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**CONSUMPTION, CONTRABAND AND COMMODIFICATION:
A HISTORY OF KHAT IN HARERGE, ETHIOPIA, c. 1930-1991.**

By

Ezekiel Gebissa

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ABSTRACT

CONSUMPTION, CONTRABAND AND COMMODIFICATION: A HISTORY OF KHAT IN HARERGE, ETHIOPIA, c. 1930-1991.

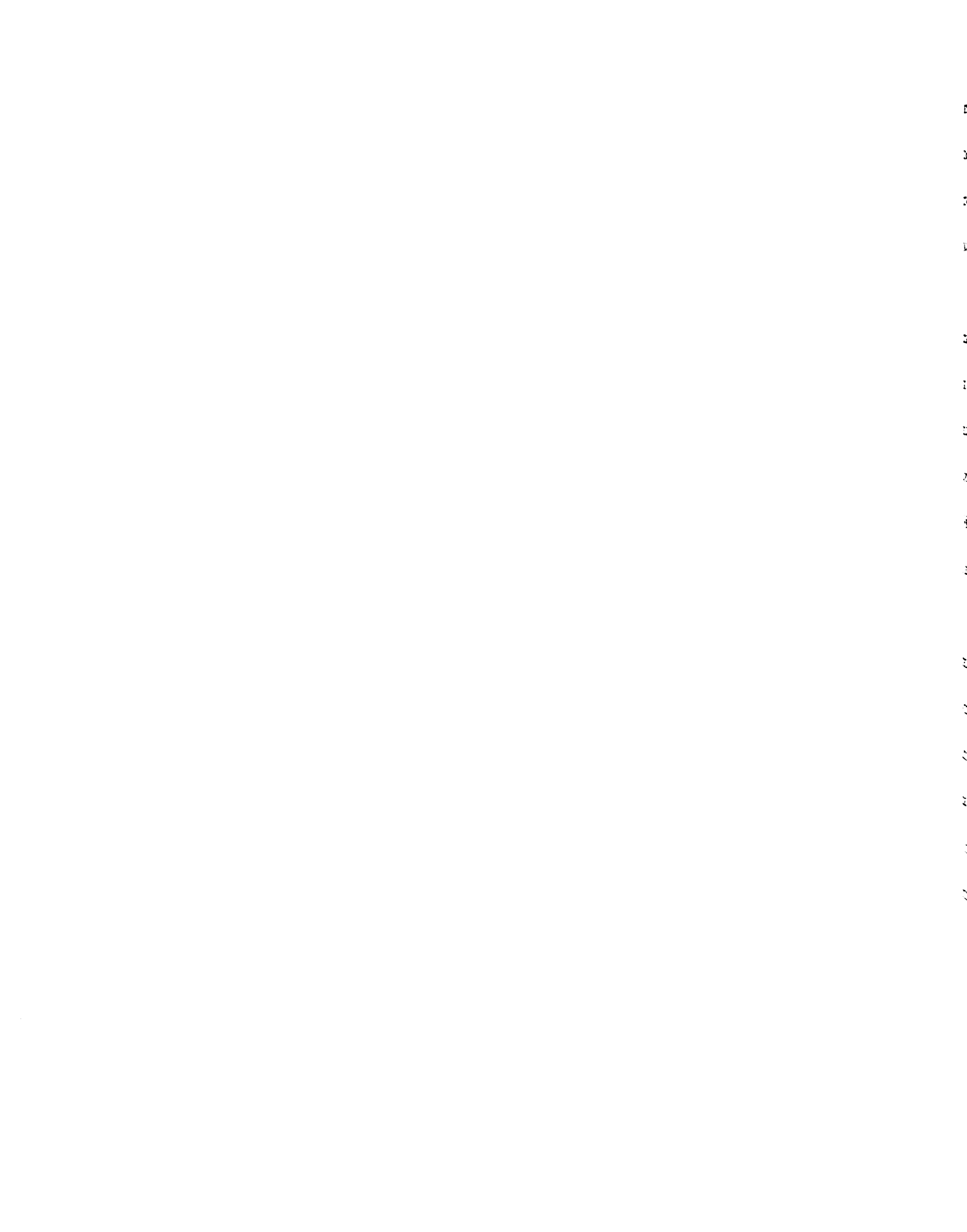
By

Ezekiel Gebissa

During the nineteenth-century, Harer evolved as a major commercial center in eastern Ethiopia, owing to its location at the cross-roads of trading routes and its political strength as an independent state. Agriculture was the primary occupation of the Hareri, the city-dwellers, who cultivated fruit trees, coffee, khat (*catha edulis*), spice trees and vegetables in gardens around their walled-city. Further away, Oromo farmers cultivated cereal crops such as sorghum, maize, wheat, and barley, sufficient for their own subsistence, and supplied the city with exportable commodities such as ivory, ghee, coffee, tobacco and so forth.

The arrival of a railway to the foothills of the Harer highlands in 1902, the construction of road networks and the introduction of commercial trucking in the 1920s and 1930s, and the inauguration air-transportation in the late 1940s, initiated changes in the patterns of economic activities described above. By the late 1950s and early 1960s, owing to faster transport, khat had become the chief cash crop of the region, out-competing other crops for land, labor and capital. In the 1970s, khat was the fastest-growing and the most profitable occupation involving millions of farmers, traders and other service-providers in the whole region.

This study argues that the change in the local system of production was spurred by land scarcity caused by high population growth. In the absence of other economic sectors which could



absorb the region's demographic surplus, farmers increased their khat fields so that they could use the proceeds from khat sales to purchase nonfarm commodities, pay taxes and make productivity investments. Farmers who initially moved to towns to retail khat used their profits to start nonfarm occupations.

From the mid-1970s on, state intervention was responsible for the accelerated pace of change. The Ethiopian government monopolized agricultural marketing and imposed restrictions on the importation of consumer goods, thereby creating a critical shortage of consumer goods. Khat and other primary goods were smuggled out and the profit from their sales was used to smuggle the commodities in short supply. The result was an unprecedented growth in cross-border trade. In the 1980s, the production and marketing of khat turned out to be a growth industry which employed a large section of Harerge's population.

In sum, this dissertation accounts for the commodification of khat and the consequent transformation of the political economy of the Harerge region. By carefully collating interview data with Ethiopian and European archival sources and bringing together the thinkings of several authorities on peasant production and parallel markets, the study traces changes in the patterns of khat production, marketing and consumption, analyzes farmers' responses to changes in the physical, political and economic environments, and evaluates the role of the shrub in the expansion of contraband trade.

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Dedication

For my Father, who never lost faith in me.

ACKNOWLEDGMENTS

This dissertation would not have been possible without the support, cooperation, and friendship I have received from so many individuals and institutions over the years. Perhaps my first debt is owed to my father, who always had faith in me and encouraged me “to go all the way for the highest possible degree.” I dedicate this dissertation to him for guiding me and for being there when I needed him.

My intellectual debt is owed to Professors Harold Marcus and David Robinson, who opened up the field of African history to me, encouraged me to pursue it, and guided me during the earliest stages of my graduate studies and this project. I am above all indebted to Professor Marcus, my advisor and chairperson of my doctoral committee, who steadfastly read many drafts of the dissertation, never wavered in his support, and showed unflagging patience with me. Professor Marcus and I disagreed on many issues, but he never attempted to impose on me his own views of history. Rather, he encouraged me to be imaginative, critical, and creative, and allowed me the freedom to pursue my own thoughts and, of course, mistakes. I also want warmly to acknowledge the intellectual guidance and continuing support of Professor Robinson, who not only taught me the art of doing history, but also demonstrated to me the value of discipline, persistence and diligence. The members of my doctoral committee, Professors Elizabeth Eldredge, John Hinnant, and David Walker gave me valuable suggestions and comments which I gratefully acknowledge. In particular, I wish to express a sincere gratitude to Professor Eldredge for her pointed comments and for being a source of inspiration and support over the years.

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INTRODUCTION

Sources, Methodology and Historiography

This study traces the process of economic change in Harerge region, Eastern Ethiopia, between mid-1930s and early 1990s. It examines why farmers increasingly shifted from cultivating coffee and food crops to growing khat¹ (*catha edulis*), a quasilegal psychoactive shrub; and how farmers responded to and coped with changes in the physical, political and economic environments. The study seeks to show how demographic, market and political factors led to the emergence of khat as the leading agricultural commodity of the Harerge region and how this development, in turn, augmented the scale of the unofficial cross-border trade in consumer goods. These changes were accompanied by new sets of conflicts, cleavages and competition centering on the control of the production and marketing of khat. The study also explores the consequences of the new cash crop for the regional economy as a whole, for farmer-state relations, for the nature and balance of local social relations, as well as for Harerge's physical, socioeconomic, and political landscapes.²

The region with which the study is concerned is the former Islamic emirate of Harer which lost its status as an independent state when it was incorporated into the expanded Ethiopian empire-state in 1887. Located to the east of the Great Rift Valley which dissects

¹ I have counted at least fifty names for khat. Farmers in Harerge use the Oromo word *djima*. I will use the term khat because it is the most widely used name in the scientific literature and publications of international and government institutions. For details, see Greenway, "Khat," *The East African Agricultural Journal*, 1947; Bertil Nelhans, *Khat: a stimulating drug in East Africa and the Arabian Peninsula*, (Gotenborg, 1974), pp. 3-5.

² There have been a number of changes in the administrative divisions of Ethiopia in recent years. Unless otherwise indicated, in this dissertation, Harerge denotes the province that existed until 1987 and Harer refers to the provincial capital.

Ethiopia roughly into two halves and between the fifth and eleventh degree of north latitude, Harerge is not characterized by physiographic uniformity. It comprises a cross-section of the vertical landscape that sweeps down from the Chercher and Harer plateaux, to the Danakil Plains or the Awash valley to the north and north-east and the Ogaden Desert or the Shebelle Plains to the southeast and south. The level of moisture is the controlling climatological factor for the region's patterns of movement and settlement.

Before the turn of the twentieth-century, agriculture was the main economic occupation of the city-dwellers who maintained gardens around the town. The main crops were fruit trees, coffee, khat, spice trees and vegetables. Cereals such as sorghum, maize, wheat, and barely were also produced for local consumption. Coffee was the single most important agricultural commodity that was exported from Harerge. Khat was cultivated mainly by the Hareri who retailed it in local markets. Only dried khat was exported to the neighboring countries until the Addis Ababa-Djibouti railway track reached the foothills of Harer in 1902.

At the turn of the century, the consumption of khat for pleasure was limited to a small, well-off urbanite elite. Written and oral sources suggest that the main users were religious leaders who chewed the leaves to stay awake and pray; long distance traders who preferred to travel long distance at night; and farmers who chewed it for energy and fulfilled their khat needs by growing the shrub alongside other crops.

Since the 1940s in particular, the demographic configuration of users has changed dramatically. In contemporary Harerge, only a tiny minority of the population, owing to personal and medical reasons, refrain from chewing khat. Daily laborers, construction

workers, farmers, Quranic readers and reciters, students, long distance truck drivers and cabbies, animal hunters, couriers, Muslim judges, men, women, and children, all chew khat.

The dramatic expansion in khat consumption has been accompanied by a significant increase in its economic importance. Responding to the demand generated by increased consumption, a considerable number of farmers have abandoned the production of other cash and food crops and transformed their plots and gardens into khat fields. Admittedly, khat consumption is a result of a larger cultural transformation that has taken place in Harerge in a relatively short period of time, but it is not my intention to examine the changing cultural meanings that khat may have acquired. Rather, I would like to focus on the economy of khat production and the extensive commercial networks that have sprung up to market the crop, especially since the advent of modern road and air transportation.

This introduction has two main sections: the first is essentially a narrative of my research in which I will discuss my sources and methods. In the second section, I will situate my study in the relevant historiographical and theoretical contexts.

A. The Research: Sources and Methodology

I began my research in Harerge by interviewing elderly people whom the community designated as knowledgeable in the local history. Several of the individuals with whom I came into contact were referred to me as conveyers of oral history. Not all of them were scholars, or even literate, but most have historical interests or, to say the least, enjoy participating in conversations about their history. My informants included ex-administrators who had lived and worked in the region for several decades; judges who had presided over

commercial disputes; community leaders esteemed for their knowledge of history; merchants involved in the export business and people who had worked for French and British firms and nationals, and employees of the railroad company.

When I approached some of these men, I found out that they had their own ideas about the correct conduct of historical inquiry. They had much to say about big events such as the battle of Chelenqo, or big personalities such as *Ras Mekonnen*, *Lij Iyyasu*, emir Abdullahi or emperor Haile Sellassie. Questions relating to the origins of khat and its spread were often entertained with puzzlement. Some wondered why I was inquiring about a plant rather than listening to tales of great deeds by great men. To my apparently "trivial" question, most responded with a standardized answer: "khat has always been here. "

The fact that my informants had little to say about agriculture suggested to me that generalized and technical inquiries cannot extract the type of information needed for my study. It soon became clear to me that, when it comes to local history, people are more responsive to queries about their personal involvement in events and processes and more inclined toward telling individual experiences and life stories. So I quickly directed my questions to inquiring about personal experiences.

In my efforts to collect oral histories in the form of personal, localized reminiscences, I usually encountered unique conceptions of historical description. In response to questions about khat production and consumption before and during the Italian occupation, my informants reminisced about political events in Addis Ababa or the flight of Haile Sellassie. While my requests for information concerning past events in Harerge and individual life experiences did not coincide with conceptions in Harer of what historical inquiry should pay

attention to, I gleaned important information on distant and recent events from structured and unstructured conversations.³ When I put together the information I had gathered, a general outline of the gradual change in the importance of khat emerged.

The interviews yielded information on several aspects of the growth of the khat industry: the cultural constraints which earlier had prevented the expansion of khat consumption and hence production; social processes which directly affected the status of khat as a cash crop; the decline in importance and value of other cash crops; and problems of agriculture arising from land scarcity caused by population increase. Having attained the general picture of change, I proceeded to interview khat growing farmers for more detailed information about the transformation in production patterns at village level.

Getting farmers to agree to an interview was not an easy exercise. When I expressed my interest in the history of khat and requested interviews, potential informants responded by asking me a series of questions. "Why are you interested in the history of khat? How is your study going to improve our lives? Which government department do you work for? The farmers are generally aware that their local histories need to be written, but they suspect the motives of researchers seeking to reconstruct the local history. They have gone through seventeen traumatizing years of military dictatorship (1974-1991), whose agents, posing as researchers, extracted information and used against the farmers. Many farmers have therefore become reticent about transmitting their history in order to escape the danger of their own words.

³ One of my informants, Mohammed Abdulahi Ogsaday, told me to take note of what he was telling me, insisting that his version is the way the history of the region should be written.

Others realize that reticence does not always guarantee safety. During the rule of the military junta, otherwise known as the *derg* (committee), even silence was construed as being uncooperative, a serious crime. It might mean obstructing the development policies of a well-meaning government, which had set out to change the lives of its rural citizens for the better. To avoid the double jeopardy, potential informants parroted the official government position that food crop production must take precedence over the cultivation of cash crops. When, for example, I tried to elicit explanations for the visible shift to cultivating khat, the farmers hastened to point out that the production of coffee and other food crops was seriously affected by rain shortages and crop diseases. The farmers swear that they do not actually prefer cultivating khat and promptly promise that they will revert to cultivating food crops if the rains returned and the government provided them with pesticides.

To win the confidence of such cautious informants, I had to allay their suspicion. Agricultural Extension workers were honest enough to tell me that I should avoid them if I were to gain the confidence of farmers. Fortunately, I became acquainted with a former Peasant Association (PA) chairman, a popular and trusted figure in the area. I explained to the ex-chairman that I had no political agenda that might disrupt khat production and marketing and assured him that my work was meant to be read by people in universities, not necessarily by Ethiopian government officials. He was delighted that my work would introduce khat overseas and, whenever he introduced me to other informants, he presented me as someone whose work would help find a foreign market for their product. With the PA ex-chairman's introduction, farmers in the khat producing area I chose to study accepted me as one of them and became willing to respond to my questions.

In most cases, I conducted interviews with farmers in khat fields between 9 a. m. to 12 noon and 3 p. m. to 5 p. m. in the afternoon, the times the farmers take a break from their work to chew khat. Other interviews were held in homes, mostly during the afternoon chew sessions known as *bercha* and on occasions such as mourning.

The interviews yielded crucial information on the production and exchange of khat and on the social and economic transformation engendered by the commoditization of khat. My informants had excellent capacity to describe the contemporary situation in regard to khat's agronomy, cropping strategies and land use management. Memories about changes in the physical environment which could suggest past cropping patterns, agricultural practices and farming strategies were fragmentary and inconsistent. For instance, the farmers I interviewed were unable to tell precisely when they or their parents began to expand the cultivation of khat. Nor were they able accurately to describe when and how the demand for khat started to grow.

It was my responsibility as a historian to sort out the jumbled up, non-chronological narratives and reconstruct a coherent story of agricultural change. Such a task is impossible to accomplish based only on the information I gathered from farmers. The interviews were not particularly informative in regard to the historical development on khat marketing. For a more detailed information on the expansion of the market for khat, I had to turn to the traders who were involved in khat buying, selling and exporting.

From my experience with farmers, I had learned that building trust was a priority. In approaching my potential trader informants, I had to enlist the assistance of people who would acquaint me with long-standing khat traders. One informant referred me to another

and along the chain of reference I came in contact with a man educated in a local French school in the 1920s and who was one of the founding members a company which exported khat to Aden in the 1950s. The person ultimately invited me to the afternoon khat chewing sessions at his home, where I conversed with many of his former colleagues.

Success in contacting khat-marketers did not mean that they easily gave up information. Even though, I explained that I was interested in knowing how ordinary traders marketed khat in the past, my informant's conception of history was such that they felt obligated to relate about the participation of famous people in the khat business. It seemed they were convinced that stories about the secret business engagements of members of the royal family, government attempts to take over the khat trade, allegations that khat revenue went exclusively to the emperor and so forth, were topics I should be interested in. Inquires about the khat trade did not receive full and direct responses. Once again, my conception of history and that of even the educated trader did not match.

Information regarding the state of khat trade started to surface when I redirected my questions to asking personal histories. Khat traders who were engaged in the export business in the 1940s and 1950s, began to recollect stories about their involvement in the khat trade. Their personal histories provided me with a general impression of the chronology of rises and declines in khat value and demand as well as the different market places and directions of khat flow. In particular, the traders made me aware of the centrality of smuggling in marketing khat.

In the final analysis, the interviews yielded a mixture of memory and anecdote. Concerning the period before the 1920s, I was unable to find many people who could clearly

recall that period. There are few old people around, but they are not in good enough health to tell coherent stories. In any case, oral information on the period before the 1930s was needed to provide background to my study and the lack of it was compensated for by other genres of sources.

For the period 1920 on, however, it was possible to obtain eyewitness accounts from elderly informants who remember how the khat trade was conducted. Most of the changes I was trying to understand took place during their life times and they were able to lead me through the major developments such as the construction of roads, the beginning of truck transportation, the market place in Dire Dawa and the prominent traders who purchased khat for export. Their stories were corroborated by travel accounts and the memoirs of some Europeans who lived in Harer in the immediate period before the Italians.

We are fortunate to have many written works on Harer beginning around the turn of the century. The arrival of the railhead in Dire Dawa attracted expatriate travelers who came to Harer prospecting commercial possibilities for their firms or countries. These people represented a variety of backgrounds, ranging from official government envoys to private specialists, who came to sell their skills. Many have left behind accounts of their experiences in the region. In the early 1930s, the coming of the Italo-Ethiopian war also brought a good number of expatriates, who reported on the political and economic conditions that were then current in Ethiopia.

Because many of the writers were interested in economic matters, the earlier accounts contained useful information on a wide range of commercial activities. Beyond describing the prevailing business conditions in general terms, the writers detailed the rise

of Dire Dawa as a trading town and described market conditions, including the fluctuation of prices of exportable commodities. The reports yielded a remarkably complete picture of Harer's decline as the region's major trading center and its replacement by Dire Dawa. They also described the rise of coffee as a major export commodity and the consequent experimental coffee plantations established by some expatriates. Khat-chewing was mentioned in these reports as a peculiar habit of the residents of the region, whose farmers maintained some khat trees in their gardens. The omission of a detailed account evidences that khat was not a major cash crop and certainly no match for coffee in the pre-war period.

Harer was the seat of a British consul from c. 1906 until the Italian occupation. The periodic reports successive consuls forwarded to the legation in Addis Ababa or directly to the Foreign Office are available at the Public Record Office in London. I read through the reports from Harer and Addis Ababa from 1906 to 1963. Documents from later years were not declassified at the time of my research in 1994. Issues of political and diplomatic importance, especially those affecting British relations with Ethiopia and with other European colonial powers, dominate the content of these documents. There are occasional economic reports which dealt with Ethiopia's domestic economic conditions in more general terms. None of the periodic reports treats khat as a subject of particular importance, but one occasionally finds passing remarks about its consumption and cultivation. Reports by visiting agricultural experts also provide valuable insights which proved especially significant when used in establishing the economic background before the Italian period.

I had hoped to obtain a considerable amount of information in the *Archives Nationales de France* in the *Côte Française des Somali* materials. There were 124 cartons

on the former French territory in the *Dépôt d'Outre Mer* at Aix-en-Provence. I looked through the documents on Social and Economic Conditions, taxation and trade, hoping to uncover at least statistical materials on khat imports into Djibouti. I found such statistics for only 1929-31, but they seemed exaggerated and inconsistent with the traveler accounts and the recollections of my informants. Though frustrated, I quickly realized that European Archives were not the place to recover documentation about village-level changes.

For the period after 1941, the stories of my informants were supplemented in a very significant way by archival documents and administrative records from Harerge region. I found letters, annual reports, investigative reports, meeting proceedings and varieties of other documentation, produced by the provincial administrative body. The documents contained information on a variety of subjects, including the politics of controlling the production and exchange of khat, the appeals of khat farmers against the monopolization of the trade by a few exporting companies, the petitions of traders for tax and export duty reductions and the growth of contraband trade and the measures taken by the provincial government to curb it. The archives also contained correspondence of the provincial government with the central government, the khat exporting companies in Harer and Dire Dawa, and the khat importing companies in Aden and Djibouti. These records detail the conflict that existed between the different groups including the government who had interest in the exporting of khat.

I also examined the archives of the regional bureaux of the Ministries of Agriculture (MAO) and Foreign Trade (MFT) and collected materials I considered germane to my study. For some years, I was only able to recover fragmented pieces of information on land use because most of the district level records were looted during the violent change of

government in 1991 and sold to shopkeepers who used the papers for packaging. There are credible reports that the rebel army deliberately set on fire government records to symbolize the end of an era.

The regional Ministry of Foreign Trade was created in 1979 and now holds a valuable cache of records on the import and export conditions of Harerge region. The monthly, quarterly and annual reports contain information on the state of the region's export trade, the level of government intervention in the region's external trade, the problem of smuggling and statistics on imported and exported commodities. There were discrepancies between the figures produced by the MFT and those of the National Bank office in Dire Dawa. As the official foreign currency exchange control institution in Ethiopia, the National Bank generates its data based on money remissions effected for licensed traders while the MFT obtains them from the Customs Authority at the Dire Dawa train station. In most cases, the National Bank figures are less than those of the MFT, suggesting that some traders export khat and other primary commodities without using the service of the National Bank. For a fairly accurate estimation of khat export, therefore, I relied on the MFT figures.

Export figures for the early postwar years were obtained from the main office of the Customs Authority in Addis Ababa. From this office, one would only expect to find national figures, but I was fortunate to find, collect and compile export statistics for Harerge region. The figures are published and the consistency that exists between the data generated by the Customs Authority and the National Bank seems to suggest that the compilation of data at the national level was more organized and the figures more reliable.

Another useful category of primary sources is comprised by recent development

surveys, technical materials and mimeographed research results carried out by the experts of the Farming System Research (FSR) unit of the Haramaya University of Agriculture and several study reports written by the experts of the Office of Central Planning and Development Council (OCPDC) for Harerge region. These sources were especially valuable for my research in the areas of demographic and farm level technical changes, patterns of land use and the commercialization of the regional agriculture. For the most part, the information these sources yielded reinforced the oral information I gathered from my informants regarding demographic growth and the measures taken by farmers to cope with land shortages.

The archival sources that were used in this dissertation proved extremely important in documenting the political dimensions of the khat industry. The sources were generated for administrative purposes and contain information on issues affecting the production and marketing of khat--decisions to increase taxes, efforts to curb smuggling, attempts to attain control over khat marketing and so forth. From time to time, one detects inconsistencies in statistics and facts but they could be cross-checked and verified. Most of the archival materials from the imperial period that I consulted, especially the reports of ad hoc commissions called to study a particular subject, minutes of administrative committee meetings, which quoted interview materials *ad verbatim*, did not seem to exhibit political or ideological bias. The official records are, therefore, of great value to this study

The various feasibility studies, evaluative reports, agricultural baseline studies generated by derg era development institutions such agencies as the Office of Central Planning are casually dismissed as ideologically biased political documents. A careful

reading of the documents reveals that a distinction should be made between expert studies and policy recommendations, which were, of course, tailored to suit the expectations of the ideologically inflexible military leaders. In reality, the latter seem to bear no relationship with the research findings on which they were ostensibly based. Most of the professional works are thorough, systematic and methodologically sound and the research findings are reliable. Though mostly synchronic in conception, the findings of these sources reinforced what has already been evident in farmers stories. Coupled with the farming systems studies prepared by scholars associated with the Alemaya University of Agriculture, these government documents provide a rich cache of sources which could be utilized carefully to reconstruct the history of agricultural change in Harerge in the second half of the twentieth-century.

When all of my sources were arranged in a chronological order, they provided a comprehensive picture of the circumstances in which khat grew to be Harerge's most important cash crop. Oral sources provided detailed information on farmers' choices, cropping strategies, decision-making processes and responses to government policies they considered intrusive. Conversations with traders yielded information on subjects such as the infrastructure of smuggling, clandestine markets and actors in parallel markets which are usually hard to document. More often, however, oral sources were static and inaccurate, especially when the events described are in the distant past. Such deficiencies were made up for by a careful reading of archival materials which provided a time line for the non-chronological oral narratives.

Taken together, the oral sources, archival materials, government and empirical studies

enable us to answer the main question of this dissertation: why did farmers in Harerge to switch from coffee and food crop cultivation to khat production? The available evidence allows us to identify the factors which initiated the expansion of consumption, production and marketing, and the overall change in the political economy of Harerge wrought by khat's commodification. We can also explore broader issues of agrarian change, the economics of unofficial cross-border trade and society-state relationships.

The sources have shaped my conception of farmers and traders as well as my understanding of patterns and events in regard to the politics, socio-economic and demographic changes experienced by the societies of the Harerge highlands. The preliminary interpretations that emerged from the sources led me to define the objectives and organization of my study.

B. The Aims

As mentioned earlier, this dissertation is about khat and its place in the political economy of the Harerge region. There is no doubt that a cultural biography of khat could produce a fascinating social history, but, in this study, I do not intend to present a narrative of the social life of khat as a commodity. Rather, from a commodity perspective, I would like to reconstruct the history of the people who cultivate and market khat. In other words, this study concentrates on people, not on a thing. By focusing on the production, exchange/distribution and consumption, I shall be able to trace and document the process of khat's commoditization and changes in the overall economy.

To that end, the dissertation attempts to achieve three interrelated goals. The first and

primary aim is systematically to examine the transformation of khat from a shrub cultivated primarily to satisfy local consumption to a commodity produced to meet the seemingly insatiable demand of consumers in the Horn of Africa and the Arabian peninsula. My narrative will trace the process by which khat emerged from a particular social and cultural context of production and consumption and linked its producers in a novel way to an expanding regional market. Currently, khat is the fastest-growing and unquestionably the most profitable occupation involving millions of farmers, traders and other auxiliary service providers in the whole region.

Second, I will investigate the social and economic effects on Harerge's Oromo farmers of producing khat for far-off consumers. My objective here is not merely to narrate how the Oromo communities were rapidly and inexorably subsumed by market forces. Rather, I wish to stress that their active participation in the expansion of the khat industry was part of their overall strategy to defend and enhance their livelihood against natural processes and adverse state policies. Their situation has been complicated by a growing population and a decreasing land base in heavily populated regions; the structural limitations of and developmental policies implemented after the restoration of Haile Sellassie's government in 1941 and after its replacement by a military regime in 1974; the shifting value of Harerge's traditional exports, owing partly to price fluctuations in the international market and partly due to the draconian measures taken by the derg to monopolize the country's export market. Thus, the favorable attitude of the Oromo farmers toward khat cultivation should be viewed within a larger context of social, economic and political changes, not as a sudden decision made to respond to a profitable market.

The third aim of this study is to examine how and in what specific contexts the Oromo farmers contributed to the emergence and expansion of the market for khat. I shall show that the Oromo farmers' options, choices, and strategies, centering on the cultivation of khat, were structured by constantly changing political and economic processes in the societies around the khat producing farmers. The changes include infrastructural developments, the monetization of the economy and the evolution of an extensive transcultural network of commercial relationships linking together different agro-economic zones, ethnic groups and nations. Khat has played an important role in the contraband trade among Ethiopia, Djibouti and Somalia and the links it had created between farmers and traders has been critical in sustaining the underground world of commerce in the region. In this regard, khat has made Harerge a culturally distinct and economically unique region of Ethiopia.

The aims of this study took shape as I grappled with and attempted to provide satisfactory answers to key questions and concerns centering on khat's commoditization. Chief among these were why the overwhelming number of Oromo cultivators in Harerge shifted to its cultivation, how the structures of its marketing and why its consumption expanded rapidly. What was needed to produce and distribute khat sufficiently and without interruption? How were labor and other resources mobilized, allocated and used? How did farmers explain diverting substantial resources to produce a commodity that was marketed only regionally? My attempt to answer these questions inevitably led me to explore theoretical issues beyond the confines of Harerge's Oromo community.

C. The Theoretical and Historiographical Contexts

Although this study is intended to be the social and economic history of khat, my approach has been to view the plant as part of the cropping system in Harerge rather than as a simple psychoactive substance illicitly grown for cash. The central idea of the study is to analyze farmer agency--the decision farmers make individually and in the aggregate, their management of changing social and political situations and agricultural contexts. As a study of small-holder agriculture rather than peasant economy, this dissertation focuses, in part, on farmers' seasonal, annual and long-term choices, agronomic practices and farm management strategies. For these reasons, I prefer to view the actors here, following James McCann, as farmers "to privilege their role as managers of the environment."⁴ In this chapter alone, I will refer to rural producers as peasants, since that is the term generally used in the literature being reviewed.⁵

Peasant Agriculture

Although peasants and agriculture comprise approximately seventy five percent of Ethiopia's population and economy, peasant agriculture has not been given the scholarly attention its importance may warrant. The literature has generally focused on such themes as the impact of government policies on agricultural production, the failure of successive Ethiopian governments to stimulate agricultural production, the constraints Ethiopian land

⁴James McCann, *People of the Plow: An Agricultural History of Ethiopia, 1800-1990* (Madison, 1995), pp. 6-7.

⁵ For a review of the literature on African peasantry, see Allen F. Isaacman, "Peasants and Rural Social Protest in Africa," *African Studies Review* 33: 2 (Sept. 1990), pp. 1-120.

tenure systems placed on agricultural production and the plight of the tiller at the hands of land owners. In the pre-1974 period, the scholarly studies emphasized the impact of government-sponsored experiments in commercial agriculture. After the revolution of 1974, the focus largely shifted to measuring the extent to which the land reform proclamation of 1975 succeeded (or failed) in improving agricultural production and ameliorating the condition of the peasantry.

Thus, in assessments of the world of Ethiopia's agriculture, peasants, the supposedly active actors of the sector, remained largely inactive and invisible. In most studies, they were depicted as victims of landlords and the environment, incapable of self-improvement without government support and subsidies. The imperial government placed little importance on peasant agriculture, favoring instead the development of the physical infrastructure and commercial or mechanized agriculture, which led to peasants being evicted from their farm lands and becoming landless rural laborers.

The literature also emphasizes that Ethiopia's land tenure system hampered peasant production, since either the government or the landowners, or both, heavily taxed produce. The derg confiscated land and redistributed it among peasants, but failed to provide the tools and materials necessary to increase production. Moreover, its policies of direct involvement in the marketing of agricultural products provided further disincentives thus leading to declining production. In the end, the studies conclude that the peasant remained in the doldrums of subsistence agriculture.⁶

⁶ Some economists have characterized the Ethiopian peasant as pursuing "farming practices which are very much in the biblical tradition of his forefathers." Assefa Bequele and Eshetu Chole, *A Profile of the Ethiopian Economy*, (Addis Ababa, 1969), p. 112. Even Desalegn Rahmato, the

In portraying peasants as subsistence oriented, most students of Ethiopian agrarian history simply accepted the conventional wisdom in peasant studies that peasants produce just enough for their subsistence, are generally adverse to producing significant surpluses for the market, and consequently avoid entering into cash or exchange relations. According to this conception, peasants operate in a non-capitalist mode of production, which revolves around the intensive use of family labor, the non-accumulation or investment of capital, and simple reproduction, that is, the quest for subsistence and replacement.⁷

One of the early proponents of this conception was Robert Redfield, a prominent anthropologist whose views dominated peasant studies in the 1950s and the subsequent three decades. He conceptualizes peasants as rural cultivators with distinctive set of values, attitudes and worldviews and maintains that they operate outside the orbit of market exchange and lead a "traditional" way of life that contrasts with "modern" societies.⁸ Redfield's typology was conceived within the context of an emerging "modernization theory,"⁹ whose practitioners divide societies into modern and traditional camps, respectively represented by the advanced capitalist societies and the less fortunate societies in the Third

putative expert on Ethiopian peasant agriculture, recently argued that "the logic of peasant production centered around self-sustenance and the preservation of existing standards of life." Desalegn Rahmato, "Peasant Agriculture under the Old Regime." In Shiferaw Bekele, ed., *Economic History of Modern Ethiopia, 1935-1974*. Vol. 1, (Oxford, 1995), p. 170.

⁷ I have closely followed Harry Sanabria's discussion of the theoretical literature relevant to coca production in Bolivia. Harry Sanabria, *The Coca Boom and Rural Social Change in Bolivia* (Ann Arbor, 1993), pp. 6-9.

⁸ Sydel Silverman, "The peasant concept in anthropology," *The Journal of Peasant Studies*, 7:1 (1979), pp. 49-57.

⁹ D. C. Tipps, "Modernization theory and the comparative study of societies: A critical perspective," *Comparative Studies in Society and History*, 15:2 (1973), pp. 200-209.

World. The traditional/modern dichotomy was replicated in traditional societies by a rural/urban distinction which corresponded to a developed/undeveloped dialectic. This line of dualism is paralleled, in the rural areas of traditional societies, by a deep divide between a dynamic, growth oriented (capitalist) agriculture and a stagnant, subsistence oriented (peasant) agricultural sector.¹⁰ Modernization theory has been thoroughly criticized but the notion that peasant economic behavior is driven by the logic of subsistence still persists in some academic and policy-making circles.

In his *The Theory of Peasant Economy*,¹¹ A. V. Chayanov also emphasized the subsistence nature of peasant production. In his peasant theory, he presents the "family labor farm" as the typical form of peasant enterprise which employed only nonwaged family members. Because the farms are said to be divorced from the wider capitalist system, Chayanov's critics described them as "an original, non-and anti-capitalist economic form."¹² Since wages were indeterminate, Chayanov argued, so, too, were profits and economic rent, and thus profit was not a motivation and guide to peasant economic behavior. In the absence of profit, the peasant family worked only for subsistence. Within this analytical frame, Chayanov then argued that levels and intensity of production were primarily a function of the relationship between household size, labor availability, and a culturally acceptable

¹⁰ P. F. Klaren and T. J. Bossert, "Lost Promise: Explaining Latin American underdevelopment," In idem, *Promise of development: theories of change in Latin America*, (Boulder, 1986), pp. 9-10.

¹¹ A.V. Chayanov, *The Theory of Peasant Economy* (with new introduction by Theodore Chignon). (Madison, 1986), p. 119.

¹² William Roseberry, "The ideology of domestic production," *Labor, capital and Society* 19:1 (1983), p. 73.

(determined) level of needs.¹³ Given unchanging needs and a stable household size, the family farm will produce just enough to satisfy its needs, and no more. Put it differently, the family farm has no propensity to accumulate surplus above and beyond that determined by the availability of labor and culturally construed needs.¹⁴

The risk aversion and decision making literature in economic anthropology is another genre which sees peasants as unable or unwilling to accumulate and as striving to remain outside capitalist exchange and production relations. Analysts of this school focus on the adoption of new agricultural techniques or higher-yielding crop varieties and short term economic and ecological variables --current prices, input costs, expected yields, likelihood of drought or too much rainfall-- on which individuals depend for decision-making; and depict peasants as generally "risk-aversers" who place a high premium on minimizing and avoiding risky economic strategies and maximizing security of tenure and subsistence. From this conclusion, they project that stubborn resistance to or deep aversion of high-risk strategies leave peasants with no desire to produce surplus with high potential for accumulation.¹⁵

¹³ Chayanov, *Peasant Economy*, p. 12.

¹⁴ James Millar, "A Reformulation of A.V. Chayanov's Theory of the Peasant Economy," *Economic Development and Cultural Exchange*, 8 (1970), pp. 219-221.

¹⁵ F. Cancian, "Risk and uncertainty in agricultural decision making." In P. F. Bartlett, ed., *Agricultural decision making: Anthropological contributions to rural development*, (New York, 1980), pp. 161-76; A. Johnson, "Security and risk taking among poor peasants: A Brazilian case study." In George Dolton, ed., *Studies in economic anthropology*, (Washington, D.C., 1971), pp. 144-52; Clifton R. Wharton, "Risk, uncertainty, and the subsistence farmer: Technological innovation and resistance to change in the context of survival." In George Dolton, ed., *Studies in Economic Anthropology*, (Washington, D.C., 1971), pp. 151-177; M. Chibinik, "Double-edged risks and uncertainties: Choices about rice loans in the Peruvian Amazon." In E. Cashdan, ed., *Risk and uncertainty in tribal and peasant economies*, (Boulder, 1990), pp. 279-302.

Neo-Marxist studies of peasantries and agrarian change had been another category of works that helped to perpetuate the image of a subsistence-oriented peasant. The genre emerged as a direct critique of modernization theory and as an attempt to provide quite different explanations for poverty and underdevelopment. The neo-Marxists argue that persistent poverty in Third world countries is the result of surplus extraction by industrial capitalist societies.¹⁶ The outward flow of wealth is replicated at different levels (nation-state, rural regions, peasant communities, peasant households). Consequently, at the economic unit or household level, peasants are simply unable to accumulate wealth, for their surpluses are constantly being "drained away" by capitalists. Moreover, the neo-Marxists argue that, because peasants are well aware of the fact that their insertion into capitalist exchange and production relationships are ultimately detrimental to their livelihood, they manifest a deeply rooted "aversion to" capitalism. On the issue that peasants strive to remain outside the capitalist market, therefore, the neo-Marxists inadvertently ended up espousing the views of modernization theorists.¹⁷

An alternative perspective from which to gauge the heterogeneity of peasant goals and livelihood strategies has been put forward in the literature on petty or simple commodity production. These studies place more emphasis on the ever-shifting conditions under which peasant opt to engage in a wider market system, the different types of relationships that they forge within the wider economic circuits, the quite diverse responses by peasants to threats

¹⁶ David Lehmann, "Two paths of agrarian capitalism, or a critique of Chayanovian Marxism," *Comparative Studies in Society and History*, 28:4 (1986), p. 606.

¹⁷ Alain de Janvry, *The Agrarian Question and reformism in Latin America*, (Baltimore and London, 1981), pp. 19-20; Lehmann, "Two paths", p. 603

to their livelihood, and the disparate consequences of these strategies and responses. In these works, peasants are portrayed as being heavily engaged in producing agricultural or nonagricultural commodities for market or exchange.

The peasant-producers operate in a sociopolitical environment in which the factors of production—land, labor and capital—can circulate freely. They own or control their means of production, they generally employ little or no wage labor, and the household retains its role as the major decision-making unit.¹⁸ Some scholars have suggested four distinguishing features of petty commodity production: 1) "regular and excessive" production for market exchange; 2) "small-scale private enterprise" in which the means of production are owned or controlled by producers and labor is unpaid; 3) mutual independence of production units; and 4) production is never to the exclusion of capital accumulation or profit.¹⁹

For this dissertation, the literature on petty commodity production offers distinct advantages over the other approaches. First, the studies underline the fact that peasants do not display an intrinsic disposition toward "subsistence," or an aversion to market, or toward wealth or capital accumulation. Under appropriate conditions, peasants will intensify production and accumulate surpluses. Second, they emphasize the different ways in which peasants creatively confront and grapple with shifting political and economic conditions and

¹⁸ D. Goodman and M. Redclift, *From Peasants to Proletariat: Capitalist development and agrarian transitions*, (New York, 1982), pp. 81-84; Harriet Friedmann, "Postscript: Small commodity production," *Labor, Capital and Society*, 19:1 (1986), p. 125; Roseberry, "Domestic Production", pp. 70-93; de Janvry, *Agrarian Question*, pp. 66.

¹⁹ S . Cook and L. Binford, *Obliging need: Rural petty industry in Mexican capitalism*, (Austin, 1990), p. 30.

contexts.²⁰

The fact that large numbers of Oromo cultivators in Harerge have over the last half-century massively taken up the cultivation of khat runs contrary to the well-entrenched assumption that peasant agriculture is invariably subsistence-oriented. In Harerge, we rather encounter cultivators who responded quickly, decisively and successfully to a range of state policies that threatened their livelihood. Their response centered on vigorously pursuing a strategy of producing a valuable commodity for the market--khat. Well aware of market prices and returns and quite cognizant of the environmental, economic, and political risks involved, the cultivators constantly and quite often successfully maneuvered around and undermined state-sponsored avenues of production and exchange. Even though Harerge's farmers were in large measure responding to state agricultural development policies that were progressively undermining their economic livelihood, they also went far beyond the goal of simply satisfying their "subsistence needs" to accumulating wealth and capital.

Moreover, the strategies the khat-cultivating peasants in Harerge highlands pursued entailed a great deal of risk. They faced, for instance, environmental threats such as drought which is not uncharacteristic of the regional climate. In addition, the market for their new commodity was unreliable due to the volatile politics of the Horn of Africa which periodically escalates to violent conflicts and disrupts transportation. Nonetheless, the gravest risk to the peasants' livelihood was not ecological, economic or the volatility of the region's politics, but the political risk represented by repressive state policies, designed to

²⁰ One disadvantage of the petty commodity production approach is that it does not distinguish clearly between "peasants" or rural cultivators and other commodity producers, particularly when the produced and exchanged commodities are non-agricultural.

curb or reverse the spread of khat cultivation and gain control over the cultivation of other cash crops. It is in response to these policies that the Oromo farmers of Harerge elected to switch to an alternative cash crop, khat, whose market viability was uncertain and which could not be used for food.

Another area of the literature which appears to be relevant to the argument of this dissertation is the issue of peasant resistance. In some studies, Ethiopia's peasant are depicted as active agents protesting or rebelling against high taxes,²¹ sustaining rulers and their armies²² and the expansion of the Ethiopian state.²³ Peasants also resisted government and merchant pressures to promote cash-crop production on an appreciable scale.²⁴ In other cases, a group of peasants took to the bush to plunder and settle scores with tax collectors.²⁵

Although peasant social protest in Ethiopia cast peasants as active defenders of their interests, there still remains a void in regard to conceptualizing peasant actions. To enhance our understanding of Ethiopian peasants' resistance, two important points need to be stressed.

²¹ Donald Crummey, "Banditry and Resistance: Noble and Peasant in Nineteenth Century Ethiopia." In Sven Rubenson, ed, *Proceedings of the Seventh International Conference of Ethiopian Studies*, (Addis Ababa, East Lansing and Uppsala, 1984), pp. 263-77; Timothy Fernyhough, "Social mobility and dissident elites in Northern Ethiopia: the role of bandits, 1900-69." In Donald Crummey, ed., *Banditry, Rebellion and Social Protest in Africa*, (Portsmouth, 1986), pp. 151-172.

²² Merid Wode Aragay, "Millenarian Traditions and Peasant Movements in Ethiopia, 1500-1855." In Sven Rubenson, ed, *Proceedings of the Seventh International Conference of Ethiopian Studies*, (Addis Ababa, East Lansing and Uppsala, 1984), pp. 257-62; James McCann, "The Political Economy of Rural Rebellion in Ethiopia: Northern Resistance to Imperial Expansion, 1928-1935." *International Journal of African Historical Studies*, 18:4 (1985), pp. 601-23.

²³ McCann, "Political Economy"; idem, *From Poverty to Famine in Northeast Ethiopia: A Rural History, 1900-1935*, (Philadelphia, 1987).

²⁴ Charles McClellan, "State Transformation and Social Reconstitution in Ethiopia: The Allure of the South," *International Journal of African Historical Studies*, 17:4 (1984), pp. 657-75.

²⁵ Crummey, *Banditry*, pp. 133-149; Fernyhough, "Social mobility," pp. 151-172.

First, rebellion is not the only way peasants defend themselves against intrusive forces. Peasants calculate their potential gains and losses before they rise to achieve their goals through violent means. Thus, our assessment of peasant protest should move away from the narrow comprehension of rebellion to understanding the whole range of options and recourse available to peasants. Second, the threat to the peasants' way of life is not always a powerful state apparatus and its personnel, but also the forces of supply and demand, to which they respond differently. This dissertation seeks to show that peasants have a variety of ways of expressing discontent apart from violent protests.

One of the most influential interpretations in regard to peasant resistance has been the "moral economy" paradigm which stresses the importance of collective subsistence, economic security and survival. The moral economists posit three fundamental principles: 1) the village is viewed as a ritual and cultural unit, as an important setting for peasant economic life and as the source of societal norms; 2) peasants operate on a "safety first" principle which emphasizes subsistence over profit or accumulation; and 3) patron-client exchanges are perceived to be based as much on reciprocity as in power and exploitation. In essence, two moral principles are embedded in both the social patterns and injunctions of peasant life--the norm of reciprocity and the right to subsistence; when these are violated, peasants may rise in rebellion.²⁶

On the subject of the impact of the intrusion of political and economic forces upon peasant societies, the moral economists maintain that commercialization of agriculture and the growth of the state erode a whole matrix of peasant institutions with their safety nets and

²⁶ James Scott, *The Moral Economy of the Peasant* (New Haven, 1976), pp. 1-12.

inevitably threaten the subsistence levels of peasants. Ultimately rural society becomes stratified, leading to greater poverty and insecurity for the low-income strata. This development essentially violates the two moral principles of reciprocity and subsistence and creates a moment for peasant protest aimed at reinstating the institutions and values threatened by the state and capitalism.

Lately, studies of peasants have used a political economy approach which is neither of the neo-Marxist genre nor merely a broad rubric for studies of the political and economic forces that have intruded upon peasants. Derived from the nineteenth-century neoclassical school of thought that emphasized the primacy of the individual's desire for self-improvement, the analysts view the individual peasant as a unit of analysis conceiving of him/her as a self-interested, rational actor rather than a victim of "traditional culture" or the "idiocy" of village society. By combining elements of economic theory, organization theory and the literature on public choice, the political economists attempt to explain individual choices and behavior as well as collective action in peasant movement.²⁷

The approach recognizes that the consistent preference for more income strongly shapes economic, social and political behavior and that income maximization is just one avenue to pursue self-interest.²⁸ However, the rational individual is not conceived to be the *homo economicus* of conventional economics for whom income is an overriding objective.

²⁷ Robert Bates, *Rural Responses to Industrialization*, (New Haven, 1976); Steven Bunker, *Peasants against the State: The Politics of Market Control in Bugissu, Uganda, 1900-1983*, (Urbana, 1987); Samuel L. Popkin, *The Rational Peasant: The Political Economy of Rural Society in Vietnam*, (Berkeley and Los Angeles, 1979).

²⁸ Bates, *Rural Responses*, pp. 2, 276.

To the extent that peasants are rational individuals, they have a far broader range of human motivations beyond the economic including political empowerment, prestige, membership in organizations and security of tenure and income. Moreover, recognition of individual interests does not downplay the importance of group interest. While individual peasants are viewed as units of analysis, they are not studied as "atomized" individuals, but also as members of the group with which they interact.²⁹

The political economists argue that peasant involvement in commercial agriculture must be viewed in the context of responses to new opportunities. To be sure, peasant movements are directed at the reshaping of traditional practices as well as the taming of capitalism through improved terms of exchange for both labor and commodities. The latter objective frequently involves the breaking of monopsonies held by merchants, landowners, and even government agencies.

For this dissertation's arguments, the political economy approach provides a distinct advantage over the moral economy one. It enables us to go beyond the positions espoused by the formalists and substantivists³⁰ in regard to the applicability of the laws of economics to non-capitalist, non market societies. The assertion that peasants are averse to production for wider marketing ventures is contradicted by the khat farmers of Harerge. They are aware

²⁹ Robert Bates, *Essays in the Political Economy of Rural Africa*, (Cambridge, 1983), pp. 135-136, 140-145.

³⁰ The formalists are universalist while the substantivists believe that market theory is applicable only to capitalism. See Scott Cook, "The Obsolete "Anti-Market Mentality: A Critique of the substantivist approach to economic anthropology," *American Anthropologist* 68 (1966), pp. 323-245; "Our Obsolete Market Mentality, *Primitive, Archaic and Modern Economies: Essays on Karl Polanyi*, (1968), pp. 59-77.

that their involvement in wider market circuits has brought them reasonably good returns and they are eager therefore to invest in non-farm enterprises. This realization allows us to regard the farmer as a self-interested, rational decision maker who applies economic logic to relations with markets, elites, and collective political action.

Two qualifications need to be made before concluding the comments on the nature of peasant protests. First, to state that peasants could rationally respond to market opportunities should not be taken to mean that market mentality is human nature. The meaning of rationality must include the ability to choose between short-term profit and long term societal stability. Second, peasant resistance against the spread of capitalist relations of production and exchange should not be interpreted as an intrinsic propensity to preserve traditional structures. In some cases, peasants may strive to recreate and deploy indigenous social arrangements to cope with changing social, economic and political exigencies.³¹

Markets, Traders and the State

Scholarly interest in trading by officially unauthorized (unlicensed) partners who do not comply with official marketing regulations is a comparatively recent phenomenon. A few economists published articles in the thirties, forties and fifties, in which they laid the geometric microeconomic foundations for studying unofficial market structures,³² but

³¹ Abner Cohen's work shows that "customs" were constantly reorganized (and recreated) in contexts of ethnic and political conflicts. See Abner Cohen, *Customs and Politics in Urban Africa: A Study of Hausa Migrants in Yoruba Towns* (Berkeley, 1969); See also Sidney Mintz, "A Note on the definition of peasantries," *Journal of Peasant Studies*, 1 (1973), p. 97.

³² Kenneth E. Boulding, "A note on the theory of the black market," *Canadian Journal of Economics and Political Science* 13 (1937), pp. 115-118; Martin Bronfenbrenner, "Price control under imperfect competition," *American Economic Review*, 37 (1947), 107-120; Michael Michaely,

interest in the subject was not sustained. In the seventies, the introduction of price controls and gasoline rationing in the United States motivated research on firm behavior under price controls and consumer response to rationing³³ and several articles on smuggling in the developing nations were published.³⁴ Since then, trading among legally unauthorized partners and unofficial market structures have been important themes in the development literature.

The most debated issue has been the nomenclature of unofficial marketing structures: markets can be parallel, black, fragmented, segmented, underground or subterranean, hidden, second, informal and so forth. Coined by Keith Hart in his 1971 study of informal income opportunities for the urban unemployed in Ghana³⁵ and popularized by the ILO in its World Employment Programme mission reports,³⁶ the "informal sector" became the favorite terminology employed by researchers. Neither the phenomenon nor the concept was new for anthropologists of non-industrial society who had discovered that goods and services

"A geometrical analysis of black market behavior," *American Economic Review*, 54 (1954), pp. 627-637.

³³ Edgar Browning and William Patton Culbertson, Jr., "A theory of black markets under price controls: competition and monopoly," *Western Economic Journal*, 12 (1974), pp. 175-189.

³⁴ Jagdish Bhagwati and Bent Hansen, "A theoretical analysis of smuggling," *Quarterly Journal of Economics*, 87 (1973), pp. 172-187; Jagdish Bhagwati and T. N. Srinivasan, "Smuggling and trade policy," *Journal of Public Economics*, 2 (1973), pp. 337-389; Munir A. Sheikh, "Black market for foreign exchange, capital flows and smuggling," *Journal of Development Economics*, 3 (1976), pp. 9-26; Mark, Pitts, "Smuggling and Price disparity," *Journal of International Economics*, 11 (1981), pp. 447-458.

³⁵ Keith Hart, "Informal income opportunities and urban unemployment in Ghana," *Journal of Modern African Studies*, 11 (1973), pp. 61-89; D. Mazumdar, "The urban informal sector," *World Development*, 4 (1976), pp. 655-79.

³⁶ For a review of the ILO reports see, Caroline O. Moser, "Informal Sector or Petty commodity Production: Dualism or Dependence in Urban Development," *World Development*, 6:9 (1978), pp. 1041-1064.

could be made, traded, swapped, and bartered among informal networks without involving officially recognized enterprises.³⁷ Following Hart's work, though, researchers in a number of related disciplines applied the informal sector concept to a diversity of empirical data, and to many different contexts.³⁸

For the proponents of the concept's analytical viability, the informal sector included a varied range of economic activities and enterprises which elude the monitoring and usually extractive capacity of the state. The paradigm was extended to cover an infinite range of activities and actors, but failed to present a cohesive concept. In addition to the informal sector, there appeared at least sixteen other labels which attach to the activities in this area.³⁹

Some critics rejected the informal sector concept as an inadequate approach which

³⁷ Marshal Sahlins, *Stone Age Economics*, (Chicago, 1972).

³⁸ For works on the informal sector in the United States and Britain see Louis A Ferman, Stuart Henry and Michele Hoyman, (Special editors), *The Informal Economy*, A Special Issue of *The Annals of the American Academy of Political and Social Science*, 493 (1987).

³⁹ Stuart Henry, "The Working Unemployed: perspectives on the informal economy and unemployment," in idem, *The Informal Economy*, p. 465. In an attempt to make distinctions between the different terminologies, researchers have suggested at least three categories. The *irregular economy*, the *social economy*, sometimes further divided into a *household economy* and a *communal economy*, and the *underground, hidden or black economy*. For detailed discussions see, L.A. Ferman, L. Berndt and E. Selo, "Analysis of the irregular economy: cash flow in the informal sector," A report to the Bureau of Employment and training, Michigan Department of Labor, Institute of Labor and industrial relations, the University of Michigan/Wayne State University, Ann Arbor, Michigan, (1978); J. I. Gershuny and R.E. Pahl, "The future of the informal economy," *New Society*, 3 January, 1980; S. Burns, *The Household Economy*, (New York, 1977). Other characterizations include, a *bazaar type economy* by Clifford Geertz, *Peddlers and Princes: Social Change and Economic Modernization in two Indonesian Towns*, (Chicago, 1963); and two juxtaposed systems of production, one derived from capitalist forms of production, the other from the peasant system by T.G. McGee, "Peasants in Cities: a paradox, a paradox, a most ingenious paradox," *Human Organization*, 32 (1973).

cannot explain the phenomenon.⁴⁰ Others questioned its utility because of its failure to recognize and clarify the differences and interrelations between small-scale (or simple) commodity production and large-scale capitalist production.⁴¹ The latter, Marxist in orientation, insisted that informal economic activities must be examined within the framework of the mode of production analysis with a focus on the complex linkages between and the flow of surplus from non-capitalist to capitalist modes. This type of analysis stresses the ways in which subordinated structures function for the reproduction of capitalist relations of production, and attempts to determine the degree to which the former are conserved or dissolved -- i.e. how articulation with the dominant mode influences the reproduction of non-capitalist relations of production.⁴² The informal non-capitalist sector, the petty commodity form of production as the Marxists call it, included peasant agriculture and small-scale trade.

The complexity and heterogeneity of informal economic activities is partly the reason why the debates over their nature and characteristics have not produced a terminology that could aptly describe the phenomenon. Most of the labels connote illegality, marginality,

⁴⁰ Caroline Moser, "The informal sector reworked: Viability and vulnerability in urban development," *Regional Development Dialogue*, 5:2 (Autumn, 1984), pp. 135-178; L. Peattie, "An idea in good currency and how it grew: The informal sector," *World Development*, 15:7 (July, 1987), pp. 851-860.

⁴¹ See Harriet Friedmann, "Simple Commodity production and Wage Labor in the American Plains," *Journal of Peasant Studies*, 6 (1978), pp. 71-100; idem, "Household Production and the National Economy: Concepts for the Analysis of Agrarian Formations," *Journal of Peasant Studies*, 7 (1980), pp. 158-184.

⁴² G. Dupré and P.P. Rey, "Reflections on the Pertinence of a Theory of the History of Exchange," *Economy and Society* 2:2 (May 1973), pp. 136-63; Maurice Godelier, "On One Definition of Social Formation," *Critique of Anthropology*, 1 (1974), pp. 63-73; Claude Meillassoux, "From Reproduction to Production: A Marxist Approach to Economic Anthropology," *Economy and Society* 1:1 (1972), pp. 93-105.

corruption, extortion and bribery. In most cases, traders are portrayed in antagonistic relation to the state. In fact, when circumstances are conducive, traders who take part in unofficial exchange activities prefer to operate in the "formal" or "legal" sector. However, the state which has the ultimate power to delimit legitimate from illegitimate, keeps moving the dividing line between the two spheres by raising taxes, introducing regulations and banning products. Considering any action taken by governments to increase the enforcement capability of the state as an assault on their independence, traders respond with active counterstrategies rather than being victimized.

The participants in Harerge's contraband trade are involved in the production, processing, transport and distribution of legal commodities. They are ordinary farmers, traders and urban dwellers who seek to achieve and maintain a decent standard of living. Their activities, at least in the sight of the local society, are by no means intrinsically immoral or criminal. In our case, there is a considerable amount of documentation that attests to traders' desire to maintain their legal standing. Illegality stems from the fact that people who engage in such works ignore administrative codes, both by evading customs authorities and by failing to obtain the licensing necessary to legitimize their work.

The informal economy or sector concept is applicable to the nature of contraband trade in Harerge in the sense that it refers to traders who evade market regulations. The term nevertheless seems, generally, designed more to characterize particular types of small firms or individuals in various markets, legal or illegal, who work at very low productivity, than to analyze market structures. The concept which seems to characterize the causes, contexts and consequence of Harerge's contraband trade and unofficial market structures most

appropriately is parallel market.

