects of chemicals.[165] Reports of the Ministry of Coffee and Tea Development compiled in five volumes (1987) indicate how far it was very tough to control the disease and possible to mange it by the help of the British consultants and food study groups.[166] According to the report the amount of coffee beans that the Sidamo farmers lost due to the disease attack that happened in 1987 was estimated at about 30, 000 tones.[167]

In these two regions, the situation was complicated by lack of capital to purchase chemicals among coffee farmers, adaptation of disease to chemical and wrong application methods they used to employ. In general, chemical control of CBD and other coffee diseases account for up to

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[162]H. James McDonald (1996), p. 46. He indicates that systematic breeding for CBD resistance in Kenya started in 1972 with the objective of introgressing CBD-resistant genes into traditional commercial cultivars. In 1984, it was applied in the western Ethiopia, Bäbäka.

[163]Tesfaye Nigatu *et al.*, "Status of CBD in SNNP," pp. 21-22. According to their explanation, it was in the 1970s and 1980s in Gedeo and Sidama a large number of Coffee project sites were opened to offer farmers with resistant hybrids and Chemicals to combat against diseases.

[164]H. James McDonald (1996), p. 47. He notes that the main coffee breeding programs dedicated to CBD resistance are found in Kenya, and to some extent in Ethiopia and Tanzania. It was in 1972 various sites opened in Gedeo and Sidam to develop the new breeds. Thus, on a lasting basis, breeding for CBD resistance was the cheapest option in *Arabica* coffee.

[165]J.C.Rubyogo *et al.*, "Increased Bean Productivity through Increased Access to Improved Seeds and use of Improved Bean Management Techniques in Ethiopia" (Paper submitted for ESSP Policy Conference 2006, "Bridging, Balancing, and Scaling up: Advancing the Rural Growth Agenda in Ethiopia" 6-8 June 2006, Addis Ababa, Ethiopia), p. 173. They emphasize provision of resistant variety instead of running for chemicals to control the infectious diseases, which is costly and ineffective.

[166]Ethiopia, Ministry of Coffee and Tea Development, "Coffee Marketing, Processing and Transport and Storage Study: Final Report," *MCTD/ULG: Worwick, England ULG Consultants Limited in Association with Food Studies Group*, Vol. 1 (1987), pp. 123-124.

[167]*Ibid*, pp. 56-57.

30 percent of the cost of production; hence, a majority of the small-scale farms apply these fungicides less frequently than recommended for reasons of economy. These occasional sprays induce higher levels of CBD than would occur in their total absence. Finally, in the 1970s and 1980s development agents played a key role in tackling the problem; however, the devastation it caused in the 1970s and 1980 was very remarkable.[168]Very recently in 2006 and 2008 the same thing happened due to remarkable increase of chemical prices in the world market. Locally, the amount of imported chemicals witnessed remarkable increases in their prices due to devaluation of Ethiopian birr against USD. Thus, many farmers in Gedeo and Sidama became lenient to buy expensive chemicals because the price of coffee was low, which complicated the situation.

Dieback Diseases: when the root, trunk (stem), or foliage (leaves) of a plant suffers from dieback, it results into the dying back of shoots (drying up and death of the plant that starts at the outward extreme ties of the plant, i.e. tips of branches, shoots and spreads in the direction of roots), which eventually enfeebles the coffee tree.[169] It is often the result of overbearing due to the tree carrying more crop than its photosynthetic capacity can provide for support. Pathological dieback diseases occur largely at high altitudes and are usually the result of progressive infection by the minor pathogens, which infect immature coffee stems.[170] Dieback disease was not severe in effecting the bean (cherry) that was already on the tree but it reduced potential of the plant by limiting the growth of young stems, which are vital to increase the yield of the next season.

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[168]J.C.Rubyogo *et al.*, p. 174. The writers show that to provide a sustainable long-term control of the disease, a breeding program to combine resistance to CBD and CLR with the high yield and high quality coffee was more effective to control the disease and minimize the loss. Chemicals are expensive, less effective and extremely dangerous if abused.

[169] Arega Zeru *et al.*, "Occurrence of fungal diseases of *Coffea arabica* L. in Montane Rainforests of Ethiopia," p. 148.

[170]Tesfaye Kebede, "Genetic Diversity of wild *Coffea Arabica* Populations in Ethiopia as a Contribution to Conservation and Use Planning," *Ecology and Development Vol. 78, No.44.* (2006), pp. 228-229. He indicates that plant decay is a gradual decay that sets in at a plant's young shoots then works back to established stems or old wood, as a result of disease, seasonal change, or poor conditions

Similarly bacterial blight of coffee (BBC) is the only bacterial disease of coffee. Up to the 1940s, its spread was confined in Brazil and Kenya. However, currently bacterial blight of coffee is the most severe of pathological infections and the most prevalent disease in Ethiopia (mainly in Gedeo and Sidama), Kenya, Tanzania and Uganda.[171] According to reports of the Ministry of Coffee and Tea Development, lack of material provision and technical support made expansion of the disease in among smallholding coffee farmers of the country including Gedeo and Sidama.[172] Particularly, after 1970 it appeared opportunistic because it attacked the plant jointly with other diseases.[173] Even in 2008 the case in Gedeo and Sidama appeared very serious in attacking the plant.[174]

At times, due to joint attacks from dieback and bacterial blight farmers pass a year without even picking a single coffee crop. For example, report shows that in 1987 there was a remarkable decline of coffee supply in the tow regions; thus, coffee farmers suffered from scarcity of money (see table viii). In addition to this, because of the war that government fought with rebel groups in the northern part of the country, there was little attention paid to provide farmers with chemical and material supplies to improve quality and quantity of coffee.[175]

Trunk and Branch Diseases are caused when translocation of food is disrupted between roots and shoots; thus, their early symptoms are leaf wilt or leaf shed but the diseases infect both berries and leaves directly as they spread along branches.[176] After developing such initial symptoms, the crop

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[171] *Ibid.* He notes that bacterium is an infectant on coffee shoot, which gains entry under wet and cool situations into young tissues to produce water-soaked dark, necrotic lesions on the leaves, twigs, and berries. He shows that when terminal buds are attacked, infection spreads backward from the shoot and twigs causing dieback, which is distinctly different from overbearing dieback as leaves remain attached to the dead twigs. He argues that in extreme cases, infection of a whole sucker or even a large part of the main stem leads to the death of the coffee plant. He also explains that the disease largely exists on exposed slopes as opposed to sheltered valleys. Finally he concludes that shade observed to reduce the incidence of BBC probably by reducing wind and storm damage, which assist the entry of bacteria.

[172] Ethiopia, Ministry of Coffee and Tea Development, p. 106.

[173] Derso Endale, "Coffee Diseases and Their Significance in Ethiopia," *ASIC*, 17 (1997), pp.724-725. He shows that mainly in Gedeo and Sidama government intervention strong in the 1970; however, due to the War that government was fighting with rebels in the northern Ethiopia took every resource including the DAs. The case of coffee disease was left to the farmers.

[174] SNNPR, *The Regional Food Security Assessment* (2008), pp. 33-34.

[175] Informants: *Ato* Tayä G/Mariam, and *Ato* Hailē Bäyänä

[176] *Ibid.*

usually fails to mature properly and produces many light and empty berries. Finally, infected trees stop to grow and shoot dieback follows, which kills their large parts. They usually occur sporadically on individual trees or group of trees and do not cause rapidly invading epidemics.[177] As sources indicate these were the most common diseases in Gedeo and Sidama that affected coffee plants in every farm after flowering.[178] They were the oldest diseases affecting coffee plant from its expansion in the region up to 2010 by claiming about 20% of the berry per year. Nature of their occurrences was accidental invasion without giving time for preparation to protect the plant and its crop from complete devastation.[179]

The other widely occurring coffee diseases in these two regions of the country are **Root Diseases, Nursery Diseases and Coffee Pests**. Unlike many plantation crops, root pathogens affect the establishment of coffee plantations in a newly cleared forest land.[180] Dead stumps or roots provide a food source with the help of which the fungus can spread to infect coffee and results in rapid weakening, wilting and death of the *Arabica* variety coffee plant in East Africa, including Ethiopia. In nurseries, the most common disease is damping off.[181] Nematodes, commonly known as worms, also attack coffee seedlings in nurseries, which leads to eventual weakening of the main plantation. This is the most prevalent disease in Ethiopia that invaded every coffee growing area due to lack of chemical supplies to control the infectious diseases. Finally, in certain seasons, pests can pose a threat to the coffee plant because most of them are indigenous to a region where they occur.[182] Such localized outbreak led to yield loss and decline in berry quality in the regions.

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[177] CABI, "Surveys to Assess the Extent of Coffee Wilt Disease in East and Central Africa" (Final Technical Report, CABI Regional Center, Nairobi/ Kenya, 2003), p. 49. The distribution widened progressively to cover key coffee-growing districts; however, control of the disease is achieved mainly by restricting its spread to healthy trees, avoiding any contamination.

[178] Tesfaye Nigatu *et* al., "Status of CBD in SNNPR," p. 14.

[179] *Ibid.* Despite expansion of researches and projects, still they continued in seriously affecting the plant & its crop.

[180] R. D. Waller, "Root Diseases, Nursery Diseases and Coffee Pests and Their Economic Impact," *Ecology and Development* Vol. 61, No.34 (1993), pp. 123-124.

[181] *Ibid.* Damping of waste material provides golden opportunities for fungus and bacteria to invade the coffee pant.

[182] K. Le Pelley, *Root Diseases, Nursery Diseases and Coffee Pests* (London: Zed Books, 1998), p. 33-39.

Traditional Gedeo and Sidama coffee farmers were accustomed to use homemade organic fertilizer (manure and dead plants) to increase productivity of coffee plants. This is highly recommendable by soil and agricultural experts as the best method to keep foils fertility and increase productivity of plants and produce organic products.[183] However, applying local fertilizers like manure and dead plants was found to be breeding ground for nematodes, fungus and bacteria, which could invade coffee plant and its berries at any stage. This was one of the major weaknesses of coffee farmers of the two regions. As a result, coffee lose due to contamination was the most common problem, which used to claim the lives of coffee plant and their barriers since 1941.

Coffee Berry Borer: the berry borer is a small black beetle and the only serious pest of coffee whose distribution covers East and Central Africa, Brazil, Java, Peru, Ecuador, Colombia, Central America, and Mexico.[184] Its characteristic symptom is a single small hole, the entry point by the female beetle at the apex of healthy-looking green or ripe berries. The beetle tunnels within the bean and lays eggs that hatch into the larvae (immature forms of the beetle, which later grow into the adult form). These larvae continue to feed on the beans and damage them. Damaged beans have a distinct blue-green stain. When attacked, young berries usually detach and fall off to the ground. These infested beans have no commercial value. As oral source asserts, currently in Gedeo and Sidama it is quite very hard to find a coffee farm that did not experience the berry bore attack.[185]

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[183] Abebe Kassa," Keeping Soil Fertility," *Ecology and Development,* Vol. 61, No.34 (1993), pp. 141-142.

[184] *Ibid*, p. 40. He indicates that the first incidence in Kenya was reported in 1928 with a less than 10 percent infestation. Of late, infestation up to 80 percent has been noted. He also notes that its distribution is influenced by the altitude, tending to be more severe at lower altitudes, below 1370 m above MSL. Above 1525 m above MSL, the pest is rare and at and above 1680 m above MSL is totally absent.

[185] Informants: *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, and *Ato* Dawit Wonbēto.

Coffee farmers of the two regions used to employ cultural approaches to pest control that basically focus on increasing the population of natural predators of pests.[186] However, this approach has its own adverse effect because it creates good opportunities for predator of pests to make a shift of living style by consuming ripen coffee barriers. Heavy shade of big trees that falls on poorly pruned coffee bushes creates conditions suitable for natural predators to multiply, and hence, must be removed. If not, berries should be picked at least once in a fortnight during picking of fruiting and at least once in a month at other times. No ripe or dried berries should be left on the ground or on the trees. All infested berries should be destroyed by burning, deep burying, or rapid drying on trays. The old crop should, if possible, be stripped completely just prior to main flowering. Insecticide sprays should only be regarded as additions to these cultural measures.[187] Owing to their failure to follow the above pest controlling mechanisms among smallholding coffee farmers of Gedeo and Sidama exhaustively, damages of coffee beans by worms was an age old experience, which used to slash their economic advantages from coffee.

Coffee diseases and pests have been persisting in becoming potential threats to the coffee industry of Gedeo and Sidama. Largely due to growing fragmentation of farms in the region most of the farmers are keeping very few coffee trees in their gardens, which made intervention efforts to control disease and pest attacks very difficult. Owing to several factors during the Imperial period Belgians and French missionary societies made substantial investment in the coffee sector of the country.[188] Despite the existence of the problems in Ethiopia for long in the past, government intervention in the coffee sector particularly to combat diseases and pests was a

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[186]H. Hindorf, *Current Diseases of Coffea arabica and C. canephora in East Africa Causing Crop Losses* (Landbouww: Landbouww University Press, 1998), pp. 862-863.

[187] Tesfaye Adugna *et al.*, "The Status of Coffee Berry Disease in Minor Coffee Growing Regions," pp. 31-32.

[188] WMTRC, Folder No. 423, File No. 8, report of Coffee Company about disease attacks (1961 E.C), pp. 3-4.

recent experience that started in the 1970s.[189] As a result, expanding extension services, deploying DAs, providing chemicals, introducing resistant varieties and establishing nursery-stations, training farmers, funding researches, etc. were some of the measures taken by the Ethiopian governments since 1976.[190]

To conclude, the above mentioned efforts of governments have brought important changes in minimizing fungus, bacteria and pests caused disasters. However, some of factors like adaptation of diseases and pests to chemicals, abuses and misuses of chemicals, rising cost of chemicals etc. have contributed to the persistence of diseases and pests in affecting the coffee sector.[191] Sometimes, in the midst of interventions combined nature of disease attacks appeared to ridicule government efforts to save the industry.[192] Moreover, coffee farmers used to employ traditional methods like smoking, consulting witchcrafts etc. neither of which was effective in terms of solving problems caused by fungus, bacteria and pests.[193] Some of my informants reflected their desperation that came from unsuccessful efforts to control the 1970s attacks on their coffees and looking for government support as a certain *azemari* (traditional singer) puts it as follows:

Amharic	English
አዋቂ ጠይቀን መፍትሔ አልተገኘም፤	*We consulted witchcrafts but got no solution,*
ጭስም አጫጭሰን አላባረርነዉም፤	*We set a smoke but failed to vanish it,*
ላአባመላ እንንገር ምስ አያጣለትም፤	*Lets tell to Abamäla (the Emperor), he could have a solution,*
መላ አያጣም እርሱ የፈጣሪ ሹም ነዉ።	*He could have a solution since he is an appointee of God,*
ሁሉ የሚገዛለት ሁሉ የሚሰማዉ ነዉ።	*Everything listens to him and obeys him.*[194]

[189] NALA, Folder No. 48, File No. 1.136.07, report of the Coffee Board on disease attacks (1979 E.C.), pp. 3-4.
[190] Derso Endale, "Coffee Diseases and Their Significance in Ethiopia," *ASIC*, 17 (1997), pp.725-726.
[191] NALA, Folder No. 48, File No. 1.136.07, report of the Coffee Board on disease attacks (1979 E.C.), pp. 3-4.
[192] *Ibid.*
[193] Informants: *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, and *Ato* Dawit Wonbēto.
[194] Informants: *Ato* Wubshät Tägäññ and *Ato* Käbädä Bälachäw.

The song indicates the disaster that disease attacks caused on their coffee plant and berry. It is also an indicator of their desperation to control the case and the need for government intervention.[195] Similarly, the *Därg*, (which was the most notable as compared to both the Imperial and EPRDF regimes in making intervention to overcome coffee crises) made remarkable efforts in providing coffee farmers with technical support and chemicals to control diseases.[196] Finally after 1991, some measures like privatization of the sector and devaluation of Ethiopian currency affected efforts of minimizing disease and pest attacks.[197] This was because devaluation increased prices of chemicals that were imported in USD and the process of privatization did not let investors to participate in coffee production. Thus, in Sidama and Gedeo coffee diseases and pests have been continuing to affect the industry.

8.3.2 Birds and Mammals as Challenges to the Coffee Sector of the Regions

Damage caused by the red-billed *quelea* (an age-old problem in agricultural sector) was noted very recently and able to get official concern only in the 1980s.[198] International attention in the form of bilateral and multilateral assistance programs to governments began in the late 1948/9 as bird pests began threatening the continent's many new, large-scale grain production schemes.[200] However, with the emphasis since 1969 by national and regional plant protection organizations on trying to protect these production centers, traditional farmers, for priority and logistical reasons, usually have been left to their own initiative to protect their crops.[201] This is unfortunate because traditional farming is still the pillar of agricultural production in Ethiopia. Although the

[195] *Ibid.*

[196] Informants: *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, and *Ato* Dawit Wonbēto.

[197] *Ibid.* According to them intervantions were both technical support and reduction of taxes related to coffee.

[198] P. Ruelle and R.L. Bruggers, "Traditional Approach for Protecting Cereals Crops from Birds in Africa," *Proceedings of Twelfth Vertebrate Pest Conference, No.18* (1982), p. 80. They indicate that the problem of the red-billed *quelea* was realized first by early Portuguese explorers.

[200] *Ibid.*

[201] *Ibid.*

adverse impact of bird pests on cereals and other crops like coffee is generally recognized, very little objective information on the actual magnitude of the losses was available in any of the affected areas of the country until recently.[202]

Among the various vertebrate pests, small birds present the greatest threat to the coffee sector of Gedeo and Sidama.[203] Agricultural lands of the region are within the range of red-billed *quelea,* considered as perhaps the most numerous and most serious avian crop pest in the world.[204] They congregate in wet season nesting colonies and dry season roosts in numbers of several hundred thousand to several million birds. It has been assumed that they prefer wild grass seeds and enormous flocks often descend on maturing coffee beans and cereal.[205] As compared to other pests, it is their sheer numbers, which makes *quelea* the most destructive pests to coffee and cereals. The other *ploceid* species, including village weavers, black headed weavers, chestnut weavers, sparrows and bishops can also cause damages where they are abundant.[206] The biology, movements and crop depredations have been more intensively studied for *quelea* than for any of these other species, which is helpful to abate their damages; however, due to their small number village weavers and golden sparrows got manageable. [207]

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[202]Jaeger and Erickson (1980), p. 44. They explain that "Birds' damage to cereals is now estimated to annually exceed U.S. $1 million in Somalia , U.S. $3 million in Kenya, U.S. $2.4 million in Tanzania, U.S. $3 million in Ethiopia, and U.S. $6.3 million in Sudan or a total of at least U.S. $15 million annually in eastern Africa. As to coffee except oral sources it is quite hard to get documents."

[203]W. A. Erickson, "Diets of the Red-Billed *Quelea* (*Quelea Quelea*) in the Awash River Basin of Ethiopia" *Bird Control Seminars Proceedings,* Paper No. 25(1979), pp. 187-188; and Courtney Quirin, "Crop Raiding by Wild Vertebrates in the Illubabor Zone, Ethiopia" (A report submitted in partial fulfillment of the post-graduate diploma in wildlife management, University of Otago, the Netherlands, 2005), p. 15.

[204]P. Ruelle and R.L. Bruggers (1982), p. 82.

[205]Erickson (1982), p. 45.He indicates that National Control Operations because of the failure of traditional methods to cope with pest birds, national and regional bird control organizations were formed in the 1950s and 1960s.

[206]Luca Borghesio and Fabio Giannetti, "Habitat Degradation Threatens the Survival of the Ethiopian Bush Crow Zavattariornis stresemanni" in *Oryx* Vol. 39, No 1 (2005), pp. 46-47.

[207]Rhodes H. Makundi *et al.*, "Farmer's Perceptions of Rodents as Crop Pests: Knowledge, Attitudes and Practices in Rodent Pest Management in Tanzania and Ethiopia," *Belg. J. Zool.*, No.135 (2005), pp. 154-155.

However, birds' damage to coffee and maize has been a problem to Gedeo and Sidama farmers for at least quarter of a century.[208] Despite recent national and regional emphases by the plant protection organizations to control pest birds, traditional Gedeo and Sidama coffee farmers used to employ the centuries old customary techniques to protect crops. They include shouting at birds, and ingenious visual frightening techniques like scarecrows, agronomic planting or harvesting modifications, and bird population suppression methods.[209] Under some conditions these methods can reduce damage. However, their effectiveness is subject to variables like seasons of the year, type and maturation stage of crops, pest species and its abundance, size and ownership of the field, and diligence and enthusiasm of bird scarers.[210] Inability of farmers to protect their crops regularly and effectively from birds develops feelings of frustration, and sometimes often leads to their abandoning of farming.

In general, the most dominant bird that used to affect coffee berries was, traditionally called *gerissa*, which hollowing out coffee beans from their shells and exposing them to decay. After invading coffee plants they, owing to their large number within fraction of hours they could shade down beans in to the ground by pealing out from their cover. This was the challenge that used to affect coffees of Gedeo and Sidama at their production levels. Based on the degree of their damages that they cause on crops, which was very sever, coffee farmers of the two regions, used to call *gerissa* birds as "በራሪ አይጥ", which means flying rodent.[211] A song by an *azemari* shows sarcastically desperation of coffee farmers' and their failure to manage *gerissa* birds, which was serious in devastating matured red coffee beans. He says:

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[208]Informants: *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, and *Ato* Dawit Wonbēto.

[209]P. Ruelle and R.L. Bruggers (1982), p. 80. They indicate that as to the traditional crop protection: bird scaring in traditional African agricultures is an important part of a family's farming activity.

[210]*Ibid.* They further state that farmers employ by combining both the traditional and modern methods to protect the coffee product from birds. But the two most dominant approaches are population reduction (by the help of chemicals, net destruction and explosives) and plant protection (planting repellant plants, starching nets, agronomic and bird scaring) methods.

[211] Informants: *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, and *Ato* Dawit Wonbēto.

Amharic	English:
በወፎች ዝማሬ ሐሴት ብናደርግም፡	Though we have been pleased by songs of birds,
ፈጣሪን ማመስገን መሆኑን ብናዉቅም፡	And we knew it is praising God,
የሴይጣን ድምፅ ነዉ የግሪሳ ጩኸት፡	The voice of *girrisa* (red-billed *quelea*) is the devil's cry,
ሰብል እያጠፉ ቡና እያራገፈ የሚዘይርበት፡፡	Which it uses when it destroys ripen crops and coffee,
ተስፋችንን ንዶ የሚያጨልምበት፡፡	And aborts our hop/ambition.

Next to birds, Rodents (mammals with strong incisors and with no canine teeth e.g. rat, mouse, squirrel, beaver, and porcupine) are major problems in agriculture and public health.[212] Rodents cause sizeable economic losses in tubers, cereals and sometimes coffee beans when they get ripe. Mostly, in Ethiopia rodent control was the responsibility of farmers who undertaken it individually, and rarely on a collective basis.[213] However, in many situations, farmers have few effective technologies that could reduce the impact of rodents on their crops. Moreover, socio-economic and cultural conditions of farmers affect the rodent pest controlling efforts and practices.[214] For example, houses made from straw and mud, storages made from clay etc. are very simple for rodent population to attack what they deposited. Besides, farmers' knowledge about factors affecting crop damage, level of crop susceptibility, rodent pest population during the most susceptible crop stage and farmers' readiness to control the pests play important role in efforts of rodent pest controlling.

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[212]Rhodes H. Makundi *et al.*, (1999), p. 55. They argue that in Ethiopia has altitudinal variation with diverse set of ecosystems ranging from humid forest and extensive wetland to the desert; thus, the country acquired much diversity of species and endemics. According to the writers, of all the mammalian orders, the rodents contain the largest number of species that were widely diversified and distributed. The writers finally assert that "...rodents account for near half of the known mammalian species; for example, in East Africa, they account for nearly 28% of mammalian species. Among the 280 mammalian species that occur in Ethiopia, 84 species are rodents forming more than 25% of the total mammalian fauna. Out of these species, 15 are endemic that constitute 50% of the Ethiopian endemic mammalian fauna."

[213]Bekele Demelash *et al*, Economic Analysis of Rodent Attack on Maize Production Ethiopia," *Agrikon* Vol. 79 No. 34 (2003), p. p.112. According to these writers, estimates of maize damage and losses in experimental fields in Central Ethiopia indicated losses of about 26%. They also argue that rodents show a great diversity in their morphology, ecology, physiology and behavior; however, all rodents share dentition as their common features. The writers also assert that rodents have economical, ecological, social and cultural values and provide major benefits to our environment because most rodent species play great role in maintaining the ecosystem such as in seed dispersal, pollination, predator-prey relationship and in maintaining ecological balance and habitat modification. Finally they conclude that rodents are important food source for predators including the endangered and endemic Ethiopian Wolf.

[214]Mohammed Kasso, "Pest Rodent Species Composition, Level of Damage and Mechanism of control in Eastern Ethiopia," *Journal of Applied Studies*, Vol. 4 No. 3 (2013), p. 502.

Despite their ecological benefits, some rodent species cause economic losses in Ethiopia in general and Gedeo and Sidama in particular.[215] This is because rodent infestation poses a serious threat for reduction of income and widespread food shortage by causing substantial damage to food and cash crops. The two regions have been experiencing rodent pests' damages of different products and subsequent economic losses. This is because rodent pests caused damage on cereal, root plants, fruits, vegetables and coffee, which threatened both national and regional food and income security. They adversely affected rural communities by damaging their agricultural crop in the field and in the place of storage. Even if climate and other pest animals primarily affected households and agricultural products of the two regions, about 15% of loss occurred as a result of rodent damage.[216] As to the rodent management in Gedeo and Sidama mostly farmers at household level used to employ rat-trap, cat, and doge. Sometimes also they use chemicals.[217]

Even if very small, the other challenge to the coffee farmers of the regions was the destruction of the coffee plant and its beans by the big mammals like apes, monkeys, baboons and other related wild animals.[218] In this case, farmers attempted to reduce damages on coffee by using traditional methods, largely of scaring the animals away. However, sources assert that, a large amount of coffee was either consumed or damaged by such animals before it reached markets. Specifically, in Gedeo where the production of fruits and vegetables is a common business of farmers to subsidize their family income, the damage done by such wild animals was immense.[219] The long

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[215]Bekele *et al.* (2003), p.14. They show that, in Ethiopia 11 rodent species and in the rest African countries, more than 70 rodent species have been reported to be pest species.

[216]Solomon Mengistu, "Species Composition, Abundance and Habitat Association of Rodents in Awash National Park and Metahara Sugarcane Plantation" (M.A. Thesis, Biology, AAU, 2011), p. 14.

[217]Informants: *Ato* Alämayähu Ayibiera, *Ato* Gälchu Awacho, *Ato* Käbädä Bälachäw and *W/ro* Abärash Waqo.

[218]*Ibid.* They unanimously agree that the case of wild animals appeared most serious challenge, which claimed the largest proportion of their income. They explain that particularly the growing deforestation in the country aggravated migration of wild animals to the southern, southwestern parts of the country, where forest population is available. As they indicate migrant birds and wild animals also prefer to use Kenya as alternative destination to protect their lives from unruly Ethiopian hunters.

[219]*Ibid.*

standing culture of keeping forests in Gedeo has also intensified impacts of wild animals by providing them with sustainable shelter and food.

Theft or an act of robbery by intruders is another challenge that affected the coffee industry. Robbery refers to both property crime and crime of violence because the definition of robbery delineates the relationship between these two dimensions, such as theft or attempted theft by force or the threat of violence.[220] Robbery "...is fear inspiring and usually involves an unprovoked surprise attack by strangers on an innocent victim." [221] For the fear that robbery inspires, most people stay at home at night, avoiding responsibilities of guarding and protecting farms; hence, with the consequent diminishing of community spirit that could have resulted in a community based security system acts of theft committed against their collective farms, farms became vulnerable to frequent attacks by emboldened and unrestrained criminals. Particularly, in Sidama the situation was very serious because in Sidama theft was not simply economic in origin and there were social, cultural and political factor behind each theft as will be shown here below.

One of the reasons for theft in the regions was poverty that occurs in the rainy seasons.[222] Gedeo and Sidama are highly populated areas where most people depend on small fragmented gardens, where they cannot produce reserve food that they keep for the rainy seasons. Thus, those who suffered from hunger used to exploit every alternative at their disposal including theft to secure their daily bread. The regions were destinations for several migrants of diverse objectives and

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[220]Philip J. Cook, "Robbery Violence," *Journal of Criminal Law and Criminology*, Vol.78, No.2 (1987), p. 357.

[221]*Ibid.*

[222]Informants: *Ato* Tägägn Woldu, *Ato* Käbädе Belachäw, *Ato* Yana Qabato and *Ato* Fitamo Qabato. They show that the most hazardous period in the history of Gedeo and Sidama is the Ethiopian summer period. This is because specifically coffee cultivating Sidama people are highly dependent on the *ensät* (*qocho*) production. Except highlanders the rest do have very little attention for cereals; hence, they suffer from serious scarcity of food particularly during the summer rainy season. Months from May to September are characterized by serious scarcity of food supply. This time of adversity coincides with the coffee ripening months; thus, they use theft as alternative means to address their natural call, hunger and rob crops either to sell or consume.

practices, which increased the population number and toughened the struggle for survival.[223] This also forced some people to take theft as an alternative means to survive.

Finally, some of the coffee farms in Gedeo and Sidama were initially lands that belonged to local people and steadily taken by governments through land measurement proclamations issued by central governments of the country at various times.[224] The losers, who held a grudge against acts of dispossession sporadically used theft as an outlet to manifest their grief and used to steal coffee beans and other crops from gardens regardless of ownerships. As a result, they caused damages to both the crop and the plant at the same time by breaking the trunk away from its mother plant, which is an act of destructive robbery.[225] In addition to this whenever ethnic conflicts breakout, injustice happened around the court, and measures were taken against any sort of violent acts etc. the tendency of destroying coffee farms found in the environs of Läku, Yirgaläm, Çuko, Alätawondo, Dilla, Bulē, Wonago and Yirgachäffē towns was a common experience of the two regions from 1941 to 2010.[226] This seriously affected the coffee sector.

8.3.3. Poor Management and Contamination in the Coffee Sector

Coffee is one of the most sensitive crops that can easily be spoiled due to poor management. Particularly after it gets ripe, ensuring the quality of the product requires better management i.e. careful harvesting, processing and storing. This is because apart from disease attacks, price falls

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[223] *Ibid.*

[224] *Ibid*; and NALA, Fol. No. 1243, File 143, quarterly report written from Sidamo the MI (24 *Yäkatit* 1960 E.C.) p. 16. Particularly after 1945 land proclamations dispossessed the majority Gedeo and Sidama farmers and caused the growth of resentments, which were displayed through violent acts.

[225] *Ibid*; and Philip J. Cook, "The Relationship between Victim Resistance and Injury in Noncommercial Robbery," *The Journal of Legal Studies*, Vol. 15, No. 2 (1986), p. 405.

[226] Almaw (2005), p. 65; and Informants: *Ato* Käbädä Bälachäw, *Ato* Kifle Bälachäw, Colonel Kasahun Belachew *Ato* Yana Qabato, and *Ato* Fitamo Qabato (FDG). They explain that violences following the government measures and the outbreak of ethnic conflicts were common experiences in Gedeo and Sidama.Targets of such voilences wer markets, coffee farms, and properties of non-local people inhabiting both countryside and nearby towns. They further note that theft was employed either to show their dissatisfactions to new reforms and harsh governors or for economic reason to steal property.

and policy based problems that have been affecting coffee; poor management (at harvesting, processing and storing levels) was notable in reducing economic role of coffee in Gedeo and Sidama since the 1940s. As it is explained below, management problems may come from lack of knowhow, scarcity of labor and capital, shortage of materials and market, lack of decision making power, absence of supports, wrong or heavy interventions, fear of robbery, information and technological gaps, policy problems etc.[227] Some sources indicate that these were some of the challenges that affected the quality of coffee sometimes to the extent of making it unfit for sell.[228]

Harvesting is one of the basic stages that have substantial impact on quality. Poor harvesting practices contribute largely to quality failures and affect the subsequent processing stages and the final test or cup quality of the coffee. Historically, ensuring best quality coffee required the following issues to be fulfilled: waiting for the green berries to fully mature and ripen; selectively picking only ripe, red and healthy cherries; and picking at several intervals so as to avoid dropping of cherries, over-ripening and drying.[229] Regardless of such provisions that were essential for ensuring the quality of coffee, farmers used to harvest indiscriminately the immature green half-ripe brown and ripe-red cherries simultaneously.[230] This was because of two major reasons, such as lack of knowhow and fear of theft. Thus, insufficiently developed seeds caused reduction in weight and total yield; poor qualities (lack of chemical elements that generate typical coffee aroma); pulping difficulty and fermentation problem; many defective beans; shrunk beans leading to roasting difficulty (easily burnt); and a general adverse effect on the

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[227]The Ethiopian Coffee and Tea Authority, *Ethiopia: Cradle of the Wonder Bean Coffee Arabica (Abissinica)* (Addis Ababa: Coffee and Tea Authority. 1999), pp.2-10.

[228]*Ibid*, p. 20.

[229]The Ethiopian Coffee and Tea Authority, "The Ethiopian Coffee Industry" (1999), p. 33. It shows that to ensure the quality of coffee the following cases ought to be avoided during harvesting: indiscriminate stripping of cherries on the entire branch, early harvesting of the cherries before they are fully mature, mixing cherries dropped to the ground with those freshly picked from the trees, and maintaining cherries in plastic bags, or long periods in piles, as fermentation can occur.

[230]Informants: *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, and *Ato* Dawit Wonbēto.

quality of the beverage.[231] Throughout the history of coffee in the regions, poor harvesting has been affecting the industry.

In Gedeo and Sidama almost all coffee farms belonged to smallholding household coffee farmers. This implies that, the fate of coffee harvesting and processing to some extent was under the care of traditional farmers.[232] For example, instead of picking a cherry one after the other, laborers/farmers used to strip off everything away from each branch of the coffee plant that was a deadly act affecting productivity of the plant in the subsequent seasons.[233] This was because paid laborers were careless and used to rush to finish one farm and move to another to make more money.[234]

Such poor coffee harvesting method that sheared off leaves and nodes of the plant together with its cherries, made the plant not to give flower in the next season. It also exposes the plant for bacterial and viral attacks, which finally causes the death of the plant. Particularly, regarding the traditional forest coffee, which is tall and has long stems, harvesting was very tough. The struggle to harvest cherries from tall coffee trees included climbing and pulling down, which largely resulted in damaging parts of the plant. After such forceful harvesting, it was quite normal for the plant to get devastated, which required it a minimum of one year to recover from injuries. Poor harvesting has been affecting not only the cherries but also the plant, which was detrimental to coffee economy.

The other important stage in the coffee sector is processing. After harvesting, coffee cherries undergo either of the two widely applied methods, namely dry or wet processing. For unwashed Arabica (sun-dried or *jänfäl* coffee), immediately after picking the cherries they should dry on mats, concrete, or cement floors. After drying to a moisture content of about 11.5 per cent, the outer layer of the cherries needs to be removed by hulling and the green beans obtained get ready

[231]Ministry of Coffee and Tea Development, "Sidamo Coffee Enterprise (SCE),' 15/6 (1967 E.C.), p. 13.
[232]*Ibid.*
[233]*Ibid*, p.20.
[234]Informants: *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, and *Ato* Dawit Wonbēto.

for marketing. Historically, over 90 percent of Ethiopian coffee was sun-dried. Up to the 1950s there was no huller in Gedeo and Sidama; however, in the 1960s Yirgachäffe coffee huller was the first in the region and gradually five hullers were built in Wolayita, Yirgaläm, Alätawondo, Dilla and Läku.[235] 1970s was a historical landmark regarding the expansion of coffee processing in the region as a whole. However, since washed coffee sells at significant premiums over sundried coffee, the *Därg* government encouraged cooperatives and traders to invest in machinery to raise the output of washed coffee.[236] In 1980/1, washed coffee was only 9.1 per cent of total coffee exports; by 2004/5 it reached 32.7 per cent; and by 2009/10 increased to 45 percent [237](see also table viii).

As sources showed, in these two particular regions, the traditionally dry processing has passed through several inconveniences.[238] This was because coffee farmers were accustomed to consider coffee as something that did not spoil easily, which resulted from lack of knowhow about caring for harvested cherries. Therefore, at household level each farmer simply dried indiscriminately harvested cherries (cherries in mixed stages) either on floors smeared with animals' waste, on fields covered with grasses etc., which increased the exposure of cherries to fungal attacks.[239] Moreover, traditional household coffee farmers used to keep sun-dried coffees as treasuries to sell it in their times of adversity, whenever need arises or at better prices; thus, they used to dry cherries traditionally than selling them to other processors. Due to such poor drying processes, it was natural for traditionally dried cherries to lose their quality totally. Finally, traders who bought such a spoiled coffee and supplied it to markets lost part of their money due to low quality and unpleasant taste of poorly dried coffee. This also had a negative repercussion on the role of coffee in terms of generating more income that could activate other economic sectors.

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[235]Ministry of Coffee and Tea Development, "Sidamo Coffee Enterprise (SCE)," 15/6 (1967 E.C.), p. 14.
[236]LMC (2003), p. 18; and ECX (2010), p. 10.
[237]FDRE (2006), p. 27; and ECX (2010), p. 15.
[238]Ministry of Coffee and Tea Development, "Sidamo Coffee Enterprise (SCE)," 15/6 (1967 E.C.), p. 15; and Informants: *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, and *Ato* Dawit Wonbēto.
[239]*Ibid.*

Furthermore, whenever they brought traditionally dried cherry (low quality coffee, which lost its test due to several reasons, after keeping for some months at their homes) to the market, farmers used to immerse dried cherries in water to increase its weight (in kilogram), hoping to earn more money. This was another cause for the decline of coffee quality and taste in the region. In addition to this, coffee farmers used to pulp poorly dried cherries traditionally on cleared floor by the help of stones, traditional grinding mills, mortar etc.[240] They did so due to lack of institutional support and other financial related problems (see figure I). Such archaic methods of pulping poorly dried coffee cherries resulted in grinding the beans into small pieces, which ruined both coffee quality and taste.[241] As a result, since its introduction as commercial commodity up to 2010 poor coffee harvesting and processing have continued to affect quality of coffee in Gedeo and Sidama, which reduced the role of the industry at the same time.

