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Destructive Outcomes of Multinational Companies in Africa: The Case of HVA in the Awash River Valley of Ethiopia (1951-1975)

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Abstract

HVA (Hendels-Vereeniging Amsterdam) was a Dutch multinational company working in Ethiopia for a quarter of a century. The historical knowledge about its destructive outcomes in the country is limited. This paper attempted to disclose some of these outcomes from 1951 to 1975 by employing document analysis, interview and observation methods. The company caused land eviction and tribal conflicts, ecological disorder and health problems to peoples of the area. It is also remembered because of its bad working conditions, racial discrimination, segregation, and related social crisis.

Keywords: /Awash/Discrimination/Eviction/HVA/Multinational/Segregation/

1. Introduction

1.1 Background

The arrival of multinational companies in Africa preceded the official advent of colonial occupation in the early nineteenth century. The companies have been in the continent all the way throughout the period of colonialism to the twenty first century, even after the independence of most of the states. They were more active in trading activities, specifically in precious metals and spices, in those early days. One of such

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companies was the Dutch East Indian company, the remote predecessor of HVA (Hendels-Vereeniging Amsterdam). The company was established in 1601/02 functioning in Indonesia for long period. It was later dissolved in 1799 because of bankruptcy. It also could not cope up with the competition from different European companies, mainly the British East Indian company. Moreover, the Indonesian wars of resistances that ended with a defeat by the Dutch and the Anglo-Dutch war (1780-1784) also pushed the company to its final collapse (Tobias, 2008, pp.26-31).

After 1799, the Dutch colonial government attempted to be profitable from agriculture by using peasant labour in Indonesia. However, they transformed it into cultivation system (mechanized agriculture) to be profitable from cash crop production in 1830 and continued to 1870. In 1870, a liberal government came to political power in Holland and introduced a liberal policy in its colonial territories. Then, private companies were encouraged to participate in the colonial economy. In fact, there were several small scale Dutch companies in Indonesia even before the declaration of this liberal policy. Companies like *Nederlandsche Handel-Maatschappij* (NHM) and *De Javasche Bank* (DJB), which were founded in 1824 and 1828, respectively, were giving emphasis not only for trade but also for cultivation of cash crops. These companies paved the road for the rise of the HVA almost after half a century. So, it is said that the foundation of HVA was a result of a long time strong effort. Then, it was officially founded at the end of 1878 on the initiative of five Amsterdam colonial traders that already had small companies (Claver, 2014, pp.65, 189).

The objectives of HVA by then were to carry out import and export trading activities, and it provided credit for plantation owners who needed to export their products. The company was carrying out these businesses for about 30 years and gradually transformed into an enterprise specialized only in agriculture by 1910. Since then, it was working profitably on the agricultural enterprise even surviving the economic crisis of the 1930s. By 1928, it had about 36 sub-companies in Sumatra and Java islands in Indonesia. Of the 36 companies, 15 of them were producing only sugar and the rest were producing coffee, tea, rubber, palm oil, cassava, and spices. During its peak productive time, the company employed about 170,000 workers; only 800 who were working in the management were the Dutch (Daniel, 2005, p.17).

The destructive outcomes of the companies had begun since the time of their foundation. They were prevailing for about 350 years, roughly from 1602-1945, in Indonesia under series of the Dutch colonial policies. The company was practicing similarly in South Africa since 1652. The basic difference between Indonesia and South Africa, in this regard, was the absence of Dutch settlers in the former probably because of the discouraging tropical climate of the country. Contrary to this, South Africa had suitable climate for a number of Dutch settlers. The settling, then, resulted in racial segregation, eviction of peoples from their ancestral lands, confinement to small and non-productive localities, restricted to hostile climatic regions that subjected them to tropical diseases. It also exposed them to skirmishes by their prior enemies, when they were in conditions they could not defend themselves (Shillington, 2005, pp.210-218).