The term parallel market has been difficult to define, but there seems to be a consensus about what it refers to. Based on a literature survey, David Lindauer has suggested that "a parallel market is a structure generated in response to government interventions which create a situation of excess supply or demand in a particular product or factor market."⁴³ Researchers studying the phenomenon in developing nations utilize the term parallel market to characterize and conceptualize unofficial market structures.⁴⁴ In order to clarify the applicability of parallel markets to Harerge's unofficial commercial activities and market structures, it is important to discuss the causes and contexts in which parallel markets arise and differentiate it from the myriad nomenclature utilized to describe the same phenomenon.

For parallel markets to exist, first, there must be a situation of excess supply or demand in the creation of which the state plays a major role. Lindauer emphasizes that initial government interventions in the market place and not the body of legal sanctions affecting the unofficial market are the core determinants of the parallel market. A classic example is the imposition of a control regime aimed at limiting the extent of a rise in price when there is a supply shortage. The market does not clear at the control price and both producers and consumers seek alternative channels of trade that would eliminate excess demand at higher

⁴³ David Lindauer, "Parallel, Fragmented, or Black? Defining Market Structure in Developing Economies, *World Development*, 17:12 (1989), p. 1873.

⁴⁴ Jean-Paul Azam and Timothy Besley, "General Equilibrium with Parallel Markets for Goods and Foreign Exchange: Theory and Applications to Ghana," *World Development*, 17:12 (1989), 1921-1930; Michael L. Morris, "Official and Parallel Cereal Markets in Senegal: Empirical Evidence," *World Development*, 17:12 (1989), pp. 1895-1906.

prices. Other examples include overvaluation of national currencies which generates a gap in official versus black market exchange rates, tariffs and quotas which influence the selling prices of identical tradable goods that are legal or smuggled.⁴⁵

Second, while the role of government is an important condition, more is involved for there to be a parallel market. The form of government intervention determines the existence of parallel market transactions and structures. Taxes and regulations are two major forms of government intervention that can generate parallel markets. Domestic taxes, and import and export duties create a situation favorable for parallel markets to emerge by generating excess demand for commodities at illegal, pre-tax prices. Regulations (price controls, import quotas, forced sale of commodities to marketing boards, etc) also can be responsible for the creation of excess demand at official prices. Prohibitions give rise to illegal markets since they prevent the existence of official markets, but they do not necessarily create market parallelism. This interpretation suggests a distinction between underground economy, which includes all illegal economic activities, and parallel markets, which may include illegal trade but, in most cases, in legal goods.

Here it is important to make a distinction between parallel and "black," the term most frequently used to describe illegal economic activity. "Black" covers markets for prohibited goods such as narcotics for which no legal market exists, and hence, the term is not merely a synonym for "parallel." Experts distinguish between *black goods*, for which possession is illegal, and *black market*, constituting illegal trade in goods that are themselves legal. The issue of khat smuggling and hidden importation of consumer goods, which we will consider

⁴⁵ Lindauer, "Defining Market Structures," p. 1874.

in this dissertation, is about black (parallel) market, not black goods.

The legality of parallel markets is more complicated by the fact that evasion of taxes and duties leads to an accumulation of "black money," that is, "undeclared or illegally acquired incomes held in the form of currency and other readily convertible assets."⁴⁶ Earned as a result of government prohibitions, such incomes can lead to conditions of excess supply in foreign exchange and, if the proceeds of illegal transactions must be "laundered," a parallel market which is derived from "black money" may emerge. In principle, markets in which buyers and sellers violate the "letter of the law" are illegal. However, parallel markets which emerge to vent excess supply or demand generated by government actions should not necessarily imply that unofficial actions are illegal. Enforcement of the law and expected penalties are important determinants of illegality, since, in some situations, governments may overlook the law and permit those markets to operate freely.

As will be shown in later chapters, the smuggling out of primary products and the smuggling in of consumer commodities in Harerge are more closely related to the descriptions of parallel markets than the myriad characterizations that have emerged in the literature on legally unauthorized transactions and structures. Given the casual and not analytical manner in which the term "black" and "underground" markets are employed, a clear demarcation between them and parallel markets is necessary. What makes Harerge's smuggling activities parallel is that they were initiated by the same factors analysts described as conditions necessary for the emergence of parallel markets: 1) excess demand or supply

⁴⁶ S. Archaya and S. Madhur, "Informal credit markets and black money: Do they frustrate monetary policy?" *Economic and Political Weekly*, 18:41 (October, 1983), pp. 1751-1756.

initiated by government actions; 2) government intervention is characterized by micro-level policies (taxes, regulations, prohibitions and bureaucratic corruptions); 3) policies which lead to the emergence of multiple markets; and 4) buyers and sellers exchange goods that are legal.

One of the objectives of this study is to demonstrate the existence of close ties between contraband and the khat trade. To escape the theoretical dead end created by the confusion over terminologies, contraband trade will be used interchangeably with smuggling to describe unauthorized transactions while the term parallel market is consistently used to refer to structures that make smuggling possible. The term parallel market is preferred because it denotes that Harerge's unofficial transactions are illegal in the sense that the actors fail to comply with government regulations but deal in goods that are legal.

D. Organization of the Dissertation

This study begins in the 1930s, when Ethiopia was occupied by Fascist Italy. The time was chosen not because of its political significance but rather owing to the economic impact of the occupation years. During the occupation, a number of roads were constructed, commercial truck transportation was started and wage labor was introduced. Khat distribution was directly affected by the construction of the road linking Dire Dawa to khat growing areas on the Harerge highlands and facilitated the growth of khat consumption..

The growth of consumption and the consequent economic importance of khat was faster under the derg. When the derg regime fell in 1991, the restrictions it had instituted gradually began to ease, thus allowing for khat and other agricultural products to be marketed

more easily. The fall of the derg was a convenient turning point and therefore the cut off date for this dissertation.

In chapter 1, my objective is to discuss the factors which over the long run influenced the two themes of my dissertation: the productive (agriculture) and distributive (trade) aspects of the khat economy in Harerge. To that end, I will present an overview of Harerge's physical and human landscapes and analyze the effects of government policies and improved infrastructure (the Djibouti-Addis Ababa railway) on agricultural production and marketing. Chapter 2 takes a step back and highlights the existing literature with a view to describing the khat plant and its use historically. The chapter also examines the spread of khat production, marketing and consumption before the 1930s. Together, chapters 1 and 2 will provide background information and establish a framework for understanding the arguments presented in the subsequent chapters.

Chapter 3 analyzes the different, yet intersecting, processes of demographic, socioeconomic and political changes that set in motion the growth of the khat market and production during the early 1950s and thereafter. Chapter 4 examines how infrastructural developments in the region facilitated transportation, thereby leading to an expansion of khat consumption in Northern Somalia, Djibouti and in Harerge's lowlands. It also documents the reactions of governments to the expansion of khat consumption and steps taken to control its social repercussions. Chapter 5 takes up the question of how key political and economic events as well as decisions by the state led farmers and traders to devise novel marketing strategies. It will also show that the expansion of khat cultivation was closely intertwined with an increase in cross-border trade with the neighboring countries.

Chapter 6 turns to the domestic scene and examines how the expansion of consumption led to the emergence of new marketing structures and how farmers responded to market difficulties experienced by the export sector. Chapter 7 examines the expansion of khat production, marketing and cultivation in the context of how state development policies, perceived as inimical by farmers and traders, led to the expansion of Harerge's alternative khat market. The first part of the chapter documents the fact that the expansion of khat cultivation was paralleled by a dramatic increase in contraband trade and, more generally, a decline in coffee and food crop production in areas experiencing severe land shortages. The second examines peasant strategies and decision-making processes in the face of an attempt by the government to monopolize agricultural production and exchange systems in order to dictate prices and control exports.

In chapter 8, I will turn to the interpretive aspect of the theme of parallel market. The major aim of this chapter is to demonstrate that Harerge remained insulated from the problems of agricultural production and marketing which had bedeviled other parts of Ethiopia largely due to the flowering unofficial trade and parallel marketing structures. The role of khat in the interaction and interdependence of Harerge's agricultural highlands and the pastoral lowlands will also be evaluated. Finally, in chapter 9, I will note some of the major economic implications of khat's growing importance for Harerge's society and economy.

CHAPTER ONE

The Harerge Highlands: A Macro-view of Economic Change, 1840s-1920s

In Harerge, the spread of khat production as a commodity has not taken place independently of agrarian policies enacted by successive governments. In the eighty or so years before the Italian occupation of Ethiopia, the government of Harerge changed hands at least four times--from the Emirate (to 1875) to Egyptian (1875-1885), to Ethiopian (1887-1935) and finally, Italian (1936-1941). The policies pursued by these governments precipitated a fundamental change in patterns of landholding and in the system of agricultural production and marketing, which, in turn, led to a decisive transformation of the contemporary and subsequent political economy of the region. The arrival of the railway track to Dire Dawa, a town founded at the foothills of the Harer highlands, was a significant event which altered the formation of exchange networks and distributional infrastructure for the region's products.

In order fully to understand the complexity of the agrarian transformation which eventuated in the commercialization of agriculture, particularly the commodification of khat, it is essential to explore the nature of change wrought by government policies and market forces in the late nineteenth and early twentieth-centuries. In addition to a basic description of the geographic and ethnographic landscapes of Harerge as they appeared in the early decades of the twentieth-century, this chapter seeks to present an historical analysis of the economic processes that led to changes in Harerge's system of production and trade which, over the course of time, favored the rise of khat as a dominant cash crop. To that end, I will

analyze how agriculture and trade fared under various government policies. The chapter's main theme suggests that coffee was the major cash crop which dominated the crop fields and the items of trade. I will also demonstrate that the landholding system that evolved as a consequence of government intervention led to land concentration, land scarcity and eventually to a crisis in the agrarian system. In so analyzing the long term historical processes, I will chart broad patterns of change in Harerge and set my study in the appropriate historical and socio-economic context.

A. The Physical and Human Landscape¹

The Harerge highlands form the middle and eastern section of the Ethiopian Southeastern highland system which rises abruptly in the Bale province east of the Rift Valley lakes, continues north through Arsi province, swings eastward into the Chercher and Harer districts, and finally descends to the Issa steppes near the town of Jijjiga. The Harerge highlands represent a topographic feature markedly different from regions both to the north and south. From the northern escarpment, the highland is tilted north-west to south-east and descends to the Shebbelle plains, which lie at 4500 to 5500 feet above sea level and then gradually slopes to Somalia and the Indian Ocean. The north-facing slopes of the uplands descend precipitously into the Awash valley and the hot, dry plains of the Southern Afar

¹ Unless indicated otherwise, my description of the physical geography of the Harerge region is to a large extent based on two sources: Emilio Scarin, *Hararino: Ricerche e Studi Geografici* (Florence, 1942); Clarke Brooke, "Settlements of the Eastern Galla, Hararge Province, Ethiopia," Ph.D. dissertation, Department of Geography, University of Nebraska, 1956. I drew heavily on these sources because they treated the subject thoroughly and show the landscape as it appeared in the thirties and forties, the period which with the initial period of my study.

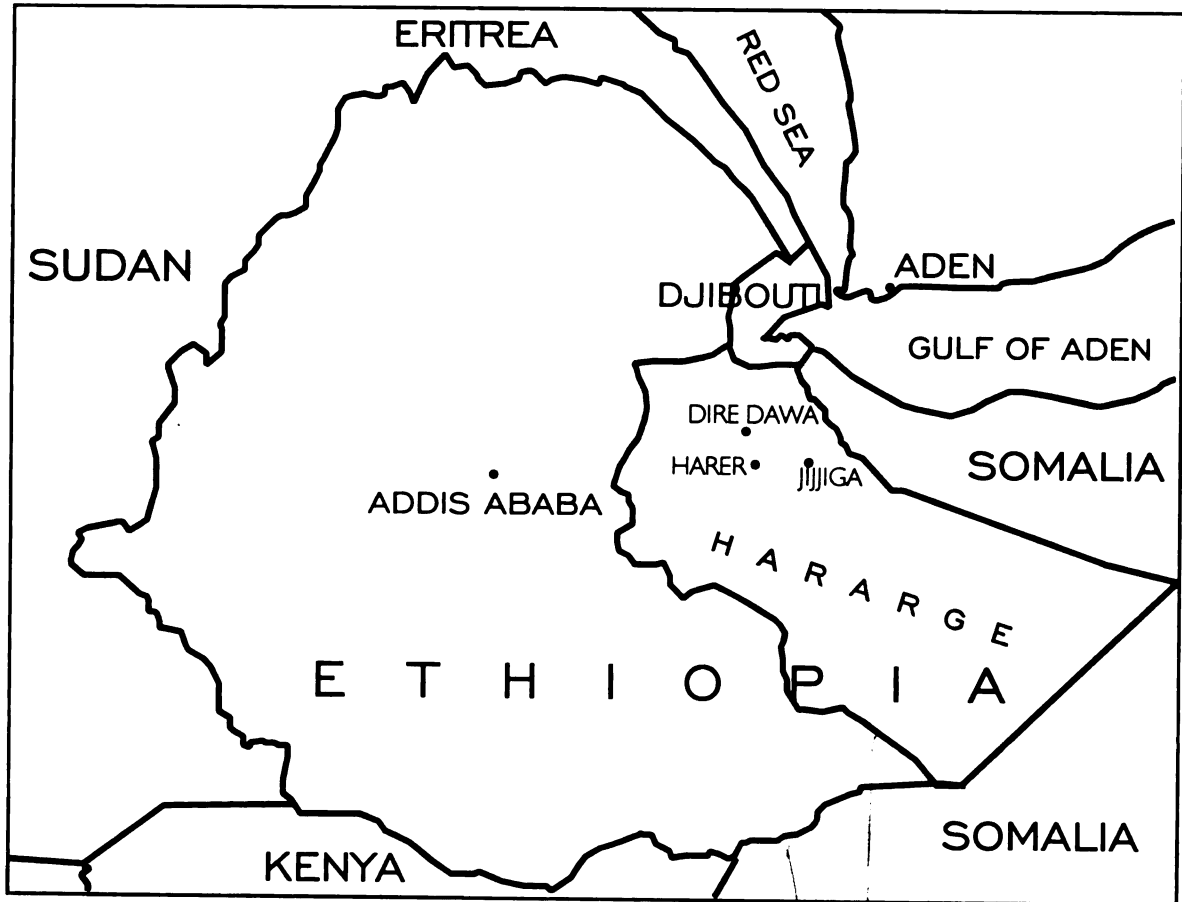


FIGURE I
LOCATIONAL MAP

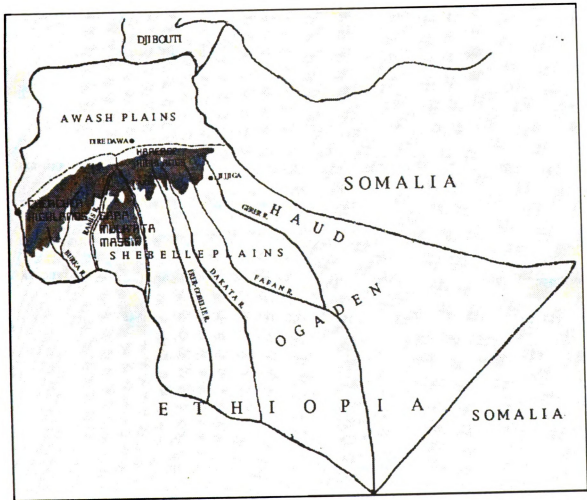


FIGURE 2

PHYSICAL MAP - HARERGE

Depression. In the south-west, except for several high mountains which rise to above 10,000 feet, the Southeastern highlands are relatively open plateau areas between 5500 and 8000 feet. Such high elevations nevertheless are not characteristic of the Harerge highlands which include a number of valleys descending to the lower country surroundings. The highlands may be divided into three major geographic regions: The Chercher or Western highlands, the Gara Mula'ata massif and the Harer or Eastern highlands.

*The Chercher or Western highlands*²: For the most part lying between approximately 6500 and 8000 feet, the Chercher highlands are characterized by a complex surface configuration consisting of deep, protracted valleys and higher plateaux on both the north and south-facing escarpments. On the northern escarpment, a few perennial streams follow steep, narrow courses to the Awash basin and disappear after reaching the southern plains of the Afar Depression. During heavy summer rains, water tumbles down the precipitous gorges, carrying down to the foot of the escarpment a great load of alluvial material which is deposited in stream beds and on flood plains. Along the south-facing slope, drainage into the Shebbelle plains from high valleys is accomplished by a number of perennial streams which are tributary to the major rivers such as the Wabi Shebbelle and Genale Dorya.

The perennial character of many of the south-flowing streams is a result of the greater precipitation along the southern slopes of the highlands and the fact that many of the valleys on the south side lead from high, broad basins and alpine meadows, which tend to hold moisture throughout the year. In many places in the highlands, sufficient water is collected

² Chercher is a generic name applied to that part of the Harerge highlands approximately between the plains of Badessa and the village of Chalanqo, a distance of about sixty-five miles or a total area of approximately 2000 square miles.

and retained during the rainy season in shallow ponds called *rarie*. The water level drops soon after the rains cease, but enough moisture is retained through the dry months to maintain grazing for animals.

The Gara Mula'ata Massif: At the eastern end of the Chercher highlands, near the hills of Qullubi, a spur of the Harerge highlands protrudes south for a distance of about forty miles. The projected land mass is called the Gara Mula'ata. Two deep, well-defined valleys formed by two perennial rivers, the Water in the east and the Ramis rivers in the west, isolate the Gara Mula'ata from the surrounding areas and the highest surfaces of the massif are characterized by wide, elongated summits. From the flat tops of the higher mountain, flanking slopes drop steeply for about 1500 to 2000 feet, but break sharply into broad terraces at elevations about 8000 to 6000 feet above sea level, and finally descend abruptly into the valleys on the east and west.

The Harer or Eastern highlands: About fifteen miles east of Qullubi town, the Harer highlands plunge to a saddle that narrows at the a place called "Ya Harer Bar."³ Within a distance of a mile south of the narrow pass, the saddle opens to the Harer or eastern highlands which present a variety of morphologic features. Long and terraced valleys of gentle slopes alternate between flat topped mountains and elongated spurs. The valleys and mountains are separated from the Afar Depression by the great series of faults of the northern escarpment which drop suddenly for two or three thousand feet into the drier plains below. Bounded in the west by the Gara Mula'ata spur, the Harer highland descends in a series of

³ Literally "the gate of Harer." This pass is situated about fifteen miles north west of the Harer at the summit of the north-facing escarpment near the village of Dhangago, through which passes the road descending to Dire Dawa.

disconnected hills to the Mara Plain to the east, which lies at an elevation of about 5500 feet. A few miles west of the Mara plain is the chain of the Gorahe Mountains, maximum elevation 8747 feet, aligned north-west to south-east for a distance of twenty-five miles.

Along the southern slope, the Harer highland descends gradually into the Shebbelle Plains, its drainage carried through the four valleys of the Water-Gobellie, the Erer, the Dakata, and the Fafan rivers. As in the case of Chercher, no perennial streams flow down the steep northern slope of the Harer highland, except for a few ephemeral natural springs which occur along the foothills which mark the southern wall of the Rift Valley. After heavy rains in the highland, water carried to the southern margins of the Afar runs only a short distance into the lower, warmer plains, due to the effects of evaporation and rapid infiltration into the sandy cover.

In the Harer highland, two rain-fed lakes, Haramaya and Addele, are located about twelve miles north west of the city of Harer. The lakes, less than two miles apart, are separated by a low saddle. They occupy natural basins on the high plateau at about 6300 feet elevation. Both lakes are shallow; the deepest, Haramaya, is about twelve feet during the rainy season, and several feet less during the dry months of the year. Addele dries completely every five or six years, while Haramaya contains water permanently. After heavy rains, when the lakes reach their maximum level, water from Addele may drain into the wide plain to the south.

On these intermountain uplands live peoples of various ethnic composition including the Oromo, the Hareri, the Somali and smaller groups such as the Argobba who live south of the city of Harer and the pastoralist Afar who inhabit the largely low lying northern

margins of the highlands. Although the Hareri and the Somali are important economic actors in the region, this study is more concerned with the Oromo, because they constitute more than two-thirds of the inhabitants of the Harerge highlands and they have experienced considerable change since they arrived there in the sixteenth-century.

The Harerge Oromo,⁴ sometimes referred to as the Eastern Oromo, reside in that part of Harerge which stretches from the town of Gelemso in the west to the Qundudo mountain range in the east. This area, roughly 200 miles, includes the districts of Harer Zuriya, Habro, Gara Mula'ata, Wobberra, Gursum, Chercher, Dire Dawa and Jijjiga. Around 1530-40, the Barentu, one of the Oromo moieties,⁵ migrated east from south-central Ethiopia, drove out the inhabitants of the Harerge highlands toward the coast, and occupied the area south and southeast of the Awash river. The new comers rejected the Quran and established their own political institution, the *gada* system of government,⁶ which survived down to the late nineteenth-century when it was dismantled by the Egyptians.⁷

The Oromo also formed a complex social organization which operated on the basis

⁴ The ethnographic description of the Oromo is based on Asthma Giorgis, *Atsma Giorgis and His Work "History of the Galla and the Kingdom of Shoa."* Translated and edited by Bairu Tafla. (Stuttgart, 1987); G.W.B. Huntingford, *The Galla of Ethiopia: The Kingdom of Kaffa and Janjero* (London, 1955); Demissie Gebre Michael, *The Kottu of Ethiopia: An Introduction to the Eastern Oromo*, Imperial Ethiopian College of Agriculture Experiment Station Bulletin No. 68. Alemaya College of Agriculture (1974).

⁵ The second moiety, the Borana, migrated and settled the south-western and western part of present day Ethiopia.

⁶ For description of the *gada*, see, Asmarom Legesse, *Gada: Three Approaches to the Study of an African Society* (New York, 1973).

⁷ Muhammad Hassan, "The Relation between Harar and the Surrounding Oromo between 1800-1887," B.A. thesis, History Department, HSIU (1973), pp. 22-26.

of *gossa*, a patrilineage. Each *gossa* lived in a village settlement system called *ganda* which is an agglomeration of 10 to 20 huts and a few tukkuls comprising 60-100 persons.⁸ Seven major *gossa* can be identified among the Harar Oromo: Ittu, Anniya, Alla, Babbile, Obborra, Jarso, and Nole. All claim to have descended from a distant common ancestor, Himbana, son of Barentu, through his two sons, Anniya and Qallo. The latter fathered four sons, Alla, Babbille, Daga and Obborra. Among these, Daga is the father of three sons, Nole, Jarso and Hume, whose descendants became the most populous Oromo groups in Harerge. Today, the descendants of the four sons of Qallo, known as Afran Qallo, and the other Oromo lineages inhabit the entire Harerge highlands: from the western part of Chercher to the Gara Mula'ata Massif, along the northern escarpment of the Danakil Depression, to the most easterly extensions of the Harer plateau near the head waters of the Fafan and the Dakata rivers.

Only a century and a half ago, nearly half of the Oromo population on Harerge highlands were pastoralist. The Hareri who had possessed a highly developed agricultural economy long before the advent of the Oromo on the Harerge highlands claim to have taught the Oromo how to farm. Their claim is justified to the extent that the Oromo who settled on the immediate periphery of the town have borrowed specific crops from the town-dwellers. By the 1840s, only the Babbille and the mixed Oromo-Somali groups east of Harer had adopted the agricultural practice of the Hareri.⁹ The majority of the Oromo took up

⁸ Clarke Brooke, "The rural village in the Ethiopian highlands," *The Geographical Review*, 99:1 (1959), pp. 60-65. Demissie, *The Kottu of Ethiopia*, pp. 57-58.

⁹ Richard Burton, *First Footsteps in East Africa*. Edited with an introduction and additional chapters by Gordon Waterfield. (New York, 1966), p. 170; R. Caulk, "Harar town and its neighbors in the nineteenth century," *Journal of African History*, 3 (1977), p. 373. Haberland indicates that the Oromo had possessed a mixed economy of cattle-breeding and the cultivation of barley in their country of origin long before they came into contact with the highland cultivators. Eike Von

agriculture as their main occupation as a consequence of their participation in exchange relationship with the Hareri who took up trade after they were expelled from their farm lands by the Oromo.

By the mid-nineteenth-century, the Oromo from as far as some thirty miles north-east of the town were fully involved in market exchanges with Harer, supplying the town-dwellers with much of the basic food requirement and with products which Hareri traders exported. A number of Oromo lineages visited the town market with supplies of milk and butter and other exportable products while the Alla from the west of Harer furnished coffee, tobacco and safflower, which the town's merchants sent to the coast.¹⁰ Others hunted elephant in the valleys south of Harer and brought the ivory to the Emir who monopolized the trade.¹¹ In exchange, the Oromo received locally produced or imported cloths as well as salt.¹² The process of the Oromo's incorporation to Harer's economy was much accelerated during the reign of the last Emir Muhammad ibn-Ali (1856-1875), who launched a systematic effort to convert the Oromo to Islam and increase their involvement in commercial agriculture. Emir Muhammad encouraged the planting of coffee, sugar-cane,

Haberland, *Galla Sud-Athiopiens*, (Stuttgart, 1963), pp. 773-4.

¹⁰ Yusuf Ahmed, "An Inquiry into some aspects of the economy of Harar and the records of the household economy of the amirs of Harar 1825-1875," *Ethnological Society Bulletin*, University College of Addis Ababa, 10 (1960), pp. 32-36.

¹¹ Burton, *First footsteps*, p. 193. The emirs' monopoly of the ivory trade was a long standing one. In the early nineteenth-century, Salt reported that the ivory trade was controlled exclusively done by the emirs or their agents. See H. Salt, *A Voyage to Abyssinia*, (London, 1814), p. lxx.

¹² Hassan, "Harari Oromo Relation," p. 1; Caulk, "Harar town," pp. 373-374; Sidney Waldron, "The Political Economy of Harari-Oromo Relationships, 1559-1874," *Northeast African Studies*, 6:1-2 (1984), pp. 24-28; Burton, *First footsteps*, pp. 192-195.

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bananas and other commercial crops. The mutual economic dependence which the Hareri and the Oromo around Harer town established at the market place gradually led to the transformation of the latter from independent pastoralists to sedentary agriculturalists.

Nevertheless, the Oromo who inhabited the areas beyond thirty miles circumference of Harer remained under their own "parliament" known as the *Raba-Dori*¹³ which comprised of elected political and military officials. Egyptian officials who visited the Gara Mula'ata region, about thirty miles to the south-west Harer, found that much of the land there was uncultivated and most Oromo were pastoralists. These Oromo, far from taking up agriculture, were exerting pressure on the Hareri and the sedentary Oromo who farmed the land closest to the walls of the town.¹⁴ Their transformation to sedentary agriculture occurred as the result of the Egyptian administration's consistent effort at increasing agricultural production and their incorporation into the Ethiopian political system in the early twentieth century.

The Hareri, who played such a crucial role in the transformation of the Oromo, are the Semitic language-speaking inhabitants of the walled city of Harer. There are several theories regarding their origin,¹⁵ but the most likely is one that postulates that they represent

¹³ The *Raba* and *Dori* are the political and military wings of the Oromo system of government, respectively. The *Raba-Dori* is essentially the confederated parliament of a number of gossa, replicated at each level. For a detailed discussion of the *Raba-Dori*, see Hassan, "Harer-Oromo relations," pp. 23-25; G. Douin, *Histoire du Règne Khédive Ismaïl*, Tome III. (Cairo, 1941) pp. 608-609; M. Sabry, *L'Empire Égyptien sous Ismaïl et L'Ingérence Anglo-Française, 1863-1879* (Paris, 1933), p. 427.

¹⁴ Caulk, "Harer town," pp. 381-382. Sabry writes the Egyptians found it deplorable that so much of the fertile land around Harer was left uncultivated. Sabry, *L'Empire Égyptien*, p. 422.

¹⁵ Wolf Leslau, *Ethiopians Speak: studies in cultural background, I Harari*. (Berkeley and Los Angeles, 1965), pp. 62-63.

remnants of the Harla, an autochthonous population which existed in the region prior to the arrival of the Oromo. From the fourteenth to sixteenth-centuries, the Harla practiced a highly developed agricultural economy and lived in urban centers built of stone structures. The majority of the Harla was likely to have been wiped out by war and famine in the sixteenth-century following the invasions of the Oromo from the west and the Somali from the east. It is probable that the present Hareri are remnants of the Semitic-speaking Harla, who escaped away to Harer town which they fortified. There, they were able to preserve their identity for centuries as traders supplying the surrounding Oromo with the consumer goods they needed.¹⁶

By the turn of the century, as the result of the trading relationship with the Oromo, most Hareri had given up agriculture and taken up trade. Most were engaged in the import-export trade with the coast. These Hareri traders used two main routes in the conduct of trade with the coastal ports. The Berbera route, frequented by slave caravans, passed through the Gadaboursi country, connecting Harer by way of Jijjiga and Hargessa to Berbera. The Zeyla route passed across Geldessa, Biya Kaboba and then to the coast. The latter was preferred by traders because it could be crossed in 15 days by commercial traffic as opposed to 25 days for Berbera.¹⁷

¹⁶ On the Harla, see R.P. Azias and R. Chambard, *Cinque années de recherches archéologiques en Ethioipie* (Paris, 1931), p. 35; Huntingford, *The Galla*, pp. 31, 174.

¹⁷ Peter D. Coats, "Factors of Intermediacy in Nineteenth-century Africa: The case of the Issa of the Horn," in Thomas Labahn (ed) *Proceedings of the Second International Congress of Somali Studies*, Vol. II (Hamburg, 1984), pp. 180-183. Shiferaw Bekele, "The Railway, Trade and Politics: A Historical Survey, 1897-1935," MA thesis, History Department, Addis Ababa University, 1982, pp. 1-5. For a detailed description of the caravan journey from Zayla to Harer see, Count Gleichen, *With the Mission to Menelik 1897* (London, 1971) First published in 1898, pp. 5-67.

The Zayla route had its share of problems. Merchants had to pass across Issa and Oromo populated lands and goods had to be unloaded from the Issa camels onto Oromo mules and donkeys for final transport to Harer, since camels were not suited to the highland journey. Moreover, the route was not the most secure, since, for the most part of the nineteenth-century, the authority of the Emir was limited to Harer and its immediate surroundings.

The group that played the most important role in the transit of Harer's trade was the Somali who comprise an important minority population in the Harerge highlands. Some Somali, who have taken commerce live in urban centers, but their greatest concentration is found at the easterly end of the steppe west of Jijjiga town. The most easterly of the Somali sub-clan in the highland region are the Gherri-Jarso and the Gherri-Babbille, who are ethnically mixed Oromo and Somali, practicing agriculture using Oromo farming techniques but possessing Somali social institutions.¹⁸

Further east in the dry, arid lands that extend to the coast of the Gulf of Aden live the Issa. To their south, between the Berbera and the foothills of the Jijjiga Plain, the land is inhabited by the Gadaboursi.¹⁹ Belonging to the Dir family, both of these clans are camel herders, the Issa in particular occupying a structural niche in the chain of communication and transportation that linked the general region of the Horn to overseas markets. In the nineteenth-century, they serviced the export and import trade between the Harerge highlands

¹⁸ Scarin, *Hararino*, pp. 33-52.

¹⁹ I. M. Lewis, *A Pastoral Democracy*, 2nd ed. (London, 1982), pp. 7-14.

and Somali coastal ports by organizing a camel caravan led by the an *abban*.²⁰

The institution of the *abban*, usually headed by Somali of the Issa clan at Zayla, who was the guarantor or protector responsible for the security of the caravans, the goods and, the life of the trader.²¹ For a predetermined fee, he arranged camels and men necessary for the caravan and negotiated the giving of "gifts" to those whose cooperation might be necessary for safe passage. Once the goods were loaded, the *abban* became responsible for their delivery at the place of destination, at the coastal ports or in the interior.²² The *abban* institution continued to serve the trade between the coast and the interior until the turn of the twentieth century when some of the traffic was diverted to the Franco-Ethiopian railway. As we will see in later chapters, the contemporary contraband traders use the routes and infrastructure of transportation pioneered by the *abbans*.

In the last decades of the nineteenth-century, the Hareri had not entirely become urbanized traders, but the demographic pressure from the sedentary Oromo and their pastoral kindred was forcing them increasingly to turn to trade. Most highland Oromo had not all become sedentary agriculturalists, but those who lived within at least forty miles around the city were trending toward agriculture as the result of the town market. The pastoral Somali were strategically placed to take advantage of the trade between the coast and the interior by

²⁰ I. M. Lewis, "Trade and Markets in Northern Somaliland," in P. Bohannon and G. Dalton (eds) *Markets in Africa*, 2nd printing (Evanston, Ill., 1965), pp. 365-385; idem, *Pastoral Democracy*, pp. 1-30.

²¹ Lewis, "Trade and Markets," p. 370.

²² Yusuf, "An Inquiry," 37, Coats, "Factors," p. 190. A description of the *abban* institution for earlier period can be found in, M. Abir, "Brokerage and Brokers in Ethiopia in the first half of the 19th Century," *Journal of Ethiopian Studies*, 3 (1965), pp. 2-5; For a detailed description of the organization of caravan see, Gliechen, *With Menelik*, pp 5-13, Appendix B.

monopolizing the means of transportation. By the time of the Egyptian occupation in 1875, the three ethnic groups have worked out a *modus operandi* whereby the Hareri traded in the agricultural commodities produced by the Oromo utilizing a means of transportation and communication provided by the Somali.²³

B. Trade, Agriculture and Factors of Production, 1875-1935

Because the Egyptians were fully aware of the commercial potential of Harer, they were intent on developing and exploiting it.²⁴ At the time of their occupation, however, Harer's long distance trade was in a depressed state, owing to the lack of security along the trade routes leading to the coastal ports. Reports by European and other travelers substantiate that the lack of security and water posed the greatest difficulties for caravan journeys on the way to Harer and back to the coast. A more local problem was the lack of currency which could have been used to overcome barter.²⁵

During Rauf Pasha's tenure, a series of steps to monetize and monopolize commerce in the Egyptian-controlled areas were taken to encourage and increase trade. Rauf Pasha introduced Egyptian piasters to replace the *mahallaq*, the emir's currency which had no

²³ Sebhat GebreIgziabher, "Shiek Abadir's city," *Yakatit*, (Amharic weekly magazine) 16:1 (1985 E. C.), pp. 24-25, 36.

²⁴ The Khedive's instruction to Rauf Pasha regarding the occupation of Harer clearly spell out the motive of the conquest was to "d'établir la sécurité sur les routes qui mènent au Harrar afin de tranquilliser les voyageurs et de faciliter le commerce de caravan." A.A. Reg. 2 *Orders Supérieurs*, pièce 82, p. 88, O. S. à Rauf Pacha, 16 Juillet 1875. Cited in Douin, *Histoire du Règne*, p. 602.

²⁵ Jonathan Miran, "L'occupation Égyptienne de Harar, 1875-1885," *Memoire de Diplome de Recherche et d'etudes Appliquées Est-Africaines et Malgaches*. Institut National des Langues et Civilisations Orientales (Juin, 1983), pp. 71-72; Sabry, *L'Empire Égyptien*, p. 422.

determined value and therefore did little to discourage barter. Particularly interested in acquiring control, Rauf put the coffee business in the hands of the Egyptian administration. Coffee was to be purchased and sold in cash to facilitate trade and increase the quantity of the currency in circulation. The introduction of Egyptian currency not only revived Harer's trade but also helped to draw the region into the world economy through an expanding Egyptian modern market sector.²⁶

As for security the Egyptians built military posts along the most frequented Harer-Geldessa-Zayla route in order to protect caravans from brigands and dug a number of water wells. The village of Geldessa was almost reconstructed to accommodate more traders who began to arrive there on a regular basis. With travel between Harer and its outlets made easier and more secure, foreign trade increased dramatically. The market for Harer's products expanded so much that the number of camel caravans jumped from 70 to 400 the year the Egyptians seized Harer. Imports rose as more and more foreign traders settled in the town and opened retailing shops.²⁷

In their quest to raise revenue for the financially beleaguered Khedivian state, the Egyptian officers were as seriously committed to increasing agricultural production as they were to trade. Reforming the land tenure system was therefore their policy priority and arguably their most enduring accomplishment. Essentially following the emirate's landholding system which overlapped with the administrative structure, the Egyptians

²⁶ Sabry, *L'Empire Égyptien*, pp. 421-2. Miran, "L'occupation Égyptéenne," pp. 71-72.

²⁷ P. Paulitschke, "Le Harrar sous l'Administration Égyptienne, 1875-1885," *Bulletin de la Société Khédiviale de Géographie d'Égypte*, 10 (1887), pp. 586-588.

appointed officials who were charged with the responsibility of collecting taxes. The appointees were known as the *malaq*, the *garad* and the *damin*. The first two terms were conferred upon officials as a title, but in the course of time, they became also references to the land under the jurisdiction of the official holding that title. Several *garads* and *malaqs*, usually five or six, come under the jurisdiction of the *damin*, literally a guarantor, signifying his responsibility for peace and order among his lineage. The *damin* also served as a liaison between the emir and his subordinates.²⁸

Although the Egyptians retained the emir's land tenure for tax collection purposes, they allowed cultivators to acquire their own land. Prior to the Egyptians, farmers did not have ownership rights over the land they worked and depended directly on the lands of the *garad* and *malaq*. In order to ensure the continuous flow of tribute, the Egyptian administration granted cultivators a usufructuary right over the land they worked and the right to transmit it to male heirs or to married female in the absence of male inheritors. The farmer was required to pay taxes to the government based on his harvest, estimated by officials before threshing.

Once land was granted to farmers, the Egyptians took a series of measures to augment production. Land which belonged to the pastoralist Oromo was expropriated and sold to Egyptian officers and powerful Hareri families,²⁹ who in turn leased it to Oromo farmers. Local writings based on Oromo informants as well as contemporary records relate

²⁸ Yusuf Ahmed, "An Inquiry," p. 23.

²⁹ E. Sylvia Pankhurst, "Harer Under Egyptian Rule," *Ethiopia Observer*, 2:2 (1958), p. 56. She refers to Adrien Zervos, *L'empire d'Ethiopie: le miroir de l'Ethiopie moderne, 1906-1935*, (Alexandria, 1936). No page given.

that the Egyptians encouraged farmers to plant coffee, as a result of which its cultivation spread from Abadir (the environs of Harer city) to the entire districts of the Harer plateau.³⁰ Coffee trees planted during this time are still found in the districts of Gursum, Gara Mula'ata, Wobberra, and Chercher.³¹ The Egyptians also introduced to the Oromo new vegetables and cereals, including grapes, potato, beet root, almond, peach and lemon trees.³²

When Menilek seized Harer in 1887, therefore, he acquired not only a very rich agricultural region but also a strategically-located commercial entrepot for much of Ethiopia's eastern hinterland. The king's priority was to expand the state's extractive capacity to increase revenue, but he also had the responsibility of sustaining the soldiers who forced the emir into submission and who stayed on in Harerge to enforce the new order.

The Ethiopian state's fiscal and labor demands could be met by farming households only if they could provide for their own sustenance and the reproduction of the village economy. *Ras Mekonnen*, the first Ethiopian ruler of Harer, fully realized that governmental income and ultimately the power of the state was inextricably linked with the social reproduction of the Harerge economies. While the administration had a vested interest in protecting the internal capacity of the conquered communities and their claims to a certain minimum of subsistence insurance, the Menilekian state, which had no fiscal capacity to maintain a salaried army and bureaucracy, needed to provide for its soldiers. In other words,

³⁰ Mohammed Moktar, "Notes sur le pays de Harrer," *Bulletin de la société Khédiviale de Géographie* 1:5 (1876), p. 382. Paulitschke, "Le Harrar," p. 588. Sabry, *L'Empire Égyptien*, p. 422.

³¹ , "Our coffee," (Amharic) *Publication of the Ministry of Coffee & Tea Development* (June, 1981 E. C.), p. 34-35.

³² Paulitschke, "L'Harar," p. 588.

the new regime was obligated to adjust its claims to the ability of its tributaries to pay.

The Ethiopian government declared the entire Harerge highlands a Crown Dominion, thus arrogating to itself the legal right to divide and distribute land. The offices of the *garad* and *malaq* were recognized and the lands of the office occupants left untouched. Fallow and the former ruling families' lands were appropriated by the government and distributed to soldiers, the gentry who were newly appointed as civilian administrators and the clergy who followed the state in all its ventures to new territories in the south and south-west. Before too long, there was not much fallow land left to satisfy government needs.

In 1894, Ras Mekonnen undertook a series of measures to free up more land to transfer to his large retinue of soldiers and civilian administrators. For the purpose of distribution, land had to be parceled out into measured plots. A land measurement unit known as *qalad* (a rope 75 meters long) or *gasha*, meaning shield, used elsewhere in the empire to measure land was introduced. In the vicinity of Harer, due to a relatively high population density, one *gasha* out of the surplus holdings of eighty *garads* was confiscated and registered as government domain. In the Gara Mula'ata and eastern Chercher, owing to a relatively low population density, one *gasha* was carved out of the holdings of ten *garads* and registered as crown land. To make sure that the indigenous farmers retained reasonable amounts of land, the size of a *qalad* in Harer was reduced compared to the *qalad* size in Shewa.³³ When *qalad* land was available, it was distributed among soldiers and civil servants as *maderiya*, in lieu of salary, and to a few voluntary emigrants as *rest* i.e., ownership by

³³ In Shewa, the size of one *qalad* was 7 measures long and 13 measures wide or 9 measures long and 11 measures wide. In Harer, the size of the *qalad* was limited to 6 measures long and 9 measures wide. One measure is 75 meters long.

reason of settlement or long term use.

The Ethiopians quickly realized that, given Harer's alien landscape and a history of independent statehood, cultural assimilation, rather than a protracted military occupation, would be a more expedient way of integrating Harer into Ethiopia's political and socio-economic fabric. Pursuant to this strategy, people from Shewa were encouraged to emigrate and settle among the Hareri and Oromo cultivators. A considerable number of "Amhara" arrived, especially in the wake of the rinder pest-induced famine of 1888-1892, which devastated the Ethiopian highlands. No census data exist to show the number of "Amhara" who settled in Harer but it is reasonable to assume that the number of the newcomers was large enough to create a shortage of crown domains.³⁴

The scarcity was especially acute in the vicinity of Harer, the area where the highland population was concentrated. *Ras* Tefari Mekonnen, who was made governor of Harerge in 1910, figured out that the endowment of government land could be increased by placing a ceiling on the holdings of the *garad* and *malaq*. Accordingly, an extensive land survey in which a land measurement unit called *jarib*³⁵ was utilized was undertaken in 1912. Land was measured and ceilings were placed on the holdings of the *garads* and *malaqs* at 600 (77.52ha) and 300 *jaribs* (38.76ha), respectively.³⁶ Most of the surplus land that resulted

³⁴ Negatu Wolde Giorgis, *Planning and implementing the Development of Harerge Province*, (Mimeo. in Amharic), (Harer, 1952, E. C.) A 1938 estimate by the Italian Colonial Administration puts the number of Amhara settlers at 300,000. F. Santagata, "Espansione commerciale dell Harar," *Italia d'Oltremare*, (June 1937), pp. 8-9.

³⁵ One *Jarib* is 60 standard *kend* long by 60 wide which is equal to 1,296 sq. m. or 36 meters by 36 meters. One *kend* equals 60 cm.

³⁶ HPA-GC.1, "About the administration of land," *Minutes of the General Assembly debate on the question of land tenure*, 1943 E. C.

from the measurement was designated "excess land of the garad," and was registered as government land. Some portion of the land acquired in this manner was sold to the original occupiers, who had the wherewithal while the rest was divided up and apportioned to new settlers, assigned to military personnel and government officials as *maderiya* or wages, or donated to notable chiefs and favorites as *rist* or permanent holding.³⁷

In 1919, the government sought to increase the number of tax-paying tenants and, in order to attract new settlers, it reduced the rates of land tax set by the Egyptians. New garads were appointed and tenants were settled in the sparsely populated Obborra and Metta lands. As co-recipients of land along with the garads, the new tenants were entitled to usufructuary ownership and the right to transfer the property to offsprings as long as they paid their land use taxes.

The right to hand down use rights entailed the unintended consequence of diminishing land size. After the Ethiopian conquest, more and more Oromo rejected Christianity as the faith of their conquerors and embraced Islam.³⁸ Young men began to take as many as four wives, thus increasing the number of children born to a single father. In some families, there were as many as eighteen children who could claim land on the death of their father. When the family property was divided up, the inheritors received very small plots, owing to the large number of recipients in a family. By the 1930s, land scarcity was acute

³⁷ E. Brotto, *Il regime della Terre nel Governo del Harar*, (The Land Tenure System in the Government of Harer). Trans. Asmarom Legesse and Zerabrook Aberra, (1966), p. 121.

³⁸ Asthma Giorgis, *History of the Galla*, pp. 27-28.

in the Harer highland especially among the Nole.³⁹

Cultivators attempted to ease the problem of land scarcity by employing several mechanisms. Those who were settled on densely populated garads switched to the thinly populated ones, where some garads admitted tenants who paid the customary *bertcha*, a payment in sheep or cattle. Others became sharecroppers working for other tenants who owned large tracts of lands. Still others migrated to the area west of Qullubi and east of the Burqa river when the government in the 1910s began to create new garads in the uncultivated areas. There were also a few instances in which sedentary agricultural Oromo communities from Harer and Gara Mula'ata region migrated to the uninhabited areas of Chercher in the Ramis valley and reverted to pastoralism. These processes, migration, sharecropping, and, to a limited extent, reversion to pastoralism, continued well into the 1920s.⁴⁰

In 1923, Fitaurari Tekle Hawariat was appointed governor of Chercher. Having established the entire Chercher region as Tefari Mekonnen's *gult* (absolute ownership right), Tekle Hawariat had every piece of land measured into qalad. While the garad system of eastern Chercher ended up being of the same size as the *qalad* of Harer, i.e., 9 ropes in length and 6 in width (i.e., 30.37 ha), the *burqa* system⁴¹ of western Chercher was established at 11

³⁹ Negatu, *Planning*, p. 17.

⁴⁰ Mohammed Hassan, "Menelik's Conquest of Harar, 1887 and its effect on the political organization of the surrounding Oromo up to 1900," *Working Papers on society and history in Imperial Ethiopia: The southern periphery from the 1880s to 1974*. Edited by D. Donham and Wendy James, African Studies Center, Cambridge (1987). p. 237.

⁴¹ Until the 1920s, in eastern Chercher, the garad system, mixed with the qalad system predominated. In western Chercher, the communal system was transformed into the *Burqa* system in which the *Abba Burqa*, meaning father (owner) of land, executed administrative functions similar to those of the garad in the Harer and Gara Mula'ata regions.

ropes in length and 7 in width (i.e., 43.30). The *Abba Burqas* were removed, and the gabbars were made directly responsible to the government. Because coffee was an important crop in this region, Tekle Hawariat raised land use taxes to more than six times what tenants paid in Harer, thereby rendering the area an unattractive destination even for land-hungry farmers.⁴²

When Ras Tefari assumed the throne in 1930, he took a series of steps to ease the problem of land shortage in Harer highlands. In September 1930, he issued an order which required all lands in Harerge to be measured using the qalad measurement unit. In April 1931, the then governor Dejazmatch Imeru measured all lands in Harerge province, leaving the garad and the malaq with 600 and 300 jarib respectively. The remainder was measured by the qalad unit, and the surplus was once again turned over to the government for distribution among the new settlers under the auspices of a *melkegna*, a member of the gentry who was awarded land for his service to the government. Here the distribution of land was not limited to grants as wages (*maderiya*). Settlers from the rest of the empire were awarded land for service to the government in lieu of pension (*metoriya*).⁴³

The Ethiopians implemented their land policies in the Eastern highland regions, where the land was rich and densely inhabited. Whereas they had laid the foundations of early colonial rule on the basis of traditional institutions, the new tribute requirements and the very circumstances under which tributaries had to meet their new obligations forced the Oromo communities to alter their life ways. The new overlords, the *melkegna*,

⁴² Negatu, *Planning*, p. 16; Brotto, *Il regime*, p. 28.

⁴³ Brotto, *Il regime*, pp. 28-30.

commandeered peasant laborers for their own enterprises, but-- unlike the emirs or the Egyptians, who expected to be paid only in labor power--the melkegna demanded tribute in labor, in kind and increasingly in cash. Alienation was rampant, on account of failure to pay taxes and promises of taking care of aged title-holders and "friendship," a dubious arrangement suggesting forced acquisition. In the process, more land came under the possession of the church and powerful aristocrats including Ras Tefari who, in effect, became the landlord with vast tracts of land in Chercher and most of Harerge highlands.⁴⁴

The land policies which we have discussed had two implications for agricultural production. First, land became concentrated in the hands of a patrimonial state which had an insatiable appetite for more land. Officials of the Ethiopian state and its supporters came to possess large tracts of land and confined the indigenous cultivators to their lineage lands which diminished in size as population increased. Second, the governing elite possessed the right of allocation and hence, controlled access to all lands. Consequently, land-hungry farmers were discouraged from migrating to new lands, thus increasing population concentration on lineage lands and diminishing the size of the land owned and worked by farming families. In chapter 3, we will see that the difficulty of acquiring land, over the long run, led to increasing fragmentation as tenant holdings were broken up as a consequence of expropriation, population growth and inheritance by multiple heirs.

⁴⁴ Brotto, *Il regime*, pp. 32-40; Tsehay Berhane Sellassie, "Developments in Land Tenure in Harerge 1887-1935," in *Social Science Miscellania 5*, Institute of Ethiopian Studies, Addis Ababa University. (n.d.), p. 4.

C. The Railway, Agriculture and Trade, 1902-1935

Rail transport led to a fundamental reorganization of the structure and orientation of Harer's external trade. The volume of Harerge's export of agricultural products rose significantly compared to Ethiopia's past capacity and the new French port of Djibouti became the principal outlet for Harerge's commerce.⁴⁵ The railways created Dire Dawa as the first modern city in Ethiopia whose reason for existence was business. As a local dictum testifies,⁴⁶ Dire Dawa was essentially a creation of the *Chemin de fer Franco-Ethiopien* (CFE), catapulted to a position of commercial prominence in a relatively short time. From its inception, Dire Dawa played a crucial role in the region's economic activities as a major transit center, a customs clearing station, the seat of major import-export firms and a major market for the entire Harer region.

The establishment of Dire Dawa forced a major reorganization of the structure and orientation of Harerge's trade. Export through Djibouti began to increase even before the railway reached Dire Dawa. The value of exports registered a substantial increase from just under 700,000 francs in 1900 to close to 7 million francs in 1902.⁴⁷ In subsequent years, the exports through Djibouti increased annually, doubling in 1903 and reaching 18 million francs

⁴⁵ G. Mackereth, *Economic conditions in Ethiopia*, Department of Overseas Trade, No. 507, (1932), p. 13-15; M. Perham, *The Government of Ethiopia*, 2nd Ed. (London, 1969) p. 178.

⁴⁶ *Izih yallaw hullu babur ya tafaw naw*, meaning, the train spat out everything that is here.

⁴⁷ Bulletin de Comité d'Afrique (BCAF) 1901, p. 72; BCAF, 1902, p. 183. The publication generally has no author and title.

in 1905 and 35 million francs in 1907.⁴⁸ The general increase in trade is reflected in specific items. Coffee increased almost five-fold, from 21,313 MT dollars in 1898 to 1,315,525 MT dollars in 1902. Figures are unavailable for the amount of skin exports prior to the turn of the century, but, in terms of value, skin exports increased almost four-fold from 141,643 in 1902 to 772,690 in 1904. After showing a remarkable increase in the last years of the nineteenth-century, ivory exports declined gradually, owing to the depletion of the animal stocks.

Despite the obvious statistical increase in the trade through Djibouti, the railway did not completely displace the traditional infrastructure of trade. In the initial phase of construction, the railway authorities had to rely on camel caravans to transport rails and sleepers, water, telegraph poles, camping equipments, food, stones, lumber and so forth along the construction lines. The Issa, who had earlier provided transportation for the Harer-Zayla trade, took the opportunity to rent out their camels to the construction company. Before the rail head reached Dire Dawa, Issa caravaneers, far from being supplanted by the railway, intensified their participation as transporters of Djibouti's incipient trade.⁴⁹

It was everyone's guess that once the railway reached Dire Dawa, it would become the sole conduit of trade between the Gulf of Aden coast and Ethiopia's interior. The French undertook the construction of the railway, believing that the resources in the Ethiopian

⁴⁸ BCAF, 1903, p. 192; BCAF, 1906, pp. 79, 167; FO 401/10 Hohler to Grey, May 24, 1907.

⁴⁹ BCAF: Nev. and Dec. 1899; See also T. L. Gilmour, *Abyssinia, the Ethiopian Railway and the Powers* (London, 1906), p. 17; Hughes. Le Roux, *Ménelik et nous*, (Paris, 1902), p. 82.

interior would reward them economically and politically.⁵⁰ Their activities were geared toward expanding production, principally in the Harerge highlands, and channeling business to the new port. Ever since the opening of the Suez canal and the rise of Aden as the principal port in the region, the British had dominated the entire regional trade and were wary that the French move might undercut their dominance. In 1899, the British minister in Ethiopia, John Lane Harrington, warned his government that the establishment of the railway at Djibouti would absorb most of Harer's trade and result in serious economic consequences for the British in Aden and Zeyla.⁵¹

In the end, neither the hope of the French nor the fear of the British materialized. A number of circumstances prevented the railway from tapping the "rich" natural resources of Harerge and channelling the entire trade to Djibouti. By the time the railhead reached Dire Dawa, the company was in deep financial trouble, and the tonnage available for transport was so small that the company had to impose inordinately high freight charges. Calculations based on contemporary publications show that there was a significant difference of transportation costs between the traditional caravaneers and the railway. The cost of transporting all kinds of goods between Zayla and Harer was 39.5 dollars per ton by camel and donkey, and 44.5 dollars if effected by camel all the way. The rail charges between Dire Dawa and Djibouti varied according to the transported goods.⁵²

⁵⁰ M. Boucoiran, "La Situation Economique de L'Ethiopie," *Renseignements Coloniaux et Documents* (1918), p. 192.

⁵¹ FO 403/298 Harrington to Grey, August 31, 1899.

⁵² Richard Pankhurst, *Economic History of Ethiopia, 1800-1935*, (Addis Ababa, 1968), p. 325. The calculation is based on a French publication *Renseignements Coloniaux et Documents* (1906), pp. 193-196 and a British Parliamentary Paper, *Diplomatic and Consular Report for 1905-6*

The railway was not cheaper but it provided speed and convenience. Goods were loaded on the train cars from the mules which brought them to Dire Dawa from the highlands. Cumbersome goods such as corrugated iron sheets which were difficult to load on camels or mules could now be imported without much trouble. However, the company's decision to adopt exceedingly high carriage rates discouraged merchants from using the trains.⁵³ Traders found little reason to prefer the train, especially for non-perishable items such as coffee and ivory which did not require rapid transport. As a result, caravans originating in Harer continued somewhat unhindered to use the Issa transport service for their trips to Zayla.⁵⁴

The freight charges were high enough to put a damper on the level of export trade, but the situation was worsened by the complex customs formalities. Traders and other travelers were required to deal with "a most irritating bit of officialdom" at Djibouti, Dire Dawa and later Addis Ababa. One traveler described his railway experience as:

Having run the gauntlet [at Djibouti, at Dire Dawa, once again, everything was] turned out of the train, opened, examined, and delayed,... cases once having been opened are not properly fastened again, goods are pilfered from them while they are lying about... and the remnants frequently arrive broken and damaged... . Goods take almost as long to come from Jibouti to Addis Ababa by rail as they did formerly by camel caravan, and the condition in which they arrive is frequently little better.⁵⁵

on the Trade of Abyssinia, (Cd. 3283-8) 88 (1907), p. 9.

⁵³ R. P. Skinner, *Abyssinia of Today* (London, 1903), pp. 99-101.

⁵⁴ FO 403/255 Rodd to Salisbury, June 4, 1897.

⁵⁵ C. F. Rey, *Unconquered Abyssinia* (London, 1923), pp. 213-215

Such inconveniences had a direct effect on the import-export trade, often skyrocketing the prices of consumer goods in Dire Dawa and Addis Ababa. The high transport costs were further inflated by various charges and customs dues at 12 per cent *ad valorem*.⁵⁶ Given the very low purchasing power of the people, prices were invariably unreachable. Excluding traders' profits, prices increased between Djibouti and Addis Ababa by 250 to 300 per cent on basic imported items such as *abujedid*.⁵⁷

The absence of roads connecting production areas with the railway terminal was another factor which stifled the expansion of trade. There were practically no roads in the Harerge highlands. The cart track originally built by Ras Mekonnen remained impassable throughout the 1910s and 1920s, all bridges over the numerous ravines and rivers having been washed away. All transport of coffee and grain therefore was done by donkeys and to a lesser extent by mules and headloading. Camels were rarely used as the climate did not suit them.⁵⁸

In the thirty years before the Italian occupation, export trade increased by almost seven fold, from 3,367 to 28,497 tons. Coffee was the leading product, especially the "Harari" variety whose exported quantity, until 1921, was ten times higher than the "Abyssinian." After 1922, the latter began to show considerable increase in volume, equaling the former in 1924 and surpassing it in 1927. Hides and skins exports increased

⁵⁶ Customs duties at Harer were 8 per cent *ad valorem*. This was another incentive for farmers to prefer the Zayla-Harer route to the railway. British Parliament Sessional Papers, *Report for the year 1905-06 on the Trade of Abyssinia* (Cd.32-83-8) 88 (1907).

⁵⁷ J. Duchesne-Fournet, *Mission en Ethiopia, 1901-1903* (Paris, 1908-09), pp. 282-8.

⁵⁸ FO 368/1688 "Notes on the products of Harer Plateau" August, 1917.

even faster than coffee, doubling in quantity between 1910 and 1917 and trebling by 1925.⁵⁹ From 1922 through the onset of the Great Depression, international coffee prices were favorable and demand stayed high. In response, Hareri coffee exports increased from 4,396 tons in 1922 to 8,578 tons in 1934.⁶⁰ Much of the increase in the volume of the exported coffee was due to the augmentation of the share of the "Abyssinian" variety which was harvested from wild coffee. The increase in "Hareri" variety was so moderate that it reflects a decrease in internal consumption rather than increased production.⁶¹

Neither the railway company nor the Ethiopian government took steps to rectify the practices which stifled trade along the railroad line. Because the railway was the only modern outlet, the CFE authorities were able to exact high charges on freight carried on their track without fear of competition. In 1925, the company made a sweeping increase of 30 per cent in freight rates, thereby causing a dramatic increase in the cost of shipment. Even at the old rates, the rail charge for transporting skins from Addis Ababa to Djibouti alone considerably exceeded ocean freight charges for the same amount of skins from Djibouti to New York. Buyers at Djibouti and Aden could not pay more than the price fixed by their European or American buyers who would care less about the increase in freight charges. The amount of skins exported from Ethiopia nevertheless remained steady, not due to increased utilization

⁵⁹ Zervos, *L'Empire*, p. 159; Pankhurst, *Economic History*, pp. 335-337, 430-431.