Figure I: Traditional methods of coffee processing



[240] *Ibid.*

[241] Gebremariam Bekele, "Economics of the Ethiopian Coffee Industry" (Unpublished, Ministry of Coffee and Tea Development, Addis Ababa, Ethiopia, 1989), p. 19. In the markets of the region it was quite common to find such crushed coffee at a lower price.

For washed coffee (wet processed coffee), once the cherries got harvested they should be pulped, fermented in tanks and then finally washed in clean water. The wet parchment coffee that passed through washing stages must then be dried in the sun on raised tables and sorted at 11.5 per cent moisture content.[242] The wet method involves use of water in several stages whereby ripe cherries transform into parchment coffee. In fully-fledged conventional wet processing, red cherries should be pulped, fermented under water until the mucilage (mucus and filthy parts) degrades so that it can be easily washed off. Fermentation period in most cases varies from 12 to 48 hours depending on the temperature of the area.[243] The parchment must then be washed and dried to attain a moisture content of 10-11.5%. However, in view of the situation of small-scale coffee producers in Ethiopia, simple, low-cost and environmentally friendly machines that simply separate pulps from parchments have been introduced by CABI Africa, Illycafé SPA and the Ministry of Agriculture and Rural Development.[244] This can produce washed natural coffee, and was found to improve quality notably and be affordable for farmers organized into small groups.

In the case of using small-scale pulping machines (the most widely prevalent ones in Ethiopia in general and Gedeo and Sidama in particular) for washed coffee (wet processed coffee), there are seven major phases of metamorphosis that the wet processed coffee should complete to qualify for export standard.[245] The major phases in wet processing include: 1. Selective picking of cherries (coffee cherries for wet processing should be mature and fully ripe). 2. Sorting (the first operation in coffee processing following picking is sorting, the purpose of which is to remove

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[242]IFPRI (2003), p. 39; and ECX (2010), p. 11.

[243]The Ethiopian Coffee and Tea Development, *Washed Coffee Processing Manual* (1981), pp. 2-15.

[244]Gebremariam Bekele, p. 20. He indicates that in Ethiopia in the case of wet coffee processing the most dominantly employed machines were small-scale pulping. He also further argues that pulpers can be classified either drum or disk pulper which may be motorized or manually operated. He notes that the CABI Africa-MoARD project that introduced the disk type manually operating hand-pulpers in Ethiopia. Finally he concludes that the hand pulpers have a capacity of 50 kg cherries/hr and separate the coffee pulp from the wet parchment which is ready for drying.

[245]CTA (Coffee and Tea Authority), "Annual Report of the Planning and Programming Department" (Addis Ababa: CTA, 2002), pp. 3-7.

undesirable objects such as leaves, twigs, stones, as well as diseased or pest infected, immature, over ripe and dry cherries). 3/ checking and adjusting the pulper (checking and making the necessary adjustment to the pulping machinery is crucial activity prior to pulping because pulpers are adjustable to be able to pulp different size of cherries). 4. Pulping (mechanically removing red outer-skins or pulp from cherries to get parchment coffee). 5. Drying parchment or pulped coffee is a critical operation and should be done with care, as coffee of excellent origin can lose its quality if drying is not done properly. 6. Procedure in drying parchment coffee: drying should be done on raised beds to allow aeration and avoid getting into contact with soil. 7. Determine proper dryness of coffee: dark and green mixed color of the bean reflects high moisture content (10-13%) and fragility but fully dry coffee usually attains light blue green color and hard to break and the moisture content is about 10-11.5%.[246]

As opposed to what has been explained above the most serious problem regarding the wet coffee processing was contamination. Up to 2010, there were more than 1100 coffee cherry processing plants in the country, with roughly 495 hulleries and 611 washing stations.[247] The coffee washing stations that owned by private individuals, farmers' cooperatives or government enterprises have an estimated total processing capacity of around 85,000 tons of washed coffee per annum.[248] There were 34 and 86 washing stations in Gedeo and Sidama respectively and almost more than three-fourth of them are located faraway from towns and they were not connected with electric power supply.[249] Owing to the absence of power supplies in washing stations to run pulping machines usually processers used alternative energy, which was kerosene.

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[246]*Ibid.* The document also shows that it is possible to test the degree of dryness of the beans by biting them. If the teeth leave a mark on the beans it is not dry; if it breaks, it is an indication of dryness. It further indicates that when one tries to cut the bean using a knife, fully dry bean will slip away. Finally it concludes that dry parchment coffee is light and gives a hash sound when one moves a batch of coffee in his/her hand.

[247]ECX (2010), p. 24.

[248]*Ibid.*

[249]CTA (Coffee and Tea Authority, 2002), p. 8.

In addition to this, there were also lubricants used to reduce friction of the machine bodies. Leakages and droplets coming out of pulping machines that used oil in preference and kerosene have been contaminating coffee beans in the process of pulping and washing and affecting quality of the final product. In addition to this, river water is the most recommendable in the wet coffee processing mainly to avoid chemical contacts; thus, almost all of the washing stations were located at the edges of each river that crosses the regions. Water pollution was the other serious challenge to the coffee quality and taste because pulped coffee covers, washed-out parts and other used materials that were released from one washing station to the nearby river used to affect the next washing station. For example, the Japanese placed restrictions on importing coffee from Ethiopia due to high traces of pesticide residue on beans and kerosene contamination that happened in wet coffee processing.[250]

Finally, the third important component of coffee management is storage and handling of wet and dry coffees. It is one of the decisive processes impacting quality, and thus needs due care. It was one of the serious problems that Ethiopian modern coffee industry suffered from since its introduction. The dried coffee should not be stored in an environment where it can pick up or lose moisture and undesirable smell.[251] As it will be presented below, lack of knowhow and financial and storage problems used to affect quality of coffees that came from the two regions and supplied to both national and international markets after 1941. For example, storage facilities should be clean, cool, shaded, and dry and well ventilated, which require capital and skill.[252] Owing to small scale coffee productions, building such storage facilities by individual farmers of the two regions at household level was very difficult. However, such storage problem has

[250] ECX (2010), p. 16. According to the document, Japan has already lifted the import ban. In the document the Japanese pesticide requirements, 100x more strict than US requirements are included. The paradox was that bags imported from Bangladesh were blamed for the chemical contamination.

[251] Informants: *Ato* Tayä Gäbrämariam, *Ato* Haile Bäyänä, *Ato* Bawiso Humēsa and *Ato* Guche Galigalo.

[252] The Ethiopian Coffee and Tea Development, *Washed Coffee Processing Manual* (1981), pp. 2-15.

gradually been tackled by cooperatives and organized farmers, and rich who built stores for rent. Attempts also made to arrange collection of dried coffee by coffee buyers immediately, so as to avoid quality decline due to poor storage at farmers' homes.

In the 1950s and 1960s coffee storage was one of the serious problems that affected the status of sun-dried or *jänfäl* coffee. According to oral sources, owing to the absence of sacks of any sort farmers largely stored coffee beans in container made of bamboo trees.[253] Sometimes where there was scarcity of bamboo trees, they used to store it in pots made out of clay. Gradually in the 1970s the involvement of intermediaries in coffee business appeared to alleviate the problem at household level by supplying sacks made of sisal.[254] Furthermore, in the 1980s and 1990s again a large number of individuals constructed stores for rent in many towns of the regions and solved the problem of storage around markets.[255]

Thereafter, the storage problem appeared to be rare particularly in relation to government owned enterprises and cooperatives' owned washing stations. For example, in the 1980s Fura'a and Howolso in Shäbädino, Dagara and Moto in Dalē, and Kočärē, and Gädäb in Gedeo were cooperatives owned coffee washing stations that frequently suffered from storage related coffee quality decline. This was because some of the nationalized washing stations were initially belonged to individuals, who did to construct stores; thus they lacked storages to keep the pulped cherries. In general, the first half of the 1980s was relatively the best period in terms of expanding coffee washing and provisions of proper storage for washed coffee because in this particular decade there were about 83 coffee washing stations with fully furnished stores opened in Gedeo and Sidama.[256]

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[253]Informants: *Ato* Tayä Gäbrämariam, *Ato* Haile Bäyänä, *Ato* Bawiso Humēsa and *Ato* Guche Galigalo.
[254]NALA, Folder No. 48. File No.1.136.07, government plan for coffee (1979 E.C.), p. 6.
[255]*Ibid.*
[256]CTA (Coffee and Tea Authority, 2002), p. 12.

As opposed to this, the 1990s were the darkest age of coffee industry in the regions because cooperatives were in a state of disintegration due to collapsing status of the *Darg* rule. Beginning from the fourth quarter of the 1980s there was relative instability. In 1990 it was very hard to find government officials properly discharging their responsibilities. Mainly, on 21 May 1991 upon the departure of President MängestuHailäMariam to Zimbabwe almost all coffee hulling and washing stations including their stores were raided by robbers and coffee processing machines were damaged and some of their essential parts were stolen.[257] Thus, until they got maintained and resumed their usual businesses under the Transitional Government of Ethiopia, coffee processing and trade were interrupted for a year and half.

Furthermore, beginning from the second half of the 1990s up to 2010 most of the problems related to the coffee management (at harvesting, processing and storing levels) continued to exist. In some hullers and washing stations there were complaints about low investment in the coffee sector to overcome such problems.[258] Particularly, the coffee crisis that started in 1997 and reached its climax in 2002 and persisted up to 2004, forced influential individuals (in terms of finance and knowhow) to abandon the coffee sector. These and some other policy related snags (that will be explained in chapter nine) playd their part in comlpicating the situation to persist in affecting coffee industry in the regions.

Some sources indicate that since 1941, coffee management in Gedeo and Sidama has been lacking basic investment for quality improvement.[259] Absence of working capital and funds for investment at all levels was an age-old and commonly noticed problem, which hampered the expansion of improved processing practices in the regions. Smallholder coffee farmers lacked

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[257]Informants: *Ato* Tayä Gäbrämariam, *Ato* Haile Bäyänä, *Ato* Bawiso Humēsa and *Ato* Guche Galigalo.

[258]*Ibid.*

[259]Ministry of Coffee and Tea Development, "Sidamo Coffee Enterprise" (SCE), 15/6 (1967 E.C.), p. 15; and Informants: *Ato* Mulugēta Wolango, *Ato* Wubshät Tägäññ, and *Ato* Dawit Wonbēto.

working capital and funds for investment. However, many financial institutions that worked to improve coffee industry since the second half of the 1970s took lion's share of the money only to reduce administrative problems at the top level instead of addressing problems at the grassroots levels.[260] Eventhough special arrangement were applied through development projects to make financial services accessible to smallholder coffee farmers, there were no success stories at all up to 2010.

Finally, up to 2010 most farmers in Gedeo and Sidama failed to afford to buy basic coffee processing materials like chicken nets, jute strips and plastic sheets before the harvesting season. Most of the materials, essential for improved coffee processing were also not available on local market. Many farmers of the regions needed jute sacks (*Joniya*) to store coffee in, which they wanted to get on loan basis.[261] As it is clearly stated in the report of pilot coffee quality improvement project (2005), a coffee farmer producing around 250 kg of coffee on the average needed a minimum initial investment of about 1100 USD.[262]

8.3.4. Poor Waste Disposal Mechanisms and Ensuing Pollutions

In Gedeo and Sidama the dirtiest places are areas where coffee processing machines are located. Just like leather factories, which release silages of pungent smell that affect the health of nearby inhabitants, waste materials and silage that are released from coffee processing machines of the regions have been affecting the health of every participant of processing industries. From the very beginning both coffee hulling and pulping stations lacked waste disposal strategy. All the

[260]NALA, Folder No. 48. File No.1.136.07, government plan for coffee (1989 E.C.), p. 9.

[261]Informants: *Ato* Tayä Gäbrämariam, *Ato* Haile Bäyänä, *Ato* Bawiso Humēsa and *Ato* Guche Galigalo.

[262]CABI Africa and MoARD, *The Pilot Coffee Quality Improvement Project,* (2005), p. 24. It was implemented in the southwestern parts of Ethiopia. According to the document, such investment in quality improvement can only be achieved through projects, by partial subsidy and partially arranging loan facilities from financing organizations. As it also indicates, to be able to repay loan and make the investment feasible, differential price for quality coffee and conservation efforts should arranged as incentives like premium price. Besides, it notes that the loan repayment period should also be longer, at least 5 years.

sites of processing stations were simply built for existence of rivers or large uninhabited areas. Particularly, hullers that are found in the middle of towns like Läku, Yrgaläm, Bänsa, Çuko, Alätawondo, Dilla and Yirgachäffē used to pollute their surrounding environments in several ways as it is stated below.

Most of the Sun-dried (unwashed) coffee processing hullers that are found in centers of the above mentioned towns have been working from 1967 to the present. They processed more than roughly 500, 000 quintals of coffee per year and they worked the whole year round.[263] In the process of hulling the machine separates coffee bean from its shell and pumps out the pealed out shells or the waste called *ashära.* Up to 1980 dry husks of coffee cherries (*ashära*) were sold in various markets of the region for consumers that were found in non-coffee growing regions. However, due to the expansion of coffee industry almost it ceased to exist as a market commodity.[264]

As a result, after 1980 dry husks of coffee cherries (*ashära*) was identified as waste material to be dumped just behind hulling stations and started to form mini hills with an average height of 10-15 meters and an area of half a kilometer square.[265] Eventually, heads and workers of hulling stations, who had no waste disposing strategies at all worried about the growing volume of waste materials. Thus, they devised two temporary solutions for the case, such as, hiring daily laborers to push the garbage five to six meters away from the hulling machines and setting fire to burn dry coffee husks, waste material (*ashära*).[266] Both the mounting garbage and the above two measures taken by concerned officials inflicted adverse effect that continued to affect coffee quality and environments as it will be shown next.

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[263]NALA, Folder No. 48, File No. 1.136.07, government plan for coffee (1979 E.C.), p. 5.
[264]Informants: *Ato* Tayä Gäbrämariam, *Ato* Haile Bäyänä, *Ato* Bawiso Humēsa and *Ato* Guche Galigalo.
[265]*Ibid.*
[266]Informants: *Ato* Shkure Shafi, *Ato* Jarso Wario, and *Ato* Uko Matti.

The waste, which was growing in volume and size started to decompose and emit very pungent smell covering entire towns where stations were found. Mainly during rainy seasons stinks that come from coffee wastes released from processing stations becomes very acrid and polluting to the extent of causing allergic reacts. The processed coffee beans in stores got contaminated by such a pungent smell emitted from decomposing husks of coffee cherries. The silage released from decomposing husks of coffee cherries used to pollute the environment.[267] Similarly, setting fire to husks of coffee cherries appeared to have been producing a smoke with an upsetting smell for twenty four hours throughout months and years. As a result, processed beans developed either of the two smells or both at the sometime. Such stink emitted from decomposing and smoke from burned husks of coffee cherries made towns of Gedeo and Sidama unpleasant places to live.

Similarly, wet coffee processing stations that are largely found outside the towns used to affect quality of the coffee bean, and polluting rivers and environment of the regions. As it was the case in the dry coffee processing station, the wet cherry processing station also lacked waste disposal strategies. [268] As it has been stated above, using clean water, preferably river water, which is free from chemicals, to avoid undesirable tastes and odors is one of the requisites to ensure the quality of washed coffee. Always after pulping, cleaning the area and the machine to avoid contamination and stinks is also the other requirement in the wet cherry processing. Owing to such a high water consuming nature of the process almost all of them are located at the edges of each river of the two regions.

Impacts of the wet coffee processing stations were multifaceted. From July/September to January of each year particularly since the 1970s, it was totally impossible to find unpolluted river in the

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[267] *Ibid.*

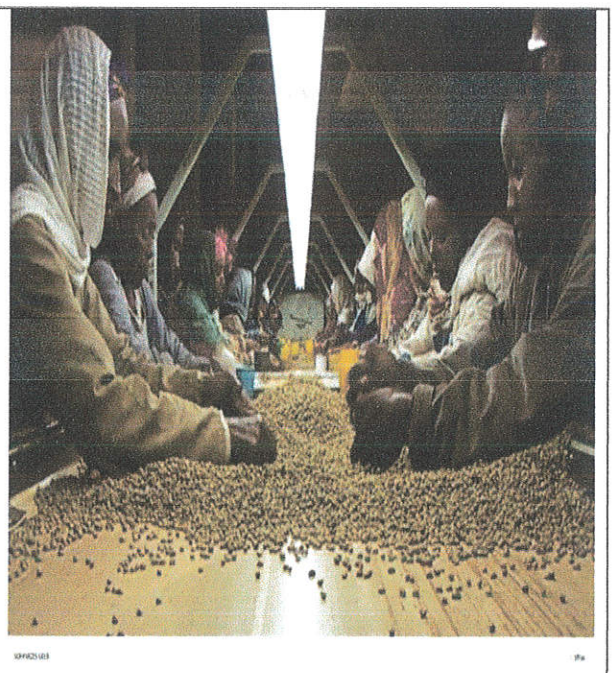
[268] Gebremariam Bekele, "Economics of the Ethiopian Coffee Industry," p. 14.

coffee growing districts of the regions.[269] This was because silage, dirty water full of mucilage, every leftover, used oils etc. released from processing stations have been destined to join rivers. The waste that was released into rivers by some washing stations located in the upper courses of each river continue to pollute quality of coffee beans processed by other stations found in the lower courses of the rivers.[270] Finally, from July/September to January of each year, due to air pollution caused by decomposed silage damped for several years closer to each washing station, having flue was natural for everyone living in coffee growing areas of the two regions. In general, poor waste management practices and absence of clearly defined waste disposal strategies in processing part the coffee industry continue to affect both coffee quality and environment of the regions (see also figure v and vi)

Figure II: Wet Processing Stations



Figure III: Waste Disposed in Dry



[269]Informants: *Ato* Tayä Gäbrämariam, *Ato* Haile Bäyänä, *Ato* Bawiso Humēsa and *Ato* Guche Galigalo.
[270]*Ibid.*

To sum up, natural, social, technical, and financial factors together remained threats to modern coffee industry since introduction in these two particular regions; and to date, they continue to threaten it. Some informants agree on the fact that coffee was the source of both benefits and disasters at the same time and put situations of the coffee season as follows:

Amharic	English
የቡና ወቅት ቢመጣም ባይመጣም መልካም ነው።የቡና ወቅት በመምጣቱ ገንዘብ እናገኛለን፤ ለራሳችንና ለቤተሰቦቻችን የሚያስፈልገዉን ነገር እንገዛበታለን፤ የመንግስትን ግብር እንከፍልበታለን፤ በተረፈዉ ገንዘብ ደግሞ ራሳችንንና ቤሰቦቻችንን እናስደስትበታለን። ነገርግን የቡናን ወቅትን ተከትሎ የሚመጣዉን አዉሬ፡ ወፍ እና ሌባ ጠብቆ ማባረር፤ የሰካራሙን እና የጥጋበኛዉን አምባጓሮና እኪያሰላንቲያ መታገስ፤ ከአስተዳዳሪዎች በየሳምንቱ የሚጎርፈዉን ገደብየለሽ የመንግስት መዋጮ ማስተናገድ፤ የልጅና የሚስትን በገንዘብ አምጣ ዙሪያ በየእለቱ የሚነሳዉን ጭቅጭቅና ጉንተላ መቻል፤ የአበዳሪዎችን ጋጋታና ዉክቢያ መጋፈጥ፤ የደላላዉን ስብከት መቋቋም፤ በማያቋርጥ የጉንፋን ወረርሽኝ መሰቃየት፤ በወንዞች ብክለት ምክንት ከብቶቻችንን ውሀ የምናጠጣበትን ማጣት፤ ከልክ ያለፈ የሰዎች ቅብጠት አጥፊነትና አባካኝነት፤ የገመሱት መስፋፋትና ፍች፤ ገበያ ላይ የሚከሰተዉ የተጋነነ የእቃ ዋጋ ንረት፤ አረ ስንቱን ጉድ ተናግረን እንዘልቀዋለን። የቡና ጥፋትና ልማቱ እኩል በእኩል ነዉ።	*coffee season is both desirable and undesirable. During coffee seasons we will get money to fulfill our family needs, pay government tax and entertain. However, managing developments ensuing coffee season is very tough. For example, keeping the crop from wild animals, birds and thieves, tolerating drunken ones and their mocking, responding to weekly based quests of official for money contribution, entertaining family dispute around money, facing harassment coming from loaners and brokers, suffering from frequent outbreak of flue, pollution of rivers failure to find water for our cattle, exaggerated entertainment and Extravagancy of people & related divorce, skyrocketing prices of commodities on market etc. Thus, benefits and adverse effects of coffee are almost equal.*[271]

This indicates multifaceted impacts of coffee industry in terms of bringing benefits for the people of the regions and related challenges that stakeholders should face to enjoy benefits that coffee brought them. Therefore, coffee was not simply economic matter but also political, economic, social, cultural and environmental matter for the people of Gedeo and Sidama as it has already been explained in the entire chapter. It was also an area of concern for central governments of Ethiopia, which worked to share benefits of coffee industry by issuing legal provisions as we shall see in the following chapter.

[271]Informants: *Ato* Tayä Gäbrämariam, *Ato* Haile Bäyänä, *Ato* Bawiso Humēsa and *Ato* Guche Galigalo.

Part V-Impacts of National Policies and International Situations on the Coffee Industry

Chapter Nine

Implications of National Policies and Legal Reforms on the Coffee Economy

9.1 Impacts of Agricultural Policies and Economic Planning on the Coffee Market of Gedeo and Sidama: 1941-2010

The dissertation in general is about continuity and change in the interaction and reaction of peoples and governments in the coffee sector. In line with this, chapter nine shows impacts of some policies and legal reforms on coffee. Soon after its restoration in 1941, the Imperial government made rigorous efforts to increase its revenue from the coffee sector because the new reforms it launched to modernize the country were very expensive.[1] Some of them required the regime to install new infrastructure, open new offices and appoint more officials, which appeared costly. At the same time, along with modernization and development programs, a number of packages were designed to crush opposition proliferating in different parts of the regions against the restored rule.[2] In Gedeo and Sidama, mandates of implementing new reforms and plans of the regime were given to new provincial governors largely consisted of, *tekeläññas* who were loyal to the rule. They were both economically and politically empowered to crush any sort of opposition in the region, mainly coming from the *näfṭäññа,* who intiated a dislike both for the restored Emperor and his rule.[3] However, implementing new development plans in the regions was not an easy task for the regime because it entailed a large amount of money.

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[1]Dessalegn Rahmato, *The Peasant and the State studies in Agrarian Change in Ethiopia 1950s-2000s* (Addis Ababa: AAU Press, 2009), p. 12; and Informants: *Ras* Mängäsha, G. Bäkälä and *Ato* Wubät.

[2] Informants: *Ras* Mängäsha, G. Bäkälä, *Ato* Wubät and *Ato* Käbädä. In Gedeo most of the governoning groups consisted of *näfṭäññа and tekeläññа* were known as *Dänebäññä*. However, unlike the Gedeo, in Sidama the governing groups of the region did not have such common name reffering to them. Simply, due to their composition largely consisted of individuals from Sodo Guraghe, Amhara, Oromo and Tigre ethnic groups, the Sidama used to call them, *alagicho* (which means outsiders).

[3]*Ibid.* They indicate that, the *näfṭäññа* group in the region, who fought the Italian force as *arbeñña* (patriot) found the leaving of the Emperor for London while the country was under the enemy occupation as betrayal of the nation and its people. Thus, they used to call the Emperor *banda* (collaborator) and stood against everything introduced by the restored Emperor.

As an instant solution to tackle financial crisis that it encountered, the government had given priority to agro-industrialization program in its package, which included coffee production and trade.[4] To generate more income, it also made calls to the well-to-do irrespective of their ethnic origin to contribute their share and show support to the Imperial plan of modernization.[5] Thus, those who had capital were encouraged to invest either in the service sector and pay tax or cultivate coffee to increase the national export, which was the source of foreign currency. A quick response to the Emperor's call, aimed at raising national income to emplement his modernization plan was praiseworthy.[6] This became a golden opportunity for those who had an ambition to become part of the administration by displaying loyalty to the Emperor and win his gratitude, which could be a credit for them to gradually become government appointees.

In the 1940s and 1950s, oppositions flaring up against the restored government in different parts of the region slashed successes of agro-industrialization in coffee, oild-seeds, and cereals production.[7] At the same time, lack of infrastructure also played its part in slowing down process of agricultural mechanization and efforts of modernization. In addition to ambitious nature of the modernization plan, infrastructural infancy of the period forced coffee sector to persist in being operated traditionally both in Gedeo and Sidama.[8] Thus, despite the arrival of numerous

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[4]M. Westlake, "Strategy for the Development of the Coffee Sector in Ethiopia," *Decentralization Support Activity Project Report PA-6* (Addis Ababa: Ministry of Finance and Economic Planning, 1998), pp. 28-29; and John M. Cohen, "Effects of Green Revolution Strategies on Tenants and Small-Scale Landowners in the Chilalo Region of Ethiopia," *The Journal of Developing Areas*, Vol. 9, No. 3 (1975), p. 338.

[5]Informants: *Ras* Mängäsha, G. Bäkälä, *Ato* Wubät and Ato Käbädä.

[6]Tessema Chekun Awoke, "Land Tenure Issues in High Potential Coffee Growing Areas: Overview of South Western Ethiopia (Keffa, Illubabor, Wollega)," in Dessalegn Rahmato (ed.), *Land Tenure and Land Policy in Ethiopia after the Darg*, Proceedings of 2nd Workshop of the Land Tenure Project (Addis Ababa: IDR, 1994), pp. 214-216.

[7]Abebe HaileGabriel, "Thriving Informal Land Markets and Patterns of Entitlement Redistribution among Peasant Households' in Institutions, Resources and Development of Ethiopia," in Alemu Mekonnen and Dejene Aredo (eds.), *Proceedings of the 9th Annual Conference on the Ethiopian Economy* (1999), p. 77; and A. P. Wood, "The Decline of Seasonal Labor Migration to the Coffee Forests of South-West Ethiopia," *Geography*, Vol. 68, No. 1 (1983), pp. 54-55.

[8]Informants: *Ras* Mängäsha, G. Bäkälä, *Ato* Wubät and *Ato* Käbädä. They assert that production presisted in becomeing very traditional and carried out on fragmented farms. They also indicate that searching for vacant land mainly in the 1940s and 1950s was disastrous for all inhabitants of the regions irrespective of their ethnic backgrounds. The newly promoted and appointed governors of the regions used to mistreat both local people and seettlers, who showed their defiance to the rule.

investors in response to the Imperial calls, and existence of land for lease and contract, there was no success in terms of mechanizing coffee production in the regions. However, coffee economy had passed through various reforms that restructured it to meet the interests of the government.[9] The coffee processing industry that showed a notable progress had also played its part in restructuring both coffee production and markets of the regions.

Some sources indicate that, it was after 1956, under the national development plans that the impact of coffee had become gradually significant.[10] Mainly in the eastern, southwestern and western parts of the country large scale coffee production and efforts of mechanizing the system of production and processing started to be witnessed. In the case of Gedeo and Sidama, despite efforts made to establish extensive farms by clearing forests in the environs of Yirgaläm, Alätwondo, Dilla and Yirgachäffē, there was no such mechanized coffee plantation and most of the coffee farms remained highly fragmented and owned by small scale producing household.[11]

As it will be shown below, in the 1940s and the first half of the 1950s planning of the country was basically sector oriented. For instance, soon after WWII, there was a ten-year program for industrial development, a five-year program for the improvement and development of forest resources, and a four- year highway plan etc.[12] Eventually, at the beginning of 1956 there was an

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[9]Girma Adugna *et al* (ed.), "Coffee Diversity and Knowledge," *Proceedings of a National Workshop Four Decades of Coffee Research and Development in Ethiopia*, 14-17 August 2007 (Addis Ababa: Ethiopian Institute of Agricultural Research, 2008), p. 2; and Ministry of Agriculture and Rural Development (The MoARD), Agricultural Marketing Sector, *Coffee: the Gift of Ethiopia to the World* (Addis Ababa; Bole Printing Press, 2007), p. 1.

[10]Daniel Ayana, 'Coffee and Food Crop Production for Self Sufficiency: the Case of W. Wollega," *Proceedings of the Third Annual Seminar of the Department of History* (Addis Ababa: IES, 1986), p. 33.

[11]Informants: *Ras* Mängäsha, G. Bäkälä, *Ato* Bäläṭä Jänbärē *Ato* Wubät, and *Ato* Käbädä. They indicate that during the three regimes efforts of mechanizing the Gedeo and Sidama coffee have remained vain task. Apart from the above stated factors that deferred mechanization of coffee production fragmented nature of farms and population growth also helped the Gedeo and Sidama coffee to retain unique features and remain hardly improved in terms of production.

[12]Girma Kebede, "Capitalism in Ethiopia," p. 22. He indicates that it was the first step to set direction for national development and integrate various programs of the government because the plan was an attempt to assess main trends within the economy to highlight possibilities for economic growth and social improvement. He also shows that agricultural-development objectives of the first plan were provision of basic services like extension, pest and disease control, supplying of new inputs, particularly improved tools and seeds, training of research and extension staff; and development of institutional infrastructure.

effort to execute inclusive national plan, which straddled every sector of the country. To do this the Emperor formed a special task force with the mission of formulating the first comprehensive five-year plan for the country.[13] Finally, they came up with the First Five Year Plan (1957-1961). This attempt at preparing and employing an inclusive plan at a national level was the first of its kind in the history of the country.

The First Five-Year Plan (1957-1961), which underscored industrialization and construction of infrastructure, was preoccupied with the export sector.[14] Export diversification to reduce export (economic) instabilities and financing the country's deficit were among its main focal consideration. Measures like infrastructure expansion (particularly roads) improving the quality of products and exploiting agricultural potential of the country were taken as means of increasing efficiency of the plan and attain the diversification needed to improve the volume of export or imported commodities subsequently.[15] It was a plan that caused migration of people to Gedeo and Sidama where the major export item of the country, coffee production, processing and marketing was a focus of their move.[16] It was also followed by a series of land re-measurements, which increased the value of land. Governors of Sidamo province were given an official order to provide investors with coffee land followed by remarkable efforts to avail lands and contests to get fertile and accessible farms.

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[13]Imperial Ethiopian Government, Planning Commission Office (1956), p. 7. It was the first national plan which laid foundation for the proceeding plans and served as point of reference for the following two regimes to set national plans. Some of the information included in the plan were constructed on the basis of speculations made by the committee members.

[14]*Ibid*, p. 29. The document shows, The First (1958-1963) and Second Five Year Plans (1963-1968) emphasised building up infrastructure to a improve communication and transportation networks and related services for administrative purposes. It was only under the Third Five Year Plan (1968-1974) that small farmers were were able to get the government attention.

[15]Dejene Aredo & Mulat Demeke, "Ethiopian Agriculture: Problems of Transformation," the *Fourth Annual Conference on the Ethiopian Economy* (1995), p.79; Desalegn Rahmeto, "Moral Crusaders and Incipient Capitalists: Mechanized Agriculture and ITS Critics in Ethiopia," *Proceedings of the Third Annual Seminar of the Department of History* (Addis Ababa University, 1986), pp. 260-261; and Desalegn Rahmeto, "Agrarian Changes and Agrarian Crisis: State and Peasantry in Post Revolutionary Ethiopia," *Journal of the International African Institute* No. 63, Vol. 1 (1988), pp. 43-44. They indicate that, it was destined to raise the export on average by 7% per year but the actual annual growth rate of export was 3.5%.

[16]Informants: *Ras* Mängäsha, G. Bäkälä, *Ato* Bäläṭä, *Ato* Wubät, *Ato* Käbädä, *Ato* Oku Alilē, *Ato* Akalē Worku and *W/ro* Harägua Täsfayä.

The Second Five Year Plan (1963-1967), was initiated further to guarantee objectives of the First Five-Year Plan.[17] It envisaged change in the structure of the economy and export diversification. It intended to diminish the share of agricultural commodities in the export by increasing the portion of manufactured goods whose market prices were relatively stable and competitive. At the end exports were anticipated to rise on average by 11 % per year.[18] In this case, both the public and private sectors were equally motivated and their role in the process of diversification was acknowledged. The plan had put its finger print on coffee industry of the region because in the plan coffee was able to get due attention owing to its role as the major source of foreign currency. Accordingly, the issue of incentives for the expansion of modern farms and increasing the quality and quantity of agricultural goods was described in the plan, which finally helped a number of people to get the imperial support to expand coffee industry in Gedeo and Sidama.[19]

The Third Five-Year Development Plan (1968-1973) paid more attention to productivity of Ethiopian human and capital resources.[20] Similar to the previous two development plans, it also acknowledged the importance of the export sector especially the role of non-traditional export items. And hence, export was projected to rise on average 10.7% annually. During this period agricultural export products represented almost 75%. From this, coffee constituted about 55% of

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[17]Imperial Ethiopian Government, Planning Commission Office (1962), p. 10.

[18]*Ibid.* Enactment of the plan was followed by incentives like income tax holidays and easy export licensing. The plan also required the involvement of Embassies in the trading activities by providing business the community with information about potential foreign markets. Though the plan was aimed to rise by 11 % per year, the registered actual growth rate was only 5%.

[19]Guluma Gemeda, "Some Notes on Food Crop and Coffee Cultivation in Jimma and Limmu Awrajas, Kafa Administrative Region (1950s to 1970s)," *Proceedings of the Third Annual Seminar of the Department of History* (Addis Ababa: IES, 1986), p. 161; and Informants: Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä. Oral source asserts that particularly in the 1960s, people like *Girazmach* Abägaz Amarä (Yirgalem) *Girazmach* Täfära AkaläWold (Alätawondo) *Girazmach* Wärku Dästa (Dilla) and *Ato* Wubät Täfera (Läku) were some of the highly privileged governors and coffee farm owners, who had received financial support from Empress Tänañňäwärk and benefited a lot from the coffee business.

[20]Imperial Ethiopian Government, Planning Commission Office (1967), p. 9; and Warren C. Robinson and Fumiko Yamazaki, "Agriculture, Population, and Economic Planning in Ethiopia: 1953-1980," *Journal of Developing Areas*, Vol. 20, No. 3 (1986), pp. 332-333. According to the writers, even if the Third Plan (1968-1974) directed its attention to small scale farmers only 13 percent of the directly productive investment in agriculture was allocated for small scale farming. According to them, this is quite a disproportionate allocation of investment since over 92 percent of the total agricultural output was coming from small scale farming and small farmers constituted over 95 percent of the total number of farmers at the time.

total exports but it was intended to reduce the share of coffee to 40% through processing of hides and skins, packing fruits, vegetables and meat products, minerals including potash and gold, textiles and chemicals.[21] To achieve this goal, export diversification, fiscal and financial policies were revised and other packages of incentives were also provided including simplification of licensing, credit, subsidy, reduction of transport tariffs, etc. In addition to this, the route of Ethiopian Air and shipping lines were expected to provide market opportunity and rapid growth for the export sector; nevertheless, the above mentioned goals were not achieved.[22]

In 1968, the Imperial government gave more formal recognition to the importance of small farmers and included efforts to aid them based on the development plan.[23] Thus, the two main agricultural policy lines of the Third Five Years plan dealt with both commercial farming and peasant subsistence agriculture at the same time. Here, the major instrument of the plan for improving peasant agriculture was called "package" approach, which involved comprehensive regional agriculture development projects.[24] Resting on the assumption that continued assistance would be provided by the central government notions of both commercial and subsistence farming were conceived as fairly self-contained independent units focusing on a coordinated development within a clearly defined geographical area. Accordingly, smallholders in Gedeo and Sidama were encouraged by the plan and benefited a lot from government's support.[25] Even if support made for *Ras* Mäsfin Siläshi and some more people of his level to expand coffee farming

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[21]Ethiopian Coffee Board, "Statistical Report of the Imperial Period," *Compiled Booklet*, Series No. 9 (1972), p. 28.

[22]Shiferaw Jammo (1995), p.34; and Gebregziabher Gebrewold, Market Structure of Primary Products in Ethiopia," *Economic Journal of Ethiopia*, Vol. 68, No. 33 (2003), p.40. They indicate that the prevalence of the feudal system, lack of data for planning purposes and absence of well formulated projects were the major challenges that affected the situation seriously.

[23]*Ibid.*

[24]Imperial Ethiopian Government, Planning Commission Office (1967), p. 9. It shows that unlike the first two plans, the Third Plan realized the importance of stressing the development of small scale farmers as the foundation for national progress. This benefited smallholding Gedeo and Sidama coffee farmers.

[25]Gebregziabher (2003), p. 40. He notes that the First and the Second Five-Year Plans focused on building up infrastructure (communications and transportation) that basically helped agricultural growth. However, new technologies had not been introduced or popularized and growing pressure on the land probably worsened the land-tenure situation.

(in Jimma) was very substantial, the Gedeo and Sidama coffee producers also benefited from a large loan made available for the case.

In general, despite their scanty and sporadic impacts, none of the five-year plans were able to solve the uneven distribution of land and other wealth; which was the main source of many problems in the coffee industry of the regions.[26] At least 50 percent of all farmers were tenants, often to one of a small group of elite families with ties to the emperor, the court, the church, and the upper political and administrative groups, who owned the relatively large coffee farms of the regions. These elite groups represented the chief support of the Imperial regime, and hence, while land reform was seen as desirable by some planners, it was politically impossible.[27] This became the first item of business for the military regime to solicit support in the struggle against the imperial regime.

The post-Revolution planning was relatively different from the Imperial ones. This was because after the 1974 Ethiopian Revolution, the new Provisional Military Government underscored agricultural development plans.[28] Government expenditure on the agricultural sector rose and was expanding. For example, in 1977, the amount spent on agriculture notably increased as it was done in 1974.[29] As it will be presented in the following parts of this chapter, this was an important event regarding coffee sector of the two regions mainly in terms of availability of agricultural inputs vital for protecting coffee from fungus and viral attacks. However, such an

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[26]Dessalegn Rahmato, *The Peasant and the State studies in Agrarian Change in Ethiopia,* p. 10; and James C. McCann, *People of the Plow. An Agricultural History of Ethiopia 1800-1990* (Madison: University of Wisconsin Press, 1995), p. 241.