The bright days of the HVA in Indonesia came to an end when the Japanese invaded the country in 1945. The invasion forced the Dutch to evacuate all its companies from Indonesia to look for another place to relocate. Meanwhile, Ethiopia is found to be

favourable because of its climate and government policy that attracted foreign investment. The Ethiopian government was encouraging foreign investment expecting some favourable outputs for the nation and its people (Ethiopian Ministry of Information and Tourism, 1966, p. 174). Unfortunately, it was also followed by some “unexpected” destructive socioeconomic outcomes caused by the investment.

1.2 Statement of the Problem

The arrival of different European economic concessions in Ethiopia predated the period of Italian occupation of the country in 1936. A number of agricultural and mining concessions signed agreements with the government of Ethiopia. Roughly, about ten concession companies had signed agreement with the government of Ethiopia, and they invested in the country from 1900-1935. About eight of them were agricultural concessions involved in producing rubber, coffee, sugarcane, cotton, fruits and animal products. They were owned by foreign nationals from Belgium, France, Britain, Germany and Italy (Emmanuel, 2006, P.53).

HVA arrived in Ethiopia after the withdrawal of Italy from the country. Its agronomists came to Ethiopia for a soil survey in the Awash River valley in 1943. The result was found to be attractive for the company. It assured that the HVA could be profitable, if it established a sugar plantation and factory in the area. Then, on June 25, 1951, the HVA and the government of Ethiopia signed a land lease agreement of 5000 hectares for 90 years subjected to renewal for establishing a factory and plantation to produce sugar (Daniel, 2005, p.18). Accordingly, the company would pay Birr 1 for each 40 hectares of land enjoying an exemption from five years income tax and remittance of 10% of its annual invested capital. It was also allowed to send home 15% of its annual profit. The company could also export sugar without paying the 2% tax and import goods like factory inputs including fuels free of tax (Bizuwork, 1985, pp. 41-43).

There were a number of internal and external factors that attracted the HVA to the Awash River Valley. Externally, the end of WWII resulted in the withdrawal of Europeans from their Asian colonies by the end of 1940s. Consequently, the HVA decided to leave Indonesia because of the Japanese invasion and the hastened independence of the country after the close of WWII (Tefera, 2013). Internally, from the Ethiopian side, there were a number of factors that attracted the company. The first one was the government policy that encouraged foreign investment. The proclamation of 1950 on foreign investment was a green light that cleared the way for foreign capitals to come. The other internal factors were the suitable climate and location of the Awash River valley. Specifically, the topography, fertile soil, reliable water, hot climate were some of them. Moreover, the area was close to the main market centres, and it is found only 110 kilometres away from Addis Ababa and 10 kilometres from Adama to transport the finished product by vehicles and trains. The growth of sugar consumption with the relative expansion of urban centres also an internal contributing factor. Sugar consumption grew almost by twenty folds within one decade and its progress for the future was faster. In 1951/52, about 97, 240 kilograms of sugar was imported, and in the next year, it increased to 174, 230 kilograms. Thirdly, the Ethiopian government's highland mentality that considered the Awash Valley malaria infected, hostile,

uninhabitable and economically useless ecology also contributed for the easy handover of the land by the government to the company (Bahru, 2008, pp.125-126). On top of these, the government of Ethiopia expected the HVA to contribute to import-substitution, state revenues through taxes and rents mainly from land and water creating employment opportunities, reducing the retail process of some goods and increasing the consumption of items that “improve the standard of life”. These expectations were clearly indicated in the speech of the emperor delivered on the occasion of the Wonji sugar factory’s inauguration on May 20, 1954 (Ethiopian Ministry of Information, 1967, pp.526-527).