⁶⁰ Harold Marcus, "The Infrastructure of the Italo-Ethiopian Crisis: Haile Sellassie, the Solomonic Empire and the World Economy, 1916-1936," in Robert Hess (ed). *Proceedings of the Fifth International Conference of Ethiopian Studies* (Chicago, 1978), p. 559.

⁶¹ U. S. Department of Commerce, *Ethiopia: Commercial and Economic Survey*, U.S. Department of Commerce, Trade Information Bulletin, No. 476. (Washington D.C., 1927), pp. 7-9.

of the railroad but because export cargoes were diverted to other carriers.⁶²

Operating under enormously high freight rates, in conjunction with inefficient Customs administration and in competition against a relatively cheaper indigenous transport system of caravaneers, the Djibouti-Dire Dawa failed to draw much of the anticipated agricultural potential of Ethiopia's interiors.⁶³ Nevertheless, it was not completely inconsequential. Prior to the railway, high value trade items were preferred for export to make a margin of profit, which otherwise would be consumed by transportation cost in the case of bulky and heavy products. Among the railway's most visible effects is the fact that merchants were able to export bulky merchandises. This situation favored the export of coffee which had a stable and promising demand.

D. Conclusion

The effect of the railway must be reckoned in conjunction with the political and economic changes that took place during the half century before the railway reached Dire Dawa in 1902. By the mid-nineteenth century, about two-thirds of Harer Oromo, specifically, those living beyond forty miles circumference of the city, were pastoralists. Those who lived within the forty miles took up agriculture as the result of their contacts with Islam and markets. The town of Harer offered the Oromo the opportunity to produce for the market and Islam made them dissociate themselves from their pastoralist kin and accept the Hareri

⁶² U.S. Department of Commerce, *Ethiopia: Commercial and Economic Survey*, (1918), p. 3.

⁶³ *Report for the Year 1905-06 on the Trade of Abyssinia*, (Command. 3283-8) 88 (1907), pp. 8-11, 26. Shiferaw, "The Railway," pp. 8-16.

Emir's suzerainty. The policies of Emir Mohammed, the Egyptian administration and the Ethiopian government brought the rest of the Oromo into contact with the market in Harer and gravitated them into abandoning pastoralism and take up agriculture. The railway and the establishment of Dire Dawa consummated this process by linking the Harerge Oromo with larger productive regions within Ethiopia and wider market areas in the Horn of Africa.

The Ethiopian policy of land alienation, the influx of settlers from Shewa and the inevitable natural increase of the highland population were bound to lessen the land for agriculture and pasturage. There are consistent allusions in oral information as well as in some contemporary references that, by the 1930s, the sedenterized Oromo were faced with land shortages, particularly in the environs of Harer. The primary response of farmers to land scarcity was to turn to sharecropping or migrate to areas where the problem was less acute. The presence of a considerable numbers of Nole and Alla lineages among the Ittu is a clear indication of the migration of the former to an area then dominated by pastoralists or unclaimed. While other Oromo have resorted to sharecropping, most began to cultivate cash crops to increase the productivity of their lands. Coffee as well as fruits and vegetables were some of the crops which the Oromo farmers produced for market. The cash crop that later came to overshadow coffee's economic predominance in Harerge, khat, remained completely insignificant during the time covered in this chapter. Focusing primarily on the same period, the next chapter will attempt to explain why khat remained a less significant marketable commodity during the several decades before the 1930s.

CHAPTER TWO

Khat Cultivation, Use and Trade before the 1930s:

A Historiographical Sketch

Since medieval times, khat was known and used in the Red Sea region at least for medicinal purposes and for religious and cultural celebrations. In the early twentieth-century, some Europeans unsuccessfully attempted to popularize khat-derived drugs. For users accustomed to more potent drugs such as opium, cannabis or coca derivatives, khat is an ineffectual stimulant which can not produce the desired high.¹ One must chew large amounts of khat leaves, whose taste westerners may find repulsive, to experience a minimum level of excitement.² Thus, the demand for khat in the Western world has always been substantially low and its social and economic effect minimal. Interest remained consequently insufficient to provide scholars and researchers the incentive necessary to undertake detailed investigations of khat.

The existing literature on khat, be they travelers' accounts, official publications or scientific researches, invariably cast khat as a harmful, addictive drug. Guided by this presupposition, the writings have tended to emphasize the supposedly deleterious effects which the consumption and production of khat have had on the individual, society and on the economy of the country where the plant is grown and consumed. From the vantage point of the farmers who cultivate it, however, khat is an integral part of their cropping system,

¹ Burton, *First Footsteps*, pp. 196-7.

² Harold Ingrams, *Arabia and the Isles* (New York, 1966), p. 106.

indeed the most lucrative cash crop they harvest. My analysis of how the cultivation and marketing of khat gradually assumed a central position in Harerge's and Ethiopia's political economy follows the perspective of the farmers.

This chapter aims to provide background to khat's commodification by analyzing the changes that occurred in the patterns of khat production, distribution and consumption before the 1930s. It begins with a brief discussion of khat's early history and its use. Bearing in mind that the spread of the khat culture in Ethiopia can only be understood within a larger context, I will devote a few pages to examining the spread of khat cultivation and consumption in the Red Sea region. Then I will present a historical overview of the expansion of the production, marketing and consumption of khat in Ethiopia. Finally, I will present a brief account of the contemporary situation.

A. Khat Cultivation and Use in the Red Sea Region³

Based on the current knowledge about khat, no one can specify how the stimulating properties of khat were discovered. The earliest sources on this subject are popular stories whose claims range from divine revelation to Muslim saints,⁴ to a story of a shepherd who observed khat's intoxicating effects on his goats, tried it himself and experienced alertness.⁵

³ For a detailed treatment of the subject see, Abraham D. Krikorian, "Kat and its Use: an historical perspective," *Journal of Ethnopharmacology*, 12 (1984), pp 115-178.

⁴ Bob Hill, "Cat (*catha edulis*)," *Journal of Ethiopian Studies*, 3 (1965), pp. 13-15.

⁵ Amare Getahun and A.D. Krikorian, "Chat : Coffee's rival from Harar, Ethiopia: Botany, cultivation and use." *Economic Botany*, 27 (1973), p. 354; John Spencer Trimmingham, *Islam in Ethiopia*, (London 1952), p. 228n.; Shelagh Weir, *Qat in Yemen: consumption and social change*, (London, 1985), p. 73.

The evidence for khat's place of origin is equally inconclusive. Some stories hold that khat was brought to Yemen from Ethiopia,⁶ while others reverse the direction of diffusion.⁷ There are documents which espouse the former postulate, but they are not supported by undisputable evidence.⁸ Historically, there have been constant communications across the Red Sea, and khat leaves could have been transported back and forth by any number of traders, missionaries, refugees or settlers. While it is difficult to pinpoint the original habitat of khat, there is a general consensus that the practice originated in the southern Red Sea region.

There are a number of written accounts which deal with the subject of the beginning of khat consumption. A document entitled *Pharmacy in the Healing Art* (c.1050) suggests that khat was known in Turkestan and Afghanistan as early as the beginning of the 11th century. However, khat was not mentioned in a pharmacopeia written at a slightly earlier period. The discrepancy was probably due to the fact that khat's importance was confined to a few areas where the author was not able to reach. The lapse makes it harder to ascertain whether or not khat existed in the Afghan-Turkestan area at such an early date. Still, an article written in 1910 by an analytical chemist working for the Afghan government has recorded that *catha edulis* was used in Kabul as a tea to combat fatigue and for medicinal

⁶ Burton, *First Footsteps*, pp. 77, 80-87; A. Rihani, *Arabian Peak and Desert: Travels in al-Yemen*, (Boston, 1930), pp. 37ff.

⁷ John G. Kennedy, *The Flower of Paradise: The institutionalized use of the drug qat in North Yemen*, (Dordrecht, 1987), p. 62; Weir, *Qat in Yemen*, p. 73.

⁸ Manciola, M. and A. Parinello, "Il qat (catha edulis). *La clinica Terapeutica*, 43: 2 (269), 31 Ottobre, 1967.

purposes.⁹ It is possible that khat may well have been introduced from Arabia by some pilgrims on their way back from Mecca and was used as decoction in a few areas in the whole Turkestan-Afghanistan area.

In a thirteenth-century manuscript entitled *The Book of Compound Drugs* (c.1237) khat is identified as a plant prescribed for "euphorizing purposes" and for the "relief of melancholia and depressive symptoms." A marginal note in one of its pages indicates that "khat is a shrub of Kilwa (modern East African coast) [and in] Yemen, [it is] popularly known as kafta."¹⁰ Because the marginalia does not appear in other copies of the manuscript, experts suspect that the comment was a posthumous addendum by an anonymous person.¹¹ It may well be the case that khat was used as a stimulant or for medicinal purposes in the Iran-Afghanistan area as early as the twelfth century, but it is important to note that the prevalent mode of khat use at this time was decoction, not chewing.

By the time Europeans began to notice khat in the seventeenth-century, its use in modes other than chewing was widespread in the Middle-East and the entire Red Sea region. The French orientalist Barthelemy d'Herbelot de Molainville (1625-1695), in his posthumous *Bibliothèque Orientale* (1697), describes three types of beverages, under the generic name *Cahuah & Cahveh*, used by the people of southern Arabia. The first was called *Cahuaht al Catiat*, which must be a corruption of the Arabic *al-kahwa al-katiaya*, meaning khat coffee.

⁹ F. Owen, "Catha Edulis," *Journal of the Society of Chemical Industry*, 29 (1910), p. 1091.

¹⁰ Tigani El-Mahi, *A Preliminary Study on khat—together with the institutional history of coffee as a beverage in relation to khat*, WHO Regional office for the Eastern Mediterranean, WHO document EM/RC 11/10 MS., Mimeo. (1961).

¹¹ Maxime Rodinson, "Esquisse d'une monographie du Qat," *Journal Asiatique*, 265 (1977), p. 76.

The second *Cahuah al-Caschriat*, is more than likely to be the contemporary beverage *kishir* made of coffee husks and widely used in the Middle East; and the third, *Cahuah al-Bunnait* is obviously a corrupted form of the Arabic *bun*, which is a coffee drink made of the beans.¹²

D'Herbelot's rather ambiguous description is probably due to the author's lack of first-hand experience of the khat-growing areas. His contemporary Jean de la Roque (1661-1745), however, did travel to Arabia Felix (Yemen) in quest of coffee. In his *Voyage de l'Arabie Heureuse* (1716), La Roque intimated that the inhabitants of Aden had become such avid coffee drinkers that they had abandoned another drink made with the leaves of a certain plant called khat. La Roque was not familiar enough with khat to be able to introduce it to his European audience in terms they could understand, but he was sure that it was not tea.¹³

These accounts did not provide a clear knowledge about khat and its use. It was only after the publication of Carsten Niebuhr's *Travels through Arabia and other countries of the East* (1792) that Europeans learned much about khat. Niebuhr, who was the only survivor of a Danish expedition to Arabia, identified khat as a new genus peculiar to Arabia. Moreover, he fully described its widespread consumption by south Arabians. Niebuhr was unable fully to explain why the Arabs chewed the buds and leaves of the plant, whose taste was so "disagreeable," except to suppose that it was fashionable. He simply recorded the

¹² A. D. Krikorian, "Khat and its use: an historical perspective. *Journal of Ethnopharmacology* 12 (1984), p. 118.

¹³ J. de la Roque, *A Voyage to Arabia the Happy, By way of the Eastern Ocean, and the straits of the Red-Sea; Performed by the French for the first time, A.D. 1708, 1709, 1710* (London, 1726), p. 252.

chewers' reasoning that khat facilitated digestion and fortified the body against infectious disease although he did notice that khat chewing had a "parching effect on the constitution."¹⁴ In 1775, Niebuhr edited and posthumously published the work of the expedition's botanist Petrus Forsskal under the title *Flora Aegyptiaco-Arabica*. Except for giving the Latinized name *catha* and explaining that khat was propagated from cuttings, Forsskal's description was in many respects similar to that of Niebuhr's.

Around the second half of the nineteenth-century, khat is said to have become an important cash crop in Yemen. Cultivated on well-maintained and well-irrigated terraces, khat was apparently the most important crop of Jebel Sabir whose leaves were collected and sold in local markets. At this time, khat was an item of domestic commerce and was not exported to distant places because its leaves must be eaten fresh. Contemporary sources show that best quality khat yielded greater profits than coffee.¹⁵ In Yemen proper, a well-off chewer could consume five or six francs' worth of khat a day.¹⁶

B. Khat Production, Consumption and Marketing in Ethiopia

On the Ethiopian side of the Red Sea, we find scanty reports about the consumption of khat before the nineteenth-century. The earliest such reference is in a contemporary account of Amde Syon's (r. 1314-1344) military campaign undertaken against Sebra'din of

¹⁴ C. Niebuhr, *Travels through Arabia and other Countries of the East*, Translated into English by Robert Heron, vol. 2 (Dublin, 1792), p. 353.

¹⁵ P.E. Botta, "Notice sur un voyage dans l'Arabie Heureuse," *Paris. Museum National d'Histoire Naturelle de Paris. Archives* 2 (1841), pp. 63-88.

¹⁶ F. Fresnel, "L'Arabi vue en 1837-1838," *Journal Asiatique* 5 (1871), pp. 13-14.

Ifat around 1330. In the emperor's chronicle, Sebra'din is quoted as saying, "I will take up my residence at Mar'ade, the capital of his [Amde Syon] kingdom, and I will plant chat there because the Muslims love the plant."¹⁷ The story suggests the use of khat was a familiar practice among Muslim communities in east-central Ethiopia around the mid-fourteenth century.

Khat was also mentioned in the fourteenth-century *Voyages of the Eyes in Kingdoms of Different Countries* by Ibn Fadl Allah al-Umari (1301-1348), who refers its popular consumption in Ethiopia and describes its physiological effects in terms quite familiar today. Quoting an account given to him by an Ethiopian scholar, al-Umari describes khat as one of Abyssinian trees which,

bears no fruit, but one eats the young tender shoots. It stimulates cleverness and gives happiness; it allows one to almost go without eating, drinking or having sexual intercourse. Everyone eats it, but especially those searching for knowledge, or those who have serious problems, or those who seek to prolong their wakefulness so as to make a journey or to carry out work.... A Muslim from Abyssinia ... went to Yemen and was presented to the king [al-Mu'ayyad Da'ud], who accepted him as a friend. The Abyssinian entreated him to ask a favor, and the king requested some leaves of the qat tree; he forthwith sent someone to Abyssinia who brought back a stalk. This was planted in Yemen and flourished. When the time came to harvest the leaves, the king asked the Abyssinian how the plant was used and he explained to him the effects it produced. On learning that it banished the desire to eat, to drink or to have sexual relations, the king al Mu'ayyad said: 'And what other pleasures are there in this life except these? I will never eat it! Those three things are all I spend my wealth on; how could I use something which deprived me of just those pleasures I enjoy?'¹⁸

¹⁷ The chronicle has been translated into English by G. W. B. Huntingford, *The Glorious Victories of 'Amda Syon, King of Ethiopia* (Oxford, 1965), pp. 55-56; The French translation is by J. Perruchon, "Histoire des Guerres d' Amda Syon Roi D'Ethiopie," Traduite de l'Ethiopien. *Journal Asiatique* 14 (1889), p. 331; Trimmingham, *Islam*, p. 228.

¹⁸ M. Gaudefoy-Demombynes, Translation of Ibn Fadl Allah al-'Umari, *Masalik al-absar fi mamalik al-amsar*, (Paris, 1927), pp. 11-13. This particular quote was also translated from the French Weir, *Qat in Yemen*, 1985, p. 72.

The famous fifteenth-century historian al-Maqrizi, who wrote a history of the Muslim sultanates in Ethiopia, corroborates al-Umari's story in many respects. Furthermore, al-Maqrizi's rendition suggests a fairly extensive use of khat in Ethiopia in the fourteenth-century and depicts some of its behavioral and experiential effects. It is probable that Al-Maqrizi might have drawn on al-Umari but his description provides more insights into the effect of khat on chewers. Writing about a plant from Zayla (in modern Somalia), al-Maqrizi states:

These leaves when eaten are effective in enhancing intelligent performance and in effecting a recall of forgotten events. However, while they produce an appreciable sense of hilarity in the taker, they materially depress the appetite for food and the desire for sex, and strongly repel sleep. The people of the locality are fond of these leaves and are habitually attached to them. The habit is even more conspicuously rife among intellectuals.¹⁹

For several centuries after al-Maqrizi's description, most of the knowledge about khat was based on European traveler's reports from Yemen. Whatever little information about khat that came out was from French travelers and scientists. Frequent reports on khat from several of its citizens prompted the French government to send a formal scientific expedition to the Red Sea region under the leadership of Lieutenant Charlemagne Théophile Lefebvre. The expedition, undertaken between 1839-1843, produced an impressive documentation on natural history, in which khat was treated. The section on botany confirmed that specimens of khat collected in Ethiopia's Tigre and Shoa provinces belonged to the genus *Catha* which Forsskal had identified from his collection of the flora of Yemen more than half a century

¹⁹ El-Mahi, "A preliminary study on khat," p. 3.

before.²⁰

From the 1840s on, we find constant references to khat and its use in various parts of Ethiopia. In 1843, Charles Beke reported that coffee and khat were growing wild in southern Abyssinia. Citing Niebuhr's *Travels*, Beke also identified khat as a favorite Arab intoxicant used as some sort of tea, suggesting that an infusion was made out of khat and consumed as beverage. From this information, one could infer that chewing khat was not widespread in southern Ethiopia at the time of Beke's visit.²¹ However, the use of khat as tea was widely practiced during William Cornwallis Harris visit to the court of Sahle Sellassie of Shewa. In his *The Highlands of Aethiopia*, Harris wrote that, in Ifat, the fresh leaves of khat were chewed and used as an astringent medicine, boiled with milk or water, and drunk as a beverage. He also spoke of the leaves being plucked and dried in the sun.²² It is probable that the dried leaves were meant for use in regions distant from the production areas.

One of the more widely cited works on mid-nineteenth century Harer is Richard Burton's *First Footsteps in East Africa* (1894). A keen observer and a fine reporter, Burton characteristically provided a detailed and insightful account of a khat chewing party in Harer. He reported that khat chewing sessions took place every day between 9 and noon, and he described one such party thrown by the Treasurer of the Emir of Harer and attended by

²⁰ Théophile Lefebvre et al, *Voyage en Abyssinie exécuté pendant les années 1839, 1841, 1842, 1843* (Paris, 1845-1851), pp. 134-135.

²¹ Charles Beke, "On the countries South of Abyssinia," *Journal of the Royal Geographical Society* 13 (1843), p. 263.

²² W. Cornwallis Harris, *The Highlands of Aethiopia* (London, 1844), vol 3. pp. 334-335.

several dignitaries, including the Prime Minister. It is interesting to note that, at this chew session, fresh khat leaves were pounded in a wooden mortar and the paste was distributed among the attendees who rolled the substance for consumption purposes. This mode of usage had not been witnessed in other khat chewing areas and must have been peculiar to Harer. Burton's description suggests that the custom of chewing was largely practiced by the elite class or group. Also recorded in Burton's account was the Ulema's notion that khat was "food for the Pious" and an intellectuals' rationalization that it had special properties of "enlivening the imagination, clearing the ideas, cheering the heart, diminishing sleep, and taking the place of food."²³ These statements show that different social groups chewed khat for different reasons.

If the use of khat was fairly widespread among the Hareri elite at the time of Burton's visit, by the time the Egyptians occupied Harer in 1887 it was a commonplace practice among the pious Muslims of the city and its environs. Mohammed Moktar, an officer in the Egyptian army, gives a most detailed account worth quoting at length:

As an intoxicating substance they chew the leaves of a tree which they call kat. They believe that this tree has the ability to strengthen the body to repel sleep and they attribute aphrodisiac qualities to it. They have a curious manner of using it and it seems to me that it would be of interest to relate it here.

Towards nine o'clock in the morning, all the guests go to their hosts; there they sit in a circle and begin to read the first chapters of the Quran, and address all sorts of praises to the Prophet. This done, the master of the house gives each a fistful of kat leaves which they chew in eager rivalry, in order to be able to swallow them more easily. If the master of the house is rich, they drink milk; if he is poor, they drink water. After this the same ceremony begins again, reading the Quran, praises to the Prophet, receiving and chewing of a fresh fistful of kat, and this goes on until 11 o'clock. As I asked one of them why they were reading the Quran in this way and celebrating, with the eating of kat, the praises to the Prophet, he answered me.

²³ Burton, *First Footsteps*, pp. 196-197.

'We read the Quran and we bow to the Prophet because this plant is known to the saints and it permits us to keep vigil long through the night in order to worship the Lord.'

I had to admit that the response was rather ingenious... I do not know the real properties of khat; this is certain, that Diabe, my servant, aged 23 years, and of a sanguine temperament, fell sick with dysentery, and was only cured with khat,... I learned myself that it was an excellent remedy against dysentery.²⁴

Moktar's description shows that, by the 1880s, khat chewing and the accompanying rituals had assumed the characteristics currently observable in Harer. It also indicates that khat was used as medicine and that chewing was closely associated with religious observances.

C. Khat in Harerge Region

At the beginning of the twentieth-century, chewing was evidently rife but largely confined to the affluent Hareri elite who had surplus income to spend on khat. The price which the city-dwellers paid for khat was relatively high compared to other cash crops, 1 pound of khat leaves selling for one dollar. Nevertheless, farmers kept growing food crops and planting coffee.²⁵ At least three factors explain the continued cultivation of coffee, vegetables and food crops around the city of Harer instead of the apparently lucrative khat. First, the number of consumers who did not grow their own supply was too few to create a proportional rise in demand. Second, the lack of rapid transportation prevented khat from

²⁴ Moktar, "Notes sur le pays," pp. 369-372.

²⁵ A British Diplomatic and Consular Report which reported that farmers planted khat for sale in the city also shows that, in a couple of years before 1900, 150,000 coffee trees were planted in the Chercher districts. Diplomatic and Consular Reports, *Reports for the year 1898-1900 on the Trade of Adis Abbaba and Harar*, p. 83.

reaching a wider consumer pool. Third, most of the khat trees were owned by absentee farmers who lived within the city wall and maintained gardens around the city. One study suggests that the surrounding Oromo did not obtain access to khat until the battle of Chelenqo in 1887, when the widows of the Hareri men killed in the war, unable to maintain their khat orchards, employed Oromo farmers as tenants to tend their khat fields. The Oromo thereafter distributed the plant among their kin, thus beginning the spread of khat on a larger scale.²⁶

The massive conversion of the Oromo to Islam in the late nineteenth-century was an important factor in accelerating the spread of consumption among them. Oromo oral informants unanimously report that they acquired the khat plant and the habit of chewing it from the "Adere," as they prefer to call the Harari. This story is consistent with the general phenomenon that the Oromo adopted agriculture from the Harari. The Oromo, who remained pastoralists and animists until the middle of the nineteenth-century, did not have much to do with coffee, vegetables and cereals, let alone with khat. It was only after they became sedentary farmers and accepted Islam that khat chewing spread among them. In other words, the Oromo started khat cultivation in the process of their shift from pastoralism to sedentary farming and its consumption spread among them along with their massive conversion of Islam in the late-nineteenth and early twentieth-centuries.

By 1910, khat chewing was a widespread practice among the Islamized Oromo, among whom the leaf quickly attained positions of social, cultural and religious importance. Non-Muslims, however, considered khat chewing as a sign of conversion to the Islamic

²⁶ Hill, "Chat," p. 13.

faith. For the Christian "Amhara" colonists, the consumption of khat was a mark of apostasy. In 1916, one of the accusations leveled against Lij Iyasu, Menelik's designated successor, was his alleged indulgence in chewing khat with Muslims during one of his visits to Harer in the early 1910s.²⁷ Khat was considered so evil that one "Amhara" governor of Chercher, *Fitaurari* Teklehawariat, made eradicating the crop one of his top policy priorities.

Immediately after he was appointed as the Governor-General of Chercher, Taklehawariat ordered the Oromo to uproot their khat plants and replace them with coffee trees. He also placed a high sales tax on khat transactions to moderate the market. Fearing rebellion, his subordinates, the *malkagna*, appealed to Ras Tafari to reverse the decision. Pointing to the apparent debilitating effect of khat on the human body, Takla Hawariat argued that chewing would lead to reduced productivity, diminished reproductive capacity and increased mental problems. His efforts at eradication failed nonetheless, since he came to believe that it would be fruitless to carry out the destruction of khat only in Chercher while the shrub was permitted to be cultivated in the adjacent Gara Mula'ata and Harer regions.²⁸

Taklehawariat's concern was also shared by a British agricultural expert who visited Harer in 1917. In his report, the expert bemoaned khat as a plant whose "evil influence" must be curbed. His bias aside, the report contained important information that, by the late 1910s, khat had become an integral part of the cropping system of the Harerge highlands. Propagated from cuttings, khat was not pruned or irrigated, although it received some

²⁷ Hasen Ali, "A short biography of Bejirond Takla Hawariat," Senior Essay, Department of History, Addis Ababa University. (1985), p. 12.

²⁸ "The Autobiography of Fitaurari Takla Hawariat," deposited in the History Department, Addis Ababa University. pp. 66-67.

cultivation. There were different varieties of khat, coarse and fine leaves, which were plucked off for the purpose of consumption. Most of the harvest was said to be consumed locally, but a certain amount was sent to Dire Dawa and thence to Djibouti.²⁹

There is no available statistical evidence that shows the amount of khat exported from Harer prior to the late 1920s.³⁰ Oral sources confirm that, until the turn of the century, fresh khat leaves were sold in local markets and, because of the absence of a speedy means of transportation, only the dried leaves were exported to places far away from the areas of production. It was only after the Addis Ababa-Djibouti railroad reached Dire Dawa in 1902, that small amounts of fresh khat began to be exported by rail to Djibouti, and thence, by dhow to Aden.³¹

In the late twenties and early thirties, the amount of khat exported to Djibouti seemed to have caught the attention of the government so as to appear in the official trade statistics

²⁹ FO 368/1688. Notes on the Products of Harar Plateau, Abyssinia. A Report by Dudley S. Corlett, August, 1917. The Report was later published under the same title in *The Poona Agricultural College Magazine*, pp. 161-170.

³⁰ In his "An Inquiry into the Economy of Harer..., 1825-1875," Yusuf Ahmed suggests that 280 camel loads of khat had been exported from Harer to Aden annually. He cites Burton, *First Footsteps*, p. 299, to support his conclusion. In actuality, what was contained in Burton's account was a quotation from an article by James Vaughan, "Notes on the drugs observed at Aden, Arabia," *Pharmaceutical Journal*, 12:5 (1852). Vaughan's commentary was on the importation of khat into Aden from Yemen, not from Ethiopia. See also Charles Moser, "The Flower of paradise: the part which khat plays in the life of the Yemen Arab", *Geographical Journal*. 93 (1917), pp. 177-182.

³¹Richard Pankhurst states that, around World War I, khat exports from Harer were about 30 tons a year. *Economic History of Ethiopia*, p. 204. To support his assertion, Pankhurst cites numerous sources, although none of them suggests any khat export from Ethiopia, let alone giving actual numbers. Curiously, most of the cited authors visited Ethiopia and had their accounts published long before 1914. To cite a few, Harris, *The Highlands of Aethiopia*, II, (London, 1844), pp. 423-4; Moktar, "Notes sur le pays...", (1877), p. 269; L. Robecchi-Bricchetti, *Nell' Harar* (1896), pp. 129-33; J. W. Jennings and C. Addison, *With the Abyssinians in Somaliland* (London, 1905), p. 54.

of the French colony. There, the majority of khat chewers were Arab merchants and employees of the port facilities. Djibouti's Arab population in the mid 1930s numbered more than 4,000.³² In 1929, the total amount of khat imported into Djibouti was 13 tons valued at 322, 755 francs. In 1931, the amount more than doubled to 29 tons valued at 795, 852 francs, while in the following year Djibouti imported 25 tones of khat worth 344,244 francs. Some of this khat was imported from Yemen, and some was smuggled from Ethiopia through British Somaliland by Somali traders. Khat was imported to British Somaliland illegally across the border by overland transportation because, since 1921 khat had been banned in the British colony. Traders nonetheless continued to choose this route to avoid the high cost of train transportation.³³

TABLE 1: French Somaliland (Djibouti) : Khat imports 1929-1932

	1929		1931		1932	
	(vol)	(value)	(vol)	(value)	(vol)	(val)
Somaliland	6048	109087	479	9,867	-	-
Aden	189	3,894	18793	392997	1560	16087
Ethiopia	6854	209774	9830	392998	3379	83430
Total	13091	322755	29102	795852	25076	344244

Source: Compiled from *AOM*, Carton 341 Dossier 1, Carton 342 Dossier 7 and Carton 342 Dossier 11. Volume is in Kgs and value is in French francs.

³² René Hachette, "L'Importance de la Côte Française des Somalis," *Revue Géographique et Industrielle de France*, 2 (1936), in *AOM*, Carton, 341, Dossier 1.

³³ Archives d'Outre Mer (*AOM*), *Importations, Colonie de la Côte des Somalis*, Carton 342 Dossier 7 and Carton 346 Dossier 11.

The increase in khat trade in the late twenties was assisted by the construction of roads that connected several areas of khat production to the railway terminal. Beginning in the mid-twenties, *Ras* Tafari, then *de facto* ruler of Ethiopia, took a personal interest in promoting road building in several areas of the empire, but mostly in Harerge.³⁴ The paving of the important Harer-Dire Dawa road was completed in 1931, while the Ethiopian side of a track connecting Harer to Hargessa was completed in 1932.³⁵ By 1934, it was possible to travel by car from Harer to Dader in the Chercher district.³⁶ Feeder roads were also completed connecting the Harer-Dire Dawa road to districts such as Gara Mula'ata and the Harer-Asba Taferi road with Bedessa, Hirna and Kunni.³⁷

The roads were used by expatriate merchants who resided in Dire Dawa and Harer mainly to transport coffee to the railway station by wheeled carts. Yemeni coffee traders reasoned that a lucrative khat business was possible, and they purchased the product in Dire Dawa and, after processing it, they exported the leaves by train to Djibouti and thence to Aden. The khat for export was purchased from farmers who brought their product to the town.³⁸

Although in the early thirties khat had become a major cash crop in Harer, the volume of its export was relatively small. Several reasons contributed to the diminished level of

³⁴ FO 371/16996 Barton to Simon, Ethiopia: Annual Report, 1932, January 12, 1933.

³⁵ FO 371/16101 Barton to Simon, Ethiopia: Annual Report, 1931, January 10, 1932.

³⁶ FO 401/34 Barton to Simon, March 31, 1934.

³⁷ FO 401/24 Dunbar to Chamberlain, March 23, 1928; FO 401/34 Barton to Simon February 18, 1933.

³⁸ Interview: Yassin Usman, Dire Dawa, February 20, 1994.

the khat export business. The major roads were built and owned by Emperor Haile Sellassie, a man whom Sir Sidney Barton, British Minister in Addis Ababa in the early 1930s, described as "better at building roads than at putting them to the best use."³⁹ His representatives demanded exorbitant road tolls, thus causing the two or three jitneys that existed then to charge passengers as much as 10 dollars for a single journey between Harer and Dire Dawa. The high cost made automobile transport utterly unaffordable for Ethiopian traders. The Harer-Jijjiga-Hargessa road had been built and owned by Lij Mesfin Keleme Work and Co. and only the Indian merchant Mohammadally had could afford to have his trucks use the road.⁴⁰ Moreover, roads and bridges were frequently washed out during rainy seasons thus, the khat trade remained constricted.⁴¹

C. Khat Varieties, Contemporary Usage and Pharmacology

It is only logical to assume that the increased market for khat leaves would encourage the introduction of modern agricultural techniques. Nevertheless, the cultivation and harvesting methods of khat have remained relatively unchanged over the centuries. Seedlings can be planted year round, but most cultivation occurs between January and March. Growing to a height of approximately four feet, a properly cultivated plant will yield its first crop within two to three years and remain productive for up to seventy-five years. Three to four annual crops are common, but the scant use of fertilizers, extensive cultivation

³⁹ FO 371/16101 Barton to Simon, Ethiopia: Annual Report, 1931, January 1932.

⁴⁰ FO 401/30 Barton to Henderson, March 31, 1931.

⁴¹ FO 401/30 Barton to Henderson, December 31, 1930.

techniques and the absence of adequate irrigation may hamper yield significantly. To minimize damage, all harvesting is done by hand, picking each branch individually. Leaves close to the ground and those falling during harvest are later packed separately and sold as inferior quality (see market brands below).

Khat shrubs thrive best in highland areas. The plant can be raised at elevations ranging from 5,000 to 8,000 feet above sea level. Optimum conditions include cultivation at altitudes ranging from 5,000 to 6,500 feet above sea level, an average temperature between 65° F and 85° F and good drainage. Interestingly, this ideal khat ecology is best suited to the cultivation of coffee. Khat, however, is less susceptible to disease and insects than coffee and other highland crops. Although khat shrubs are extraordinarily adapted to highland ecologies, it is important to note that intense and continuous harvest could kill the plant in the long run.

Until improvements in transportation facilities opened up market outlets in some neighboring countries, most of Harge's khat went for domestic use and markets. The price consumers paid for the leaves depended on the type and market brand which, in the course of time, came to be associated with effectiveness in producing hilarity. Chewers identify several types of khat, although based on cultural practices, farmers distinguish essentially two basic varieties of khat: *dima*, medium-sized reddish leaves and *dalotta*, small, pale, yellowish leaves.⁴² *Dalotta* is less acidic in taste and is preferred by local chewers for its greater effectiveness. The *dimma* variety is said to be physiologically sturdy and more lasting than the *dalotta* and, as the result, came to be

⁴² There are two more varieties, *goba* and *addi*, which are, because of their insignificance in terms of market value and popularity, not classified as major types.

exported in greater quantity than the dalotta.

At the market place, khat is classified under a variety of names signifying quality. The long, tender leaves which bud after the previous year's harvest are referred to as *uratta* and may be harvested at any time of the year. The young tender shoots are known as *Uratta-quertii*, and the slender, leathery ones are called *uratta-quddaa*. If for some reason the *uratta* is left unharvested for more than six month, the new shoots grow to be a new market brand known as *haddaara*, or *Haafaa* or *Ijaanaaqqaa*. If harvested while its leaves are young and tender, *haddaara* khat is referred to as *haddaara-querti*, whereas late-harvested, rough, leathery leaves are known as *haddaara-quddaa*. Leaves that have grown to full maturity are called *quertii*. Sometimes a leafhopper called "quddaa" feeds on the khat leaves at the *querti* stage and retard the maturing process. The farmer stimulates new growth by manuring, weeding and shoring up. The renewed leaves are called *quddaa*, which is considered of high quality and therefore has a very high market value. A poor quality khat with older leaves are left on the tree so that women may harvest and retail them in local markets. This type is referred to as *faaqaa*, or *tacharo* or *chaballa*. If the rains stop before the young shoots, the *uratta*, grow to maturation, the plant becomes retarded and start to die out. If, however, the rains come back or irrigation is made possible, the plant resumes growth, but no longer is considered to provide *uratta*, but *Kara-bulla*.⁴³

⁴³ My description is based on extensive interviews with informants in Harer. Informants: Ahmed Bakar, Haramaya, May 05, 20 and 27, 1994; Abdurahman Emer, Bate, May 10 1994; Abdulahi Ahmed, Ganda Issa, May 5, 1994; Mohammed Yuyu, Ganda Issa, May 11, 1994. Cf. Getahun and Krikorian, "Chat : Coffee's rival from Harar", pp. 361-363. P.C.M. Jansen, *Spices, condiments and medicinal plants in Ethiopia. their taxonomy and agricultural significance*, (Wageningen 1981), pp. 161-165.

As far as usage is concerned, the common method of consumption is chewing. Fresh khat, that is leaves picked two or three days previously at the most, which have kept their moisture, are appreciated by chewers because the more tender and juicy the leaves, the easier it is to chew them and consequently attain the desired state of euphoria. When fresh khat leaves were unobtainable, either a kind of paste made from powdered leaves is ingested or an infusion made by boiling the dried leaves is drunk. Around the turn of the century, caravan transport was slow, and consequently, khat was necessarily consumed dry by those who lived in places distant from the production areas. Very rarely is khat smoked as tobacco or cannabis, although the ends of the twigs and leaves are sometimes crushed and rolled in cigarettes.⁴⁴

Khat has historically served the same function as such mild stimulants as kola in West Africa⁴⁵ and coca among the indigenous people of Latin America.⁴⁶ It is chewed to reduce fatigue and sensations of hunger and thirst--the leaves are extremely bitter and this is probably the property that relieves thirst. Contemporary chewers explain that it has always been customary for political and religious leaders and individual to give visitors khat as a sign of politeness,⁴⁷ while individual hosts were expected to provide a handful of the leaves to friends and guests as a sign of hospitality. Among the Oromo, births, marriages, religious

⁴⁴ United Nations, "Khat," *Bulletin on Narcotics*, (1956). p. 11. Greenway, "Khat," p. 99.

⁴⁵ Paul Lovejoy, *Caravans of Kola: The Hausa Kola Trade, 1700-1900* (Zaria, 1980).

⁴⁶ Catherine J. Allen, "To be Quechua: the symbolism of coca chewing in highland Peru," *American Ethnologist*, 8 (1981), pp. 157-171.

⁴⁷ Burton, *First Footsteps*, pp. 196-197.

festivals were celebrated by chewing khat and on occasions such as funerals⁴⁸ and naming ceremonies, khat leaves were presented as gifts. During the popular *wadaja* ritual --a ceremony of group prayer performed at times of illness, death, or calamity--large amounts of khat are consumed by the participants.

On all of these occasions, khat is chewed until the consumer experiences a pleasurable state of mind called *mirqana* so that he could participate in the activities continuously without displaying any sign of fatigue. Small groups of farmers assemble at various places near fields each morning to rest, converse, and chew the leaf for an hour or two before noon. Khat chewing is always accompanied by the drinking of water or an infusion of coffee husks or milk in order to reduce dryness of the mouth and assist the extraction of the juice. As a rule, only male adults take khat regularly. Khat was also highly regarded by Muslims who report that the plant was a *kutamomia* (that which is blessed by God and given to men through His favor) which was chewed, especially throughout the nights of Rhamadan.⁴⁹

Khat's active ingredients are alkaloids which stimulate the central nervous system. Experience suggests that the amount of the chemicals in the leaves varies with production

⁴⁸ Andargachew Tesfaye, "The Funeral Customs of the Kottu of Harer," University College of Addis Ababa, *Ethnological Society Bulletin*, 7 (1957), pp. 37-39.

⁴⁹ Clarke Brooke, "Khat: Its production, and trade in the Middle East," *Geographical Journal*, 126 (1960), pp. 52-53. Demissie, *The Kottu*, pp. 93-95. Brooke and Demissie were told by Oromo informants more or less the same story regarding the social and religious significance of khat in Harer during the time of their research in the early 1950s and early 1970s, respectively. Robecchi-Bricchetti also reported a similar story seventy years before Brooke. Robecchi-Bricchetti, *Nell'Harrar*, p. 133.

area and variety.⁵⁰ The effect on users also varies from person to person. One consumer suggested to me that he chewed khat not to stay awake or to get high but because he enjoys chewing, indicating that many users are more interested in the social aspect of chewing with friends than in the religious dimension or the simple experience of getting high. Others claim that, contrary to the general perception that khat is a sleep repellent and appetite suppressant, they have gone to sleep or have felt hungry and thirsty while chewing the leaves.

There is very little consensus among scientific researchers regarding the physical and psychological effects of khat. The prevalent assumption is that khat chewing is socially and medically hazardous. Such a conclusion does not take into account the reasons that farmers cite as positive, including relief from hunger, fatigue and thirst, and as a remedy for hundreds of ailments. The active ingredients in khat that have so far been isolated are cathin and cathinone.⁵¹ The latter is said to affect the central nervous system and isolated brain tissues in a manner analogous to the effects of amphetamine.⁵² Some scientists and health professionals believe that these substances are addiction-forming drugs which, if used over a long period of time, could lead to massive deterioration in the health of the chewer⁵³ to

⁵⁰ In the Harer plateau of Eastern Ethiopia, farmers claim that *dimma* khat grown in the immediate vicinity of the city of Harer is more effective and quicker in inducing hilarity than the *dalotta* khat grown in the far western areas of the Chercher highlands.

⁵¹ R. Stockman, "The Pharmacological action of *Catha edulis* and its alkaloids," *Journal of Pharmacology and Experimental Therapeutics* 35 (1913), p. 251.

⁵² P. Kalix, "The pharmacology khat and of the khat alkaloid cathinone," in B. Shahandeh, R. Geadah, A. Toungue, E. Toungue and J. Rolli, (eds), *The health and socio-economic effects of khat use: Proceedings of an international conference on khat*. (Lausanne, 1983), pp. 140-3; R. M. Brenneisen, "Catha edulis Forsk. (Khat): the natural amphetamine," pp. 43-47.

⁵³ Abdullahi S. Elmi, "The Chewing of khat in Somalia," *Journal of Ethnopharmacology* 8 (1983), p. 165. H. Halbach, "Medical aspects of the chewing of khat leaves," *Bulletin of the World*

madness⁵⁴ and even death.⁵ Others indicate that users may become psychologically dependent but argue that it is more appropriate to speak of habituation than addiction.⁵⁶ According to the United Nations Expert committee on Addiction Producing Drugs, khat should not be classified within the accepted definitions of a narcotic or addiction producing drug.⁵⁷ Only France and recently the United States have decided to ban the legal importation of khat on grounds that khat is a addictive drug.⁵⁸

D. Conclusion

This chapter has demonstrated that, even though the precise time and exact place of origin can not be specified, khat has been cultivated in the Red Sea region for several centuries. On the Ethiopian side, particularly in central-eastern part of the country, khat has been grown since the middle of the fourteenth-century. Nevertheless, the cultivation was not widespread because of cultural restrictions against the uncontrolled propagation of the plant.

Health Organization 47 (1972), 21-29; Dr. Kervingant, "The consumption of khat in French Somaliland," *Bulletin on Narcotics*, 11 (1959), p. 42.

⁵⁴ J. C. Carothers. "Mirra as a cause of insanity." *The East African Medical Journal* (1945), pp. 4-6. Carothers views are often mentioned as racist and his characterization of khat (mirra) as a cause of insanity is questionable..

⁵⁵ R. B. Heisch, "A case of poisoning by Catha Edulis," *The East African Medical Journal* (1945), pp. 7-9.

⁵⁶"The Medical and social problems of khat in Djibouti," *Bulletin on Narcotics* (1957), 34-36; Kervingant, "The consumption of khat in French Somaliland," p. 42; H. Halbach, "Medical aspects of the chewing of khat leaves," *Bulletin of the World Health Organization*, 47 (1972), 21-29; Jansen, *Spices*, pp. 156-171.

⁵⁷ United Nations, *Bulletin on Narcotics*, (1957), pp. 34-36.

⁵⁸ *The New York Times*, December 14, 1995. p. A8.

The Hareri people believed that khat was a sacred plant given only to Muslims. Consequently, they jealously guarded it from reaching the Oromo whom they considered lowly and infidels. It was after Harer's defeat at the battle of Chelenqo in 1887 that khat spread on a large scale among the Oromo of Harerge. The latter phase of the spread of khat's cultivation was assisted by the rapid pace of the islamization of the Oromo following the domination of Harer by Christian Shewans. Hence, khat was used as a cultural marker of political domination by the Harari and of political resistance by the Oromo.

The expansion of the culture of khat consumption is closely related to improvements in the marketing and trading of the chewable leaves. Better transportation facilities came with the railroad that connected Dire Dawa with Djibouti and later with the introduction of trucking in the 1930s, especially during the Italian invasion of Ethiopia. The next chapter will analyze the expansion of khat's cultivation within the context of the agrarian system, the changing social process within and around Harerge's farming societies and strategies farmers devised to cope with the changes.

CHAPTER THREE

The Expansion of Khat Production:

The Agrarian System, Population Growth and Production Strategies, c.1935- c.1964

In the late 1930s and early 1940s, agriculture in Harerge highlands involved field cropping, horticulture and cultivation of perennials. The economic mainstay of the population centered on the cultivation of sorghum, other grains, fruits, root and leguminous crops. Coffee was the main cash crop and constituted more than half of Ethiopia's total export until the mid-1920s. Harerge's share of coffee export continued to increase in the subsequent decade, despite high rail charges, inadequate farm-to-market transportation systems and a lack of direct access to world markets.¹ During the Italian invasion, coffee production failed drastically, only to rise again after the liberation. International market prices and conditions remained favorable throughout the 1940s, thereby helping coffee to dominate the export commodity sector of Harerge's economy.

In the early 1950s, when coffee prices fell, production started to decline. Farmers began to replace their coffee trees with khat.² The latter quickly gained a sizeable market in Harerge's urban centers as well as in Aden colony, French and British Somalilands. By the early 1960s, khat not only became a major part of the cropping system in Harerge, but also accounted for 5.3 percent of Ethiopia's total export returns, ranking fifth among all

¹ F. Santagata, *L'Harar: territorio di pace e di civiltà*, (Milano, 1940), pp. 33-78.

² W. J. Darby et al. "Khat," In *Ethiopian Nutrition Survey, a survey by the interdepartmental committee on Nutrition on National Defense*, Washington D.C. (1959), p. 169.

commodity groups. It furnished a large percentage of government revenue and contributed almost fifty percent of the total cash income of farming families. The khat business provided employment for a considerable number of the inhabitants of the major urban centers. By the early 1960s, khat was an important cash crop on which farmers, traders and the government depended for income.

This chapter seeks to analyze khat's transformation from a limited domestic crop to a cash crop sold in local markets and, then, to the most profitable export commodity. The essential questions we pose are those the farmers, traders and consumers asked themselves. How can I make the best use of the land that I have? What cultivation pattern and cropping balance would enable me to provide for my family? How can I increase the yield from my land to keep abreast with the growing number of my family? These seem to be rather simple queries, matters of straightforward answers, but therein lies the main problem of this study.

The difficulty is the material needed to answer many of these questions is inadequate. Interview materials are fragmentary, non-chronological and often silent on important issues. Quantitative data are not available, and the few statistics that exist are notoriously inaccurate. Administrative records are devoid of information relating to agriculture, land use patterns and population distribution. This chapter will nonetheless attempt to extrapolate answers from various data to the central question of khat production in Harerge. I will argue that population growth, the expansion of rapid transport and communication facilities and the monetization of the regional economy were responsible for the commodification of khat. This argument shifts emphasis from the notion that market forces alone brought about the commodification of khat and proposes a more balanced approach that looks at change from

the perspectives of production, consumption and marketing.

My analysis will begin by describing the agrarian system and by delimiting the place of khat in that system in the late 1930s and early 1940s. This will be followed by an explanation of how the limitations on the reproductive capacity of the agrarian system led to the expansion of khat cultivation. Then I will discuss farmers' responses to land scarcity and explain the advantages of cultivating khat.

A. The Changing Role of Khat in the Agrarian System

When analyzing the process of khat's commodification and the place the crop has acquired within Harerge's agrarian system, it is essential to bear in mind two fundamental issues regarding the plant's ecology. First, the khat plant thrives best in well-drained soils at 5,000 to 8000 feet elevation. Situated within this elevation range the Chercher (western) highland, the Gara Mula'ata massif and the Harerge (eastern) highland, have always been major centers of khat production. In these regions, producers consumed nearly half of the khat they harvest and sold the rest to urban dwellers. Except for the Hareri, most of the consumers were ethnically and linguistically distinct from the producers and live chiefly in the semi-arid Shebbelle and Awash plains. Thus, khat historically has been exchanged across ecological frontiers that have also been cultural frontiers.

Second, khat is well suited to areas where perennials and annuals also grow best. One of the major perennials, coffee, unlike khat, is tied to world market structures and has been an important source of foreign exchange. As the result, successive Ethiopian governments have preferred to encourage the production of coffee as the main cash crop and

food crops for consumption over khat. From the stand point of local farmers, however, khat is not a peculiar leaf used by a few "addicts" but an important crop in their farming system and a commodity grown for consumption and the market. Over the last four decades, economies of scale and returns on investments have favored khat and Harerge's highland farmers have increasingly turned to its production on a large scale.

In the late 1930s and early 1940s, Harerge's agricultural economy³ centered on the cultivation of sorghum, which occupied greater acreage than other cultivated plants and yielded more than the combined total of all other grains.⁴ The crop owed its popularity to its adaptability to a variety of ecological conditions, the relatively simple cropping techniques necessary for its cultivation, and its multiple utility. The grain is used as the basic food, the stalks for animal feed and for building small structures, and the roots as fuel and the remaining parts of the stalk and leaves were scattered on plowed fields as fertilizer.⁵ Relatively little of the grain was sold, since Oromo farmers preferred to store any surplus as insurance in case of crop failure. Despite price variations and fluctuations, a quintal of sorghum during the harvest time in November and December, sold for about 7.50 birr (at the time US \$1= 2.50 birr) at the threshing ground. A month later the price could climb to 10.00

³ The starting point of this discussion would be Colonel Comyn-Platt's observation. In 1935, traveling along the Harerge-Dire Dawa highway, he observed that "there were miles of cultivation together with flocks and herds that occupy a scattered population to be seen on either side. They are the Gallas (Oromo), the best agriculturalists in the land [who] have lived and toiled in these parts, the cradle of their birth." T. Comyn-Platt, *The Abyssinian Storm* (London , 1935) p. 71.

⁴ Santagata, *L'Harar*, pp. 33-61.

⁵ L. Miller and Telahun Makonnen, *Organization and Operation of Three Ethiopian Case Farms*, Imperial Ethiopian College of Agriculture Experiment Station Bulletin no. 35. (Dire Dawa, 1965), p. 19.

birr, and in June and July a quintal could be sold for 15.00 birr, with better prices in Dire Dawa if farmers had donkey transport.⁶

Corn, the second-most important crop, was normally sown with sorghum in April and May, but one fast-growing cultivar was planted in early June in gardens or in late May with fast-maturing varieties of sorghum. In most farms, corn occupied less of the cultivated fields and the average yield was low, probably 2 to 3 bushels per acre. In a good year, sole-cropped corn yielded 15 to 25 bushels per acre. Because it was more productive in higher and wetter areas than in lower and drier regions, corn yield as well as the acreage rapidly decreased above 7,000 feet elevation. Like sorghum, corn was used for human consumption and its stalks for animal feed, construction, fuel and fertilizer.

The association of these two crops allowed for distribution of risks and extended availability of food and fodder. Sorghum suffered from none of the diseases which afflicted other cultivated grasses, but was often damaged by severe frost. Corn was harvested in October, before the frost set in, thus sparing a farming household from losing the entire annual harvest. When, on the other hand, a drought or exceedingly heavy rains occurred, corn was damaged but sorghum survived. Furthermore, corn provided the farming household with food at the end of the rainy season, when stored sorghum was used up. More preferred as food, the harvested sorghum was stored for the remaining part of the year. To feed livestock, oversown corn and sorghum fields were regularly thinned, providing daily green fodder during the rainy season. Once dried, corn leaves rotted and disintegrated rather

⁶ Clarke Brooke, "The Durra Complex in the central highlands of Ethiopia," *Economic Botany*, 12:2 (1978), p. 199. The research for this article was done in the early 1950s as part of the author's dissertation fieldwork.

quickly, thus sorghum leaves were used as fodder until the next season.⁷

Barley and wheat were important highland crops at elevations above approximately 7,500 feet. At lower areas, they occupied relatively small acreage, chiefly small fields and in plots planted late in the sowing season after a partial failure of sorghum. As rotation crops, barley and wheat were usually planted in June and harvested four months later in October, a full month or two before the major sorghum harvest. In lower elevation areas, they served as substitutes when the two coarse grains failed to yield due to soil exhaustion, catastrophic damage to young plants or pests. Moreover, when fields were left unsown in April and May, owing to labor scarcity, farmers put in wheat and barley in July and collected the harvest before sorghum harvesting season.

The major leguminous crops common to all villages in the Harerge highlands were fenugreek and beans. Their importance lay in their early maturity and low moisture requirements. These legumes were interplanted with sorghum and corn and required no additional labor investment in seed bed preparation, hoeing, and thinning. In most areas, two harvests were taken between April and December. Most of the fenugreek was used in food preparation, and beans were sold for as high as birr 15 per quintal. Very little fenugreek were sold. In some areas, especially to the east and south of Harer, peanuts were planted with grain sorghum and corn and much of it was sold in markets in small and major towns.

Farmers planted perennials such as coffee and khat. In the 1940s, rising demand made coffee a cash crop of choice, and the good price of those years enriched producers. In the immediate decade before the Italian occupation, Ethiopia's coffee annual export averaged

⁷ Ibid.

15, 000 tons and showed a steady rise in volume, reaching 18,000, 19,000 and 20,000 tons in 1934, 1935 and 1936, respectively. The value considerably exceeded the volume figures obtained in those years,⁸ and rising prices led to increased production in Harerge, particularly in the Chercher highlands.

The occupation years saw a precipitous decline in coffee production. In fact, there were no export in 1938 and 1940 altogether.⁹ Following the liberation, coffee exports began to rise in response to war time high prices and demand. Harer's coffee in particular benefited from the Middle East's willingness to pay inflated prices. Consequently, Ethiopian coffee export reached a total of 2 to 3 million sterling in 1944-45, and much of this came from Harerge. War time inflationary prices provided farmers the incentive to increase coffee production. The profitability of the coffee business in the 1940s was so attractive that high ranking Ethiopian government officials, including emperor Haile Sellassie, started to engage in it.¹⁰

Throughout the 1940s, coffee was first in importance among the cash crops of the Harerge highlands. In the densely populated Harer highland, it had enjoyed a similar status in the pre-war period. During the occupation, Italian price controls discouraged the small cultivator from increasing or even maintaining previous levels of production. In 1938, Emilio

⁸ FO 371/53561 Cook to Bevin, May 22, 1946

⁹ R. Pankhurst, "A Chapter in Ethiopia's Commercial History: Developments during the Fascist Occupation," *Ethiopia Observer* 14:1 (1971), p. 64.

¹⁰ A German national called Frederick Hall was employed by the emperor to operate in his behalf. He installed a coffee cleaning machine in Harer and the factory functioned under monopoly rights to handle all the coffee produced in the province. FO 371/80232, Reports from Harar consulate by Major Pink, March 9, 1950.

Scarin reported seeing extensive fields of unharvested, ripened coffee in the vicinity of Harer. Thousands of acres were cleared of coffee trees and planted with cereal and other crops. Much of Hareri coffee, which constituted a significant portion of Ethiopia's coffee exports, came mainly from the Chercher highland.¹¹

Before the Italian invasion, khat was a part of the cropping system of the Harerge highlands, but it did not occupy a significant portion of the crop fields. In Chercher, khat was often bench-terraced and always planted on the contours, especially in the area between Deder and Hirna.¹² Christian settlers despised khat chewing and entered into sharecropping agreements only with those farmers who rented their lands to cultivate grains. Moslem Oromo farmers grew their own khat and sold small amounts in Harer town.¹³

In the early 1940s, because domestic and foreign demand remained low, farmers had very little incentive to expand their khat plantations. Whatever little demand that existed in urban centers was satisfied by the production in the Harerge highlands, not in the more distant Chercher. One legitimate question in this regard that might be asked is why farmers in Harerge did not revert to coffee production to participate in the expanding coffee market of the 1940s. The existence of coffee trees that are about forty years old around Harer in the present suggests that some farmers did start planting coffee in the mid-1940s. Nevertheless, since it took at least five years for coffee trees to yield harvests, the time span of less than a decade was not sufficient for Harerge highland farmers to have joined the coffee boom, for

¹¹ Scarin, *Harar*, p. 102

¹² FO 371/53461 Scrivener to De La Warr, March 15, 1946.

¹³ Santagata, *L'Harar*, p. 67-68

the price slump started in 1951. More importantly, by the early 1950s, as we shall see in the next chapter, improvements in transportation facilities in the region had made khat a very competitive and viable cash crop which farmers preferred to coffee.

Although coffee was planted extensively in Chercher, perennials did not occupy large portions of acreage and labor in Harer highlands. Most farming families were inclined toward producing food crops for household consumption, although they planted mostly tree crops to generate cash to cover taxes, clothing and other non-farm goods. This strategy was predicated on and worked well as long as there was enough land to which cultivation might be extended.

By the 1940s, however, arable land was not readily available. The land tenure system that evolved over more than five decades had reduced the amount of land available for cultivation. In the next few pages, I will discuss the limitations on maintaining the cropping patterns presented above, analyze the various ways in which farmers responded to the problem of land scarcity and argue that the expansion of khat cultivation in the 1940s represented the farmers' strategic response to the crisis within the agrarian system.

B. Population Growth and Land Scarcity

The province of Harer occupied an area of 259,800 square kilometers and, in 1941, contained a population of approximately 1 million.¹⁴ The distribution of population was conspicuously uneven due largely to the geographical and topographical characteristics of

¹⁴ According to Santagata's estimate of 1938, Harerge's population was 1.5 million. This figure includes the provinces of Arsi and Bale. If we subtract, the population of these provinces which he estimated at 185,000, we will get a total population of 1.2 million. See Santagata, *L'Harar*, p. 92.

the province. The Shebbelle and the Awash plains were sparsely populated by various pastoralist Somalis who occupied vast areas with their cattle while the Harer and, to a lesser extent, the Chercher highlands were densely settled by agriculturalists. Thus, the distribution of population did not relate to the potential productivity of the land. The latter was plentiful where population densities were low, whereas labor abounded where land was scarce. The resource imbalance worsened with natural population increases, presaging adverse effects for the agrarian system.

Population census data are not available to undertake a quantitative analysis of the relationship between demographic changes and agricultural production in Harerge in the 1940s, but there are various estimates which could help paint a hazy picture of population densities. An Italian study of Harerge highlands, published in 1942, puts population density in the higher elevations at 60 persons per square kilometer and in the middle range altitudes at 100 persons per square kilometer.¹⁵ Italian population figures must be treated with caution because most have tended to minimize Ethiopia's population. Compared to later estimates, this particular Italian figure for Harer seems an obvious underestimation.