[27]*Ibid.*

[28]Dessalegn Rhmato, *Agrarian Reform...*, p. 37; and Desalegn Rahmeto, "The Unquiet Countryside: The Collapse of Socialism and Rural Agitation, 1990 and 1991," in Abebe Zegeye and Pauswang Sigfried, *Ethiopia in Change Peasantry, Nationalism and Democracy,* Vol. 63, No. 38 (1990), pp. 43-44. These sources indicate that for example, from 1958 to1968, Ethiopia had trained and employed 100 to 120 Agricultural Extension Agents scattered across the country. They also argue that it was under the third five years plan that a remarkable expansion of coffee production and market was witnessed due to the incentives given for the government

[29] NALA, Folder No. 183, File No.17.1.6. 06.01, government budget plan (1969 EC.), p.1; and Informant: G. Bäkälä.

incremental pattern of government spending that exceeded revenue resulted in increasing the amount of debt, which was followed by incessant price inflation. For example, in 1977/78 the price inflation was estimated 8 to 10 times than the pre-1974 level and rising at some 20 percent per year.[30] Such price inflation had seriously affected coffee market of Gedeo and Sidama by making illicit markets to flourish more than ever before.[31] For instance, along with continuous declining in purchasing power of the local currency there was no increase of coffee price per kilogram in local markets. As a result, farmers and most of the local suppliers and merchants preferred to join informal markets, which relatively used to fix better price at interval.

The *Därg* government made all land collective property of the Ethiopian people and restricted individual's rights over land to the area he/she could personally cultivate. The land reform proclamation of 1975 (Proclamation 31/75) appeared to establish uniform landholding throughout the country.[32] The Ministry of Land Reform was formed to execute the proclamation and orders, organized peasant associations and collectives for each village.[33]

Particularly, in all *wäräda* of Gedeo and five *wäräda* of Sidama three rounds of land distributions had taken place. This was done to solve crises related to rural land ownerships because the regime believed that eliminating evils of absentee landlordism and tenancy was a shortcut to agricultural productivity. However, due to some longstanding socio-cultural, political, economic and environmental factors some administrative elements continued to survive, which

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[30]Dessalegn Rhmato, *Agrarian Reform...*, p. 40; and Tanguy Bernard and David J. Spielman, *Mobilizing Rural Institutions for Sustainable Livelihoods and Equitable Development A Case Study of Agricultural Marketing and Smallholder Cooperatives in Ethiopia* (Washington, D.C. International Food Policy Research Institute, 20008), pp. 35-36.

[31]Informants: General Bäkälä. He asserts, it was the toughest time for the police force of the province as a whole.

[32]Nägarit Gazēta 34th Year No. 26, Proclamation No. 31(1975), p. 3; and Dessalegn Rhmato, *Agrarian Reform*, p. 37

[33]Aster Akalu, *The Process of Land Nationalization in Ethiopia* (Lund: CWK Gleerup, 1982); John Michael Cohen, "Revolution and Land Reform in Ethiopia," *Rural Development Occasional Paper* No. 6 (1976), p. 46. According to these writers, in 1980, there were approximately 23,000 such associations, totaling over 7 million members. Some 60,000 cadres were dispatched to work in the rural areas with the new collectives. They conclude that these moves were an obvious attempt to change the whole structure of rural society in Ethiopia.

appeared discouraging. As a result, in the 1980s national income from coffee export was also negligible, but no fair comparisons have been made due to other events that swept rural areas.[34]

The EPRDF government made ineffective planning to promote Agriculture Led Industrialization and export diversification.[35] An emphasis was given to horticulture development, securing land rights of peasants by licensing, to increase productivity and fixing agricultural commodity prices at a national level to maximize benefits of farmers.[36] For example, based on preliminary survey, market reform had just been made in coffee markets next to food markets. 'Mixed economy' of the 1990 slightly tried to encourage market-based activities and brought few incentives for some private sector activities, including coffee production, processing and marketing.[37] Finally, in 1992, the devaluation of Ethiopian birr by 142 percent, which gradually minimized the foreign exchange rationing, was also notable in bringing changes in the coffee industry.[38] It increased the role of local coffee markets and number of traders and cooperatives in the regions. This was because the amount of paper money circulating in the region had remarkably increased and many people were able to count in thousands but the purchasing power of the currency remained significantly weak.

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[34]Girma Adugna *et al* (ed.), p. 2; and The MoARD, "Agricultural Marketing Sector..."(2007), p. 1.

[35]EPRDF, "*Agricultural Polices, Programs and Targets for a Plan for Accelerated and Sustainable Development to End Poverty (PASDEP) 2005/6-2009/10*" (Ministry of Agriculture and Rural Development, Addis Ababa, 2006), p. 120.

[36]*Ibid*, pp. 148-150. It explains that, particularly from 1991 to 1994, though reforms have since continued, the nature of reforms and other events was very remarkable. It also notes that, owing to the new political situation emerged after the end of the civil war in 1991; security was restored in most parts of the country at least until the late 1990s.

[37]EPRDF "Rural Development Polices Strategies and Instruments" (Compiled Policy Draft Translated Document, Ministry of Information Press and Audiovisual Department, Addis Ababa, 2001), pp. 171-178.

[38]EPRDF, "Ethiopia: Sustainable Development and Poverty Reduction Program" (Compiled Policy Document, Ministry of Finance and Economic Development, Addis Ababa, 2002), pp.20-23. It shows that, no inflationary effects followed from the devaluation, partly helped by good harvests. Close to zero inflation in 1992 and low inflation in subsequent years due to strong depreciation of the real exchange rate. In 1992, fertilizer market reform was started with the gradual removal of subsidies.

9.2 Legal Provisions and the Coffee Market in the Regions: 1941 to 2010

Cognizant of the role of coffee in economic, political, social, cultural and environmental situations of the country, governments of Ethiopia have set a series of legal provisions that govern coffee industry since the first half of the 1950s. These laws have been successively amended to regulate various aspects of the coffee industry like quality, grading, marketing and roles of regulatory organs. Up to the 1970s, however, efforts to institutionalize systems of the coffee economy remained unsuccessful, and the main actors of the period were intermediaries namely, collectors and brokers.[39] Weaknesses of institutions liable to secure communication among different market participants forced the whole coffee system (particularly controlling quality of the product and checking activities of market actors) to function under the mercy of intermediaries.

Impacts of legal and regulatory regimes that governed coffee industry of the country in general, and Gedeo and Sidama in particular during the three successive regimes put their finger prints in affecting it. The discussion below shows legal provisions related to coffee economy and level of their implementation. It explains the impact of legal regimes on continuity and changes in the interaction and reaction stakeholders at all levels and how their interactions were regulated vertically across time after 1941. It also explicitly examines the role of institutions and policy environments in managing crises and addressing reforms related to coffee sector in Gedeo and Sidama from 1941 up to 2010.

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[39] Alemayehu Geda, "Trade Liberalization and the Coffee Sub-Sector: Some Implications for the Food Sub-Sector" (Study Prepared for Action Aid, Addis Ababa: Action Aid Ethiopia, November 1999), p.16; and Alemayehu Geda, "The Macroeconomic Environment and Ethiopian Agriculture" (Department of Economic, AAU, Unpublished, 2003a), p. 87. He argues that after 1941 the bulk of production has come from small-scale producers of southern, southwestern and eastern Ethiopia, from where it is channeled through privately owned marketing system to auction in Addis Ababa or Dire Dawa. He also shows that it is then purchased by exporters for further processing and onward shipment. This marketing structure has evolved in a highly regulated way, comprising a set of gradually flourished institutional relationships which in a number of ways predate both the current government and the *Därg*.

9.2.1 The Imperial Period

It was during the Imperial government that actors other than farmers and traders, particularly brokers emerged, and started to play a major role in the coffee economy.[40] On pieces of clothes, they used to display samples of various coffees coming from different areas and circulate them to exporters and domestic traders. It was a very traditional and disorganized approach, which did not effectively show quality of the product, and reduced national income both from local and global coffee markets.[41] Besides, lack of adequate information increased vulnerability of farmers, local suppliers, even traders and the entire coffee market system to the manipulation of brokers. Thus, high cost and arbitrariness remained main features of the coffee trade which subjected the trading system particularly farmers and local suppliers to the mercy of brokers. The situation of local markets in Gedeo and Sidama was completely unrewarding for both collectors and suppliers because the absence of centralized market system favored illicit trade to flourish, enjoy maximum benefit and attract the largest number of participants, where the most beneficiaries were brokers.[42]

Such mishandlings of coffee both at local and national markets forced governments to take rescue measures. Accordingly, in 1952 for the first time, the Ethiopian government produced a guideline that brokers who were involved in the coffee trade should meet.[43] Second, it passed a law that prohibited exporting un-cleaned and ungraded coffee. By virtue of this legislation, only

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[40] MoARD, "Agricultural Marketing Sector, *Coffee: the Gift of Ethiopia to the World*," pp. 11-13.

[41] *Ibid.* It shows that the country was not getting as much foreign currency as it was producing. This was mainly due to constraints related to the quality of the coffee as it could not meet the international quality standards.

[42] Informants: *Ato* Wubeshät Tägäñ, *Ato* Shikurē Shafi and *Ato* Worana Wotango. They were coffee merchant of the 1980s and 1980s. They agree that it was the period when everyone in the regions preferred to involve in the illicit coffee trade, which traversed Bale and Harar. As coffee merchants, they noted times that they faced a serious shortage of coffee supplies.

[43] *Nägarit Gazēta*, a Proclamation to Prohibit Export of Un-cleaned and Ungraded Coffee, 1952, Art 3, Proclamation No. 121, Year 11, No. 5. In this respect, Ethiopian coffee had to face either of two interrelated annoying circumstances: that a bulk of coffee did not qualify to be loaded on the ship and if it was shipped, it could have been 'forcefully' unloaded at the 'consumers end' like the one shipped to the US but dumped to a sea at the New York port in the early 1950s.

coffee certified to be cleaned and graded by licensed cleaners and graders could be destined for export; thus, export or any attempt to export coffee not certified in accordance with this law was punishable.[44]

It was a proclamation that empowered the Ministry of Commerce and Industry to prepare a regulation consisting of detailed specifications of cleanliness and grade.[45] The Ministry was also mandated to offer a license for those who qualify for the business of cleaning and grading of coffee and abrogate it whenever coffees did not comply with specifications. Finally in 1952, the Ministry publicized a legal document called the Coffee Cleaning and Grading Regulations.[46] In the document taxonomy of coffee based on its origin, size, shape and type was introduced as an additional approach to regulate coffee markets. The regulation also obliged licensed cleaners and graders to have an export certificate for the coffee that qualifies for export; and domestic supply certificate for the coffee destined to domestic consumption.

This was an important development that instilled competitions between certified and uncertified coffee merchants, and formal and illicit coffee markets in Gedeo and Sidama.[47] This was because coffee merchants were forced to register for certification based on number of coffee farmers that they could get supply from in return for the provisions they made to support farmers to increase

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[44] *Ibid.* In this case punishments were two cumulative penalties: a fine of E$ 1,000 and confiscation of such coffee which may be cleaned, graded and exported for the account of the government.

[45] *Ibid.*

[46] *Nägarit Gazēta*, Coffee Cleaning and Grading Regulations, 1952, Art 2, Schedule A, Legal Notice No. 161, Year 11, No. 7. Since 1952 the domestic coffee market was destined to enjoy the coffee whatever it origin, size, shape and type but failed to meet international standards. The local market was given very little attention and identified as a garbage pit to dump the coffee a very poor quality because its purchasing power was extremely low. Even today the situation remained the same.

[47] Informants: *Ras* Mängäsha, G. Bäkälä, *Ato* Wubät and Ato Käbädä. They argue that, backed by armed force licensed ones, who were proud of their certificate, wanted to dominate regional markets and block commercial activities of uncertified smugglers. They further indicate that it was one of the most hectic periods in Gedeo and Sidama, which affected the traditional long-distance trade of the region. They also show that the new market approach estalished by the 1952 regulation benefited only the few licensed ones and maximized the government income at the expense of those who used to depend on smuggling. Finally they explain that smugglers manifested their grievances to the new legal based centralization of coffee market. This was because it was exclusively designed to accommodate the few, who were given missions to control markts and block the flow of coffee to somewhere informally. As a result, the marginalized once opted for banditry acts as a means to display their dissatisfaction that became common experiences of region and affected the production of coffee.

productivity of the plant and quality of the product. Thus, traders who were looking for a certain kind of certificate were forced to produce a minimum signature of fifty coffee farmers. This was a situation which made many coffee merchants and brokers to move to rural areas and convince coffee farmers to become their business partners based on various agreements.

However, after few years the regulation was amended by Legal Notice No. 196 of 1955 because it restored the traditional way of cleaning and grading due to additional costs that the mechanical modern cleaning system incurred.[48] It also failed to set a high-quality grading system to the satisfaction of importers. Complaints of coffee farmers, processors and merchants in some producing areas including Gedeo and Sidama appeared another challenge to implement the regulation strictly.[49] Therefore, to overcome crises, the new regulation voided three schedules and employed different type of classifications.[50] New classifications were made on the basis of the percent of moisture in the weight of the bean, the number of defects, absence of mold and noxious fermentation and origin of the coffee which was requested to be as "Harar," "Sidamo," "Jimma" or "Naqamtee." Finally, as to the grade, the regulation introduced a new grading system which rated cleaned and graded coffee from grade 1 to 5 based on the degree of defects involved in the coffee but it was not in the present context. But it did not still categorize what sort of coffee is destined for export and which one for domestic consumption. As a result, quality coffees that came from Gedeo and Sidama were forced to join the market for domestic consumption instead of generating more foreign currency from export.[51]

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[48]*Nägarit Gazēta*, Coffee Cleaning and Grading Regulations (Amendment) 1954, 1955, Schedule A, Legal Notice No. 196, Year 14, No.8.

[49]Informants: *Ras* Mängäsha, G. Bäkälä, *Ato* Wubät and *Ato* Käbädä.

[50]Coffee Cleaning and Grading Regulations, No.196/1954/5. It shows that the percent of moisture in the weight of the bean should not exceed 11.5% and the number of defects should not totally exceed 100. The number of defects and grades were: Grade 1 (0-3 defects), Grade 2 (4-12 defects), Grade 3 (13-25 defects), Grade 4 (26-45 defects), and Grade 5 (46-100 defects). Finally it notes that a coffee with more than 100 defects is considered, by this regulation, as unclean.

[51]Teketel Hailemariam, p. 78.

Of the measures taken in the 1950s regarding the coffee industry, the most notable one was the establishment of the National Coffee Board. Prior to the formation of the National Coffee Board, two institutions were authorized to manage different aspects of the coffee sector. Accordingly, the Ministry of Commerce and Industry was entitled to enforce laws concerning coffee quality and licensing individuals involved in the coffee business.[52] Similarly, the Ministry of Agriculture had a unit to deal with coffee since the 1940s though its main duty was extension services.[53] However, the two Ministries were unable to form a horizontal link because of the absence of guidelines defining their respective roles which caused confusion and overlapping of reactions. Thus, establishing the National Coffee Board mandated to manage all coffee cases that hitherto were handled by the two institutions was found to be an important step to bring uniformity of orders in the coffee sector and settle disputes. Accordingly, in 1957 the National Coffee Board was established by Decree No 28/ 1957 and liable for wide-range of duties and responsibilities.[54]

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[52]Minister of Commerce and Industry, "The Coffee Market Regulations," Legal Notice No. 308/ 1955, p. 3. The document shows that the 1956 Regulation which amended this law extended the grade up to grade 7. As it clearly states, coffee with 100-153 and 154-340 defects is rated as Grade 6 and Grade 7, respectively. According to the document, if the number of defects exceeds 340 (as compared to 100 in the former one), however, it is classified as 'Unclean' (here for the detailed understanding of the case in point, it is important to see Coffee Cleaning and Grading Regulations (Amendment) 1956, 1955, Art 2, Legal Notice No. 198, Year 14, No. 3. Legal notice No. 219 of 1959 which further amended the regulation described grades 1 to 5 as usual Good Quality and further included grade 8 for coffee with over 340 defects and described it as Sub-standard grade; and see also Regulations issued in pursuant to Coffee (Cleaning and Grading) Proclamation, 1959; Schedule a, Legal Notice 219, Year 18, No. 5).

[53]Minister of Agriculture, "The Coffee Certificates of Origin Regulations" Legal Notice No. 128/ 1955, p. 5.

[54]*Nägarit Gazēta*, A Decree to Make Provision for the Establishment of a National Coffee Board, 1957, Article 3 (a) to (g), Decree No. 28, Year 16, No. 4. This legislation was readopted by a parliament in 1961 with slight amendments and renumbered as Proclamation No. 178/1961 (see also The National Coffee Board Proclamation, 1961, Art 2, Proclamation No. 178, Year 21, No. 1 and Art. 4 (a) to (h)). According to this readopted legal document, it responsibilities in brief were the following such as, "enforcing the Coffee Proclamation of 1952 and other subsidiary legislations; reviewing all legislations dealing with coffee and making recommendations concerning the way they should be strengthened; consulting stakeholders on what legislative and administrative measures should be in place to improve Ethiopian coffee; collecting and publishing market information and statistics relating to coffee trade; encouraging production and marketing of coffee by cooperatives; recommending taxes to be imposed on coffee." Finally, the law that formed the Board also allowed the Minister of Commerce and Industry to issue regulation which levies tax on exportable coffee for the first time. Evasion or an attempt to evade tax became an offence punishable by fine not exceeding three times the amount of the tax or up to six months jail. Based on this provision, the Minister passed a regulation which imposed tax at the rate of E$1 per quintal.

To discharge its duties and responsibilities effectively, the Board was provided with extensive powers.[55] For example, the board was vested to exercise all powers of the Ministry of Commerce and Industry as provided by the Coffee (Cleaning and Grading) Proclamation of 1952 and other subsidiary laws to the extent of making regulations. It was also mandated to construct, operate or lease warehouses, coffee processing and cleaning plants, market place/compound, experimental and research stations, etc. and undertake research on such and similar activities. Finally, the proclamation enabled the Board to establish a Coffee Exchange in Addis Ababa and allowed it directly to engage in coffee trade under exceptional circumstances.[56] To strengthen the Board and enforce its decision a special court that was dedicated to see cases concerned only with coffee was established in 1964.[57] After establishing the head office in Addis Ababa, it opened branch offices in the towns of each coffee producing *wärädas* of the country. As a result, in Gedeo and Sidama it opened about nine branch offices mandated to deal with coffee cases. This was also another historical development, which brought several changes that are shown in chapter five and six.

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[55]Legal Notice 218/ 1959, p.8. This regulation empowers the Board to issue license to coffee traders except for retailers who buy coffee from licensed coffee dealers or growers as provided in Art V. It also sets down the types of licenses the Board may issue which include "Coffee Dealers "A" License" (for coffee export license), "Coffee Dealers "B" License" (For Domestic traders), "Pulping station "C" License" (for those who engage in Pulping and drying), "Drying Station "D" License" (for those who operate a drying station) and "Cleaner and Grader "E" License" (for those who engage in the business of cleaning and grading). See also Regulations issued Pursuant to National Coffee Board Decree 1957, 1959, Art VI, Legal Notice No. 218, Year 18, No.5. "Warehouseman's "F" License and Vehicle's "G" License" were also included in Legal notice No. 324/ 1966. Finally, such license categories were void and replaced by the following descriptions of different Legislations that came in 1973 such as, License to Trade Coffee with in the Country, License to Wet Process Coffee, License to Store Coffee, License to Transport Coffee, License to Clean and Grade Coffee, and License to Export and Trade in Coffee. As it explained in chapter nine the above legal provisions were significant in causing several changes in Gedeo and Sidama.

[56]A Decree to Make Provision for the Establishment of a National Coffee Board, 1957, Art 3 (a) to (g), Decree No. 28, Year 16, No. 4, p. 6; *Negarit Gazeta*, Coffee Certificates of Origin Regulations, 1965, Art 4, Legal Notice No. 308, Year 25, No. 1; Regulations Issued Pursuant to the National Coffee Board Proclamations, 1966, Art 2, Legal Notice 323, Year 26, No. 4 (note that this regulation was issued pursuant to Proclamation No. 178/ 1961 which adopted the 1957 National Coffee Board Decree with slight amendments); and *Nägarit Gazēta*, Art 3 (9) of Proclamation No. 310 (1973), p.12.

[57]*Addis Zämän*, Vol. 34, Year 23rd (6 October 1956 E.C.), pp. 1, 2 & 6; and *Ibid*, (10 October 1954 E.C.), pp. 2 and 4. The Proclamation does not define Coffee Exchange. This gap was filled by the 1973 National Coffee Board Proclamation which defines it as "a place where those persons licensed by the Board may meet to participate in the purchase and sale of coffee under the supervision of the Board. With the approval of the Council of Ministers, the regulation also permitted the Board to engage in coffee trade for a year whenever unique situations happened. The provisions included buying, cleaning, decorticating, processing, storing and exporting coffee and lending money against warehouse receipts. In giving effect to this article the Council of Ministers approved that there were exceptional circumstances in 1966 that gave green light to the Board to engage in coffee trade. This regulation doesn't, however, state the exceptional circumstances that call for the Board's participation in coffee trade.

Coffee Certificates of Origin Regulations which were issued by the Ministry of Commerce and Industry (Legal Notice No. 308/ 1965), introduced certification of coffee based on its origin but not for the first time and it legalized the system, which already existed since 1957. It permitted the Board to involve in the certification process.[58] Finally, in 1969, an occupational association called the Ethiopian Coffee Exporters' Association was established.[59] Some of its objectives were uniting coffee exporters, improving the quality of Ethiopian coffee, promoting Ethiopian coffee both locally and globally, assuring formation of coffee exchange centers, standardizing the trading system. As it has already been noted in chapter five, in line with experiences of Jimma, in Sidamo particularly at Yirgaläm, Alätawändo, Dilla, Wonago, Yirgachäffē and WalayitaSodo coffee traders associations and special taskforces aimed at controlling the coffee economy were established by the Board (see also appendix xiv).[60]

In 1972, Exporters Association and the Board together formed "Coffee Auction Centers," (which were formed at Addiss Ababa and DirēDawa), a new market system introduced to serve as center of information and coffee transactions.[61] It persisted until August 2008 (up to the enactment of a new law which introduced a new market system as a substitute for it). It replaced the former coffee transaction system that was conducted through brokers, where producers had to spend days to locate buyers and they often used to sell their coffee at the price buyers offered.[62] The

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[58]Minister of Commerce and Industry, "The Coffee Certificates of Origin Regulations," Legal Notice No. 308/ 1965, p. 3. Accordingly, all coffee grown in Ethiopia and destined for export qualified for a Certificate of Origin and Certificate of Re-export was to be issued for all coffee imported to Ethiopia and destined for re-export as per Art 5. Art 7 on the other hand empowered the Board or any other agency delegated by it to issue both certificates for that purpose.

[59]Minister of Commerce and Industry, "The Coffee Exporters' Association," Legal Notice No. 312/ 1969, p. 2.

[60]National Coffee Board Proclamation (1973), Article 2, Proclamation No. 310, Year 32, No. 12, p. 2-3; and *Adiss Zämän* Vol. 34 Year 27th, new about the formation of coffee exporters association under the Board (10 *Teqemet* 1965 EC.), pp. 2 and 4. In general, the documents shows that the abovementioned laws undertook successive amendments at different times. In 1973, however, government approached amendment in a holistic manner and came up with comprehensive legislations that repealed many of the laws including the 1952 Coffee (Cleaning and Grading), the 1961 National Coffee Board proclamation and their subsequent amendments. It solved the pitfalls of coffee traders coming from producing provinces.

[61]Minister of Commerce and Industry, "Establishment of the Coffee Auction Market" Legal Notice No. 312/ 1972, p. 10. The legislations are legally binding documents to specify and govern the role of actors like producers, processors, collectors, suppliers, brokers, wholesalers, retailers, warehousemen, financing institutions, consumers and regulators.

[62]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and Ato Käbädä.

branch offices opened in major coffee markets and producing *wärädas* of the regions played significant role in restructuring the traditional and age-old system of trade. They also contributed in channeling the coffee of Gedeo and Sidama to join directly the national auction center, which to some extent reduced the role of smugglers and brokers in the regions.

In 1973, the Board was re-established as an autonomous public body with two prime goals, improving the quality and quantity of coffee to increase the national export.[63] It was the primary organ to control coffee production, harvesting, processing, possession, storage, movement, transportation, purchase, sale, and export.[64] However, the power to issue regulations has still remained to be the privilege of the Ministry of Commerce, Industry and Tourism.[65]

As it is shown in chapter six and seven, these proclamations had brought lots of changes in the coffee industry of Gedeo and Sidama. For example, it allowed any interested individual to engage in the coffee sector as far as he/she has a capital adequate enough to run the business to meet government expectation. It was due to opportunities created by the proclamation, mainly providing loans to interested individuals; the number of coffee traders and processors was able to increase. Market opportunities appeared to expand in corridor areas of the province and about seventeen and twenty three coffee purchasing centers were opened in Gedeo and Sidama respectively.[66] Such empowerment of the Ministry of Commerce, Industry and Tourism

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[63] *Nägarit Gazēta*, National Coffee Board Re-establishment Order (1973), Article 2, Order No. 84, Year 32, No 12. It was given "all powers necessary for the attainment of its purposes." The Board also granted with powers to develop and enforce policies and programs in lieu of government regarding matters of jurisdiction and establishing branch offices.

[64] *Ibid.* By this virtue, the board had powers to fix and control the price of coffee leveled both for export and domestic consumption; establish and supervise coffee exchange where coffee was traded by public auction; provide arbitration forum to solve disputes around coffee market; allocate export quota among exporters; fix, impose and collect tax on coffee grown in and exported from Ethiopia that may not exceed E $ 3 per bag; enter into global obligations as to coffees representing the country.

[65] Coffee Board Regulations, 1973, Legal Notice No. 441, Year 32, No. 30; Coffee Cleaning and Grading Regulations, 1973, Legal Notice No. 442, Year 32, No. 30; and Coffee Export Regulations, 1973, Legal Notice No. 443, Year 32, No. 30. By virtue of this power, the Ministry of Commerce, Industry and Tourism issued three important legislations. These are: the Coffee Board Regulations, Coffee Cleaning and Grading, and Coffee Export Regulations. These legislations empower the Board to, among other things, issue license and renew, modify, or revoke it.

[66] Ministry of Agriculture, Report on Expansion of Coffee Market (Addis Ababa: Marketing Department, 1989), p. 48.

specifically to look after the industry played a notable role in expanding coffee economy, increasing the amount of capital circulating, improving the infrastructure etc. in the regions.

To conclude, in the Imperial period, the Board was mandated to supervise overall enforcement of laws pertaining to coffee industry. For example, opening of branch offices in coffee growing areas; promoting production of quality coffee by working closely with farmers, traders and exporters; expanding washed coffee, constantly updating stakeholders with information about changes in the world market by representing the country in the International Coffee Organization (ICO); and participating in international meetings, etc. were among the most notable success stories of the Board. Finally, despite ideological differences that were held between the Imperial and the *Därg* regimes, the Board was able to survive only for a few years and ultimately replaced by the Coffee and Tea Development and Marketing Authority, which also resulted in modifying production, processing and marketing structures of the country.

9.2.2 The *Därg* Regime and the Coffee Market

In 1974, the Provisional Military Administrative Council (PMAC) or the *Därg* seized power by deposing the Iimperial government. It held the view that the feudo-bourgeois regime of Emperor HaileSelassie and its pro-capitalist and pro-feudal policies were responsible for the stagnation of economic performance and, generally, backwardness of the country. Thus, it redirected overall development policies along the socialist line which was believed to rescue the country from persisting socio-economic predicaments. Thus, in February 1975 the Economic Policy of Socialist Ethiopia was launched, which made the government the main actor of development with all privileges to be involve in every aspect. [67]

[67] Andargachew Tiruneh, p. 192; Dejene Aredo & Mulat Demeke, "Ethiopian Agriculture: Problems of Transformation," p.79; and Alemayehu Geda, "The Macroeconomic Environment and Ethiopian Agriculture," p. 87.

With regard to the coffee economy, various measures were taken to socialize it. For example, the regime started to play its part by amending the 1973 National Coffee Board Proclamation to enable the Board to process, possess, store, transport, purchase, sell and export coffee.[68] Despite this fact, the amendment in fact brought no change in the role of the Board because it continued to carry out the same businesses as in its early days. In 1978, after five years, however, a new legislation, which revoked this and other coffee laws, was enacted to form a new legal body, the Coffee and Tea Development and Marketing Authority, an independent body with distinct prerogatives replacing the Board.[69] The new authority was basically formed to enable the government to involve actively in coffee production and marketing.[70] All of the powers and duties of the Board like maximizing production, quality, industrial processing and export of coffee were transferred to this Authority.[71]

Concerning the coffee of Gedeo and Sidama, the above-mentioned changes were very important because they resulted in technology transfer that helped to improve coffee production, processing and marketing. For example the establishment of the Authority mechanized the production and processing aspects of the economy and centralized the marketing system ever than before, which helped coffee farmers to supply their coffee product timely and with out getting wasted.[72] It financially and technically empowered PAs and Cooperatives and government owned enterprises to open modern coffee processing stations in different coffee producing *käbälēs* of the two regions. It also expanded extension service by undertaking extensive training of DAs to help

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[68] *Nägarit Gazēta*, National Coffee Board (Amendment) Proclamation, 1975, Art 2, Proclamation No. 57, Year 35, No. 6.

[69] *Nägarit Gazēta*, A Proclamation to Provide for the Establishment of Coffee and Tea Development and Marketing Authority, 1978, Art 4, Proclamation No. 134, Year 37, No. 4.

[70] *Ibid*, Preamble of the Proclamation, p. 4.

[71] *Ibid*, Art. 6, p. 31; and Art 19, p. 22. Note that Art 7 of this proclamation adopted almost literally all the powers and responsibilities of the Coffee Board provided by Art 4 of Order No. 84/ 1973 and Art 4 of Proclamation No 310/ 1973.

[72] The Ethiopian Coffee and Tea Development and Marketing Authority, *Coffee Development Plan* (Addis Ababa, ECTDMA, 1979), p. 11-13; and Informants: *Ato* Tayä G/Mariam, *Ato* Abu Hanfato, *Ato* Azänä Kibamo and *Ato* Eshätu Chaka.

coffee farmers to increase productivity and quality of the crop. It was, as a result of package program employed by the Authority that problems related to storage, transportation and chemical supply relatively tackled.[73] On the other hand, it was followed by nationalization of firms and farms, which resulted in an overwhelming government monopoly of the industry and denial of individuals' right to run the commerce.

Unlike former laws that gave coffee sector to the Minister of Commerce and Industry, this proclamation empowered the Minister of Agriculture and Settlement to issue regulations vital to implement the proclamation as provided in Article 20. In addition to this, the Minister was empowered to establish Coffee Marketing Corporations.[74] As per the power entrusted to it by the proclamation, the Ministry of Agriculture and Settlement issued regulations establishing the Ethiopian Coffee Marketing Corporation.[75] It was a public enterprise formed with the goals of strengthening and developing coffee markets of the country and participating in the market particularly in purchasing, storing, processing, transporting, selling and exporting of coffee to meet national interests.[76]

Finally, in line with government policies, the regulation allowed the Ministry to order the corporation to promote its missions and persuade higher officials of the government.[77] As a result of the permission and support that it got from the government, the corporation was able to

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[73] *Ibid.*

[74] The Ethiopian Coffee and Tea Development and Marketing Authority (1979) Art. 7, p. 28; and Yared Berhe "The Legal Regime Regulating Coffee Trade in Ethiopia" (LLM in Business Law, School of Law, AAU, 2010), p. 20.

[75] Ethiopian Coffee Marketing Corporation Establishment Regulations, 1978, Art 5, Legal Notice No. 59, Year 37, No. 5, p.20. In this regard, the Authority was given power to direct and control the activities of the Corporations. This reform also transformed the institutions from more of regulatory organ to active participant in the coffee trade.

[76] *Ibid*, Art. 6, p. 47; and Art. 7, p. 50. It was established with a principal office in Addis Ababa and possible branch offices in other areas in Ethiopia and abroad. Art 7 of the regulation lists out the specific powers and duties of the corporation which include, but not limited to, lending money to coffee growers associations, giving coffee processing services by charging fees, establishing adequate facilities for the processing and marketing of coffee and collecting relevant market information and statistics relating to coffee trade and submitting to the Coffee and Tea Development and Marketing Authority.

[77] *Ibid*, Art. 10, p. 128.

dominate coffee market by opening 55 new purchasing stations, of which six were opened in Gedeo and Sidama.[78] It was a notable reform in opening markets in remote areas of the province, which relatively reduced transportation coast and wastage of time by coffee farmers.[79] It also helped farmers to reduce the rate of contacts with towns and save their money against tempting town situation.

The Proclamation No. 179/ 1980, however, transformed the Coffee and Tea Development into a Ministry with some additional powers and responsibilities.[80] The Minister of Coffee and Tea Development was particularly mandated to issue, suspend or invalidate license of coffee traders, exporters, importers, and trade auxiliaries; establish and supervise organizations which produce, purchase, clean, store, export, import coffee; fix price of coffee for both export and domestic consumption; control coffee movement by using all possible means including setting checking stations where necessary.[81]

As informants indicate, it was a period characterized by high rate of coffee smuggling because in Gedeo and Sidama, nationalization of coffee farms, power gap in the implementation of new directives, weak system of the newly formed Ministry to look after coffee business, and conspiracies undertaken by remnants of the former regime appeared good opportunities for smugglers to enjoy markets more than ever before.[82] On the other hand, the Ministry played an important role in expanding more productive disease resistant varieties by opening germination

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[78] *Ibid.* According to the document, the corporation was engaged in processing, storing, purchasing, selling and exporting of coffee. Generally, it took about 80% of the coffee market in general and 90% of coffee export in particular. The remaining 20% and 10% of the general coffee market and coffee export respectively were shared by the coffee cooperatives and the private sector. It, and to a lesser extent the cooperatives also had monopoly over washed coffee. These circumstances, consequently, limited the participation of the private sector in the coffee economy to negligible share.

[79] Informants: General Bäkälä, Ato Wubät, *Ato* Käbädä and *Ato* Shikurē Shafi.

[80] *Nägarit Gazēta*. Definition of Powers and Responsibilities of Ministers Amendment Proclamation, 1980, Art 2 (20), Proclamation No. 179, Year 39, No. 8, p.22.

[81] *Ibid*, Art 2(20) 1 to 21, pp. 4-16.

[82] Informants: *Ato* Girma Bäkälä, Colonel Kasahun Bälachäw, *Ato* Eshätu Chaka and *Ato* Märgia Tägäñ.

center/seedling station in each *käbälē* of coffee growing areas. For example, about 28 and 53 seedling stations were established in Gedeo and Sidama respectively.[83] It also contributed a lot in expanding coffee markets and processing centers.

Another very strong law was issued in 1984, the Coffee Trade Proclamation, aimed at maximizing benefits of the country from coffee.[84] The proclamation broadened the definition of coffee trade to include coffee cleaning, collection, supply, roasting, wholesaling, retailing or acting as coffee trade auxiliary.[85] Article 4(1) of this proclamation prohibits any person to engage in coffee trade without license to be issued by the Ministry of Coffee and Tea Development. Similarly, sub Article 2 forbids transporting or storing of coffee without permission of the Ministry.[86] Along with the above mandates Article 10 (2) also allowed the Ministry to suspend or revoke a license whenever it found any sort of act violating the government policy.[87]

For example, in Gedeo and Sidama the proclamation provided legal ground for government officials to protect markets from uncertified and unregistered (intruders) coffee traders, largely surviving members of the Imperial regime. Largely they were called "*adhariwoč, aqorquažoč*

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[83]Ethiopia, Ministry of Coffee and Tea Development, "Coffee Production, Processing Transport, Storage and Marketing Study: Final Report, "in *MCTD/ULG: Worwick, England ULG Consultants Limited in Association with Food Studies Group*, Vol. 3 (1987), pp. 61-62

[84]*Nägarit Gazēta*. Coffee Trade Proclamation, Art 2, Proclamation No. 263/1984, Year 43, No 14, p. 2. The issue of maximizing national benefits of the country from coffee was secured by, the preamble that states, proper regulation of the movement, storage, cleaning, sale and purchase of the commodity as well as clearly defining the rights and duties of the participants in the transaction of same. This proclamation repealed all laws relating to coffee except Regulations No. 47/ 1976 (The Cess on Coffee Export), Regulations No. 59/1978 (Coffee Marketing Corporation Establishing Regulation) and Arts 1, 2, 12, 15, and 18 of the Coffee Board Regulations (Reg. No. 441/1973).

[85]*Ibid*, Art 3(3), p. 5. According to the document Coffee Trade Auxiliary is defined as a "person engaged in the business of purchase and sale of coffee on behalf of a foreign coffee buyer" as provided in Art 3(4).

[86]*Ibid*, Article 10(1), p. 9. The document also indicates that after issued, such license may be suspended and/or exceptionally revoked by the Ministry for the following reasons: failure to handle coffee in the prescribed manner; transportation of coffee without authorization; storage of coffee in a place other than registered premises; selling coffee in contravention to the terms provided in the license; cleaning or grading below the Ethiopian standard; failure to submit information required by the Ministry; and failure to comply with regulations or written directives of the Ministry.