Then, the factory began producing and accomplished most of its national expectations since 1954. Initially, it began crushing about 600 tons of sugarcane per day and produced 16,000 tons of sugar during that production season. In 1958, the HVA Netherlands company was renamed HVA Ethiopia and about 3,600 Ethiopians became holders of insignificant shares; they earned about 1,000,000 Birr annually altogether. After a while, the company was able to crush 1,400 tons of sugarcane within a day (Bahru, 2008, pp. 126). A decade later, the company established a second sugar factory in the same river valley in 1962. The new factory was named Wonji-Shewa sugar factory. It was inaugurated on Nov 10, 1962 (Ethiopian Ministry of Information, 1967, pp. 530-531). As a result, the company increased its capacity to crushing up to 1, 600 tons of sugarcane per day and the plantation covered about 5,500 hectares of land. These two factories began to satisfy the local demand and export about 5000 tons of sugar to neighbouring countries and earned 12-13 million Birr (Ethiopian Ministry of Information and Tourism, 1966, p.175). A third sugarcane plantation, which was followed by the installation of the factory, was founded at Metahara and began operation on November 9, 1969. By then, the factories crushed 17,000 quintals of sugarcane and produced about 1,700 quintals of sugar per a day. In the following years, the plantation continued to expand. For instance, in 1973 the factories reached to the capacity of crushing 24, 500 quintals of sugarcane to produce 2,450 quintals of sugar a day (Emmanuel, 2006, pp.77-78). As a result, the Ethiopian government appreciated all the developments as an outstanding achievement and hoped a bright future for the economic betterment of the country (Ethiopian Ministry of Information, 1967, pp.530-531). Nevertheless, the company was not free from causing destruction in the area and the surroundings it operated in. Even if, several research outputs were produced on the history of separate factories in the valley, none of them took these destructive outcomes of the factories as their topic of discussion. Thus, the purpose of this article is to disclose some of these destructive outcomes caused by the company.

2. Methodology

To serve the above purpose, document analysis, interviews and observations were made. Accordingly, historical sources were consulted in particular. Primarily, series of official letters exchanged between the then Ethiopian Ministry of Interior and Finance and provincial and district governors were thoroughly inspected. Moreover, minutes of the meetings held with florid victims who filed complaints to get compensation from HVA, memoirs of the half caste Dutch-Ethiopians as well as government reports including the inauguration speech of the emperor regarding the achievement of the

company in the country have been consulted. Theses submitted to the Department of history of Addis Ababa University as a requirement for partial fulfilment of Bachelor of Arts and Masters of Arts dealt with the foundation and significance histories of separate factories in the valley were also reviewed.

Besides the document analysis, interviews were held with some retired plantation and factory workers who are living in Wonji town. Specifically, seven males and five females were interviewed for the present purpose. Even if, the research is totally historical issue about half a century back from the present, observation was also made to look at the outcomes whose effect persists even to the present.

3. Results

3.1 The Destructive Outcomes

Land eviction and tribal conflicts. The advent of huge companies that needed vast land for one or another purpose resulted in eviction of poor peasants from their ancestral lands. The case in point was Europe where the industrial revolution took place. The companies needed lands either to establish factory or plantation agriculture, animal rearing for their wool, hides and skins, mining and the like as raw material for the factory. It was purposely perpetuated so that the peasants would migrate to urban or industrial centers, to plantation or mining sites seeking employment as daily labourers. This was anticipated to create an opportunity for the industrialists to find cheap labour.

Agricultural plantation, mining and other related enterprises were introduced to Africa in the form of multinational companies. Their arrival in Africa and the need for agricultural plantation such as cotton, sugarcane, cassava etc., with nearby processing factories was resulted in eviction of peoples from their land. Many parts of the continent, endowed with minerals, favourable climate with fertile land were exposed to peasant eviction. Kenya, Uganda, Rhodesia, South Africa had numerous evicted African peasants who were employed as labourers in the plantation agriculture of the white settlers, mining sites and other related companies (Shillington, 2005, pp.317-321, 332-338). These types of evictions began to happen in the Awash Valley of Ethiopia by the Middle of the twentieth century, first by an Italian company, then by individual investors, and finally by the HVA Netherlands (Bahru, 2008, p. 126).