Calculating on the basis of figures obtained from the voter registration for the first parliamentary elections of 1956, an Ethiopian geographer, Mesfin Wolde Mariam, argued that Harerge's rural densities were over 100 persons per square mile in some areas. This conclusion, which the author believes is a conservative estimate, would mean that population

¹⁵ Scarin, *Hararino*, p. 95

in Harerge had doubled in little more than a decade.¹⁶ Since the Ethiopia's annual rate of population increase in the 1940s and 1950s was only 1 percent, Harerge's population could not have doubled in a decade.

Mesfin's projections were corroborated by estimates given by Clarke Brooke, an American geographer who conducted field work in Harerge in the early 1950s. The study indicated the existence of a relatively dense population on the plateau areas lying between 5500 and 8000 feet elevation. According to the researcher, Harerge's average rural population density was 150 per square mile with local variations from 75 to 400 per square mile. Areas estimated to be the most densely populated, i.e., greater than 150 per square mile, were situated between approximately 5800 to 7200 feet, specifically in Karsa, Haramaya, Gara Mula'ata, and Kombolcha districts, the vicinity of Fedis, and the areas east of Harer as far as Kocher west of Jijjiga. The average density of rural population in the Chercher highlands was approximately 75 per square mile.¹⁷

Although these estimates were not based on accurate census data, they point to the fact that Harerge's rural population had greatly increased in the ninety to hundred years before the 1940s, corresponding to the transformation of the Harer Oromo from livestock herding to sedentary agriculture. Studies in other parts of Africa indicate that the impact of a growing population density on the pattern of land use becomes apparent when population rises to a point where farming communities enlarge their cultivated areas to the extent that

¹⁶ Mesfin W. Mariam, "An Estimate of the Population of Ethiopia," *Ethiopia Observer*, 1961, p. 138. Censuses taken later repeatedly confirmed the accuracy of Mesfin's estimates.

¹⁷ Clarke Brooke, "The Rural Village in the Ethiopian Highlands," *Geographical Review*, January, 1959, pp. 61-62.

there is no longer sufficient land to permit effective bush fallowing. It has been suggested that this may be expected to occur when the density reaches 150-220.¹⁸ According to the evidence shown above, over extensive areas of the Harerge highlands, this density was reached in the late 1940s.

In the 1940s, nearly all of the Harerge Oromo were agriculturalists and occupied vast areas of Harerge. Sedenterization put pressure on the resource base of the region, especially on land. New lands for crop production and livestock management, once generously sufficient nearly everywhere in the highlands, were sparse in most parts of the zones favorable for agriculture.¹⁹ There were changes in land use management, relative variations in the size of holdings and land shortages. These changes were symptoms of high population density, as the result of which land became more limited in relation to labor.

Aggravating the problem of land scarcity were the landholding and inheritance systems. In chapter 1, we have seen that the allocation of land to settlers, the Orthodox church, civilian as well as military officials had decreased the land available to the Oromo farmers. In the late 1930s, there were an estimated 300,000 new settlers in Harerge to whom land was assigned. It is not difficult to imagine the severe strain emigration would bring on arable land and on production levels, but additional pressure was brought on by the land privatization scheme introduced by the restored Ethiopian government. Intent on increasing revenue and enlarging its political constituencies, the government assigned land

¹⁸ A. T. Grove, "Population Densities and Agriculture in Northern Nigeria," in K. M. Barbour and R. M. Prothero, eds., *Essays on African Population* (London, 1961), pp. 115-36.

¹⁹ Interview: Mummied Ahmed Umer, Ganda Issa, Haramaya, May 9, 1994; Hajji Mume Kiko, Bate, Haramaya, May 20, 1994.

in lieu of pensions (*metoriya*) to individuals who served during the war and in various government capacities. Others, who had been previously granted government land, converted their holdings to a free hold.²⁰

The result was concentration of land in few hands. Whereas land had been divided into measured (*qalad* or *gasha*) and unmeasured lands (*shibetta*), between 1947 and 1952, new measurement schemes converted to qalad to hectares (1 qalad= 40 ha). According to the new measurement, out of a total of 733,059 hectares of measured land in Hareрге, there was 537, 084 hectares of *gebar* land (73%), 73,110 hectares of *maderia* (10%), 54,131 hectares of *semon* (8%) and 68,734 hectares of government land (9%). A detailed analysis of land ownership statistics shows that a total of 1,042 hectares were shared among 21 percent of the total number of land owners, with an average size of 0.0044 hectares. About 3.4 percent of the land was shared among 44% of the land owners, with an average size of less than 40 hectares, while roughly the same number of owners, or 44.6 percent, possessed 13.4 percent of the total land. More interestingly, 25 persons alone or 0.2% of the total number of land owners, possessed 74.6 percent of the total land (measured and unmeasured) or 1,245,915 hectares. On closer examination, one finds that 95.4 percent of the total land was

²⁰Under the new system, private lands comprised several type of holdings. The main categories included the *gebar meret*, land over which the holders exercised the right to transfer either through sale or inheritance; *maderia* lands, originally granted by the government in lieu of salary and recognition public service but which holders gradually converted to freehold; and the *rist-gult*, lands which were generally granted to dignitaries with distinguished service to the government. Lands which the Ethiopian Orthodox church acquired through grants and transfers were generically referred to as *semon* and were held as private property. Any property which was not classified under one of the two main categories was by definition government property.

owned by two individuals whose share broke down to 78.3 percent and 21.7 percent.²¹

Land that was previously designated as shibetta was renamed *kuter geber* land. This type of land was scattered throughout Harerge province, just as were the measured hectare lands, but the *kuter geber* was more typical in Harerge highlands than in Chercher, where the average holding was considerably larger. As in the case of hectare land, *kuter geber* was also concentrated in few hands. An analysis of the *kuter geber* land in general indicates that 95.4 percent of the land owners possessed less than 1 *kuter geber* land, of which only 25.4 percent had an average size holding amounting to 0.5 *kuter geber*. A mere six people, or .01 percent of the owners, commanded close to 64.4 percent of the total *kuter geber* land. Of these, one person alone had a share of about 99.3 per cent, or 63.9 per cent of the total *kuter geber* land, which is held in the form of *rist-gult*.²²

The concentration of land in the hands of few individuals had two closely related implications for agriculture. Landlords controlled access to a non-negligible part of the arable land, estimated as close to 25 percent of the total arable land at the time. Second, as population increased, land scarcity became a major factor influencing farming strategies. In most cases, absentee landlords rented out their lands under tenancy agreements which took several forms of sharecropping. Yet, because their land properties were also a source of fodder, timber and fuel, landlords were not always eager to employ sharecroppers. They derived income from selling the mentioned resources, often letting local people to use them

²¹ Seleshi Wold-Tsadik, *Land ownership in Harerge province*, Imperial Ethiopian College of Agriculture Experiment station Bulletin no. 47 (Dire Dawa, 1966), pp. 18-19.

²² *Ibid.*, pp. 13-20.

for charges of 6 to 10 birr per cow. These two factors accounted for the diminishing size of lands from which farming families were expected to earn subsistence.

Just as the concentration of land in a few hands limited access to land, the Oromo inheritance system also adversely affected land use and agricultural productivity. The Oromo were patrilineal, with property passing from fathers to sons or daughters in the extreme case. Sons took precedence over daughters, though the latter are not entirely excluded from the system. When a holding was to be divided, the portion received by daughters is much smaller, often 1/6th than that of the sons. Normally at death, therefore, land was transferred to the heirs of the cultivator. This was probably a residual of a communal system of landholding that had governed the pastoralist Oromo and those who lived beyond the administrative reach of the emirs of Harer.

In a society where population growth rate is high, a partible inheritance system frequently results in a break up of land since the inherited land must be shared between sons at the farmer's death. A common consequence is yield reduction which often leads to a subsistence problem for the entire agrarian system. Historically, pre-industrial farming societies have responded to land scarcity and the subsequent reduction in yield either by increasing productivity or limiting the rate of population growth.²³

²³ David Grigg, *Population Growth and Agrarian Change: An historical perspective*, (Cambridge, 1980), pp. 29-47.

C. Farmers' Responses to Land Scarcity

In Harerge, farmers' attempted to increase productivity by augmenting the cultivated fields through vegetation clearing or, to put it in the farmers' words, "claiming land from the forest." It is probable that woodland was at one time much more extensive in the Harerge highlands than it was in the 1940s. The growth of the sedentary population with its increasing needs for crop land, wood for structures and fuel, and the practices of unrestricted browsing reduced the wooded areas to patches on the plateaux between 7000-8000 feet elevation where most of the population live.²⁴

If we take the district of Kombolcha, for instance, land clearing was a long standing phenomenon that seems to have intensified in the 1940s. Terracing and manuring were practiced to a limited extent, but in nearly every settlement, land clearing for cultivation purposes was in far greater evidence than the techniques of preservation. Large parts of the hill areas and the slopes are today covered with very old terraces which are currently abandoned or left to fallow. An examination of aerial photographs taken in the early sixties shows that the landscape has not changed significantly since that time, thus clearly indicating that most of the land clearing activities in this area were completed by the early 1960s. The normal cycle of fallowing before land is recleared for cultivation ranged from fifteen to forty years. This means, land clearing started before the 1940s and significantly reduced, if not stopped altogether, in the early 1960s.²⁵

²⁴ Brooke, "Settlements," pp. 171-172.

²⁵ Georges Risoud, *Evolution of the Peasant Agriculture in the Eastern Harerge highlands: Development Prospects*, Farming Systems Research, Alemaya University of Agriculture, Mimeo, (Alemaya, 1987), p. 17.

Where vegetation clearing was not possible, farmers increased their cultivated fields through reduction of the fallow areas. This practice was prevalent in the 1950s and was most intensive in the regions surrounding Harer town. Studies conducted in the mid-1980s on the farming systems of Tula and Kako, two villages north of Harer, show that, thirty years before, fallow areas used to represent approximately 26 percent of the total arable land in the afore-mentioned localities. In the early eighties, fallow land dropped to 10 percent of the arable area in Kako and 22 percent in Tula. Taken together, fallow area in the two regions fell by an average of 15 percent in forty years. The fact that the landscape has not changed much since the early 1960s suggests that the reduction in fallow areas occurred before the 1960s when the process apparently stopped.²⁶

Studies from other African regions show that, after the disappearance of reserve land, further intensification must take the form of increased inputs of manure or fertilizers, labor, or changes in farming practices in order to keep production abreast with population increase. But for intensification to take place, it has been suggested that population density must reach a critical level of 200-250 persons per square mile.²⁷ As indicated earlier, this point was reached in some places in Harer highlands in the 1950s, but intensive cultivation was not much in evidence there probably due to the lack of increased inputs. Manure resources fell below the level necessary for maintaining soil fertility because of the decline in the number of livestock caused by reduced grass fallowing. The end result was a significant drop in

²⁶ Ibid., p. 22.

²⁷ W. Allan, *The African Husbandman* (London, 1965). See his formulation of critical population density.

production. Harerge's farmers, showing little tendency for outmigration, resorted to deforestation, parceling of farm lands, and farming on marginal lands. Their response to land scarcity and declining production was extensification of cultivation as long as land was available²⁸

Intensive cultivation was limited to dry season production. Beginning in the early 1960s, farmers turned to cash crops owing to their ability to irrigate their lands during dry seasons. Dry season production was for the most part limited to the production of perennials. In the 1960s, it was not unusual to see irrigated vegetable gardens, fruit and coffee orchards in the vicinity of Harer, but generally irrigation was used in khat production which, as we will see below, was more profitable by any measure. Extensive use of irrigation was made possible by water pumps which farmers were able to purchase from khat profits.²⁹

The three strategies outlined above were essentially temporary tactical responses to a long term problem. Extensification was an effective solution only as long as sufficient arable land existed, intensification required inputs such as fertilizers which were not readily available and irrigation solved farming problems only where there was enough water. To put it simply, these strategies eased or put off the problem of land scarcity but did not eliminate it completely. The agrarian system remained under severe demographic pressure, despite the overall augmentation of the land area, reduction of fallowing time and some improvements

²⁸ Demissie G/Michael, *Land Tenure in Bate*, Imperial Ethiopian College of Agriculture Experiment Station Bulletin No. 49, (Dire Dawa, 1966). 7-14. Central Statistical Office. 1972, p. 32.

²⁹ M. E Quenemoen, Darrell Watts and Yack Mosley, *The Economics of Irrigation with small pumps in the Chercher Highland*, Imperial Ethiopian College of Agriculture Experiment Station Bulletin, no. 58. (Dire Dawa, 1968), pp. 25-43.

in farming techniques.

The effective strategy proved to be the shift to high cash-income perennial crops. Coffee never recovered its pre-World War II status as the premier cash crop in the Harerge highlands, even under the favorable market conditions of the 1940s. For the areas close to Dire Dawa and the farming regions within 15 miles on both sides of the Harer-Dire Dawa highway, khat was the cash crop of choice for most farmers. Increasing demand for khat from the Horn of Africa and Arabian peninsula, which will be discussed in the next chapter, had stimulated production, but the shift to khat cultivation was one in a series of decisions that farmers made at the farming system level in response to the limitations population pressure imposed on the agrarian system. To substantiate this assertion we may look at two areas where the agrarian landscape has changed completely as the result of expanded khat cultivation. These are Tula and Kako, located about 5 miles to the north and 10 miles to the northeast of Harer, respectively.

In Tula, khat had been under cultivation for a long time. Nineteenth and twentieth-centuries travelers' have consistently reported observing khat fields in the district. In the early 1940s, as farmers did elsewhere in Harerge, Tula farming communities devoted much of their land to the cultivation of sorghum, corn and other grains but grew some khat for consumption and for retail in Harer market. Interviews with elderly farmers indicate that, in the early 1940s, khat began gradually to replace the customary sorghum-maize cropping

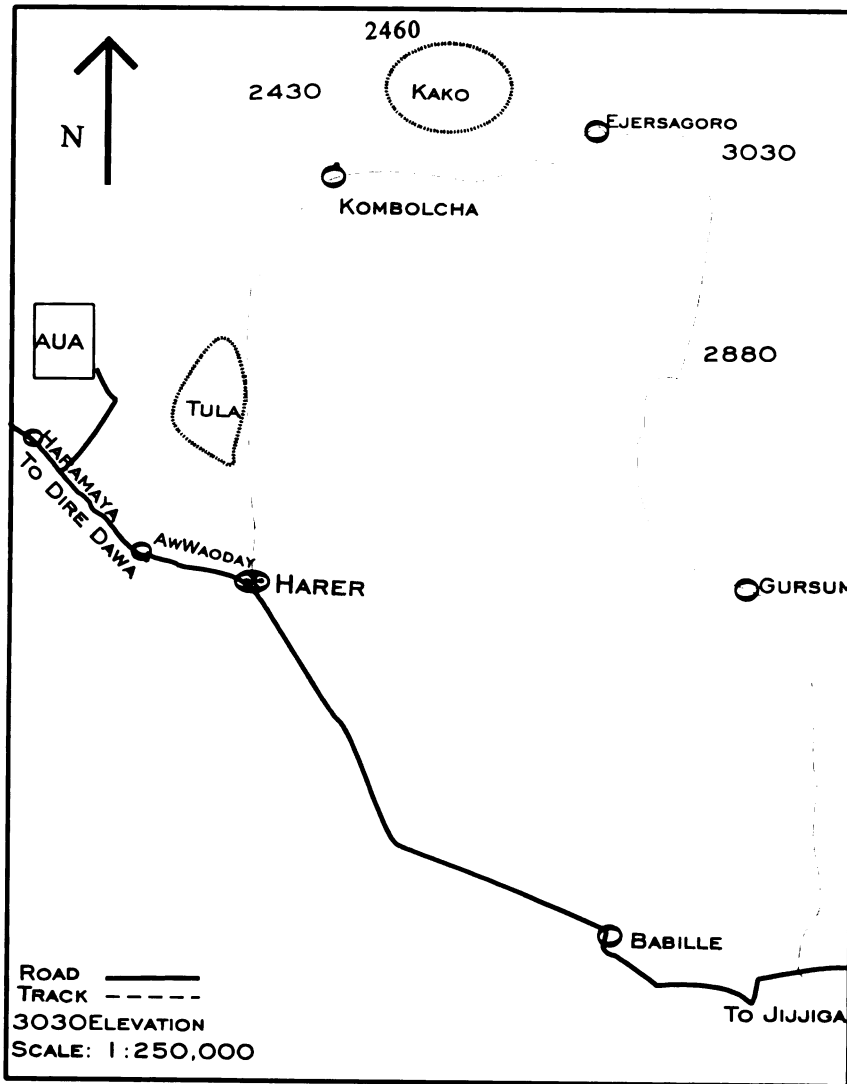


FIGURE 3
LOCATION OF TULA AND KAKO

pattern.³⁰

One study shows that the cultivated land in Tula belonging to six farming families increased by 36 percent between the time of inheritance (1940s) and the 1980s. In 1986, khat covered 40 percent of the arable land and 68 percent of the total cultivated area. The shrub was sole cropped on less than 10 percent of the total cultivated area, whereas it grew on 50 to 55 percent of the reclaimed hillside areas. If one considers the total field under cultivation, hillsides or other areas, khat is grown in association with other crops on more than 80 percent of the planted areas.³¹ A similar study of the cropping patterns at Tula shows that farmers began to plant khat trees on land that used to be under food crops in the 1940s. The substitution process lasted less than two decades. From the mid-1950s onwards, Tula farmers continued to expand khat plantation but at a much slower pace and in association with cereal and root crops.³²

In Kako, the story is slightly different. According to oral information, khat was not cultivated there on a significant scale until the 1920s. Coffee was the main cash crop, reaching its production peak in the late 1930s. A few farmers still own some coffee trees planted by their parents, but in general, it has been replaced by khat. A study of the cropping patterns of eleven farming households in Kako shows that the area covered by khat increased

³⁰ This replacement scheme was carried out by the generation which preceded my informants who established a family approximately fifty years ago. The present informants inherited land with some khat at the time of marriage but, rather than maintaining subsistence farming, increasingly shifted to cultivating the more profitable khat. Interview: Mumed Ahmed Umar, Ganda Issa, Haramaya, May 9, 1994; Mussa Botto, Ganda Gole, Haramaya, May 23, 1994.

³¹ Herve Wibeaux, *Agriculture in the Highlands of Harerge, Kombolcha area: Study of Six Farms*, Farming Systems Research, Alemaya University of Agriculture, 1986. pp. 42-44.

³² G. Risoud, *Evolution of Peasant Agriculture*, p. 38.

an average of 55 percent in a matter of a generation. At the time of inheritance or the time the present generation established families (the 1940s), khat constituted 17 percent of the arable land belonging to the eleven families. In 1986, khat covered 23 percent of the area under cultivation. The expansion of khat cultivation stopped in Kako from the late 1970s onwards due to the adoption of potato and vegetable crops. Khat plantation grew by 6 percent in less than three decades.³³

The difference in the pace of change between Tula and Kako is a function of their geographical location. Tula is closer to Harer, and farmers were able to make daily trips to the main market there. After the completion of the Harer-Dire Dawa road, Tula farmers were able to sell their khat along the highway (see chapter 5 for the purchasing methods of khat in the 1950s). The selling price was much higher on the roadside markets than in the small local markets such as Kombolcha because the purchasers were agents of large exporters based in Dire Dawa. The effect of Tula's geographical proximity was in evidence even in the early 1980s.³⁴

The process of change in these two areas reveals some important issues in the agrarian system. First, the evolution of the cropping patterns points to an underlying logic that informed farmers' decisions regarding farming strategies. The intensification of cultivation as exemplified in the development of association of crops and the increasing emphasis on cash crops, reveal that most farming families in Harerge had a shared notion of maintaining food self-sufficiency while enhancing the farming system's capacity to produce

³³ Ibid., p. 40.

³⁴ Wibeaux, *Agriculture of Harerghe*, p. 120.

for the market and to maximize cash income. It also points to the importance of speedier transportation in the development of khat plantations. It is no coincidence that, areas emphasizing the cultivation of khat are those regions that lie on both sides of the Harer-Dire Dawa road.³⁵

A closer look at the agrarian system shows a general trend toward a gradual expansion of the land committed to khat cultivation. Between 1954 and 1961, the acreage devoted to khat production in Harerge more than doubled, from 7,400 to 17,300 acres; and these figures presumably excluded those farms where khat was intercropped with other staples.³⁶ As demand slowly grew for two decades after the Italians were expelled, farmers extended their khat fields by planting the shrub on hillsides and on marginal lands where erosion was severest. On good arable lands, where erosion was not a major problem, staple crops were cultivated by most farming families in order to meet their household food requirements. Photographs taken in the 1950s show that most hillsides in the districts of Haramaya, Kombolcha, Harer and the eastern extremity of the Chercher highlands and the entire area of the Dhengego Mountains were covered by khat trees planted on terraced benches, while the lower plains were devoted to sorghum, corn, vegetables and grazing fields. Such cropping patterns are evidence that, in the late 1940s and 1950s, the cultivation of khat was extended to marginal lands, not at the expense of food crops.

It is not incorrect to assume that khat was a crop which provided the technical answer to the problem of severe land shortages which had dogged the agrarian production system

³⁵ Kombolcha, Haramaya and Hundene districts as well the Dhengego Mountain.

³⁶ Getahun and Krikorian, "From Coffee to chat," pp. 357, 370.

for a long time. Derek W. A. Peters, a British Colonial Service scientist who visited khat plantations in the Harerge region in the early 1950s explained why farmers' preferred khat as their main cash crop. One reason was the shrub's proven ability to provide long term yields. The scientist observed many khat fields where the main crops were obtained from trees that were about thirty years old. Farmers also extended the productive life of khat trees to more than seventy five years by yearly pruning and protecting them from indiscriminate animal browsing .³⁷

The second reason for khat's success was related to the agrarian system's labor allocation patterns. Basically, khat needed little maintenance, taking little labor away from other crops during the annual crop calendar. Normally, the cultivation, shoring up and manuring of khat trees occurred during months when the farmers would be idle otherwise. The heaviest amount of labor in khat's annual maturation cycle was, as today, guarding against theft at night, a time farmers do not need for other productive purposes. Only the cultivation of irrigated khat slightly overlapped with seed bed preparation, sowing and cultivation of other crops, although the practice was not widespread in the early fifties. Where khat was irrigated, the labor loss to other crops was more than compensated for by the extremely high price paid for the leaves during the dry season. As a commodity well integrated into the production cycle of other crops, khat provided farming families with

³⁷ D. Peters, "Khat: Its history, botany, chemistry and toxicology," *Pharmaceutical Journal*, 169 (1952), p 16. Similar claims are echoed by the present generation of farmers who describe khat as an insurance crop. They express gratitude to their fathers who planted and handed down khat fields to them and vow to follow in the footsteps of their parents and hand down khat fields to their children. Khat thus allowed farmers raise cash income over several generations without endangering the subsistence requirement of the family, an almost a universal claim of my informants.

necessary cash income without requiring much additional labor input and without disrupting the agricultural calendar.³⁸

Thirdly, khat exhibited characteristics innate to a classic cash crop. It was easily sold and often fetched high profits throughout the year. In this regard, it contrasts sharply with coffee. In the first place, coffee prices were declining in the 1950s, and the crop became less marketable than khat. Khat held a competitive edge over coffee in providing at least two crops a year or up to five crops if irrigation was used. In the case of coffee, a good harvest year was followed by a year of dormancy. Put another way, an investment in coffee did not promise an annual return every year, leaving the farmer unable to purchase non-farm commodities.³⁹

Research has constantly shown that farmers think that khat brings better returns on investment than other crops. Two studies carried out in the early and late 1960s have shown that khat accounted for 30-50 percent of the total annual family cash income and 40-60 percent of the total value of family's home-produced foods. The study of the latter period was done in a district where khat trees occupied only 13 percent of the cultivated land. When asked what revenue they received from one khat tree, farmers have told researchers that they earned at least birr 10.00 yearly, as compared to birr 1.00 from coffee.⁴⁰ My informant Hajji

³⁸ For annual cropping calendar and labor usage pattern, see C. Langlais, M. Weill and H. Wibeaux, *Farming Systems Research: preliminary report and future programme*, Alemaya University of Agriculture, Mimeo., May 1984, appendix. Additional information obtained from: Informants: Mumed Ahmed Umar, May 12, 1994, Ganda Issa, Haramaya; Abdullahi Ahmed, Ganda Issa, Haramaya, May 10, 1994.; Mumed Munan, Ganda Lucha, Haramaya, May 07, 1994.

³⁹ Interview: Abdulhafez Yusuf, Gand Lucha, Haramaya, May 5, 1994.

⁴⁰ Getahun and Krikorian, "Chat from Ethiopia," p. 357; Tilahun and Miller, *Organization and Operations*, p.

Abdi Baker has responded to a similar question in the following way.⁴¹

Q: How much coffee and how much khat can you collect from one tree of each?

Hajji Abdi: In the best year you could harvest 5 kg of coffee and 1 kg of khat.

Q: and for how much can you sell 1 kg of each?

Hajji Abdi: When prices are good, we sold 1 kg of coffee for birr 10 and 1 kg of *uratta* khat for birr 500.

Q: So it is more profitable to plant khat?

Hajji Abdi: Ohhhh! you are comparing a slave to a free man, to tell you the truth. Coffee is slavery, khat is freedom. Look, if we harvest coffee this time of the year, we can come back to it only next year or two years from now. What is the coffee farmer to do in the interim; eat the earth? The khat farmer can harvest every month. Coffee is useless. Our fathers cultivated coffee because, in their days, there was no foreign market for khat, and they all died of lice (they were destitute). None of them had even a shirt. We, their sons live like *ferenjis* (foreigners).

The fourth advantage of cultivating khat was the shrub's adaptability to a wide range of soil conditions and rainfall areas. Peters found that khat was cultivated on terraced hillsides, interspersed with coffee trees. On lands that sloped rather gradually, khat was intercropped with sorghum, meaning that, in the late forties and early fifties, khat did not compete for land with food crops, because it was cultivated on marginal lands where major grains did not do well on them. Intercropping, therefore, allowed for a more productive land use management in a way consistent with the overall farming strategy of maximizing cash income while maintaining food self-sufficiency.⁴²

Finally, khat had a remarkable capacity to resist diseases and drought. Peters

⁴¹ Interview: Hajji Abdi Baker, Ganda Lucha, Haramaya, April 4, 1994.

⁴² Interview: Ahmed Amit, Ganda Gole, Haramaya, May 5, 1994; Khalifa Hajji Ali Boru, Ganda Lucha, Haramaya, May 6, 1994; Ganda Lucha, Haramaya.

observed that the trees relied entirely on rainfall, since the use of irrigation was quite minimal. For khat, the incidence of rain in one season rather than the amount of the annual rainfall was the important element for success. In times of protracted droughts, farmers usually removed all leaves on the khat plant as a measure against excessive transpiration and induced the plant to dormancy until the rains came back. Moreover, Peters observed that no disease appeared to afflict the khat tree, even when the adjacent coffee trees were seen dying.⁴³

D. Conclusion

Under most circumstances, an expansion of cash crop cultivation is explained in terms of demand and marketability. The ability to reach distant consumers might well have been key to the rapid expansion of khat cultivation and marketing, but focusing on market-based explanations alone may be ignoring the rationale of production that motivates farmers at the farm level. Agricultural change is not necessarily a function of forces independent from the farm field. Farmers' decision to shift to a new cash crop must be seen within the context of the advantages and opportunities the new crop offers to improve the agrarian system's reproductive capacity.

Yet, this assertion should not be misconstrued to mean that external forces do not play any role. No producer will produce a commodity for which there is no demand.

⁴³ Peters, "Khat," p. 16. The disease resistant nature of khat became even more important after a coffee berry disease (CBD) swept through much of East Africa in the 1970s. Whereas most coffee trees died, nothing happened to khat. Interviews: Dejene Ayele, Harer, Coffee Processing Expert, March 4, 1994; Te'ame Tiku, Harer, Coffee Protection Expert. Harer, March 4, 1994; Debebe Assefa, Agricultural Extension Expert, Harer, March 4, 1994.

Farmers make the choice of what kind of crop they should plant at any particular time based on the realities of the farming system. Demand is not the only factor, but one among many, that influences the decision-making process. Therefore, the argument about the expansion of production must be presented in conjunction with an argument about change in the scope and pattern of consumption which led to more demand that stimulated production. In the next chapter, I will discuss the spread of the culture of khat chewing in the Horn of Africa region.

CHAPTER FOUR

The Political Economy of Khat Consumption, c.1935- c.1964

Khat has been consumed in the Red Sea region for at least a millennium and in some parts of Ethiopia (including Harerge - the focus of this study) for at least 700 years. At this early stage, it was produced mainly for household consumption, for gift or expression of hospitality, for alertness and for conviviality at religious and social occasions. It is likely that some quantity was used for barter in small regional markets. The majority of users have been Muslims who, for religious reasons eschewed alcohol, and chewed khat to stay alert during long nights of prayer. The area of consumption was determined by the perishability of the leaves, which lost their desirable properties if transported for more than two days. The leaves were safely transported by donkeys and human porters to a distance of fifty miles or so from the production areas, which effectively became the radius within which they were consumed. In the absence of rapid means of delivery, the stimulant was used and appreciated by well-off people and those who produced it for their consumption until, in the twentieth-century, modern transportation made it easier to move khat over greater distances.

The recent increase in khat consumption is the result in part of improved transportation systems which had gradually expanded since the turn of the century. Rapid transport facilitated the delivery of fresh khat and consequently increased demand in the Horn of Africa. This chapter will attempt to account for the emergence of khat as the most desired stimulant in that region by analyzing the socio-economic changes which the societies

in Northern Somalia, Djibouti and Eastern Ethiopia experienced since the 1930s.

The analysis begins with a discussion of construction of road networks and beginning of commercial trucking which facilitated the delivery of fresh khat to areas where it had not been available before. Then it outlines the spread of khat consumption within and outside Ethiopia, shifts to discussing the economic implications of and government reactions to a fast growing consumption and concludes by detailing the struggle to control the lucrative khat industry.

A. Developments in Transport Infrastructure

Until the Italian occupation, Harerge's agricultural highlands had not been effectively connected with the main transit town of the region, Dire Dawa. The Harer-Dire Dawa road was initially paved in the 1890s for wheeled cart operation, but gullied by floods, it remained virtually impassable and unutilized by motor traffic until the 1940s, and no commercial vehicles operated between Harer and Dire Dawa. The unimpressive performance of the Dire Dawa-Djibouti railway, which has been discussed in chapter 1, was arguably due to the lack of a modern transportation infrastructure which connected the production areas of Harerge with the railroad terminus and the major market center.

The lack of transport was particularly detrimental to khat trade. Djibouti was privileged to receive train-delivered khat, although transporting the leaves to Dire Dawa was still a problem. The main towns in the Ogaden lowlands did not receive fresh khat until they were connected, in the 1930s, by motorable tracks to the production areas. Consumers in Jijjiga, whose location was not remote from production areas, received some fresh khat from

such areas as Gursum and the environs of Harer town. One of the areas which later became a major khat consumption center, British Somaliland, also remained out of reach except for a few border towns such as Tugochale, Teferi Beri, and Awkelef.¹

This situation began to change during the Italian invasion. The fascists wasted no time in initiating their program to make the new colony economically productive and attractive for settlement. The most spectacular achievement was the road construction project. Ethiopia's road system consisted of only 35 miles of all-weather road in 1935. In only five years, the Italians built 4,347 miles of roads, of which 2,145 miles were hard surfaced. Harerge was given special attention in the Italian public works program. Improved earth roads were built from Addis Ababa through Awash and Dire Dawa to Djibouti, and from Dire Dawa through Harer to Jijjiga and to Hargessa in British Somaliland. Secondary roads were extended to small towns of the province with a network of roads that connected Asba Teferi, Kombolcha and Grawa to the main highway. An all-weather road connecting with the Harer-Dire Dawa highway was constructed through the highlands, affording Karsa, Kulubi, and Dadar access to the major communication routes.²

These roads interlinked various khat-producing areas with the major distribution centers of Harer, Dire Dawa and Jijjiga where farmers sold the stimulant to traders who distributed it throughout the province and to neighboring countries. The linking of Hargessa with Jijjiga and the Harerge highlands had significant implications for the consumption of

¹ Interview: Hajji Mohammed Abdurahman, Dire Dawa, 03-26-94; Hajji Dawud Abdo, Dire Dawa, 03-26-94.

² M. Perham, *The Government of Ethiopia*, (London, 1969), p. 182. J. Barker, "Developments in Ethiopia's Road System," *Geography* 59:2 (1974), p. 150.

khat, which now reached Djibouti within forty-eight hours of harvest with the freshness and potency of the stimulant intact. In the next pages, we will consider the process of the expansion of consumption in the Horn of Africa beginning with the British Somaliland.

B. The Spread of Consumption in Horn of Africa and Arabian Peninsula

Before the 1930s, khat consumption in British Somaliland was insignificant. In Hargessa, the main town of the Protectorate, there was reportedly only one person who was known to chew khat. During World War II, khat consumption not only increased in the border towns but also extended deep into the protectorate including Hargessa, despite the ban on khat importation since 1921.³ Two interrelated developments were critical for the expansion of khat consumption: the connection of the Protectorate with the khat production areas of the Harerge highlands by modern transportation and the migration of a considerable number of Somali pastoralists to urban centers.

By the 1930s, Somaliland had not seen much economic restructuring in the pastoralist sector after more than half a century of British colonial rule. In the inter-war years, roads were improved and maintained through the use of convict labor and paupers. The roads permitted quicker transport by trucks for Somali mutton and goat skins that were particularly prized in Europe and United States for women's gloves and luxury leather

³ One study based on extensive research data claims that there was only one khat chewer in Hargessa in 1934. The person is identified by name, and it is reported that authorities allowed him to import khat from Jijjiga. The claim may be exaggerated, since there is no evidence that could corroborate the oral information. Nevertheless, it points to the limited level of khat consumption in Hargessa before the Italian invasion. Abdulahi Sheikh Elmi, "Khat: history, spreading and problems in Somalia," in Thomas Labahn, ed., *Proceedings of the Second International Congress of Somali Studies*, (Hamburg, 1984), p. 274.

goods.⁴

Between August 1940 and March 1941, the Somaliland Protectorate fell under Italian occupation. The interlude created additional trans-frontier trade opportunities for Somali traders in the area of supplying foodstuffs for the protectorate's townships which had suffered severe food shortages due to British coastal blockade. The pastoralist areas faced less privation owing to a couple of years of above-average rainfall, but the herders experienced an acute shortage of clothes. Somali traders took advantage of supplying both needs, especially after several expatriate traders abandoned their shops and fled the protectorate for good shortly after the Italians arrived. The Somali's trading ventures were facilitated by the roads the Italians built, and trans-frontier trade increased dramatically, especially after the British occupation of Ethiopia.⁵

When the Italians occupied Jijiga every small Somali trader who could obtain transport, rushed goods there and sold them to the fascist troops at enormous profits. Within a year, many traders were taking caravans across the border and doing very well. Traders purchased motor vehicles: the number imported into the protectorate jumped from six private cars and forty-nine commercial trucks in 1933, to sixteen private and two-hundred thirty lorries in 1937. During the same year, a total of 51 commercial and 316 private vehicles were licensed to operate, and no less than 600 Somalis were directly engaged in the operation as drivers and mechanics. Before 1940, most of these operations were conducted

⁴ Abdi Ismail Samatar, *The State and Rural Transformation in Northern Somalia, 1884-1986*, (Madison, 1989), pp. 22-57

⁵ *Somaliland Protectorate Annual Report, 1936* (London, 1937), p. 27

by the more experienced Indian firms, but no less than 150 trucks were owned by Somalis who in many instances sold the bulk of their livestock to invest in motor vehicles. The Bedford, Dodge and Chevrolet trucks participated in running profitable enterprises which transported skins, live sheep and goats to Berbera and brought back mail, merchandise, foodstuffs and passengers. By 1942, itinerant Somali traders were present in virtually every village and in the vicinity of livestock markets where they bartered tea, cloth, dates, rice, and sugar to the pastoralists in the Haud and the Ogaden.⁶

By 1940, Somalis who benefitted from the brisk business used their money to acquire plots in Hargessa and build residential houses and business shops. Restaurant and bars started to cater to Somalis who had taken advantage of employment opportunities and had become government clerks, interpreters, teachers and petition-writers. For young Somali males, the business enterprises and occupational alternatives offered escape from the hardships pastoral life.⁷

As Somalis moved to townships, they formed social clubs and self-help societies whose membership consisted of the new intelligentsia. Their goal was to promote interest in secular education, to exhort Somalis to overcome clan divisiveness in the name of Islamic unity and to seek appropriate privileges for civil servants. Over time, traders, coffee shop owners, personal servants of British officials, truck drivers, and the foreign educated elite began to develop new interests and aspirations. They subscribed to the ideal of a united and

⁶ Ibid, p. 28

⁷ Charles L. Gesheker, "Anti-colonialism and class formation: the eastern Horn of Africa, 1920-1950," *Proceedings of the Second International Congress of Somali Studies* (Hamburg, 1983), p. 242.

independent Somalia.

In their clubs, the intelligentsia discussed politics and began to chew khat. Young men began to participate in regular afternoon chew sessions. Truck drivers carrying goods and passengers to and from towns as far west as Jijjiga, near the khat-producing Harerge highlands, began to rely on khat to stay awake during long trips and transported fresh sprigs on their return trip, thus making fresh khat readily available to town dwellers. Pastoralists who recently settled in towns fought the boredom of town life by socializing at chew sessions. As the number of consumers increased, the amount of imported khat grew dramatically in a short time. In 1928, approximately 750 bundles were imported into the protectorate and by 1936 the "known" amount had increased five fold to 4000.⁸ Much of the khat need in the protectorate was met by smugglers who now had the benefit of speed as against the pre-war experiences of camel transportation, but the amount of smuggled khat is unknown.

In the post WWII nationalist atmosphere, chewing became especially popular among small groups of poets, whose poetry emphasized social solidarity, community of purpose and political matters. Chewing khat for hours quickly acquired symbolic significance of solidarity and resistance in a period of heightened aspiration for independence and self-rule. The custom of chewing together from a common bundle of twigs came to represent an important ritual of friendship, mutual trust and social cohesion. Pastoralist Somalis who previously associated the poets with Europeans because of their western manners and styles

⁸ *Somaliland Protectorate annual Report, 1930*. (London, 1931), p. 17; and *Somaliland Protectorate Annual Report, 1936* (London, 1937), p. 13.

came to view these poets as wise counselors of the youth. In 1948, concerned by the association of chewing with politics and the effect of smuggling on the protectorate's economy, the British Administration tried to proscribe khat importation through tighter control measures. The effort back-fired, and more and more Somalis started consumption as chewing became symbolic of one's refusal to accept colonial authority. The law was later rescinded, but khat chewing became an expression of the aspiration for independence as long as the British stayed there.⁹

Started in such a manner, khat chewing remained a social habit for most Somalis until the 1980s. Urban consumption of khat continued to rise throughout the 1960s and 1970s. Its trade was so lucrative that farmers who had left rural areas for urban centers began to return to the cultivation of khat from the mid-sixties onwards. As the income earning power of khat became increasingly known in the late seventies, even members of the urban elite, such as merchants and government officials, moved back to rural areas to profit from the new found "miracle" crop. Khat consumption remained widespread until 1983, when the government of Siad Barre banned its production and importation in 1983.¹⁰

In the post-WW II period, the French colony of Afars and Issas or Djibouti also came to import a significant quantity of Harerge's khat. Khat had been consumed there since the creation of the port in the late nineteenth century. The initial khat chewers in Djibouti were mostly Yemeni Arabs who, from the founding of the port, constituted a substantial

⁹ Gesheker, "Anti-colonial," p. 245.

¹⁰ Abdi I. Samatar, "The predatory state and the peasantry: Reflections on rural development policy in Somalia," *Africa Today*, 3rd Quarter (1985), pp. 50-52.

element of the city's population. They traded profitably in slaves and firearms at Obock and Tadjoura before Europeans installed themselves along the Red Sea coast in the late nineteenth-century. When the French transferred their capital from Obock to Djibouti in 1896, the Arab communities followed and, in a short time, accumulated large fortunes through trading and investing in urban real estate. New immigrants, mainly from Yemen, also became prosperous through hard-work, thrift and self-deprivation and added to the already numerically substantial Arab community.

For Yemeni Arabs, khat chewing had been a long-standing and widespread cultural practice over many centuries. When they emigrated to other places, Yemenis took the custom to their destinations.¹¹ While it is difficult to find a concrete evidence that the Yemeni were the original khat users in Djibouti, there is ample indication that khat was the only luxury common to Yemeni real estate owners, retail shop vendors, and manual laborers. In the context of Djibouti's hot climate and Islamic prohibition of alcoholic consumption, most well-off Arabs were willing to spend a considerable amount of money on this rare commodity. Over time, khat chewing spread to Djibouti's Afars, Issas and the Somali residents. In the French territory, Arabs were culturally influential. The African population viewed them as Allah's chosen people and their tongue as the sacred language of the Quran, and adopted Arabic manners, one of which was khat chewing.¹² By the 1940s,

¹¹ Yemeni Jews who migrated to Israel after 1948, have continued to consume khat and have cultivated the tree there. Larry Derfner, "High on Gat: Gat chewing, an old Yemenite custom, is making a mark on Israeli Society," *The Jerusalem Post*, International edition. November 16, 1996. pp. 16-17.

¹² Virginia Thompson and Richard Adloff, *Djibouti and the Horn of Africa*, (Stanford, 1968), p. 32. The authors provide further description of Arabic influence among the native population of Djibouti. pp. 31-33.

most accounts claim that chewing was an ubiquitous ritual practiced by the majority of the city's residents.

In the years before the completion of the Djibouti-Dire Dawa railway, Yemen probably supplied much of Djibouti's khat needs because a dhow from Aden was capable of conveying fresh khat more quickly than camel-delivered produce from Harerge highlands. After the arrival of the railway to Dire Dawa, Harer khat was made available in the Djibouti market in greater quantity. No data is available to show the number of chewers in Djibouti, but the import statistics indicate that consumption had been rising steadily ever since fresh khat began to be imported from Harerge. (See Table 1 and 2).

In the 1950s, Djibouti and British Somaliland, though unofficially, imported significant amounts, but Aden Colony was by far the largest importer of Harerge's khat. Since the evidence on khat consumption in Southwestern Arabia is inconclusive and conflicting, it is neither possible nor necessary to pinpoint the beginning of chewing in Aden. Most experts believe that Southwestern Arabia was the original place where khat chewing started and written records suggest that khat was chewed in Yemen in the fourteenth-century.¹³ By the sixteenth-century, khat chewing seems to have become established in the highlands of Yemen and the legitimacy of consuming the stimulant was under debate among Muslim scholars who visited or lived there.¹⁴ The Danish explorer, Niebuhr, reported that, during his journey through Yemen in 1762, the locals were chewing

¹³ See for example, Kennedy, *The Flower of Paradise*, chapter, III; and Weir, *Qat Consumption and social change*, pp. 71-101.

¹⁴ Daniel Martin Varisco, "On the Meaning of Chewing: The Significance of Qat in the Yemen Arab Republic," *International Journal of Middle East Studies*, 18 (1986), p. 3.

khat continually.

During the early days of British rule, there was considerable trade from north Yemen to Aden. In 1844, a small number of sellers were licensed by the Government to bring khat from the Yemen and distribute it in the port city. Khat prices were exceptionally high, and often increased by as much as 1000 percent between the farm and market, because of the fact that a few merchants controlled the supply systems and dictated prices on consumers and producers. The elite and lower classes of the Aden populace consumed different varieties of khat brought into the city from different production areas in the interior. In the late 1860s, khat imports accounted for 6 percent of the total value of overland imports to Aden.¹⁵

Khat consumption in Aden soared with the economic recovery and improvements in transportation facilities after World War II. The rise is also attributable to the great increase in the population of the Colony with massive immigration of Yemenis from the south of Yemen and the Aden Protectorate. In the 1950s, the port city of Aden had a cosmopolitan population of about 140,000, of which 75 percent was Arabs of north Yemeni origin--individuals who had left their homelands either in search of employment, or to escape the repressive government of the Imams for the relatively politically free Aden. In 1956, the Arabs, along with the Somali, who constituted about 8 percent of the population, consumed nearly 4 million pounds of khat.¹⁶

Another area of expanding khat consumption was the Harerge lowlands. As we have seen, the culture of chewing spread among the highland Oromo farmers only in the early

¹⁵ R. J. Gavin, *Aden Under British Rule, 1838-1967*, (London, 1975), pp. 58, 121.

¹⁶ Weir, *Qat in Yemen*, p. 171 fn 4; Gavin, *Aden*, p. 445, App. B.

decades of the twentieth century. Whereas we find that khat was used in rural areas to generate energy to do farm labor, in urban centers, it remained mainly a leisure habit. In Harer town, khat chewing has been commonplace, at least since the early twentieth century, and came to be considered as a mark of being *ya harer lij* (one who's from Harer). In other highland towns, khat consumption grew with the development of essentially "peasant towns." Khat farmers migrated to small villages located along the Harer-Dire Dawa highway to start up new businesses. In the process, the villages grew to towns and served as market centers. In the 1950s, as we will see in chapter 6, quite a few farmers left their holdings for urban centers in order to make room for landless relatives. Former farmers in Haramaya and AwWoday considered chewing khat as an indispensable ritual.¹⁷

Spurring the growing consumption in Harerge lowlands was the establishment of modern institutions with salaried civil servants after 1941. Ever since the annexation of Harerge, the government structure had been staffed by the Christian "Amhara" and remained so throughout the existence of the imperial regime. These officials were initially disdainful of khat chewing as a form of entertainment, preferring to spend their leisure time drinking local ale (Tela) and honey wine (Tej).¹⁸ The alcoholic beverages were, however, not a suitable entertainment to the hot towns of the lowlands and hard to find in the Ogaden, where the only available stimulant was khat. The local residents of these towns spent the hot afternoons chewing khat and socializing and the civil servants followed suit. Thus, khat chewing spread to the Christian "Amhara" population in Harerge as a pastime habit, quite

¹⁷ See chapter 2 for a discussion of the justifications for khat chewing.

¹⁸ Interview: Avidas Tarzian, Addis Ababa, August 8, 1994.

distinct from its long time cultural and religious significance for Muslims.¹⁹

In order fully to understand the spread of the culture of chewing, it is necessary to conduct an in-depth research in the entire Horn region with the view to study the changing cultural meanings that khat use may have acquired. From the vantage point of a researcher on the production side, it appears that the ability to reach consumers with rapidity and a general cultural change have been factors which were responsible for the expansion of consumption. I have attempted to demonstrate how improvements in transportation and a consequent urbanization led to a dramatic rise in consumption in Djibouti and British Somaliland. In this section we will turn to the activities which linked producers and consumers, i.e., the marketing and trading of khat.

C. Structures of Khat Marketing

In the realm of marketing, the physical properties of the commodity carry more weight in determining value than the state of demand and supply or issues of cultural change which were germane to the discussion of the production and consumption aspects. Khat has a very short "shelf life." In this regard, khat is unlike other psychoactive substances. For example, kola nuts were consumed in substantial quantities throughout West Africa, especially in Muslim areas, before the advent of modern transportation in the region. The perishability of the nuts determined the limits of its trade, but kola retained its properties much longer than khat. Carefully packaged nuts were transported a thousand kilometers by

¹⁹ Interview: Balamberas Ahmed Tewfiq Mohammed, Harer, Feb. 23, 1994; Getahun and Krikorian, "Chat, coffee's rival," p. 374.

animal caravans, suggesting that the nuts stayed intact for at least three months.²⁰ The active in khat ingredients which stimulate chewers seem to disappear quickly once the twigs and leaves are cut. For this reason, most users prefer khat that has been harvested within the previous forty-eight hours. The marketing of khat increased after the 1940s, owing to improvements in transportation infrastructure and increased demand and market for khat.

Within Harerge province, before the advent of trucking, Dire Dawa was the main market center of commercial khat before the Italian road building connected the town with the khat producing areas. In those days, farmers are said to harvest khat around 6 p.m. and set out on foot the same night with headloads or donkeyloads of the leaf to reach the market in Dire Dawa early in the morning. At the town's market place, called *chat terra*, khat was sold and then processed by the exporter's employees, who plucked off the leathery leaves, trimmed the long stems and expertly packed the good khat into handful-size bunches called *akara*. The bunches were then wrapped in banana leaves which helped to retain the khat's natural moisture and freshness and then taken to the train station for shipment to Djibouti. Farmers who reached Dire Dawa late found themselves obliged to sell their khat at very low prices to local chewers. Since khat could not be stored for the next market day, the farmers were usually left with no alternative but to sell their khat at whatever price the purchasers offered. For this reason, farmers describe the khat market before the Italians as

²⁰ Paul Lovejoy, "Kola Nuts: The 'Coffee' of the Central Sudan," In eds.. Jordan Goodman, Paul E. Lovejoy and Andrew Sherratt, *Consuming Habits: Drugs in History and Anthropology*, (London, 1995), p. 105.

discouraging.²¹

The khat market in Jijiga was twice the distance to Dire Dawa from the production areas. Merchants purchased khat in the town and dispatched it by camels in two directions. The first route headed for the towns in the Ogaden and the second went further east to border towns within the then British Somaliland.²² Since its import was banned, demand was met through regular smuggling from Harerge. Because there is no record of transactions conducted outside the legal realm, it is almost impossible to put figures on the amount of khat that entered Somalia through illegal channels. For the period after legalization, however, we can extrapolate from the income statistics of the Somaliland Protectorate, which, in 1959, collected an average monthly revenue of \$ 14,000 in khat import taxes.²³ An Ethiopian government record shows that Somalia levied import taxes at a rate of US \$1.00 per kilo gram, suggesting that as much as 168 tons of khat was annually imported from Harerge into the Protectorate in the late 1950s.

After the war, Djibouti's khat import also increased significantly, mainly due to the improved Harer-Dire Dawa road and the increased utilization of automobiles for transportation (see Table 2). The new means of transportation enabled farmers to transport khat to the Dire Dawa market place and return home in a matter of hours and traders to purchase fresh khat, which they dispatched by night train to Djibouti for next morning

²¹ Interview: Ahmed Amit, Ganda Gole, Haramaya, May 5, 1994; Yusuf Hammo, Haramaya, May 17, 1994.

²² Interview: Mussa Botto, Ganda Gole, Haramaya, May 23, 1994; Rayima Sali, Ganda Gole, Haramaya, May 23, 1994.

²³ Brooke, "Khat in the Middle East," p. 57.

consumption.²⁴ This pattern of delivery proceeded until 1949, when air transportation between Dire Dawa and Djibouti started.

A plane daily brought 600 kilogram of khat to Djibouti, most of which was consumed there with small quantities delivered to a few villages near the city which could be quickly reached by road. Within a short time, the imported amount nearly doubled while its value tripled. In 1952, imports reached a level of approximately 21,900 kilogram per month (750 kg per day). According to government estimates, an additional 10 percent of the official figure was smuggled into the country, bringing the total to approximately 23,000 kg per month. This amount was consumed by the city's khat users.

Khat arrived in Djibouti in bunches weighing 280 grams each. In 1952, a total of 85,000 bunches arrived daily, corresponding to the total amount given in kilograms. Except for a slight drop in 1954, khat imports into Djibouti rose generally steadily throughout the 1950s. Imports rose sharply in 1953, coinciding with the increments in the total wages paid out to workers. Apparently, the fluctuation in import figures was attributable to the availability of money rather than a decline in the number of people who consumed khat. Statistics from Djibouti show a general upward swing in khat imports, reaching 410.2 tons in 1957, costing Djiboutians 328,160,000 DF or 1.5 million dollars.²⁵

²⁴ Interview: Yasin Usman, Dire Dawa, February 20, 1994; Duressa Feyissa, Dire Dawa, February 24, 1994.

²⁵ Brooke, "Khat in the Middle East," p. 55.

TABLE 2: French Somaliland (Djibouti): Khat Imports, 1952-1957

Year	Volume (tons)	Value (in'000 dollars)
1952	230.4	649.7
1953	281.3	794.7
1954	263.7	805.6
1955	302.5	974.1
1956	314.2	1,180.6
1957	410.2	1,542.4

Source: Adopted from, Brooke, "Khat in the Middle East," p. 55.

Khat was very expensive in Djibouti. This fact is more apparent when seen in the context of the port city's population and khat prices at retail levels. The small bundles were bought from the Ethiopian producer for 20 DF and sold to the consumer at almost 200 DF, a rise of 900 percent. Statistics from the early 1950s show that Djiboutians paid almost 14.5 million DF (\$68,103) every month. This translates to an annual expenditure of DF 172,800,000 (\$812,160) for a population of 18,000, including women and children. A calculation on the basis of the 1953 figure, which could be taken as an average figure, would indicate that the average per capita expenditure on khat was 9,600 DF (\$45).²⁶ This amount of expenditure was certainly high for a country where the minimum wage reached 35 DF only in 1966, after a combined increase of 34 percent in eight years.²⁷

In 1956, Djibouti's expenditure on khat reached twice the amount of 1953. The per

²⁶ Thompson and Adloff, *Djibouti*, p. 164. Anonymous, "Medical and social problems," p. 35; Cf. Kervingnat, "The consumption of khat in French Somaliland," p. 42.

²⁷ The minimum wage was raised 5 percent in 1958, 8 percent in 1961, 6 percent in 1963, 5 percent in 1964, and 10 percent in 1966. Thompson and Adloff, *Djibouti*, p. 218.

capita consumption for that year was approximately 38 lbs, representing an estimated retail expenditure equivalent to \$ 87 per person. A year later these figures rose to a per capita consumption of 50 lbs, at a per capita cost of \$95 or \$ 1.7 million for the total population. This was a staggering sum for a population barely over 20,000 and whose wage levels were low. One way of getting a sense of what the population spent on khat is to compare it with expenditure on food, 8,000 DF compared to 9,600 DF for khat. It can be estimated that a wage earner spent at least 40 percent of his income on the stimulant.²⁸

Djibouti was not the only place where khat market increased with of the introduction of air transportation. With regular air cargo service, Aden Colony became the major market for Ethiopian khat, ninety five percent of which came from Harerge. Before October 1949, nearly all of the khat consumed in the Colony was imported from the Yemen Protectorate. As the sole supplier, Yemen's export to Aden had risen from 280.4 tons in 1935 to 1097.8 tons in 1949. Perhaps owing to better taste or stimulative capacity, air-transported Ethiopian khat quickly gained consumer preference in Aden and came to enjoy a far greater market than was ever reached by the Yemeni variety.²⁹ In a little more than a year after the initial shipment, Ethiopia displaced Yemen as the leading exporter, and the relative position of

²⁸ The figures in the text are my own calculations based on data obtained from the following articles. The value of khat were given in Djibouti francs and were converted, where necessary, to US\$ based on the 1950s rate: DF 100 = \$ 0.47. Anonymous, "The medical and social problems," p. 35. A 1956 survey had suggested that Issa and Afar wage earners spent about half of their monthly pay for the purchase of khat. Thompson and Adloff, *Djibouti*, p. 215.

²⁹ It is difficult to pin down the reason for the popularity of Ethiopian khat, besides speculating that preference had much to do with the stimulating quality of the chewable leaves. Khat's quality varies with different conditions of climate, soil, elevation and cultivation techniques and it is perhaps a combination of all of these that may account for the overwhelming preference for Ethiopian khat in Aden.

Yemen in the Aden market thereafter declined. In 1956, Aden imported 1502.3 tons of Ethiopian khat at a cost of 4.6 million dollars, as compared to 216.4 tons from Yemen valued at 793,000 dollars or 12.5 percent of the total khat imports.

TABLE 3: Aden Colony: Khat Imports, 1947-57

Year	From Ethiopia		From Yemen		Average unit value in \$
	metric tons	'000 dollars	metric tons	'000 dollars	
1947	-	-	819.7	271.6	16.8
1948	-	-	972.6	319.2	16.8
1949	NA	-	1097.8	481.6	22.4
1950	311.1	227.6	721.4	527.6	38.0
1951	1113.1	1037.4	418.0	385.8	45.3
1952	1257.0	1074.1	412.8	349.3	42.2
1953	1481.4	1925.9	545.9	694.4	64.6
1954	1494.5	3198.3	481.4	1062.0	110.3
1955	1211.6	3731.9	248.2	764.5	156.8
1956	1502.3	4627.2	216.4	792.6	156.8
1957	235.8	726.4	170.6	525.4	156.8

Source: Adopted from Brooke, "Khat in the Middle East," p. 56. The 1957 figures recorded only to April 1, the date Ethiopian khat was banned in Aden Colony.

Export figures show that the amount of khat imported into Aden doubled in less than a decade. Khat imports which were 819.7 (all from Yemen) in 1947, reached 1,502.3 tons in 1956. The increase in value was twenty times greater in 1956 than in 1947. Calculated on the basis of the city's population, estimated to be 140,000 in 1956, the per capita consumption of khat for that year was 12.2 kilograms, representing a per capita expenditure of \$38.7, totaling \$5.4 million dollars for the city's population. During the same years, the

declared import unit value of khat increased by 900 percent, from \$16.80 to \$156.8. Such a sharp rise was due to a high cost of air-transportation and frequently increasing taxes and duties on both the Ethiopian and Aden side.³⁰

In response to the rapidly growing demand, Ethiopia's khat export earnings increased commensurately. We have data that show the general trend of Ethiopia's khat export. In 1946, only 26 tons of khat was exported from Ethiopia and earned 14,000 birr (\$5,644.80). A decade later, the export amounted to 1,618 tons valued at 6,996,000 birr (\$2,820,384). By 1963, the total export volume had quadrupled, reaching 4,802 tons, while earnings rose approximately threefold. In less than two decades, khat was transformed from a crop cultivated by farmers, to supplement a family's cash income, to Ethiopia's fifth largest export commodity.

The export earnings from khat were obviously beneficial to Ethiopia's balance of payments, but, since khat was exported by private businessmen, the government's share of the khat business came from duties and taxes. Figures are hard to come by, but we can make a rough estimate of the revenue from taxes by basing our calculation on customs revenue statistics. For most of the 1950s, the Ethiopian customs levied 1.0 birr per kilogram of exported khat.³¹ At this rate, the Ethiopian Treasury had collected 26,000 birr in 1946. Just one year after air-transportation started, the amount had climbed to 368,000 birr and, by

³⁰ Calculated based on, Brooke, "Khat in the Middle East," p. 54-55.