[87]*Ibid*, Article 11, p. 10. This part of the articlcle notes that any person aggrieved of the decision of suspension or revocation of his license was allowed to appeal to the Minister of the same Ministry and his decision was final.

and *fudaloč"* (feudal), who used to dictate markets indirectly by lending money at lower interest and renting cars and stores at lower prices below what government set for the case.[88] Acts of revoking or suspending licenses of suspected individuals by notorious and corrupted *Därg* officials had affected entire economic activities of the region. Infrastructural and financial aspects of the coffee market in the regions were largely dominated by migrants and hunting for them had seriously troubled the sector. Some of my informants reflected their dismay of the *Därg* particularly in relation to mistreating individuals, who had relation with the Imperial period and put it as follows: እኛን ጨቋኝ አሉንና እነርሱ ደግሞ አሻሽለዉ ነብሰ-ገዳይ እና ወሮበሎች ሆነዉ አረፉት።እኛ ንብሱንና ፈጣሪን እንፈራ ነበር። በርግጥ ጉልበት፤ ገንዘብና ንብረት በዝብዘን ይሆናል። ነገርግን እነርሱ ለህግ የማይገዙ፤ መሪዉን፤ ፓርቲያቸዉንና ፈጣሪን የማይፈሩ፤ ለሰዉ ህይወት ክብር የሌላቸዉ ደንታቢስና ጨካኞች ሆነዉ ተገኙ። Literally means: "They called us oppressors; however, they became exceedingly merciless killers and robbers. We used to pay due respect for the Emperor and the God even if we exploited labor, money and other properties. But they became totally unruly people who did not respect their party (leader) and fear the God and failed to value human life."[89]

Part III of the proclamation, which is devoted to describe obligations of coffee traders, states the three basic requirements that all coffee traders ought to meet.[90] It also provided detailed obligations of different types of traders including exporters.[91] Furthermore, rules specific to

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[88]Informants: General Bäkälä, *Ato* Wubät, *Ato* Käbädä and *Ato* Shikurē Shafi. They were also collectively suspected as the moving sprit behind the illicit trade. This was because some of the suspects were found sponsors of smugglers, who claimed the lion's share of the profit due to informal deals that they made with the merchants.

[89]Informants: *Ras* Mängäsha, *Ato* Wubät and *Ato* Käbädä.

[90]*Nägarit Gazēta*, Coffee Trade Proclamation, Article 13, p. 12. According to the document requirments include obligations to buy or sell coffee at the price fixed and at the area approved by the Ministry; to register the coffee stores with the Ministry and store only in such stores; and to submit reports about their business to the Ministry periodically or when required.

[91]*Ibid*, Article 14, p. 13; Article 15, p. 13. Article 16, p. 14; and Article 24(1), p. 19. According to these provisions, coffee collectors were required to sell their coffee to coffee suppliers or to appropriate government body within the time fixed by the Ministry. Coffee suppliers were also obliged to sell their coffee to exporters at a designated auction hall or to appropriate government organization. Accordingly, they were required to buy coffee from designated auction hall and at a price fixed by the Ministry. Additionally, it was mandatory for them to process and export coffee where it meets the required export standard and registers the sale contract with in the Ministry; and if it does not meet the standard to sell it to appropriate government body at the price fixed by the Ministry. Finally, the Ministry was also empowered to determine export price.

wholesalers, retailers and roasters were prepared.[92] Finally, after describing obligations that each stakeholder of the sector ought to obey, the proclamation further empowered the Ministry to decide on localities and conditions under which coffee trade in general and each type of trade may be undertaken.[93] According to informants, some traders preferred to join informal markets because strict control employed by branch offices of the Ministry in the province appeared unbearable.[94] As they put: "ሂድ አትበለዉ ግን እንዲሄድ አድርገዉ እንደሚባለዉ ነበር አካሄዳቸዉ።" Literally means: "They followed the principle of, do not tell him to go but make him to go."

Furthermore, in Gedeo and Sidama the problem was basically not with law but it was largely related to strictness of market control made by discriminating people based on their ethnic and property backgrounds. This problem that adversely affected created opportunities was resulted from reactions of some government official who failed to properly understand what has already been stated on the proclamation document. However, the proclamation steadily played an important role in increasing market opportunities, expanding infrastructure and the service sector, increasing the amount of capital circulating etc. in the province.[95] For example, to facilitate coffee supply from places of production to processing stations and finally to the national market major roads were asphalted and pedestrian roads developed into standard cleared roads. Each PA and käbälē in coffee producing areas of the regions were provided with Toyota pickup cars for the purpose of patrolling and transporting freshly harvested coffee cherries from places of production to processing stations. Parallel to this, shops were constructed nearby each

[92] *Ibid*, Art 17, pp. 20-21; Article 18, p. 21; and Article 19, p. 24. In these legal provisions, wholesalers and coffee roasters were required to buy their coffee only from government bodies as per the two Articles respectively. Finally, while wholesalers were obliged to sell only to retailers assigned to them by the Ministry, the later were required to buy from the former or government organs assigned to them and sell to consumers as prescribed by the Ministry.

[93] *Ibid*, Article 21, p. 24.

[94] Informants: General Bäkälä, *Ato* Wubät, *Ato* Käbädä and *Ato* Shikurē Shafi.

[95] Informants: Dr. Däjäne Kifle (MD), Colonel Kasahun Bälachew, and *Ato* Shahamo Hari'so.

coffee processing station called *yä gäbärē agälegelot mahebär* (association providing farmers with various service) to provide coffee farmers with stationary and protect them from embezzlements.[96] In general legal regimes of the *Därg* period (specific to coffee) brought several changes but they suffered from implementation problems.

9.2.3 Coffee Trade under the EPRDF from 1991 to 2010

Soon after the final collapse of the *Därg* in 1991, the Transitional Government of Ethiopia (TGE) formulated a new economic policy against government control of the economy that was practiced by the previous regimes of the country.[97] It suggested that the best approach to bring economic recovery was changing the role of the government and enormously restricting its role in the economy.[98] To this end, the TGE adopted a market-led economy, and took a number of liberalization measures, which it promised to, continue in the post-transition period with slight modifications, and was also repeated in the policy handbook of the FDRE. [99] Finally, it adopted an overall development strategy called Agricultural Development-Led Industrialization (ADLI), which makes agriculture a vehicle of growth and development.[100] In this case, it was the production of agricultural goods like coffee and horticulture, which temporarily won attention of the government. [101]

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[96] *Ibid.*

[97] TGE, "Ethiopia's Economic Policy during the Transitional Period" (An Official Translation, Addis Ababa, 1991), Section 1/1, p.3: and Alemayehu Getu, "Trade Liberalization and the Coffee Sub-Sector: Some Implications for the Food Sub-Sector" (Study Prepared for Action Aid, Nov. 1999. Addis Ababa: Action Aid Ethiopia, 1999), pp. 128-129.

[98] *Ibid,* Sections 1.1.1 to 1.1.5, pp. 2-8. According to the document in stead of directly involving in the trade activity the government was expected to concentrate in formulating policies and strategies, promulgating laws and regulations that promote economic development; investing in areas of essential importance where the private sector does not show interest, enhancing infrastructures, research and development and capacity building, stimulating the private sector, and regulating market failure.

[99] *Ibid,* An Introduction, p. 16.

[100] FDRE, *The Policy Handbook of the Federal Democratic Republic of Ethiopia* (Ministry of Foreign Affairs, Addis Ababa, 2005), Vol. i, p. 78.

[101] Rural Development Policies, "Strategies and Programs" (Amharic Version, Ministry of Information, *Hidar* 1994 E. C, Addis Ababa), p. 21. Initially it helped coffee to get attention of the government; however, it failed to last long.

Regarding coffee, the change made by the TGE was amending the Coffee Trade Proclamation of 1984. Despite this fact, it dealt only with the coffee trade license issuance and renewal fees.[102] By emphasizing the schedule of license issuance and renewal fees, the proclamation upheld continuations of former laws about price, market place and role of the government in the coffee market. The licensing and renewal fees introduced by Proclamation No. 263/ 84 were not only high but also excessive. Thus, to some extent, the fees inflicted an adverse effect on the coffee market because expensive fees resulted in reducing market participants.[103] For example, in the case of Gedeo and Sidama the fees had become unaffordable and forced some coffee merchants to withdraw from it.[104] It was also market specific and ignorant of other aspects of the industry.

Furthermore, in 1993 many regulations were issued to fortify the government role in the industry by increasing the number of government enterprises operating in the coffee sector. For example, the former Coffee Marketing Corporation was made to split into two enterprises, the Ethiopian Coffee Purchase and Sale Enterprise, and the Ethiopian Coffee Export Enterprise.[105] Similarly, in the same year two other enterprises were formed and started to take part in the coffee sector namely, the Coffee Technology Development and Engineering Enterprise, and the Coffee Plantation Development Enterprise.[106] The 1993 Regulation revoked the Coffee Plantation

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[102]*Nägarit Gazēta*, "Coffee Trade (Amendment)," Art, 2, Proclamation No, 70/1993, Year 52, No. 63, p.6.

[103]*Ibid.* It notes that, the license issuance fee for coffee export and coffee supply, for instance, was 20,000 and 10,000 respectively. The amended law reduced this to 200 and 150 respectively. However, it was still felt by many traders expensive.

[104]Informants: Dr. Däjänä Kifle (MD), *Ato* Dawit Wonbeto, *Ato* Shalamo Shaqo and *W/ro* Sirbale Hariso. They argue that it was very critical period for merchants with limited capital because the benefit that they got from coffee did not cover their coast. At the same time, the tax government levied on the traders was not only high but inconsiderate and unpredictable. Thus those, who got government support fated to go ahead but the rest defenseless ones forced to look for other alternatives.

[105]*Nägarit Gazēta*, "Coffee Purchase and Sale Enterprise Establishment Council of Ministers Regulations," Art 5, Regulations No. 1271993, Year 53, No. 8 (1993), p. 43; and *Nägarit Gazēta*, Ethiopian Coffee Export Enterprise Establishment Council of Ministers Regulations, Art 5(4), Regulations No. 128, Year 53, No. 9 (1993), p. 54. The former was established with main objectives of purchasing and transporting of coffee and selling same in the auction centers; stabilizing internal coffee market; and expanding hull stations. The objectives of the Ethiopian Coffee Export Enterprise on the other hand include buying coffee from the auction centers; processing, and exporting same. It was also empowered to process and store coffee for others.

[106]*Nägarit Gazēta*, Coffee Technology Development and Engineering Enterprise Establishment Council of Ministers Regulations, Art 5, Regulations No. 150/1993,Year 53, No. 31, p 16; and Art 6, Regulations No. 151/1993, Year 53, No. 32, p. 20. The first was Coffee Technology Development and Engineering Enterprise which was concerned with the construction,

Development Corporation which was formed by Legal Notice 84/1984 and its rights and obligations were shifted to new enterprise.[107]

It was the year that increased the number of organized and licensed groups of participants in the coffee sector of the two regions. This was because licensing process and criteria became very simple and short, which attracted many people to get registered for the case.[108] As a result, many individuals of the regions used to produce licenses of various sorts and keep in their hands to rent out them for someone was a common experience of the day, which also increased the number of coffee merchants.

Finally, ex-soldiers, who came from different fronts failed to get land for production; thus, most of them joined the coffee industry, which was able to provide them job opportunity. Coffee also appeared as the concern of the government and got due support. In 1994, another new enterprise, Coffee Processing and Warehouse Enterprise was formed to render coffee processing and warehousing services as provided in the regulation.[109] In general almost all enterprises formed in this particular period were allowed to discharge limited responsibilities and some of them were short-lived.[110] Owing to the strict government control and their early collapse all enterprises failed to bring considerable changes in the coffee market in Gedeo and Sidama. However, their temporal impact was notable as it is shown in this chapter.

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importation, distribution, repair etc. of coffee pulping and drying machines and other agricultural devises. The second one was the Coffee Plantation Development Enterprise with its objective of coffee production and managing some state coffee farms.

[107] *Ibid*, Article 9 and 10, pp. 21-24.

[108] Informants: Dr. Däjänä Kifle (MD), *Ato* Dawit Wonbeto, *Ato* Shalamo Shaqo and *W/ro* Sirbale Hariso.

[109] *Nägarit Gazēta*, "Coffee Processing and Warehouse Enterprise Establishment Council of Ministers Regulations," Art 5, Regulations No. 184/1994, Year 54, No. 4 (1994), p. 22.

[110] *Ibid*. In general, as the literature in legal documents shows, almost all enterprises formed by the interim government were provided with limited power. They were also formed for a brief time to carry out any sort of activity that could enable them to achieve their respective objectives. As a result, the legacy of strict government control in the coffee industry including the coffee market continued to be practical. The scope of government involvement was even increased through the different and all-around public enterprises mushroomed in those days regardless of their share in the market.

In 1995, intending to deregulate coffee production and marketing further, the Coffee and Tea Authority was formed as an independent public institution replacing the former Ministry of State Farms, Coffee and Tea Development.[111] As far as coffee was concerned, objectives of the Authority were enhancing the production and improving the quality of coffee, promoting coffee trade, encouraging processing of coffee and controlling its quality. To achieve the stated goals, the authority was empowered and required to shoulder many responsibilities, which its predecessors used to discharge.[112] The proclamation also shifted duties and responsibilities of the Ministry of State Farms, Coffee and Tea Development to the new Authority.[113]

The establishment of this new authority was important because it helped to settle anomalies caused by abrogated authorities and public enterprises and to take strong measures against misconducts in the coffee markets of Gedeo and Sidama.[114] For example, the most serious problem caused by abrogated authorities and enterprises, was issuance of dry check for empty account, which developed mistrust among stakeholders of the sector at various levels. Dissolved authorities and enterprises were also blamed for smuggling washed coffee, which is exportable. They were blamed for creating unnecessary contest in the coffee market by offering licenses for those who could not run the business but produced licenses simply to rent it for someone. Almost all heads of abrogated authorities and public enterprises found guilty of corruption and abusing

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[111] *Nägarit Gazēta*, Coffee and Tea Authority Establishment proclamation, Art 3, Proclamation No. 116/1995, Year 54, No.15, pp. 6-7. The Ministry of State Farms, Coffee and Tea was established by merging the previous Ministry of State Farms and Ministry of Coffee and Tea Development by the Definition of Powers and Duties of the Central and Regional Executive Organs of the Transitional Government of Ethiopia Proclamation. See *also Nägarit Gazēta*, Definition of Powers and Duties of the Central and Regional Executive Organs of the Transitional Government of Ethiopia Proclamation, Art 3(1), Proclamation No. 41/1993, Year 52, No. 26, p. 11.

[112] *Ibid*, Article 5, p. 19. Concerning the coffee trade, the major responsibilities were: formulation of policies and strategies; issuing directives relating to coffee trade license, and licensing coffee exporters, importers and trade auxiliaries; issuing coffee export and import certificate: controlling coffee trade activities, promoting and expanding coffee market in foreign countries, information dissemination, issuing directives concerning quality control of export coffee and supervise their implementation; enforcing obligations arising out of treaties to which Ethiopia is a party, assisting regional agencies dealing with coffee and other powers and duties necessary for the achievement of its objectives.

[113] *Ibid*, Article 4, p. 13; and Tilahun, p. 14. They show that, the Ethiopian Coffee Exporters Association was also exercising quality control activities with, in fact, approval of the Authority.

[114] Informants: *Ato* Riqiwa Sakuma, *Ato* Shikure Shafi, *Ato* Sirimola Seman, and *Ato* Jarso Wariyo.

government responsibilities to transforming themselves into private business owners.[115] On the other hand, the new Authority, which was relatively free from the above weaknesses, took serious measures against misconduct to the extent of closing business centers, revoking illegal licenses, and taking corrupted ones, including higher officials of SNNPR, to the court.[116]

In 1998, various laws devoted to tax and duties on coffee were fused into a single proclamation, Tax on Coffee Exported from Ethiopia Proclamation, which sought FOB (Free On Board see the footnote) as basis for calculation of the tax.[117] Accordingly, it imposed tax at the rate of 6.5% of the FOB price, which the Customs Authority was mandated to collect.[118] The responsibility of supplying information about the coffee sales date, contract number, exporters' name and address, coffee quantity and price was given to the National Bank of Ethiopia.[119] Lastly, the proclamation annulled previous coffee tax laws.[120] Similarly, in 2002, Proclamation No. 187/2002 amended the former proclamation on export coffee processing (the 6.5% of FOB value tax) by reducing it to zero, which was done to encourage coffee processing that could meet export standards.[121] Such dismissal and amendment of former coffee tax regulations inspired a number of traders to join coffee markets of Gedeo and Sidama, which also stimulated other sectors to revive.[122] For example, it provided market opportunities for the service sector like hotels and used a

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[115] Informants: Dr. Däjänä Kifle (MD), *Ato* Dawit Wonbeto, *Ato* Shalamo Shaqo and *W/ro* Sirbale Hariso.

[116] *Ibid.*

[117] *Nägarit Gazēta*, Tax on Coffee Exported from Ethiopia Proclamation, Art 3, Proclamation No. 99/1998, Year 4, No. 18, p. 39. Art 2(1) of the proclamation defines FOB (Free On Board) as "selling price of coffee quoted at the port of loading, agreed between the coffee export and his customer and approved by the National Bank of Ethiopia, from which freight and insurance costs are excluded." Finally, Article 9(1) required any person or organization to cooperate with the Customs Authority.

[118] *Ibid*, Article 4, p. 15; Article 5, p. 20 and Article 8, p. 49. However, provided that the Council of Ministers may amend this rate depending on the fluctuations in the quantity and price of the coffee exported.

[119] *Ibid*, Article 9(2), p. 57.

[120] *Ibid.* It revoked all former tax laws about coffee, such as Transaction Tax Proclamation No. 205/1963, the third schedule (export duties) attached to the Customs Tariffs Regulations No. 42/1976, Coffee Surtax Regulations No. 280/1964 and Cess on Coffee Exported from Ethiopia Regulations No. 47/1976.

[121] *Nägarit Gazēta* Tax on Coffee Exported from Ethiopia (Amendment), Art 2, Proclamation No. 287/2002, Year 8, No. 35, pp. 9-10. It was done in response to the then low price persisting at the global coffee market. The declaration further changed the role of the Council of Ministers. Art 3 mandated it to re-levy tax upon approval of the House of Peoples Representatives provided the quantity of coffee and its price in the international market is improved.

[122] Informants: Ato Wubät. He argues that in this particular period the hotel industry was relatively more encouraged than others sectors of the two regions.

considerable number of vehicles for transport, which also activated the transportation sector. To conclude, from 1991 to 2008 the coffee industry was steadily liberalized and restrictions imposed on the private sector were reduced.[123]

The response of the private sector to the liberalization of the industry was worth mentioning. The successive reforms dynamically brought many new coffee traders and intermediaries to the marketing system.[124] For example, in 2008, the country had 104 active coffee exporters, about 1800 suppliers, 5000 collectors, 230 primary cooperatives and five Cooperative Unions.[125] The quantity and quality of coffee exported and the amount of foreign earnings from the commodity over recent times has also been increased. However, export of raw coffee is even now reserved to domestic investors.[126] For example as it has already been explained, about thirty two and fifty primary cooperatives were organized in Gedeo and Sidama respectively (see also chapter three).

Table XVII: Distribution of Coffee Market Participants and Status in Gedeo and Sidama

Zone/Region	Active Exporters	Suppliers	Collectors	Primary cooperatives	Cooperative Unions
Gedeo	5	302	986	32	1
Sidama	8	514	1132	53	1

Source: Coffee Processing and Warehouse Enterprise, List and Status of Coffee Market Participants (2015), p. 17.

[123]Petit, p. 247.He asserts that during the *Därg* period, private participants were not allowed to participate in the coffee trade before the quota allocated to the Coffee Marketing Corporation was met. According to Petit, for example, it did away with the previous quota system. Petit, also indicates that the Ethiopian Coffee Purchase and Sales and the Ethiopian Coffee Export Enterprise were ceased to exist by letting the private sector to ever more engage in the coffee market including in washed coffee. He finally concludes that doing away with the price fixation but took long time.

[124]International Food Policy Research Institute (IFPRI) "Markets, Trade and Institutions Division, An Institutional and Legal Analysis of Grain and Coffee Marketing in Ethiopia" (Oct. 2003, Draft Report Prepared for the Ministry of Trade and Industry of the FDRE), p. 46. According to the document, until it was discarded in 2002, the government used to fix price by a committee called Coffee Price Differential Setting Committee, drawn from exporters association, the Ethiopian Coffee Export Enterprise and the Coffee and Tea Authority and chaired by the National Bank of Ethiopia. It used to fix daily minimum price that each trader must register for.

[125]Girma *et al.*, p. 418.

[126]*Nägarit Gazēta*, Investment Incentives and Investment Areas Reserved for Domestic Investors Council of Ministers Regulations, Art 3 paragraph 1(4) of the Schedule, Regulations No. 84/2003, Year 9, No. 34. The Regulation defines domestic investor as "An Ethiopian or a foreign national permanently residing in Ethiopia having made an investment and includes the Government, public enterprise as well as a foreign national, Ethiopian by birth and desiring to be taken as a domestic investor."

Finally in 2008, in the middle of such changes, the new law, i.e., the Coffee Quality Control and Marketing Proclamation was enacted.[127] To implement this proclamation, other subsidiary laws, i.e., the Coffee Regulation and Directive were issued by the Council of Ministers and the Ministry of Agriculture and Rural Development (MoARD) respectively.[128] Major reasons for the proclamation to form the present coffee trade regime were the need to establish better system of coffee quality and marketing which enables the country to supply better quality and competitive coffee to the international coffee market; to improve the marketing system in a way that enables coffee producers of the country get better share of the retail price; and to work with the newly instituted market institution-the Ethiopia Commodity Exchange (ECX).[129]

In general, as it is noted above, coffee was the only crop that experienced a number of legal provisions as compared to other crops of the country. Under the three successive regimes of the country from 1941 to 2010, 13 proclamations, 5 regulations, and 3orders were issued to control coffee markets and maximize the national income. In general, all legal provisions served as mechanisms to increase government control over coffee markets of the country by reducing the involvement of middlemen. In both middlemen and government dominated market systems of the country coffee farmers remained disadvantaged group in terms of sharing market benefits.

Legal provisions that were enacted periodically at national level caused several changes in coffee producing regions of the country. Particularly the establishment of Coffee Board in 1957 played notable role in expanding local coffee market and centralizing the transaction system as a whole. However, most of the legal provisions were market oriented and paid little attention to the

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[127] *Nägarit Gazēta*, Coffee Quality Control and Marketing Proclamation, Article 3, Regulations No. 178/2008, Year 17, No. 78, p. 16.

[128] *Ibid.* The later also issued a manual called "የቡና አመራረት ጥራት አጠባበቅ እና ግብይት አፈጻጸም ማኑዋል" which roughly means "Manual on Coffee Production, Quality Control and Marketing Activities"(2001), pp.1-2.

[129] *Ibid*, The Preamble Part, p. 2. It was to harmonize coffee marketing with the ECX market system and the reorganization of the executive organs of the government.

production level. They were committed to maximize national income than the income of other stakeholders of the sector. They were also designed to reduce the share of coffee in the national export and push farmers to look for other alternatives instead of keeping on producing coffee, which continued to survive under misery of fluctuating world coffee market prices. Particularly, the preamble part of each legal regime underscored government interest and required other stakeholders to work accordingly whether they liked or not.

Finally, legal provisions, which were designed to secure government control over the sector, to some extent reduced productivity of the sector and the role of local coffee markets in benefiting farmers. They also played parts in encouraging farmers to look for informal options that could increase both their income and bargaining power. On the other hand, as it has already been noted (in chapters 5 and 6), they increased the power and importance of coffee market both in maximizing government revenue and causing several changes in the two regions.

To conclude, policies and regulations of the country enacted after 1941 have played a significant role in restructuring coffee markets both at national and local levels. They provided markets with legal protections to maximize government revenue. They also helped markets to expand to the remote part of coffee producing areas of the regions. The focus of all legal provisions from 1941 up to 2010 was coffee market than its production; and merchants than farmers. Therefore, coffee farmers of the two regions have been getting negligible benefits from the marketing system.

9.3 National Policies as Sources of Threats to Coffee Economy in Gedeo and Sidama

9.3. 1 The Policy of Export Diversification versus the Monopoly of Coffee to 2010

Export diversification is an increase in the composition of export items to maximize foreign exchange earnings.[130] This is possible by broadening the virtual contribution of export items (with good market prospects abroad) to the total export earnings.[131] Accordingly, in Ethiopia for the last half a century the burden of export reliance on agricultural products of the country was attempted to be reduced by diversifying the export collection.

According to studies, export diversification has different forms and dimensions. It could be achieved by either adjusting the lot of commodities in the existing export combination or introducing new commodities into the export mix.[132] It has got a two-dimensional structure (i.e. horizontal and vertical components) determined and defined by two factors: market orientation and level of capacity for processing export items.[133] The horizontal dimension requires adjustment of the export mix in order to offset the global price flux or fall while the vertical component creates more potential uses for the existing and new goods by means of value added activities like processing and marketing. The vertical dimension in particular broadens market ranges for raw materials that enrich development and secure stability by virtue of the well-established fact that price-stability is a tendency consistently observed in processed goods than in unprocessed items.[134]

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[130]R. Ali *et. al.*, "Is Export Diversification the Best Way to Achieve Export Growth and Stability? A Look at Three African Countries," *The World Bank, Working Paper,* Series No. 729 (1991), pp. 360-361.

[131]K. Joshi, *Diversification of Agriculture in More Competitive Environment* (New Delhi: National Centre For Agricultural Economics and Policy Research, 1998), p. 48.

[132]S. Lall, "Selective Policies for Export Promotion," in Helleiner K. (ed.) *Nontraditional Export Promotion in Africa, Experience and Issues* (Stockholm: the United Nations University, 2002), p. 129-130.

[133]Hasan Ahmed *et.al.*, "Export Diversification and Economic Growth: The Experience of Selected Least Developed Countries," *Development Paper* No. 24 (2004), p.56.

[134]Sanjaya Lall (2002), p. 36; and the World Bank Report (1993), p. 67. They summarized the four elements of a successful export push strategies such as access to imports at world prices, export financing, market penetration and flexibility. They also explain that the overall policies towards export promotion and diversification classified as permissive and positive polices: Permissive policies and Positive policies.

Due to both unfavorable world demand side and low-income elasticity of demand for primary commodity, it is natural for commodity dependent economies to have lower growth prospects.[135] As one of the countries that is heavily reliant on commodity exports, Ethiopia has become increasingly vulnerable to external shocks, which might have stunted the whole economy of the country in general and export performance in particular.[136] Attempts to sustain export earnings and advance its growth, thus, have been undertaken by the country for the last seven decades by enhancing export growth and diversification of the export items. The rationale behind these measures being: particularly since the 1960s, diversifications to non-traditional manufactured products have been found to be new areas of comparative advantage and were considered as prime development strategy in many developing countries.[137] It was adopted as widely favored strategy since it was assumed to be an instant solution that would bring about and sustain GDP growth of 7-10 % per year. This could help to avoid enduring dependency of the national economy on large inflows of foreign aid, and to import machinery, equipment, and consumer goods that rapid industrialization and continued agricultural expansion required.[138]

It was not surprising, therefore, that the issue of export diversification was the concern of the three successive governments of Ethiopia since 1941; and several efforts were made by these same governments to maximize foreign currency earning through raising the volume and variety of export

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[135]Bonaglie and Fukasak, "The political Economy of Export Diversification" *Development Paper,* Vol. 38, No. 23 (2003), p. 12. They indicate that on the supply side, combined effects of lower skill and technology contents of commodity production and its negligible linkages with the rest of the economy would result in lower growth.

[136]Amin Bakri, "Export Instability and Economic Growth in Ethiopia" (M.A. Thesis, Faculty of Business and Economics, Economics Department, Addis Ababa, 2001), p. 81; and Alemayehu Geda and Befekadu, "Explaining African Economic Growth: the Case of Ethiopia" (AERC, mimeo, 2005), p.20 and (also at www.alemayehu.com).

[137]The World Bank Report (1993), p. 70; and *Ibid, Ethiopia: Policies for Pro-Poor Agricultural Growth* (Washington DC: World Bank, 2006), p. 184. In both cases it shows that export diversification was recommended as a key element of development strategies for Sub-Saharan African countries. It explains that export diversification is based on its role in reducing export variability, fast economic development and to maintain their share in international export markets. It concludes that to curb the great reliance on primary commodities for generating export earnings, developing countries ought to diversify ranges of their production of primary commodities.

[138]EPRDF, Ministry of Trade and Industry (1998), pp.64-65.

items in the world market.[139] However, just like other countries of Sub-Saharan Africa, the post 1941Ethiopian economy has been retrying on the agricultural sector with very few industries.[140] Thus, the entire economic activity of the country was dictated by the agricultural sector. As any developing economy that heavily relies on agriculture, the structure of Ethiopian export was dominated by agricultural products, which suffered from price fluxes.[141] Such dependency of the country on weak agriculture with low productivity caused scarcity of foreign currency, vital to import industrial goods. To tackle this problem, after 1941 governments of Ethiopia designed policies of export diversification accompanied by calling for investment and market liberalization.[142]

A summary of economic indicators described in the paragraph below, suggests that, in their various policies, both the Imperial and the *Därg* regimes had been cognizant of the sources of export volatility and had grasped the significance of export diversification. By the same token, the EPRDF government had also underlined merits of the export diversification as it is just stated in its Agricultural Development Led Industrialization Strategy (ADLIS) and different measures were also taken to improve the sector. However, in each case the problem of reliance on

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[139]The Imperial Government of Ethiopia, *Export Promotion* (1968), p. 19; People's Democratic Republic of Ethiopia (PDRE), *Export Promotion* (1981), p. 22; and EPRDF, *Export Promotion* (2001), p. 10. According to these documents; however the most successful one was the post-1991 because diversification to national trade portfolio is helpful to achieve export earnings stability and growth. Documents show that it can considerably minimize instability in export earnings by providing a broader base of exports, and enhance growth by substituting commodities with positive price trends for those with declining price trends, through increasing value-added of export commodities by additional processing and marketing, and by substituting domestic production of food commodities and industrial raw material commodities for imports.

[140]Teshale Nega, "Export Performance and the Case for Diversification in Ethiopia" (M.A. Thesis, AAU, Regional and Local Development Studies, 2005), p. 41; and Alemayehu Geda *et al.*, "Source of Growth in Ethiopia" (A Policy Research Paper for Ministry of Finance and Economic Development, Addis Ababa, 2004), p 33.

[141]EPRDF, *Export Promotion* (2001), p. 10. It shows that, bout 90% of the national exports used to account for agricultural sector over a long period except the last two years when the export share of the industrial sector were 15.2% in 1999/2000 and 26.5% in 2000/01. It also shows that this attributed to improved industrial activities, besides the decline of world price for primary commodities, especially coffee.

[142]Abay Zewdu, "Export Earnings Instability and Export Structure: The Case of Ethiopia," *Proceedings of the 8th Annual Conference on the Ethiopian Economy*, 2(4) (1999), pp. 145. He argues that the three consecutive regimes of the country believed that improving performances of the economy, optimizing utilization of natural resources, designing appropriate policies and development strategies were vital to improve living standards of the population. He also shows that however, realizing such dreams needed impartial calls for an investment requiring an increase in import of investment goods, as the domestic manufacturing sector was weak to generate capital goods essential for investment purposes. Finally he concludes that in all case to tackle the scarcity of foreign currency, which was an obstacle to realize their dreams the governments of Ethiopia paid due attentions to maximize revenue by diversifying export items.

agricultural products was not yet addressed. Strategies and their execution both to promote and diversify exports lacked coordination, which made it unfeasible.

For the last sixty years, the export sector was largely characterized by heavy reliance on few primary export commodities like coffee, *çat/khat/qat,* oilseeds, spices, hides and skins, minerals etc. For example, coffee alone constituted for about 54.9%, 60.5% and 55.1% of the total export earnings in 1966/67- 1973/74 (Imperial), 1974/75- 1990/91 (*Därg*) and 1991-2009/10 (EPRDF) regimes respectively.[143] Due to the subsequent instability and transition (revolution) of 1974/75 the share of coffee in the total export declined to 27 percent and the maximum share was 70 percent in 1997/98 because of campaigning efforts undertaken by the EPRDF government.[144] Both the Imperial and the *Därg* regime had been adopting inward oriented trade strategy, which used high level of protection, overvalued foreign exchange rate and control of import goods through high tariff imposition.[145] These policies had detrimental impact on profitability and competitiveness of the export sector. This was because they appeared less profitale and discouraging for individuals to takepart in the sector.

Main export items of the Imperial regime were coffee, hides and skins, oilseeds, pulses and *çat/khat/qat* which comprised 87 percent of total exports.[146] For example, coffee alone accounted 56.2 % from 1960/61- 1966/67 and 53.5 % in 1967/68 – 1973/74; and between 1960/61 and 1973/74 on average the share of coffee was 54.9 percent.[147] Next to coffee, other important

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[143]NALA, Folder No. 48, File No. 1.6.06.01, government plan for coffee (1979 EC.), pp. 8-9; Ministry of Coffee and Tea Development, *Coffee Statistics Handbook, 1962/63, 1982/83* (Addis Ababa: Government Printing Office, 1984). pp. 44-46; and Debela Gemechu "Export and Economic Growth in Ethiopia: An Empirical Investigation," (M.A. Thesis, Faculty of Business and Economics, Economics Department, Addis Ababa. 2002), p. 38.

[144]World Bank, *Ethiopia: Policies for Pro-Poor Agricultural Growth* (Washington DC: World Bank, 2006), p. 187.

[145]*Ibid.*

[146]Samia Zakaria Gutu "Policy Options for Ethiopia's Coffee Exports," *Economic Research on Africa* (Montclair: Montclair State University Press, 2000), p. 4.

[147]NALA, Folder No. 48, File No. 1.6.06.01, government plan for coffee sector (1979 EC.), pp. 8-9..

export items were hides and skins that accounted 10.9 percent for the period of 1960/61 and 1973/1974; and oil-seeds and pulses constituted 9.5 and 8.3% respectively in the same year.[148]

The monopoly of coffee in the export sector was not successfully reduced until 1991 because policies of export diversification enacted during both the Imperial and the *Därg* regimes were not very effective. The addition of tobacco, wheat and sometimes oil seeds to agricultural products as part of the menu of national export in the 1950s and 1960s by the Imperial regime could illustrate this argument very well; due to limited supply and demand of these products their role in the economy was extremely limited.[149] In general, at a national level, the Imperial regime made significant efforts and relatively more successful than the *Därg* in maximizing the national income through export diversification.[150] However, concerning Gedeo and Sidama situations remained the same both during the Imperial and the *Därg* regimes because no diversification attempts were made to introduce new crop for export purpose.[151] Due to lack of organization, consistency and uniformity in effecting laws, attempts of export diversification made during the two regimes were hardly successful; thus, coffee remained the only contribution of the regions for the national export.[152]

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[148]Mulat Teshome, "Coffee Producer's Income Share, pp. 59-60; and Asrat Teffera, "Seasonal Analysis of the Supply, Export and Prices for Ethiopian Green Coffee Beans," *National Coffee Board, Research Paper*, No. 1 (Addis Ababa: *BerhanenaSälam* P.P., 1971), pp. 4-6.

[149]Amin Abdi, "Export Instability and Economic Growth" (M.A. Thesis, Faculty of Business and Economics, Economics Department, Addis Ababa, 2001), p. 51.

[150]Girma Kebbede, "State Capitalism and Development: The Case of Ethiopia" *The Journal of Developing Areas*, Vol. 22, No. 1 (Oct., 1987), pp. 1-24; and Christopher Clapham, "The State and Revolution in Ethiopia," *Review of African Political Economy*, No. 44, Ethiopia: 15 Years on (1989), pp. 10-11.

[151] Samia Zakaria, p. 24.

[152]NALA, Folder No.48, File No. 1.136.07 (1966 E.C: short history of coffee trade in Amharic), p. 8; and *AddisZämän*, Vol.30, 23rd Year, an editorial commenting on expansion of tobacco in Sidamo and its contribution in the national export (25 January 1955), pp. 8368-72.They indicate that, since the second half of the 1960s tobacco cultivated at Hwasa appeared to play an important role in the national export; however, the state farm was involving neither of the two people.

During the restored Imperial rule (particularly after 1958) in addition to *sectoral* programs of medium and long-term duration, a number of integrated plans were launched[153] including, the Fourth Five Years Plan, which was about to be completed but interrupted by the 1974 revolution.[154] The trade strategy of all plans of this regime was the same, i.e. inward oriented that offered high protection for manufacturing through direct control on import and tariff imposition.[155] It was with the aim of promoting production efficiency and offering protection to incipient industries that the tariff imposition was effected as part of import duties paid on raw materials and components included into exported products was allowed by way of incentives for investment in export from reputable companies.[156]

Therefore, consistent to the three plans, the export sector was improved and agricultural sector took the highest priority and raised the volume of total exports. For example, between 1960 and 1965, the total export increase at an average annual rate was about 10%.[157] However, the export mix of the country had continued to be undiversified and coffee persisted in enjoying its age-old domination in the Ethiopian export trade. Owing to its persistence in becoming a pillar of the country's export trade, major determinants of economic activities were doomed to be receipts from coffee export, which shows the absence of shift towards sustaining diversification of exports.[158] From 1950 to 1974, out of the total national income from foreign trade, almost 54% had come from coffee export; thus, it played a key role to finance all including budgetary revenues, public and private saving and investment.[159] This means the volume of imports and

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[153]Asrat Teffera, pp. 10-11.

[154]Shiferaw Jammo (1995), pp. 41-42.

[155]Abay Zewdu "Export Earnings Instability and Export Structure: The case of Ethiopia," *Proceedings of the 8th Annual Conference on the Ethiopian Economy* (Addis Ababa: AAU Press, 1999), pp. 150-151.

[156]The Imperial Government of Ethiopian, *The Third Five-year Plan* (1969), pp. 38-39.

[157]Abay Zewdu, "Export Earnings Instability and Export Structure: The case of Ethiopia," p. 155.

[158]Shiferaw Jammo (1995), pp. 45-46.