The land in the Awash River Valley, mainly the upper Awash, was identified as government land although it was inhabited by the Jille and Karrayyu pastoralists for centuries. This land began to be granted by the imperial government to individuals known as the *balewuletas* because of their contribution during the resistances against the Italian occupation of the country (1936-41) or for other services they gave for the nation in the 1940s². Moreover, extensive grants of land were made to those people whose lands were taken for the expansion of the town of Adama and for the establishment of Bushoftu's air force base (Bizuwork, 1985, p.45). The pastoralists, mainly the Jille, did not ignore this action of the imperial government. They appealed to the emperor since December, 1949 indicating the injustices done on them. In their appeal to the emperor, they also described that they have been living in the area for over 18 generations as to

²A letter of appeal to the Emperor by the pastoralists of Wonji dated Hidar 27, 1942 EC.

Available at the archival section of Wonji Sugar factory.

their recall. They underlined that their ancestors were living there even for longer period. These people did not know any profession except cattle rearing contrasting their treatment by the government with that of the Arsi since the second decade of the twentieth century. When the *qalad* system was introduced and enabled the Arsi to own 1/3 of the land under their domain, they did not get their share since they were not conscious enough about such type of land ownership. As a result, more than 20,000 hectares of their land was portioned among government representatives including the whites coming to the area. While their appeal continued to regain their previously lost vast land, there came another measure that intended to take their remaining land. They thought that the remaining 6800 hectares of land was under their ownership, when the land measurement was introduced to their region in 1949. Unfortunately, the land was on the process of being distributed to *balewulatas*.

In fact, before their appeal they were informed by the office of the prime minister that they were allowed to own only 2000 hectares. So, the appeal was against this particular decision. They refuted the decision by claiming “this land from the very beginning up to now is our *irst*.” Besides, they said that “our number is more than 10,000, while our cattle are over 50,000”. The 2000 hectares they hold was too small to accommodate them and for that they appealed that they should be allowed to buy more lands. Actually, the pastoralists had not fewer than 100,000 of cattle⁴. The peasants intentionally concealed the exact figure of their property fearing expropriation by the government. Moreover, they feared that the government would not sell the land to them at fair price taking in to consideration the number of the cattle they had. In fact, the 2000 hectares they were allowed to use by the emperor was documented in June 1950 under the modality of *maderia*, exempted from any tax except the *asrat* (tithe) (Bizuwork, 1985, pp. 44-45).

However, the pastoralists did not get any attention to their appeals. Rather, the government was encouraging foreign investment at the time. Particularly, 1950 was a year in which the imperial government announced its foreign investment policy. A little while an agreement was signed between the Ethiopian government and HVA Netherlands in June 1951. Then, the first 12,500 acres (about 5060 hectares) were brought under cultivation. The pastoralists inhabiting the northern part of the plain, which is around the present day Wonji sugar factory, were forced to retreat towards the south, around the site of the present Wonji-Shewa sugar factory. Local sources indicate that between 1953 and 1958 the development of the sugar factory and plantation accelerated. Reclamation and cultivation were extended south wards to cover an additional area of 1500 hectares (Lapiso, 1991, pp. 253-258). Yet, in 1959, the management of the sugar factory demanded 2400 hectares of land for further cultivation. Based on this demand of the factory management and the daily appeal of the pastoralists, the governor of the sub-province wrote an official letter to the Ministry of Interior in March 1959 stating the condition of the pastoralists as:

³ A letter sent from Yere and Kereyu Awuraja to the inderasie of Shewa province ref. no. 5526/39 dated Meyazia 10, 1949 EC. Available at the archival section of Wonji Sugar factory.

⁴ A letter of appeal to the Emperor by the pastoralists of Wonji dated Hidar 27, 1942 EC.

When concession was made to Wonji sugar factory from Wonjihudad land, the Jille were also granted 2000hectares from the adjacent territory by his majesty's good will. But now 640 hectares was taken from them to be added to the factory's concession and 80hectares was given to the *balewuletas*. The Jille remained only with 1280 hectares. And even the 1280 hectares is going to be enclosed soon according to the request number 5 and 6 of the factory. Thus, these people are going to be deprived of the land granted to them by the emperor At the same time, we do not have any other place to give to the inhabitants as a substitute. The people are appealing repeatedly and lamenting over having been left without a place of settlement. Therefore, I appeal to your Excellency's broader consideration and urgent order so that they would be granted land in substitute for the land which was taken from them⁵.