³¹ HPA.KF-2, Negatu Mekuria, Harerge's Bejirond to Dej. Workineh Wolde Amanuel, Harerge's Inderassie, Harer, Sept. 5, 1952 E. C.

1963, it had reached 4,802,000 birr.³²

Taxes were also collected in Harerge's various sub-provinces from the khat transactions made within the country. The aggregate figures are not available, especially for the 1940s, when the Ethiopian government was not organized enough to keep records. Fortunately, we have figures showing the amount of taxes collected between 1948 and 1952 E. C. (1955/56-1959/60). The figures show tremendous fluctuation, perhaps reflecting corruption or poor book keeping, but they do represent a rough estimate of the amount of the tax revenue from khat. During the five years for which we have records, the government collected a total of 12.3 million birr, or an average annual revenue of 2.5 million birr.³³

In 1962, the combined total of export duties and taxes on domestic transactions amounted to more than 7 million birr or \$ 3 million. The revenue from khat was three times the amount of the total land tax collected in 1962 for the entire Harerge province which was 2.4 million birr.³⁴ Ethiopia's total revenue for the same year was 218.8 million birr. It is therefore not difficult to imagine the political implications of the dramatic economic gain for the exporting side and the potential problem for the importing side.

³² See Appendix Table for the export quantities. The estimates are based on calculation of the export quantity and the 1 birr duty per kg of khat.

³³ HPA.KF-1, Khat Tax Bureau to Harerge Provincial Administration Office, Report on the revenue collected from khat between 1948 and June 30, 1952 E. C. Harer, August 21, 1952 E. C. Another document shows birr 855,423.50 was collected from July to October of FY 1952 E.C. It is fair to assume that an average of birr 2.5 million was collected in tax revenue annually in the 1950s, if the mentioned amount was collected in four months. HPA.KF-1, Harerge's Bejirond to the Minister of Finance Mahteme Sellassie Wold Masqal, Nov. 25, 1952 E. C.

³⁴ Seleshi Wolde-Tsadik, *Land Taxation in Harerge Province*, Imperial Ethiopian College of Agriculture Experiment Station Bulletin no. 48. (Dire Dawa, 1966), p. 11.

D. Government Reactions

From the standpoint of the Aden and Djibouti governments the rapid growth of khat consumption and trade was socially and economically dangerous. During the early 1950s, the Aden Colony Government's concern about the rapid increase of khat imports and its implications for the colony's balance of payments was evident in the editorials of Adeni newspapers and in the Legislative Council debates. Initially the government attempted to limit imports by imposing a heavy duty and a high local tax, as a way of discouraging imports without causing social convulsion. The effort brought in large revenues for the government, but did not curb the rise in consumption. As we have seen, high taxes and duties on khat succeeded not in reducing imports, but rather in raising the consumers prices. The continued sterling flow from Aden to Ethiopia, therefore, remained a matter of serious concern for the Colony's government and merchants. Pressed by constituencies, the Aden Legislative Council requested the government to impose restrictions on khat imports from Ethiopia. Accordingly, importation of Ethiopian khat was banned as of April 1, 1957. Health reasons were cited to justify the ban but contemporary sources are agreed that the main reason was to prevent hard currency resources from draining into Ethiopia.³⁵

The Ethiopian government considered the loss of revenue so serious that it took dramatic measures to force the Aden government to reverse its decision. One such measure was the revoking of Aden Airway's license to operate its commercial flights to Addis Ababa. The Aden government did not flinch for more than one year, even though it was evident that

³⁵ SD 875.00/7-957, American Embassy to State Department (SD), Weekly Economic Review, April 15, 1957.

the ban was ineffectual. Khat continued to be imported without restrictions into the Colony from Yemen and Ethiopian khat was smuggled on a large scale and sold in border areas, a short distance from the city of Aden. Only the Aden Government seemed to be affected by the ban, sustaining a heavy loss of revenue from taxes and duties on the leaf. A Commission of Inquiry was called in February 1958 to study the matter. Its report confirmed the conventional wisdom that the ban was not working satisfactorily and recommended its repeal. Consequently, the government rescinded the import ban on June 24, 1958 and, in its place, instituted a system of licensing as a measure of control over imports and prices.³⁶

The effects of Aden's short-lived ban on Ethiopian khat was mitigated by the action taken by another British dependency. Before the 1950s, the British Administration fought against khat smuggling vigorously. Smugglers were jailed, even shot, their trucks tossed into the sea, but none of those actions stopped the illegal flow of khat into the territory. As the result, shortly after khat was prohibited in Aden Colony, the Somaliland Protectorate removed a long-standing ban on the leaf. A decree was promulgated in 1957 to repeal the 1921 law and provided for importing only by surface conveyance. Importation by air was proscribed in order to keep the market at a reasonably small level. The restriction did not have much effect because most of the khat market centers in the protectorate were only a short distance away from the production areas of Harerge highlands.³⁷

The French Government encountered problems in Djibouti similar to those of Aden

³⁶ Brooke, "Khat in the Middle East," p. 57.

³⁷ Elmi, "The Chewing of khat in Somalia, pp. 166-167; Brooke, "Khat in the Middle East," p. 57.

in regard to khat imports and consumption. As in Aden, several measures were taken progressively to reduce the level of imports and consumption but none proved successful. The Djibouti administration imposed taxes on khat sales for the first time in 1952 in an effort to discourage merchants from engaging in khat business. Contrary to the anticipated effect, official imports held steady and consumption tripled in three years, thereafter showing growth with increases in the minimum wage. Although successive governors inveighed against the evils of khat and took measures to limit importation or consumption, their efforts only increased smuggling and the loss of government revenue. The governors were unable to take more effective measures, fearing that prohibition would alienate the Ethiopian government and result in reduction of revenue for the Djibouti government. Only smugglers stood to profit from a ban on khat imports. The territorial assemblymen were reluctant to take any legislative measure because they did not want to risk their political future by voting to forbid the importation of khat.³⁸

When it became clear that the colony government was unable to take any measure to halt the increasing imports and consumption of khat, the French government felt obligated to step in and do something. Accordingly, Paris placed khat on its list of narcotics in 1957, and proscribed the import, export, production, possession, trade and use of it in any form in French administered territories,³⁹ despite the UN World Health Organization declaration that khat did not fall within the standard definitions of addiction-producing drugs.⁴⁰ The

³⁸ Thompson and Adloff, *Djibouti*, p. 164.

³⁹ *Journal Officiel*, 5 Avril, 1957.

⁴⁰ WHO, *Technical Report Series*, 116 (1957).

Ethiopian government made its displeasure known by declaring its view that khat was not in any sense a narcotic drug that should be purged from international trade. Aware of Djibouti's economic dependence on Ethiopia for which it was the chief port and eastern terminus of the Franco-Ethiopian Railway, the Governor-General of the French Territory of Afars and Issas (FTAI) resisted the implementation of the decree in his territory. The decree was thus executed into law in Metropolitan France, but khat imports and consumption in Djibouti continued unabated.⁴¹

The Ethiopian government opposed the Aden and Djibouti governments' attempt to prohibit the importation of khat for good reasons. In addition to the revenue that accrued to its treasury, khat was a profitable freight for Ethiopian Airlines. In 1957, khat represented about 12 percent of its total revenues--about \$45,000 per month.⁴² As an important source of income for farmers, khat was also viewed as a politically stabilizing commodity. This view is expressed in several administrative letters and documents, in which government officials speculated that the loss of khat revenue might lead to discontent and provoke rebellion.⁴³ Furthermore, the Ethiopian government used the revenue from khat to fund development programs and security efforts in Harerge's politically troubled lowland regions, the Ogaden and the Haud and Reserve Areas.

⁴¹ Brooke, "Khat in the Middle East," p. 56.

⁴² SD 875.00/4-557, Embassy to State Department, Weekly Economic Review, April 5, 1957.

⁴³ HPA.GC-1, Tamirat Yigezu to HIM Haile Sellassie, June 23, 1956 E. C; HPA.GC-1, Tamirat Yigezu to Yilma Deressa, June 12, 1956 E. C.

E. Khat Revenues, Politics and Conflicts

Predominantly inhabited by Somalis, the Ogaden and the Haud were transferred from British to Ethiopian rule successively in 1948 and in 1954. The Ethiopian government did very little to integrate the regions economically, although it did coopt a few Somali leaders into the national governing structure. The isolation created a favorable condition for Somali nationalists to incite Ogaden residents against the Ethiopian government through broadcasts from Mogadisho and Hargessa and by using Somali pastoralists who had grazing rights within Ethiopian territory according to the 1897 and 1954 treaties between Ethiopia and Britain.⁴⁴

Several skirmishes between Ethiopian and Somali forces demonstrated that economic integration was more important than token political inclusion. In the context of this new attitude, the Ethiopian government was inclined toward investing in the economically neglected regions. However, the tax base in Harerge was insufficient for the realization of development projects in the Ogaden. The only available funds derived from the tax revenue raised by the Khat Tax Collection Agency, which operated under the direct auspices of the Central Treasury. Regional administrators did not have jurisdiction over the agency's resources since all revenues were transferred to Addis Ababa.⁴⁵ Any withdrawal, even if

⁴⁴ HPA.GC-1, Aemero Sellassie Abebe, Deputy Inderassie of Harerge to General Abiy Abebe, Minister of Interior, Feb. 15, 1953 E. C.; HPA.GC-1, Capt. M.G. Alexander, IESF Advisor, to Deputy Governor of Harer, January 23, 1953 E. C.

⁴⁵ HPA.KF-1, Aemero Sellassie Abebe, deputy Inderassie of Harer, to Zenebe Haile, Vice minister of finance. August 30, 1952 E. C. The Inderassie argues that according to *Negarit Gazette*, First Year, No. 1, he, not the Central Treasury, should be in charge of the khat revenue in his province. Kifle Irgetu, shortly after his appointment as Inderassie of Harer addresses the same issue in a letter to HIM Haile Sellassie. HPA.KF-1, Dej. Kifle Irgetu to HIM Haile Sellassie, Sept. 13, 1952 E. C.

borrowed by the regional administration to cover occasional financial shortfalls, had to be authorized by Emperor Haile Sellassie.⁴⁶

A number of documents show that the emperor used khat revenues to finance the integration of the Ogaden and the Haud into the administrative structure of Ethiopia.⁴⁷ In 1959, the Ogaden received 2, 033, 685 birr of khat money for administrative, security and development expenses. Khat revenues were used for the annual budgets of Jijjiga, Kebri Dehar and Adal-Issa sub-provinces, for construction of office buildings for such administrative institutions as court houses, police headquarters, governors' residences, customs offices all over the Ogaden as well as for building schools, health dispensaries and roads.⁴⁸ The start-up capital for establishments such as the Ogaden Water Works Development Corporation and the Lowlands Road Construction Agency was also obtained from khat revenue.⁴⁹

Such was the significance of the khat business that Addis Ababa foresaw that

⁴⁶ HPA.KF-1, Harerge's Bejironed to Minster of Finance Mahteme Sellassie Wolde Mesqel, Nov. 25, 1952 E. C. The Bejironed explains that spending has always outrun revenue and requests the Minster to seek authorization for 19,000 birr from khat revenue to make up for a shortfall faced by the regional administration. HPA.KF-1. Dej. Kifle Irgetu to HIM Haile Sellassie, August 27, 1952 E. C.

⁴⁷ Rumors are rampant that the Duke of Harer, who was reportedly more involved in business or accumulation than other members of the royal family, had extensive financial interest in khat. Indeed, there are allusions in contemporary documents to the royal family's involvement in khat business but no concrete substantiation. SD 875.00/7-2456, Embassy to State Department, Confidential Annex to Economic Review of the Year 1956.

⁴⁸ HPA.KF.1, Auditor's Report to the Ministry of Finance on the Khat revenue and administrative expenditure, 1951-52. September 30, 1953 E. C.; HPA.KF-1, Aemero Sellassie Abebe, Deputy Inderassie of Harerge to Balm. Mahteme Sellassie Wolde Masqal, June 17, 1952 E. C.

⁴⁹ HPA.KF-1, Aemero Sellassie Abebe, Deputy Inderassie of Harer to Zenebe Haile, Vice minster of finance. August 30, 1952 Eth. C.

domestic revenue would be augmented if the government gained greater control over the organization and management of its export. No concrete measures were taken to take over the khat business, although those implemented were clearly intended gradually to assert control over khat export, particularly to Aden.

Until 1960, khat was exported to Aden by individual businessmen operating private firms under licenses from the Dire Dawa municipality. Some of the private khat exporters were local Somali and Oromo traders, but most were Yemeni Arabs. Over the course of time, the Arabs, long involved in Harer's import-export trade, became the principal khat exporters to Aden.⁵⁰ As the khat business increased in the 1950s, more and more Adeni merchants came to Dire Dawa to take part in the growing trade, leaving their relatives to run the operations on the Aden end. Kinship played an important role on the exporting side, giving a competitive edge to the local exporters in regard to purchasing good quality khat. This differences engendered a competition between the local and expatriate exporters and eventually produced an atmosphere of intense rivalry in which the khat business was conducted.⁵¹

Determined to win, the expatriates invited non-khat traders to join them and establish a khat-exporting company with the aim to monopolize the trade and force out their competitors. With the assistance of a few local associates, the expatriates announced the establishment in 1960 of a company named the Chat Exporting Company of Dire Dawa (CECDD), with a capital of 18,000 birr. Customarily, licenses were delivered by the Dire

⁵⁰ Interview: Hajji Mohammed Abdurahman, Dire Dawa, March 26, 1994.

⁵¹ Interview: Hajji Dawud Abdo, Dire Dawa March 26, 1994.

Dawa Municipality, but in the case of the new company, the issuer was the Ministry of Trade and Tourism in Addis Ababa.⁵²

CECDD was essentially a private enterprise, owned and operated by shareholders,⁵³ and expected to work in partnership with an importing agency, the Qat Importing Company Limited (abb. CHATCO) based in Aden. The Aden government granted the latter the exclusive license of importation and wholesale distribution to retailers. In fact, since CHATCO was owned and managed by the relatives of the Arabs who had established CECDD in Dire Dawa, it may well be described as a subsidiary of the latter.⁵⁴ For business purposes, however, the two companies operated as though they were different private companies.⁵⁵

The Ethiopian government granted the CECDD a license to function as the sole khat exporter to Aden because it desired to gain control over the quality of the exported leaf and to prevent a repeat of the sanitation deficiencies which had led to the 1957 ban. For about a year, the company enjoyed a near-monopoly over khat export to Aden. Meanwhile, conflict arose between the company shareholders and the private exporters who were left out of the

⁵² The officials of the company included local traders such as Abdu Selam Hajji Musa (deputy general Manager) and Arabs named Mohammed Hussien al-Besiri, Hussien Rubah (president), Said Besiri (accountant). Interview: Hajji Mohammed Abdurahman, Dire Dawa, March 26, 1994.

⁵³ HPA.KF-1, "The by-laws of the Khat Exporting Company of Ethiopia," 1952 E. C.

⁵⁴ HPA.KF-2, Head of Criminal Investigation and Intelligence Unit of Harerge Police to the Inderassie, Oct. 29, 1953 E. C.

⁵⁵ HPA.GC-1, Ali Rabi, Managing Director of CHATCO to the Managing Director of CHATHA, "View Points of the Board of Directors of the Qat Importing Co. Ltd Aden on the Present Situation," July 25, 1962.

franchise. Ethiopian exporters blamed the "Arabs," who constituted the majority of the company's shareholders and managers, for allegedly attempting to sabotage the trade. Farmers accused the company of offering depressed prices, degrading the quality of khat and coercing them into selling at lower prices.⁵⁶ The situation is said to have harmed farmers and the khat business in general to the extent that candidates for parliament during the election of 1960 used the "khat problem" as a campaign issue by promising farmers to end their predicaments.⁵⁷

Police and intelligence reports reveal that the imperial government was concerned about the political overtones of the "khat problem" and that officials felt the issue must be resolved before it escalated.⁵⁸ One year after the establishment of the CECDD, HIM Haile Sellassie instructed the then Minister of Trade and Tourism Yilma Deressa to replace the leadership of the company with "people whose loyalty to the emperor and the country was unquestionable." Accordingly, the minister announced the dissolution of CECDD and the establishment of a new company to "save the work from total break down." An Armenian called Katching Boghossian was appointed as general manager and a certain Yirgashewa Meteleya as his deputy. The new appointees took over the assets and workers of the defunct

⁵⁶ HPA.KF-2, Graz. Bizuneh Wolde Mariam, Governor of Gara Mula'ata sub-province to the Provincial Administration Office. Oct. 6, 1954 E. C.; HPA.KF-2, Lt. Colonel Bereket Gebre Medhin, Police Commandant of Harerge Province to the Inderassie, July 12, 1953 E. C.

⁵⁷ HPA.KF-2, Lt. Colonel Seyoum Gessesse, Police Commandant, to Dej. Kifle Irgetu, Inderassie of Harerge, May 1, 1952 E. C.

⁵⁸ HPA.KF-2, Brigadier General Mekonnen Deneke, Minister of State for Public Security to Dej. Kifle Irgetu, Inderassie of Harerge, August 1, 1953 E. C.

company, now called the Khat Exporters Company of Harer (abb. CHATHA).⁵⁹ The action was hailed by the local exporters and government officials for "wresting the business from the Arabs who were intent on undermining Ethiopia's economy."⁶⁰

The new company differed from its predecessor in several important ways. It was established by an edict, run by government appointed managers and was supervised by the Ministry of Trade and Tourism. It was essentially a government-run enterprise. Unlike CECDD, which operated without a written contract with the importing company, the new company signed an agreement with the exporting agency daily to export a minimum of 3,000 kilograms during most of a year and 6,200 kilograms during the summer (Ethiopian winter), the rainy season when khat becomes available in large quantities. The writing of a contract was an indication that the relationship between the two companies was not based on kinship, trust or understanding, as was the case with the previous one, but strictly on business.⁶¹

Meanwhile, the business of exporting khat to Djibouti and Northern Somalia remained in private hands. The operations of the private firms was quite distinct from the companies especially in their purchasing mechanisms. Agents purchased khat in village

⁵⁹ *Ethiopia Dimts* (The Voice of Ethiopia), Amharic Daily, Sept. 25, 1953 E. C.; HPA.GC-1, Appeal to the Inderassie of Harerge, signed by forty nine shareholders of CECDD, Oct. 7, 1953 E.C.

⁶⁰ HPA.KF-2, Second Lieutenant Tsegaye Azene, Dire Dawa Police detective to Police Commandant of Dire Dawa sub-province. December 1, 1953 E. C.; HPA.KF-3, Report of nine witnesses against the company and the recommendations of the Police Commandant Seyoum Gessesse to the Inderassie. Sept. 9, 1952 E. C.

⁶¹ HPA.GC.1, Agreement between Qat Importing Co. of Aden and Chat Exporting Co. of Harar, October 27, 1962.

markets, alongside the Harer-Dire Dawa highway, and on individual farms.⁶² In the course of time, these agents developed an efficiently working relationship with farmers which enabled them to purchase khat futures. The producers preferred this type of customer-buyer relationship because it provided them decent prices and eliminated the uncertainties at the Dire Dawa market. Farmers traveled to the company's purchasing center not just for the prices it offered but because the Djibouti and Somalia markets did not have the capacity to absorb the entire available supply.⁶³

Despite its efforts, the company operations remained ineffectual. CHATHA failed to meet the quality and quantity demand of CHATCO, giving rise to mistrust between the companies. Correspondence reveals that CHATHA was organizationally unable to fulfill its contractual commitments. It did not have purchasing stations close enough to the producing areas to be able to buy sufficient khat to meet Aden's demand.⁶⁴ CHATHA regularly failed to dispatch the daily minimum of 3,000 kilograms of khat and the brand preferred in Aden. During the months of June and July 1963, according to the agreement, 6,200 kilograms of khat had to be sent to Aden, but, CHATHA dispatched an average of 3000 kilograms. There was no day when CHATHA shipped a consignment whose weight met the agreed-upon

⁶² HPA.GC-1, Katching Boghossian, General Manager of CHATHA to General Manager of CHATCO. Aden, August 1, 1965.

⁶³ Interview: Amin Usman Mohammed, Ganda Issa, Haramaya, May 17, 1994; Mume Ahmed, Fala'ana, Kombolcha, June 08, 1994.

⁶⁴ HPA.GC-1, Ali Rabi, Managing Director of CHATCO to the Governor-General of Harer Province, April 8, 1963.

amount.⁶⁵ CHATCO protested that the terms of the contract were violated by CHATHA's failure to ship the agreed-upon quantity but also in exporting inferior quality khat. The latter responded by claiming that its failure was due to lack of rain, which should be regarded as an act of God.⁶⁶ CHATCO was well aware that Djibouti and Hargessa were supplied with the best quality khat from Harerge and could not accept CHATHA's claim of *force majeure*.⁶⁷ On February 13, 1962, it refused khat worth Shs. 49,855 from CHATHA, because the produce was declared "unfit for human consumption."⁶⁸ On the next day, despite CHATCO's warning that no khat be shipped to Aden without further instruction, CHATHA dispatched khat worth Shs 33,097.20, which passed inspection. CHATCO paid for the latter, but deducted the air freight charges for the condemned khat. In the process, CHATHA lost close to Shs 50,000.⁶⁹

Negotiations began in Aden between Mr. Ali Rabi of CHATCO and Mr. Katching Boghossian of CHATHA. With assistance from high level Ethiopian government officials,

⁶⁵ HPA.GC-1, Ali Rabi to the Manager of CHATHA, On the lack of adaptation to agreement, May 1, 1962; HPA.GC-1, Statement showing quantities of khat demanded by CHATCO, minimum provided by agreement, quantities of khat exported by CHATHA. May 1 to August 10, 1962.

⁶⁶ HPA.GC-1, K. Boghossian and Teferi Lemma to Mustafa Refat and Saeed Haitham, Representatives of CHATCO, August 28, 1962.

⁶⁷ HPA.GC-1, Ali Rabi to the Managing Director of CHATHA, View points on the Board of Directors of CHATCO on the Present situation, July 25, 1962; HPA.GC-1, Mustafa Refat and Saeed Haitham, Accredited Representative of CHATCO to Deputy Governor of Harer, Sept. 4, 1962; HPA.GC-1, Comparative statement to show the quantities of Ethiopian chat exported to Djibouti by Individual Importers [sic] during CHATHA's alleged *force majeure*. enclosure item 26, July 2, 1962.

⁶⁸ HPA.GC-1, Telegram from CHATCO to CHATHA, Feb 13, 1962. HPA.GC-1, H. R. Robertson to CHATCO, Medical certificate, Aden Municipality, Feb. 13, 1962.

⁶⁹ HPA.GC-1, H. R. Robertson, Officer of Health of Aden Municipality to CHATCO, Certificate of Health, Feb. 14, 1962; HPA.GC-1, Abdulkader Yassin Kaid, Agent for CHATHA to General Manager of CHATCO, March 11, 1962.

the two men hammered out an agreement wherein CHATHA agreed to improve the quality and quantity of its exported khat. To that end, CHATHA agreed to establish purchasing sites in the towns of Harer, Haramaya, Langie and Chelenqo,⁷⁰ but they did not help CHATHA to overcome its ineffectiveness. The business relationship between the companies further deteriorated when CHATHA repeatedly dispatched delayed khat on Fridays which was a holiday in Aden.⁷¹

Meanwhile, the Aden press was calling for the banning of Ethiopian khat. By 1963, the Pan-Arabist ideology championed by Gamal Abdel Nasr was gaining root in the region, and the newspapers and mass media reflected its resonance in Aden. Ethiopia's alleged friendship with Zionist Israel and its continuous ability to drain away Aden's wealth became an issue of national debate. The print media and radio programs pressed hard for the substitution of Ethiopian khat by imports from the "brotherly neighbor" country of Yemen.⁷²

During the negotiations, CHATCO threatened to stop importing khat unless the Ethiopians agreed to import fish and salt in exchange. The Ethiopians rejected the condition claiming that there was no market for those commodities within the country. The two companies' failure to strike a deal, coupled with a resentful Adeni public opinion, forced

⁷⁰ HPA.GC-1, Ali Rabi, Managing Director of CHATCO to the Governor-General of Harar Province, Aden, April 8, 1963.

⁷¹ HPA.GC-1, Negatu Mekuria, Deputy General Manager of CHATHA to Kegnaz. Demissie Teferra, deputy Inderassie of Harerge, Nov. 23, 1955 Eth.C; HPA.GC-1, Ali Rabi, Managing Director of CHATCO to the General Manager of CHATHA, Aden, July 14, 1963.

⁷² *Al-Qalam Al-Adani*, A motion by a municipal councillor, Feb. 13, 1963; no. 477; *Al-Ayam*, Editorial, no. 683, Oct. 26, 1960. HPA.GC-1, Tilahun Abebe, Director of Dire Dawa Customs to Lt. Colonel Solomon Kedir, Assistant Minister for Ethiopian Customs, Report on Aden Radio broadcast on the khat situation, June 3, 1956 E. C.

CHATCO to quit importing Ethiopian khat on June 1, 1963.⁷³

In October of the same year Ethiopia's khat business suffered another blow. In 1963, the Somalis felt that Ethiopia was politically weak as manifested in the attempted coup d'etat of December 1960 and militarily unprepared in view of the fact that Ethiopian forces were on United Nations assignment in the Congo. Somalia's leaders decided that the time was ripe for recovering their land and liberating their kin from Ethiopian domination and sent forces into Ethiopian territory. The hostilities that ensued prevented the transportation of khat and other trade to Somalia and even hampered trading activities in the Ogaden and the Haud. In 1964, Ethiopia declared a State of Emergency and banned the export of khat into Somalia, hoping that supply shortages would lead to discontent and destabilization within Somalia. Only Djibouti was left to import Ethiopian khat. The termination of exports to Aden and Northern Somalia marked the end of the first phase of expansion of the production and marketing of khat.⁷⁴

E. Conclusion

While khat chewing has long had a symbolic meaning for Harerge's religious and cultural elites, that meaning has changed as new social groups took up the habit. The changing meaning of chewing must be examined in the context of the overall socio-economic and cultural developments in the Horn of Africa, including the integration of the societies

⁷³ HPA.GC-1, Kegnaz. Bekure Wolde Giorigis, Governor of Dire Dawa sub-province, to Harerge Provincial Administration Office, June 5, 1956 E. C.

⁷⁴ HPA.GC-2, Fit. Tewahade Woldeyes, Governor of Harer sub-province to Harerge Provincial Administration Office, Oct. 19, 1957 E. C.

there into the modern cash economy. It is nonetheless important to note that chewing began among different societies for different reasons: for some chewing was a long-standing cultural ritual (Yemeni); for others, it is an expression of nationalism and defiance (Somalis); and for still others, it was the only available pastime (Christian Ethiopians).

Clearly, khat's perishability was a decisive factor in the process of the shrub's commodification. It determined price, making the leaves so expensive that average consumers in Djibouti spent as much as 40 percent of their incomes on khat. The fact that importing countries had to expend a significant amount of capital on khat affected their balance of payments and led to initiatives to ban the trade. For the exporting country, the khat trade generated revenues which could be used for accomplishing important political goals. Attempts at restricting consumption led to conflicts among governments, between consumers and their governments and among traders who sought monopoly over the trade and those who wanted to get a share of the lucrative business. The policies of restricting consumption, for balance of payments purposes or for other political reasons eventually led to a permanent ban on importation, in the case of Aden, and a suspension, in the case of Northern Somalia. In the next chapter, we will consider how khat fared under the circumstances of diminished export outlets in the 1960s and early 1970s.

CHAPTER FIVE

The Export Trade:

Constraints, Contraband and Control, 1964-1974

The dynamic growth of Harerge's khat production in the 1950s and early 1960s slowed considerably after 1964. The industry faced a series of problems stemming from the sudden demise of the Aden market and the trade embargo imposed in the aftermath of the Ethio-Somali conflict of 1964. Reacting to diminishing demands and falling prices, farmers slowed cultivation of khat and, in effect, suspended the two-decade old process of replacing Harerge's long standing sorghum-coffee cropping complex with khat plantations. Exporters and domestic dealers scrambled to open up new markets but did not find a viable replacement for the role khat had formerly played in their economic life. For the government, the declining khat market meant a substantial loss of revenue and a diminished capacity to deal with the existing security problems and the potential political unrest arising from economic dislocation.¹

The disappearance of foreign markets and the consequent loss of incomes and revenue set the stage for a competition over the infrastructure of khat production and exchange. Focusing on the period between the declaration of a State of Emergency (SOE) in Harerge province in 1964 and the overthrow of Haile Sellassie's government in 1974, this chapter examines the reaction of farmers, traders and the government to and the implications

¹ HPA-GC.1, Lt. Colonel Tamirat Yigezu, Inderassie of Harerge to HIM Haile Sellassie. June 23, 1956 E. C; HPA-GC.1, Lt. Colonel Tamirat Yigezu, Inderassie of Harerge to Finance Minster Yilma Deressa, June 12, 1956 E. C.

of a relatively smaller khat industry for the region's political economy. It opens with the state of affairs just after the 1964 Ethio-Somali skirmishes, shifts to examining traders' responses to increased state intervention in the khat economy, and concludes with a discussion of the political and economic implications of increased smuggling.

These apparently disparate analyses are tied together by the main argument of the chapter. Around the mid-1960s, prompted by political considerations, security concerns and the need to raise revenues, the Ethiopian government imposed restrictions on the khat trade and raised taxes. Every measure that the government took distorted the marketing process, blurred the distinction between legal and illegal transactions and gave rise to a structure of distribution that bypassed or paralleled official marketing channels. My narrative will show that the expansion of khat distribution through unofficial channels was a direct consequence of government actions.

A. The Aftermath of Ethio-Somali Hostilities of 1964

Before 1964, the Aden market alone constituted a 20 million birr industry. Ethiopian Airlines, the Khat Exporting Company of Harer, the Ethiopian Customs, each collected annually approximately 5 million birr from exporting khat to Aden while the same amount was reportedly shared by Harerge's farmers and traders. Estimates indicate the government sustained an annual revenue loss of around 2.7 million birr in export duties from the khat exports to Northern Somalia² and another 2.4 million birr in income taxes from domestic

² This figure is calculated based on reports that 7,000 to 8,000 kg of khat was smuggled daily into Somalia. Since customs taxes were at a rate of 1 birr per kg of khat at the time, we could extrapolate that the revenue loss for the year would be around the amount given in the text.

transactions.³ Under the terms of the State of Emergency, a few traders were permitted daily to supply consumers in Jijjiga with 200 kilograms of khat, but all traders were barred from marketing khat in areas east of the town. For farmers, the loss of income was compounded by a drought and pest infestation which destroyed other crops in 1964⁴ and diminished land use tax revenue for the government.⁵

The demise of foreign markets was obviously a serious blow to Harerge's economy, but its consequences were not only economic. Provincial administration officials feared that the economic dislocation caused by the loss of income would trigger rural unrest at a time when the government's capacity to respond was seriously constrained. In an effort to avert what they perceived to be a potentially dangerous event, provincial officials urged the national government to try and reopen the Aden market, but its efforts did not produce a positive result. As we have seen in chapter 4, Aden's decision to ban Ethiopian khat was based largely on the political and economic concerns of the Aden government rather than on the organizational ineffectiveness of CHATHA claimed by the Adeni importers. Thus, the Adeni market was permanently closed, leaving khat traders to look elsewhere for business.

Even when Aden was an active importer, it was Northern Somalia which took most

³ HPA-GC.2, The Governor of Jijjiga and Colonel Yilma Teshome, Chief Administrator of the SOE for the northern part of the Harerge to Major General Abebe Gemedo, Dej. Workineh Wolde Amanuel and Bejirond Negatu Mekuria. October 8, 1962 E.C. The letter indicates that the Internal Revenue Department used to collect 6,000 to 7,000 birr in income taxes daily. The figure in the text is a calculation based on the average figure of 6,500 birr.

⁴ Miller and Mekonnen, *Organization and Operation*, p. 19.

⁵ HPA-GC.2, Lt. General Kebede Gebre, Harerge's Inderassie to the Commander of the Third Command and Chief Administrator of the SOE. February 30, 1957 E.C.

of the khat from Gursum, Harer Zuria and Wobbera *awrajas* (sub-provinces).⁶ In the years before the Ethio-Somali hostilities, Hargessa and the Ogaden lowlands consumed approximately 7,000 kilograms daily. This movement was discontinued when the State of Emergency proscribed all kinds of commercial or traditional exchanges and barred traders from operating in the area east of Jijjiga and the Ogaden country. Only Djibouti continued daily to import 6-7,000 kilogram of khat, but the amount was not sufficient to absorb the surplus created by the disappearance of the other two foreign markets.

Clearly, the reopening of the Hargessa and Ogaden markets was critical for the economic stability of the region. Farmers and officials, especially of those regions whose economic well-being depended on a flourishing Hargessa market, submitted petitions to the provincial administration, requesting the lifting of sanctions so as to facilitate the unencumbered flow of khat.⁷ Nevertheless, the petitions were often overlooked because political considerations appeared to take precedence over economic gains. The SOE was intended to curb subversive political activities, foster social discontent within Somalia by creating shortages of consumer necessities and prevent the Mogadishu regime from launching another attack on Ethiopia. It was particularly felt that withdrawing khat from Somalis might serve to incite them against their government.⁸ For political reasons, therefore,

⁶ HPA-GC.2, Gugsa Abegaz, Director of Harer Zuriya sub-province and the Municipality to the Office of the Provincial Administration, February 24, 1957 E. C. The Director cites that his office was overwhelmed by petitions from farmers for the opening of the Hargessa route. There are numerous such appeals in my own possession.

⁷HPA-GC.2, Fit. Tewahade Woldeyes, Governor of Harer Zuria sub-province to Office of Provincial Administration, October 19, 1957 E. C.

⁸HPA-GC.2, Brigadier General Abebe Gemedo, Commander of the Third Infantry Division and Chief Administrator of the SOE to Lt. Colonel Tamirat Yigezu, Inderassie of Harerge, December

no effort was made immediately to reopen the Northern Somalia market.

Before too long, it became clear that the embargo would not achieve its political objective. Khat was not an ordinary commodity which consumers use when it is available and let go when it is hard to obtain. Though the intensity has not been determined by researchers, khat is proven to possess properties akin to most psychoactive substances; its users get "hooked" to the extent that their physical and social functioning capacities become impaired when the stimulant is not taken. It is therefore impossible to prevent users from going to great lengths and paying higher prices to obtain the substance they need. The prohibitions imposed by the SOE, and the demand generated thereof, gave rise to a situation favorable for dealing khat, if unlawfully, in the restricted areas. The business involved risks; the risk of being caught and punished for selling illegally, the costs of avoiding detection and diseconomies of trading in smaller quantities. But prices were probably higher than for khat sold in the official market, thus encouraging traders to smuggle khat to the restricted areas.

The smugglers frequently used three major routes. Originating in Jijjiga smugglers headed northwest to Djibouti, then veered southeast into Somalia. Others took a southeasterly direction from Jijjiga, appearing to head in the direction of the Ogaden country, but quickly turned northeast to reach Hargessa. Border guards usually concentrated on the most frequented crossing points but were unable to control the entire border areas. Due to the increased risk involved in the smuggling effort, khat may have become expensive, but there was no evidence that it was in short supply in Somalia during the time the SOE was in

13, 1957 E.C. This is a strategic document in which the General evaluated the state of the SOE.

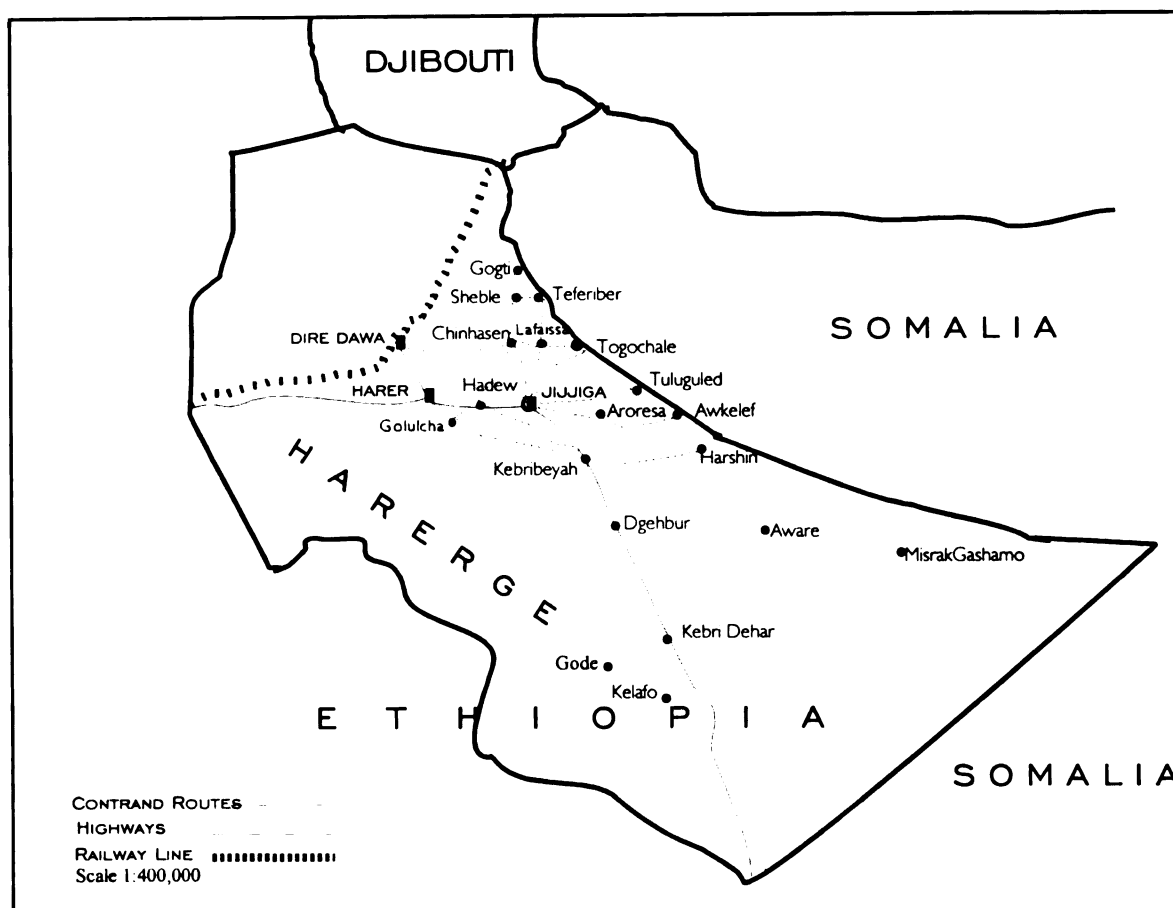


FIGURE 4
KHAT SMUGGLING ROUTES, 1960s

effect.⁹

Although it was increasingly evident that the embargo was undermined by ubiquitous parallel market activities, the government was unable to curb them, essentially due to three factors. First, army, police and customs officers were in no position to gain even a semblance of control over the vast Ethio-Somali border area which stretched over more than

⁹HPA-GC.2, Fit. Demissie Tefera to Dej. Kifle Irgetu, Minister of State for Public Security, January 21, 1957 E.C. For theoretical consideration of the relationship between increased risk and prices see, Christine Jones and Michael Roemer, "Editors' Introduction: Modeling and Measuring Parallel Markets in Developing Countries," *World Development*, 17:12 (1989), pp. 1861-1870.

1610 kilometers long. It is difficult for any government to maintain an effective control over such a vast stretch of land, but the Ethiopian government was particularly fettered by the poor state of logistical capability. Contemporary correspondence reveal that the Customs Department had a limited number of poorly paid officers and a couple of aged vehicles which frequently broke down.¹⁰

More importantly, official efforts were severely hampered by the fact that law enforcement officials were not able to single out and apprehend contraband traders. For the Somali's, the political boundary was not a barrier capable enough to block passage. As pointed out in chapter 1, Issa and Gadaboursi Somalis possessed a history of participation in the long standing exchange between Harerge and the coastal ports in which they engaged as intermediaries, providing transportation services for merchants. In the process, they had acquired indispensable knowledge of the geography and caravan routes and had established intricate, kinship-based commercial networks with their kindred inside Somalia.¹¹

Furthermore, the capacity of authorities was further undermined by corruption which allowed traders to engage in contraband activities with impunity. Law enforcement officials allowed smugglers to violate the terms of the SOE in exchange for bribes. Corruption led to the proliferation of untaxed transactions and resulted in a sharp decline in government revenue, thereby diminishing the capacity of state institutions effectively to deal with tax

¹⁰ HPA-GC.2, Minutes of the Khat Commission of Inquiry, May 19, 1962. HPA-GC.2, Beshir Shiek Abdi, Governor of Jijjiga to Harerge Provincial Administration Office, April 8, 1957 E. C.

¹¹Interview: Yasin Usman, Dire Dawa, February 2, 1994; Mesfin Asfaw, Harer, March 15, 1994.

evasion. Khat trade was not deemed a violation of the law before the restrictions were implemented. Even after the SOE sanctions were imposed, transactions that took place west of Jijjiga were perfectly legal and a few traders were permitted daily to bring in 200 kilograms of khat into the town. Illegal khat transaction occurred only when the exchange took place in areas east of Jijjiga. Consumers who resided east of Jijjiga were supplied by traders who took the risk of breaking the law. This is a clear case example of a government defining the legality or illegality of commercial transactions.

Even though contraband trade had undercut the viability of the SOE, the official attitude toward the embargo did not change until November 1964 when Brigadier General Abebe Gemedo, the Chief Administrator of the SOE toured the areas under his command. While visiting Jijjiga, the General observed that the embargo only succeeded in undermining "free trade," thus denying farmers and traders the right to sell their khat in the open market and preventing the government from levying taxes on legal transactions. He noted that the embargo had not weakened Somalia's economy, nor thwarted subversive activities, nor incited rebellion in Somalia. Furthermore, it was proved that the army was unable to secure the entire border and prevent smuggling, nor were intelligence officers able to weed out persons with subversive intentions from a population that was linguistically and ethnically akin to the citizens of the purported enemy, Somalia. Simply, the historical and contemporary realities of the region militated against the SOE's ability to achieve the expected political objectives.¹²

¹² HPA-GC.2, Brigadier General Abebe Gemedo, Commander of the Third Infantry Division and Chief Administrator of the SOE to Lt. Colonel Tamirat Yigezu, Inderassie of Harerge, December 13, 1957 E.C.

After observing the failure of the embargo, General Abebe made recommendations that marked a strategic shift regarding the mechanisms of dealing with Somalia. The general argued for the unrestricted flow of khat into Somalia. In his view, khat could be used best as a "weapon" against Somalia's population and economy, not by denying consumers the substance they needed, but by supplying it in unlimited quantities. He reasoned that khat was a harmful substance that would turn Somalia into a country of physically unfit and psychologically incompetent citizens who would not be able to become an effective fighting force. In addition, he reckoned that the money Somalis spent on khat would devastate their country's economy by draining money into Ethiopia, which would also benefit from export taxes on the business. Based on these considerations, he recommended that the khat embargo be lifted completely and immediately.¹³

In February 1965, General Kebede Gebre, the newly appointed *inderassie* (the emperor's representative), concurred with some of General Abebe's analysis and abolished the 200 kilogram limit on Jijjiga's quota and permitted unlimited quantities of khat to be taken to the town. However, he left in place the ban on shipping khat to regions east of Jijjiga. In leaving the geographic restriction intact, the *inderassie* reasoned that the free movement of people between the two countries would increase subversive activities against Ethiopia. The partial lifting of the ban, however, proved inconsequential, since most of the khat consuming population resided in areas east of Jijjiga in such border towns as Togochole, TeferiBer, Harshin, Dehatahil, Hartishiek, as well as in such Ogaden towns as

¹³ Ibid.

Dagahabur, KebriDehar, Aware, MisraqGashamo and Gode.¹⁴

Dissatisfied with the partial lifting of the khat embargo, General Abebe recommended that traders be issued municipal ID cards and be permitted to exchange as much khat as they could handle within Ethiopia's borders.¹⁵ Viewed against the backdrop of the embargo's negative economic impact on farmers, traders and the government and its failure to achieve the political goals for which it was instituted, the proponents of the SOE were left with no justifiable recourse to advocate the maintenance of the status quo. In June 1965, a decision was made to extend the area in which khat was to be traded beyond Jijjiga, right to the border with Somalia. The embargo against Somalia, however, was left in place as long as the SOE remained in force.¹⁶

Between June 1965 and October 1967, the khat business proceeded more or less smoothly. Officials determined that it was time for the government to derive as much revenue as possible from the business. Although as a policy principle, Addis Ababa refrained from direct involvement in commodity production and marketing, the failure of the quasi-independent company that used to export khat to Aden left behind an enduring bias

¹⁴HPA-GC.2. Lt. General Kebede Gebre, Harerge's Inderassie, to Brigadier General Abebe Gameda, Commander of the Third Infantry Division and Chief Administrator of the SOE and Fitaurari Tewahade Woldeyes, Governor of the Harer sub-province and mayor of the city. February 30, 1957 E.C.

¹⁵HPA-GC.2, Brigadier General Abebe Gameda, Commander of the Third Infantry Division and Chief Administrator of the SOE, to Lt. General Kebede Gebre, Inderassie of Harerge, May 9, 1957 E.. C.

¹⁶ HPA-GC.2. Lt. General Kebede Gebre, Harerge's Inderassie, to Fitaurari Tewahade Woldeyes, Governor of the Harer sub-province and mayor of the city. February 30, 1957 E.C.; HPA-GC.2, Brigadier General Abebe Gameda, Commander of the Third Infantry Division and Chief Administrator of the SOE to Lt. General Kebede Gebre, Inderassie of Harerge, June 11, 1957 E. C.

toward market-based exchange operations. Moreover, khat played too important a role in the finances of the state to be left free of government involvement. In the next section, I will examine state intervention in khat business which needs to be understood in two ways: the level of revenue it extracted, and the means by which it did so. Obviously both aspects are interrelated since the actual amount of revenue flowing into the state purse was determined to a large extent by the efficiency of collecting it. The process was in itself a function of the mechanisms that were used to ensure that few loopholes existed. Two government departments, the Customs and the Internal Revenue, were charged with the responsibility of collecting export duties and income taxes on domestic khat transactions.

B. Taxation, Traders and the State

Before trade was disrupted by war in 1964, there existed two types of taxes on khat trade. Export taxes were levied at a rate of 1.00 birr per kilogram of khat, while traders paid 0.50 birr in income taxes on domestic transactions. Both rates applied to the entire Harerge province, whether khat was exported from Dire Dawa to Aden and Djibouti or through Jijjiga to Hargessa in Northern Somalia. During the period the SOE remained in effect, the collection of these taxes was suspended in the entire area east of Jijjiga. Official khat export was permitted only in the Dire Dawa section, where the Customs Department continued to collect export duties. In the following pages, I will examine the competition over khat-revenue in both the Jijjiga and Dire Dawa sectors, beginning with the former.

The Jijjiga Sector

As we have seen earlier, traders were permitted to resume their domestic khat trade in June 1965, even though export to Somalia remained illegal under the terms of the SOE. Traders began to supply khat to such border towns as TeferiBer, Togochale and Harshin, paying the 0.50 birr per kilogram income tax. The proximity of these towns to Somalia held out the possibility that khat could be smuggled across the border without payment of export taxes. In face of this possibility, an additional 0.06 birr per kilogram export duty was imposed on all khat that was meant for consumption in regions east of Jijjiga. Since khat was not officially exported to Somalia, the Customs Department had no role in the Jijjiga sector, and the nominal export duties (i.e., 0.06) were to be collected by the Internal Revenue Department. Traders were thus required to pay a total of 0.56 per kilogram in both income and export taxes.¹⁷

The export duty rate reduction was meant to encourage legal trade and weaken the smuggling that had flourished during the period the embargo.¹⁸ The reduction of taxes by 44 percent was so attractive that many traders willingly paid the stipulated amount and operated legally. In the Dire Dawa section, the rate of both income and export taxes remained unchanged. The Customs Department continued to levy 1.00 birr per kilogram on khat that was exported to Djibouti while the Internal Revenue Department collected income

¹⁷ HPA-GC.2, Minutes of a Meeting of the committee assigned to study Income tax conditions in Harerge, September 19, 1962 E. C.

¹⁸ HPA-GC.2, Abate Astatke, Director of Jijjiga Customs, to Brigadier General Abebe Gemedo, Commander of the Third Infantry Division and Chief Administrator of the SOE, October 5, 1957 E.C.

taxes at a rate of 1.00 birr per kilogram on domestic transactions.¹⁹

The new tax arrangement presented two major problems. First, legality ended once khat cleared through the tax post at Harer, since most of the khat that was meant for domestic consumption was actually taken across the border after only 0.56 birr was paid on each kilogram of khat. Second, for traders originating in areas east of Harer, the new tax structure meant a free-ride to any destination. Traders who set out from Gursum awraja paid no taxes, whether they sold their khat within Ethiopia or in Somalia.²⁰ Customs officials believed that smuggling was depriving the state of a substantial portion of its rightful revenue. They estimated that the new policy resulted in a loss of an estimated 93,000 birr in just two months and argued for the reinstatement of formal export taxes. But as long as the SOE remained in effect, it was practically impossible to collect export taxes on the Jijjiga side.²¹

In January 1966, the provincial administration took two measures to prevent further revenue loss. The tax collection post was moved from Harer to Jijjiga because the latter was deemed to be strategically situated to control the movement of traders. Gursum officials were authorized to levy taxes on khat that originated in their awraja. Income taxes were collected at Fugnanbirra, the capital of Gursum, at a rate of 1.00 birr per kilogram of khat. Under the new arrangement, traders headed for the Ogaden or Northern Somalia were

¹⁹ Before 1964, the combined rate of export and income taxes was 1.00 per kg. After the export tax rate was reduced to 0.06 birr, traders paid only 0.56 birr per kg of khat. The reduction amounted to 44 %.

²⁰ HPA-GC.2, Bejirond Zewde Awoke, Harerge's Treasurer, to Kegnazmatch Tesfaye Wondimagegnehu, Governor of Gursum sub-province, January 16, 1958 E.C.

²¹ HPA-GC.2, Abate Astatke, Director of Jijjiga Customs to Brigadier General Abebe Gemedo, Commander of the Third Infantry Division and Chief Administrator of the SOE, October 5, 1957 E. C..

occasionally forced to pay income tax twice, once at Fugnanbirra and then at Jijjiga, before they reached their destinations.²²

In October 1966, the provincial administration stepped in to thwart smuggling. A decision was made to equalize income tax rates paid at Jijjiga with that of the Dire Dawa sector, where income and export taxes had been 1.00 birr per kilogram of khat since 1960. The proponents of a uniform taxation structure argued that contraband trade was nonexistent before 1964 when tax rates were the same around the entire province and called for the reinstatement of the status quo ante in order to end unofficial trading activities. The nominal 0.06 birr export tax and the 0.50 birr income tax were consequently abolished and replaced by a flat 1.00 per kilogram of income taxes regardless of the destination of the merchandise. In effect, taxes went from a total of 0.56 to 1.00 birr, whether khat was meant for domestic consumption or illegally exported to Somalia.²³

The new rate was not popular with traders, since, in determining the rate at which taxes were levied, officials apparently paid no attention to the fact that khat prices were seasonal and extremely volatile. One kilogram of khat which sold for, for example, five birr during dry seasons, when only irrigated khat was available, would hardly fetch 2 birr during rainy seasons. Traders frequently complained about a tax regime that did not take into consideration the nature of the business and petitioned the government for the return of the tax rates to the 0.56 birr level. They also complained about the redundancy, confusion and

²² HPA-GC.2, Lt. General Kebede Gebre, Harerge's Inderassie to the Treasurer (Bejirond) of the Province, January 20, 1958 E. C.

²³ HPA-GC.2, A memorandum for Lt. General Kebede Gebre, Inderassie of Harerge, October 14, 1959 E.C.

inconvenience created by the decision to collect taxes in several places. Notwithstanding the problems, the khat business prospered and the revenue collected at Jijjiga and Gursum rose sharply, reaching a comparatively high level of 1.6 million birr in 1967-68.²⁴

Meanwhile, relations between Ethiopia and Somalia improved and occasioned the dissolution of the SOE. In a communiqué announced on September 18, 1968, the two countries declared that they have agreed to restore trade. The agreement provided for the resumption of legal khat exportation to Somalia and meant that the Customs Department could begin to levy taxes at the old rate of 1.00 birr per kilogram. Accordingly, income tax was suspended in the Jijjiga section, since a double tax might have forced legal traders to go underground and lead to revenue decline. The reinstatement of the previous system, i.e., the collection of income taxes by the Internal Revenue Department and export duties by the Customs Department, was restored as a temporary arrangement, and a commission was appointed to study and propose a uniform tax structure for the entire province.²⁵

The commission thoroughly examined the process of khat marketing, studied the relevant tax laws and observed the existing practices of tax collection in Harerge. Based on its interpretation of the laws and its findings about marketing systems, transportation costs and price differentials between specific areas, the commission recommended the adoption of a region-specific, rather than a province-wide tax structure. Accordingly, in both Dire Dawa and Jijjiga sections, the export tax was fixed at 1.00 birr per kilogram of khat plus a

²⁴ HPA-GC.2, Bejirond Negatu Mekuria, Harerge's Treasurer to Dej, Workineh Wolde Amanuel, Harerge's Inderassie, September 5, 1962 E.C.

²⁵ HPA-GC.2, Dej. Workineh Wolde Amanuel to Fitaurari Kebede Wadaju, May 5, 1962 E.C.

2 percent transaction fee. In the Jijjiga sector, so as to discourage smuggling, an additional income tax of 0.45 birr per kilogram was introduced.

On the Dire Dawa section, there were traders who used chartered planes to supply consumers in Ogaden towns such as Dagahbour, KebriDehar, Kelafo and Gode. The khat trade here was, therefore, different from other domestic operations which used only vehicles. Taking into account that air-transportation was more expensive and that khat prices were consequently higher in the Ogaden than other places, traders who supplied this region were made subject to 0.55 birr per kg of khat, 0.05 cents higher than the income tax rate stipulated for other domestic operations.²⁶

TABLE 4: Khat income tax and Export duty rates as of October 28, 1969.

Sector	Customs (Birr/kg)	Internal Revenue (Birr/kg)	Transaction Fee
Jijjiga (export)	1.00	0.45	2 %
(domestic)	--	0.50	--
Dire Dawa (export)	1.00	--	2 %
(domestic)	--	0.55	--

Under the new tax structure, traders who exported khat to Northern Somalia were required to pay a total of 1.45 birr in export and income taxes plus 2 percent transaction fee per kilogram of khat. The increase was 158 percent higher than the 0.56 birr rate. The initial

²⁶HPA-GC.2, Lt. General Kebede Gebre, Harerge's Inderassie to the sub-provinces of Jijjiga and Degahbour, to the Director of Customs of the northern provinces and to Internal Revenue Administration offices of the sub-provinces, October 26, 1969 E. C.

reaction of traders was to submit petitions to the provincial administration, requesting that the new export duty and income tax rates revert at least to the rate that existed in 1964, i.e., 1.00 birr per kilogram. In their petitions, they put the provincial administration on notice that strike would be imminent, if their demands were not met.²⁷

The end of the embargo was expected to lead to a sharp increase in the revenue collected by the Customs and Internal Revenue Departments. To the surprise of officials, collections declined, suggesting a major slump in the khat export business. By the end of November 1969, one month after the new tax rates were put into effect, the Customs and Internal Revenue Departments collected a little more than 114, 000 birr, showing a 5.2 percent decrease from the 120,000 birr collected by the Customs Department alone during the same month of the previous year.²⁸ Regardless of the loss, the government pressed ahead with the enforcement of the new tax rate. Neither the revenue drop nor the mounting petitions from traders were sufficient to nudge the government into revising its decision.

Towards the end of 1969, the official khat industry began to exhibit signs of a dramatic decline. In the six months after the new taxes were implemented, the amount of export tax revenue collected by Customs Department dropped from 830,053 birr to 542, 512 birr, nearly 35 percent compared to the same months of the previous year. The loss in export taxes was somewhat compensated for by the reinstated income tax revenue which brought

²⁷ HPA-GC.2, The appeal of thirty-two khat traders to Dej. Workineh Wolde Amanuel, Inderassie of Harerge, October 30, 1962 E.C. Twenty of the thirty two petitioners were women. HPA-GC.2, The appeal of nine khat traders to the Office of the Governor of Jijjiga sub-province, April 26, 1962 E.C.

²⁸ HPA-GC.2, Beshir Shiek Abdi, Governor of Jijjiga, to Colonel Yilma Teshome, Commander of the 10th Infantry Division and Chief Administrator of the SOE in the Northern Section of the province. March 27, 1962 E.C.

in 239,202 birr collected by the Internal Revenue Department. The monthly break down of the revenue statistics showed that the loss in tax revenue climbed each month, clearly signaling that the khat industry was facing a serious problem.²⁹ The fact that income taxes registered a consistent increase while export duties spiraled downwards month after month unambiguously indicated that more traders were opting for the lower income tax rates, although it cannot be said that they were not smuggling.

TABLE 5: Comparative Statistics of Export duty and Income tax revenues in birr.

Months	1968-69(A)	1969-70 (B)	Difference (A&B)	Income Taxes
Oct18-30	63,832	37,333	26,499	16,462
November	120,100	79,287	40,812	34,953
December	127,982	91,801	36,180	40,474
January	156,391	108,524	47,866	47,852
February	176,770	117,862	58,908	51,972
March	184,975	107,701	77,274	47,488
Total	830,053	542,512	287,541	239,202

Source: HPA-GC.2, Bejirond Belete Gebre to Harege Provincial Administration, April 12, 1962 E.C.

Solid quantitative, evidence is lacking on the specific reason for the drain on government revenue, but there is evidence that the number of the licensed export traders was consistently declining, suggesting a weakening official export market. In October 1969, just

²⁹ HPA-GC.2, Belete Gebre, Director of Customs of the Easter Regions to the Office of Harege's Provincial Administration. April 12, 1962 E.C.

before the new tax rates were implemented, there were more than 100 licensed private traders in khat export business. By April 1970, there were only 5 such traders, all of whom were women.³⁰ In May, all khat traders, most of whom were Somalis, declared that they had stopped exporting khat to Somalia, claiming bankruptcy and citing the government's failure to act on their petitions to repeal the new tax rates.³¹ Authorities interpreted the action of the traders as a "strike"³² and even suspected sabotage by Somali government agents. The khat issue had obviously become a political problem.