[159]NALA, Folder No.48, File No. 1.136.07 government plan for coffee sector (1966), pp. 7-9; and Asrat Teffera, "Seasonal Analysis of the Supply, Export and Prices for Ethiopian Green Coffee Beans" (1971), pp. 4-6.

economic activities in Ethiopia were at the mercy of fluctuating world coffee prices. World prices for coffee, like prices of almost other primary products, not only fluctuated wildly but also tagged with incessantly downward declining instead of consistently upward increasing prices.[160] A comparison of the share of the export volume showed that agricultural products constituted the largest proportion than the non-agricultural constituents, which accounted for a little share of less than 10% of the total exports. Thus, there was neither change in the structure of exports nor in their diversification, which helped coffee to persist in dominating the sector.[161]

For four years (from in 1974-1978) immediately after the fall of the Imperial regime, the country was ruled by short term plans. Gradually, from 1978 to 1984 there were annual plans envisaging economic and social reintegration and instilling of socialism.[162] Finally in 1984, however, a Ten-Year Perspective Plan (1984/85-1994/95) was prepared in presumption to execute it in three medium term plans.[163] As to foreign trade of the country, the plan was basically aimed at expanding foreign exchange earnings and diversifying export items of the country.[164] It also aimed at reducing the share of agricultural products (coffee, hides and skins, oilseeds and pulses) from 73.5 percent in 1984/85 to 53.2 percent in 1993/94.[165]

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[160]Shiferaw Jemmo (1995), pp. 39-40.

[161]Shahidur Rashid *et. al*, "Distortions to Agricultural Incentives in Ethiopia," *International Food Policy Research Institute,* Working Paper 43, (2007), pp. 31-32.

[162]The Provisional Military Government of Ethiopia, *Ten- Years Perspective Plan*, (Addis Ababa: *BerhanennaSälam* Printing Press, 1984/5), pp. i-iii.; and Workers Party of Ethiopia (WPE), *The program of the Workers' Party of Ethiopia* (Addis Ababa: *BerhanennaSälam* Printing Press, 1984), pp.42–43.

[163]The Provisional Military Government of Ethiopia, (1984/5), p. 61.

[164]NALA, Folder No.48, File No. 1.6. 06. 01, government plan for coffee sector (1978), pp.1-4; and Samia Zakaria "Policy Options for Ethiopia's Coffee Exports," p. 4. They show that, there were additional targets like reduction of over dependence on traditional products, orientation towards processed products, acceleration of the socialization of foreign trade activities and promotion of import substitution. To attain these objectives the regime followed high production for export in terms of quantity, quality, and promotion of export trade by the provision of favorable tax, transport tariff and exchange rate measures.

[165] NALA, Folder No.48, File No. 1.136.07, government plan for coffee sector (1995), p.6.

Particularly, the share of coffee was planned to be reduced from 53.6 percent to 35.4 percent in the same period.[166] The trade strategy of the *Därg* regime (1974/75-1990/91) in general was strongly eschewed towards domestic markets, which enabled the wider use of tariff and nontariff barriers. [167] Means of achieving strategic goals included in the plan upheld for production for domestic markets because all incentive structures were deliberately designed to favor home consumptions.[168] Negative repercussion on both attempts at export diversification and improving performances of the export sector resulted from these approaches. They were largely responsible for the stagnant growth of export earnings during the pre-reform period.[169]

The *Därg* regime had taken various legislative and institutional measures to control foreign trade of the country through central planning.[170] Measures manifested themselves in the forms of overvalued exchange rate and land reform, which adversely affected attempts of export diversification, export/import trades of the country.[171] They also led to an anti-export mindset among producers and traders of the country. This mindset was brought about and continued to

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[166]Ministry of Economic Development and Commerce, (1997), p. 126. It shows other incentive schemes for export diversification were export subsidy and preferential interest rate of 6 % on bank loans for exporters while 8% for importers. It also explains that, however, there were unfavorable taxes on exports and this offset the subsidies provided by the regime. According to the document, while the share of non-traditional (manufacture minerals etc.) was planned to go up from 26.5 percent in 1984/85 to 46.8 percent in 1993/94. Overall the plan projected to raise exports by 8.8 percent per annum and to increase the share of export sector as GDP from 13.2 to 16.3 percent at the end of the plan period.

[167]The Provisional Military Government of Ethiopia, (1984/5), pp. 10-11.

[168]*Ibid.* It also asserts that adopting an inward oriented trade strategy, Ethiopia trade regime was characterized mainly by fixed exchange rate, high implicit and explicit export taxation, the use of subsidies and rationing of foreign exchange.

[169] Shewangzaw, "Export Diversification…" (2003), p. 20.

[170]The Provisional Military Government of Ethiopia (1984/5), pp. 50-52; and Mulat Demeke, "Exchange rate policy and Economic Performance in Sub-Saharan African countries," *Ethiopian journal of Economics* Vol.5, No.2, (1992), pp. 102-103. Sources clearly indicate that as a result of measures taken about 72 percent of the national export and 80 percent of the import trades were in the hands of state trading enterprises. They also explain that, however, most of the increase in the value of exports is accounted for by the rapid rise in prices witnessed over the period rather than by any significant changes in the volume of exports. Sources also indicate the existence of various exchange rate measure undertaken under the then regime such as the birr remain pegged to the dollar which in effect resulted in the overvaluation of birr vis-à-vis other currencies(for 17 years since 1973/74). As Mulat asserts, taking 1973/74-1975/76 as the base, when the military government came to power, the real effective appreciation of the birr was about 50 percent and Ethiopia's birr was paged to us dollar rate of $ 1=2.07 Birr for a long time.

[171]Akalu Dessalegn, "Devaluation of Currency and Its Economic Significances in Ethiopia," *African Economic Research Consortium Paper* Series No. 101 (1996), pp. 128-150; and Haile Asmamaw, "The Impact of Devaluation on Trade Balance: The Case of Ethiopia" (M.A thesis for M. Phil. in Economics, Department of Economics, University of Oslo, May, 2008), p. 22. They argue that in the import side, the overvalued rate made importing cheaper resulting in low incentive for local production of intermediate goods and raw materials, causing high import dependency of local manufacturing activities and consequently a big pressure on current account.

persist because exporters who procured their inputs at domestic price (which in many cases was inflated for various reasons) were forced to export their output at the birr equivalent of world price, which was very low due to overvalued currency.[172] Therefore, over valuation of the birr was one of the major causes for the decline in the profitability of export production. For example in Gedeo and Sidama it destabilized the coffee sector because strict government control of the coffee market and the little price farmers earned from it had forced them either to abandon coffee businesses or inspired them to join the smaggling.[173] Similarly, PAs that were mandated to handle nationalized coffee farms required farmers to provide free labor services for "**የህብረት ስራ ማህበር**" means "association," which increased misery of the people and decline of the production.[174] In this case, some farmers also made their farms free from coffee plants and instead planted *çat/khat/qat*, sugarcane, eucalyptus, etc., that were financially viable and free from government/officials' interventions.[175]

Furthermore, as part of export diversification, which targeted to reduce the share of coffee in the national export, direct tax on export was insignificant except on coffee. [176] This was because the surtax levied on coffee was very high, which resulted in lowering the share of farmers from the world price. Such a negligible share appeared unattractive for farmers to invest more on coffee and use new techniques of production, which in turn caused stagnation/decline in the production

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[172]MEDaC (1996), p. 55; and Ministry of Finance and Economic Development, *Survey of the Ethiopian Economy* (Addis Ababa: MoFED, 2006), p. 10; and National Bank of Ethiopia, *Annual Reports from 2000 to 2005: A Hand Book* (Addis Ababa: NBE, 2006), pp, 30-34. They explain that in order to counteract the negative impact of overvaluation of the birr and unfavorable incentive structure, an export subsidy for most export products had been given. They also indicate that the subsidy was financed by levying a 5% tax on import. But the level of the subsidy was not sufficient to produce any significant results so as reduce to the problem that arises from the inherent structural problem prevailing in the economy.

[173] NALA, Folder No.48, File No. 1.6. 06. 01, government plan for coffee sector (1978), pp.1-4 (see also appendix xi).

[174]Informants: *Ato* Abu Hanfato, *Ato* Wolqisa Wonbēto, *Ato* Dawit Wonbēto and *Ato* Tilahun Fango (FDG). The assert that, particularly in Sidama it infuriated the people and caused the outbreak of armed struggle in areas like Shäbädino (at Boricha in 1980) and Bensa, which claimed a number of lives and eventually crushed by the state army.

[175]*Ibid.*

[176]Berhanu Abegaz, "Persistent Stasis in a Tributary Mode of Production: The Peasant Economy of Ethiopia," *Journal of Agrarian Change*, Vol.5, No.3, July 2005 (2005), pp. 305-306; Mulat Teshome, "Coffee Producer's Income Share" (1979), pp. 60-61; and Asrat Teffera (1971), pp. 4-6.

level.[177] On the other hand, higher taxation on coffee became a rationale for illicit trade (to evade the tax burden) and for local sales where there was no or little tax on local markets of export items. Thus, instead of adding more items in the menu of national export, the already existing ones were smuggled to illicit markets of neighboring Kenya, Sudan, Somalia etc. [178]

The single major objective of the *Därg* was socializing the trade.[179] To this end, government exporting enterprises were formed with mandates to control procurement and positions of export producers. They were also liable to offset unreasonable incentives to export by just giving priority to benefit other crops. As a result, the export sector had lost its dynamism, and barriers were set against new entrants to the export trade, which also jeopardized survival of the already existing private exporters.[180] In spite of strategies stated to diversify the export mix, in this period also exports of the country were composed of few traditional items, where coffee was the dominat one. For example, from 1974/75 to1982/83 the share of coffee to the total exports was about 61.3 percent and 59.8 percent for the period of 1983/84- 1990/91.[181] On an average for the whole period of the regime it constituted 60.5 percent.[182]

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[177]Dessalegn Rahmato, "Cooperatives, State Farms, and Smallholder Production," in S. Pauswang *et al.* (eds), *Ethiopia: Rural Development Options* (London: Zed Books Ltd., 1990), pp. 210-211. He shows that, apart from direct export tax the then tariff level was negatively influencing the profitability of exporting by pushing the cost of imported input which was used for export production.

[178]Emerta Asaminew, "The Underground Economy and Tax Evasion in Ethiopia: Implications for Tax Policy," *Ethiopian Economic Association* (2010), pp. 8-9; and NALA, Folder No.48, File No. 1.6. 06. 01 (1978), pp.1-4.

[179]Fanie Cloete and Mulugeta Abebe, "The Policymaking, Institutional and Administrative Practices of the Dergue Regime in Ethiopia, 1974–1991," *Africa Insight* Vol. 41, No. 2 (2011), pp. 20-22; and Workers Party of Ethiopia (WPE), *The Program of the Workers' Party of Ethiopia* (Addis Ababa: *BerhanenaSälam* P.P., 1984), pp.41–43.

[180]Mulat Taye, "The Share of Coffee Producers in the Value of Coffee Exports" (1979), pp. 59, 60 and 68; and Ministry of Trade and Industry, *Export Development Strategy* (Addis Ababa: *BerhanenaSälam* P.P., 1998), p. 103. They indicate that foreign exchange had been allocated administratively. Accordingly, the procedure for releasing foreign exchange for an importer was very lengthy and cumbersome. As they argue this system as non-tariff barrier confers high degree of protection for import substituting activities by altering the domestic relative price against exporting. Finally they show that other similar measures also had a serious repercussion on the export performance of the country and on resource allocation of the economy.

[181] Ministry of Trade and Industry, *Export Development Strategy*, p. 103.

[182]*Ibid.* It indicates that hides and skins accounted about 10.6 and 11.0 percent in 1974/75-1982/83, and 1983/83-1990/91 respectively because on average between 1974/75 and 1990/91 its share was 10.8 percent. It also shows that, the share of oilseeds dropped from 9.5 percent in 1960/61-1973/74 to 3.2 percent between 1974/75-1990/91. According to the source, pulses also declined from 8.3 percent to 4 percent in the same year. Finally the source concludes that during this regime the export sector shown declining trends and export diversification had been worsening.

In general, just like the Imperial period, several measures were taken by the *Därg* to diversify and increase exports; however, export products of the country were limited to very few primary products where the largest share was belonged to coffee. The incentive structure that was biased infavore of domestic production made the trade strategy inward oriented, which made local products free from tariff barriers.[183] As a result, resources allocated to the export sector had become distorted, which was reflected in low growth rate and declining export earnings.

In 1991, soon after the fall of the *Därg,* the Transitional Government of Ethiopia (TGE), in collaboration with the World Bank and IMF, based on the principle of free market economy launched Structural Adjustment Program (SAP) and trade liberalization that aimed at stabilizing economic condition of the country.[184] Both emphasized the trade reform to ensure and promote the export sector by diversifying the narrow base of national exports. Even if the result so far shows a substantial recovery in export and indicates positive response to policy changes, long run supply response ensuring higher growth and diversification can be achieved only through further structural reforms and the creation of enabling environment for the private sector. The *Export Development Strategy* FDRE (1998) puts the issue of export diversification as follows:

[183]Shahidur Rashid *et. al,* "Distortions to Agricultural Incentives in Ethiopia," *International Food Policy Research Institute,* Working Paper 43, (2007), pp. 21-22.

[184]Transitional Government of Ethiopia (TGE), *Ethiopia's Economic Policy during the Transition Period* (Addis Ababa: *Berhanena-Sälam* Printing Press, 1991), p. 2; and FDRE, *Export Development Strategy* (1998), p. 10.

> *Export diversification is thought to bring economic development, but it lacks a clearly stated objective. Diversification should help to restore the equilibrium in the balance of payments, and contribute to poverty eradication and food security. In this regard, the country designed export development strategy for the development of the export sector. The strategy for export development is expected to meet the following major goals such as maximizing the gains from surplus venting through productive improvement and cultivation of unused land; utilizing the advantage of natural resources for exports of high-valued agricultural products including vegetables, flowers, and fruits as well as fresh chilled meat; opening a new basis of exports of manufactured goods grounded on the country's comparative advantage of labor; and discovering exportable mineral and fuel deposits. Moreover, it creates a pressure on the consumer of importable as devaluation made expensive prices of importable at local currency and hence raising the cost of import.*[185]

A major task of the TGE was revitalizing the foreign trade (export sector).[186] To this end, it set neutrality in incentive structure; thus, packages of policy measures were taken to rectify faults of the foreign trade sector. Accordingly, in 1992 the Ethiopian birr was devalued by 59 percent against the US dollar followed by launching of weekly auction of foreign currency. Following the currency devaluation, the domestic market was liberalized and deregulated with a competition based price rise to benefit producers to make available the needed incentive for the production of exportable items and the shift from illicit to formal tade, which would narrow the gap between the two. On the import side, devaluation effects raised the local price of import and caused substitution of import for domestic goods. They have also removed government monopoly in foreign trade, which in turn encouraged export. As a result, some coffee suppliers collectors, unions and cooperatives of the two regions were able to participate in the export trade directly for the first time with little government interventions, which was a new development in the sector.[187]

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[185] FDRE, *Export Development Strategy* (1998), p. 10.

[186] Prime Minister's Office, *Perspectives on Devaluation in Ethiopia*: *The Transitional Government of Ethiopia* (Addis Ababa: Prime Minister's Office, 1992), p. ii.

[187] *Ibid.* The source indicates that, such measures increased exports because they created a challenge to state exporting enterprises to rationalize their costs if not they ceased to exist by enhancing their degree of competitiveness and profitability and hence improved their export performance. It further asserts that they also created environment for private exporter by reducing the entry barrier that was placed on them, which attracted new entrants in export trade and fostered the scope of the existing ones.

As part of the policy package the tariff regime was revised, which caused a marked reduction of rates, slashing the number of tariff groups and abridged form of tax exemption scope.[188] Thus, the rate was brought down from 280 percent to 80 percent, in the first import liberalization move, and gradually to 50 percent. There were also the removal of a 2 percent transaction tax on non-coffee export and the discount of direct financial subsidy on export.[189] The rationalization of tariff structure gave necessary impetus for export by reducing the input coast of export reduction through directly or indirectly changing the domestic price level, which resulted in reduction of domestic inflation, consequently raising the competitiveness of Ethiopian exporters in the world market. However, Gedeo and Sidama exporters of the period reflected their dissatisfaction on the revision of tariff regime because the revision made in the case of coffee was very insignificant as compared to other exportable crops of the country.[190] The revised tariff regime was also kept on pending due to complaints made by the Oromiya Coffee Exporters Association, which requested for more tariff reduction.[191]

Finally, import and export licensing were simplified and became more transparent.[192] The range of goods and services covered by auction was progressively extended and competitiveness of export increased. The other main external reform measure was the suspension of taxes and duties levied on export goods except on coffee which was introduced in 1993 because after 1993 no

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[188] MEDaC, (1996), p. 73.

[189] *Ibid.* It illustrates that, this was done to give space for other exportable items and reduce the age old coffee domination. It was a measure, which inflicted an adverse effect on the coffee sector of the country and intensified acts smuggling.

[190] Informants: Ato Tayä Çomän, *Ato* Zäläläwu Abära, *Ato* Tayä Gäbrämariam, and *Ato* Täfära Qabato.

[191] *Ibid.*

[192] Tefera Tilahun *et. al.*, "Market Incentives, Farmers' Response and a Policy Dilemma: a Case Study of Chat Production in the Eastern Ethiopian Highlands," *Agrekon,* Vol 42, No 3 (2003), pp. 220-221; and Tsegaye Teldu, "Investment Promotion and Incentives in Ethiopia," *The Ethiopian Economy: Structure, Problems and Policy Issues* Vol, 5, No.2 (2000), pp.355-356. They argue that the policy of export diversification launched in 2002 has been changing the export sectors because it increased the list of exportable item. According to the writers this was a notable period in the history of Ethiopian coffee because it reduced the share of coffee from 65% to 35 % in the national export. They finally indicate that vegetables, oilseeds, and spices have been challenging the position of coffee in the export sector next to the flower industry.

revision of tax and duties were made to encourage the coffee sector. [193] This was largely due to declining coffee prices in the world market, which started to be below the expectation of all stakeholders, which eventually reached its climax in 1997 and continued up to 2004. Tax revision except for coffee was undertaken to availe incentives together with devaluation that helped all exporters to receive the equivalent of world price for exportable items. With the lifting of export taxes, government subsidy to exporters was terminated. To complement this measure, there followed an introduction of a duty draw-back scheme by the state, whereby exporters were refunded the tax and duty paid on inputs they used for the purpose of export production in 1993.[194] This was dome mainly to encourage investment in the production of exportable goods.

The paradox starts here because despite such efforts to encourage production of exportable crops the coffee sector was denied privileges that other crops were provided with. This was basically done due to the dramatic decline of coffee prices in the world market, which failed to cover production, processing, storage and transportation costs. The government, which realized the situation wanted to ignore a crop in the state of crisis (coffee) and encouraged farmers to look for the production of other alternative exportable crops both to secure farmers' and government income at the same time. Particularly, from 1997 to 2004, the situation of coffee both in local and world market became unusually the worst in the history of the Industry. Thus, in the process of managing crisis related to price shock government encouraged the production of spices, fruits and vegetables for export. This was a situation which tempted coffee farmers of Gedeo and Sidama to look for other cash crops as substitute for coffee, which was in trouble both at home and abroad.

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[193]National Bank of Ethiopia (1997), pp. 1-7.

[194]*Ibid.* It shows that as to government exporting enterprises, they were denied of their monopoly power but provided a managerial autonomy; even if there were still policy and institutional constraints conducive environment was created for private exporters. According to this source, a few investment codes were introduced that entitled exporters to be the beneficiary of incentives because liberalization of foreign exchanges allocation, tariff rationalization, and the elimination of state monopoly in import trading reduced the rent-seeking activity via its effect on improving transparency and reducing the foreign exchange scarcity that is inherent in the economy. It also indicates, in line with this measure the government had also introduced a bi-weekly foreign exchange auction markets since 1993 and it replaced the retail auction market by a wholesale auctioning where commercial Banks, foreign exchange bureau and investors in need of large amounts of foreign exchange were participating.

In 1997 the National Bank of Ethiopia (NBE) issued a directive to give private non-guaranteed foreign commercial loans in kind and cash for exporters.[195] This was a kind of loan expected to promote exports on both traditional and new ones to the export basket. A preferential interest rate scheme was also introduced for exporters, which was less by 3.5 percent compared to the interest rate changed on non-export activities. Such a low preferential interest rate scheme had relatively strengthened the country's export diversification efforts. However, some coffee exporters reflected their discontent with the directive because it did not include the coffee case. According to some Gedeo and Sidama exporters of the period it was the most discouraging measure, which made them disadvantaged. It was also a situation that forced some of the merchants to shift business from coffee to transportation or hotel industries. This was because, in addition to prices shock which claimed part of their money and caused shortage of money to run the sector, such government measures worsened the situation.[196]

Fundamental objectives of the strategy were ensuring the continuity of the country's long-term economic growth, the attainment of the growth rate as well as maintaining macroeconomic stability.[197] This strategy for export development was conceived along four parallel lines: surplus venting, high value agricultural products, manufacturers exporting, and prospecting for exportable minerals and fuel deposits.[198] These two measures were purposely designed to enhance export diversification; however, the export promotion policy ignored coffee. This

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[195] National Bank of Ethiopia (NBE), *Directive Issued to Allow Private Non-Guaranteed Foreign Commercial Loans in Kind and Cash for Exporters* (Addis Ababa: NBE, 1997), pp. 1-17; and Tsegaye Teldu, "Investment Promotion and Incentives in Ethiopia," p. 360.

[196] Informants: Ato Tayä Çomän, *Ato* Zäläläwu Abära, *Ato* Tayä Gäbrämariam, and *Ato* Täfära Qabato.

[197] FDRE, *Export Development Strategy* (1998), p. 10; and Andualem Birhane, "Exchange rate liberalization in Ethiopia: Impact Assessment," *Ethiopian journal of Economics* Vol.5, No.2 (Addis Ababa, 2000), p. 102.

[198] *Ibid.* They argue that surplus management strategy and opportunity for expansion/ diversification of exports created by opening-up hitherto unused land for agricultural cultivation, which favored horticultural products, including vegetables, flowers, cut fruits and chilled meat. Exports of manufactures was about the potential of the country to expand its non-traditional or manufactured export products specially in clothing, textile, leather and leather products where their world demand was high. They also indicate that the need for discovering exportable minerals and fuel deposits was about investing in exploration.

deliberate avoidance of coffee in the national policy caused several developments that favored few individuals to manipulate local markets in Gedeo and Sidama to their own ends.

Among a package of policy measures adopted by the EPRDF regime, rationalization of the tariff structure, local market liberalization, elimination of export taxes except on coffee caused positive impact on performances of the export sector. The export market was made more attractive than the domestic market by (of all the measures put into practice) the devaluation of the Birr. The domestic market as a result reallocated resources from production of home consumption goods to the export market. But the shift was dependent on the degree of substitutability in production and consumption existing in the domestic economy. This was because the relative increase of prices in favor of tradable items encouraged the farmer to make corresponding shift from non-tradable resources or to engage in the search and discovery of new resources that could be channeled to the tradable sector. The paradox here is again because despite such flamboyant measures taken to promote production of exportable goods and agricultural commodities coffee was completely excluded from such provisions and destined to remain subject to the age-old tax burdens.

However, it was after 1991 that the government of Ethiopia, which rigorously executed the policy of export diversification sizably, reduced the share of coffee in the national export.[199] In this case the development strategy underscored promoting exports; accordingly, an export development strategy was devised to increase and diversify exports of the country. This was because improving the export earning helped the country to import capital goods for investment production and inputs for agriculture and industry which were in short supply. Improving the

[199]UNCTAD (2001), p.123; and Tadesse Kuma, *et. al.*, "Producer Price and Price Transmission in a Deregulated Ethiopian Coffee Market," *Agrekon*, Vol 47, No 4 (2008), p.238. They explain that even if Ethiopia's aggregate export earnings grew during the current regime and were relatively stable around the trend, it is highly dependent on Export earnings from a narrow base of agricultural commodities, which has not been changed for a long time since 1960. They show that agricultural commodity exports accounted for 91.1%, average of annual share, of the country's total export earnings during 1961 to 2002.

availability of imported inputs associated with sustained export growth also led to an increase in production of goods and services. Finally, a more competitive milieu encouraged firms to adopt modern techniques of production and marketing, which led to a sizeable efficiency gain.[200]

However, all the above improvements were deliberately designed to benefit other items of export than coffee because they had little or no applicability to the coffee sector. As a result, coffee industry was continued to be operated within constraining limitations of the usual old systems. In this case it is important to mention what happened to the sector in Gedeo and Sidam as a result of the above development. For example in the 1990s there happened a serious scarcity of materials important for production, processing and packing coffee beans. As some report and oral source unanimously indicate, let alone to introduce new method of production, processing and technology it was quite hard to sustain the existing system due to lack of, chemicals, sacks, maintenance and spare parts for machines and even money to pay for workers.[201]

All of those happened not because governments were merciless to their people and careless about their benefits but because price fall in the world market forced government to push aside coffee, whose price was continuously declining to the extent of depriving its stakeholder from making any sort of benefit out of it. As a strategy to minimize impacts of prices shocks, the government said nothing verbally but deprived it attentions and policy consideration while other cash crops were securing better market opportunities and profits in the world market. As one of my informants put it "...እንዳያማህ ጥራዉ እንዳይበላ ግፋዉ የሚል ነዉ የአሰራራቸዉና የአስተዳደራቸዉ መሰረታዊ መርህ።" Literally means: "Call him not to backbite you, and push

[200]The Ministry of Information (FDRE), *Industrial Development Strategy*, (Addis Ababa: *Berhanena-Sälam*, 2002), p. 10.

[201]SNNPR, Coffee Development Project Report (2003), p. 39-40; and Informants: Ato Tayä Çomän, *Ato* Zäläläwu Abära, *Ato* Tayä Gäbrämariam, and *Ato* Täfära Qabato.

him not to benefit from was the basic principle of their administration."[202] This means pushing farmers to look for alternatives instead of suffering with by producing troubling and troubled crop, coffee. Such push helped farmers not to depend on single crop, coffee and diversify their farms to make more money instead of waiting for aid in the midst of green environment. This also provided a coffee farmer with opportunities to choose between and decide by himself either to suffer consequences of his decisions or go for the best option. This was also another incident which inspired the Gedeo and Sidama farmers to adopt commercially viable items of the day like *qat/chat*, sugarcane etc.

From 1991 up to 2004 the structure of Ethiopian export was not different from the former regimes because it was dominated by primary products. Despite successive attempts of marginalization, coffee continued to keep its domination over other export items. For example, from 1991/92 to 1996/97 the share of coffee was about 63.1 percent and 47.0 percent in 1997/98 and 2003/04.[203] On the average for the period of 1991/92- 2003/04 it accounted 55.12 percent.[204] In the period between 2005 and 2010 the flower industry appeared to take the lion's share in the national export and the share of coffee reduced to 35 percent, which shows the dramatic shift to other high-value agricultural products.[205] Owing to the coffee crisis of 2002 to 2004, which seriously affected both the coffee industry and the national income from export, the government of Ethiopia started to motivate production of other non-traditional exportable items.[206]

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[202]Informants: Dr. Täwäldä GäbräMedihin.

[203]MEDaC, *Current Development in the Foreign Trade Sector* (1996), p. 87; MEDaC, *Survey of the Ethiopian Economy* (1999), p. 56; and MEDaC, *Survey of the Ethiopian Export Sector* (2005), p.39. As stated in these documents, hides and skins constituted 11.8 percent between 1991/92 and 2003/04. The share of oilseeds was 10.6 percent from 1960/61-1973/74. However, from 1974/75- 1990/91 it dropped to 3.2 percent. Even now the share of this item was only 3.1 percent, which is very low compared to the Imperial period. Documents also show that during the Imperial era the share of pulses was 8.3 percent; however, it declined to 4.1 and 2.8 percent in the *Därg* and the current government respectively. Between 1991/92 and 2003/04 on average the share chat was 9.3 percent. Finally they assert that during the current government *Çat* can be ranked as the second export item. Ethiopia also exported manufactured commodities including sugar, meat products and gold that account about 1.2, 1.4 and 1.6 percent from 1966/67-2003/04; though in a very smaller amount, Ethiopia also exports textiles, tantalum, tea etc.

[204]*Ibid.*

[205]Mulu (2010), p. 26; and Tadesse Kuma, *et. al.*, "Producer Price and Price Transmission …," p.238.

[206]*Ibid.*

As it has been attempted to assess efforts of export diversification made after1941, each of the three successive governments of the country enacted laws that could help them to meet their objectives. However, almost all of them planned to diversify the national export menu at the expense of coffee. In spite of its notable contribution in increasing foreign currency, which helped to purchase industrial goods vital for mechanizing the agricultural sector, the policy of diversification as a whole inflicted an adverse effect on the coffee industry of Gedeo and Sidama. As it will be presented below, as any coffee growing areas of the country, Gedeo and Sidama suffered impacts of export diversification strategies employed by the three regimes of the country. This was because the two regions have relied heavily on coffee to generate income, thus, lack of attention for coffee in national policies like export diversification, investment promotion etc. had a considerable implication at a regional level.

To conclude, the main cause for adopting the policy of export diversification in Ethiopia was the fall of price of agricultural commodities in the global market. It was also related to ambitions of governments to maximize their income from foreign trade both by increasing the volume and diversity of export items in the world market. In their attempts of diversification each of the three regimes of the country tried to reduce the share of coffee in the national export. The policy of diversification, which is vital to increase the national income from the export sector, is not a threat by itself but the threat was the approach that each government employed in their policies. Each of them made similar attempts to reduce the share of coffee in the national export instead of maintaing the status quo. Without reducing its share it would be quite possible to increase the volume of other items in the national export mix. This is because the reduction of coffee volum accelerated the rate at which coffee beans join the illicit trade and coffee farmers make shift of production from coffee to other commercially viable crops.

Governments also took measures against coffee ranging from imposing tax burden to excluding it from national policies due to complications that basically caused by price falls in the world market. It was the responsibility of each government to intervene against unfair prices and devise strategies to minimize consequences. Regarding coffee, however, each of them did not directly force farmers what to produce on their farms but indirectly they pushed farmers to decide on the future of their farms simply by ignoring the crop (coffee). Such policy prejudice that followed by the three regimes of the country (1941 to 2010) was able to gradually push coffee farmers of Gedeo and Sidama to join the production of other commercially viable crops, like flowers, vegetables, *çat/kat/qat*, sugarcane, tobacco, banana etc. in stead of sticking to produce the century-old crop, coffee.

9.4 Expansion of Agricultural Commodities Competing Against Coffee to 2010

9.4.1 The Ethiopian Flower Industry

As a certain report shows, Sub-Saharan Africa (SSA, henceforth) is the developing world region that has the highest dependence on exports of traditional primary products.[207] Even though, diversification into non-traditional high value exports was upheld as an alternative export promotion strategy, the performance of SSA has been found to be largely poor. As a result, diversification records of Africa after 1980 has been volatile, and gains were fragile and short-lived.[208] However, recently some SSA countries (e.g. Kenya, South Africa, Uganda, Cote d'Ivoire, Ethiopia, Ghana, and Zambia) have made some progress in diversifying into non-traditional horticultural products for export.[209]

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[207]World Bank, *World Development Report* (London: Oxford University Press, 1987), pp. 206-207; and UNCTAD (2008), pp. 212-213.

[208]UNECA and AU, *Development Report* (2007), pp. 229-230.

[209]Hasan Ahmed *et.al.*, "Export Diversification and Economic Growth: The Experience...," p.56.

As it has been illustrated in chapter seven a Structural Adjustment Program was adopted after 1991 to implement extensive reforms transforming the previous command economy of Ethiopia to a market oriented one.[210] In the mid-1990s development vision (Agricultural Development Led Industrialization, ADLI,) was announced by the EPRDF government. In 1998, it adopted an Export Promotion Strategy where the listed priority sectors such as manufacturing and agro-industries got special treatment but the flower industry was not included in the list of priority sectors.[211] The major historical event that caused the Ethiopian flower industry to emerge as a giant claiming the lion's share in the export sector of the country was the world coffee crisis, which started in 1997, reached the climax in 2002 and lasted until 2004. Its aftermath was very harsh to the extent of becoming unbearable for the people in the coffee sector in general and farmers in particular. Forced by the coffee crisis and its aftermath, the ruling government devised strategies to overcome coffee price related crisis of the country and let flower to join the export.

Flower industry, which appeared the leading in the export sector, was introduced in 1993.[212] Gradually, in 1999 Meskel Flower made a move to begin rose production using wooden greenhouses despite steel based greenhouse technology being mature and available in the international market.[213] As a result, Meskel Flower ceased production and export and Ethio-Flora

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[210]Berhanu Legesse, "Prospects for Export Diversification in Ethiopia," p. 6.

[211]EPRDF, *The Industrial Development Strategy* (2002/03), pp.90-94; and MoFED (2006), p. 87. They show that a comprehensive Industrial Development Strategy (IDS, henceforward) was formulated in 2002/03, with an objective of linking industry with agriculture based on the broader ADLI. They also indicate that another core element of the IDS was that sustainable and rapid industrial development can only be ensured if the sector is competitive in the international market; hence, export oriented sectors should lead industrial development and be given preferential treatment. IDS also recognize the role of the private sector as a driver of the industrialization process. Finally they note that the strategy stated the importance of government intervention not only as facilitator but also as a leader (providing direct support, coordinating and guiding the private sector).

[212]Mulu Gebreeyesus *et.al.*, "Discovery of the Flower Industry in Ethiopia: Experimentation and Coordination," *UNU-MERIT Working Papers* Vol. 1, No. 2 (2010), pp. 4-6. She shows that Meskel Flowers Plc. was the first private company to launch the export oriented commercial flower farming in Ethiopia at Meki, 160 kms south of the capital city, Addis Ababa. She also indicates that, in the same year the second private farm, Ethio-Flora was formed at Zeway, 98 kms south of Addis Ababa. Finally she notes that both were Ethiopian owned and produced summer flowers (field produced) such as alliums, statics, and carnations for export to EU markets.

[213]Daniel Gada, "Developing a Flower Farm in Oromia Regional State," in Gizachew Abegaz *et.al.* (ed.), *Proceedings of a Consultative Meeting: Strengthening Land Administration Program* (Addis Ababa: ELAP, 2009), pp. 4-5..

shifted production to vegetables only. [214] In 1999, Golden Rose Agrofarms Ltd. (Golden Rose, henceforth), a foreign owned firm, started rose production at Mojo, 42 kms Southwest of Addis Ababa and began exporting in 2000 through Dutch auction.[215] Between 2001 and 2003, next to Golden Rose, four other rose farms (Summit Agro industry, Ethio-Dreams, SIET Agro PLC, and Eniy-Ethio Rose) joined the industry.[216] In 2004 five private companies joined the sector, where the majority were foreign owned. Finally, to 2010 the large flow of foreign owned firms helped to 'scale-up' the Ethiopian flower industry in terms of both export quantity and firm population and also diversification of activities and transfer of knowledge.

Export promotion strategy of the country, which was adopted in 1998 made no mention of the flower industry. The economic shock waves of the 2000-2004 coffee crises; however, increased desperation of the government and forced it to divert its attentions towards the flower industry as a plausible economic alternative, which prior to 2001, was to all intents and purposes not worthy of consideration.[217] By the end of 2002, it was taught to the attention of the government that the flower industry could be a significant source of a sizeable amount of foreign exchange. Thus, in 2003 it designed programs directly targeted towards fostering and promoting the flower industry. Eventually, from 2004 to 2010 Ethiopia was able to enter the top end of the flower market due to the quality of its cut rose, which got among the best in the world (Ecuador and Colombia). [218]Owing to it's becoming increasingly lucrative business government actively engaged in promoting the sector in terms of resource mobilization and coordination. The Prime

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[214]Ayelech Melese, "Triple Role of the Dutch in the Growth of the Cut-flower Industry in Ethiopia," (M.A. Thesis, Development Studies, The Hague, The Netherlands, 2007), pp. 22-24.

[215]Mulu Gebreeyesus *et.al.*, (2010), p. 7.

[216]The World Bank, "The European Horticulture Market: Opportunities for Sub-Saharan African Exporters," *Working Paper* No. 63 (2005), pp. 229-230.

[217]Frank Joosten, "Development Strategy for the Export Oriented Horticulture in Ethiopia," *Wageningen University and Research*, Vil. 3, No.2 (2007), p. 321-322.

[218]*Ibid.*

Minister's Office requested the Ministry of Trade and Industry to propose a five-year action plan for the sector, outlining constraints and possible solutions.[219] To scale up from this base, government came in with multi-faceted support starting in 2003 to 2010, focusing particularly on access to land, access to long-term credit, infrastructure and air transport coordination, which coffee was deprived of.[220]

According to the NBE annual report, cut flowers, pulses, live animals, and oil seeds were among the high performers with (444%), (101%), (73%) and (25%) annual growth respectively.[221] The cut flower industry was a particularly successful diversification for Ethiopia. In general, the Ethiopian flower industry represented an extremely fast and successful diversification into a non-traditional export product. The floriculture industry began to emerge in the late 1990s and in less than a decade, and despite its late entry into the flower export industry, Ethiopia became the 5th largest non-EU exporter to the EU cut-flower market and the 2nd largest (after Kenya) flower exporter from Africa in 2007.[222] As R. Catherine described it:

> *Ethiopia is now Africa's second largest flower exporter after Kenya, with its export earnings growing by 500% over the past year. This has left Kenya stunned, given that five years ago, the Horn of Africa country was doing less than $20 million of exports compared with the East African giant's $300 million. It is estimated that, this year, Ethiopia will close its books at $120 million, slightly less than half of Kenya's earnings. 'It has taken Ethiopia five years to achieve half of what we have in three decades,' ... Going by this rate, Kenya could be overtaken by Ethiopia in a decade, he added.*[223]

Amidst the coffee caused economic crisis, such a surprising successes of the flower industry in making a large amount of foreign currency at a least cost impressed the EPRDF government to

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[219]EPRDF, Ministry of Trade and Industry, Five Year Action Plan (2005), p. 1-6; and L. Weissleder, "Foreign Direct Investment in the Agricultural Sector in Ethiopia," *Discussion Papers* No. 12 (2009), p. 280.

[220]*Ibid.*

[221]The National Bank of Ethiopia, *Annual Report* (2007/08), pp. 29-32. As the National Bank of Ethiopia (NBE) presented it there has been significant growth in exports earnings averaging 24 percent in the period 2004-2008.