This letter was written just few months before their complete eviction. The exchange of official letters did not save them from eviction. By the end of 1950s, it was common to see groups of caterpillar and bulldozers levelling their huts to the ground and turned the lands into sugarcane plantation. Thus, by 1959 the pastoralists of the upper Awash, particularly the Jille, were completely evicted from their centuries old ancestral land (Lapiso, 1991, pp. 253-258).

During this final eviction, the pastoralists tried to resist the decision by threatening the drivers of the caterpillars fighting to die on their land. However, finally, they realized that they could not resist. After several years of suffering and confinement with all their cattle on hilly areas, they hoped for government response. Eventually, they were given two alternatives, either to move to a forested government land in ArsiDodota district, particularly to a locality called Balale or to TulluDimitu another government land in Boset district of Shewa. Consequently, the majority of them were dispersed to districts of Dodota and Boset (Bizuwork, 1985: 50). Sadly, those who went to Dodota confronted with the ArsiOromos, were encircled and routed. They tried to fight back in self-defence, but they could not check the Arsi. To worsen the matter, the Arsi community representative appealed to the imperial government that the Jille pastoralists occupied their ancestral land. The government reacted to the appeal by sending a police force to threaten the Jilles'. The conflict between these two Oromo groups continued until 1974 (*Ibid*, p.51).

The other groups that moved to Boset were in fact familiar to the area as they frequently used to come to the placeduring rainy season. During the dry season, the area was not conducive for grazing, and it lacked water for their animals. But, when they began living on the hilly areas, they faced total extermination of their cattle due to absence of fodder. And some of them went to lowland local area in the north of Arsi called Tibila where they confronted the Arsis. Finally, they were forced to be confined in the forested part of Tibila where most of them were perished because of tropical diseases, mainly malaria. As a result, the Jille population was said to be reduced by 50%. The surviving groups also became the most impoverished, and they left with only about 10%

⁵A letter of appeal to the Emperor by the pastoralists of Wonji dated Hidar 27, 1942 EC.

of their cattle because of the scarcity of grazing land and fodder. Before the eviction, an average person used to own 150 to 200 cattle, but after their eviction, a person began to own 5 to 10 heads of cattle (*Ibid*, pp. 52-54).

The third factory of the company that was founded in Metahara town evicted the other pastoralists, the Karrayyu. They also appealed to the emperor to be granted grazing land since their land was given to the company. During the inaugural ceremony of this sugar factory, the emperor promised that he would grant them 8000 hectares from Nura Era region. He also ordered the Itu and the Isa pastoralists to return to their former areas. Unfortunately, this was never materialized and the Karrayyu were forced to leave the plain and inhabited the nearby dry hills. Nevertheless, the continued expansion of the old Metahara town along with the construction of the railway and the new Addis Ketema town took more of their grazing land. The process forcefully displaced the people to move more and more to the confines of the foothills of the Fentale Mountain. This led the Karrayyu in to conflict with the other nearby pastoralist communities and in turn to chronic poverty (Emmanuel, 2006, p. 71).

3.2 Destruction of Natural Vegetation and Wilde Animals

In the history of industrialization, one of the major setbacks was ecological disorder. The multinational companies that emerged in Europe and had branches in Asia and Africa in the nineteenth and twentieth centuries had negative effect on the natural environment. A number of them transported a bulk of timbers by cutting heavy woods from the natural forests of Africa and Asia. They cleared vast African forests that were kept for millennia including agricultural plantation and varieties of equatorial and tropical crops (Beinart, 2000, p.99).