In fact, the authorities were never convinced that the traders' petitions were genuine appeals for reductions of unaffordable taxes rates. The latter's obvious display of wealth, such as vehicle purchases for private and business uses, led to the government's insistence on maintaining the new tax rates. Officials were convinced that khat traders were "getting rich" by defrauding the government, primarily because of smuggling which was allowed to go unchecked. Revising the tax rate was never considered as a means to curb contraband trade activities. Most officials instead wanted to crack down on the smugglers.³³

³⁰Women submitted the majority of petitions to the provincial administration requesting the resumption of the "Hargessa" route. Women retailed khat in local markets, traveling only short distances from the town of Jijjiga. The proceeds allowed women to make money they could spend independently of their husbands and fathers. The prohibition deprived them of the right to do independent business and forced them to revert to their role of taking care of the family. Another explanation could be that men were able to engage in contraband trade while women were obligated to stay close to their families.

³¹HPA-GC.2, Telegram from Assefa Aboye, Director of Jijjiga Customs to Dej. Workineh Wolde Amanuel, May 6, 1962 E.C.

³²The Amharic term for a strike, *adma*, connotes conspiracy, not just a strike in demand of minor adjustment in wages, working conditions and so forth.

³³ HPA-GC. 2, Report of the Khat Commission of Inquiry submitted to Dej. Workineh Wolde Amanuel, May 9, 1962 E.C. p. 6.

Even though the government was committed to increasing revenue and stamping out parallel market exchanges, it did not possess the institutional, logistical and financial capacity necessary to secure the border areas and control the activities of contraband traders. Under-paid, poorly trained and inappropriately equipped government personnel were unable to curtail the activities of experienced and well-organized contraband traders. The latter's brand new, faster and dependable pick-up trucks were able to traverse the sandy, flat lands between Jijjiga and the Somali border with little or no interference from government control apparatus.³⁴ Official documents from lower echelon officials are full of complaints about the lack of personnel, finance, communication equipments and dependable means of transportation. In April 1970, just before khat traders went on "strike", there were only twelve police officers in Jijjiga, equipped with only one poorly maintained vehicle.³⁵

It is probably true that the new tax rate was so high that it forced licensed traders to opt for parallel markets. In the early 1970s, smuggling obviously owed a great deal to the traders' increased capacity to evade customs posts. Licensed traders also shrewdly manipulated the new tax structure to expand the parallel market for khat. The new tax collecting arrangement gave overlapping jurisdiction to the Customs and Internal Revenue Departments to levy their respective taxes at Jijjiga. The arrangement was meant to reduce the chances of traders crossing over to Somalia without paying export duties, but it seems

³⁴ HPA-GC.2, Beshir Shiek Abdi, Governor of Jijjiga to Colonel Yilma Teshome, Commander of the 10th Infantry Division and Chief Administrator of the Northern Section of the SOE. March 27, 1962 E. C.

³⁵ HPA-GC.2, Beshir Shiek Abdi, Governor of Jijjiga to Colonel Yilma Teshome, Commander of the 10th Infantry Division and Chief Administrator of the Northern Section of the SOE. March 27, 1962 E. C.

no amount of tinkering with the taxation structure had much effect. Traders were still able to get around the tax structure and the means of collection and smuggle khat into Somalia.

After purchasing khat in the vicinity of Harer, traders headed directly for the customs' post at Jijjiga, labeling their consignment "for domestic consumption." Several hundred kilograms of khat daily passed through the tax collection points after income taxes were paid at the rate of 0.50 birr per kilogram as required by the new law. Past Jijjiga, it was almost impossible to track down and ensure that the leaves were consumed within the limits of the declared destination. In fact, most of the khat that was ostensibly intended for domestic consumption was transported to Somalia on three routes. A few miles out of Jijjiga, the first route branched off south and went to Kebribeyah, where it broke into several roads leading into Somalia. The second turned northward to Lefalssa, where it diverged in different directions and crossed the border. Still others remained on the Jijjiga-Hargessa route, proceeding to Togochale and crossing into Somalia through the guarded border points (see figure 4). In such cases, complacent officials allowed the traders to transfer khat to their clients from Somalia in return for graft.³⁶

Unlicensed traders participated in the parallel markets but pursued different strategies to "beat the system." The unlicensed traders were not allowed to operate officially, that is, they were not permitted to clear through the tax collection post at Jijjiga. Thus, they avoided Jijjiga and the tax collection post there altogether and reached the border crossing points without paying taxes of any kind. They therefore differed from the licensed traders who

³⁶ HPA-GC. 2, Report of the Khat Commission of Inquiry submitted to Dej. Workineh Wolde Amanuel, May 9, 1962 E.C. p. 6; HPA-GC.1, Beshir Shiek Abdi, Governor of Jijjiga, to Harerge Provincial Administration Office, May 30, 1962 E.C.

usually paid the lower rate income tax, although in most cases they smuggled the khat out. The unlicensed traders frequented four routes to reach the border: the first originated in regions south of Harer, passed through Aroresa and Hartisheik and entered Somalia at Awkelef; the second started off in regions south of Harer, passed through Chinhasen and went directly to TeferiBer; the third branched off from the Harer-Jijjiga road before reaching Jijjiga, went north-east through Lefalssa and crossed the border at TeferiBer or went south-east through Kebribeyah and Harshin on to Somalia; and the fourth proceeded through Golulcha, on to Sheble and then through Gogti into Somalia (Figure 4). For transport, some used donkeys, camels and porters to transport khat, but most utilized Land Rover trucks .³⁷

Once the commodity was smuggled into Somalia, the marketing of khat was no longer unofficial. Import duties were paid and the operation became a well organized process controlled by a few personalities. In the early 1970s, a person called Abdi Sheriff reportedly ran a khat smuggling firm which owned twenty-eight Land Rovers and an unspecified number of camels and donkeys. The individual participated in the khat parallel market in two ways. On the one hand, his agents purchased khat from Ethiopian smugglers and distributed it in Somalia. On the other, his vehicles provided transportation within Ethiopia for contraband traders. While in Ethiopia, these vehicles usually operated at night in order to avoid being detected, but even daylight was not quite a hindrance to their movement. The vehicles possessed registration plates for both countries and changed them

³⁷ HPA-GC.2, Report of the Khat Commission of Inquiry, Submitted to Dej. Workineh Wolde Amanuel, Inderassie of Harerge, May 19, 1962 E.C. pp. 6-7.

as necessary.³⁸

The infrastructure of the parallel market was well organized but, as is the case with all hidden exchanges, we have far less information about the unofficial transactions than we would like. The lack of suggestive statistics makes it hard to know the magnitude of the khat parallel market, but estimates may be drawn from the figures of the official market. In the late 1960s, 7,000-8,000 kilograms of khat was officially exported to Somalia every day.³⁹ Circumstantial evidence suggests that the quantity of khat exported through unofficial channels was larger than the official one. For instance, the amount that daily cleared through Jijjiga as a supply for residents of Ogaden towns reportedly exceeded their need by more than 5,000 kilograms.⁴⁰ This figure excludes the khat that never reached the Customs post at Jijjiga, having been taken by smugglers directly to the border crossing points. If we assumed that the quantity of the smuggled khat was half the amount of the official, it means a combined total of approximately 12,000 kilograms (8,000 official + 4,000 unofficial) of khat entered Somalia daily. Following the "strike" of May 1970, no khat officially cleared through Jijjiga and consumers in Somalia were in all likelihood supplied through unofficial channels. Based on the above figure, it is possible to estimate that approximately 360 tons of khat were smuggled into Somalia monthly during the "strike."

³⁸HPA-GC.2, Belayneh Abebe, Acting Director of Jijjiga Customs, to Dej. Workineh Wolde Amanuel, Inderassie of Harerge, May 3, 1962 E.C. HPA-GC.2, Dej. Workineh Wolde Amanuel to Major General Abebe Gemed, Commander of the Third Infantry Division, May 5, 1962 E.C.

³⁹HPA-GC.2, Telegram from the Governor of Jijjiga to Col. Yilma Teshome, Major General Abebe Gemed, Dej. Workineh Wolde Amanuel and Bejirond Negatu Awoke, October 8, 1962 E.C.

⁴⁰HPA-GC.2, Fitaurari Meharene Minda, Deputy Inderassie of Harer, to the Third Infantry Division Command, October 19, 1962 E. C.

In Somalia, a kilogram of khat fetched as much as 5.00 birr during low supply seasons. At an average price of 2.00 birr per kilogram, Somali consumers spent an estimated 9 million birr on khat annually. The high value suggests that, by the early 1970s, the khat industry had become the main source of income and employment for farmers, traders and those who provided auxiliary services as truck drivers, porters, packers and brokers.⁴¹ As will be shown in chapter six, hundreds of people also depended on the proceeds from khat to purchase consumer commodities in Somalia to smuggle into Ethiopia. The khat business was so central to Harerge's economy that a disruption would inevitably weaken the official market, strengthen the parallel ones and adversely affect the region's politics and economic well-being.⁴²

The fear of dislocation and political instability made the khat issue a matter of national concern. An emergency meeting attended by Ato Mulatu Debebe, the Minister of State for Finance, Colonel Solomon Kedir, the Vice Minister of State for Customs and Dej. Workineh Wolde Amanuel, Harerge's inderassie, planned and launched an effort to encourage the traders to resume their activities and avert any potential political unrest. The plan approached the problem of smuggling from two important, if contradictory, directions. The first grew out of the thinking that a more organized, well-equipped and better financed force would gain control over the contraband trade. The second was borne out by perhaps a reluctant recognition that taxes had become heavy, redundant and cumbersome. In regard

⁴¹ GebreMichael, *The Kottu of Harerge*, p. 92.

⁴² HPA-GC. 2, Report of the Khat Commission of Inquiry submitted to Dej. Workineh Wolde Amanuel, May 9, 1962 E.C. p. 1.

to the first approach, a campaign against contraband trade was immediately launched while the issue of taxes was referred to a commission set up to study the problem and recommend solutions.⁴³ To implement the first part of the plan, which capitalized on physical controls, customs officers, Ministry of Finance police personnel and army troops were brought in to Jijjiga from Harer Zurya, Gursum and Wobbera awrajas and were deployed along the major smuggling routes, specifically in the towns of Togochale, LefaIssa, Haroressa, Mekanisa and the Dahital-Hartisheik area. Six transport vehicles were assigned to the service of the task force.⁴⁴

The bulk of the official correspondence on the subject reveals that the campaign was ineffectual from the outset. The Ethiopian government did not have the resources needed to overwhelm the contraband traders. To illustrate, I will present sample letters written at various times during the three years when the campaign was being conducted. The first was written immediately before the traders' "strike" of May 1970.

The magnitude of khat that transits out through contraband channels is considerable. It has weakened the legal khat market and undercut those traders who [abide] by the law, preventing them from fulfilling their legal obligations and operating officially. It is important that the vehicles that were assigned to the Ministry of Finance police be sent [to us] as soon as possible. [If this is not done] the "normal" traders would join the contraband sector and government revenue would disappear.⁴⁵

⁴³HPA-GC.2, Dej. Workineh Wolde Amanuel to Mammo Taddesse, Minster of Finance, May 10, 1962, E. C; HPA-GC.2, Lt. Colonel Solomon Kadir, Vice Minster of State for Customs to Mr. Mammo Taddesse, Minster of Finance, May 11, 1962 E.C.

⁴⁴ HPA-GC.2, Minutes of the meeting of the committee to control contraband trade, Harer, may 6, 1962 E.C.; Belayneh Abebe, Acting Director of Jijjiga Customs, to Dej. Workineh Wolde Amanuel, May 3, 1962 E . C.

⁴⁵ HPA-GC.2, Fitaurari Beshir Shiek Abdi to Col. Yilma Teshome, Dej. Workineh Wolde Amanuel, Major General Abebe Gameda, and Bejirond Negatu Mekuria, April 12, 1962 E.C.

Another letter written two months into the "strike" and a month after the start of the campaign states:

Members of the Ministry of Finance police who were assigned to control the khat wealth that is being smuggled out ... have no vehicle to move around with and they have not been paid per diem [since the campaign got underway]. Contraband traders have taken advantage of the lapse and have increased their activities. [Please] dispatch the vehicles that were reportedly purchased for the purpose [of the effort to stop contraband trade] and make the per diem paid to the police personnel as soon as possible.⁴⁶

The third letter was written three years after the "strike" and the start of the campaign. It was composed by an apparently frustrated police commander to remind high level officials that "it is impossible for a police officer who has only two feet to chase and catch a khat-loaded, "four-footed" vehicle which has escaped without paying taxes."⁴⁷ Clearly the policy of physical control failed because the smugglers "beat the system" which did not possess the efficiency, equipment and personnel necessary to gain control over border and smuggling. The first approach, therefore, failed to force traders into the official sector.

Meanwhile, the Khat Commission of Inquiry began its investigations in May 1970 to determine the causes of smuggling and the traders "strike." The commissioners toured the porous border areas, carried out extensive interviews with elders, farmers, traders (mostly women), and concerned government officials. The commission's final report cited higher taxes, the loopholes in the newly implemented tax collection system, and the

⁴⁶ HPA-GC.2, Colonel Yilma Teshome to Colonel Solomon Kedir, Dej. Workineh Wolde Amanuel, Major General Abebe Gemedo, Bejirond Negatu Makuria, the Director of Customs for Eastern Provinces and the Governor of Jijjiga, July 12, 1962 E. C.

⁴⁷ HPA-GC.1, The Commandant of Ministry of Finance police of Wobbera sub-province to Office of Wobbera's Treasurer, January 26, 1965 E. C.

contraband traders' improved travel capability as the principal reasons for the growth of smuggling and the consequent decline in tax revenues.⁴⁸

Qualitative evidence, such as the views of traders, farmers, local leaders and government officials which were quoted *ad verbatim* and included in the minutes of the commission's deliberations, bear out the fact that higher tax rates precipitated the traders' "strike." Furthermore, a work sheet showing the expenses borne by traders as khat traveled from the producer to the consumer, also included in the commission's report, revealed that the new tax rates absorbed all potential profits. Even though the evidence showed that tax rates were responsible for the "strike," the commissioners concluded that it was the unchecked expansion of contraband trade that frustrated traders and forced them out of their trade. Their recommendation, predictably, advocated bolstering physical controls and improving the government's institutional and logistical capabilities to secure the border and to apprehend and punish illegal traders.⁴⁹

The then Minister of Finance Mammo Taddese rationalized that cunning traders had brilliantly manipulated the rate differential between income taxes and export duties to evade taxes, thereby increasing the quantity of the khat that was smuggled into Somalia. At Jijjiga, traders paid the lower income tax and cleared the tax collection post, pretending to be suppliers for domestic consumers but mostly transported their khat into Somalia. Since they avoided paying the higher export duty, the Finance Minister reasoned that the logical

⁴⁸ HPA-GC.2, Report of the Khat Commission of Inquiry, Submitted to Dej. Workineh Wolde Amanuel, Inderassie of Harerge, May 19, 1962 E.C. pp. 1-10.

⁴⁹ HPA-GC.2, Minutes of the deliberations of the Khat Commission of Inquiry, Jijjiga, May 7, 1962 E. C. pp. 1-53.

solution to the parallel market problem was to make the abused income tax rate prohibitive and reduce export taxes rates in order to encourage legally exported khat. Accordingly, he reduced the export tax rate from 1.45 birr to 1.25 and raised income tax rates from 0.50 birr to 0.65 birr per kilogram of khat.⁵⁰

Because the net change was insignificant (0.05 birr), these adjustments did not change the behavior of traders. The effort to secure the border, as pointed out earlier, was ineffectual, and traders preferred the still lower income taxes (at 0.65 birr) rather than the export duties (1.25 birr). Careful examination of the records of the provincial administration from 1970 to 1974 reveals that the cat-and-mouse game between the government and traders, which was actually a competition over the khat industry, was as intensive as ever. Inter-departmental correspondences show the continued inability of government to secure the border and to curb illegal commercial activities owing to the inadequacy of equipments and personnel.

In terms of achieving control over the parallel markets, the government did not match the resources of the contraband traders. Nor did the negligible export tax reduction convince khat exporters and domestic dealers to return to the official sector. When its effort failed in the border areas, the government resorted to squeezing as much revenue as possible from small khat retailers who operated in urban centers. The retailers in urban areas were mostly women, who had never been required to pay taxes. Provincial archives from the early 1970s are replete with reports of intimidation, physical harassment and imprisonment

⁵⁰ HPA-GC.2, Almazneh Workie, Vice Treasurer of Harerge to the Internal Revenue Departments of Harerge's Seven sub-provinces, July 2, 1962 E.C.

of small traders on account of their failure to pay taxes.⁵¹

In the early 1970s, the khat business in the Jijjiga sector faced new and serious challenges from the Somali side. Following the October 1969 military coup d'etat in Somalia, demand for khat dropped, perhaps owing to a general economic slow down caused by political uncertainties and the fact that unpaid civil servants were unable to buy khat. The main reason for declining demand was nevertheless the increment of import duties on khat from Ssh 6.06 to Ssh 10.50 per kilo gram.⁵²

The decision to raise import duties to prohibitive levels was part of the new Somali government's stance against the consumption of khat, particularly that which was imported from Ethiopia. The military leaders capitalized on the popular dislike of Ethiopia to end a habit they considered to be harmful to Somali society and economy. In November 1971, a cholera epidemic was reported in Ethiopia, and the Somali government seized the moment to suspend the importation of khat. The ban was lifted two months later, but future importations were placed under strict government control. All the khat imported from Ethiopia was directed to one place, Nebodid, where government inspectors examined quality, and customs officials levied duties at the rate indicated above.⁵³

⁵¹HPA-KF.1, Women khat retailers in Harer town to the Provincial Administration Office, March 3, 1966 E.C.; HPA-KF.1, A petition signed by thirty-two representatives of Harer women protesting higher taxes to the Provincial Administration Office, August 23, 1966 E.C.; HPA-KF.1, Women khat traders in Deder town to the Administrator of Wobbera awraja, April 30, 1967 E.C.; HPA-KF.1, Women khat traders in Jijjiga town to the Administrator of Jijjiga awaraja, September 18, 1968 E.C.

⁵² HPA-GC.2, Belete Gebre, Director of Customs for Eastern Provinces to Dej. Workineh Wolde Amanuel, November 4, 1963 E. C.

⁵³HPA-GC.2, Fitaurari Meharene Minda, Deputy Inderassie of Harerge, to Bitwoded Zewde GebreHiwot, Minster of Interior, November 9, 1963 E. C.

In the Jijjiga sector, khat was a pawn in the contentious political relationship between Ethiopia and Somalia. Depending on circumstances, both governments used khat as either a source of revenue or as a "weapon" against one another's economy. More often, political considerations rather than economic merits, influenced the formulation of policies concerning the marketing of khat. In the early 1970s, Harerge's khat economy suffered from a coincidence of policies in both Ethiopia and Somalia which centered around controlling the movement, marketing and use of the commodity. The evidence, at least from the Ethiopian side, shows that the level of government intervention in the marketing of khat remained unresolved until the mid-1970s. By the time of the imperial regime's downfall in 1974, despite the relentless appeals from traders for tax reductions,⁵⁴ tax rates remained high and parallel market activities were not brought under control.

The Dire Dawa Sector

The difficulties of the Jijjiga market diverted traders to the Dire Dawa section. Since the late 1920s, when khat began to be exported in significant quantities, Dire Dawa had been the main market center for purchase, processing and shipment to Djibouti. The market did not suffer the difficulties which had beleaguered Aden and Hargessa, perhaps because of its organizational and operational efficiency. Dire Dawa's khat export was dominated by a few well-organized private exporters who also controlled the market in Djibouti. In the 1960s and 1970s, the businesses were technically privately owned enterprises, but the owners

⁵⁴ HPA-GC.2, Nine licensed khat traders to the office of Governor of Jijjiga sub-province, April 26, 1962 E.C.

operated through a Djibouti based consortium named *Association des Importateurs et des marchands de khat* (AIMK). By 1975, the consortium had fifty-one members who maintained agents in Dire Dawa.⁵⁵

The consortium kept other exporters from gaining ground in the Dire Dawa market, primarily because of its exclusive access to air transportation and its distribution network in Djibouti. The AIMK contracted with Ethiopian Airlines daily to dispatch 3,600 kilograms of khat, and the airline agreed not to accept khat shipments from other exporters. Once khat arrived in Djibouti, members of the consortium received their share of khat and distributed it to retailers.⁵⁶

In addition to their monopoly over transportation and the market in Djibouti, the AIMK exporters also maintained a unique business relationship with khat farmers in Kombolcha and the northeastern part of Haramaya where the dallota khat variety, popular in Djibouti, grew abundantly. The agents of the exporters bought khat on the farm, offered farmers prices higher than the market and furnished their own transport to Dire Dawa. The exporters thus established a special relationship with producers. With their control of production, access to air-transportation and the distribution networks in Djibouti, members of the consortium established a near monopoly position in the Dire Dawa sector.⁵⁷

⁵⁵HPA-GC.2, Mohamed Sougal Bahdon, Président de l'Association Djibouti to the Director General of the Ministry of Commerce, Dire Dawa, November 28, 1975.

⁵⁶ HPA-KF.1, Manager of Operations of Ethiopian Airlines to the branch office of the Ministry of Trade, Industry and Tourism in Harerge, April 3, 1966 E.C.; HPA-KF.1, Khat Traders in Dire Dawa to the Minister of Trade, Industry and Tourism, October 12, 1967 E.C.

⁵⁷HPA-GC.1, A petition from the Farmers of Dire Tiara, Kombolcha district, addressed to the Governor of Harer Zurya awraja, August 25, 1966 E.C.

In the mid-1970s, a few traders unsuccessfully attempted to establish a competing organization in Dire Dawa.⁵⁸ They failed because of three reasons: first, producers refused to sell khat to the new "company's" agents.⁵⁹ Secondly, the new exporters were unable to penetrate the market in Djibouti, since it was controlled the representatives of the AIMK there. Thirdly, the new "company" could not get the Ethiopian Airlines to agree to transport its khat shipment.

Supplied by air-transport, Djibouteans consumed a fresh, potent but expensive khat. High-price commodities often favor the rich, but, in Djibouti, even poor men spent as much as 40 percent of their incomes on khat. In the 1960s, Djibouti annually spent 800 million DF on khat, or the equivalent of half the territory's revenue. In 1965, some youth clubs carried out a week long campaign, with the assistance of the mass media, against khat use, but their efforts did not diminish the habit. A year later, Djibouti's Governor Saget forbade the importation and sale of khat in the Territory, but succeeded only in provoking popular discontent.⁶⁰ Khat consumption did not show any sign of tapering off as the result of these actions.

⁵⁸ HPA-GC.1, The appeal of six traders to Samuel Teferra, Governor of Dire Dawa sub-district and Mayor of the town, April 20, 1967 E.C.

⁵⁹ HPA-GC.1, Hajji Abdurahiman Ali and Hajji Bakar Ali, representatives of the people of Kombolcha to Fitaurari Kebede Wedaju, Vice Inderassie of Harerge, August 24, 1966 E.C.

⁶⁰ Thompson and Adloff, *Djibouti and the Horn*, pp. 164-5.

C. Conclusion

This chapter has attempted to demonstrate the ways in which the Ethiopian government sought control over khat-generated wealth and the manners in which traders resisted policies they considered to be instances of intolerable state intervention in agricultural marketing. The production and marketing of khat was a big business which provided opportunities for profit. The growth in scale of the business provided an unparalleled occasion to enhance state revenues and prompted attempts to control it, first through trading monopolies and later, through taxes and duties.

There were several occasions of concerted action to improve the conditions of trade, including the unprecedented tactic in the local political history of successfully organizing a "strike." In the main, however, the challenges traders presented against unpopular policies centered around trying to circumvent or by-pass the machines put in place to extract revenues. The policy to impose and increase tax rates led to a new growth industry, smuggling. In their efforts to avoid what they thought to be unfair obligations to the government, traders were aided by institutions such as kinship and indigenous commercial networks which the government was not able to penetrate. Still, the traders' main advantage was the government's own inability to implement its own policies.

Analysis of the genesis and development of capacities of the Ethiopian state or even its policies on khat is beyond the scope of this chapter and indeed this dissertation. Nevertheless, the khat policies and the ways the government went about implementing them raise important questions about state capabilities. The struggle between the government and traders over khat marketing showed that the Ethiopian government did not have the

resources necessary to implement its policies, especially in terms of controlling contraband trade. It is apparent that policy formulation does not guarantee its effective implementation. The series of policy measures that the government took became objects of struggle and those groups not favored by the state were interested in avoiding as much as possible government control and the implementation of its policies. There is no unidimensional continuum by which state capacity could be measured. Still, as Joel Migdal states, "social control for the state entails more than insinuation or penetration of its agencies into society, more even than just successful extraction of resources. It includes the ability to appropriate resources for particular purposes and to regulate people's daily behavior."⁶¹ With regard to its khat policies, the imperial state was less than able to do so and it may appropriately be labeled as "weak."

The difficulties faced by the export market ranging from market monopoly to government intervention appear to have created tremendous inconveniences for traders but brought little change to the production levels of the commodity. In addition to the unofficial markets, domestic consumption absorbed the surplus production created by the demise of official markets. In the next section, I will examine the extent of domestic consumption and its role in the overall khat market in the 1960s and early 1970s.

⁶¹ Joel S. Migdal, *Strong states and Weak States: State-society Relations and State capabilities in the Third World* (Princeton, 1988), p. 61.

CHAPTER SIX

The Domestic Context:

Consumption, Structures of Distribution and Crop Competition, c.1964-1974.

The decade preceding the Ethiopian revolution of 1974 witnessed a rapid expansion of khat consumption in Harerge. Since no systematic consumer survey has ever been undertaken, it is difficult to document the process, but circumstantial evidence suggests that consumption greatly increased during the 1960s. Older informants generally perceive a dramatic contrast between the widespread consumption of khat during that decade and pre-World War II levels. Middle aged informants recollect the proliferation of khat parties in most towns in the region. By the early 1970s, more men and some women were spending afternoons chewing khat with friends in private homes and tea houses.¹ Informants relate that it was common to see construction workers, students, truck drivers and cabbies, laborers, and shopkeepers, irrespective of their religious affiliation, chewing khat. In the 1940s and 1950s, this was a much rarer sight.²

The informant recollection is supported by written evidence. In 1960, Clarke Brooke reported that "Ethiopian Christians [in Harerge] abhor[ed] the leaf, [In contrast, khat occupied] a position of considerable importance... among the Moslem agricultural Eastern

¹ Interviews: Khat chewers who were students in the 1960s remember that chewing khat became fashionable during their high school years. They relate that they developed the habit then, because they felt chewing was a matter of identity or a duty.

² Interviews: Girma Andarge, Dire Dawa, February 23, 27, 1994. Duressa Feyissa, Dire Dawa, February 24, 1994.

Galla [Oromo].³ A decade later, Demissie Gebre Michael painted a different picture when he wrote "[khat] use has spread so much that, in Harerge Province, many age groups of both sexes, Christian as well as Muslims, consume a lot of chat."⁴ Confirming Gebre Michael's observation, Getahun and Krikorian penned in 1973 that "[khat chewing] now cuts through many faiths, social levels, and age groups... . Men and women on the farm and people in towns, whether they be civil servants or business men, are to be seen taking time to chew chat. The number of school boys chewing it is very high."⁵ In a matter of a decade, therefore, khat chewing had become an ubiquitous practice involving all of Harerge's demographic divisions.

Until the late 1960s, most of the areas where consumption increased were under a State of Emergency and trade was prohibited. The demand created thereof was met by smuggling. The market outlet, albeit illegal, made it possible for khat to remain part of the cropping system and an important cash earner for farmers. Nevertheless, smuggling was unlawful and the market opportunities it created were risky, unreliable and unsustainable. In response, farming families adopted new strategies which included the intensive use of resources and diversified cultivation of crops which could be used for both market and consumption purposes. Smuggling also led to the emergence of new internal marketing structures and necessitated modifications in production strategies. I will now detail the summary just given with qualitative and quantitative data, although the latter are difficult to

³ Brooke, "Khat in the Middle East," p. 50.

⁴ GebreMichael, *The Kottu of Harerge*, p. 95.

⁵ Getahun and Krikorian, "Chat: Coffee's rival," p. 371.

obtain and unreliable when available.

A. Domestic Consumption and the Proliferation of Market Centers

One marked evidence of the increase in khat consumption in the 1960s was the expansion of khat markets in size and number. The Dire Dawa retail market became second only to Harer, although the latter was frequented by retailers who sold their khat directly to urban consumers. Distribution was facilitated by the completion, in 1963, of the Miesso-Dhengago road, which was constructed to connect the Harer-Dire Dawa highway to the coffee producing regions of Chercher. The widespread use of motor vehicles on these roads enabled producers in distant areas of Chercher to bring their khat to the Dire Dawa market.⁶

The importance of the Meisso-Dengego road was enhanced by the construction of two feeder or farm-to-market roads, which connected AsbeTeferi to Gelemso and Kobo to Deder. Jitneys, pick-up trucks and automobiles were able to make increased use of the road, enabling farmers to reach the market in Dire Dawa and Harer faster and inexpensively. For instance, after the completion of the road, the cost for transporting a quintal of khat from Kobo to Dire Dawa dropped from 8.00 birr to 3.00 birr. The new roads enabled traders to travel to production areas and purchase khat in local markets and along the road. In the early 1970s, farmers had told researchers that the road had helped them slightly to increase khat production.⁷

⁶ Lakew Birke, *A Study of the Development Impact of the Miesso-Dengego Road*, Department of Agricultural Economics and Business, Haile Sellassie I University, College of Agriculture, February, 1973. pp. ii-iii, 15, 64.

⁷ *Ibid.*, pp. 30, 64.

Without the road and faster transportation, khat production could not have increased at all. The completion of the road coincided with Aden's rejection of Ethiopian khat and the diminution of demand for the commodity. It could be said that the road moderated the effects of the loss because increased accessibility and faster and convenient transportation augmented local consumption and compensated for the export market. Yet falling costs of transportation did not see a decrease in khat prices or much financial benefit for farmers because the market was dominated by a few merchants based in Dire Dawa who, as exclusive exporters to Djibouti, possessed the power to set prices.⁸

During the second half of the 1960s, new khat markets appeared throughout the rural areas and others were enlarged. In the years before 1964, company officials preferred to purchase khat in Dire Dawa in order to shift to farmers the cost of damage to khat during the speedy transport. By staying in Dire Dawa, however, purchasers grew unable to compete for the best quality khat with independent buyers who offered higher prices on farm sites. Eventually, the company failed to meet the qualitative and quantitative demands of Adeni consumers.

The Djibouti exporters made a conscious decision to avoid the mistakes of the defunct exporting company, CHATHA, by maintaining the quantity and quality of khat delivered each day. For them, sustaining the market was more important than trying to maximize their profit margins. The exporters dispatched hired buyers to the highlands to purchase khat directly from farmers. Haramaya, a town which was located mid-way between Dire Dawa and the producing regions, was then the largest wholesale khat buying market

⁸ Ibid., p. 64.

center in Harerge highlands. Donkey-loads of khat were carried here from the surrounding areas, and , after a brisk morning market, khat was transported east to Dire Dawa and west through Harer to Jijjiga.⁹

Throughout the 1960s, Haramaya remained the largest khat market. Meanwhile, at a place called AwWoday on the Harer-Dire Dawa road, an enterprising Somali set up a small café to cater to travelers to and from Harer. Soon a small but bustling khat market sprang up next to it. Small grocery shops were set up so that farmers could return home with necessities bought with the proceeds of their khat sales. Thus, the café's site was quickly transformed into a commercial town, which, by the late 1960s, became a large market center where khat was purchased and disseminated throughout the province.¹⁰ Produce was brought there from Haramaya and Kombolcha districts and from Deder and Wobbera or Gara Mula'ata areas. Most of the khat that originated in Haramaya-Kombolcha areas went to Dire Dawa and thence to Djibouti while leaves from Wobbera-Gara Mula'ata districts were dispatched to Jijjiga, whence it was officially and unofficially exported to Northern Somalia.¹¹

AwWoday quickly surpassed Haramaya as the leading khat market center. A study conducted in 1973 on the marketing of agricultural products in Haramaya district shows that

⁹ Interview: Luye Said, Haramaya, Ganda Limay, May 26, 1994.

¹⁰ Interview: Mumed Ahmed Umer, Haramaya, May 9, 1994.

¹¹ Marc Weill, "Marketing of Agricultural Products in Harar Highlands Hararghe Administrative Region, Ethiopia) with Special reference to Kombolcha Woreda." Unpublished Mimeographed material, Department of Agricultural Economics, Alemaya Collage of Agriculture (December, 1984), pp. 25-26.

85 percent of the khat marketed that year was exchanged in AwWoday while 10 and 15 percent were sold in large city markets and on the farm, respectively.¹² Informants suggest that, while Haramaya was preferred than traveling to Dire Dawa, it was not a conducive place for a khat market to flourish. The fact that municipal officials taxed khat transactions which took place within the city was cited as one reason which caused buyers and sellers to avoid the city. The main reason for the decline of Haramaya was the perception of the Muslim producers and marketers that the town had become incompatible with khat. As an administrative center, Haramaya was populated by Christian "Amhara" civil servants, who preferred to consume a locale ale, "tella," rather than engaging in khat chewing. Pubs were opened to cater to these residents and people usually got drunk there. My informants insisted that khat was too sacred a leaf to mix with alcoholic beverages. Thus, the predominantly Muslim khat farmers felt it dutiful to shift to the new market place at AwWoday, away from the exacting municipality and the "defiling tella."¹³

As the leading market center for khat, AwWoday became a destination for young men who were looking for new opportunities. Migration to urban centers became desirable for young men because it was creative, adventurous and future-oriented, and released demographic pressure on land. By the 1960s, population densities in rural areas were so high that farming was becoming less and less attractive. In response, siblings often made arrangements among themselves in which some of them migrated to towns to retail khat, a

¹² Lakew Birke, *A Survey of the Marketing Methods and Facilities in Alemaya District*, Haile Sellassie I University, College of Agriculture, (Dire Dawa, 1974), pp. 15-16.

¹³ Interview: Hajji Hassan Mohammed, Haramaya, May 5, 1994.

percentage of whose proceeds was remitted to the producers. Khat selling thus enabled young males to get a foothold in urban centers and look for non-agricultural opportunities.¹⁴

The migratory process was thus facilitated by the opportunities it created in both agriculture and trade. Farmers were able to maintain a fair size of land for cultivation by merging the share of their siblings who had migrated to urban centers. In the early 1970s, the urbanized farmers began taking up other businesses apart from retailing khat, investing their profits mostly in small shops which carried commodities that were in demand in the rural areas such as textiles, batteries, salt, cooking oil, sugar, blankets and so forth. A few were able to set up gas stations while others drove taxis between Harer and Dire Dawa and other towns in the region.¹⁵

The farmer-traders retained the right to return to their share of land, although there is no evidence that any reverted to farming. As they ventured into other businesses, they severed ties with their rural lands and became traders *par excellence*. Those who moved to small towns on the highlands continued to be active in the khat business but those who moved to Dire Dawa went into other businesses. In the 1960s, the growing network of government-built roads facilitated the increased use of motor vehicles for freight and passenger services. Over time, the migrants were able to accumulate capital and branch off to other businesses, mainly ownership of transport business, gas stations and the urban real estate industry. For such businessmen, returning to the farm was not an option; in fact, they

¹⁴ Interview: Mumed d Ahmed Umer, Haramaya, May 9, 1994; Luye Said, Haramaya, May 26, 1994.

¹⁵ Interview: Mumed Ahmed Umer, Haramaya, May 9, 1994.

became the consumers who purchased khat for their own consumption.¹⁶

B. The Evolution of the Internal Marketing Structure

The sale of khat was enabled by a complex structure of marketing which emerged after the dissolution of CHATHA, the company which, before the slump of the mid-1960s, dominated the export to Aden. Individual exporters came to dominate the business and the new structure involved three types of intermediary buyers: purchasing agents, brokers and independents. The agents worked for the exporters and operated mainly with funds supplied by the latter. Most of the exporters were expatriates, Arabs and Djibouteans, but there were also some Ethiopian Somalis. The agents came to such market places as Haramaya and later AwWoday, but did not actually buy khat directly from producers. They hired brokers to whom they advanced cash for the purchase of khat. The purchased khat was transferred to the agent who would pay the broker and give him further advance, a cycle repeated day after day.

By contrast, independent buyers often operated independently of the exporters in the sense that they were not tied down to one firm and received no advances. They bought khat with their own capital and sold it to the exporters. Some money-lenders also acted as independent buyers, extending credit to farmers before harvest seasons on the understanding

¹⁶ Interview: Yusuf Hammo, Haramaya, May 5, 1994. See similar processes of migration, accumulation and mobility in Sara Berry, *Fathers Work for their Sons: Accumulation, Mobility and Class Formation in an Extended Yoruba Community* (Berkeley, 1985); idem, *No Condition is Permanent: The Social Dynamics of Agrarian Change in sub-Saharan Africa* (Madison, 1993).

that they would purchase crops at an agreed-upon price.¹⁷

This marketing system favored traders because it gave them the power to determine prices. Besides the exporters, there were no alternative buyers who could have fostered competition and raised prices. With no serious competition, the exporters were able to dictate prices and take much of the profit from the khat business.

Next to the exporters, the purchasing agents and brokers profited from the business. Studies dealing with agricultural marketing almost invariably inveigh against what was considered to be unduly large number of middlemen who prospered by defrauding producers. Both officials and farmers, reportedly, disparaged the middlemen, but they were not able to do business without them. The "khat brokers," or middlemen, were an indispensable part of the business; merchants relied on their services in collecting produce from the thousands of small growers and farmers enjoyed the marketing services and loans (in the form of crop advances) they provided.¹⁸

Although exporters and traders benefited the most, the character of the market, specifically the perishability of the commodity and its consequent price volatility, did not allow for the emergence of large-scale enterprises dominated by big merchants. It is probably no exaggeration to state that the lack of technology of preservation and the inadequacy of transport infrastructure kept the khat business fairly "democratized." Price speculation or market manipulation was not possible with a commodity whose "shelf life"

¹⁷ Interview: Ahmed Bakar, Haramaya, May 20, 27, 1994; Hajji Mohammed Abdurahman, Dire Dawa, March 26, 1994; Hajji Hassan Abdo, Dire Dawa, March 26, 1994.

¹⁸ Birke, *A Survey of the Marketing Methods*, p. 6.

was not more than two days. Nor was the producer able to predict in which direction prices would turn in the absence of information regarding the prevailing market conditions. The only workable marketing strategy was to sell the product as quickly as possible at prices which seemed to yield reasonable profit. A trader cannot expect consistency at the market place for there is no guarantee that the price offered for a certain kind of khat one day would hold for the next day. Prices were set by the quantity of khat that had reached the market place at a particular time. If a producer arrived late at the market place, he would have to sell his khat at a lower price, thus forcing prices down, or face a danger of losing it all when his khat wilted.¹⁹

The marketing system which benefitted traders began to change as farmers who had moved to urban centers increased their involvement in the marketing process. The farmer-traders initially sold khat produced on their family farms, but subsequently became general agents. Since the farmer-traders were more trusted by khat farmers, they successfully installed themselves between the producers and the agents of big exporters and the market place brokers, thereby forming another layer of middlemen in the complex structure of khat marketing.²⁰ By the early 1970s, one could say, there were essentially two types of middlemen in the khat marketing system: the khat buyers called *Abba Tallaba* and the farmer-traders who came to be known as *kabkabi*. Both had a stake in the khat business, but each represented conflicting interests in relation to prices.

¹⁹ Interviews: Hajji Hassan Ahmed, Haramaya, May 18, 1994; Hassan Abdo, Haramaya, May 18, 1994; Abdo Shanqo, Haramaya, May 19, 1994.

²⁰ Interview: Mumed Ahmed Umer, Haramaya, May 9, 1994.

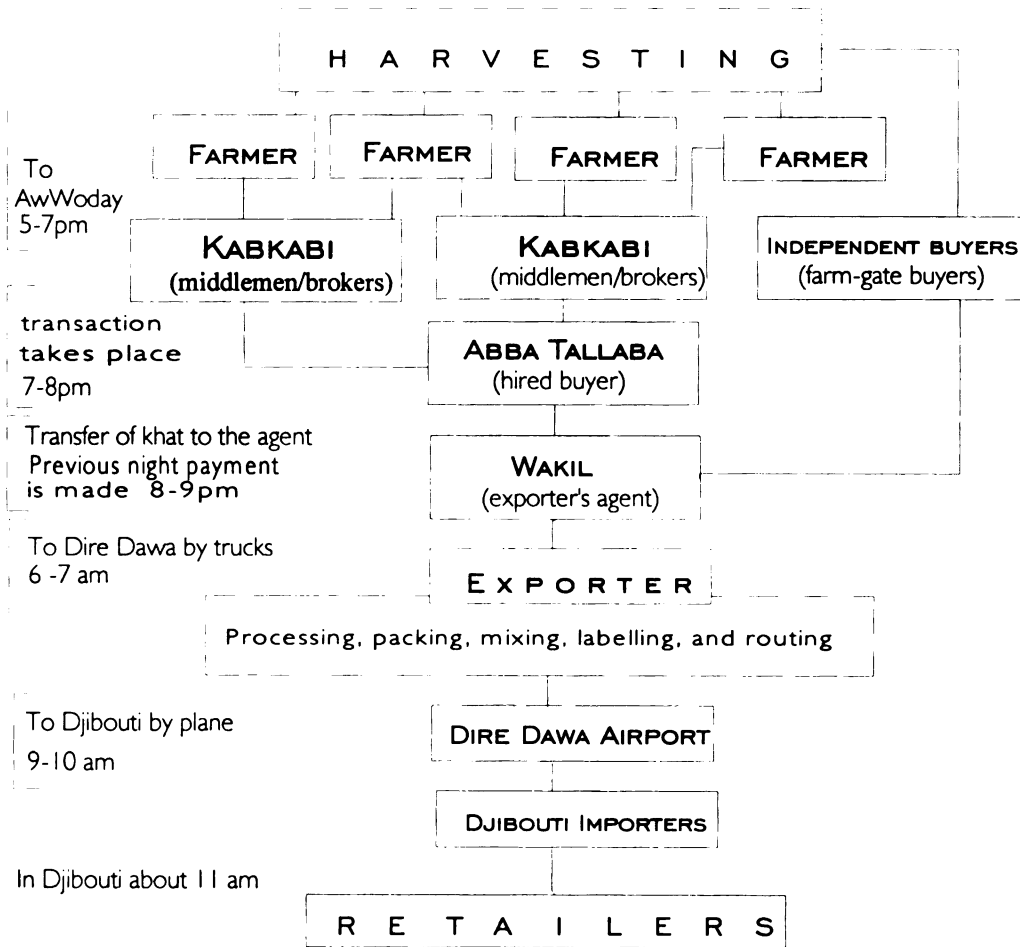


FIGURE 5:

THE STRUCTURE OF KHAT MARKETING IN HARERGE

The Abba Tallaba was paid by his employer, the exporter's agent, otherwise called the *Wakil*, at a fixed rate on the basis of the weight of the khat they purchased or negotiated to buy. Their incomes depended on their ability to drive prices down so that they have more money left in their hands to purchase more khat. On the other side of the transaction worked the kabkabi, who were the principal agents for farmers at the market place. They were paid a commission of 5-10 percent of the proceeds from the khat they sold by farmers who sought their services.²¹ Since their income depended on the price they negotiated, the kabkabi had a vested interest in driving prices up and ensuring that farmers received better prices for their produce. Both the Abba Tallaba and the kabkabi, therefore, approached setting prices from opposing perspectives. The conflicting interests of both created competition, negotiation and a condition for market forces to decide prices.

Even though the new structure dominated the marketing process, independent buyers continued to be active in the khat business. Because they purchased khat directly from the farmers and operated with their own money, the independent buyers by-passed the kabkabi and the Abba Tallaba who were responsible for determining daily khat prices. The independent's leverage in the marketing process stemmed from the fact that they purchased futures and collected the produce themselves, sparing the farmer the cost of farm-to-market transportation and the uncertainties of finding a buyer at the market place. Independent buyers became most active during in dry seasons when khat was scarce, and beat other

²¹ Interview: Hajji Mume Kiko, Haramaya, May 20, 1994.

traders due to the futures they had purchased.²²

Domestic dealers often used a different and less complicated mechanism of purchasing khat. The kabkabi were the main intermediaries in the domestic system as well, serving farmers as agents. The transaction of khat intended for domestic consumption usually took place in open market places where the kabkabi transferred the produce to wholesale buyers. There were a number of khat markets in various towns, but the trade centered in Dire Dawa, Haramaya and AwWoday. The wholesale buyers distributed to retailers in the major town centers, the latter category was particularly dominated by women. Farmers' wives sold at low price poor quality khat known as "Faaqa" directly to consumers.²³

There are no records that show how much khat was sold at the market place daily. Nevertheless, the financial significance of khat to farming families is beyond dispute. In 1972-73, for instance, 135 farming households sold 40,000 birr worth of farm crops, 59 percent of which comprised of stimulants, khat and coffee. Khat was the greater part of the value of stimulants, amounting to 22,000 birr, or approximately 55 percent of the total crop value. Although coffee had been an important cash crop in this area before the Italian invasion, by the early 1970s, it had fallen to insignificance. It is interesting to note that the entire coffee crop was marketed while only 52 percent of the khat was sold. Despite the differential, coffee accounted for a mere 7 percent of the stimulant category.²⁴ The fact that

²² Interviews: Yousuf Hammo, Haramaya, May 17, 1994; Mume Ahmed, Kombolcha, June 6, 1994.

²³ Interviews: Ibrahim Dawe, AwWoday, May 30, 1994; Mahdi Abdule, AwWoday, May 30, 1994.

²⁴ Birke, *A Survey of the Marketing Methods*, p. 13.

only 52 percent of the total khat production accounted for 93 percent of the value of the marketed stimulant crops reveals a significant modification in the farming strategy pursued by most farming families.²⁵ In the next section, I will discuss these adjustments and the logic of production which informed the decisions farmers made in regard to land use, labor allocation and cropping patterns.

C. Modifying Production Strategies

Some studies carried out in the late sixties suggest that declining markets and unfavorable price situations had caused many farmers to abandon their khat fields²⁶ or halt further plantings of new trees.²⁷ Some statistical data do not support the assertion that khat was being abandoned. The evidence indicates that the uncertainties associated with khat marketing affected producers' attitudes and called into question the viability of the farming strategy which they had developed to cope with land scarcity. Oral information suggests that the most immediate and visible change in the farming system was the conversion of khat fields from predominantly cultivating the dimma to the dallota variety. Before 1964, the former was preponderant in the khat fields because it was popular in Aden and Northern Somalia. Following the collapse of the foreign markets, demand for the dimma variety declined drastically, and farmers in Haramaya, Kombolcha and Hundene woredas uprooted

²⁵ Ibid., p. 14.

²⁶ Tilahun Mekonnen, *Economic and Sociological Characteristics of Peasants Families at Alemaya, The Chercher Highland*, Haile Sellassie I University, College of Agriculture, Department of Agricultural Economics and Business, (August, 1974), p. 3.

²⁷ Miller and Mekonnen, *Organization and Operation*, p. 19.

their dimma khat and replaced it with the dallota variety more popular in Djibouti. The Gara Mula'ata-Wobbera region, which joined the khat market in a significant way quite belatedly, continued to produce the dimma variety for local markets and Northern Somalia.²⁸

The switch from dimma and dallota represented an informed, conscious and forward-looking response to changing market situations, though, to the unknowing observer, it might have appeared as an effort to eradicate khat. In fact, the events of mid-1960s accentuated the vulnerability of the khat market and reinforced farmers' doubts about wholesale adoption of cash crops even if profits were high. Despite the surge in the khat market in the 1950s, food crop production remained the dominant farming activity, and, in the early 1970s, farm land grew extremely scarce. The average family held between 0.5 to 1.5 hectares. The Oromo farmers of Harerge highlands believed that they could use their land to the best advantage and provide some crop insurance by growing several food crops together.²⁹ One study, whose research was conducted in 1968-69, summarizes Harerge's cropping pattern as:

Mixed cultivation is the general practice employed in the area. On the average about 70 percent of the fields were interplanted with two or three kinds of crops. Single cropping is an exception rather than the rule. It is not uncommon to see as many as five kinds of crops interplanted in a field. The most usual crops that are found interplanted are sorghum, corn, chat, beans and sweet potatoes.³⁰

The planting of diverse crops indicates the premium placed on food self-sufficiency. Sorghum occupied 33 to 53 percent of most families' farm land, followed by corn and khat.

²⁸ Interviews: Mume Ahmed, Kombolcha, June 8, 1994; Abdulahi Ahmed, Haramaya, May 10, 1994; Amin Usman Mohammed, Haramaya, May 9, 1994.

²⁹ Miller and Mekonnen, *Organization and Operation*, pp. 18-19.

³⁰ Mekonnen, *Economic and Sociological Characteristics*, p. 8.

A sizeable area of the cropland was also devoted to growing sweet potatoes, a few Irish potatoes, onions and vegetables. Most surveys of the consumption patterns of Harerge's farming households show that almost all their sorghum and corn and two-thirds of the khat were consumed on the farm.³¹

The finding of a 1965 study on two farming communities reveals the direction of change in the agrarian system of Harerge highlands in the early 1960s. Most of the farming households maintained khat orchards in their cropping system, usually intercropped with other food crops, with the orchards occupying the largest percentage of land on the smaller farms, those with land areas of less than 0.50 hectares. Intercropping was also intensive on smaller farms. Larger lands of approximately 4.50-4.99 hectares maintained exclusive khat orchards but devoted more land to the production of cereals.³² The common theme in both large and small lands' cropping systems was that most farming families subscribed to the notion of maintaining food self-sufficiency and avoiding monoculture. Diversification was adopted as an insurance against land scarcity, disease and pest infestations, but it was also evident that, the smaller one's land got, the greater the tendency to increase the production of khat.³³

³¹ K. C. Davis, Ahmed Mohammed and W. A. Wayt, *Farm Organization of Terre and Galmo Villages: Harer Province, Ethiopia*, Imperial Ethiopian College of Agriculture and Mechanical Arts, Experiment Station Bulletin no. 42 (October, 1965), p. 23.

³² *Ibid.*, pp. 13-16

³³ *Ibid.*, pp. 12-16.

Cash was needed to cover the household's expenditure on capital goods (tools, seeds, livestock), consumer products (fuel, clothing, household utensils) and taxes.³⁴ Khat provided sufficient funds to cover these expenses and for some savings. As part of a diversified cropping system, khat not only fitted well into the environment and the agricultural cycle of small-farm households, but also provided a regular source of income to meet household expenditure with a comparatively low labor investment.³⁵ Khat also consistently maintained a price advantage over other crops. For example, it yielded ten times the return of coffee.³⁶ Khat's gross return per hectare ranged from \$1163 to 3900³⁷ as compared to sorghum's \$264 on average.³⁸

Despite the impressive return, khat prices were subject to severe seasonal fluctuations, the result not only of the logic of demand and supply but also of the nature of the commodity, the availability of rains and occasional government intervention in the market. In 1964, for example, when the government restricted export to Northern Somalia, prices plummeted drastically, demonstrating that, while potential incomes were high, there were significant elements of risk and uncertainty in expanding the cultivation of khat. Not

³⁴ Ibid., see table 3a of household expenses on pp. 25-26.

³⁵ Interviews: Mumed Ahmed Umar, Haramaya, May 9, 1994; Yousuf Hammo, Haramaya, May 17, 1994; Mume Ahmed, Kombolcha, June 8, 1994. Leonard F. Miller, *Input-Output Data for Chat and Sorghum Production, Harer Highlands, Ethiopia*, Imperial Ethiopian College of Agriculture and Mechanical Arts, Unpublished Mimeographed Material, August 1965. Quoted in Quenemoen, Watts and Mosley, *The Economics of Irrigation*, pp. 42-43.

³⁶ Getahun and Krikorian, "From Coffee to Chat," p. 370.

³⁷ Quenemoen, Watts and Moseley, *Economics of Irrigation*, p. 25.

³⁸ Gebre Michael, *The Kottu of Harerge*, p. 89; Quenemoen, Watts and Mosley, *Economics of Irrigation*, p. 25; Birke, *A Survey of Marketing Methods*, p. 14.

only were prices volatile but the market itself was unstable and unreliable. Market unpredictability was one reason for the primacy of food self-sufficiency in farming strategies.

Khat's relative profitability should have made other cash crops unattractive and unsuccessful. Nevertheless, in an effort to even out fluctuations and retain more value from their own labor power, producers diversified the cash crops they cultivated on their farms. From the mid-1960s on, there was increasing cultivation of vegetables, particularly of potato, especially in areas where irrigation was possible. While the use of motor water pumps facilitated irrigation, the opening of the Djibouti market for Harerge's vegetables created demand. In the late 1960s, most farmers in Haramaya's Yatu valley and in Kombolcha's Fala'ana region had increased potato cultivation on their farms through irrigation from such streams as Lega Hida and Lega Jeneta.³⁹ Although Harerge was the nearest source of supply, Djibouti imported vegetables from Eritrea and Europe on grounds that Harerge's vegetables did not meet its quality standards. In 1963, Haramaya's farmers established Farmers' Marketing Cooperative to ensure quality control and began exporting vegetables to Djibouti.⁴⁰

By the late 1960s, vegetable production was the second highest cash earner for farm households, a logical response to the uncertainties of the khat market. Vegetables,

³⁹ Lemma Arity, "A Regional Study of Hara Maya based on the studies of the Alemaya college of Agriculture." Senior Essay, Department of Geography, Haile Sellassie I University, 1969, p. 56.

⁴⁰ V.F. Aman, *Organization and Operation of a Marketing Cooperative in Ethiopia*, Imperial Ethiopian College of Agriculture and Mechanical Arts Experiment Station Bulletin no. 43 (Addis Ababa, 1965), pp. 3-5.

particularly potatoes, enjoyed a much longer "shelf life" than khat. If market prices happen to be low, the tubers could remain in the soil for a few weeks. In this way, potato provided income the whole year around because it could be harvested at any time of the year if irrigation was available. In providing a continuous cash flow, potato possessed the characteristics farmers liked about khat.⁴¹

Potatoes also were important as an alternative food crop during times of acute food shortages. Planted in April, short cycle varieties matured in July, before the first green maize crops were ready to be harvested. The crop remained in the soil from August to May, providing badly needed food during a period when the grain stocks might be low. Put another way, both sweet and Irish potatoes provided a food bridge between the two annual cereal harvests.⁴²

Potato's growing importance as a cash crop did not mean the end of khat expansion. Land use figures at least suggest that the expansion of khat continued, despite all the difficulties the export market encountered throughout the 1960s. In the early 1970s, 26,800 hectares were devoted to khat in Harerge, a phenomenal growth compared to the 7009 hectares given for 1961. The land use pattern in the various awrajas reveals the relationship between khat cultivation and land shortages as well as the proximity of farm areas to transport. In Chercher province, where population pressure was not so much of a problem and transportation had not been available until 1963, coffee remained the predominant perennial crop, accounting for 11 percent of the total cultivated area, while khat represented

⁴¹ Arity, "A Regional Study," p. 56; Wibeaux, *Agriculture in Harerghe*, p. 50.

⁴² Wibeaux, *Agriculture in Harerghe*, pp. 51-55.

only 3 percent. Sorghum and maize accounted for 65 percent of the total area under cultivation.⁴³ In Harer Zuriya, the sub-province with the highest population density and better transportation facilities, khat occupied 13 percent of the total area under cultivation compared to coffee's 3 percent and 81 percent of the area under perennial crops compared to coffee's 19 percent. Sorghum and maize constituted 79 percent of the total area under cultivation, suggesting that food crop production remained important.⁴⁴

The land use statistics indicate that the disappearance of export market did not affect the overall trend in the direction of expanding khat cultivation. The growth indicates that demand did not slacken enough to warrant suspending or abandoning the production of khat, despite the loss of foreign markets. Two factors explain the continued expansion of production. First, khat continued to be smuggled and, second, domestic consumption increased substantially.

D. Conclusion

This chapter has shown, though not in any conclusive way, that farmers do not necessarily watch market conditions in determining farming strategies. The security, or the subsistence, imperative of the family comes first when farmers make decisions about selecting crops, allocating land and deciding how much of the produce to sell. Farmers did

⁴³ The figure for khat was given by Getahun and Krikorian. The author provided this figure for Ethiopia, not specifically in reference to Harerge. Since they conducted their research in Harerge, I presume that the hactarage referred to the areas of their research. What casts more doubt on the credibility of the numbers is not only its extremely low estimate but also that Getahun and Krikorian relied on T. Hagos, *Chat in Ethiopian Economy* which I could not get hold of to verify.

⁴⁴ Central Statistical Office, *Results of the National Sample Survey, Second Round: Land Area and Utilization*. vol. 5 (Addis Ababa, 1975), p. 77.

not transform their croplands to khat plantations just because there was demand for it. They cultivated sufficient khat to meet their cash requirements. In Harerge, food crops were generally not marketed. More than 95 percent of the grains, leguminous and root crops were produced for household consumption. The fact that food crop production remained dominant, despite the increasing demand for khat, points to the limited power of the market in dictating farming strategies and production levels.

Until the mid-1970s, the expansion of khat cultivation in Harerge was not quite at the expense of food crop production. The only crop which khat apparently displaced was coffee. My informants have told me that their parents and they have cut down coffee trees and replaced them with khat.⁴⁵ As we have seen in chapter 4, when the market for the commodity was expanding in the 1950s and early 1960s, khat cultivation was extended to marginal lands. From the mid-1960s on, khat cultivation proceeded with emphasis on interplanting the shrub with other crops. The logic of production in the 1960s and early 1970s was based on how best to utilize the resources available in the face of land scarcity, uncertain markets for cash crops and increased government intervention in order to meet the subsistence need of the family and obligations to government.

⁴⁵ Interview: Nuriya Sheik Ibrahim, Haramaya, May 6, 1994; Ismael Mohammed, Kombolcha, June 10, 1994.

CHAPTER SEVEN

The Khat Boom:

Production and Marketing in a Controlled Economy, 1974-1991

Before the Ethiopian revolution of 1974, khat's commoditization was initiated and sustained by a convergence of events and processes. In response to population pressure farmers families introduced new crop varieties, intensive cultivation techniques and diversification. They also took advantage of improved road networks and other infrastructural developments and increased the production of high-value cash crops. The internal (demographic pressure) and external (infrastructural improvements) factors together produced a dynamic force of socio-economic change which led to a profound transformation in Harerge's agrarian system.

From the mid-1970s on, the process of agricultural transformation was accelerated by the changes in agricultural production and marketing policies which followed the overthrow of Haile Sellassie's government. Under the imperial regime, land and access were concentrated in the hands of landlords; and marketing and pricing of agricultural products were generally left to the market. The post-imperial government, however, abolished the rights of the gentry and increased the level of state intervention in the marketing and pricing of agricultural commodities.