[222]*Ibid.*, p. 15.

[223]Riungu, Catherine, "Ethiopia's Flower Sector Outgrows Kenya," *The Nation Media* Vol. III, No. 8, (2007), p, 12.

pay due attention for the sector in promoting, subsidizing, and protecting it.[224] While coffee was suffering from local, national and global crisis, the cut flower enjoyed a relatively stable price in the world market and appeared to be less demanding and highly profitable. Such surprising successes of the cut flower were able to attract the attention of higher government officials and financially strong individuals. As a result, giant investors withdrew from coffee sector to join the lucrative one (flower) which made coffee the concern of local merchants of the two regions who were trading under supervision of the Ethiopian Commodity Exchange. Oral source asserts that after the discovery of alternative exportable agricultural commodities like flower, spices, fruits and vegetable for export the customary government support for coffee industry appeared to hardly exist.[225] It also attracted labor and capital from the traditional coffee sector. For example, owing to migration of labor to flower industry the cost of daily laborer in the towns of Gedeo and Sidama appeared to have dramatically increased.[226] As a result, coffee produced in various regions including Gedeo and Sidama failed to get proper handling and exposed to both illicit trade and local consumption at a lower price, which affected the income of each household in the coffee sector.[227] This gradually, encouraged coffee farmers to abandon coffee and join the production of other crops of the day.

To conclude, up to 2010, even if coffee was persisted in becoming the major commodity that constituting about one third of the total export value, trade policy reforms after 1997 helped the production of flowers, vegetables and leather to expand more, which has changed the export

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[224]Mulu Gebreeyesus *et.al.*, (2010), p. 12.

[225]Informants: *Ato* Lägässä Lalimo, *Ato* Alako Hansamo, Jämma Haji (Ph.D.), and *Ato* Habtämarian Alämu.

[226]Zelalem Tolla, " Economic Significance of Specific Export Promotion on Poverty Reduction and Inter- Industry Growth of Ethiopia," *Selected Paper prepared for presentation at the Agricultural & Applied Economics Association 2010 AAEA, CAES, & WAEA Joint Annual Meeting* (Denver, Colorado, July 25-27, 2010), p. 29.

[227]Ayelech Melese, "Triple Role of the Dutch in the Growth of the Cut-Flower Industry in Ethiopia," p. 23; and Informants: *Ato* Lägässä Lalimo, *Ato* Alako Hansamo, Jämma Haji (Ph.D.), and *Ato* Habtämarian Alämu. They agree that washed coffee, which was produced for export purpose started to be supplied for local consumption for the first time in the years after 2002 because the government control and protection for the crop was loosened.

structure of Ethiopia.[228] Coffee export from Gedeo and Sidama has been declining in volume. Its share in the foreign currency earning declined by an average annual rate of 5.1 percent while non-coffee exports in the economy was increasing by an average rate of 7.1 percent.[229] For example, since 2004 as compared to all non-coffee export commodities, the cut-flower export share has grown annually at an average rate of 46 percent.[230]

The coffee industry, which still supports the livelihood of more than 12 million households, was about to be replaced by the labor intensive flower and vegetable industries.[231] A number of export promotion policies in horticulture and floriculture have been put into effect to support foreign investors working in these areas. The policies incorporate, among others, the following five major components:

> *(i) There are no minimum capital requirements if investors are exporting more than75 percent of their outputs; (ii) There is a full exemption from paying import duties of capital goods and construction materials; (iii) The existence of full exemption of FDI projects which export at least 50 percent of their production; (iv) Full exemption from income tax for 2-6 years; and (v) The availability of an opportunity to fully repatriate capital, and remit profit and dividend.*[232]

But the coffee industry, which was largely operating with unskilled labor, scarce capital and old technology, was denied all of such special policy privileges, which affectd the coffee sector. Business in the coffee industry was restricted to domestic economic operators and the export policy was limited only to exemption of customs duties and import tariffs. As a result, coffee

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[228]Mulu Gebreeyesus *et.al.*, (2010), p. 12.

[229]Zelalem Tolla (2010), p. 29.

[230]S. Dercon, "Growth and Shocks: Evidence from Rural Ethiopia." *Journal of Development Economics Vol.*74, No.2 (2004), pp. 315-316. He indicates that government officials and horticultural and flower producing associations are even projecting that in the near future, the cut-flowers share of export will exceed that of coffee.

[231] The United Nations, *Human Development Report* (New York: UN, 2009), pp.286-290.

[232]Frank Joosten, "Development Strategy for the Export Oriented Horticulture in Ethiopia," p. 67; and L. Weissleder, "Foreign Direct Investment in the Agricultural Sector in Ethiopia," p. 22.

farmers started to make decisions and shift of production from coffee to other cash crops that could maximize their benefits as it is presented below.[233]

9.4.2 *Çat/khat/qat* (*catha edulis)*

Çat/khat/qat (*catha edulis*) is a perennial tree crop mainly grown in Eastern Ethiopia and gradually expanded to other parts of the country.[234] The people living in the Horn of Africa and in some Arab countries grow and chew young and fresh leaves of *çat/khat/qat* as a stimulant. As to its introduction to Gedeo and Sidama the existing literature considerably varies and no source that could indicate exactly when and where *çat/khat/qat* production was started in the two regions. However, as to the beginning of its commercial production in some parts of coffee growing areas of Gedeo and Sidama, for example, Ayele tries to relate it with the arrival of Muslim Italian soldiers at the regions in the second half of the 1930s.[235] Finally he concludes that, in this particular period from its mysterious existence, the *çat/khat/qat* plant was transformed into to a public commodity.

Next to this, as it has already been described in chapter seven, the expansion of commercial *çat/khat/qat* production in the regions was also attributed to the arrival of Muslim (Siliţe and

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[233]Zelalem (2010), p. 5. He argues that if the flower and horticulture industries efficiently reallocated a large amount of the unemployed and under employed labor from the traditional coffee and subsistence agriculture sectors, it would be a plus to the country's poverty reduction efforts. By extending his argument he tried to indicate that since they are expanding with less intensive (land and capital outlay), their efficiency of allocating is negligible; hence, their contribution to poverty reduction is trivial. Furthermore, the supply side constraints of the existing coffee industry might have been improved if it had benefited from external capital flows and technology transfers. He finally notes that currently many countries in the sector have greater capital and innovative capacities affected the Ethiopian flower industry.

[234]Tefera Tilahun *et. al.*, "Market Incentives, Farmers' Response and a Policy Dilemma: a Case Study of Chat Production in the Eastern Ethiopian Highlands," *Agrekon,* Vol 42, No 3 (2003), pp. 219-220; and Save the Children Fund/UK, (1996), p. 226.

[235]Ayele TesfaMariam, "Economic Impact of the Italian Rule in the Southern Ethiopia" (M.A. Thesis, Department of Development Studies, Dublin, 1983), p. 37. He illustrates that the Italian Muslim soldiers (*Ascaris*) were said to have played an important role in the introduction *sharia* law, expansion of mosques, and *chat* production. He also notes that it does not mean that prior to their arrival there was no chat production and consumption but it was a business left for witchcrafts and some Muslim Sidamas who had a strong links with the Muslim itinerant merchants traversing the region either for commercial or religious reason.

Arabs) laborers and merchants at the regions since the 1941.[236] After 1941 developments particularly migration of people into the region increased the commercial viability of *çat/khat/qat* production and made it more extensive.[237] As a result of the coffee boom, Muslim merchants and laborers and some Arabs who arrived to Gedeo and some Sidama played their part in accelerating expansion of the plant.[238] This increased the demand for the crop in markets of the region, which inspired some farmers to produce it. In addition to this, some of the Muslim laborers and merchants gradually owned their own farms and dedicated part of it for *çat/khat/qat* production.[239]

Extensive *çat/khat/qat* production was also attributed to the expansion of coffee trade, which stimulated other business activities to flourish in the region and increased the number of daily laborers.[240] Owing to the strong purchasing power of the people, which resulted from money coming from the coffee transaction, *çat/khat/qat* appeared to be a substance of entertainment (next to alcohol) for many people regardless of their gender, economic, cultural, religious, ethnic and age differences. This was an important event that helped *çat/khat/qat* to become an alternative salable item for farmers because growing demands for the crop and relative freedom

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[236] Informants: *Ato* Shikure Shafi, *Ato* Käbädä Bälachäw, *Ato* Abu Hanfato and *Ato* Uko Matti.

[237] Wolasa Lawiso, p. 63; and Zerihun Mengistu, "Natural Resource Competition and Interethnic Relations in WondoGenet, South Central Ethiopia" (MSc. Thesis, Department of Sociology, Addis Ababa University, 1999), p.18; and They indicate that the growing prominence of *çat/khat/qat* production and its growing contribution for the national income. Accordingly, both legal and illegal channels were used to export chat. They also note that volume of *çat/khat/qat* exported legally was about 200 metric tons (Mt) in 1948 and reached 1,400 Mt in 1958. Particularly Zerihun shows that the volume and value of chat exports rose from 2, 746 Mt and 30.2 million birr3 in 1977 to 3, 496 Mt and 114.4 million birr in 1986. The finally conclude that Ethiopia earned 618.8 million birr in hard currency in the year 1999/2000 by exporting 15, 684 Mt of chat. *çat/khat/qat* had become the second most important earner of foreign exchange next to coffee in 1999/2000.

[238] Informants: *Ato* Shikurē Shafi, *Ato* Sadēwo Sakuma, Ato Käbädä Bälachäw, *Ato* Wubshät Tägägn and *Ato* Omor Sakuma. The Gedeo and Sidama majority do not consume *chat/kat* but they only produce it to earn money. However, very recently the younger group appeared a voracious consumer of the leaf for various reasons.

[239] *Ibid.*

[240] *Addis Zämän*, Vol 20 Year 21st, editorial commenting on the expansion of *çat* and its social and economic impacts (4 *Sänē* 1953 E.C), p 764; and *Ibid*, Vol. 30, 23rd Year editorial commenting on the expansion of cat and its social and economic impacts (12 *Teqemet* 1955 E.C) pp. 8052 and 8055.They indicate the fact that *çat/khat/qat* production has replaced staple cereals and coffee is interesting for a number of reasons. They also show that for example, unlike coffee and cereals, *çat/khat/qat* has never directly benefited from research, extension advises and credit service.

it enjoyed in the markets and little government control tempted farmers to go for *çat/khat/qat* cultivation.[241]

After 1991 ethnic federalism followed by the current government temporarily provided local farmers with freedom to decide on their farms.[242] This helped them to go for the most profitable crops and cereals and to decide on the fate of their produce. As a result, particularly from 1975 up to 2010 *çat/khat/qat* was about dispossessing land, labor, capital and market that coffee used to enjoy since its commercial introduction in Gedeo and Sidama.[243] For example from 1991/92 up to 2003/04 on average the share *çat/khat/qat* in the national export was 9.3 percent; and as sources assert during the current government *çat/khat/qat* can be ranked as the second export item.[244]

Throughout the Imperial period production of *çat/khat/qat* was not as such notable in affecting the production of other crop in the regions. It was after 1975 extensive *çat/khat/qat* production appeared to be a challenge to the survival of other crops. At this juncture, dedicating their farms for commercial *çat/khat/qat* production and exporting it to the national market, the Wondo Gänät (Malgē Wondo) farmers were pioneers in Sidama.[245] According to some sources, beginning from the 1970s the majority of irrigated land is allocated to *çat/khat/qat* production and in addition

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[241]Taye Hailu and Aune B. Jens, "Khat Expansion in the Ethiopian Highlands," *Mountain Research and Development*, 23(2), 186; Amare Getahun and Krikorian A.D., "Chat: Coffee's Rival From Harar, Ethiopia I. *Botany, Cultivation and Use," Economic Botany*, 27(4), pp. 363-364; Gessesse Dessie, "Khat Expansion and Forest Decline in WondoGenet" (Ph.D. Dissertation, Department of Physical Geography, Stockholm, 2007), p. 54; Rakesh Belwal and Hassen Teshome, "Chat exports and the Ethiopian Economy Opportunities, Dilemmas and Constraints," *African Journal of Business Management* Vol.5, No.9 (2011), pp. 3639-3640; Tefera Tilahun*et. al.*, "Market Incentives, Farmers' Response and a Policy Dilemma: a Case Study of Chat Production in the Eastern Ethiopian Highlands," *Agrekon,* Vol 42, No 3 (2003), pp. 223-224; and Eshetu Mulat and Habtemariam Kassa, p. 102. According to these writers *Çat/khat/qat* has provided farmers with freedom to decide on the fate of the product without officials' intervention.

[242]Bereket Tassew, "Aspects of Decentralization Practices in Sidama Zone: Bensa Woreda" (MA. Thesis, Regional and Local Development, AAU, 2008), p. 19.

[243]Gessesse Dessie, "Khat Expansion and Forest Decline in WondoGenet," p. 14.

[244] Rakesh Belwal and Hassen Teshome, "Chat exports and the Ethiopian Economy...," pp. 3640-3641.

[245]Teshale, WoldeAmanuel "Analysis of Subsistence Farmers Rationales in Switching to Commercial Agriculture: The Case of Small Farmers in Wondo Genet, Southern Ethiopia" (MSc. Thesis, Department of Economics, Wageningen University, 2003), p.16; Wolassa Lawiso, p. 48; and *Ato* Täsfayē Banata, *Ato* Wolqisa Wonbeto, *Ato* Abu Hanfato.

çat/khat/qat enterprises consumes most of the scarce organic manure in household farms.[246] It was from northern Sidama that gradually commercial *çat/khat/qat* production expanded southwards and started to challenge the coffee production and marketing.

The production of *çat/khat/qat* and trade in the case of Gedeo and Sidama were quite different from Eastern Ethiopian Highlands, mainly Hararghē highlands. Particularly, in terms of variety, quality and quantity of the leaf there were notable differences. As to the nature of expansion, method of production and amount of capital circulating *in the çat/khat/qat* sector there were also differences.[247] For example, to the second half of the 1980s, except the case of Wondo Gänät (Malgē Wondo), the Gedeo and Sidama *çat/khat/qat* supply was very limited and even did not satisfy the need of local markets.[248]

Furthermore, there were factors that were peculiar to the Hararghe highlands, which contributed to the expansion of *çat/khat/qat* production in the region.[249] Finally however, as to the whole Gedeo and central and southern Sidama the huge amount of money *çat/khat/qat* farmers earned from few trees on a piece of land, at a minimum cost and three to four times per year appeared to be attractive to adopt the crop. Besides, relatively luxurious life *çat/khat/qat* farmers enjoyed, complex villa houses they constructed, modern and quality furniture they furnished their houses with, modern cars they bought, fashion clothes they dressed etc. have been tempting for coffee farmers to evaluate the situation critically, decide in favor of *çat/khat/qat* and go for its production[250]

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[246]Girma Negash, "Agriculture and Trade in Northern Sidama Since 1950: A History" (Ph.D. Dissertation, Department of History, AAU, 2014), p. 147; and Informants: *Ato* Shikure Shafi, *Ato* Wubshet Tegegn and *Ato* Omor Sakuma.

[247]Ezekiel Gebissa, "Khat in the Horn of Africa: Historical Perspectives and Current Trends," *Journal of Ethnopharmacology* Vol.132, No.3 (2010), pp. 611-612.

[248]Zerihun Mengistu, "Natural Resource Competition…," p.38. Both quality and quantity of the product were basically different. However, in Gedeo and Sidama the production was not export oriented except the case of WondoGänät. In the Hararghe highlands, the system of production and variety and quality of the product are quite different.

[249]Hizkeal Gebissa (1994), p. 22; Sofia Karlsson, "Reducing Farming Household Vulnerability in Connection to Khat Cultivation," p. 48; and Rakesh Belwal and Hassen Teshome, "Chat exports and the Ethiopian Economy…" p. 346.

[250]Teshale WoldeAmanuel, p. 41; and Informants: *Ato* Täsfayē Banata, *Ato* Wolqisa Wonbeto, *Ato* Abu Hanfato.

Apart from coffee trade that secured both market and capital for the expanding *çat/khat/qat*, the global coffee price falls, damages of coffee berry by diseases and strict government controls were factors that provoked coffee farmers to plant *çat/khat/qat* in lieu of coffee, which created conducive ground for *çat/khat/qat* to invade the regions.[251] Particularly, the 1977, 1988, 1997, 2002, 2003 and 2004 price falls and coffee diseases were major events that forced coffee farmers to decide on the fate of coffee plant in the process of managing crises that jeopardized their lives.[252] On the other hand, the export price of *çat/khat/qat* has also been rising after1975.[253] While *çat/khat/qat* was enjoying a relatively stable price in both local and world markets, coffee suffered from both export volume and price flux.[254] Similarly, disease attacks and price falls[255] along with rises in prices of chemicals following the removal of subsidies under the structural adjustment program affected the future of coffee industry. Producing *çat/khat/qat* has thus, become a viable and important option to ensure continued cash income.

As it was explained in chapter one, coffee production in Ethiopia is more expensive as compared to the rest of the world because about ninety percent of the coffee bean has been produced at household level, by smallholder farmers in very traditional methods, which is both time and

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[251]Amare Getahun and Krikorian A.D., "Chat: Coffee's Rival From Harar, Ethiopia ...," pp. 360-361.

[252]Tefera Tilahun *et. al.*, p, 223; Asrat Teffera, "Seasonal Analysis of the Supply, Export and Prices for Ethiopian Green Coffee Beans," *National Coffee Board, Research Paper* No. 1 (1991), pp. 4-6; and Martin E. Abel, "Price Discrimination in the World Trade of Agricultural Commodities," *Journal of Farm Economics,* Vol.48, No.2 (1966), p. 18.

[253]Storck *et. al,* (1997), p. 15; Taye Hailu and Aune B. Jens, "Khat Expansion in the Ethiopian Highlands," p. 186. According to these writers, another economic reason for the growing interest in *çat/khat/qat* production is related to its cost of production relative to other competing enterprises. They also argue that, labor is the most important cost item in the production of chat. Rapid population growth in the Gedeo and Sidama has provided enough family labor or cheap hired labor for labor-intensive production, making chat production feasible. Further they noted that, *chat* is hardly affected by any disease except some damage by insects that can easily be controlled by locally developed methods at little or no cost..

[254]Eshetu Mulat and Habtemariam Kassa, "Evolution of Smallholder Mixed Farming System in the Harar Highlands of Ethiopia: The Shift Towards Trees and Shrubs," *Journal of Sustainable Agriculture*, 18 (4), pp. 95-96; and Ezekiel Gebissa, *Leaf of Allah: Khat and Agricultural Transformation in Hararge, Ethiopia, 1875–1991*(James Currey: Oxford, 2004), p. 22.

[255]Mulat Teshome, "Coffee Producer's Income Share," p. 59. He notes that in general coffee production and processing are very expensive, complex and time taking as compared to *çat/khat/qat*. He also explain that coffee is the state crop, whose production, processing and trading should abide by the rules and regulations specifically, issued to govern coffee businesses; whereas production, processing and trading of *chat/khat* is simple and private business that an individual can handle it according to his own will without waiting for official decisions. According to Mulat, sometimes, farmers could collect their money without worrying to research for the market. He concludes that apart from providing farmers with decision making right the *çat/khat/qat* business is time, space, energy and input-saving and at the same time income maximizing crop.

labor consuming. Up to 1991, though negligible, there was a government support provided to smallholding coffee farmers mainly chemicals to protect coffee plants from disease attacks.[256] However, the policy of market liberalization that was launched in 1991 has privatized the coffee market and gradually removed government subsidies from the sector. As a result, coffee production was left for poor Gedeo and Sidama coffee farmers with limited capital to purchase chemicals. Finally, such demanding nature of coffee production, vulnerability of the plant to diseases attacks and complete removal of government subsidies from the sector led coffee farmers to make the shift of production from coffee to çat/*khat/qat.*[257]

Economic preferences were vital as to decisions of farmers to allocate resource. Furthermore, factors like risk also ought to be considered to understand complexity of the decision-making process.[258] The average rainfall in Gedeo and Sidama was largely taken as adequate for viable rain-fed agriculture; however, in 1992/93 fluctuation of its amount and irregular distribution expose coffee to frequent weather hazards, which forced framers to look for local strategies. *Enset* planting was one of the widely used local strategies to manage risks related to weather, diseases and pests. Next to *ensät*, they found *çat/khat/qat* less affected by these risks and perfectly fit for intercropping unlike coffee. This was also an important event, which helped *çat/khat/qat* to make an incursion to new areas; where formerly was unfamiliar with the crop.

Çat/khat/qat production has another advantage because it can be harvested at least twice a year under rain-fed agriculture whereas up to five harvests per year is possible under irrigation, which ensures a well-distributed flow of income at household level.[259] Thus, farmers, who used to

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[256]Ministry of Coffee and Tea Development, *Coffee Statistics Handbook: 1962/63 - 1982/83* (Addis Ababa: Ethiopian Government Printing Office, 1984), pp. 48-50; Asrat Teffera, p. 13; and Tefera Tilahun *et. al.*, p. 226.

[257]Informants: *Ato* Täsfayē Banata, *Ato* Wolqisa Wonbeto, *Ato* Abu Hanfato

[258]Storck *et. al,* (1997), p. 15; and Hizkeal Gebissa (1994), p. 22.

[259]*Ibid*; and Informants: *Ato* Shikure Shafi, *Ato* Sadewo Sakuma, Ato Käbädä Bälachäw and *Ato* Omor Sakuma.

suffer from coffee caused crisis since 1941, started to look for alternatives at their disposal like planting *çat/khat/qat*, tobacco, spices, fruits, vegetables and eucalyptus by uprooting the coffee plant as a means to deal with adverse effects of the coffee crisis. This implies that both in its crisis and booms coffee contributed to the expansion of *çat/khat/qat* in Gedeo and Sidama.[260]

In general the concern of this research is not to show the origin of *çat/khat/qat* and expansion of its production in Gedeo and Sidama. But it attempts to show decisions of coffee farmers on the basis of existing circumstance to choose the best from available options and benefits or suffer from consequences of their decisions. It also shows the current position of *çat/khat/qat* farmers in deciding against coffee, the age-old crop of the regions to the extent of sharing its land, market, and labor due to local, national and global situations, which affected the coffee sector.[261]

The above mentioned factors were the major ones that favored *çat/khat/qat* farmers to expand the crop in the regions at the expense of coffee. Some farmers and traders of the two regions who benefited from the crop, *çat/khat/qat*, stated that "ጫት ትኩስ ብስኩት ነዉ የኪሳራ ስጋት የለበትም።" which means "*Çat/khat/qat* is hot cake of the day with no worry of bankruptcy."[262] They also indicate their biases in favor of *çat/khat/qat* by saying that "ጫት የአላህ ቅጠል ቡና ድግሞ የመንግስት ተክል ናቸዉ። ስለዚህ የተሻለዉንና አዋጭ የሆነዉን መምረጥ ደግሞ የእኛ የመብት፣የፍላጎትና የዉሳኔ ጉዳይ ነዉ። This means, "*çat/khat/qat* is the leaf of Allah and coffee is the government plant; therefore, going for the best and more rewarding one is the matter of our (farmers') right, interest and decision." Thus, as it is presented below, in addition to *çat/khat/qat* some crops like sugarcane attracted the attention of coffee farmers and traders.

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[260]Seyoum *et. al.* "Expansion of *Chat* Production and Its impact," in *Agrekon*, vol. 48, No. 33 (1986), p. 40; and Informants: *Ato* Shikure Shafi, *Ato* Sadewo Sakuma, Ato Käbädä Bälachäw and *Ato* Omor Sakuma. Particularly, the *çat/khat/qat* verities called *Siqe* in Dilla and *Beleche*, *Chanige* and *Tulla* in Sidama are the dominant ones. Despite it socially, culturally and economically importance, there exists little empirical evidence on *çat/khat/qat* partly because it was omitted from any research agenda in Ethiopia. In the mid-1980s *çat/khat/qat* farmers' income was three times greater than non- *çat/khat/qat* farmers.

[261]Sudarsan Raghavan, "Stunted Coffee Market Pushes Ethiopians into Drug Trade" in *Knight Ridder Newspapers*, Vol. 94, No. 10 (27 December 2002), pp. 22-26.

[262] Informants: *Ato* Shikure Shafi, *Ato* Sadewo Sakuma, Ato Käbädä Bälachäw and *Ato* Omor Sakuma.

9.4.3 Sugarcane

The purpose of this research is not to deal with the origin of sugarcane production in Gedeo and Sidama or the technology farmers employed, but it aims at showing the rate of sugarcane expansion both at the field and market levels in the regions and why it appeared to be farmers' choice against the age-old crop of the region, coffee. Next to *çat/kat/qat* it was sugarcane, which appeared to attract farmers Gedeo and Sidama to dedicate part of their land, labor and other resources by reducing from coffee. As it has been stated above, in this case also a number of local and global factors played their part in encouraging farmers of other commercial crops to adopt such commercial crops, which helped them to emerge in the areas which were traditionally known as coffee regions of the country like Gedeo and Sidama.

Diversification of production is very important and recommendable to maximize farmers' income.[263] It is not a problem by itself; however, in the case of two regions, the problem with diversification was marginalizing coffee and indirectly pushing coffee farmers to produce other salable crops instead of coffee. As it has been explained, some factors like price fall, government measures, annuity of the crop, disease attack, and consumers' preference gave coffee a marginal place in the farmers' chioce, which complicated the situation and forced coffee farmers to look for other profitable options at their disposal. [264]

Most of the informants argue that the most important factors behind the expansion of sugarcane were high financial return and progressively growing demand.[265] They also indicate that in addition to its commercial viability, leaves on the cane and its top most parts are important to

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[263]K. Schreckenberg *et. al.*, "Domestication of Indigenous Fruit Trees as Contribution to Poverty Reduction," *Forest Trees Livelihood*, No. 16(2006), pp. 39-40.

[264]*Ibid.* He indicates that measures taken by governments were reducing the share coffee in the national export, efforts to diversify the national export menu at the expanse of coffee, imposing tax burden, excluding it from national policies etc.

[265] Informants: *Ato* Hajamo Hanfato, *Ato* Abu Hanfato, *Ato* Wolqisa Wonbeto, and *Ato* Käbädä Kēlēta.

feed their animals. Finally, owing to its becoming one of the tropical crops, that are heat resistant farmers preferred to adopt sugarcane both to earn money and use it for animal fodder during dry seasons (usually from December to May). They finally concluded that due to high financial returns that they earned from sugarcane at least twice per year, sometimes sugarcane farmers used to look coffee farmers mockingly as "ignorant business."[266]

The expansion of sugarcane in Gedeo and Sidama dates back to the second half of the 1950s.[267] Mainly, from beginning from 1975 up to 2010 coffee farmers of the regions were dedicating most of the coffee lands fro sugarcane prodduction.[268] Combined effects of global coffee price falls and disease attacks against both the plant and its berry in the years cited above forced coffee farmers of the regions to devise strategies to manage the aftermath. Accordingly, majority of the coffee farmers adopted sugarcane as a cash-crop in lieu of coffee and planted it widely by removing damaged coffee trees.[269] A year after planting the sugarcane, farmers were able to succeed in generating income and getting market for the product two to three times per year. Particularly, after 2000 the cover of sugarcane in Gedeo and Sidama has been dramatically increasing. Such an increase in the production of the crop was again attributed to coffee crises (which started in 1997 and steadily reached its climax in 2002 and continued to affect the industry up to 2004), and progressively rising demand for sugarcane in the markets of the region.

In general it is possible to conclude that whatever the case decision of *çat/kat/qat* and sugarcane farmers to make a shift of production was dictated by either coffee crises or growing demand for

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[266] *Ibid.*

[267] *Addis Zämän* Vol.266, Year 20th (28 November1953), p. 2060; and *Ibid* (20 June 1952), p. 618.

[268] Informants: *Ato* Mäläsä Gizēaläw, *Ato* Biräga Bifitu, *Ato* Uggo Metti and *Ato* Gerri Gotu. They indicate that, however, overproduction of the yield gradually caused market problems, which again forced the farmers to look for other alternatives like fruits, vegetable etc. but they did not, abandoned it totally.

[269] K. Schreckenberg *et. al.*, "Domestication of Indigenous Fruit Trees as Contribution to Poverty Reduction," pp. 40-41. He indicates that, it was a serious blow for the coffee market, which undermined the role of coffee in general.

crops or both at the same time in the regions and affected coffee, the age-old crop of the region. As it will be shown next, coffee farmers who decided to continue with coffee production started to reduce the size of coffee cover and dedicate some part of their farm to produce fruits and vegetables for market to maximize their income because they found reliance only on coffee as a risky approach to life. Similarly, due to the declining and less rewarding status of coffee most of the coffee merchants have been joining markets of the new crops.

9.4.4 Fruits and Vegetables

The banana plant was introduced in Ethiopia in 1950 by the Belgians Coffee Company at Argabagugu and expanded gradually to Gedeo and Sidama by laborers, who worked in the company.[270] Finally, after 1975 smallholding farmers of the regions started to grow banana as farm diversification to livelihood, coping strategy to attain food security.[271] The impact of banana on coffee was not detrimental because just like *ensät,* banana grows without affecting the coffee plant. The introduction of banana in Gedeo was attributed to the Yirgächeffē coffee processing station, which opened in the second half of 1960s.[273] As to Sidama, banana was a cash-crop predominantly adopted by farmers after 1975 and continued to be a reliable source of income for each household.[274]

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[270]WMTRC Folder 487, File No.9, request of the Coffee Company presented to the emperor to get permission from his Excellency to plant forty-five boxes of banana seedling that they brought from their home country (1942 E.C.), p. 3; and *Addis Zämän,* Vol.23, Year 19th, report indicating the role of the company in expanding commercially viable crops including banana (20 Säne 1952 E.C.), pp.618.

[271]Getachew Abebe, *et al.*, "Smallholders Banana Marketing in Southern Ethiopia," *Ethiopian Economic Association, Proceedings of the Seventh International Conference on the Ethiopian Economy,* Vol. III (2010), pp.189-190; and Informants: *Ato* Mäläsä Gizēaläw, *Ato* Biräga Bifitu, *Ato* Uggo Metti and *Ato* Gerri Gotu.

[273]Informants: *Ras* Mängäsha, *Ato* Mäläsä Gizēaläw, *Ato* Biräga Bifitu, *Ato* Uggo Metti and *Ato* Gerri Gotu.

[274]*Ibid*; and *Addis Zämän,* Vol.23, Year 19th, report indicating the role of the company in expanding commercially viable crops including banana (20 Säne 1952 E.C.), pp.618. According to these sources, in Ethiopia banana tree was introduced for the first time in 1950/51 by the Belgians at Arbagugu. They also indicate that under the recognition of Emperor HaileSilassie they brought 45 packets to plant it in their commercial farms. Sources also assert that it was gradually disseminated into various parts of the country. Finally they conclude that in the case of Sidama the Hadicho laborers brought it to the province and in Gedeo it was attributed to the foundation of coffee station at Yergacheffē in 1967/8.

Gedeo and Sidama are among the densely populated regions of the country and farms are highly fragmented and largely dominated by root plants, vegetables, spices and fruits that can easily be managed on smallholdings, which helped farmers to easily integrate banana into their farms. Besides this, after 1975, in times of adversity mainly related to coffee crises either in production or trade, farmers have been abandoning coffee and making a shift of production into some sort of alternative cash-crop to tackle adverse effects of coffee crises.[275] At this juncture, experiences of the Gedeo people in producing fruits and vegetables can be cited as the best example for the case under discussion. Moreover, alongside income generating, their tradition of keeping trees as heritage of the people played an important role in protecting indigenous trees and afforesting the region through fruits and vegetables production.[276]

Whatever the case, the expansion of fruits and vegetables production in the regions was not simply because of favorability of the climate and fertility of the soil but it was also highly associated with the desperation of coffee farmers which basically resulted from the coffee price fall. Complexity and diversity of problems related to coffee (mainly the price fall) ultimately became unbearable for smallholding poor coffee farmers of the two regions, which encouraged them to make a shift of cultivation by reducing the size of coffee cover in their farms. As a result, the size of coffee cover started to markedly shrink and its status as commercial crop appeared to decline; thus, it was about to grow only for family entertainment. Existing social and economic situations of the regions indicate that coffee farmers seemed tired of tolerating tricks around coffee. In general, due to economic discussions of coffee farmers the role of coffee in the

[275]Informants: *Ras* Mängäsha, *Ato* Alemu Guraro, *Ato* Dume Ataro, and *Ato* Gärämu Yigäzu. They indicate that avocado plant also started to expand throughout the two regions since 1970s.

[276]*Ibid.* They also indicate that in Gedeo the cultivation of fruits and vegetables was said to have slightly affected the survival of coffee plant but it affected the production and market of coffee by giving marginal position and importance respectively.

regions grew fragile. This was because the supply was declining from day to day due to farmers' choice to produce other crops and traders were also withdrawing from the sector to join lucrative markets of other crops.

9.4.5 Eucalyptus Tree

Farmers' strategy to manage coffee crisis in the regions also included the adoption of eucalyptus. The intension of growing eucalyptus under community and farm forestry program four decades ago to solve wood shortage in response to the loss of natural forest has been changed to market oriented growing practices over a period of time.[277] This was because eucalyptus was found commercially viable and the money it generated helped farmers to fill income gaps at household level.[278] Thus, smallholding farmers in rural Ethiopia have been attracted to grow it at a farm level in a form of woodlot.

In Southern Ethiopia, Gedeo and Sidama were coffee growing areas, which was the most important cash crop of the country. However, smallholding farmers grew eucalyptus as farm diversification against reliance on single crop (coffee) and strategy to maximize income to attain food security. Accidentally, however, the province was covered by eucalyptus because farmers decided to plant it in their farms for various purposes.[279] In addition to price and disease related coffee crises that encouraged farmers to opt for substitute crops, fast growing and drought resistant nature of eucalyptus plant, and growing demands for its products (for construction and firewood purposes) attracted farmers to decide in favor of eucalyptus tree to displace coffee both

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[277]Zerihun Kebebew, "Eucalyptus in Rural Livelihood Safety New Strategy in Coffee Growing Areas: Case Study around Jimma, Southwestern Ethiopia," *Research Journal of Forester* Vol.4, No.4 (2010), p. 204; and Wirtu Dinsa *et.al.*, "The Economics of Growing *Eucalyptus Globulus Labill*: On the Highlands of Oromiya, Ethiopia, with Special Reference to Intoto and Chancho Areas," *Ethiopian Journal of Natural Resources,* No.2 (2000), pp., 214-215.

[278]*Ibid.*

[279]Informants: *Ato* Mängäsha Waqo, *Ato* Alemu Guraro, *Ato* Dumē Ataro, and *Ato* Gärämu Yigäzu.The initially introduction the plant to the region was attributed to *Ras* Birru WoldäGäbrial in the 1920s.

in farms and markets of the regions. Besides, oral sources indicate that the commercial production of eucalyptus was largely attributed to the expansion of towns and related population growth in the region.[280]

Up to the 1980s production of eucalyptus was very small and basically aimed at meeting demands of households for construction and fire consumption. Due to the existence of indigenous forest in many parts of the regions, the production of eucalyptus was largely the business of settlers inhabiting the towns and their outskirts. It was the expansion of towns in the two regions beginning from the first half of the 1980s that markedly increased the demand for and price of eucalyptus tree. As a result, some coffee farmers exploited this opportunity, planted it by clearing coffee farms and they got rich after a few years. Gradually, a large number of farmers in the region dedicated part of their coffee farms to the new tree, eucalyptus.[281]

After 1991, opting for alternative cash-crops continued to be the concern of farmers of the regions. Particularly, the coffee price shock that happened from 1997 to 2004 caused by the world economic recession was the most serious one in the history of Ethiopian coffee economy, which completely nullified economic importance of the coffee industry in each coffee producing area of the country. As a result, farmers, who suffered from shock of coffee price falls both in local and world markets desperately reacted against the plant and attempted to replace it by some other cash-crop. In the period under discussion no single crop emerged as the only alternative to generate income for households of the regions. In the meantime; however, owing to the existence of fast growing and high yield varieties of potatoes, potato was able to get the precedence to

[280] *Ibid.*

[281] Zerihun Kebebew, p.205; Alemayehu Geda, "Does Conflict Explain Ethiopia's Backwardness? Yes! And Significantly" (A Paper Presented at Making Peace Work Conference at WIDER, Helsinki, 2004), p. 59.

become farmers' choice in tackling consequences of coffee price falls. In general, looking for alternative crops in one way or another affected the coffee industry in the region.

To conclude, policies of export diversification, employed by governments of the country helped farmers of Gedeo and Sidama to diversify their farms. Even if diversification is vital to increase incomes of individual farmers and governments, diversification in these two regions was a result of persisting decline of coffee price in the world market, which pushed governments of Ethiopia to reduce the coffee domination in local, national and export markets of the country. Governments indirectly pushed coffee farmers to diversify their farms by suppressing coffee and encouraging new exportable crops to join local, national and global markets to make more income both for farmers and governments of the country.

Measures taken to marginalize coffee, however, succeeded in achieving two objectives set for the case. First, it helped farmers to earn better income by dedicating part of their farm to the cultivation of other crops instead of keep on producing less rewarding single crop and continuously suffering consequences. Second, it also provided opportunities for coffee farmers to decide on the fate of their farm and choose the best from available alternatives at their disposal, which helped them to evaluat the situation without intervention from above and join any sector that they found more rewarding. This implies price fall forced governments to slash the share of coffee, which appeared an alarm for coffee farmers to overcome vicious circle of poverty by introducing some tradable crops into their farms than keep on cultivating only coffee.