In the same manner, the HVA Netherlands in the Awash River Valley was destroying forests since the middle of the twentieth century until its withdrawal after the revolution of the 1974 in the country (Regassa, 1987, p. 14). Before it began the plantation of sugarcane and installation of the factory and production of sugar, the company cleared the natural vegetation, mainly forests. Then, infrastructures like dams, ditches, irrigation canals, roads and bridges were begun to be constructed at the expense of deforestation. About 19 kilometres of irrigation canal was constructed along the river. The river was also crossed by a 20 meter high bridge. Besides the infrastructures, new residences with almost all social provisions were established. A town with several residential areas and about sixteen camps for plantation agricultural labourers were founded by clearing the trees and bushes of the area. In fact, by 1954 only about 200 houses and three camps were constructed along with a hospital, clinics, schools and recreational centers. All these, as mentioned above were constructed by clearing the natural vegetation of the area (Daniel, 2005, p.20). For instance, a forest which had covered a vast area of the present day seventh camp of the Wonji sugar factory was totally cleared by a bulldozer and the wood was prepared in a cubic meter by about 500 Sudanese workers who were employed for this purpose. After a heavy toil, the area was transformed into green plantation of sugarcane which was even visited by the queen of the Dutch. The Dutch were proud of it boasting saying: "sugar from the desert" (*Ibid*, pp. 20-21).

But, what should be known is that before the arrival of HVA, the area was covered by natural vegetation of different types. Significant proportion of the area was covered by forest consisted of woods like Shola (a kind of sycamore), Warka (sycamore), Girar (acacia) and bushes. The other part of it was a swampy area covered with long grasses locally called asfila (Lapiso, 1991, pp.254-255). The majority of the area was grass land utilised by the pastoralists for grazing their cattle seasonally. They settled on the hilly side of the area during the rainy and malaria prone season, and grazed their cattle during the dry season. Moreover, the area mainly the forest was inhabited by varieties of wild animals, such as lions, foxes, antelopes, wild boars, rabbits, zebras, hyenas and the like together with different families of reptiles like snakes and python as well as varieties of birds and small animals of different species. Sadly, the company exterminated all the natural vegetation and wild animals. According to Daniel (2005, pp. 20, 22), “during the time of clearing, for those who were observing, it looks as if the burying of big trees was carried.”.

3.3 Migrant Labourers and their Working Conditions

Migrant labourers were working in the European multinational companies that had their branches in Africa and Asia during the period of colonialism. There were a number of factors that forced the peasants to migrate to plantation agricultures, mining sites and white settlers owned estates. The first was eviction from their ancestral lands and failure to maintain their families. The other related factor was the introduction of cash economy which forced them to pay different types of taxes in cash. To earn such cash, they had to be employed as labourers. Even, in local areas where eviction did not take place, the African peasants looked for employment for wage since they should pay the taxes as well as buy different local and foreign items in cash. South Africa's gold and diamond mining areas, for instance, were the major centers of attraction for migrant labourers. The same was true to the then Rhodesia and Belgian Congo where different types of minerals mainly copper and cobalt were mined. Southern Rhodesia, Kenya and Uganda were also attracting labourers for their white settlers' agricultural estates (Kevin Shillington, 2005, pp. 317, 338). These migrant labourers were immersed into vicious circle of poverty and social crisis rather than improving their life status. A number of them could not visit their families who were left behind but sent money from their earnings to pay the taxes. Also, they were forced to live in shanty towns or camps nearby the mining or plantations where they were liable to aggressive communicable diseases that may even claimed their lives. They had no security for their lives; crimes like theft, conflicts, murder, prostitutions and the like were the basic characteristics of the camps or towns. On top of that, they were treated inhumanly by the management, beginning from their immediate boss, the capo. Generally, the labourers were at disadvantaged position in the form of recruitment process, working hours, types of works, amount of payments, residences and other related services (*Ibid*, pp.338, 354).