In the decade that followed the revolution, the production and marketing of khat assumed new patterns and significance. In 1975, khat constituted 6.6 of the total land under cultivation. In less than a decade, this proportion doubled and, by 1983, khat was credited ✓

with 13 percent or 96, 445 hectares of the total cultivated land. The volume of domestically marketed khat rose from around 1.3 thousand tons in the early 1960s to an estimated 4.8 thousand tons in the late eighties.¹ In 1975, foreign exchange earnings from khat, which long had hovered around 5 million birr, reached 32 million birr in 1984 and peaked at 36 million in 1989. In the early eighties, revenues from income taxes averaged 23 million birr per year.² Some experts have suggested that, by the mid-1980s, khat was the "second largest Ethiopian export, after coffee."³

This chapter attempts to account for the dramatic change in the status of khat as a marketable commodity. The first section will describe the effects of land redistribution on cash crop production and explain why most farming families preferred growing khat over other cash crops. The second section examines the marketing policies of the Provisional Military Administrative Council (PMAC), specifically how stricter control over coffee marketing and pricing encouraged farmers to shift to the then less regulated khat. A third section presents an overview of increased government involvement in khat marketing after 1979, and explains why, in spite of strong government support, a government-run khat export enterprise failed to out-compete private traders.

1 Income tax revenues were 9,462,529 and 2,600,000 in 1987/88 and in 1963, respectively. Calculation on the basis of income tax rates which was 0.50 birr/kg, will give us the estimated amount of officially transacted khat that is shown in the text.

2 Eastern Ethiopia Zone Planning Office, *Bulletin of the Socio-economic conditions in the zone*, Harer, June, 1976 E.C., p. 8 and appendix 9 and 10.; Ministry of Agriculture, *General Agricultural Survey Preliminary Report, 1983-84 (1976 E.C) Harerge*, vol. 2 Addis Ababa, October, 1984. PMAC Customs and Excise Authority, *Annual External Trade Statistics, 1960-1991*.

3 Clapham, *Transformation and Continuity*, p. 186.

A. Land redistribution, Khat Production and Agricultural Productivity

In February 1975, the PMAC proclaimed a land reform law which eventually abolished tenancy, revoked the titles and rights of landlords and provided for the redistribution of land among farming households. Peasant Associations (PAs) were formed and entrusted with the task of implementing the law and were given considerable latitude in deciding the specific procedures of distributing land. The PAs followed a variety of methods which resulted in local variations in the size and quality of plots. Overall, however, most farming households were given usufructuary rights over the land they cultivated, although in some cases, the holdings were insufficient to sustain a household. The new system comprised predominately user-operated small farms, and a few cooperatives with a PA administering collectively-owned lands.⁴

In Harerge province, the problem of scarcity was eased but not eliminated by forest clearing, reduction of fallow periods and the incorporation of marginal lands. Redistribution did not provide a lasting remedy for land scarcity, but the ending of tenancy removed structural constraints on the region's agriculture in a sense that farmers were freed from sharecropping arrangements which favored the production of grains over tree crops and were empowered to make decisions regarding the cropping patterns on their individual plots. The fact that land reform did not solve the main problem of Harerge's agriculture stimulated

⁴ Desalegn Rahmato, *Agrarian Reform in Ethiopia*, (Uppsala, 1984), pp. 37-44; Kidane Mengisteab, *Ethiopia: Failure of Land Reform and Agricultural Crisis*, (New York, 1990), pp. 97-107; For local distribution analysis see, Mulugeta Gashaw and Minilik Tibebe Sellassie, *Ethiopian Village Studies, Hadele Keke, Kersa Woreda, Harerghe*, June 1995, pp. 6-7.

farmers to pursue new strategies of raising productivity.⁵

The redistribution of land augmented cultivation areas, eased population pressures, and provided capital for increasing productivity. Many farming families took up the production of marketable commodities by using irrigation to increase productivity and the levels of dry season production. However, not every area in Harerge was endowed with water resources, and there were not enough irrigable lands to distribute equally among all farmers. Not surprisingly, the distribution of irrigable land favored PA officials and wealthy farmers,⁶ inevitably producing disparities and social conflicts. PAs sought to reduce major conflicts by scheduling and rationing water and by encouraging intercropping.⁷ In the 1980s, after more than a decade of effort, irrigable areas in Harerge did not exceed 25 percent of the arable lands.⁸

Farmers dealt with water scarcity by building new reservoirs, collection basins and new canals. Some farmers used whatever profits they made from the irrigated crops to purchase pumps for their own use and to rent out. In that sense, it is possible to say mechanical irrigation revolutionized the use and management of land and water, the scarcest

5 What one farmer informant from Fala'ana, Kombolcha, told me sums up the main dynamic of agrarian change in Harerge. He said: "one who has land, relies on his land to produce enough for his families' sustenance. One who has less land, innovates to overcome his predicament." Mume Ahmed, Fala'ana, June 8, 1994.

6 Bernadette Risoud, *Creation and Development of A Producer' Cooperative: Innovations and interactions; The case-study of Tula in Harerge Highlands*, Farming Systems Research, Alemaya University of Agriculture, Alemaya, 1988. p. 11.

7 Wibeaux, *Agriculture in the Highlands of Harerghe*, p. 54.

8 Harmen Storck et al, *Farming Systems and Farm Management Practices of Small-holders in the Harerghe Highlands* (Keil, 1991), pp. 16-17, 63-64.

resources of the agrarian system.⁹ By the early 1980s, most farming families in Harerge pursued irrigation as an important strategy for increasing agricultural productivity.

Prior to the Ethiopian revolution, these innovations were not commonplace. Landlords owned much of the irrigable lands and sold water to farmers from their storage basins (kuré). In Kombolcha, for instance, the cost for a single watering was between 25-30 birr, depending on the size of one's plot.¹⁰ After 1975, farmers expanded both their arable and irrigable lands by appropriating lands and kurés previously owned by landlords and by employing innovative ways of utilizing the available water resources. According to one recent study, farmers residing in Tula and Kako increased their irrigable lands by nearly 119 percent in less than twenty years. The increase was lower in Tula, where water resources were poorer, amounting to 72 percent, while, in Kako, it was a remarkable 167 percent. By 1986, irrigable areas in these two localities represented approximately an average total of 30 percent of the total cultivated land (see Tables 5 and 6).¹¹

⁹ Quenomoen, Watts and Mosley, *The Economics of Irrigation*, p. 25. During my research, water pump renting had become a full-fledged business for some individuals. Owners not only rented the pumps out but also established repair shops to serve those who had their own pumps.

¹⁰ G. Risoud, *Evolution of Peasant Agriculture*, p. 22.

¹¹ Storck, et al, *Farming Systems in Harerge Highlands*, p. 63. In some places, irrigated more than half of their cultivated areas. The number of farmers irrigating between a quarter and half of their cultivated also considerable.

TABLE 6: Evolution of the Irrigable Land and Khat Cultivated Areas in Hectares.
Sample of Six Farming Households in Tula

Farm area	Arable land	Arable land	Irrigable land	Irrigable land	Khat area	Khat area
	at inheritance	in 1987	at inheritance	in 1987	at inheritance	in 1987
A	0.42	0.42	0.25	0.35	0.35	0.45
B	2.16	2.81	0.15	0.75	0.69	0.95
C	2.02	2.25	0.00	0.11	1.12	1.12
D	1.46	2.10	0.32	0.77	0.20	0.84
E	1.62	2.20	0.60	0.60	0.30	0.30
F	0.50	0.50	0.15	0.00	0.35	0.40
Ave.	1.36	1.71	0.25	0.43	0.50	0.68

Source: G. Risoud, *Evolution of Peasant Agriculture*, p. 23.

TABLE 7: Evolution of the Irrigable Land and Khat Cultivated Areas in Hectares.
Sample of Eleven Farming Households in Kako¹²

Farm area	Arable land	Arable land	Irrigable land	Irrigable land	Khat area	Khat area
	at inheritance	in 1987	at inheritance	in 1987	at inheritance	in 1987
A	0.61	0.71	0.05	0.14	0.12	0.29
B	1.17	1.48	0.29	0.33	0.15	0.21
C	0.60	1.10	0.00	0.00	0.00	0.21
D	0.80	1.29	0.00	0.00	0.05	0.25
E	0.91	1.00	0.00	0.00	0.05	0.35
F	1.10	1.10	0.00	0.03	0.21	0.31
G	1.80	1.00	0.00	0.43	0.21	0.21
H	0.86	1.03	0.12	0.17	0.09	0.28
I	0.89	1.30	0.00	0.00	0.23	0.00
J	0.44	0.82	0.00	0.44	0.15	0.25
K	1.34	1.39	0.57	1.07	0.72	0.72
Ave.	0.96	1.20	0.09	0.24	0.18	0.28

Source: G. Risoud, *Evolution of Peasant Agriculture*, p. 24.

12 The two tables on the expansion of arable and irrigable lands show change over the last forty to fifty years. The average age of the household that were studied was 65. Assuming each farmer established a family at the age of 20-25, the time of inheritance for all households would be forty to fifty years ago.

It is important to note that the increase in irrigable lands shown in the tables occurred in districts where dry season production was insignificant before 1975. For farmers whose lands were located nearby large lakes such as Lakes Haramaya, Adele and Finkile, irrigation was an important technique in the production of khat and vegetables.¹³ Until the mid-sixties cash crops nevertheless played a supplementary role in the agrarian system, since most farmers were involved primarily in rain-fed grain production for food self-sufficiency. The cropping pattern was to plant up to 90 percent of the land with grains, utilizing intercropping and multicropping methods. Non-grain crops such as sweet potatoes, fenugreek and beans were grown on small sections of individual farms; but these, like grains, were stored for consumption rather than for market. Khat was the most popular of the cash crops, preferred probably because of the existence of more advantageous production techniques and a sophisticated marketing system.¹⁴ Although in the post-war period, khat's importance increased steadily, the proportion of land devoted to it did not surpass 10 percent of the total cultivated lands until the early 1980s.¹⁵

Khat's significance lay not so much in the size of the land it occupied but in its productivity. Farmers optimized their return, especially during dry seasons when khat prices

13 Lakew Birke, *A Credit Study of 100 Members of Alemaya Farmers Cooperative Society, 1965*. Experiment Station Bulletin No. 46, Imperial Ethiopian College of Agriculture and Mechanical Arts, June 1966. p. 7.

14 E. Westphal, *Agricultural Systems in Ethiopia*, (Wageningen, 1975), pp. 108-118.

15 Ministry of Agriculture, *General Agricultural Survey*. Another document puts the proportion of cultivated land under khat 17 %. Desta Degefu and Masresha Yimer, *Conditions of Social Security in Harerge*, (in Amharic). Prepared for Eastern Ethiopia Planning Office. Harer, February, 1979 E.C. p. 30.

usually rose to 10 times the rainy season values. Irrigation intensified khat production by extending harvest periods and increasing yield per unit. In areas where irrigation was not possible, farmers increased khat production by putting more land under cultivation, often at the expense of other crops. As Tables 5 and 6 show, the area growing khat increased much faster than the increase in the total cultivated land. In fact, one can say, the growth in the size of irrigable lands devoted to khat production were made possible by the increases in the size of arable lands.¹⁶

In the early 1970s, irrigation became even more important following the introduction of a new potato cultivar by the Ministry of Agriculture. As both food and cash crop, potato quickly became a strong competitor with khat for irrigable land, labor, water and fertilizer resources. In the early eighties, some farmers were able to obtain an annual return of as much as 12,000 birr per hectare from potato. This level of productivity was rare and was attained only by a few farmers who had permanent access to irrigation water. The average gross return for most farmers was 7,600 birr per hectare. During the same period, there were reports of a gross return from khat of 6,500 birr per hectare in Kombolcha wereda and a higher 9,600 birr for the entire Harer Zuria awraja.¹⁷ Considering the actual sales of 50-60 percent of the total production, farmers commonly netted 4,500 birr per hectare from khat. In terms of return on investment per hectare, therefore, potato was more profitable than

16 G. Risoud, *Evolution of Peasant Agriculture*, p. 22, 33.

17 D. Aehling-Kriesel and Kifle Lemma, *Farming Systems Development Survey Report*. Ministry of Agriculture. People's Democratic Republic of Ethiopia. Field Document TCP/ETH/6659. 1989.

khat.¹⁸

Despite potato's apparent profitability, most farmers remained interested in khat. First, the lack of capital for investments in seeds and fertilizer made high input potato management impossible. Although it is true that Harerge's farmers possessed more cash than farmers in other parts of Ethiopia, the amount of cash they were able to allocate for productivity investments was limited. High input potato cultivation could take up as much as the entire annual cash income of a farming family. Attractive as the profit from potato might have seemed, farmers were not willing to embark on such a risky investment strategy.

Second, investment in potato was extremely risky, owing to the crop's susceptibility to severe climate shifts and blight. The chances of crop failure from blight damage was lower during dry seasons and it could be eliminated through increased use of irrigation. However, irrigation water was not as readily available as was needed to maintain dry season potato production.

Third, potato required watering every eight days and the available resources in Harerge highlands were not sufficient to meet such a high demand. Only a few farmers, PA leaders or those having high social status, had consistent access to irrigation water.¹⁹ Aware of the cost of feuding over scarce water supply, farmers took little interest in extensive potato cultivation, especially the improved variety (large potato), which was extremely

¹⁸ Wibeaux, *Agriculture in the Highlands of Hararghe*, p. 64.

¹⁹ B. Risoud, *Creation and Development*, pp. 10-11. The Producers's Cooperatives(PC) were legally empowered to evict non-member farmers if they decided that the individual farm was necessary for the PC. There are examples where PC leaders have appropriated fertile and irrigable lands from non-members but for themselves.

sensitive to water scarcity.²⁰

In contrast, khat offered two cultivation advantages. First, it was more drought-resistant, requiring water every 30 to 35 days. During dry seasons, khat leaves were pruned, and the trees kept in a state of "dormancy" so as to restart vegetative growth with the first rains. Ideally, two irrigations were necessary to make the trees sprout, but an adequate level of harvest was gained even with a small amount of water. Sometimes, however, farmers wait to bring their khat into production at the time of high market prices. With khat cultivation, farmers were able to make maximum use of the scarce water and resources to minimize social conflicts that were frequent during dry seasons.²¹

Second, khat needed relatively little fertilizer and labor investment. Chemical fertilizers were generally avoided because they led to crop etiolation. Cultivators mostly relied on the use of animal manure and household waste. In terms of labor input, since more than 70 percent of the khat in Harerge highlands was grown in association with food crops, the shrub benefitted from the labor and technical investments made on the other crop. During rainy seasons when heavy farm work occurred and khat prices were low, farmers consumed the bulk of khat and sold relatively small amounts. During dry seasons, they raised the proportion of the marketed khat as high as 60 percent of the total production because of favorable prices. Moreover, since, in dry seasons, the intensity of agricultural work decreases, farmers chewed less and sold more khat.²²

20 Wibeaux, *Agriculture in the Hararghe Highlands*, p. 50-54.

21 Interview: Mume Ahmed, Fala'ana, June 8, 1994.

22 Wibeaux, *Agriculture in the Hararghe Highlands*, pp. 42-49.

Potato cultivation in association with khat continued on a significant scale for two reasons. First, under the PAs' irrigation water management program, sole-cropped khat fields were ineligible for irrigation water. In other words, irrigating khat was contingent upon the production of food crops. In order to maintain their eligibility for irrigation water, farmers had to cultivate khat in association with food crops. Thus, potato was interplanted with khat. Second, potato was used as both a food and a cash crop. At low-input level, the benefit of cultivating potato lay in its short maturation cycle. It ripens more quickly than grain crops, three months rather than seven to ten in the latter case. When investments were made in seeds and fertilizer, potato gave the highest return in the shortest period of time, particularly on irrigated farms where the potential return was higher and the risk of failure lower.²³

Indeed the PAs required khat to be intercropped in order to increase food crop production, but farmers complied for their own reasons. Intercropping with khat allowed for the complementary use of both water and nutrients in space usually characterized by differential root depth and spread. It also reduced the impact of adverse conditions on the eco-system by providing shelter, conserving soil moisture and decreasing soil erosion.²⁴

23 Ibid, pp. 50-55.

24 Addis Tiruneh, "Gender Issues in Agroforestry," Paper prepared for the workshop 'Land Tenure and Land Policy' in Ethiopia, Institute of Development Studies, Addis Ababa, 5-6 May, 1994, p. 6.

TABLE 8: Crop Production per Hectare

Crop	Yields (quintal/ha)	Prices (birr/kg) ¹	Gross return (birr/ha)	
Sorghum and/or maize	minimum :	9	0.6	550
	maximum :	25	1.5	3,750
	average :	19	1.0	1,900
Low input potato	minimum :	--	0.5	2,250
	maximum :	--	1.0	4,500
	average :	45	0.75	3,350
High input potato	minimum :	--	0.5	7,600
	maximum :	--	1.0	17,600
	average :	200	0.75	12,000
Khat ²	minimum :	3.5	0.5	200
	maximum :	7.5	30.0	22,500
	average :	5.0	8.6	4,300

Source: Wibeaux, *Agriculture in the Harerghe Highlands*, p. 62. 1. Prices are the purchasing prices of food crops in 1986. The extreme volatility reflects seasonal variation. 2. Yields are based on measures taken from intercropped farm. The value of the intercropped crop is therefore added. Since khat could be sold throughout the year, the minimum/maximum gross returns do not reflect actual estimates, but assumptions based on seasonal fluctuations.

More importantly, intercropping was an insurance technique. Planted together with preferred food crops, khat ensured that some profit was returned from the effort put into the preparation of the land. In 1986, a farmer who interplanted khat with cereals was able to produce on average 4,300 birr from khat sales and some 12 quintals of maize or sorghum, worth 1,200 birr per hectare. After 10 percent was paid to the kabkabi for his brokage, the farmer took home 3,900 birr in cash.²⁵ Based on the average grain price of 1.00 birr per

²⁵ In recent years, the price differential with potato from high-input management farms has widened in favor of khat with per hectare profit for 1994, the year I conducted research in the area, exceeding potato value by over twenty times. The collapse of the post-imperial regime in 1991, has created an opportunity for the expansion of the unofficial export market.

kilogram, if a producer purchased grain with the proceeds from khat harvested from one hectare, he/she could buy 51 quintals or grain worth 5,100 birr. If the same land were to be planted entirely with sorghum or maize, the farmer could expect to get a maximum yield of 19 quintals or 1900 birr (see Table 8 above).

The increasing importance of khat is an example of the integration of the region's agriculture into the market economy. In the late 1980s, khat prices remained high, most probably due to the existence of foreign demand, but also due to the fact that farmers obtained higher land productivity by growing the shrub than by cultivating food crops. Describing why farmers preferred growing khat, rather than grains, one informant explained to me in the following words.

AB: We are alive today, thanks to khat. If khat wasn't here, we would have all died of hunger, deprivation and lice (disease).

EG: Do you mean that growing khat is better than cultivating grains, vegetables and beans ?

AB: Yes ! we survived the affliction brought on us by drought, disease and land scarcity because we cultivated khat. Let me ask you this; what part of a honey bee's body is the seat of its soul ?

EG: I don't know, perhaps its wings.

AB: O...h, no. Don't you know where the seat of a honey bee's soul is. It is its buttocks. If that part of its body got damaged, the honey bee is dead.

EG: Alright, explain your point to me.

AB: This khat tree is the soul of the entire farming community in Harerge. Khat is for us what the buttocks are for the bee. No one can live without a soul and we cannot live without khat. If khat is eradicated [say, by someone's order], alas, all the inhabitants of this land will vanish at once. No one really cares about sorghum or even vegetables any more. These days people eat rice, pasta and chicken.

EG: Where do you get rice and pasta ? Do you buy them in the town markets?

AB: Yes, but, you know, the town is here, the countryside; the countryside has become the modern town. The old ones are ancient relics. We have stores here in the countryside. There are farmers who have trucks to bring stuff here. Why do we need to go to the old towns?

EG: Weren't you, as farmers, supposed to get your food from your grain

silos?

AB: You are right. And that used to be the case. But khat has changed every thing.²⁶

The high return on investment and the perception of farmers described above indicate a marked change in the logic of production which informed farmers' decisions in regard to cropping patterns and the use of the available resources for production purposes. The logic of food self-sufficiency, which underpinned farmers' production strategies in the sixties and seventies, lost its significance after the 1984 drought. Foreign food assistance was intended for drought victims, but items such as rice, pasta and cooking oil were put up for sale in local markets.²⁷ When assistance ended, contraband traders took up the task of supplying the food items that were in demand.²⁸ In addition, the derg's grain marketing policies, which were designed to make grains available for city-dwellers at lower prices, had no mechanism of preventing farmers from purchasing them. The Agricultural Marketing Corporation's (AMC) prices were, of course, higher than the farmers' production costs but far lower than the return from khat sales. As long as food was available in the market, farmers were willing to commercialize their small-holder agriculture. Before the revolution the logic of

26 Interview: Hajji Abdi Baker, April 6, 1994, Ganda Lucha, Haramaya. Many of my informants have told me similar stories about khat. The particular informant quoted here has an original way of explaining to me the agricultural situation and farmers strategies.

27 Interviews: Abdulahi Shebo, Ganda Lucha, Haramaya, May 4, 1994; Abdalla Kassim, Ganda Kollobo, Kombolcha, June 8, 1994; Ahmed Abdullahi Ale, Ganda Saqaa Sharifa, Kombolcha, June 7, 1994.

28 During my research there, the Harer markets were flooded with packed foods that were dispatched to the Middle East during the Gulf War for the United States military. The military supplies were reportedly brought to Harerge by contraband traders whose operations extended to Saudi Arabia. Expatriates who lived in Harerge were able to buy cheese, crackers, biscuits, that were otherwise unavailable there.

production was to maintain self-sufficiency while progressively increasing cash crop production without jeopardizing food crop production. The new logic of production of the 1980s was to increase cash crop production as long as there was sufficient food in the market and cash crops yielded sufficient cash.²⁹ In both cases, the food security of the farming household was paramount. Even the commitment to cash crop production was premised on the basic assumption of maintaining a secure source of food.

There is a down side to greater dependence on cash crops. Khat prices fluctuate widely and quickly due to the law of supply and demand. Rain-fed khat mostly comes into production during rainy seasons in the whole region and must be sold at a low price. The level of income from khat, therefore, depends on the possibility of irrigation in order to obtain production at periods of low supply. The scarcity of water for irrigation makes it impossible for all farmers to succeed in dry season production. Besides, it is impossible to predict what the future of khat will be. The government's attitude has been ambiguous, condemning khat as a social scourge that must be destroyed,³⁰ while benefitting from export duties and from taxes on khat.³¹ Moreover, Djibouti and Somalia alone may not present a sustainable foreign demand for khat. At this juncture, however, as my informant Hajji Abdi Bakar remarked, the khat phenomenon explains how the commercialization of agriculture

29 Interviews: Mumed Ahmed Umar, Ganda Issa, Haramaya, May 4, 1994; Abudulahi Shebo Ganda Lucha, Haramaya; Beker Tahir, Ganda Sido, Kombolcha, June 6, 1994; Ismael Mohammed, Ganda Kollobo, Kombolcha, June 10, 1994; Sufian Abdullahi, Ganda Lucha, Haramaya, May 8, 1994.

30 Degefu and Yimer, *Social Welfare in Harerge*, pp. 33-36.

31 Weill, "Marketing Agricultural Products," p. 30; Storck et al., *Farming Systems in Hararghe*, pp. 101-102.

sustained the region's demographic weight of the more than 400 inhabitants per square kilometer.³²

B. Marketing Agricultural Commodities in a Controlled Economy

After seizing power in 1974, the military government charted a "socialist path" for Ethiopia and implemented policies which placed the marketing and pricing of agricultural commodities under tightly controlled government agencies. The derg's policies contrasted with those of the imperial regime whose involvement in the economy was limited to establishing marketing standards and procedures, quality control and, at times, protecting producer prices.³³ Perhaps the most important policy initiative which affected the khat industry was the government's endeavor to assume greater control over the production, marketing and pricing of coffee, khat's main competitor for land and labor.

The derg's ideological commitment to socialist marketing principles was an important factor, but events also played a significant role in the evolution of the post-1974 coffee policy. In 1975, a severe frost destroyed 50 percent of Brazil's coffee, thereby providing windfall gains for Ethiopia's beans which had a tradition of selling well whenever Brazilian coffee failed. In the following years, coffee prices remained favorably high due to the continued decline in Brazil's market shares.³⁴ The Ethiopian government sought to

32 Tiruneh, "Gender Issues in Agroforestry," p. 4.

33 Befekadu Degefe and Tesfaye Tafesse, "The Marketing and Pricing of Agricultural Products in Ethiopia," in *Ethiopia: Rural Development Options*. Edited by Siegfried Pausewang, Fantu Cheru, Stefan Brune and Eshetu Chole (London and New Jersey, 1990), pp.112-120.

34 Keith Griffin, (ed) *The Economy of Ethiopia*, (London, 1992), pp. 78-80

obtain greater foreign currency earnings by augmenting coffee production. The intention of the government was aptly captured in a letter written in 1977 by a high ranking official:

... Ethiopia produces about 200,000 tons of coffee annually. However, only a fraction of that amount is exported. This is primarily due to the lack of coordination and control in the process of transferring coffee from the areas of production to world markets. These inefficiencies of the imperial regime should never be carried over to the new socialist Ethiopia. The Council of Ministers has decided to export at least half of the produced amount, that is, 100,000 tons a year.³⁵

Owing to a combination of political and environmental factors, however, coffee production did not keep abreast with international demand. The government decided therefore to put in place a system which could maximize the proportion of coffee available for export and restrict the amount of domestic consumption and marketing. With coffee production in the hands of small-holder producers, it was clear that control of distribution was a more expedient method of acquiring the desired quantity of coffee than controlling production. In order to influence the course of coffee marketing, the government created in 1978 the Ethiopian Coffee Marketing Corporation (ECMC). The institution was given an initial mandate of buying coffee at prices geared to international market values,³⁶ but soon gained a much broader authority which included: 1) the imposition of restrictions on the activities of licensed private traders; 2) the establishment of official price structure at which

35 MOI-RHP.1, Minister of Trade Ashagye Yigletu to the Ministry of Interior, January 5, 1970 E. C.

36 The ECMC was established in 1975 under the National Coffee Board, mainly to further the government's objective of participating in coffee marketing, especially the export business. In 1978, the NCB became the Coffee and Tea Development and Marketing authority which subsequently was elevated to the status of the Ministry of Coffee and Tea Development (MCTD). ECMC then made a quasi-autonomous agency operating under MCTD.

the ECMC bought coffee and formed a reference point for controlling prices in the private sector; and 3) the introduction of a system of physical controls on coffee movement to prevent the diversion of coffee to the domestic market and its exports through illegal channels.³⁷

The ECMC quickly controlled more than 80 percent of the officially handled exports. A substantial domestic demand existed but private traders were prohibited from selling coffee to domestic consumers. As was the case under the imperial regime, coffee auctions continued to take place, but prices at the so-called auctions were fixed by the Ministry of Coffee and Tea Development. Taxes on coffee were raised substantially and the forms in which they were collected multiplied. After surtax, transaction tax, export duty and coffee cess were paid, the total tax amount reached about half of the f.o.b. export prices. In a carefully documented study of coffee marketing under the PMAC policies, Dercon and Ayalew have demonstrated that the strict and high-tax control regime created strong incentives to smuggle it into the neighboring countries.³⁸

With its strict system of controls, the government was able to achieve its goal of increasing Ethiopia's market share. The volume of exports increased from 47,058 metric tons in 1977 to 93,029 metric tons in 1983. The growth in exports resulted not from increased production but, by and large, from the draconian squeeze on domestic

37 ULG Consultants, *Coffee Marketing, Processing, Transport and Storage Study*, Vol. 3, Unpublished Report prepared for the Ministry of Coffee and Tea Development, (1986), p. 11.A.1-11.A.2.

38 Stefan Dercon and Lulseged Ayalew, "Smuggling and Supply Response: Coffee in Ethiopia," *World Development*, 23 (1995), pp. 1798-99.

consumption. In fact, as production continued to experience a sharp decline, Harerge's contribution to Ethiopia's total coffee exports dropped dramatically, from 8,420 metric tons in 1976 to 2,260 tons in 1983, and reached its lowest level at 604 tons in 1985. In terms of the hectareage, coffee which occupied 6.6 percent of the area under cultivation in 1975, dropped to 4.4 in 1983.³⁹

The decline in production points to farmers' reaction to physical controls, price fixing and prohibitive taxes. Recent studies on coffee production problems in Harerge have identified a variety of factors that affected coffee production. In a 1991 study, Girum Tamirayehu attributed coffee's production difficulties to:

High [coffee] cess, purchase and export monopoly, high price paid for 'chat' ..., coffee pests, the lower price paid to farmers, incompatible and unstable economic policies, food shortages leading to the replacement of coffee land by food crops and the competition of 'chat' (*Catha edulis*) which provides regular cash throughout the year have made substantial contributions to the decline of coffee production in Harerge.⁴⁰

Since the late 1970s, coffee production clearly faced a number of challenges, ranging from pest infestations to government intervention in its marketing and pricing. Farmers acknowledge that drought and diseases (coffee berry disease CBD) have discouraged them from planting coffee. One farmer showed me where he had replaced (and was in the process of replacing) coffee trees with khat plant. Asked about why he and other farmers in

³⁹ Eastern Ethiopia Zone Planning Office, *Bulletin of the Socio-economic conditions in the zone*, Harer, June, 1976 E. C. p. 8 and appendix 9 and 10; Customs and Excise Authority, *Annual External Trade Statistics, 1960-1991*.

⁴⁰ Girum Tamirayehu, "Coffee Production Problems and Cultural Practices in Harerge," In Mesifin Ameha, ed., *Proceedings of the First Workshop on Production Constraint Assesment of Coffee, Tea and Spices (CTS)*, (Mimeo.) Jimma, November, 1991. pp. 1-2.

his area had reduced the land under coffee cultivation, one informant replied with a series of rhetorical questions. He said:

can you take one kilo of coffee to Harer [and sell it there]; can you take a kilo of coffee to Dire Dawa and get a fair price. Look ! we were made thieves. We were reduced to stealers of our own property. Now what would you do if you were in my shoes ? What would you do with a commodity that was made worthless by the government ? Wouldn't you decide to abandon its cultivation and try to do something else for living ?⁴¹

The common theme in Tamirayehu's study and my informant's explanation is that the government's control of the marketing of coffee drove farmers in Harerge to abandoning its production. The price at which the ECMC purchased coffee was below production costs and discouraged farmers. The situation left farmers with only two options: protest the price fixing policy or withdraw from producing the crop.⁴² My informant's rhetorical questions suggest that coffee farmers made a conscious decision to increase their khat plantations rather than continue to plant a cash crop which got diseased, fetched low prices and whose marketing was monopolized by the government. Farmers then preferred khat because government intervention in the industry was limited to collecting taxes and levying export duties. However, soon the policy of socializing production and exchange would extend to khat, too.

41 Interview: Mume Ahmed, Fala'ana, Kombolcha, June 8, 1994.

42 According to Albert Hirshman's theory, when deterioration occurs in organizations or members become dissatisfied, two alternative responses are available: exit--leaving the organization or switching to a competing product, and voice--agitating for change in policy, practice, or output from within. Albert O. Hirschman, *Exit, Voice and Loyalty: Responses to decline in firms, organizations and states* (Cambridge, Mass., 1970), pp. 1-55.

C. Traders versus the State

When the revolution began in 1974, there were fewer than forty five merchants who daily dispatched a total of 3,600 kilograms of khat to Djibouti. Despite the new government's avowed goal of restructuring agricultural production and exchange along socialist lines, the business of exporting khat remained in private hands for the first seven years of the revolution. From the government's perspective, khat was not so strategic a commodity as grains or coffee were. In fact, any attempt at changing the existing pattern of exporting khat was seen as potentially disruptive of a business which generated so much revenue and foreign exchange earnings. Thus, the government apparently saw no reason to increase its involvement in the marketing and/or pricing of khat.

The khat export business was dominated by a handful of prominent merchants. In a political environment inspired by the new government's professed commitment to standing up for "the rights of the majority, not the privilege of the few,"⁴³ the merchant's grip on khat export business did not go unchallenged. Immediately after 1975, there was a sudden surge in the number of applications for licenses for khat export. There was also an organized drive to make the khat business "communal" and give it an "Ethiopian character."⁴⁴ The effort to end the domination of the business by a few merchants was so strong that it was

43 Reading through the applications one can vividly see resonances of the revolutionary motto of the leaders of the revolution. What the applicants were demanding was to be permitted to export khat since the "the period when a few elite dominated the country's means of production was a by-gone era."

44 The phrase "Ethiopian character" insinuated that the export business was dominated by Djibutians, whom the organizers called "French citizens." HPA-GC.1, Six resident-traders of Dire Dawa to Samuel Teferra, Governor of Dire Dawa, Issa and Gurgura awraja, April 20, 1967 E.C.

brought to the attention of the Chairman of the Provisional Military Administrative Council (PMAC), Ethiopia's new head of state. As has been the tradition with the problems of khat marketing, the matter was referred to a commission appointed by the chairman of the ruling military council.

In its report, the commission acknowledged that the existing khat export system was contrary to socialist principles and recommended the establishment of a new company comprised of small traders. However, the challenge to the oligarchic status of the khat export business did not bear fruit immediately. The private exporters protested strongly against the establishment of a competing organization, claiming that their enterprise provided work for 1,000 Ethiopians and earned close to 15 million birr in foreign currency for the country. They also warned that creating a new company without the consent of the importing agency in Djibouti could result in a misunderstanding between the two companies and a disruption of the export business.⁴⁵ The private operation was thus permitted to continue as long as the tax revenue and foreign currency earnings continued to flow into the treasury. The upshot of this episode was that, while the marketing and pricing of other agricultural products were brought under stricter government control, the khat business managed to remain a relatively free business.⁴⁶

The tolerance of private khat exports was short lived. With the post-imperial government's commitment to building "a strong independent economy along socialist lines,"

45 HPA-GC.1, Testimonies of Hajji Hussien Roble and Ato Abduselam Hajji Mussa in the Minutes of the Committee that studied the conditions of khat trade, July 10, 1967 E.C.

46 HPA-GC.1, Minutes of the Committee that studied the conditions of khat trade, July 10, 1967 E.C.

it was only a matter of time before market-based operations were abolished. To achieve its goal of restructuring the external trade in a way that would speed up the "socialist transformation of commerce," the government split the Ministry of Trade into the Ministry of Domestic trade and the Ministry of Foreign Trade. The division meant differentiation of responsibility for procuring, processing and exporting of commodities for domestic and foreign markets. According to proclamation 179/72 which established it, the Ministry of Foreign Trade was charged with the responsibility of "putting the country's export trade on a socialist course by increasing the role of governmental and public organizations in the export trade sector, while streamlining, controlling and guiding the activities of private exporters."⁴⁷

Whereas the private export operation of khat was a target for nationalization, the need to control khat export was given an added impetus by the Ethio-Somali war of 1977-78. Considering the flourishing khat business as a source of employment for war victims and the families of officers who were disabled or died in the war, the government sought to gain control over the export sector and began organizing a government-run khat exporting company.⁴⁸ In March 1980, the Khat Exporters Association of Ethiopia (KEAE) was established under the direct supervision of the Minister of External Trade. According to the official statement which ordered its creation, the KEAE's main stated goals were: 1) to give order to the disorderly individual-based export operations; 2) to make the export

⁴⁷ MFT-CF.1, Eastern Ethiopia Ministry of Foreign Trade Annual Report for the years 1972-1983 E.C.

⁴⁸ Interview: Captain Tadesse Debele, GM of the KEAE (1994), Dire Dawa, February 23, 1994.

business fall in line with the socialist philosophy; and 3) to give the khat export trade an Ethiopian character and leadership. The charter of the KEAE stipulated that the association would be run by a Board of Directors, suggesting that the enterprise was a non-governmental private enterprise.⁴⁹

In reality, the government exercised power and influence over the association. The General Manager was appointed by the Minister of Foreign Trade, who also controlled one of the association's bank accounts.⁵⁰ The association was required to submit weekly performance reports to the regional representative of the Ministry of Foreign Trade.⁵¹ Finally, the Minister of Foreign Trade reserved for himself the authority of selecting and firing members of the association. At the time of its creation, the association had 263 members, including 128 from the previous organization.⁵²

The KEAE was also granted some important privileges often accorded to other semi-governmental institutions. Its members were exempted from customs, transaction and income taxes on all of the khat they exported and on 37.50 kilogram of leaf they sold within the country.⁵³ PAs were assigned quotas to supply the association with the khat it needed

49 EHAA-KF.1, Minutes of the meeting chaired by the Vice Minister of Foreign Trade convened to establish the KEAE, March 13, 1972 E.C.

50 EHAA-KF.1, Minister of Foreign Trade to the KEAE, August 15, 1972 E.C.

51 EHAA-KF.1, Permanent Secretary of the Ministry of Foreign Trade to Eastern Harerge Branch Office, July 17, 1972 E.C.

52 EHAA-KF.1, The Minister of Foreign Trade to the Eastern Ethiopia Branch Office, August 15, 1972 E.C.

53 EHAA-KF.1, Permanent Secretary of the Ministry of Foreign Trade to Eastern Harerge Branch Office, July 17, 1972 E.C.

for export. As its forerunners, the CECDD and the CHATHA, only the KEAE was allowed to use Ethiopian Airlines to transport khat to Djibouti. The Ethiopian government negotiated and signed contracts on behalf of the association with the government of Djibouti⁵⁴ by which the *Société Général d'Importation de kaht* (SOGIK), Djibouti's importing company, was bound daily to import 3, 670 kilograms of khat from KEAE and not to buy from other exporters. The creation of the association was clearly the first step along the road to state monopoly of the khat export business.

Yet the derg's own policy of using the khat business for political purposes had created an army of legally permitted khat traders who were not members of the association. When Somalia invaded Ethiopia in 1977, law enforcement personnel, whose peace time duties included safeguarding the Ethio-Djibouti railroad, were called into active duty for the more pressing task of fighting the war. The government sought to have local residents protect the railroad track in exchange for a permission to supply khat to consumers along the line. The government also permitted more people to supply khat and other consumer necessities to people in the Ogaden to counter the message of Somali solidarity. At the time, it was thought that the threat of cutting off supplies would convince the Ogadeni to stay within Ethiopia.⁵⁵

After the war, the practice of supplying the Ogaden and the areas which had been under Somali occupation continued with the aim of convincing refugees to return to their

54 Eastern Ethiopia Ministry of Foreign Trade, *Report on the State of the Province's Foreign Trade*, (in Amharic) Dire Dawa, 1982 E.C. pp. 4-6. (State of Foreign Trade hereafter)

55 Interview: Beshir Shiek Abdi, Harer, March 3, 1994. In 1977, Beshir Shiek Abdi was deputy governor of Harerge province.

homes. The haphazard way of supplying khat and other commodities was systematized and given an institutional veneer. In November 1979, the government granted licenses to 581 Ethiopians and 1,579 Djiboutians to travel back and forth to Djibouti with fruits and vegetables worth 100 birr and import into Ethiopia various commodities valued at 100 birr duty-free⁵⁶. These commuter-traders were permitted officially to conduct a limited import-export but quickly became engaged in the business of unofficially exporting khat and smuggling in consumer commodities.⁵⁷

The war thus created a favorable condition for the expansion of unofficial trade in khat. The transfer of Ministry of Finance Police and other law enforcement personnel to active duty weakened border control structures considerably. For instance, at the conclusion of the crisis, there were only 10 operational checkpoints out of the 34 that existed before the war, and they were so poorly managed that border patrolling was completely abandoned.⁵⁸ Unlicensed traders infiltrated through the porous border while the licensed commuter-traders increasingly used the train to Djibouti to smuggle khat there. A 1980 study estimated the number of such traders at over 4,000, only half of whom were licensed.⁵⁹

The KEAE thus operated in a very competitive business which required speed and

56 MFT-CF.1, Eastern Ethiopia Ministry of Foreign Trade Annual Report for the years 1972-1983 E.C.

57 Interviews: Beshir Shiek Abdi, Deputy Governor of Harerge at the time, Harer, March 3, 1944; Captain Tadesse Debele, GM of the KEAE, Dire Dawa, February 2, 1994.

58 *A Comprehensive Report on Contraband trade activities and the "Taiwan" Contraband market*, mimeo. (in Amharic), Harer, August, 1988, pp. 4-6.

59 Minutes of the meeting of Harerge Province's high level officials to discuss why contraband trade was on the increase, Harer, October, 13, 1971 E.C.

efficiency. During the first two years, the association faced organizational problems ranging from inexperience, the lack of sufficient start-up capital and procurement difficulties to sabotage by controllers, weighers, and processors who were retained from the defunct private enterprises for their expertise but who were reportedly unhappy with the government-run business. Membership, as well as the amount of khat the association exported, did not increase substantially and no annual budget was adopted to facilitate its operations. The organization did not get off to a strong start in becoming the dominant khat exporter in Harerge.⁶⁰

TABLE 9: Khat Exports in volume and prices in birr, 1979-1990

Year	Exported khat in kg	Total export value	Unit export price
1979/80	255,238	6,107,618	11.00
1980/81	2,399,392	26,393,317	11.00
1981/82	2,799,320	30,792,523	11.00
1982/83	2,816,143	30,977,573	11.00
1983/84	2,937,636	32,313,992	11.00
1984/85	2,768,441	30,452,856	11.00
1985/86	2,662,603	29,288,633	11.00
1986/87	2,575,229	28,327,523	11.00
1987/88	2,000,716	22,007,876	11.00
1988/89	2,358,497	27,793,120	11.784
1989/90	2,518,821	30,461,256	12.00
Total	26,391,936	294,916,287	11.17
Average	2,583,670	28,880,867	11.17

Sources: *Khat Exporter's Association of Ethiopia: Progress and Prospects*, 1983 E.C.
 Eastern Ethiopia MFT, *Annual Report for the years 1972-1983 E.C.*

⁶⁰ Abraham Gebremariam, Abebe Kebede and Yoseph Gebrehiwot, *Khat Exporter's Association of Ethiopia: Progress and Prospects*, 1983 E.C.

Commencing in 1982, however, the KEAE started to perform well. A new agreement was reached with SOGIK in which the amount of khat exported daily was raised to 8 tons. By 1990, membership in the association had reached 810 and the number of employees working for the company grew to 1,500. Between 1980 and 1990, the KEAE exported 26,391 tons and earned 295 million birr in foreign currency, in contrast to 28,424 tons of coffee valued at 143 million birr and 69,649 tons of vegetables worth 37 million birr which were exported from Harerge during the same period. Measured primarily against the official economic indicators, by the end of the eighties, khat had become Harerge's most important cash crop (see Table 9).

The association's success was largely due to government support at various levels of the export process. In the area of procurement, PAs and awraja administrators were made responsible for ensuring that the association had purchased khat directly from farmers in quantities sufficient to comply with the terms of its contract. The association maintained buying stations in Wobbera and Habro awrajas and farmers were prohibited from selling khat to private traders before the association's quota was met. Traveling with khat in a direction not leading to those buying stations was considered a felony.⁶¹ Parallel to the coercive procurement methods, a public relations campaign was periodically conducted to persuade farmers about the virtues of selling khat to the KEAE. Wole Chekol, the Minister of Foreign Trade in the 1980s, once told farmers' representatives:

selling your khat to the KEAE is an act of economic and political patriotism because your country benefits from the foreign exchange earnings and our

⁶¹ HPA-KF.1, The Governor of Gara Mula'ata to the to the Provincial Administration Office, September 18, 1981 E.C.

economic adversaries will lose their leverage against our economy. Moreover, the KEAE is a consistent customer, unlike the contraband dealers who buy khat wherever they find it inexpensively.⁶²

The government also protected the association against competition from private traders, especially in curbing the ability of unofficial traders to smuggle khat and distort the existing price structure. Undoubtedly, the post-imperial regime had a better institutional capacity and reach than its immediate predecessor to control smuggling. In addition to the traditional Customs Department and the Ministry of Finance Police, the new regime had at its disposal an array of institutions in its effort to centralize the export economy. Ministries and departments which, to various degrees and from various perspectives, had an interest in the khat industry included the Ministry of Foreign Trade, the PAs, the Urban Dwellers Associations (UDA), the various level organs of the Workers Party of Ethiopia (WPE), the Workers Control Committees (WCC) and the Provincial Administration. In some cases, units of the military (502nd Brigade, 9th and 11th Infantry Divisions) were deployed to combat unofficial trade activities.⁶³

Despite the backing of this bureaucratic leviathan and its reliance on the government's coercive procurement strategy, the KEAE did not achieve its goal of gaining dominance in the khat export business, owing largely to its inability to compete with

62 Interview: Captain Tadesse Debele, GM of the KEAE (1994), Dire Dawa, February 23, 1994.

63 HPA-KF.2, The Deputy Chairman of the Harerge regional PA to all the 8 awraja PAs December 25, 1978 E.C; HPA-KF.2, The GM of KEAE to the Chairman of Dire Dawa awraja Workers Control Committee, February 11, 1978 E.C; HPA-KF.2, Commander of the 11th Revolutionary Infantry to the Provincial Administration August 6, 1978 E.C. EHAZ-KF.1, Eastern Harerge Shengo (parliament) to Harer Zuria awraja Administration, January 15, 1983 E.C.

private traders in parallel markets. According to the contract agreement between KEAE and SOGIK, the latter paid a fixed price per kilogram of khat, thus hindering the KEAE from paying producers a competitive price for high quality khat. In 1985, for instance, while first grade khat sold for 20 to 30 birr in Dire Dawa market, the association was scrambling all over the khat production areas to find produce of similar quality for 2-3 birr. After transportation and processing costs were added to the stated purchasing price, the association would end up paying more than the 11 birr per kilogram of khat that SOGIK was obligated to pay by the contract.⁶⁴ On the other hand, SOGIK could not raise the amount of khat it would accept from KEAE because demand in Djibouti was saturated by supplies through unofficial channels. Unlicensed traders could sell first grade khat for less than the association's price, inducing more consumers to prefer smuggled khat. Their competitive advantage came for the fact that they incurred no expenses for tax and duties on both Ethiopian and Djibouti sides.⁶⁵ The association's reliance on state institutions to compensate for its inability to compete in the free market did not give it the advantage necessary to overcome the competition from unofficial traders.

The foregoing discussion clearly shows that the competition between KEAE and private traders was very strong. Solid quantitative evidence on the activities of private traders who for the most part operated in parallel markets is hard to find. It is nevertheless possible to explain the association's weaknesses and disadvantages in the competition with

⁶⁴ Kidanemariam Gebreegziabher and Abay Asfaw, *A Study on the State of Illicit Trade in Harerge Region*, Office of Central Planning for Eastern Ethiopia, Harer, August, 1980 E.C, p. 25.

⁶⁵ Gebremariam, Kebede, and Gebrehiwot, *The Khat Exporter's Association*, p. 13.

private exporters by closely examining the relationship between the official khat price and supply figures.

Table 9 shows the value of khat for the years 1981/82 to 1985/86 to be higher than the decade's average, whereas the volume of the exported product remained more or less the same. This is ironic that the overall value was higher, given the fact that khat price per unit remained unchanged during those years. In 1990, however, the amount of the exported khat dropped from the 1985/86 level by 56,500 kilograms, or by 2.19 percent, notwithstanding the 7.6 percent unit price increase made that year. Admittedly, the slight increase in unit prices from 11.784 to 12.00, the market liberalization policy of 1990 and the improvements the company made in its procurement and marketing systems contributed significantly toward increasing the value of the exported khat. The inverse parallel trends in the price-supply relationship points to structural constraints which prevented the company from being an effective competitor in the market place.

First, the company was unable to devise a mechanism which could stimulate farmer response to price incentives in order to obtain good quality khat in sufficient quantities. Its failure was perhaps due to several factors, some of which were beyond the association's control. Khat is a perennial crop and substantial lags (two to four years) exist before newly planted trees can be harvested. Therefore, price increases often do not result in more production. Likewise, price increases before harvest season could hardly stimulate production (and therefore supply) for the simple reason that farmers do not have the resources necessary to increase investment and productivity. The fact that supply remained virtually unchanged in the second half of the 1980s, especially after the unit price increases

in 1988 and 1990, is evidence that farmers' response to price incentive was inelastic.

Second, the association's inability to increase supply may have resulted in demand leveling off in Djibouti. Some surveys, though not scientific studies, estimate approximately 15,000 kilograms of khat was consumed in the port-city every day, nearly 40 percent of which was supplied through unofficial channels. The absence of competition from an organized khat supplier, rising prices in Djibouti (60 birr per kilogram in 1990) and the lack of a substitute for Ethiopian khat provided an ideal situation for the association to command greater market share. With efficiency and competitiveness, the association could have worked to expand the size of the market or gained ground on the parallel market suppliers. In Djibouti's case, however, demand might have leveled off as the result of weak supply response to rising demand and prices. In the late 1980s, it was apparent that unofficial traders were gaining more share in the Djibouti market.⁶⁶

Third, because the KEAE had to abide by its contract with the importing company, it was unable to out-compete private exporters for a larger market share in Djibouti. During high production months, when private traders who supplied Jijjiga and the Ogaden tended to purchase untrimmed khat for as high as 4-5 birr, the association was able to pay competitive prices and obtain good quality khat for export. When khat became scarce in dry seasons, private traders could pay as high as 10 birr for a kilogram and pass on the additional cost to consumers. Constrained by its fixed-price agreement with SOGIK, the association was unable to pay competitive prices.

The association was gradually marginalized by the close commercial relationship

⁶⁶ Ibid., p. 5

between smugglers and producers and by rising purchasing and processing expenses. In 1989/90, purchasing expenses constituted 76.54 percent of the value of 1 (AwWoday) kilogram. The cost included expenditure on purchasing (65%), taxes (36%) and transportation (5.54%). Purchasing expenses per kilogram rose from 7.22 birr in 1984/85 to 9.06 in 1989/90, increasing on average by 10.63 percent each year. This increase was in part due to unforeseen expenses including the imposition of taxes in 1986 on KEAE members and increases in stipends for purchasers, checkpoint guards and transportation costs. In 1984/85, the processing cost per kilogram of khat was 1.74 birr. By 1989/90, at an average annual growth rate of 21.11 percent, it had climbed to 4.26 birr. Of all the expenses per unit of khat, processing costs were the fastest in growing.⁶⁷

TABLE 10: KEAE Balance Sheet, 1987/88-1989/90

	1987/88	1988/89	1989/90
Total AwWoday khat	1,725,505	1,571,29	1,578,777
Processed khat per kilo AwWoday khat	1.159	1.50	1.595
Exported khat	2,000,716	2,258,479	2,518,721
Unit price	11	11.784	12
Earned income	22,007,876	27,793,120	30,461,256
Expense per kilo khat	12.18	11.42	13.32
Total expenditure	21,016,648	17,944,230	21,029,308
Profit/loss	991,228	9,848,890	9,431,948

Source: Gebremariam, Kebede and Gebrehiwot, *The Khat Exporter's Association*, p. 17.

⁶⁷ Gebremariam, Kebede and Gebrehiwot, *The Khat Exporter's Association*, p. 15.

An analysis of the association's balance sheet shows that the cost of preparing khat for export rose sharply between 1984 and 1990 while, as we have seen, the price SOGIK paid for 1 kilogram of khat remained 11 birr until it was increased to 11.784 in 1988. Distributed over the years after the establishment of the association in 1980, the price increase of 1988 amounted to less than 0.10 birr per year. Had the unit price increase not been made that year and in the subsequent years, the company would have declared bankruptcy and long gone out of business.

If the structure of marketing and the association's ways of operating were obstacles to its own success, how did it manage to remain afloat throughout the eighties? The answer lies in the manner in which khat was purchased from producers and sold to consumers. As a general practice, khat was sold in bundles called *akara*, a bunch of khat which usually weighed 1.5 kilogram or more at the farmgate. When the *akara* khat is processed, the weight obviously decreased but never fell below 1 kilogram. In 1987/88, the KEAE drew on average only 1.15 from each *akara* purchased from farmers, which was lower compared to other years. Without the slight increase in selling price per kilogram of khat that year, the association would have run 3,761,598 birr in the red. If the same analysis was done for the subsequent years, the company would have gone under as the result of the discrepancy between rising production costs and selling prices which was never adjusted for inflation. Between 1988 and 1990, however, the association was lucky enough to extract from each *akara* an average of 1.5 exportable khat. It is therefore safe to say that the association succeeded to remain in the competitive khat export business by defrauding the producers.

F. Conclusions

The evidence presented in this chapter support my argument that the phenomenal expansion of Harerge's khat production in the 1980s was primarily due to the land proclamation law of 1975, which permitted farmers to make their own decision of crops grown. Farmers also employed innovative farming strategies which helped to maximize productivity. It appears that Harerge's agriculture entered a qualitatively different phase when farmers began to purchase food and grow khat on land that otherwise would have been devoted totally to food crops. Khat's traditional rival cash crop, coffee, lost the competition for land, labor and capital investments when the derg government decided to monopolize its marketing while at first leaving khat to the market.

The decision that farmers made to grow khat at the expense of food crops belies the assertion that farmers are totally unresponsive to market opportunities. The evidence shows that Harerge's farmers made their decision to expand khat after careful consideration of their farming resources, the market situations and the viability of investment in khat. The shift to khat cultivation was a decision to cope with land scarcity and declining production. Harerge's farmers showed their willingness to abandon subsistence production in favor of cash crops which provided better returns on their investments. They sought to maximize their income and then invested it in nonagricultural economic activities. They made their choices based not solely on short term market incentives, but also on political, environmental and family considerations.

This chapter has also shown that farmers make strategic decisions to safeguard the long term welfare of their household rather than to obtain a temporary cash profit. In truth,

farmers who practice low input farming management have few resources with which to respond to price incentives. In a general way nonetheless it is possible to say Harerge's farmers shifted to the production of khat because it was more profitable than other crops. But such a blanket statement obfuscates the complexities of farmers' decision-making processes. The massive increase in khat production in the 1980s was due less to the simple cash profit that khat brought than its ability to provide money to buy more and better food. The availability of alternative food source was therefore as crucial as the cash obtained from khat sales. It seems safe to say that Harerge's farmers did show some responsiveness to profit (not always cash) and shifted to cultivating the more profitable khat without violating the important principle of ensuring the availability of food.

Government policy was also an important factor in farmers' decision to increase the cultivation of khat at the expense of food crops. In all, increased government intervention in the production and exchange of agricultural products defeated the ultimate goal of more productivity and revenues and dampened farmers enthusiasm for increasing productivity or production. Farmers who practice low input agronomy are particularly apprehensive of government intervention. In areas where farmers have alternative marketing sources, it is difficult for a government to impose a command economy. Policy makers may be well-advised to take notice of the findings of this research that farmers and traders have novel ways of getting around government plans if they find them to be a threat to their economic well-being.

CHAPTER EIGHT

The Parallel Markets: Causes, Scale and Structure

Throughout its recent history, Harerge has maintained stronger economic links with the coast areas rather than with the hinterland. In the 1980s, this economic relationship was characterized by the hidden export of primary products and the import of consumer commodities. The value of this activity is somewhat difficult to calculate, but several studies and documents estimate smuggling to be as much as 1.05 billion birr a year. Such a high figure is not completely implausible, considering the ubiquity of contraband goods all over Ethiopia, from Dire Dawa's "taiwan" market to Addis Ababa's "mercato" and to small town kiosks in the western provinces.

In terms of proportion, khat constituted half the value of the products that were smuggled out.¹ Most of Harerge's farming communities were awash with khat-generated money, and smuggling provided employment for a considerable number of urban residents. No published scholarly work has yet been published on the contraband phenomenon in Harerge, although there are passing remarks in a few works dealing with broader political and economic issues. Perhaps the most succinct description of the relationship between khat and contraband trade was given by Christopher Clapham, a long time observer of Ethiopian politics, who wrote in 1987 that,

Hararghe constitutes, to an extent impossible to appreciate without personal observation, an economy based on chat. ... Farmers can make about 3,000 birr

¹ Getachew Eshete, "Contraband Trade in Ethiopia: Major Highlights," *A Paper Presented to a Seminar on Contraband Trade*, Addis Ababa, July 1995, p. 8.

a year from the crop, putting them well above the standard of living of highland peasants in other parts of the country. Allied to the chat market, and financed by it, is a flourishing trade in contraband goods brought in from Djibouti, with the result that Hararghe forms a kind of free trade zone within a socialist state. The economic frontier of Ethiopia stands in effect on the Hararghe/Shoa border at Awash, and the region as a whole stands in the sharpest contrast to the problems of agricultural production and marketing in other parts of the country.²

This chapter attempts to account for the role of khat in Harerge's parallel market and explain how in the 1980s the expansion of contraband trade stimulated khat production and marketing. As such, this chapter will present an analysis of contraband trade activities as an alternative to the problems of agricultural production and marketing, as farmers' response to an interventionist government policies and as an autonomous employment opportunity in the context of limited enterprenurial ventures. As part of a discussion of the infrastructure of khat, I will note how contraband trade activities undermined the fiscal, judicial and political credibility of many state institutions. I will begin by discussing the context in which contraband trade flourished in the 1980s.

A. The National and regional economic Context

In Harerge, the realm of economic activities that lie beyond a government's taxing, regulating and measuring capacity is referred to as contraband. The term has a connotation of illegality, although the goods that are involved in the commercial transactions are perfectly legal. Authorities intend to collect unpaid dues and taxes and enforce pertinent regulations, rather than to stop the output being produced or exchanged. Thus, illegality stems from the

² Clapham, *Transformation and Continuity*, p. 186.

contraband traders' conscious evasion of taxes and regulations. In a way, the contraband trade is an alternative form of work for those whose livelihood were threatened by government intervention.

The boundary between legal and illegal commodity exchanges in Ethiopia was delineated by the Customs proclamation of 1947 which defined contraband trade as "any importation or exportation of goods with the intent to defraud the revenue or to evade any prohibition of restrictions on, or regulation as to the importation and exportation."³ Further, "all smuggled goods, all goods imported in contravention of any prohibition, restriction or regulation, all goods that are dutiable found in any Aircraft or other means of conveyance which have not been declared to the customs ... ," were categorized as contraband.⁴ From a legal standpoint, even the cultural exchanges that had gone on for centuries between Harerge highlands and the coastal regions came under the broad rubric of contraband, although they had perfectly been legal before the proclamation. In that sense, contraband has been around in Harerge, at least as defined by the law, since the early 1940s. Ironic as it may seem, as Neville Williams suggested more than three decades ago, it is the creation of Customs as a government institution responsible for regulating and collecting duties on export trade that gives rise to contraband trade.⁵

³ Customs Proclamation No. 145/47. The Criminal Code goes further defining what constitutes contraband trade and retailing the penalties imposed on any person found guilty of smuggling.