9.5 The Power of Credit Lending in Affecting the Coffee Sector of the Two Regions

As it was the case in other regions of the country, the conquests of Gedeo and Sidama was carried out through military. However, integration of the people was gradual attained by economic interactions, where coffee industry played a vital role.[282] According to some informants, after 1941 mainly during the imperial regime, coffee served as an instrument to penetrate the two regions including remote areas and install the imperial rule.[283] It was searching land for coffee production and instituting spiral markets in various villages of the two regions radiating from administrative centers (garrison towns) that accelerated proliferation of the rule and installation of state paraphernalia.[284]

The other business that had knocked at the door of each coffee farmer of the regions throughout the three governments of the country was credit lending.[285] In Imperial times in particularly, usury was binding business agreement signed by two consenting individuals (lenders and borrowers).[286] It was unfair agreement that biased in favor of the lender who imposes harsh conditions on the borrower, which typically was a coffee farmer, who had no access to alternative sources of money. Oral sources indicate that money lending was a lucrative business that unilaterally prospered usurers in Gedeo and Sidama throughout the three regimes of the country. [287] Usurers used to force troubled receivers to agree to unfair terms wittingly set for the embezzlement of the receiver in his/her times of adversity. Irrespective of their ethnic background smallholding coffee farmers of the two regions suffered from inconsiderate interest

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[282]Almaw (2005), p. 46; Almaw (2008), p. 59; and Wolasa (2002), p. 31.

[283]*Ibid.*

[284]*Ibid.*

[285]Hailu Abatena, "The Significance of Community Self-Help Activities in Promoting Social Development" *Journal of Social Development in Africa* Vol.10, No.1 (1995), pp. 5-24; and Informants: *Ras* Mängäsha Seyoum, General Bäkälä Gäbrälgzi, *Ato* Wubät Täfära and *Ato* Käbädä Bälachäw.

[286]NALA, Folder No.108, File No.10, a quarterly report written from Sidamo to the MI (22 *Yäkatit* 1943 E.C), p.1.

[287]Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä.

paid in return for estimated money that they received collateral to immature coffee berries. Usually lenders used to take the return in-kind by picking ripen coffee berries in lieu of their money. The usury, which farmers borrowed from informal credit lenders like individuals or traditional institutions (*equb* and *edder*) was detrimental for farmers because farmers were expected to pay double or triple of the amount of money they borrowed.[288]

Despite binding agreements signed between the two parties, farmers who sold pre-mature green coffee berries collaterally under such unfair pacts used to have manifested their angers through depriving care for the plant and sometimes tending to steal or abuse the berries. Such acts of theft and depriving care for the plant adversely affected productivity of coffee plants.[289] Furthermore, debtors who run for profit had many strategies of protecting their investment.[290] One of the strategies was collecting pre-mature coffee barriers, which had a negative repercussion on the quality of the product. In this case, largely it was natural for the two parties to involve in a series of clashes that required official mediation to settle disputes.[291] Eventually however, in planning to avoid loan based intrigues of the two parties that used to affect coffee industry (the plant and quality, quantity and markets of the coffee berry) provincial governors made intervention to halt the usury business.[292]

Particularly in the 1960s and in the first half of the 1970s usury had become extremely profitable business sector involving a number of money lenders.[293] Such involvement of numerous lenders caused competitions that ended up in clashes, requiring governors to manage growing contests

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[288] *Ibid*. They indicate that increasing privatizations and weak banking service encouraged the usury business.

[289] NALA, Folder No.292, File No. 2666, official measures taken on individuals, who used to collect pre-matured coffee berries (20 *Mäskeräm*1960 EC.C), pp.1-3; and Informants: *Ras* Mängäsha, and General Bäkälä.

[290] *Ibid*, WMTRC, Folder No.159, File No.7, official measures taken on individuals, who used to collect pre-matured coffee berries (13 *Nähasē* 1958 E.C.), p.3.

[291] NALA, Folder No. 292, File No. 2667, quarterly report written from Sidamo to the MI (30 *Sänē* 1961 EC.), pp. 1-3; and Informants: *Ras* Mängäsha, and General Bäkälä.

[292] NALA, Folder No. 207, File No. 1018 quarterly report written from Sidamo to the MI (04 *Genebot* 943 EC.), pp. 1-4; and *AddisZämän*, news on penalty of Coffee Court on collectors of pre-matured coffee cherries(17 *Teqmet* 1950 EC.), p. 113.

[293] Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät Täfära and *Ato* Käbädä.

and squabbles around the informal credit lending business. However, as it was common in many parts of the country during the Imperial period that very smart individuals who were successful in corrupting some governors or officials worked with them jointly to secure legal protection both for their investment (money) and families.[294] Money lenders/ absentee landowners, who had largely come from nearby towns had better opportunity to approach and corrupt some governors than tenants or coffee farmers. The growing involvement of corrupted government officials in the usury business complicated the situation to the extent of taking the law into their hands and manipulating it for their own ends.[295] To protect farmers from such organized injustices and daylight robberies, some higher government officials passed a circular against usury, enjoyed by many individuals and some collaborating governors, who provided protections in return for money.[296]

During the *Därg* and EPRDF regimes, the rate of usury business was relatively low as compared to the Imperial regime due to interventions of various microfinance institutions.[297] However, there were differences between the two periods.[298] For example, During the *Därg* money lending business was officially interrupted by the government without any substitute that could give the service for coffee farmers.[299] The measure that government had taken to stop the money leding without alternatives complicated the situation and resulted in making it secret and expensive than

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[294]Tekalign Wolde-Mariam, "A City and Its Hinterlands: The Political Economy of Land Tenure, Agriculture and Food Supply for Addis Ababa, Ethiopia (1887-1974)" (PhD. Dissertation, Boston University, 1995), pp.318-319; and Informants: *Ras* Mängäsha, General Bäkälä, *Ato* Wubät and *Ato* Käbädä. They indicate that, it was natural for the hinterlands to suffer from mischievous acts, which were undertaken by government officials and absentee landowners/money lender who usually had come from the nearby towns, who continued to further differentiate the rural society and economy. This was largely because the two had worked together for mutual benefit at the expense of the tenant/coffee farmer.

[295]*Ibid.*

[296]NALA, Folder No. 207, File No. 1018, quarterly report written from Sidamo to MI (30 *Sänē* 1943 E.C.), pp. 1- 4; and *AddisZämän*, Vol.29, 28th Year, an editorial commenting on impacts of informal loans and the need for government intervention in availing money for the needy (17 *Teqemet* 1950 E.C.), p. 113; *Ibid*, Vol.34, 33rd Year, report on the measures take to overcome problems related loaning service (20 *Teqemet* 1956 E.C.), pp. 1 and 4.

[297]Anders Nilsson, "The informal sector and the potential role of microfinance institutions in Ethiopia" (M.A Thesis, Department of Peace and Development School of Social Sciences Studies, Oslo, 2010), p. 40 (see also appendix xvi)

[298]Demeke Hailu (2007), p. 33; and Alemayehu Geda and Alem Abreha, "Macro Policy, Labor Market and Poverty in Ethiopia: A Micro-simulation Approach" (Unpublished, Department of Economics, Addis Ababa University.2005), p. 71-72.

[299]Wolassa Lawiso, p. 68; and Informants: Jema Haji (Ph.D.) and *Ato* Ayälä Abatä.

stopping it. Farmers were not conscious enough about how to get loans from banks on a collateral basis. As a result, farmers suffered from shortage of credit to solve their financial and other problems related to shortage of money. As compared to the *Därg* period, which failed to avail options for farmers, the period after 1991 was relatively better in terms of giving option for farmers to obtain loans. However, up to 2010 the service was not all embracing to reach coffee farmers and traders.[300] Thus, 10, 000 and 24, 000 coffee farmers of Gedeo and Sidama respectively and traders were forced to either look for private sources or abandon the coffee sector.[301]

To sum up, in the coffee sector particularly for farmers and local merchants of the regions, scarcity of money to use for purchasing inputs vital for coffee production and to spend for family emergencies, appeared to push coffee farmers and traders away from the sector. As a result, some of them abandoned the sector and joined other businesses, which was detrimental for the coffee industry. The absence of fund for coffee farmers and local traders, which was an age-old problem of the sectors have continued to affect it to the present. The exclusion of coffee from the investment promotion policy of the country also appeared to complicate the problem. The market liberalization undertaken since 1991 has inspired many people to involve in the coffee market; however, most of these people were ambitious merchants who did not want to support farmers. Thus, poor coffee farmers of the regions, who were denied government subsidies and were forced to face profit-seeking private entrepreneurs (financial creditors) took their own measures to secure and improve their families' income by diversifying their farms at the expense of the coffee plant. Absence of financial interventions in the coffee sector pushed coffee farmers to adopt other commercially viable crops, which also appeared as another blow to coffee industry of the two regions.

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[300]Oxfam America, "Estimating the demand for micro-insurance in Ethiopia" *A Report Commissioned by the International Labor Organization and United Nations Capital Development Fund* (Boston: Oxfam America, 2009), pp. 139-140; and Informants: *Ato* Dawit Wonbeto, *Ato* Hajamo Hanfato, *Ato* Aera Aschaläw and *Ato* Dingo Akuma.

[301] The Japanese Coffee Company (UCC), *Annual Report* (2015), p. 19.

CONCLUSION

As it has been shown in nine chapters of the dissertation, Gedeo and Sidama were initially incorporated into the Ethiopian Empire by military means. Soon after the conquest relationships between the conquering force and conquered people remained relatively uneasy. It was eventually the introduction of the modern coffee industry, which attracted a large number of people with various interests and backgrounds, which helped the regions to develop more social and economic interaction. After 1941, the expansion of modern coffee economy has continued to attract national governments of the country to involve more and maximize their revenue both by selling lands to coffee producers and tax them. Instead of engaging in coffee production each government of the country after 1941 was interested in controlling the market system and channeled coffee beans to the national market either for export or local consumption. Owing to its becoming the main item of the national export, governments made serious intervention to control the industry to earn both local and foreign currencies. This in turn caused the expansion of state structure and improved infrastructure in the two regions.

On the other hand, peoples who arrived in the regions to share benefits of the coffee boom were engaged in various businesses including coffee production, processing and marketing. In this case, coffee merchants and brokers were more advantaged than producers in terms of income. As a result, they were able to open various business institutions, which created job opportunities both for new comers and local people, which also contributed to the expansion of service sector and infrastructural development in the two regions. The expansion of service sector along with production, processing and marketing aspects of the coffee industry helped the two regions to have diversified economic, social and cultural environment than their neighboring regions of the province. As a result, economic interdependence of the rural-urban link significantly improved.

However, up to the 1974 Ethiopian Revolution the expansion of the coffee economy in the two regions of the country was blamed for causing eviction of people from their traditional landholding, shortage of food supplies, decline of food production and reduction in forest and grazing lands. This was because the expansion of modern coffee industry in the regions modified the traditional institutions and landholding system, settlement pattern, composition of people, number of population, labor supply etc. The arrival of many people to share economic advantage that coffee industry was generating at production, processing and marketing level totally reduced the importance of traditional systems. The arrival of peoples with different ethnic, religious and economic backgrounds to Gedeo and Sidama laid foundation of the birth of new forms of interactions and reactions of people with people and people with governments in managing various issues of the two regions. To secure maximum benefit from the coffee industry both peoples and governments devised a number of strategies based on the legal provisions of the country, which helped the coffee industry to expand gradually.

A number of local and global factors have also played their part in affecting production, processing and marketing aspects of the coffee sector. Local, national and global factors jointly appeared persistently to insist coffee farmers to decide against the crop, which increased vulnerability of the coffee industry. This is because decisions of coffee farmers to make shift of production from coffee to other more rewarding cash-crops like *çat/qhat/qat*, sugarcane etc., shared part of the coffee land, labor, capital and markets in the regions.

The most interesting development in the coffee sector of the regions was the impact of world coffee market, which created conditions for the gradually dwindling status of coffee share in the national export and declining production at local levels. This is because continuously declining prices of coffee in the world market forced both national governments of the country after 1941

and coffee farmers to work against coffee. For example, for the following major reasons the three successive governments of the country reduced the share of coffee in the national export menu, denied it legal protections and deprived it from getting financial and other support that they provided for other crops. First, unpredictable, unfair, fluctuating, and progressively declining prices of coffee in the world coffee market failed to cover production, processing, transportation and storage costs. This affected the national revenue and bothered governments of the country to devise strategies to diversify the export and maximize their income instead of depending on a single crop, coffee.

Second, apart from causing detrimental effect on the national revenue, governments of the country got busy in managing coffee caused crises that usually coffee farmers and traders used to suffer from. Coffee farmers who used to depend heavily on coffee and earning extremely low income from the crop suffered consequences of price shocks in the world market to the extent of failing to afford food, medication, schooling and other fees both for himself and his family members. Thus, to discharge their responsibility of caring for citizens and tackle coffee crises in the long run, governments made reactions like issuing laws against coffee domination and slash its share in the national export, increasing tax burden, omitting coffee from national policies, depriving support for the sector, etc. These were some of the measures to push farmers indirectly to look for the production of other alternatives and diversify their farms instead of sticking to dedicate their entire farm for a single plant (coffee) and suffering adverse effects of price shocks each year. Gradually, such government measures appeared successful in improving income and living situations of coffee farmers. This is because, such measures encouraged farmers to make shift of production from coffee to other alternative crops to diversify their farms and make more

money, which also enabled governments to diversify the national export menu and earn more local and foreign currencies from agricultural sector.

Third, in addition to the above-mentioned reactions of governments and farmers to acts of embezzlements employed by the world coffee market, there were local man-made and natural circumstances that have been reducing the share of coffee in the national export and affecting its production. Due to little support from governments to the sector and negligible amount of capital which resulted from unfair prices of world coffee market, coffee farmers failed to pay for chemical that could help them to protect the plant from diseases and other sorts of attacks. This was a situation not only detrimental to the quality and quantity of coffee beans but also devastating for the plant.

Despite the historical role coffee has played in Ethiopia at large and Gedeo and Sidama in particular local, national and global circumstances have been affecting the industry and reducing its significance. At local level population growth, expansion of towns, very low technical and financial support, lack of inputs to keep quality of the product and poor management were very serious in affecting both the plant and its beans. Nationally the policy gap appeared to challenge the industry. Globally the continuously declining world coffee market prices were very serious in affecting coffee farmers and forced them to look for other alternatives replacing coffee. Therefore, the remedy will require the intervention of every stakeholder in the sector and at all level to rescue coffee before it finally collapses. In general, it was the world coffee market in one way or another that caused crises of coffee economy in Gedeo and Sidama by depriving both government of the country and farmers of the two regions from getting relatively fair prices for the commodity.

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List of Informants

No.	Name	Age	Sex	Interview		Current occupation and Remarks
				Place	Date	
1	Abäräsh Waqo Guraro (*W/ro*)	62	F	Yirgachäffē	09/10/2005 E.C	The granddaughter of former local *balabat*, owner of a large coffee farm, experienced coffee farmers and conversant about the history of coffee production and market in the region.
2	Abu Hanfato Wolato (*Ato*)	70	M	Fura'a	14/08/2004 E.C.	The son of local *balabat/qoro*, Chairman of the former PA, and coffee farmer. Participant of the land nationalization and distribution process and villagization program in the 1970s and 1980s in the region.
3	Adäm Osman Omar (*Ato*)	69		Wonago	29/04/2005 E.C.	Khat farmer and trader for over 30 years. He knows about when and how *khat* has started to expand against coffee in the region.
4	Addisu Bäriso Kachisa (*Ato*)	72	M	Bulē	22/11/2005 E.C	Coffee merchant for over 50 years and known money lender. Provides an eyewitness account about the euphoria period of the 1974 and its aftermath.
5	Alako Matti Nagawo (*Ato*)	72		Kochärē	17/04/2006 E.C.	Local elder with sounding knowledge of the local tradition of the Geode people and the role of coffee in modifying interaction of the region.
6	Alämayähu Ayibēra Tullu (*Ato*)	43	M	Hawasa	20/01/2005 E.C.	Head of the Dilla Tourism Office. Knows the details about impacts of the town expansion on the ecosystem of the region.
7	Alämu Shallo Qoricho (*Ato*)	50	M	Bulē	09/02/2005 E.C	Bulē *wäräda* Attorney General. He knows the impact of ethnic conflicts on the coffee markets and production of the region.
8	Armias Shifäraw Abäbä (*Ato*)	38	M	Yirgachäffē	08/04/2006 E.C.	Head of the *wäräda* Purchasing Unit. Knows the impact of coffee price fall on the coffee industry of the region.
9	Asäfa Eshätē Aräga (*Ato*)	58	M	Yirgachäffē	08/04/2007 E.C.	Owner of the coffee washing and experienced coffee merchant.
10	Azänä Kasa Kibamo (*Ato*)	74	M	Dilla	01/11/2006 E.C.	Oral historian, who knows about both Gedeo and Sidama
11	Bawiso Humēsa Latamo (*Ato*)	71	M	Bänsa	12/06/2006 E.C.	A local elder with good memory of the development of both formal and informal coffee markets in the region.
12	Bäkälä GäbräIgezi GäbräAb (Major General, Police Force)	80	M	Addis Ababa	23/07/2004 E.C.	Head of the Police Force of the Sidamo Province (1967-1970 E.C.) during the *Därg* regime. His interesting memories both about the Imperial and the *Därg* regimes in the province was interesting. (He died last year).

13	Bälätä Gäberä (*Bäjirond*)	87	M	Addis Ababa	04/03/2007 E.C.	Head of the Sidamo Finace Office imperial rule, head the Literacy Campain during the *Därg* and finally inprisond for conspiring against the regime.
14	Bogalä Däyaso Waquma (*Ato*)	60	M	Yirgachäffē	15/11/2005 E.C	Former Chairman of the Wonago Peasant Association and currently member of the Qonga Specialty Coffee Exporting Union. Knows each development of the region since the Imperial period.
15	Dawit Bunē Utaro (*Ato*)	50	M	Yirgachäffē	15/12/2005 E.C.	Aministrator of the Yirgachäffē *wäräda*. Knows about the post-trademarking expansion of illicit coffee trade in the region.
16	Dawit Wonbēto Wolato (*Ato*)	50	M	Fura'a	03/11/2004 E.C.	Coffee merchant and articulate about the importance of illicit coffee market in terms of benefiting the coffee farms.
17	Däjänē Kiflē Bälachäw (MD)	55	M	Addis Ababa	02/13/2004 E.C.	The elder son of coffee farmer and merchant. He has a very good memory about the money lending and its impact on the coffee beans and the farmers.
18	Eshätu Çaka Gurumu (*Ato*)	68		Dilla	05/20/2004 E.C.	Chairman of the Geode Youth Association during the *Därg*. A retired teacher, coffee farmer. His coffee farm was taken by Dilla university for expansion. His memories both about the Imperial and the *Därg* regimes in the region were extremely notable. (He died in December, 2006).
19	Fitamo Qawato Haţiya	73	M	Alatawondo	18/06/2005 E.C.	Coffee farmer but currently he has distributed his land for his five sons and they have been using the land for various purposes. His remarks on the impact population growth on the environment are important.
20	Galcha Waqäyo Emana (*Ato*)	58	M	Yirgachäffē	13/12/2005 E.C.	Coffee farmer, who is currently intercropping it with sugarcane. He is abandoning the coffee and expanding the sugarcane.
21	Gäbäyähu Wako Adulē (*Ato*)	61	M	Yirgachäffē	08/04/2006 E.C.	Member of the Qonga specialty coffee exporters Union. He is well informed about strengths and weakness of cooperatives.
22	Gatiso Tumato Roramo (*Ato*)	68	M	Çuko	22/06/2005 E.C.	Local elder and coffee farmer. He is knowledgeable about the evolution of Çuko town.
23	Girma Bekele Belayneh	67	M	Hawasa	11/03/2004 E.C.	A retired educational expert. His experience in working as the *wäräda* administrator and school director in various parts of the province made him well informed about several developments of the regions. However, five months after this interview he passed way.

24	Guchē Galigalo Bursa (*Ato*)	70		Kochārē	19/10/2005 E.C.	A local elder, whose knowledge about impact of coffee production and trade on the social and cultural development of the region is highly notable.
25	Gulelat Amarä Gärämew (*Ato*)	75	M	Yirgaläm	26/02/2005 E.C.	A retired police officer and the son of *tekeläñña*. His memories regarding the shift of capital from Yirgaläm to Hawasa were impressing.
26	Gētachäw Kebru Bägashaw	78	M	Alätawondo	04/05/2005 E.C	The son of *tekeläñña* and owner of a sizable coffee farm and a keen observant of most of the changes happened under the three regimes of the country.
27	Haile Bäyänä Dumaro (*Ato*)	69	M	Fura'a	09/08/2005 E.C.	Technician of the coffee washing station and machine operator at Fura'a for about four decades. His information regarding the pollution rivers and contamination of coffee beans is extremely remarkable
28	Hailu Wolasa Dabaqo (*Ato*)	59	M	Fe'ero	10/01/2007 E.C.	A model coffee farmer, who received awards and supports from donors like Starbucks. He has good memory about the nature of support from donors.
29	Harägua Täsfayē Bära'aso (*W/ro*)	74	F	Fura'a	15/05/2004 E.C.	A relative of the Geode governors from 1965 to 1974, and knows the contagious relation existed between the local people and the governors.
30	Hēbēro Hoshalo Sakuma (*Ato*)	47	M	Howoliso	12/09/2005 E.C.	Head of the purchasing unit of the Howoliso coffee washing station. Knows about the impact of devaluation on the coffee sector of the region.
31	Hussien Omar Sani (*Ato*)	48	M	Bulē	11/02/2005 E.C	Agricultural Expert in Bulē *wäräda*. He has an experience on the growing decline of input supply in the coffee sector, and the emergence of competing crops against coffee and its aftermath.
32	Jäma Haji (Ph.D)	57		Harmaya	23/06/2006 E.C.	An academic staff at HU, Ph.D. holder in economics and the son of coffee farmer at Arbagugu, Gololicha. Knows about the condition of Sidama laborers at Gololicha and Mine.
33	Kasahun Belachäw Atenafu (Colonel, Policy Force)	70		Addis Ababa	30/07/2004 E.C.	The son of *näftäñña* settler, and retired police officer. Articulate about the early evolution of towns in Geode and Sidama, and the early phase of coffee production and markets in these two particular regions.
34	Käbädeä Belachäw Atenafu (*Ato*)	85		Fura'a	15/11/2004 E.C.	The son of *näftäñña* settler, and owner of a sizable coffee farm but dispossessed by the *Därg* through nationalization and distributed the landless ones.

						He has a good memory about impact of the Arbagugu coffee company and several developments in Sidama.
35	Kätäma Gatiso Anamo (*Ato*)	52	M	Afarara	10/02/007 E.C.	Coffee farmers, who inherited it from his parents. Has notable experience about the disease and birds attack and related both traditional and modern methods of protection.
36	Kätäma Känbata Banata (*Ato*)	50	M	Läku	29/02/2004 E.C.	The son of coffee merchant and currently Development Assistant worker at Läku *wäräda*. Has valuable information about the viral, bacterial and insect attacks of the coffee plant/bean; and related protection efforts.
37	Melkamu Kifle Belachew (*Ato*)	40	M	Hawasa	20/09/2004 E.C.	A civil engineer currently the staff of Hawasa Municipality Office. Has details about the shrinking status farms due to the expansion of towns and rising land prices in the regions.
38	Mängäsha Seyoum Adära (*Ras*)	80	M	Addis Ababa	12/02/2007	The governor of Sidamo province during the Imperial period and currently living in Addis Ababa under the protection of his families. One of the informants with an excellent memory about the entire developments of the region throughout the restored Imperial regime.
39	Mulunäsh Borojē Dirgo (*W/ro*)	70	F	Bulē	05/11/2005 E.C	Coffee farmer over 30 years but after suffering the shock of the 2002 price fall, she dedicated half of her farm for sugarcane production, as an alternative to secure her families' income.
40	Mulugēta Wolango Ataro (*Ato*)	53	M	Aposto	24/02/2005 E.C.	The ex-coffee farmer and currently joined the sugarcane business in the course of Gidabo river. Knows about the growing economic viability of sugarcane instead of coffee in the region.
41	Shintu Dubä Abora (*Ato*)	62	M	Yirgachäffē	08/04/2006 E.C.	A model specialty coffee farmer, who received awards from the government and donors. His forty years of experience in the coffee sector as a producer helped him to be well informed about challenges of coffee farmers in the region
42	Shikurē Shafi Amza (*Ato*)	70	M	Läku	02/13/2004 E.C	The former coffee merchant at Läku and currently one of the leading rich men in Hawasa town. Articulate about Hawasa town in becoming a safe haven both for life and property.
43	Sisay Agäzä Täsäma (*Ato*)	40	M	Kochärē	08/04/2006 E.C.	Manager of the washing station and knows about the role of

						coffee trademarking. Has also good understanding of the devaluation impact on coffee.
44	Taddäsä Agonafer Bäyänä (*Ato*)	48	M	Yirgachäffē	16/12/2005 E.C.	The *wäräda* Agricultural Expert. Knows about the nature and types of coffee diseases and their attacks. Has a good understanding about the impact of market deregulation on the coffee industry of the region.
45	Täfära Qabato Buliso	50	M	Dilla	07/01/2006 E.C	Formerly a DA worker but currently "Land Administration and Registration Expert" in Dilla Zuria *wäräda* Office of Agriculture and Rural Development. Knows the details about shrinking status of coffee farms due to urbanization
46	Täfäri Kiflē Belachäw (*Ato*)	40	M	Hawasa	20/11/2004 E.C.	The former Çuko High School director and currently a lawyer at Hawasa primary court. Articulate about the schools' expansion and pattern of crime and corruption in the region.
47	Täshomä G/Mikael Basa (*Ato*)	67	M	Yirgachäffē	09/10/2005 E.C	Coffee farmer over 40 years now and member of the union, exporting specialty coffee
48	Tadäläch Shallo Tumato (*W/ro*)	45	F	Yirgachäffē	22/10/2005 E.C.	Coffee farmer and currently sharing part of farm for sugarcane cultivation. Knows the impact of coffee price falls.
49	Tayä Gäbrämariam Çalla (*Ato*)	56	M	Fura'a	09/08/2005 E.C.	Supervisor of the coffee washing station at Fura'a for about three decades. His information about nature and magnitude of pollution and contamination is valuable.
50	Täklay Qätsäla Mängesetu (*Ato*)	75	M	Addis Ababa	10/02/2007 E.C.	The younger son of *Ato* Qätsäla Mängesetu one of the government officials and Hotel owners at Yirgaläm during the Imperial period. Articulate about impacts of nationalizing private properties by the *Därg*.
51	Täkola Abäbä Yimär (*Ato*)	59	M	Çume	23/10/2004 E.C	A retired teacher and owner of a large eucalyptus farm at Sadeqa and has been earning a large amount of money. Has appreciates the migration of individuals and their capital to the Hawasa. He also upholds the shift of cultivation from coffee to some other crops.
52	TaweldeBerhan G/Egziabher (PhD)	70	M	Addis Ababa	06/05/2007E.C.	Head of the Biodiversity Officet in Ethiopia and the leading activist of environmental issues.
53	Uko Matti Garuma (*Ato*)	73		Kochärē	22/10/2005 E.C.	A local elder with a sounding knowledge about the expansion of coffee production and market in the regions and its

						multifaceted consequences.
54	Wolqisa Wonbēto Wolato (*Ato*)	58	M	Fura'a	07/11/2004 E.C.	The former coffee farmer and merchant, who totaly replaced his sizable coffee farm with eucalyptus trees. Knows about the commercial expansion of eucalyptus tree in the region.
55	Wubät Täfera Yirgätē (*Ato*)	76	M	Addis Ababa	09/12/2004 E.C.	One of the deacons, who had come from Gonder and arrived at Bule. Gradually he was able to transform himself and joined the the *tekeläññas* group and able to own a large coffee farm and coffee washing station at Fura'a.. Twice election winner for the national parliament from 1955-1963 E.C. He narrowly escaped from the reaction of pro-revolutionaries, and took asylum in Addis Ababa. He has a very good knowledge about development of Geode and Sidama during the Imperial period. He died in 2005, a year after this interview.
56	Wubshät Tägäññ Wäldu (*Ato*)	72	M	Sadēqa	07/12/2006 E.C.	Coffee merchant and farmer since the Imperial period. Currently he totally replaced his coffee farm with eucalyptus. Knows about the role of brokers in the coffee market.
57	Zälläwu Abära Ukurie (*Ato*)	60	M	Yirgachäffē	08/04/2006 E.C.	Coffee Exporter. He is one of the beneficiaries of trademark, allowed to export directly without any intervention from including the ECX. He has a very good knowledge about the evolution of coffee market in the regions.

APPENDIX II

Appendix

Reaction of the Darg government against the illicit coffe trade





የኅብረተሰብአዊት ኢትዮጵያ ጊዜያዊ ወታደራዊ መንግሥት
የቡናና የሻይ ልማት ሚኒስቴር
THE PROVISIONAL MILITARY GOVERNMENT
OF SOCIALIST ETHIOPIA
Ministry of Coffee & Tea Development

ቴሌክስ Telex	21130 ETHCOF ADDIS	ፖ.ሣ.ቁ P. O. Box	3259
ቴሌግራም Cable Address	ETHCOF	ስልክ Phone	44980[illegible]

ቁጥር Ref. No. 02606/1/3/41/742/76 አዲስ አበባ ጥር 5. 1976

አስቸኳይና ሚስጥራዊ
ወዲሁኔት ርክብ ጀኔራል
ደህንነት ኃላፊነት
ፅ/ቤት
ጋ.ኃ.ገ

በኅብረተሰብአዊት ኢትዮጵያ ጊ.ወ.መንግሥት
ለአገር አስተዳደር ሚኒስቴር
አዲስ አበባ

በትርቡ ከሚኒስቴራ ጋሥሪያ በተ ተሰጠ የደቡብ ቡና አቃራቾ ከፍሊተ ሀገርን ተዘዋውሮ ከ የ በኋላ የመለሰው ግብረ ኃይል እንዳመለከተው በስምባታና ሽፍያ ወለይታ በሐይቖችና ቡታጅራ በሐቦና ጉራጌ በጊንጣ አውራ ኻያቾ አካባቢ ያለውን የሕገወጥ ንግድ እንቅስቃሴ ለመቀጣጠር በቀድሚያ ለስተተዳዳሪ ያቾን በበለበ ጋሪያየትና ሥራ ያቾን ማለ ተባበር አስፈላጊ መሆኑ ታምኖ በታለ ::

ስለዚህ ሁለለካባቢው ሕገ-ወጥ ንግድ ሁኔታ አጉልተ ይፀና በነቃንፅ ዓ.ም. ለገጋኛ በዓላችን በፍተኛ ስበ ተዳለለ ስለሚበቀ የተሻለ የቡና መሬት ወደ አገኚ ገበያ አንዲሄዳ ለማድረግ የሚያስችለ ሥራ ለፈጻጸም ቡለተ ለጋ የለ የሚያስችለ ለአገር ጥን ውይይት በጋ/በታቾሁ ለበ ተባባሪ ነት ከግድተ አን ዲደረግለገ አናባበባለን ::

ሻለቃ ሠንበቶ ተልዕኮ ደሳለኝ
በቀለ ወርቁ
ጄሚ ተጠሪ

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110 ፓቶ/ተ.6.06.03

Apensix ~~VII~~ I

Reaction of the anti-revolutionary groups against the Dergue in the case peake

ቁጥር 76/ሰ/170

ቀን 1972 ዓ.ም.

ለብሔራዊ አብዮታዊ የጦር ኃይሎች ዕዝ ጀነራል
ጣዕከላዊ ፕላን ጠቅላይ መምሪያ
አዲስ አበባ ፣

በውጭ ምንዛሪ የምጣኔ ሀብታችን የጀርባ አጥንት የሆነው ቡናችን ለዓለም ገበያ ሰይቀርብ በሀገር ውስጥ አንዲከማችና በሱ ምክንያት ከፍተኛ ገንዘብ እንዳይገኝ ለማድረግ አብዮተኞችና አንደዚሁም ወደ ጉረቤት ሀገሮች አንዲሸሹ የሚያደርጉ በዘበኞች ነጋዲዎችና ሀብታም ገበሬዎች አንደዚሁም የመኪና ባለቤቶችና ሾፌሮች ቡና በሕገ ወጥ መንገድ ሲያሸሹ ተገኘተው ተይዘው ለፍ ዴት ቀርበው በገንዘብ ቢቀጡም ከሕገ ወጥ የቡና ንግድ ሊያርቃቸው ስለልቻለ ሰኔ 6 ቀን 1971 ዓ.ም. ስብሰባ ያደረገው የከፍለ ሀገሩ የጦር ኃይሎች ዘመቻና ፕላን ሥራ አስፈጻሚ ኮሚቴ የወሰነውን ውሳኔ አንድ ገሽ ትክክል ነበልጭ ከዚህ ጋር ልከናልና ፣ ውሳኔው ይታወቅ ዘንድ አናሰስበለን ።

ግልባጭ፣

በጎሬ ተክቡኣ ዊት ኢት.ጊ.ፀ.መንገሥት
— ለአገር አስተዳደር ሚኒስቴር
— ለቡናና ሻይ ልማት "
አዲስ አበባ ፣
— ለከፍለ ሀገሩ የአ.ዘ.አ.ስ.ኮሚቴ
— ለደቡብ ዕዝ መምሪያ
ሳ ዋ ሳ ፣
— ለመንገድ ትራንስፖርት ጽ.መ.ቤት
ሸሸመ ፣

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Appendix III

Contract Signed between the Ethiopian and the coffee company at Addis Ababa

የኢትዮጵያ ንጉሠ ነገሥት መንግሥት፣
የገንዘብ ሚኒስቴር።

6

ማሳሰቢያ

ግንኙ መግን ከዚህ በታች የገንዘብ ሚኒስቴር ሚኒስትር ሊሆኑ በሚችሉ ስለ ኢትዮጵያ ንጉሠ ነገሥት መንግሥት በገንዘብ ሚኒስቴር ስም ከጠቀሰ ሊሰጥ መብትና ሀብት ወይም ከዚህ በኋላ ከሚኖሩት ወገን ዕዳና ዋስትና ሁሉ ከገንዘብ ሚኒስቴር ሊሰጥ የሚችሉትን የሚከተሉትን ሰዎች ሁሉ ይህ ውል ሲፈጸም ከሚኒስቴሩ ሥልጣን ይለቃሉ።

አንቀጽ ፩

ሊሰጥ ጉዳዩ በተባለው ሊሠራበት በሚገኝበት ጊዜ ሁሉ ይህ ውል ተፈጻሚ ሆኖ ይኖራል።

አንቀጽ ፪

የመንግሥት ንብረት የሆኑትን ሊከራዩ ወይም ሊሸጡ የሚችሉትን ዕቃዎች ሁሉ ከገንዘብ ሚኒስቴር ጋር ሳይስማሙ ለሌላ ሰው ለመሸጥ ወይም ለማከራየት ሥልጣን የለውም።

አንቀጽ ፫

ይህ ውል ከተፈረመበት ቀን ጀምሮ ለ፲፭ (ዐሥራ አምስት) ዓመት ጸንቶ ይኖራል።

አንቀጽ ፬

የገንዘብ ሚኒስቴር ከቡናው ተክል ላይ ከሚሰበሰበው ገቢ ግብር ለመሰብሰብ የሚረዳ ጊዜያዊ ውል ከኩባንያው ጋር ለመግባት ሥልጣን ይኖረዋል።

አንቀጽ ፭

(ሀ) ሊሰጥ ዙሪያ ያለው ሁሉ ንብረት ወይም ሊሰጥ ሁሉ ዓይነት ፈቃዶች አንቀጽ መሠረት (ሀ) ያሉት/ሆኖ ግን ቁጥር ፩ ያለውን አይመለከትም።

(ለ) ኩባንያው ከዚህ በኋላ ለሚያገኘው ማንኛውም ንብረት ወይም ፈቃድ ከገንዘብ ሚኒስቴር ጋር ሳይስማማ ለሌላ ሰው ለመሸጥ ወይም ለማከራየት ሥልጣን የለውም።

አንቀጽ ፮

ዋናው ዲሬክተር፣ ሠራተኞቹን ከመቅጠሩና በሥራ ከማገዛዙ

ፊርማ

ቁ. 260 ፋ.ቁ 2269

Appendix IV

Conflicts Reduced the Role of coffee markets in Gedeo

ቁጥር: 259/52

የግርማዊ ፣ ንጉሠ ፣ ነገሥት ፣
ልዩ ፣ ጽሕፈት ፣ ቤት ።

አዲስ ፣ አበባ ፣ ኅዳር ፲፱ ቀን ፣ ፲፱፻፺፫ ዓ. ም

ለክቡር ፡ ደገር ፡ ግዛት ፡ ሚኒስቴር ፡
አዲስ ፡ አበባ ፡

በደራሳ ፡ አውራጃ ፡ ግዛት ፡ የሚገኙ ፡ ባለርስትና ፡ ከሐራዊ ፡ መታደሪያ ፡ እነሽፍበሳ ፡ አረሩ ፡ ቢራ ፤ ደራሳ ፡ የተባሉ ፡ ሕዝበኛ ፡ በጐሳ ፡ አድመኛ ፡ ንብረታቸውና ፡ ርስታቸውን ፡ ለለዝረፋቸውና ፡ ኃላፊቸውም ፡ ለሰላማዊ ፡ ፖሊስ ፡ የማይበገር ፡ ለመሆኑ ፡ አገር ፡ ግዛት ፡ ሚኒስቴር ፡ ነገሩ ፡ እንደጠና ፡ ዳኛ ፡ ፅሕፈ ፡ ጉዳዩ ፡ ተዘርዝሮ ፡ የቀረበለት ፡ ስለሆነ ፡ ይመልከቱ ፡ በአንድ ፡ አመፀኛለት ፡ በሬት ፡ ጉዳዩ ፡ ቀርቦ ፡ ውሳኔው ፡ እንደ ፡ ነገረን ፡ ሲሉ ፡ ለግርማዊ ፡ ንጉሠ ፡ ነገሥት ፡ ያቀረቡትን ፡ የአቤቱታ ፡ ማመልከቻቸ ፡ ትክክል ፡ ግልባጭ ፡ ከዚህ ፡ ጋር ፡ እያያዝነው ፡ ውሳኔው ፡ ሲፈጸም ፡ እንዲቀርብልን ፡ በማክበር ፡ እናሳስባለን ። ከማክበር ፡ ጋር ፡

ኃላፊ ፡ ገዳ ፡ ሚኒስቴር

ተመዝግቧል
ቁጥር ፡ 8195
ቀን ፡ 28/3/52

A.A.B.S.P.P. of H.I.M. Haile Selassie I - N. 402 52 - 3,000

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ፕሮፌ ፡ 35

የፖስታ ፡ ግዥን ፡ ቁጥር ፡ 199

ቁጥር 3ኛ/51/3፡

30. 8. ቀን፡ XIXX 5 ዓ.ም.