The sugar production of the HVA in the Awash Valley of Ethiopia comprises the integration of two major operations, plantation and factory work. The factory was erected close to the plantation for quick transportation of easily perishable sugarcane and also for efficient and uninterrupted supply of cane to the factory. There, three inter-related

departments of the factory were established: mill house, process house, and boiler house. But, the first operation was sugar plantation which was carried out by labourers. It involved greater capital expenses in the clearing and grading of the land and the provision of irrigation facilities which demanded huge labour force. The pastoralists, who were uprooted from their ancestral lands, were not interested in the employment. Then, the company began to look for labourers from other areas. Kambata and Hadya, an area where population land ratio was very high, scarcity of land was critical, and cash was badly demanded for paying government taxes, became a major source of labour (Regassa, 1987, p. 14).

The initial work force that took part in the field preparation comprised of 1,014 808 seasonal workers, 7 staff, and 119 non-staff. The most difficult part of the initial work was cutting the strong acacia and other big trees and digging the broader drainages on the swampy land and arid climate. All of it was done by the migrant labourers from Kambata, Hadya and Welayta areas to a large extent and from Adama and other surrounding towns to a certain extent. Italian Stella was the agent of the HVA that identified the densely populated regions of Kambata, Hadya and Wolayta as a large source of labour for the company. In 1953, Stella led a recruiting expedition to the Kambata and Hadya areas and recruited 1500 labourers on seasonal terms. Some other members of these communities also began to travel to the company on their own for seasonal employment. The number of Kambata and Hadya migrant labourers grew from 1500 in 1953 to 3000 in 1958 (*Ibid*, p. 14-16).

The company was also using some individuals from the first employed labourers as labour recruiting agents. They were promised the rank of capo (head man) if each could supply at least 200 labourers. Some ambitious workers who knew their birth places as rich sources of labourers began to dispatch information to those villages about job opportunities and the money earned in the plantation. This resulted in the influx of youngsters from the areas. In addition to this, some of the labourers were given money to go to their birth place and bring labourers. Those who supplied 150 to 200 labourers were given the promised rank of capo. The capo was a kind of labourer contractor under whom the labourers were working. The tendency of the capos to recruit labourers from their regions accounted for the increment of their ethnic group number in the area where the company found. The labourers also desired to have their own ethnic group in the plantation for the sake of social security in the absence of the traditional kinship ties. Therefore, there was ethnic clustering at the farm that reflected some degree of clannishness. Ethnic frictions were prevalent among these groups. Some of the causes of these conflicts were competition over jobs and gambling (Lapiso 1991, pp. 253-258).

The workers of the plantation department were divided into two: the permanent plantation labourers and seasonal labourers. The permanent labourers were engaged in various cultivation works. Work was available for them throughout the year, and therefore they permanently lived in the houses provided by the company. But seasonal workers were employed for cutting cane and for some other specific season or fixed period of the year. During this period the seasonal workers lived at the estate's houses which they had to leave on termination of their contract. Both the permanent and seasonal labourers were paid for all works they did on the basis of piece rates. Permanent labourers brought their families and became permanent residents of the area. There was

low wages and bad working conditions in the plantation department. At the beginning, daily wages did not exceed Eth. Cents 0.75. What shattered the expectations of the labourers was not only the low wages but also the malaria of the originally marshy area of the estate that caused the death of thousands of labourers. Five to seven daily deaths were common and the migrants had to bury their dead bodies at a place 10 kilometres away. In the early 1950s on average about seven individuals were dying daily. Before the foundation of the sugar plantation, the native residents of the area retreated to the highland during the months of malaria infection (from May to October). But now, the migrant labourers became residents in those months and were exposed to the malaria attack (*Ibid*).

The working conditions in the plantation was characterized by hostile climatic conditions, notorious exploitation manifested by long hours of working day and low wages, congested labour barracks, greediness and corruption of the capos and supervisors. Long hours of work on cane cutting, forking and weeding in the arid climate of the Awash Valley were very tiresome. Cutting of 3to4 meters high cane was the hardest of all jobs in the sugar estate. The piercing spines on the cane stems and leaves particularly that of perfume cane, caused serious bleeding to the hands and feet of the cane cutters. There were many cases in which cutters were seriously wounded and carried away by their friends from the cane fields. In the early days of the operations of the company, medical care was at its rudimentary stage and there was no compensation for industrial accidents. The cutters were rarely provided with proper protective materials. They were working from dawn to dusk and knew nothing of breakfast and lunch except the cane they sometimes chewed in the absence of their boss, the capo. Their dinner was a kind of loaf they prepared from the rotten maize ration. Although the ration was commuted to cash after a time, the labourers could not sometimes afford to buy decent food items that were expensive from the traders with whom the camp capo had dealings (Regassa, 1987, p. 16).