⁴ *The Consolidated Laws of Ethiopia*, vol 1, as quoted in *Meskerem*, Monthly Magazine, 16 (1976 E.C.), p. 40; *Negarit Gazetta* 10, 1935 E.C.

⁵ Neville Williams, *Contraband Cargoes: Seven Centuries of Smuggling*, (London, 1961), p. 1-28.

In the fifties and sixties, the imperial regime attempted to curb contraband trade through the use of a system of controls characterized by thorough searches of traders at numerous checkpoints on the major routes leading to and at border crossing points. Licensed private traders imported consumer goods such as cigarettes, cosmetics, textile, wrist watches, shoes and so forth, but their capacity was too limited to satisfy the region's demand much less that of the neighboring provinces. In the two decades preceding the downfall of the imperial regime, contraband trade expanded as an innovation to evade redundant checkpoints and excessive taxes and in response to the rising demand for consumer commodities that were not available in the country in sufficient quantities.

In the 1980s, contraband trade was much larger in volume and value, different in its causations and sophisticated in its operations. The most important factor accounting for its growth was the wide disparity between supply and demand of basic consumer goods such as clothing and food products created by changes in the Ethiopian society. In the decades since the expulsion of the Italians, Ethiopian society had undergone significant demographic and socio-economic changes. The growth of modern state institutions and the expansion of private firms had produced a sizeable urban population and had monetized the economy, thereby profoundly altering consumption patterns. The demand for commodities generated thereof was not met by domestic manufacturing, and the country's import-substitution policy did not favor the importation of the commodities in demand to make up for supply shortfalls. The gap between demand and supply was especially wide in the lowlands and border areas of Harerge.

TABLE 11: A Comparison of potential demand and actual supply of commodities for
Four lowland awrajas, Harerge's in '000 birr

Awraja		1987/88				1988/89			
		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Kebri	demand	14648	909	4424	19981	15824	922	4552	21297
Dehar	supply	531	1008	135	1674	486	369	59	914
	%	3.6	110.1	3.0	8.4	3.1	40.1	1.3	4.3
Warder	demand	40047	2410	11039	53497	43032	2489	11404	56923
	supply	896	420	89	1406	259	366	21	645
	%	2.0	17.0	-	2.0	-	14.0	-	1.0
Gode	demand	14345	822	4124	19290	15361	847	4219	20426
	supply	658	755	135	1547	506	565	57	1130
	%	4.0	91.0	3.0	8.0	3.0	66.0	1.0	5.0
Kelafo	demand	14632	836	4055	19523	16679	866	4174	21718
	supply	556	356	96	1008	415	80	63	559
	%	3.0	41.0	2.0	5.0	2.0	9.0	1.0	2.0
Total	demand	83671	4978	23642	112200	90894	5124	24346	120365
	supply	2641	2358	455	5634	1693	1380	203	3248
	%	3.0	50.0	2.0	5.0	1.0	2.6	-	2.0

Source: Kebede et al., *The Causes and Characteristics of Illicit Trade*, p. 59. (1) Food products comprised mainly sugar, flour, pasta/macaroni, rice and cooking oil. (2) Other commodities included mainly soap, detergent, matches, battery cells; (3) Textiles were mainly abujedid, poplin, garments. (4) Total demand for 1, 2, and 3.

In the early eighties, government and public institutions were responsible for distributing consumer necessities in four lowland awrajas of Harerge. According to figures generated by the regional Office of Planning, the amount of goods government institutions were able to distribute was rather low.⁶

The figures shown above indicate that there was an enormous gap between demand and supply. The estimated total demand for consumer goods for 1987/88 was 122 million birr for the four awrajas while the amount of goods distributed by government distribution enterprises was worth 5.6 million or just 5 percent of the projected demand. Such a wide gap indicates not just the inadequacy of the system of distribution but also the enormity of the problem even if a serious effort were to be made to meet the need for consumer commodities in the lowlands.

Corroborating the trend shown by the figures is a study conducted in 1982 under the auspices of the Minister of Interior which found out that Harerge's lowland awrajas and border areas hardly received consumer necessities from the Ethiopian side. The study confirmed that consumer commodities were in short supply in Harerge's lowlands not only due to the inability of domestic manufacturers to produce in quantities commensurate with demand, but also due to the distributional inefficiencies of cumbersome government organizations. The Ethiopian Domestic Distribution Corporation (EDDC), the government agency which distributed consumer goods, maintained a few distribution outlets in the

⁶ I do not know how these figures were generated. They are used here not as accurate measurements of demand and supply in Harerge's lowlands, but as indicators of trend in the relationship between demand and supply. Abebe Kebede, Abebe Mekonnen, Mesfin Shiferaw, Samia Yusuf and Teferi Tilahun, *The Causes and Characteristics of Illicit Trade and Future Trends in Eastern Ethiopia*, Dire Dawa, December, 1982 E.C. pp. 59-60.

lowland towns, but by-passed most border communities. Private traders attempted to supply these remote towns but their prices often remained beyond the reach of the residents there. In order to obtain the goods they needed, the lowland residents forged close commercial ties with the communities in Somalia and Djibouti with whom they were ethnically affiliated.⁷

Shortages of consumer necessities were also evident throughout Ethiopia. Conventionally, when domestic production could not satisfy the existing demand, imported goods would make up for the shortfalls. In the eighties, however, the Ethiopian government pursued a monetary policy which denied private exporters access to the country's foreign currency resources. The only way private traders were permitted legally to import consumer commodities was the Franco Valuta (FV) arrangement which allowed for private imports which did not involve official remission of hard currencies from the National Bank of Ethiopia.⁸

The franco valuta arrangement was not without restrictions. Commodities such as electronic appliances, woolen garments, perfumes, cigarettes and so forth were classified as luxury products and excluded from the list of importable goods, even though no hard currency from Ethiopia was involved in the process of importing. Moreover, even when official imports were allowed, private traders were subjected to onerous taxes and

⁷ Ministry of Interior, "The demand for and distributional difficulties of consumer commodities in border awrajas and recommended solutions," A report to the Minister of Interior, (in Amharic), Addis Ababa, 1975 E.C.

⁸ Dejene Aredo and Abduraheman A., "A Study of the Contraband Trade in Eastern Ethiopia," Unpublished document, Economics Department, Addis Ababa University, n.d., p. 4.

payments. In 1982, in addition to a 219 percent sur tax and 5 percent import levy, the National Bank of Ethiopia, the Maritime and Transit Authority, the Port Authority charged service and storage fees. When all was added up, a private trader ended up paying up to 269 percent in taxes and service fees before any consumer goods had cleared through customs.⁹

Prices on goods imported in this way soared to unaffordable levels when they reached the market. The ordinary Ethiopian consumer preferred the less expensive contraband goods, thereby creating high demand for such smuggled commodities as electronic equipment, fashion accessories, firearms, clothing, food products and household items. It is hard to know the accurate proportion of the goods that were actually imported, but it is possible to project estimates from the quantities of seized goods. In 1987, for instance, the Ethiopian Customs Authority seized goods worth 37.5 million birr, of which textiles, clothing (new and second-hand) and footwear constituted a remarkable 68.6 percent, foodstuff and drinks 4.0 percent, and electronic appliances, cosmetic products, cigarettes and matches together almost 15 percent.¹⁰ By the Customs Department's estimation, the proportion of the seized goods was somewhere between 1 to 10 percent of the goods actually smuggled. This means, in 1987, goods worth between 375 million and 3.8 billion were smuggled into Ethiopia. An average of these apparently extreme figures seems to correspond to the 1.05 billion birr estimated quantity of goods

⁹ Hagos Gebre, "Contraband Trade in Ethiopia," *Unpublished document prepared for the Office of National Committee for Central Planning*, (in Amharic), Addis Ababa, November 1981 E.C. pp. 7-8.

¹⁰ Aredo and Abduraheman, "A Study of the Contraband Trade," p. 3.

smuggled into the neighboring countries of Somalia and Djibouti.¹¹

Statistics indicate that at least 44.6 percent of the total seizures came in Harerge region. At a 1 percent seizure rate, consumer goods that entered Harerge would be worth 167.3 million birr while at 10 percent, value rose to 1.7 billion.¹² These figures obviously do not represent the precise value of smuggled goods, but they are not arbitrary either. They are projections based on seizure statistics, and, if anything, they show trends. It is obvious that the gap between the lowest and highest projections was large, but even at the lowest projection of 167.3 million birr, the contraband trade was a very significant business, unmatched by the official export trade from Harerge which peaked at 75 million birr in 1983.¹³

The foregoing examination of the national and regional economic contexts was meant to outline the circumstances that led to an unprecedented expansion of contraband trade activities in the 1980s. It has been shown that the economic policies of the post-imperial regime were so contrary to free-market exchanges and transactions that they created supply shortages in consumer commodities. Traders took advantage of the situation to supply the residents of Harerge highlands and the rest of Ethiopia with the goods in demand. The next section will attempt to establish the link between the hidden export of khat and the unofficial import of consumer goods and, thereby explaining how the

¹¹ Office of Planning Committee for the Western Harerge Administrative Area, *Guidelines to Control Contraband Trade in Livestock in Western Harerge Administrative Area*, Mimeo. (in Amharic), Asbe Teferi, July 1981 E.C.), pp. 6-9; OPCWH, *Contraband Trade in Western Harerge* hereafter.

¹²Eshete, "Contraband Trade in Ethiopia," p. 5.

¹³ MFT-CF.1, Annual Report of the Eastern Ethiopia Branch Office for 1979 E.C.

contraband undertaking was financed under a strictly controlled foreign exchange regime.

B. Khat and the Development of Parallel Markets

As pointed out at the beginning of this chapter, Clapham is correct in suggesting that the unofficial importation of goods was financed by the unofficial exportation of khat to the extent that, according to seizure statistics of 1987, the stimulant accounted for 50 percent of the primary products smuggled out of Ethiopia. The projection based on seizure statistics does not hold true for Harerge. Most of the local sources that I have consulted show that live animals (cattle, sheep and goats as well as camel) constituted the largest proportion (66.9 %) of the smuggled out products, followed by khat (28.5%), and coffee (4 %).¹⁴

Except for khat, all other products were smuggled into the neighboring countries and then reexported. Live animals, especially sheep and goats, were shipped to the oil rich countries of the Arabian peninsula and sold there for hard currency. Coffee was purchased in Harerge and smuggled into Djibouti, making that country a coffee exporter even though it grew none. The proceeds from the sales of these commodities were used to purchase such consumer goods as textiles, electronic appliances, footwear, wrist watches, battery cells, fragrances, incense sticks, cigarettes and so forth for smuggling back into Ethiopia.¹⁵ Buyers who ultimately smuggled out live animals or coffee paid much higher prices to

¹⁴ OCPWH, *Contraband Trade in Western Harerge*, pp. 6-9; Kebede et al, *Illicit Trade in Eastern Ethiopia*, pp. 67-75.

¹⁵ HPA-KF.2, Chief of Security for Harerge to the Office of the Chief Regional Administrator, October 29, 1975 E.C.

producers than the respective government institutions which had the legal priority to purchase those commodities. In 1983, for example, an ox bull was sold for 11,000 Somali Shillings, or 1,100 birr, in Somalia, almost ten times higher than the price the Ethiopian Meat Corporation offered.¹⁶ Likewise, the Ethiopian Coffee Marketing Corporation offered coffee producers on average 41 percent of the f.o.b. value.¹⁷ The depressed values offered by the government institutions were reasons enough for producers to prefer having unofficial traders as their favored customers.

Khat smuggling was particularly attractive because of the enormous differential between producer and consumer prices. Throughout the eighties, as we have seen, the highest price the KEAE afforded to pay for one kilogram of khat was 7.50 birr. Even this amount was reached 1990, only after SOGIK raised the price it paid to 12 birr per kilogram. For most of the 1980s, the KEAE paid producers an average of 3 birr for a kilogram of khat while first grade (uratta and kuda) product was sold in Djibouti for as high as 120 birr. The third grade (querti) khat which the KEAE exported was sold in Djibouti by SOGIK for an average 60 birr for a kilogram. At an average producer price of 5 birr and consumer price of 80 birr, khat prices rose by a remarkable 1500 percent between the farm gate and the Djibouti market.¹⁸

Traders preferred khat smuggling primarily for the profit they made in a single run

¹⁶ HPA-KF.2, The Chief Administrator of Garamulata to Harerge region's Administration Office, May 11, 1975 E.C.

¹⁷ Gebre, "Contraband Trade in Ethiopia," p. 6.

¹⁸ Gebreegziabher and Asfaw, *Illicit Trade in Harerge*, pp. 23-25

across the border. It also served yet another important purpose of enabling traders to earn their "own foreign currency" with which they used to finance the imports of consumer goods in short supply at home. The practice of earning one's own foreign currency was widespread throughout the late seventies and eighties, but it became especially important after May 1988, when the utilization of the franco valuta arrangement was banned, allegedly due to too much luxury commodities entering the country and the government's conclusion that the system benefited smugglers more than ordinary consumers.¹⁹

In the eighties, therefore, khat smuggling was more than an attempt to evade high taxes, excessive regulations and bureaucratic corruptions. It was also a means to get access to hard currencies with which to import much needed consumer commodities: the volume of the goods that were smuggled out was determined by the value of the goods that were smuggled in. The ubiquity of unofficially imported consumer goods in Harerge and the rest of Ethiopia suggest that a significant amount of capital was involved, but since smuggling took place outside the official sector, they do not show in the national statistics. It is difficult to determine precisely how much khat was exported and how much foreign currency was obtained therefrom.

It is possible, however, to collate suggestive statistics and obtain a reliable estimate of the amount of khat smuggled into Djibouti in the late 1980s and the value of goods imported in exchange. According to a 1987 survey, 5,350 kilogram of khat was smuggled daily into Djibouti by train passengers, licensed commuter-traders and contraband traders

¹⁹ Aredo and Abduraheman, "A Study of Contraband Trade," p. 4; Gebre, "Contraband Trade in Ethiopia," p. 7-8.

known locally as *kotébelé*.²⁰ This figure is modest and entirely credible for three reasons. First, on May 29, 1980 E.C. (June 6, 1988), the regional administration mobilized government as well as public institutions and conducted a surprise search along the railway line and along the major contraband routes. On that day, 9,710 kilogram of khat intended to be smuggled into Djibouti alone was confiscated.²¹ Second, the survey figure is consistent with the 15,000 kilogram of khat that was estimated to be consumed in Djibouti daily throughout the 1980s. The KEAE supplied 8-9,000 kilograms, and the rest was supplied through smuggling. Third, the estimate is fairly close to the World Bank estimate of 8,000 kilograms per day which was smuggled out of Ethiopia.²² Local sources indicate that 10,000 kilograms of khat cleared through the Jijiga customs, out of which 4,000 was smuggled daily into Somalia through Harshin, Togochole and TeferiBer and another 4,000 kilograms was clandestinely taken to Djibouti through Durdur, Dikil and Dewale²³. The total is exactly the same as the World Bank estimate which, unlike the local sources, had taken into account surveys done on the situation in the receiving countries.

It is important to note that local sources and a survey of World Bank experts agree that a total of 8,000 kilograms of khat was daily smuggled into Djibouti and Somalia. On the basis of this figure, 2,920,000 kilograms of khat was smuggled out of Ethiopia in

²⁰The name refers to unlicensed traders who travel back and forth to Djibouti climbing on train tops to get free passage. They have been the main conduits of contraband since probably the late 1950s, when the volume of the trade increased considerably.

²¹ Kebede et al, *Illicit Trade in Eastern Ethiopia*, pp. 67.

²² World Bank, *Ethiopia: Export Action Program*, June, 1987, p. 47.

²³ Kebede et al, *Illicit Trade in Eastern Ethiopia*, pp. 67, 81.

1987/88 and perhaps throughout the 1980s. At an average rate of 60 birr per kilogram, which is the lowest Djibouti price paid for a third grade khat, the value of smuggled khat was 175,200,000 birr. This amount, it must be noted, was calculated on the lowest price per unit and must be seen as a fairly accurate estimate of the value of khat smuggled out of Ethiopia.²⁴

This sum is the birr equivalent of either Djibouti francs or Somalia shillings with which the traders were paid for their khat. Occasionally, the traders exchanged their francs or shillings to US dollars, but in most cases, they purchased consumer goods to smuggle back to Ethiopia. The 175 million birr figure quoted above reflects the Djibouti market price for khat, not the actual value of the consumer commodities sold in Ethiopia. Even at a modest profit rate of 20 percent, the goods that were smuggled into Ethiopia were worth 210 million birr or US\$ 42 million at the black market rate of 5 birr which prevailed during much of the 1980s.²⁵

These are surprising figures. Perhaps many will suspect their accuracy citing the size of the official economy. Although as shown above, figures generated in different situations were cross-checked and have shown remarkable consistency, the final result must be viewed within two important contexts. First, during the eighties, the parallel, rather than the official market, was flourishing rapidly in Harerge. The contraband trade was the response of Harerge's population to widespread un- and under employment and

²⁴ Ibid., p. 68.

²⁵ At the official exchange rate of 2.07 birr for the dollar, the value of goods smuggled to Ethiopia in 1987/88 would be 101 million.

the falling value of real wages. Although some of the capital that circulated in the parallel market was owned by a few wealthy merchants, a considerable number of Ethiopians were involved in smuggling. Second, although threatened by coercive action, the parallel market was self-sustaining and capable of generating high rates of accumulation, and existing as a semi-autonomous economic system. In other words, the size of unofficial markets need not be compared and expected to be smaller than the official one.

Smuggling is a risky business with the possibility, however, of unequaled rates of return. Profit came to smugglers not only from the sale of khat and other primary commodities but also from the sale of the consumer commodities sold back in Ethiopia. Although the government suffered loss of tax revenue and foreign currency, the contraband trade industry helped to alleviate supply shortages of consumer commodities. An estimated 1,253 kotébelé and 600 commuter-traders directly participated in smuggling and a considerable number of people found employment in the industry as brokers, porters, khat processors and drivers. In indirect ways, local governments also benefitted from the contributions the contraband traders made toward various development projects. Between 1985/86 and 1986/87, the city of Dire Dawa collected 3.6 million in contributions from traders while the transportation and hotel industries in the city expanded in response to rising demand.²⁶

²⁶ The smuggled goods were sold in Dire Dawa in the "taiwan" supermarket and in private stores. The owners paid taxes and made several contributions toward building schools, government offices and assisting drought victims. Kebede et al, *Illicit Trade*, p. 77.

C. The Infrastructure of Contraband Trade

Harerge's parallel markets generated considerable employment as the result of the dynamic circulation of capital and commodities. Rural households in Harerge became enmeshed within a parallel market economy in which they contributed twice to capital accumulation: first, as producers of khat leaves, but in a process where much of the value is appropriated at stages closer to the point of consumption; and second, as conspicuous consumers of contraband goods used to launder profits back into the country. Although farmers were not the foremost beneficiaries of the khat prosperity of the 1980s, they had improved their standard of living considerably.

Those who chose the risky, but highly lucrative, path of contraband trade in Harerge were not necessarily, as one might suspect, traders of dubious reputation. The first category of participants were established merchants, some of whom were of considerable means. They were not involved in physically smuggling goods, but they provided the initial capital to purchase khat and extended advances to people who did the work of physically delivering the product. Unlike the smuggling of live animals, which was a well-organized operation, the khat business was not tightly controlled by the big merchants. Since most khat smuggling was done by small operators and its benefits were somewhat evenly distributed.

The khat smugglers formed another principal category, and they came from diverse socio-economic and ethnic backgrounds. Some were engaged in the business full-time, delivering khat to destinations in the neighboring countries and transporting back consumer goods. Comprising this group were urban school dropouts, and young men who had left

home to escape National Military Service. Most of them came to Dire Dawa from other provinces and joined the only occupation which required no qualifications or licensing. The other full-timers were members of the Issa ethnic group who inhabited the area stretching from Afetessa in Dire Dawa, along the railway road to Dewele at the Ethio-Djibouti border. The Issa have always participated in the trade across their land, mainly as transportation providers and were considered "professionals" and known as kotébelé. In 1978, the number of Issa who regularly participated in the contraband trade was estimated to be 2000.²⁷

Then there were people who obtained permits to conduct limited import-export trade during and after the Ethio-Somali war of 1977. In 1978, approximately 600 disabled veterans of the war were permitted to travel to Djibouti with fruit and vegetables worth 100 birr each and, in exchange, import into Ethiopia various commodities of the same value duty-free.²⁸ At the time, about 1200 Djibouti nationals were given *laissez passers* to travel to Ethiopia and import the same amount of fruit and vegetables. Over the course of time, these commuter-traders found khat to be more profitable and became increasingly engaged in smuggling it. In 1980, in order to curtail their involvement in parallel markets, the government required the commuter-traders to obtain licenses in order to export farm products, fruits and vegetables, spices and processed food products worth 500 birr and to import consumer goods with the exclusion of cosmetics, jewelry, wrist

²⁷ Tesfamichael Gebremedhin, *The KEAE's Chief Inspector's report on the state of illicit khat trade along the Djibouti railway line*, Mimeo. (in Amharic), October 8, 1979 E.C.

²⁸ Minutes of the meeting of the Harerge Administrative region's high level officials to discuss why Contraband Trade was on the increase, Harer, Tikimt 13, 1971 E. C.

watches, liquor, woolen textiles, tape recorders, radios, cameras and various kinds of incenses.²⁹

The excluded merchandise comprised those in high demand. Since there were no facilities in place to weigh or measure, the commuter-traders were able to import or export goods far greater than the officially permitted level. Data indicate that the commuter-traders were deeply involved in the contraband trade. Between 1982/83 and 1984/85, the commuters officially exported between 2.5 million kilograms of fruit and vegetables. The commuter-traders traveled to Djibouti more than twice a week but even so, the amount of fruit and vegetables each commuter-trader took on single trip was only 13.5 kilograms, 76.5 kilograms less than what an individual trader was legally permitted to export.³⁰ It is unlikely that the traders were taking with them an amount insufficient even to pay for their transportation much less to sustain their livelihood. In 1981, the government repealed the law that permitted limited import-export by commuter-traders, but since the mechanism of enforcing the regulation was inadequate, the change did not do much to stop the commuters from taking part in the unofficial trade.³¹

The third group of smugglers were current and former employees of the Ethio-

²⁹ Ministry of Foreign Trade, "Guidelines for regulation of import-export trade," Dire Dawa 1980 E.C.

³⁰ That the traders were not actually acting within the legal limit can be demonstrated by the following calculation. A. the amount of fruits and vegetables exported between 1982-1984 was 2,531,899 kg; B. the number of commuter-traders was 1,800; C. the average number of trips to Djibouti per week 2; 2 trips x 52 weeks = 104 trips. $a \div b \times c = 13.5$. Gebreegziabher and Asfaw, *Illicit trade in Harerge Region*, p. 17.

³¹ *Taiwan market*, "inter alia; Gebreegziabher and Asfaw, *Illicit Trade in Harerge Region*, p. 18.

Djibouti railway company, the Ministry of Finance Police and Customs Department. Except for the former employees of these institutions, those who participated in smuggling included the train engineers, station masters, passenger inspectors and the railroad company's security personnel. Members of the police and Customs workers rarely participated in actually smuggling goods but played a vital role in allowing smugglers to smuggle goods in return for graft.³²

Most of the smuggled khat was processed in Dire Dawa, although from the mid-1980s on, Shinnille and Melka Jebdu, two villages which grew to being major commercial hubs, also served as processing sites. Melka Jebdu is located south of Dire Dawa and Shinille was a small train station on the railway line to Djibouti³³. In the eighties, the two villages grew to a town status as more people migrated there, built residences and established new businesses. The towns were used by smugglers as a staging center and transfer points for the in-coming and out-going contraband goods. In these two towns and in Dire Dawa, smugglers processed khat in private homes, in coffee and tea parlors and in hotel rooms.³⁴

³² Kebede et al, *Illicit Trade in Eastern Ethiopia*, pp. 82-83; Eshete, "Contraband Trade in Ethiopia," p. 4; Gebremedhin, *The State of Illicit khat trade*, pp. 10-11

³³ Ministry of Foreign Trade Branch Office for Eastern Ethiopia, "Report on the state of the Province's foreign trade," 1982 E.C., pp. 6, 14. MFTEE, "The state of foreign trade," hereafter; Ministry of Foreign Trade Branch Office for Eastern Ethiopia, "A report on ways to control contraband trade at the train station and safeguard the train, February 8, 1981 E. C., pp. 4-5. MFTEE, "Control contraband trade" hereafter.

³⁴ MFTEE, "Control contraband trade," p. 4.

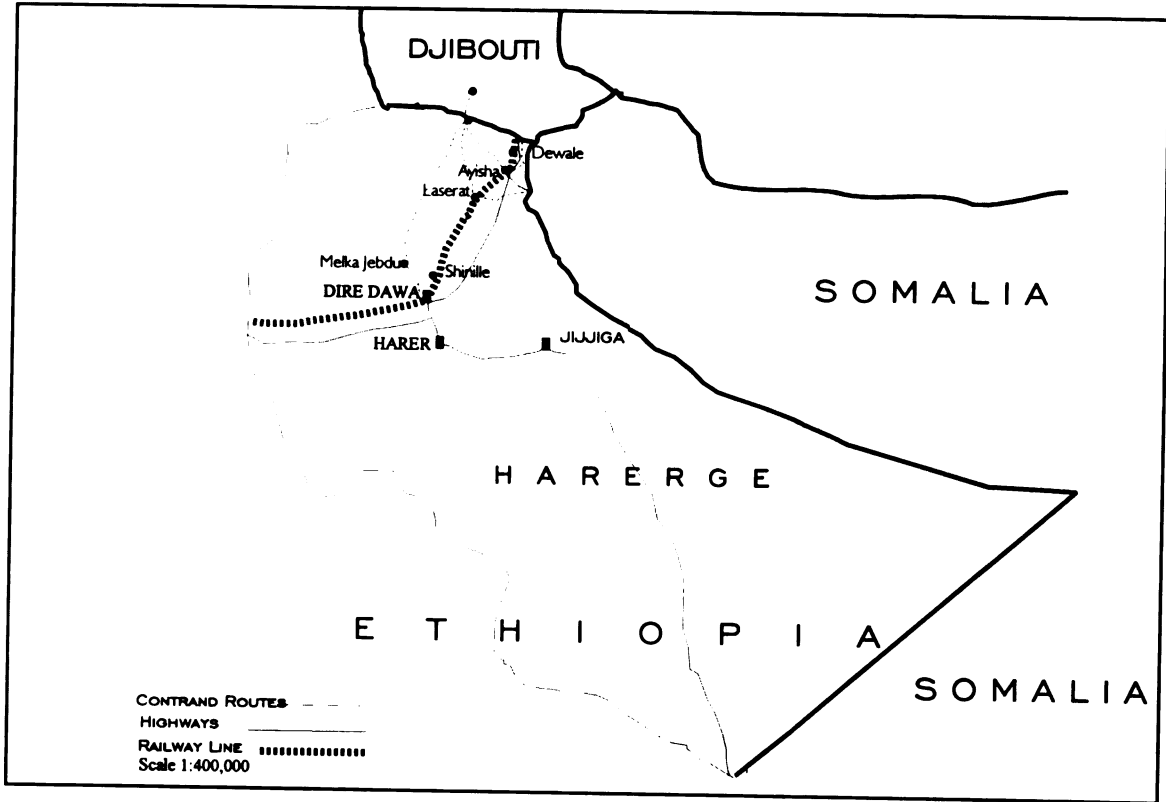


Figure 6

Routes of Smuggling, 1980s

To transport the processed khat to the border, smugglers used the Djibouti-bound train most of their way. Some khat originated in Dire Dawa, where a few of the smugglers jumped over the fence surrounding the train station and boarded locomotives, while a few others climbed on the train as soon as it left the station and before it picked up speed. Most of the khat processed in Dire Dawa and Melka Jebdu was gathered at Shinille after being transported there by pick-up trucks, pack animals and human porters. In accordance with its schedule, the train stopped at Shinille briefly and smugglers got on board with their khat.³⁵

From Shinnille, the smugglers traveled to Laserat, 150 kilometers away, where most of the khat was unloaded and taken 30 to 40 miles to Durdur, on the Djibouti border, or 20 to 30 kilometers to the Somali border. At the borders, khat was transferred to clients who rushed the leaves to Djibouti by speedy trucks. The remaining khat was taken to Ayisha, a small station, where the train stopped for 10 minutes, and Dewele, a major immigration and customs center, where searches were supposedly thorough and complete. The kotébelé disembarked the train before it entered Aisha and crossed the border on foot. Others, mainly the commuter-traders with *laissez passer* and licences, and the railway company, the customs and police personnel managed to get through the search process at Dewele. Some khat, of course, was confiscated but most was successfully smuggled. The experienced smugglers were so confident about clearing through customs search that one surprised KEAE inspector said, "the smugglers do not seem to be aware that smuggling

³⁵ Gebremedhin, *The State of illicit khat trade*, pp. 1-6; MFTEE, "Control contraband trade" pp. 10-11.

contraband goods in contravention of the law was punishable."³⁶

In the 1980s, the use of the railway for contraband trade purposes increased considerably. The fact that people who were supposed to control smuggling participated in the business made it easier for the contrabandists to use the train as the main means of transporting goods in and out of Ethiopia. Passenger (named Litorina and Hassanjog) and freight (Faltum) cars were frequently used for transporting the smuggled khat. The traders opened up and stored their khat in the ceilings and the walls of locomotives to hide them from authorities. Officials who were supposed to combat contraband were won over by smugglers through bribery, nepotism and direct involvement in the unofficial trade. In the whole drama of smuggling, the unofficial traders seemed to have more say over the railroad operations than law enforcement officials.³⁷

Corruption was in part responsible for the growth of the contraband trade because it led to lapses in inspection at the at the Dire Dawa station and at Dewale, the last stop before the train proceeded into Djibouti's territory. As for the areas in between, officials deliberately overlooked contraband activities. After October 1978, there was a policy that unofficially imported goods were to be confiscated only at the border point. Once the goods were within Ethiopian territory, people were free to buy and sell the unofficially imported goods. The main contraband goods markets at Dire Dawa ("taiwan"), Melka Jebdu, Jijjiga and Harer, were sold in outdoor markets with no interference from law

³⁶ Ibid., p. 17.

³⁷ MFTEE, "Control contraband trade" pp. 10-11.

enforcement.³⁸ The major customs post where goods were thoroughly searched and confiscated was at Awash, thus defining the economic frontier which designated Harerge, as Clapham put it, as "a free trade zone within a socialist state."

The government adopted this policy for two main reasons. First, in the late seventies, Harerge was emerging from war devastation, and contraband trade was seen as a source of employment for young men and women who otherwise would have engaged in prostitution and robbery. Secondly and more importantly, there was a concern that, if the unofficial trade was prohibited, the Issa who sold khat and used the money to purchase rice, sugar, tea and other necessities would retaliate by damaging the railway line, thereby causing graver economic harm than they would have inflicted simply by smuggling goods.³⁹

D. Conclusion

Contraband trade brought to Harerge economic changes which have had significant repercussions on regional employment and income. By the end of the eighties, Harerge's rapidly expanding khat economy which, to a significant extent, financed the import of contraband consumer goods had incorporated a significant portion of the province's population. The segment of the population which gained part or all of its income from khat related activities was larger than that employed by the few factories that existed in the

³⁸ Zelleke Beyene, Chief Administrator of Harerge, Minutes of the High Level Committee which studied the Problem of Contraband Trade, February 13, 1971 E.C.

³⁹ Gebremedhin, *The State of Illicit khat trade*, pp. 19-20.

region. Those who depended on the khat economy and the related parallel market activities were khat cultivators; truck-owners and truck drivers; trimmers who prepared khat for export; smugglers; and retailers.

In Harerge thus contraband trade became an integral part of the regional economy and made positive contributions. Those who believed that the parallel market was antithetical to economic development because it denied government the revenue they deserved may be surprised by the contributions it made to Harerge's economy. The parallel markets sector provided employment to people who would otherwise crowd cities and cause social problems. More importantly, it served as a lubricant in easing tensions stemming from state intervention. This chapter has shown that there is more to be gained from contraband trade's positive contributions to the socio-economic well-being of the region than the revenue it denied the government.

CHAPTER NINE

Conclusion: Towards a Khat-based Development?

In the previous chapters this dissertation has examined a number of issues related to khat's commodification. I began the dissertation by outlining its three major and interrelated aims. These were: (1) to explain the fundamental and interrelated political, social and economic processes which led to the emergence of khat as Harerge's main cash crop; (2) to account for farmers' decision-making processes and the strategies they deployed to defend their interests; and (3) to examine the different ways and contexts in which farmers, in concert with traders, contributed to the expansion of khat market, in spite of the limitations state intervention had imposed on them.

My study therefore focused on and traced three aspects of change, I. e., khat's transformation from a tree grown on small gardens to being the predominant crop in the fields (production); from a substance chewed by few people at social and religious occasions to the most conspicuous social habit (consumption); and from a crop sold in local markets to supplement cash income for farmers to the most profitable cash crop in Harerge region (marketing). In the process, I have attempted to describe the profound agricultural transformation that has taken place in Harerge. In this chapter, I will sum up khat's impact on farmers' quality of life and comment on the viability of the choice farmers have made.

A. Assessing Change

Khat has always occupied an important role in Harerge's social and cultural institutions. In the context of this dissertation, it is important to recognize that its production and distribution has led to conflict among traders, ethnic groups, farmers and officials. Hareri farmers jealously kept the shrub from spreading to the Oromo until the late nineteenth-century, when they hired the latter to work their khat orchards. In the early twentieth-century, government officials attempted to eradicate khat in order to "liberate farmers from its evil influence." Since the 1950s, khat has been Harerge's most profitable cash crop and its consumption the most pervasive social habit. Governments, especially those on the importing side, have favored controlling the industry in the hope of attaining dominance over their respective economies and the population's behavior. The efforts fizzled out in the face of the stiff resistance put up by farmers and traders.

The rapidity with which khat consumption expanded in the Red Sea region was made possible by the construction of transport and communications networks (roads, railway line, international air port at Dire Dawa) which were originally intended to develop export crops other than khat and enhance agricultural productivity. Modern transportation helped to open up foreign markets for the leaf, allowing farmers quickly and decisively to respond to declining production, falling coffee prices, demographic pressure and land scarcity and state interventions. After analyzing available goals and potential risks, they pursued strategies appropriate to rapidly shifting political and economic contexts. Despite numerous obstacles, they expanded and intensified khat cultivation and provided a steady supply of the leaf to meet the needs of consumers in the Horn of Africa and Southern Arabia.

Constantly striving to outmaneuver unfair and intrusive policies , khat-cultivating farmers have in different ways powerfully shaped the agrarian structure of Harerge.

The seemingly insatiable demand for khat in the countries of the Horn of Africa and the Arabian peninsula has been responsible for driving up both the price and levels of khat production. In 1994, on a normal day, an estimated 225 buyers come to the evening market and 350 persons to the early morning market at the AwWoday market center. My own survey indicates that each buyer collected khat ranging between 60 and 700 kilograms. Calculated on the basis of these figures, an average 218, 500 birr worth of khat changed hands at the market place. This figure translates to 79.8 million birr spent annually on purchasing khat only in AwWoday. Production, likewise, has reached staggering proportions, increasing from an annual average of 70 metric tons in 1961 to 9, 644 in 1985.¹

Correlated with the khat industry is a flourishing parallel market, which the state stigmatizes as illegal and illegitimate. The khat economy has fed other illegal activities such as smuggling and money laundering to the point that the unofficial sector in Harerge is now more important than the official. Harerge's parallel markets are estimated to involve approximately 1 billion birr and khat smuggling accounts for about a fifth of it.

The conversion of khat to a commodity of high, concentrated value has created an opportunity for Harerge's farmers to improve their standard of living when most rural Ethiopians were experiencing a decline. For example, in Harerge, fewer people were seen in threadbare and patched clothes; many wore imported jeans and shoes. Electrification has

¹ Ministry of Foreign Trade Eastern Ethiopia branch Office, "Foreign Trade Activities in Harerge Province," (in Amharic), Dire Dawa, 1992 E. C.

reached some homes in rural areas, and appliances such as tape players and television sets may be found in small town shops and even in some farm homes. For the most part the products enter the country as contraband goods and their sale serves to repatriate some of the khat profits back into the country.

The availability of khat-generated money is displayed in ostentatious ways. There seems to be plenty of money for celebrating social occasions in manners hitherto unseen in Harerge's rural areas. In the late 1980s, many farmers have become owners of jitneys, pick-up trucks and taxis. The staple food of ordinary people has also changed. Instead of the *lafiso* (bread) made of sorghum, people eat rice, pasta and canned food. Some families reabsorbed people who could not make it in cities, hiring them as drivers for their commercial vehicles. Farmers generally radiated self-confidence, although some were unsure of the sustainability of the market for the leaf. The majority of farmers benefited from the high price of their khat, the only commodity whose price kept abreast with inflation and, which, during the command economy of the late 1970s and 1980s, evaded government price controls.

The investment of wealth on vehicles was an ideal choice in an economic and politically risky environment. In an economic context marked by inflation and lack of investment opportunities, the strategy of buying vehicles functioned as a shield against the accelerated erosion of the purchasing power of local currency. Compared to other options, investing in vehicles was an especially attractive option for farmers because it was a reliable means of generating and accumulating additional wealth. Farmer-owned commercial vehicles were visible on Harerge's main highways, where they transported passengers and

agricultural products including khat, to and from Dire Dawa, Harer, Jijjiga and other towns.

The khat industry represents a lifeline for many of the rural and urban poor who have employment in some aspect of the business. While farmers have become increasingly dependent on khat production for their survival, a significant number of the urban unemployed benefit from engaging in the distribution of the leaf. The trade has been particularly liberating for women who participate in the retailing of the substance. Most of the small retailers who purchase khat at AwWoday market and sell in small bunches in nearby towns are women. Farmers' wives sell the poor quality "faqaa" variety directly to consumers and use the proceeds to purchase merchandise for themselves and their families. They say that "khat had made them financially independent."²

Petty employment in buying, transporting and selling khat leaves for legal as well as illicit markets has been a traditional occupation for many Harerge residents living at subsistence level. In 1979, when the government permitted some persons to purchase and transport up to 100 birr worth of khat leaf to Djibouti, there was a weekly movement of at least 4, 000 people into the khat purchasing areas. The low price offered in official markets caused many farmers and traders to opt for the alternative illegal markets and, by the 1980s, the amount of khat smuggled into the neighboring territories had reached almost half the officially exported amount and far greater in terms of value.

Khat has also presented new economic opportunities for other social groups, particularly commercial intermediaries already engaged in a range of market activities. They

² Kimya Ahmed, Ganda Limay, Haramaya, June 2, 1994; Nuriya Mohammed, Ganda Kollobo, Kombolcha, June 6, 1994; Kemeru Ali, Haramaya, May 27, 1994

obtained khat from producers, smuggled the produce into neighboring countries, and used the proceeds to supply contraband consumer durables and even basic foodstuffs. Capital generated from clandestine economic activities which has performed such an influential role in shaping the character of the regional economy, appropriates the high profits from trading khat. Much of the profit is used to finance a parallel market economy which has created employment opportunities for more people than the public and manufacturing sectors combined.

The commodification of khat has perhaps benefitted farmers directly in providing a temporary solution for the apparently intractable problem facing Harerge's agriculture--land shortage. Land is a scarce commodity and it is not likely that more will become available in the future. In Harerge, particularly in the eastern central districts, as much as 90 percent of the land is cultivated and average household land size has dwindled to 0.84 hectares in 1990 compared to 1.1 hectares in 1980 and 1.5 hectares in 1965.³ As we have seen (chapter 7), in the 1980s, the average yield per hectare for sorghum was 19 quintals. Since it is impossible to survive on this quantity of sorghum, farming households find it imperative to maximize the productivity of the available land.

Khat is part of the diversified cropping system that fits well both into the environment and the agricultural cycle of small-farm households without being too demanding of labor. Harvested at least three times a year, it provides a regular source of income to meet

³ P. Poschen, "An Evaluation of the *Acacia albida*-based agroforestry practices in the Harerghe highlands of Eastern Ethiopia." In ed. P. K. R. Nair, *Agroforestry Systems in the Tropics* (Dordrecht, 1989), 385-400; Badeg Bishaw, "Determining Options for Agroforestry systems for Harerghe Highlands, Ethiopia," Ph.D. Dissertation, Oregon State University, 1993.

household expenditure. Khat has also consistently maintained price advantages over other crops. In the eighties, it yielded three times the returns on sorghum, ten times the returns on coffee and nearly twice the returns on low input management potato. More recent figures suggest that this price differential has widened further, with per hectare profit from khat exceeding all other crops, making government-sponsored substitution programs unattractive and unsuccessful.⁴

The most enduring impact of khat is the fact that its trade provided badly needed capital for individuals to leave their farms and look for nonagricultural opportunities elsewhere. The transport businesses, brick factories, filling stations and small shops which have sprouted all over Harerge highlands are results of khat generated capital. These ventures have enabled farmers to extricate themselves from land which has over the years become extremely scarce and diminished the possibility of many becoming small-holder, self-sufficient farmers. In this regard, khat has done what the policy planners never imagined they could do for farmers, i.e., moving them to nonagricultural occupations, thereby easing demographic pressure and land scarcity. It is interesting to note that farmers pursued diversified occupational strategies to cope with the challenges of agriculture whereas policy makers envisioned policies which sought to fix the existing problems of agriculture and perpetuate small-holder farms.

The commercialization of Harerge's agriculture did not lead to the spread of capitalist relations of production and the transformation of farmers into wage laborers. Household

⁴ At the time of my research in 1994, I met farmers who had sold 1 kg of khat for 1,100 birr that year.

production had remained the dominant form under the rubric "petty commodity production."

Households essentially secure their social reproduction from the cultivation of the leaf, but, despite the appearance of conspicuous consumption, the production process itself is not capitalized. Once capital acquires khat, the marketing process is accompanied by an exponential rise in prices and contributes to circuits of primitive accumulation elsewhere.

The draining away of profit still characterizes the production of khat in Harerge.

The disproportionate distributional rewards resulting from involvement in the khat industry are today increasingly apparent in the Harerge region. For the majority of the primary producers and traders in rural and urban centers, access to basic services is heavily restricted and consumption needs are met only by involvement in illicit activities. Despite their windfall, most khat producers still do not enjoy the benefit of clean drinking water or all-encompassing rural electrification schemes, while health posts, schools, and roads in the region are seriously deficient in number and quality.

The khat boom cannot offer more than a lifeline to survival for hundreds and thousands of the rural and urban poor, nor can it represent a suitable route for regional development. The market for the product is limited and precarious. At present, one cannot expect that the consumption of khat, which has been confined to the Red Sea region for many centuries, will expand and develop to an international market. Even the existing market could face serious problems emanating from policy changes in the receiving countries and cause a major economic problem for the producers in Harerge.

B. Prospects for the Future

The prosperity that khat cultivation generated has been a two-edged sword. While it has provided some concrete, short-term benefits to farmers' and other segments of Harerge's impoverished unemployed and a certain degree of respite from economic devastation and (political) crisis, it did not open an avenue leading to structurally sound and sustainable development. Harerge's farmers have managed to create an agrarian system which can sustain an extremely high population, the density of which, in some places, reaches 400 people per square kilometer. However, if one pays close attention to the sequential and cumulative impacts, the relationship between past and present local and broader options, actions and strategies, the prognosis of Harerge's agriculture does not promise a stable future.

Harerge's high population density has resulted in an expansion of the cultivated lands, at the expense of grazing lands, thereby decreasing the quantity of fodder for animals. In addition, the development of cash crops and the consequent commercialization of Harerge's agriculture have reduced the land cultivated with maize and sorghum, and, therefore, the quantity of fodder which can be obtained from these two crops.

The shortage of fodder, in turn, has led to reductions in the number of livestock a household can keep and, hence, in the amount of manure that may be collected. Customarily, the limited amount of manure is applied in priority to cash crops. Even though food crops have always occupied much of the cultivated land, they received only chemical fertilizer when available. The disproportional allocation of manure has caused a decrease in the humus content of the soils and the productivity of the land. In many places, erosion has washed away the top soil and farmlands have become impoverished. Having nearly

exhausted its top soil, Harerge's agriculture is on a precarious balance. If no solution is found, it is likely that the region's agriculture will face in the near future a very serious ecological crisis.

The high population density has also resulted in the diminution of household land size, making it necessary to intensify the use the available land. Apart from extensive cultivation, reclamation of new lands and reduction of fallow periods and grazing lands, farmers achieved their goals by increasing the proportion of high-income cash crops relative to food crops. Khat and potato were prominent cash crops in the agrarian system, selected by farmers because of the fact that both crops could be sold and used for home consumption. In this regard, potato has a crucial role to play in the overall balance of the agrarian system. For example, when the supply of grain from outside Harerge was sharply reduced in the summer of 1984, farmers and urban dwellers overcame the shortfall by supplementing their diet with potato.

Khat competes for land with food crops and the proportion each crop occupies is determined by the farmer. On the one hand, khat has a higher return on investment, but it makes the farmer totally dependent on the market. On the other hand, food crops provide the farmers with household security. Each farmer makes his decision regarding the proportion of khat and food crops to be planted based on family needs, farmland size and market conditions.

Although farmers choose the crops to plant, external factors also influence their decisions. For food crops to play the major role of security, farmers have to cope with climatic variability and changing conditions of production, i.e., pests and disease attacks,

market conditions, change from one year to another. In the face of these uncertainties, farmers aim to minimize the consequences of variability in the overall environment of production and to maximize the production of each crop. The avoidance of risks and the attainment each year of a sufficient and stable production appears to be as important for farmers as the profit from selling cash crops.

To achieve their objectives, farmers use crops that respond to environmental changes differently, rely on crops that provide them cash at different periods of the year and allow them to minimize the effects of failure on their food supply. Their objective is to adapt themselves to any unforeseeable change, be it a drop in prices or a crop failure. Markets are not the only determinants of the cropping pattern.

The analysis of the regional agriculture shows that the presence of a variety of crops in Harerge is not just a matter of happenstance or the adaptability of those crops to the agroecological environment. The types of crops found in the region are chosen and combined by the farmers themselves because each crop plays a particular role in the overall agriculture. The combination of the cultivated crops and the proportion of each crop grown is the direct result of the farmers' choice and the logic of production they followed.

If one looks at the case of Harerge closely, the distinction between cash crops and food crops is rather blurred, because farmers have chosen to produce crops that can be consumed or sold. Accordingly, farmers have chosen to produce khat and vegetables and to buy grain. In the 1980s, the derg's policy of holding grain prices low to benefit urban consumers encouraged farmers to grow more profitable cash crops and purchase the less expensive cereals. For the moment, farmers say khat is their "miracle crop" which has

enabled them to survive hard times. Yet they are keenly aware that the choice they have made is not a viable, long-term solution for the region's agriculture.

This study has shown how independent-minded farmers cope with environmental, political and economic adversities. Government policies which centered around prescribing the strategies farmers must follow, without taking into account the views of farmers themselves, have not succeeded in bringing about agrarian transformation. It seems Harerge's farmers have figured out a successful rural development strategy. Most use their cash wealth to enter nonfarm life, but they have limited knowledge of the opportunities that are available. Policy makers could benefit the farmers by helping them identify and invest their own money in workable, nonfarm economic activities rather than insisting on the perpetuation of small-holder agriculture. Harerge's agricultural and developmental problems cannot be solved by allocating "land to the tiller," for it is no longer available. The only solution to agricultural problems emanating from land scarcity is what Harerge's farmers have already figured out: shift to nonfarm economies.

GLOSSARY

Awraja	Administrative unit; sub-province.
Bejirond	Honorary title given to treasury officials.
Dejazmatch	Military title; literally, "Commander of the gate." Conferred on members of the Ethiopian aristocracy.
Derg	Amharic term for committee. Used to refer to the military regime which ruled Ethiopia from 1974-1991.
Fitaurari	Military title; literally, "Commander of the vanguard. Conferred on the nobility and commoners.
Inderassie	Title of nobility; literally, "representative 'of the emperor.'"
Kella	Toll-gate.
Kuter gebir	Unsurveyed or unmeasured land, usually held by farmer-operators.
Lij	Royal title; literally, "child."
Qegnazmatch	Military title; literally, "Commander of the right flank." Conferred on Commoners.
Qalad	A piece of rope used for land measurement. Also denotes a measured plot of land.
Ras	Military title; literally "head." The highest military rank given to the nobility and commoners.
Shibetta	A designation of a plot of land found in Harerge.
Woreda	Administrative unit; district.

Appendix A

Appendix A
Coffe and Khat Exports from Harerge, 1936-1991.

Year	Coffee		Khat	
	Volume (tons)	Value ('000 birr)	Volume (tons)	Value ('000 birr)
1936	11,883	12,153	--	--
1937	7,052	12,031	15	7
1938	15,228	18,326	26	13
1946	--	--	26	14
1947	--	853	81	43
1948	--	818	204	147
1949	--	1,082	186	183
1950	--	1,088	368	246
1951	--	--	470	723
1952	--	--	768	1,44
1953	--	--	1,176	1,806
1954	--	--	1,228	5,058
1955	--	--	1,522	6,556
1956	--	--	1,618	6,996
1957	--	1,229	821	3,601
1958	--	971	1,386	4,782
1959	--	979	2,300	7,317
1960	--	--	2,149	6,900
1961	--	--	2,690	8,686
1962	--	--	3,856	10,444
1963	--	--	4,798	12,541
1964	--	--	1,966	5,051
1965	--	--	--	--
1966	--	--	799	2,170
1967	--	--	854	2,921
1968	--	--	842	3,003
1969	--	--	1,212	5,009
1970	7,238	18,897	607	1,747
1971	5,358	12,283	1,931	4,042
1972	7,964	19,384	2,751	4,267
1973	7,934	20,453	2,059	3,838
1974	6,907	21,041	2,335	5,538
1975	5,816	17,667	2,504	5,425
1976	8,420	45,046	3,384	7,808
1977	4,109	49,207	747	5,335

1978	--	--	1,062	6,625
1979	2,355	16,213	1,997	13,978
1980	3,103	25,625	1,874	19,379
1981	1,254	11,057	2,581	28,480
1982	1,072	10,654	2,824	31,067
1983	2,260	18,646	2,805	30,854
1984	2,663	17,881	2,904	32,028
1985	604	6,152	2,804	31,424
1986	659	9,695	2,699	28,348
1987	804	11,355	2,863	32,157
1988	544	6,643	2,182	20,881
1989	807	8,461	2,868	36,334
1990	1,228	15,210	2,425	31,760
1991	1,281	12,577	1,184	15,228

Sources: PMAC, Customs & Exise Authority. Annual External Trade Statistics, 1960-1991.

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LIST OF INFORMANTS (SAMPLE)

Abdalla Kassim, 54, June 7, 1994. Khat farmer, Igagena PA, Ganda Kolobo, Kombolcha.

Abdi Beker, 60, April 6, 1994. Khat farmer, Ganda Lucha, Haramaya.

Abdo Shango, 52, May 19, 1994. Khat farmer/employee Haramaya University of Agriculture, Bate worke PA, Haramaya.

Abdulahi Ahmed, 64, May 17, 1994. Khat farmer, Ganda Issa, Bate Worke PA, Haramaya.

Abdulahi Shebo, 70, May 25, 1994. Coffee/khat farmer, Ganda Lucha, Deda PA, Haramaya.

Abdulahi Mussa, 62, June 9, 1994. Khat farmer, Ganda Fala'ana, Kadir PA, Kombolcha.

Abdulahi Mumed, 70, 5-18-94. Retired khat farmer, Ifa PA, Haramaya.

Abdule Yusuf, 64, June 8, 1994. Khat farmer, Ganda Lencho, Kayrensa PA, Kombolcha.

Abdurahman Emer, 43, May 17, 1994, Khat farmer/Employee of Alemaya Agricultural Univerisity; former Chairman of Bate worke PA. Ganda Issa, Haramaya.

Abebe Mekonnen, Dire Dawa. February 2, 1994. Coordinator, Dire Dawa Autonomous Region Planning Office, Participated in several government mandated researches on illegal trade in the region; a very knowledgeable professional.

Ahmed Abdulahi, 50, June 7, 1994. Khat/coffee farmer, Ganda Saqa Sharifa, Samte PA, Kombolcha.

Ahmed Beker, 40, May 21, 27, 1994. Khat trader/farmer, Haramaya.

Ahmed Amit, 61, May 25, 1994. Khat farmer, Ganda Gole, Haji Walta'a PA, Haramaya.

Ahmed Tewfiq Mohammed, (Balambaras) 68, March 23, 1994, Member of Parliament (1950-1954 E.C.), Woreda administrator of Garamulata, later Chercher, Dire Dawa and later Awraja administrator of Garamulata.

Amin Usman Mahmud, 45, 5-17-94. Khat farmer, Ganda Issa, Bate Worke PA, Haramaya.

Avedis Terzian, c. 80, August 8, 1994. Addis Ababa. An Armenian businessman and community leader. Son of Sarkis Terzian, one of the first Armenians to locate in Ethiopia in the late nineteenth-century.

Beker Tahir, 53, June 6, 1994. khat/coffee farmer, Ganda Sido, Samte PA, Kombolcha.

Beshir Shiek Abdi (Fitaurari), 68, March 24, 1994. Woreda administrator of Ferfer, awraja governor of Dagahbour and later of Jijjiga, Deputy governor of Harege region (1975-1991).

Dawd Abdo (Hajji), 60, Dire Dawa, March 26, 1994. Businessman, former khat exporter, member of the Khat exporting company in the 1950s.

Debebe Asefa, Harer, March 4, 1994. Team Leader of Agricultural Extension, Ministry of Coffee and Tea Development.

Dejene Ayele, Harer, March 3, 1994. Processing Expert, Ministry of Coffee and Tea Development.

Duressa Feyissa, 73, February 24, 1994, Dire Dawa, Worked for the French with the RR company since 1941. Moslem and Oromo (from Wollega). Also participated in the illegal trade during the 1970s. Well versed in the events since 1941.

Girma Andarge, 84, Dire Dawa, February 23, 27, 1994. Metal Worker, Worked with the Italians during the occupation in Harer. Remembers most things that happened as far back as the time of the regency.

Hassan Mohammed (Hajji), 50, March 19, 1994. Khat farmer, Bate Worke PA, Haramaya.

Ibrahim Dawe, 40, May 30, 1994. Khat trader (Kebkebi), AwWoday khat marketing center.

Ibrahim USAF, 60, June 9, 1994. Khat farmer, Ganda Feline, Kafir PA, Kombolcha.

Ishmael Mohammed, 60, June 7, 1994. Khat farmer, Ganda Caleb, Igagena PA, Kombolcha.

Kassim Said Ali Terre, 50, May 18, 1994. Khat farmer/trader/driver, Ifa PA, Haramaya.

Khalifa Hajji Ali Boru, 53, May 24, 1994. Khat farmer/widely traveled abroad, Ganda Lucha, Deda PA, Haramaya.

Kimiya Ahmed, 40, May 28, 1994. Khat farmer's wife, Ganda Limay, Bate Worke, Haramaya.

Kemero Ali, 50, May 27, 1994. Khat trader's wife, Haramaya town..

Luye Said, 64, May 26, 1994. Khat farmer, Ganda Limay, Bate Worke PA, Haramaya.

Mesfin Asfaw, Harer, March 15, 1994. Senior Expert of the South-Eastern Rangelands Project.

Mohammed USAF, 58, May 25, 1994. Coffee/Khat farmer, Ganda Lucha, Deda PA, Haramaya.

Mohammed Abdurahman (Hajji), 60, March 26, 1994. Fresh out of Alliance Francais school in Dire Dawa, he joined chat exporting business in 1951. Left khat exporting when the CHATHA was established because he did not like the government meddling in the trade. He became an employee of the Djibouti-Ethiopian railway as Secretary General in 1961 until his retirement in 1989. He knows well the details of chat trade for the time he was involved in it.

Mohammed Abdulahi Ogsaday, 74, February 22, 1994. Coffee exporter. Began exporting coffee from Dire Dawa in 1944.

Mohammed Yuyu, 41, May 17, 1994. Khat farmer, Ganda Issa, Bate Worke PA, Haramaya.

Mume Kiko (Hajji), 59, May 20, 1994. Khat farmer, Haji Walta'a PA, Haramaya.

Mume Ahmed, 55, June 6, 1994. Khat farmer, Ganda Fela'ana, Kakko PA, Kombolcha.

Mumed Munan, 71, May 24, 1994. Coffee/khat farmer, Ganda Lucha, Deda PA, Haramaya.

Mumed Ahmed Umar, 72, May 17, 1994. Khat farmer, Ganda Issa, Bate Worke PA, Haramaya.

Mumet Abdule, 75, May 25, 1994. Coffee/chat farmer, Ganda Lucha, Deda PA, Haramaya.

Mussa Botto, 88, May 23, 1994. Khat farmer, Genda Gole, Mula'ata PA, Haramaya.

Nuriya Sheik Ibrahim, 48, May 24, 1994. Khat farmer's wife, Ganda Lucha, Deda PA, Haramaya.

Nuriya Mohammed, 46, June 7, 1994. Khat farmer's wife/transport vehicle operator and kiosk owner, Ganda Caleb, Igagena PA, Kombolcha.

Rayima Sali, 75, May 23, 1994. Khat farmer's wife, Ganda Gole, Mula'ata Pa, Haramaya.

Said Ali Terre, 50, May 18, 1994. Somali Khat buyer, was at the farm to negotiate the purchase of khat for that night. Interviewed at Ifa PA, Haramaya.

Sufian Abdulahi, 55, May 24, 1994. Khat farmer, Genda Lucha, Deda PA, Haramaya.

Taddesse Debele, (Captain) February 23, 1994, Dire Dawa, General Manager of the Khat Exporters Association of Ethiopia (KEAE).

Te'ame Tiku, March 4, 1994. Protection Expert, Ministry of Coffee and Tea Development.

Yassin Usman, 50, February 21, 1994, Dire Dawa, Currently, Fruit and vegetable exporter; previously khat exporter in the 1960s and early 70s to Aden.

USAF Hamo, 75, May 18, 1994. Retired khat farmer, Ifa PA, Haramaya.

On May 26, 1994, a group of 20 khat farmers and their wives were interviewed at Ganda Lucha, Bate Worke PA, in Haramaya.

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