Appendix: XV

Conflicts effected the role of coffee market in Sidamo

የፖሊስ ፡ ሠራዊት ፡ _____ ጽ/ቤት ፡

_____

ለኢትዮጵያ ንጉሠ ነገሥት መንግሥት

ያገር ገዛት ሚኒስቴር

አዲስ አበባ

በይ/ዓለም ከተማ ጭስኖ በ14/8/65 ዓ.ም. ከቀኑ 5 ሰዓት ከ15 ደቂቃ ላይ 2000 የሚሆን ህዝብ በተሰበሰበበት በአውሬሻው ገቸ የመሬቻ ንገነር ከተደ ረገ በኋላ ከየክፍሉ የተሬረቡ አሪት አሪት ሽማገሌዎች ሲሳም አማራነ አሳረ ሲሳም ነ ሊወጋ ነው ተበሉ የተገሬው ሪረ የሲሊቶኖች ማረ መሆኑነ በመገለጽ ከዩናር በሽ ተናር ዩበ የሌላቸው መሆኑነ አስረዱተሩ ይህም ወረ የመነጩው ነኖ ከአለቃ ማንደ 2ኖ ከሻሉ 3ኖ ከሸበዲና 4ኖ ከአጭዉ ዩረዳ ህዝብ መሃከል ስለሆነ አነኚሁ ክፍሉ ች አጥሬውነ አውጥቱ አነዚሰው በማለት ሃላፊነቱነ በነኚሁ ከፍሉች ላይ በመጫሬ ስለ አሰረዱ ከአሬቱ ክፍሉች ጉዳዩነ አሳርተ የሚያወጣ 20 ሰው ተመርጦ ከተሰጠ በኋላ ቀጣዩ ስብሰባ ሐገንቦት 5 ቀነ 65 ዓ.ም. ተቀጥር ከቀኑ 11 ሰዓት ሲሆነ ስብሰባው የተበተነ መሆኑነ የሲዳማ አውራጃ ፖሊስ አዘዝ በቁጥር 4447/2000/68 በ14/8/65 ዓ.ም. ቴሌግራም የገለጽነነ ስለሆነ ይህንነ አነዲያውቀት አነገልጻ ለነ ሲሉ የሲዳም ጠቅላይ ገዛተ ፖሊስ ተና መሬሪያ በቁጥር 11532/28/10 ሚያ ነያ 18/65 ዓ.ም. በጻሬተ ነገሳቡ ሃረጋገጫውነ ሰገንሲሳነ ::

ከሠላምታ ጋር

ኮሎኔል ፡ ክፍሌ ፡ ወልደ ፡ ሥላሴ

ም/ጠቅላይ ፡ ፖሊስ ፡ ሜዳ ፡ ዋና ፡ መምሪያ ፡ ኃላፊ

ለጠቅላይ ፡ ፖሊስ ፡ ሜዳ ፡ ዋና ፡ መምሪያ

ለሲዳሞ ፡ አውራጃ ፡ ፖሊስ ፡ ጽ/ቤት

ለሲዳሞ ፡ ጠቅላይ ፡ ግዛት ፡ ፖሊስ ፡ ጽ/ቤት

ለሲዳሞ ፡ ጠቅላይ ፡ ግዛት ፡ ፖሊስ ፡ ጽ/ቤት ፡ ቁጥር 18193

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Appendix VI
Reaction of the govt.
against the expansion
of sex industry

ቁጥር፡ 321.4.U/58
No.
ቀን፡ 21 1967
DATE

በኢትዮጵያ ፡ ጊዚያዊ ፡ ወታደራዊ ፡ መንግሥት ፡
የሕዝባዊ ፡ ኑሮ ፡ እድገትና ፡ የማኅበራዊ ፡ ጉዳይ ፡ ሚኒስቴር ፡
ETHIOPIAN PROVISIONAL MILITARY GOVERNMENT
MINISTRY OF COMMUNITY DEVELOPMENT
AND SOCIAL AFFAIRS

የስልክ ፡ ቁ ፡ Tel. No. 447080-87

የፖስታ ፡ ሣ ፡ ቁ ፡ P. O. Box 2056

አዲስ ፡ አበባ ፡ ADDIS ABABA

ጉዳዩ ፡
Subject

በኢትዮጵያ ጊዚያዊ ወታደራዊ መንግሥት
የክቡራን ሚኒስትሮች ምክር ቤት
አዲሳ አበባ

ቀደም ብሰው ከየመሥሪያ ቤቱ ለሚኒስትሮች ምክር ቤት ተልከው በአጀንዳው ላይ ሰፍረው ከሚገኙት ጉዳዮች ውስጥ ተሻሽለው መቅረብ ስለሚኖርበቸው ጉዳዮች ጥቅምት 6 ቀን 1967 ዓ.ም. በቁጥር 66/67 የተሰለፈልንን አናስታውሳለን ::

አንደሚታወቀው ሁሉ በአሁኑ ጊዜ ሀገሪቱ ካሉዋት ከፍተኛ ችግሮች አንዱና የናው በየክፍለ ሀገሩ በሚገኙ አነስተኛና ታላላቅ ከተማያቷ ከመጠን በላይ ተስፋፍቶ የሚታየው የሲትኛ አዳሪያችን /የዘሙት/ ጉዳይ ነው ::

ይህው ጉዳይ አጅግ አሰቸጋሪ በመሆኑ የችግሩን መንስኤ በትክክል አውቆ መፍትሔውንም በአንባሩ ለመፈለግ ይቻል ዘንዳ የሕዝባዊ ኑሮ አድገትና የማኅበራዊ ጉዳይ ሚኒስቴር በለጣት ጋባፊነት መሠረት ከልዩ ልዩ መንግሥታዊና ግለሰብ ድርጅቶች ና ተጋበዙ ባለሙያዎች አባል የሆነበት ኮሚቴ ተደራጅ ከዚህ ጋር ተያይዘ የጎላከውን ጥናት አጠና ቅቧል ::

ከዚህ አንደሚከተሰው ተገ:—

1ኛ/ ለዘሙት አዳሪነት መነሻ ከሆኑት ምክንያቶች ቀና ቀናቻው ሥራ ፈትነትና የመጠጥ ቤቶች መበዛት፣ በቂ የስፖርትና የመዝናኛ ድርጅቶች አለመኖር፣ የትሀርቱ ፕሮግራም ሲቶችን ለኑሮ የሚያዘጋጅ አለመሆኑና በከተማ ኑሮ በልጭንነት ምክንያት የብዙው ሰው ቤተሰብ ፈቃታት የሚያስከትሰው ችግር ነው፤ ከዚህም ሌላ ወጣቶች

../2

Appendix - ~~XIII~~ VII
People's appeal against Confiscated Offices.

ታኅሣሥ 12 ቀን 1960 ዓ.ም.

P.1

ለከቡር የሰገር ገዛት ሚኒስቴር

ኳዲስ አበባ።

ከቡር ሆይ፣

አመጋገቻች የገፉ ድረብ የደረሰበን አይናታችንን ወደ ሠጣኔ ጉዳና ለማውረት የተነበ ይነ፣ በመጠጣን መከታ ተዘርፈን ወደ ዕውሮች ጉዳና የተመራን ስንሆነ፡—

የዓለማችን መነሸ ሊሆነን የታሰው የዓለም ህዝብ ሰመቤጸን አሬሱን በራሱ ሰውርዳት በሚያደርገው አሸቀድድ ተከሩይ ከሚሆኑት አገሮች ኢትዮጵያ አንደኛዋ ከመሆኗ በሳይ ነጋሥ ነገ ምታችን አርቶ በማሰበ ጠቡ አሬሱን በሪሱ አንዲረዳ በሃብኩ ሆነ በገንዘብ ሲረዱን በጣየትና ድጎማቸው ለኛ መሆኑን በማሰበ ከአውሬሻው በ.ብረት በጋሻ $100.—/አንድ መቶ የኢት.ብር / አ ንዲሁም በጋሻ $50.—/ ሃምሳ የኢት.ብር / አቶጥ ተን በጅ.ረ መሥው በተጀመረ አንስቶ ሰከስ 1959 ዓ.ም. መጨረሻ ድረስ ከባንክ ገቢ ያደረገነው ፣480,000.—/አሥት መቶ ሰማንያ ሺህ የኢት.ብር / ሲሆን የአውሬሻው ገሸ ቶኛዎች ከበደ ደስታ አውሲውን ሕዝብ የመረጥንው ሆነ የመ ረጥን ዕድል ሳይሰጡት አሬሰቸው የነበ ማንበር ተኛታቸውን በመረጥ ገንዘቡን ከባንክ አውጥተው ሠጪና ገቢ በማድረገ ስጉን ተነስቶ አጉን ሳቡ መጅረሱን ሳያስታውቁን በመ.ረሻ ለጋዜጠኞች በሴ ሌ 8 ቀን 1959 ዓ.ም. በአውሬሻው ልማት መገለጫ ከወጪ ቀሪ ከአነጁ መቶ ሰማንያ ,ስት ሺህ በር የማይበልጥ ሆኖ የጅማችንን መርደ ተገለጸልን ።

ከዚህ ጀሮ የአገር አሰት የሆነበን መጥ ሥነ አእሮ ደክ.ነታችንን ገ.ተው የፈ ጽመበን ቢሆን መንግሥት ነን ሊያሰኙቱ በአፃረነነው ጉ ትጉ የተገዙት ሰነዶ መኪናዎች፡—

በ24 /3 /67 የወጣው A.D 12 የተሰጠው በ$59,575.76
በ 5 /5 /67 " A.D 12 " በ$60,575.76
በ30 /8 /67 " SL 8 T.B " በ$37,612.40

ለኛ የተገለጹ.ን ከመዝገቧ ዘዘህ ሲሆነ መንገሥት በሥያጀርገው ከ ትጉ ደገፍ ያነሰ መሆኑን አ ንዘነጋውም ይህ በያገሰ የተገዛው መኪና ሰሌሰት ሽርጉ ነው በማሰት አንደኛው ሰደራሰ ሥዘበ ተ ላከ ። በዕውነቱ ከሆነ ዋሪ የተደረገው ከንቱ አውሬሻ ሲሆነ አሬሱን ሰቻለው አውሬሻ መሥውን ማጣታት ገዥው ከመረሙስቸው ገዘረአበሮቻቸው ጋር ሰገ. ገዘረታቸው ማበ.ጸገያ ያቀሱት መሆና ቸው ያለጥርጥር ይገ.ጸጸል ።

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ሀዋW. 5001 ፋ.ፑ.ፓ7.I.6.2ረ.ሠ

አየ. VII -2- P.2

ይህን ገለጻን ለማሰረዳት ያደፋፈረ፡ አኛ በማዋጣት ላይ አያለን ወጪና ገቢውን ሰያስ ታውቅን በመገለጫ አገዓስረዱት በሰስት መኪና መገዠ ገገዘቡ አለቀን? የተገዛው መኪናስ አንዴት በሁለት አውራኛ ይከፈላል? አኛ ለረባችን በሚል መሪታል ካፋችን አውተን የሰበሰብነው አንዴት በሁለትና በሰስት ሰው አና ይጉረሳ? ፍርድ ይናው ። ንጉሠ ነገሥታችን አገባችንን በትርቡ ይጠ ቢቅልን ። አሰስዘረ ድረስ በአገድና በሁለት ሰው ላይ የሚፈጸም ገና ነበር አሁን ገን በገዘቡ ሕ ዝብ ላይ የሄርያቱስ ፍርድ ተረጸመበን ። ይህ ሁሉ የተፈጸመብን መበታችንን በመገፈፍ መበታቸውን ተገን በማድረገ ነው ይህስ ከተሰጣቢን መታሰረ፣ መደብደቡ መበታየት የኛ መሆኑን አናውታለን ። ነገር ገን ለፍርድ ተርቦ ለ፡ንጉሠ ነገሥታችን ተሰሙ ቱዩ ትን አይፈተርብንም ።

የመቃውሚያ ልመናችንን በክርክሱ ስሥ የጦናቀርበው በአስቸኳይ አዲተር ተከሳሽን ገ ገዘቡ አሥን አንደደረሰ ወጪውስ ሥገና ሥን አገዳከናወነ አገዲገለጸልን አናሰመገገ፣ መዛታችን ተ ጠበቆ ልዘቡ በመረጠው መማስር ት ገገዘቡን ርዚና ገቢ ለንድናደሩ፡ ታሰልን በተጨማሪም ለሚከበሰን አዲተር የቱን አበሉን ሆነ ሌላውን ወጪ የ፡ንስናል መሆናችንን አናረጋገጣለን ።

አኛችን ከመዘርጋት ገትቷ ።

አመልካች፡—

1. አቶ ታፈሰ ሰሚስ
2. ,, ወልደአማኑኤል ካሳለ ።

የኢትዮጵያ ንጉሠ ነገሥት መንግሥት
ፍርድ ሚኒስቴር
5657

Appendix XIV VIII
Attempts to expand infrastructure in the province

የኅብረተሰብ አገልግሎት ፣ ኢትዮጵያ ፣
ፌዴራሊ ፣ ወታደራዊ ፣ ሥንግሥት ፣
በአብር ፣ አስተዳደር ፣ ሚኒስቴር ፣
ሚኒስቴ ፣ ክፍለ ፣ ሠራ ፣ ኤርትሮኒር ፣ ፀጥታ ፣ ፍርድ

ቁጥር 00/92/111/230
ሐምሌ 7. 9 ቀን 1973 ዓ.ም.

ለኅብረተሰብ አገልግሎት ኢት. ጊ.ር.መ.
የአገር አስተዳደር ቢ/ር
አዲስ አበባ

በክፍለ ሀገራችን የተጓዳኙን አገልግሎት የሰላንርን ርዳታቸ ከገርር ሕዝብ በላይ ተደራጅተ የሚገኝበትን የኢንግሥት ሰርቻ የሕዝብ ማደሚያ ሠደራ ጣቢያቻችንና የገጠር መንደሮች ሆነው ከ2000 ሰዝብ በታች የሚኖርበት ሜዘጋጃ ቤተ የሰላንርው በስ ተጣ ልግት ስናድ ያሠታዩትን ጥር 22 ቀን 1973 ዓ.ም. በደብዳቤ ቁጥር ኦ፫/3/ወ3. አገርሩስ ተላልፍላችሁ ወቦ የታችሁ ደ ታዐ ቋል::

በዚሁ መሠረት የተጓዳኙን አገልግሎት የሰላንር ርዳታቸ ከገርር ሕዝብ በላይ ያለበንርን ሠደራ ጣቢያቻች ስጵና የሠነ ክ ቁጥር ፣ ሜዘጋጃ ቤተ የሰላንርንና ቦስ ተጮ ልግት ስናድ ያሠታዩትን ከ2000 ሰዝብ በታች የሚኖርባትርን ሶጣ የሠዝብ ቁጥር በጠቅላላው በስተ ገጽ ከዚሁ ወሸፍ ጋር የላከንልን መሀኑን አየገለጽን፣ ከ2000 ሕዝብ በላይ የሚኖርባትርጣ ቦስ ተጮ ልግት ስናድ ያሠታዩት 12 ከተሞች በክፍለ ሀገራችን የሚገኙ መሆኑን አናሳሰበሰለን::

የኢሠፖስቦ. ተወካይ ይሰኪል.

ቅጽ ፣ አስቆ ፣
መሥሪ ፣ ወጭ ፣ ተጠሪ ፣ ሥ/ክፍ ፣ አስተዳደር ፣

Appendix IX

Curfew declared to control Drunkenness

በጣም ፡ ዓ ሚ ያ ፡ ቸ ኩ ል ፡

ዘ/ሚ/1182

የካቲት፣ 14, 1937

ለኢትዮጵያ ገ.ነ. መንግሥት
የሚኒስትሮች ም/ቦ ቤት
አዲስ አበባ፡፡

ያገር ገዛት ሚኒስትር በተሰጠው ሥልጣን መሠረት በ1937 ዓ.ም ያወጣውን የመጠጥ ቤቶች መገኘያ ሰዓት ደንብ ከዚህ መስፍና ጋር አብሬ ሆኖ በሚገኘው መንለጫ ም/ገነያት ጣቢያ በጣም አስፈ, ላጊ ሆኖ በመገኘቱ ተሻሽሎ የተዘጋጀውን የደንብ ረቂቅ 3 ገጽ አጣርኖና 2 ገጽ አንገሊዝኖ ከዚህ ጋር አብሬ በማይረገ አየሳክሁ ጉዳዩ በጣም አስቸኳይ በመሆኑ ም/ገነያት ከሌሎች ሰሙስር ቤቶ ውይይትና ሙሳኔ ከሚቀርቡት ሥራዎች ሁሉ ቀድሚያ ተሰጥቶት በአስ ቸኳይ አንዲቀርብና ከተመለረበት በጊሳ በነጋሪት ጋዜጣ ታትሞ ወጥቶ ሥራ ሰይ አንዲውል አመለክታለሁ፡፡

ጌታሁን ፡ ተሰማ ፡
ሚኒስትር ፡

Appendix: XVI X

Attempts to make Financial Cutesvarties In the Agricultural Sector

ቁጥር 3697/49/3/
No.

ጽያ ፡ ንጉሠ ፡ ነገሥት ፡ መንግሥት ፡
የርሻ ፡ ሚኒስቴር ፡
ቴሌ ፡ ቁ ፡ 47035
የፖስታ ፡ ሣጥን ፡ ቁ ፡ 1232

IMPERIAL ETHIOPIAN GOVERNMENT
MINISTRY OF AGRICULTURE
Tel. 47035
P. O. Box 1232

አዲስ ፡ አበባ ፡ ታኅሣሥ ፡ 28. 1958 ፡ ተ.ን ፡ 195___
Addis Ababa ___ 196___

ለከቡር ደኻዝማች ከፍሌ አርገቱ
የአገር ገዛት ተጪኒስትር
አዲስ አበባ.

ከቡር ሆይ ፡

ጉዳዩ፡— አዲስ የርሻ ቢድር ድርጅት ስለማቋቋም.

፩. የኢትዮጵያ ኢኮኖሚ በመቶ ዘጠናው በገበርና ላይ የተመሠረተ መሆኑንና ከኢትዮጵያ ሕዝብ በመቶ ከሰማንያ በላይ የሚሆነው የሚተዳደረው መሬት በማረስና ከብት በማርባት መሆኑ ቢታወቅም ለርሻ ልማት ሥራ ድጋፍ አስከሆነን የተደረገው የርሻ ልማት ወጪ ከአፍሪቃ አገሮች /ከፕሮፖርሽን/ ከዝቅተኞቹ-አንዱ ነው።

2. ከኢትዮጵያ ልማት ባንክ በስተቀር አሆስ አሁን ለአርሻ ልማት ሥራ ሰፉ ባለ መጠን ለገለናው ሕዝብ የሚያበድርም የለም። የልማት ባንክም የዛሬ ሁኔታ ባልፉ ልፉ ምክንያቶች የሚፈለገውን ያህል ተራውን ገበሬ አንዲጠቅም አያስችለውም።

3. ይህንን መነሻ በማድረግ የርሻ ሚኒስቴር ከልማት ባንኩ ጋር በመተባበር ችግሩ መፍትሄ እንዲገኝለት በማበብ ሁኔታውን ከዓለም ባንክ ጋር ተመካክሮ በዓለም ባንክ አርዳታ አዲስ የብድር ድርጅትና የአሠራር ዘዲ በጥቂት ቀበሌያች ላይ ጀምሮ መስፋፋት የሚሻል ሆኖ አገኘ ተታል።

ስለዚህ በጠየቅነው መሠረት የዓለም ባንክ ከዓለም የምገብና የርሻ ድርጅት ጋር በመተባበር 5 ኢከስፐርቶች ተካፋይ የሆኑት አንድ የጥናት ጊድ ወደ አዲስ አበባ ልኮ ከጥቅምት ወር አጋማሽ አስከ ሕዳር ወር መጨረሻ ኢከስፐርቶቹ አየተዘዋወሩ ሥፍራያቹን አጥንተው ከዚህ ጋር ተያይዞ የሚገኘውን ረቂቅ ፕርጀክት አቅርበዋል።

4. ድርጅቱ ማበደር የሚጀምርበት ለጊዜው 5 ቀበሌያች እንዲሆኑ ተመስኖ ለነዚሁ ቀበሌያች የሚያስፈልጉትን በተያያዘው ረቂቅ ፕርዝ ላይ የተመለከቱትን ጥያቄያች በበኩላችን ከአጠናቀቅን በኋላ የመጨረሻው የብድር መጠየቂያ ፕርዝ ለዓለም ባንክ ይቀርባል።

5. የመጠየቂያውን ፕርዝ የሚሠራልን ከኖ ሰያች ጋር ሆነው አነዚህ የጥናቱ ጊድ ኢከስፐርቶች ናቸው። የመጨረሻው ፕርዝ ረቂቅ ከመሠራቱ በፊት ገንብዙ የቴክኒክና የፖለቲ ውሳኔዎች መደረግ አንደሚኖርባቸው ተያይዞ የተሰጠው ረቂቅ ያስረዳል።

ገ ር ፡

Appendix ~~XIII~~ XI

Appendix

ሚያዝያ 3 ቀን 59 ዓ.ም.

Appeal against the shift of capital to Hawasa

ለአቡር ሶሻዚማቸ ከፍሌ አርገቱ

የኢት ዱጵያ ንጉሠ ነገሥት ግንግሥት የሸገር ገዛት ሚኒስቴር

ኢ ሮስ አበባ

ስለ ፀርጋ ዓለም ከተማ ሁኔታ ካሁን በፊት በጋጢት 25 ቀን 59 ዓ.ም. ያቀረብኳቸዉን ማመልከቻ እናስታውሳለን::

ይኸዉ ሚመለከታቸዉን የፀርጋ ዓለምን ከተ ማለመሠራረተና አነ ባዚሁም አሁን ከ ብርቴ ሌተና ሾኔራል ኢሳይያስ ገበረ ሥላሴበቀረቡት ሃሳብ የጠቀላይ ገዛቱ ኖና ከተማ ወቦ ሐዋሳ አነ ርዛቷር ቢሮረገ በኖ በአዝቡ ላይ ምን ያህል ጉዳት አነ ዮሊያዩርስበን ይገልጻል::

እነ ባዚሁም ፀሸነ ኑ ሁኔታ በመገለጽ በቦሳቸንነበዝርአር አሰረ ፦ያተን ለነርማዊ ንጉሠ ነገሥት አቤቱታቸዉን አቀርበናል::

ነርማዊነታቸዉም አቡርነነታን መጠየታቸዉና ይህም ሊሆነ የቻለበት ሁኔታ በአቡርነትያ በኩል ተጠነተ ሃሳቡ አነ ሮተርብ መታዘዝታን ተነነርናል ይሸውም ንጉሣዊ ትእዛዝ ለሲዳሞ ጠ/ግ/ሽ/ቤት እነ ፦ያተላለፍልን አነወፀታለን::

የፀርጋለም ከተማ በኢት ዱጵያ ውስጥ ከመሠረት ፋዐ ከተማቻቸ ውስጥ አነ ዮ ሆና የቢዳም ጠ/ግዛት ኖና ከተማ አነ ሂሆነ በመሐነ ሺከቸ ተመርጮር ፕላነ ተሠርጿለት አና በካርታም ታውቶ የተፈቀዩ መሆኑን አረጋነጠናል::

ይህንም ግለት ያስቦፈረነ መሐነ ሺከቹ ፀርጋለም ከተማ ዕረስ መጥተው ሕዝቡን በጠቀላላው ጠርተውካርታውንና ፕላኑን ስላሳዩን ነው::

ፀሸውም ትክክለኛ ለዳሮኑ ዕረኛ ይሆነ ዘነዮ ከመሐነ ሺከቹ የተሰጠውን መነለዊ በአነገሉዘኛ በአጫርና የተጻረ ገልጭ ከዘኒ ጋር አያይዘን አቀርበናል:

የዘኒም ዕረኛ መጽሔትና ሌሳቻቸም ጣረጋገጫ መጻሔፍተች በኖናው የማዘጋኛ ቤተች መሥሪያ ቤት ውስጥ ስለ ማገኙ ተርበ ጭ አነ ቧታ ናነ::

ይህ ታሳፍየጠቅላይ ገዛት ኖና ከተማ ሐዋሳ አነ ሂሆነ የቀረበው ሐሳብ በናነ ኛው መሐነ ሺስ የተጠናና የተመረመረ አነ ባሆነ አፈተገለጸልንም::

በአሁኑ ከፍለ ዘመነ በትርጢያ ሊታሰብበት የ ማገባው የአዝቡን ኑር ምቾነና አቦጣነ ነውነ ወይነ ሰበብዙ ጣም ያፈሩው ነበረኩና ሐበቱ አየመፈበትአጉኖነና በሰሮት ላይ አነ ርመቡቀ ሰጣ ፦ረገ ነው::

ብዙዎቹ አዋቂዎቸ አሰተጮው ሊጠበቱ የሚገባቸውየሠራቸውም መሥሪያ የሚያርጉት ለአዝቡ ሰላም ኑር ምቾነና በኤኮና ፦ና በሠጣነ ወቦ ሬት የሚመጫበትን ዘዴ መሥረት አነ ባሆነ አርገጠኛ ነው::

ይሸውም ተገባር በኢት ዱጵያ ውስጥ በቡዙ ገዛተቸ ሰፈጸምና ሰሠራበትም አናያለን::

አኛም የሲዳም ጠ/ገዛት ሕዝቦቸወያዚሁ ዓላማ ለመ ፦ሪስበፊጣት በኩል ያለው ጭጣቸነና ያቦረገነውም መጭ ገነዘበበጣም ከፍ ያለመሆኑን አቡርነትያ ያውተየለ በፊቴዉ በየጊዜው ተነነአለ::

ገጽ ሥራ ሚኒስቴር ጥሪ

Appendix: XII - Reaction of Peoples and Government against coffee diseases

ኢትዮጵያ ጠቅላይ ግዛት

በጅማ አከባቢ ፈንጣጣ ክትባት ተጀምሯል

[illegible] በሽታው በሙግላይ ግዛት ና ጥቢጭ ጽዳት ቤት ሥራተኞች ላይ ክትባት እንዲደርጉ ተደርጓል ።

[illegible] ሙሠራት በአራት ቀን ውስጥ ፩ ሺህ ሰው የመከላከያ ክትባት ማሠጠቱ የጠቅላይ ግዛቱ የጤና አስተዳደር ሥራት ሹምአቶ ይልማ አረና ገለጡ ። እንዲሁም ዘወትር በማንኛውም ጊዜ ጅማ ውስጥ በሚገኘው በራስ ደስታ ሙ ሆስፒታልና ዘልዕልት ፀሐይ ቢያ ከሊኢክ ሠራተኞች የመከላ ክትባት የሚሰጡ መሆኑን ሥራት ገለጹ ።

(የኢትዮጵያ ወሬ ምንጭ)

ንግድ ር አዋጣ

ታኅሣሥ ፣ በደብረ ታቦርና አውራጃ የተቋቋመው ንግድ በሚገበሩ ጥሬዚዳንት አዜማን መሪ አማካይነት ውሥጃዎች የተመረጡት አባ ታቦር ከተማ ተገኝተው ስለ ማር አቋም ከተነጋገሩ በኋላ ደንብ አውጥተዋል ።

የንግድ ማኅበር አስካሁን ዝዘጊ ፩ኛ በጋይነት ብር ሲሆን በደብረ ታቦር ዘጠና ዘጠኝ ሺህ

የቡና ዛፍ ድርቀት በሽታ

የተኛውም ብክል ይሁን ሆኖ የሚያድገው የቅጠሉና የሥሩ እድገት የተመዛዘነ ሲሆን ነው። እንድ ዛፍ ሥሩ ከሚችለው በላይ ፍሬ የያዘ እንደሆን የሚከተለው ዓመት ምርት በጣም ይቀንሳል ። በተለይ ለስሩ መፋፋት የሚያስፈልገው ምግብ ያነሰው እንደሆን መጀመሪያ የዛፉ ቅጠል ይረግፍና ከጥቂት ጊዜ በኋላ በሙሉ ይደርቃል ።

በወንዶ ገነት በሚገኘው በትል ለቆቹ የቡና ተክል ሥሩራዎች ላይ ጉዳት የቡና የቅጠል በሽታ ይገኛል ። የበሽተኞቹም ስም ሒማሊያ ቫስታት ረክስና የቅጠል ዝገት / ሲርኮስክሊፖራ የሚባሉት ናቸው ። የበሽታዎቹም ጉዳት ትጠሰን በማርገፍ ለዛፉ የሚያስፈልገውን ምግብ በመቀነስ ዛፉን ደክማ አድርጎ እንዲሞት ያደርገዋል ። አልፎ አልፎ የቡና ሥር የሚያበሰብስ አርሞላርያ የሚባለው በሽታ ይታያል ። በሽታው በመጀመርያ ወደ ቡናው የተጋባው ከድሮ ጫካ ሲመነጠር አፈር ውስጥ ከቀረው ሥር ነው ።

ለዚህ ችግር የሰዳሞ የቡና ገበሬዎች ምን ዓይነት መከላከያ ዘዴ አላቸው ? በወንዶ ገነት የሚገኙት ቡና አምራሾች ዩርቀት የሚያሳየውን ዛፍ በሁለት ዘዴ ለመከላከል ተነስተዋል ።

አንደኛ - ከመሬት ርቀት ፴ ሳንቲም ከሚያክል ቀመት ላይ የቡናውን ግንድ ይቆርጡታል ። በዚህ ጊዜ የሚወጣው አዲስ ቅጥያ ላይ በሽታው አይታይበ ትም ። ቅጠሉም እይረግፍም ።

ሁለተኛ- ከጥላ ሥር ያለው ቡና ዛፍ ሁሉ ደኅና መሆኑን በማየት ፣ የጥላ ዛፍ በቅሚ መሆኑን ተነንዝበው በእርሻ ቸው ውስጥ ለጥላ የሚሆኑ ዛፎች በመ ቅከል ላይ ናቸው ። ይህ ጥሩ ሥራ ነው ። ከላይ ለተጠቀሱት የቡ ገል በሽታዎች መከላከያ መድኃኒት አላቸው ። መዳብ ያለበት መድኃኒት ፩ ፐር ሰልፌት ወይም ኩፕሮክሲጋክሰድ / አልፎ አልፎ በቅጠሉ ላይ ቢፈጭ በሽታው ፍጹም ያጠፋዋል ። የሚያስከትለውም ጥቅም ከፍ ያለ ነው ።

ለቡና ዛፍ ዕድገትና ጥሩ ምርት ለማ ግኘት ምስጢን ዘይዎች መከተል እብ ዛኛውን ጊዜ አምራች ያቀጣል ። በተ ለይ ቡናን በጥላ ዛፍ ስር ማድረግ ከላይ የተጠቀሰውን ችግር ማቃለል ብቸሳይ ሆነ ሌላም ብዙ ዓይነት ችግርና ልፋት ያቃልላል ። ምንም እንኳን የወንዶ ገነት ቡና አምራሾች የታመመ ቡናቸ ውን ማንዱን መቁረጥ የጀመሩት ቡና ቸውን ለማዳን ሌላ ዘዴ በማጣት ቢሆ ንም ይህ ለማድ ለወደፊቱ ቢቀጥል በሌላ በኩል ሚቃሚኒቱን ያሳያል ። የቡና ዛፍ አንድ አምስት ዓመት ካፈራ በኋላ የሚሰጠው ሰብል እያነሰ ይሄዳል እንድ የቡና ቅርንጫፍ እንኳ እንደ ብቻ ፍሬ ይሰጣል ። ከዚያ በኋላ ቅርንጫፉ እያደገ ሌላ አንጓ ካልተገኘ ወይም አዲስ ቅርንጫፍ ካላበቀለ ሰብሉ ይቀንሳል ስለዚህ የአረጀውን ቅርንጫፍ በየጊዜው ሙልምለው ወይም በአራትና በአምስት ዓመት ግንዱን በሳላ መቁረጥ የቡናን ምርት ይጨምራል ።

ዶክተር በሙንተ ሥ ኃይለ ማርያም የቡና ተናችና ምርምር ክፍል አላፊ።

(የኢትዮጵያ ወሬ ምንጭ)

ወረዳ ነጋዎች ተሰካከሩ

ጂማ ፣ በዘፋ አውራጃ ግዛት የሚገኙ የአሥር ወረዳ ግዛትነጋዎችና ባላባቶች በንጉ ከተማ ላይ ኒኮላር ፯ እስከ ኅዳር ፲፩ ቀን ሃይ ኃ ም ድረስ በአውሪያጃው ገዢ በአቶ ታደሰ ውልደሚካኤል አማካ ይነት ተሰብስባለድረገው ስለልማትሥራ ስለማበር አሰባሰብ ስለዘሩና አጠባ በቅና ስለትምህርት መስፋፋት ቅዳይ

ከዚህም [illegible]

[illegible] በሚገኘው የጎንቤን ከተማ ሕዝብ ስብ ለት/ቤትየሚሆን መ ጃው ግቨ በተከበ ኃይለ ሚካኤል የሚመራ ኮሚቴ ብር ከሮ ሣ አዋጥ

ጉጃም፡በጉጃም [illegible] ብረ ማርቆስ አውራ ወረዳ ግዛት ሕዝብ በአቶ ከፍ አለ እጋ ደሺቲያኔ ብር [illegible] ሰላም በተባለው [illegible] ት/ ቤት አውርድ

* *

ጉንደር ፣ በግ የምትገኘው የዛር ረት ጎዳም እርጅ ዳሙ ጎላፈ በመ ካይነት የአክባቢ ዶች ልሺቲያኔ ብር ሙን በቅርቶር ዋል ። የጉንደር አቡነ ኤጥሮስ በ ተው ጎዳሙን [illegible]

* *

ትግሬ ፣ኦይል የተባለው ኧፈር በሳይ ኗሂ ከንፃ ገኘ። በክብደት አግካይነት ቋከ ፍርድ ቤት ቀረ እንዲከፍል ኮር

(ኢ [illegible] ወ

[illegible] ተነጋገሩ ። በመ ነገር ሂደቱት [illegible] ሥራ ክብር የአገሩቶንን የኢክ ቀል በግለት [illegible] ኢ [illegible]

==2==

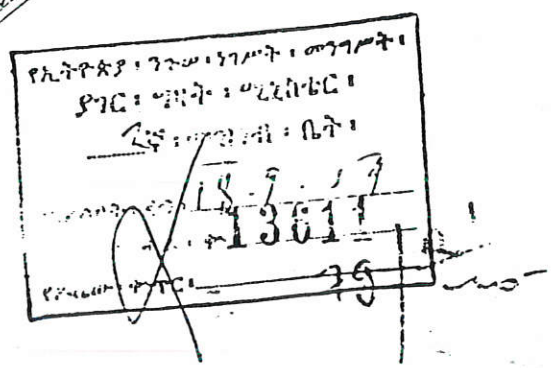
አዚህ ላይ አንድ ምሰሌ አለ ታላቱን የሃገሪቸንን ጁረት አብይን ለታላቅነቱ ሥከንያት የሚ ሆኑት ከየአቅጣጫው አየፈሰቱ ወደ አብይ የሚገቡ ሥንጡቸ መሆናቸው በይሰወርትም አናስታውስታለን :: አነኪንስ ለዚህ ሥራ የተመረጡ መህንዲሰቸ በተዉሳ ሁኔታ ሰይርጋለም ከተማነት የሰጡትን ምገስ ተጠ ሪ ምክንያት ሲያገኙና በይናርም ማየትና መስማቱም በቂሆና ያም ኑበታል ::=—

በጠቅሳሳው ይርጋለም ቅዋና ከተማነቱ ይዘት የነበረውን ተስማሚነትና ተፈሳጊነት አሟልቶና አሰክቶ አዋጎሊይዝ ይቸሳል ተብሎ ንሥት አይሰጠውም ::=—

አኛም ታዘዘቸን በተቀበሉት ታሳቅ አደራ ውስጥ ብንገኝም በሰን የማሰብ ቸሎታ ለክቡር ነትን የውስጥ ረዳት ነን :: ለኢትዮጵያ ልማት ከተፈለጉት አርበ ከተማንቸ አንዱ የይርጋለም ከተማ መሆኑ ታምኖበት ለድርሻው የተሰጠው ጥናትና ፕሳን ወደጎን ተቀምጠ ወደ አዳሰ የመዘወረ ፕሳን መወጠኑ ለኑ ገሪቱም ሆነ ለሕዝቡ መልካም ኑሮ አጥጋቢ ውጤት የሚሰጥ ስሳልሆነና ከተማው ዘሳቂ መሆኑ ተነገሮት ስለዕድገቱ የሚደረጉው መሸቀዳደም አንከሳ ስንዳይሆን ያስቡበት ዘንድ ይህን ማስታወሸ ለክቡር ነትን አትርበናል :: ይህም ዘረ ያቀረብነው ማስታወሸ ለኮቡር ነትዎ መሥሪያ ቤትና አኛለጉንገኘበትም የሥራ ክፍሳ ዘሳቂ አስተያየትም ቢሆን ወይም ማሸሸያ ቢኖረው አኛን የሚያስታውስ ነውና በሁለቱም ክፍሳ በታውን ይዘ ሳንዲቆይ አያሰለበን ተክቡር ነትዎም የሚሰጠንን ውሰኔ አንጠባበቃለን ::==========

አ ሰ ሳ ቢ ዎ ቸ ፣

የሲዳሞ ጠ / ንዘት ሕዝብ አንደራሴዎቸ ::



DECLARATION

I, the undersigned, declare that this dissertation is my work and that all sources of material used for this dissertation have been duly acknowledged.

Name: Almaw Kifle

Signature: 

Date of Submission: 20/04/2016

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