Dutch managers were living very remote from the labourers. Their immediate boss was the *qoncherahalafi* (master of axes) who was in turn responsible to the capo. The *qoncherahalafi* used to control 50 to 100 labour gangs or 250 to 500 labourers. The labourers were paid by the *qoncherahalafi* who received their wage from the capo based on the loads they brought in a cart. The labourers had to be happy with whatever amount they were paid since any complaint would result in an immediate expulsion from the job. It is said that 1/4 to 2/3 of payment for a cart load was kept by the capo who himself had to distribute to the other bosses in the hierarchy. If a labourer, failed to visit his capo either to invite him beer or to give him a bribe from his income could be dismissed. Language barrier, ignorance of industrial administration and inability to claim the obligations of the company written in the contract agreement made the labourers an easy prey to the lower officials (Bahru, 2008, pp. 233-235).

3.4 Racial Discrimination, Segregation, and Social Crisis

The Dutch were well remembered for their policy of racial discrimination and segregation in their colonial territories or multinational companies. All European countries and their multinational companies were accustomed to such a practice. The

British, the French, Portuguese, Germans, Italians, the Dutch all had similar records in their history of colonial administration. It became more serious in territories of colonial white settlements (Njoh, 2008). That was why it had a long lasting consequence in the eastern and southern parts of Africa. The British had colonial settlements in Eastern, Southern and Central African territories mainly in Kenya, and the then Rhodesia (Cheruiyot, 1977, pp. 15-52). Of all these, the Dutch colonial settlement in South Africa is the ideal example in its implementation of racial discrimination and segregation that resulted in multi-faceted crisis until the last decade of the twentieth century. The apartheid policy they implemented in that country is well known in this regard. In that policy, easy social interaction and access to similar social services and political participation among different races were strictly forbidden. Getting in to the residential areas of the whites was strictly forbidden for the blacks except for those workers who carried a pass (Berghe, 1966, pp. 408-418).

Similarly, the HVA that founded sugar factories and plantations in the Awash Valley designed similar residence pattern for its staff and labourers in a country with a long history of independence. The residence pattern of the company was divided in to two, the factory workers' residences, a town and the plantation labourers' villages called camps. The camps were numbered in an increasing order as the "first camp", "second comp" and up to the "sixteenth camp". The camps were very distant from one another and the residents could not interact easily (Lapiso, 1991, p.253).

The residences of the factory workers in the town were designed in a way that reflected racial and hierarchical discrimination among the workers and the management. They were named as *Shibogibbi* (barbed wire fenced quarter), *Birchiqosefer* (glass quarter), *Shekilasefer* (bricks quarter), *Simintosefer* (cement quarter), *Qorqorrosefer* (iron sheet quarter), *KurazSefer* (quarter without electric light) and *Joniyasefer* (sack quarter)⁶.

The residences were also arranged according to the status of the workers in the factory. The *shibogibbi* which was reserved for the Dutch citizens was the first rank residence that put a notice on the main gate "blacks and dogs do not allow!" This quarter had all the facilities and recreation centers including club, swimming pool, ground tennis court, and cinema hall served for the whites. Only, Ethiopians who were employed in the homes of the Dutch as a babysitter, kitchen maid or a garden boy could enter this surrounding as they had a pass. The quarter which was the second in rank was the *birchiqosefer*. This one was assigned for the Asians, mainly the Indians and Armenians. The third in rank was the Cement quarter for educated Ethiopians and technical factory workers. Besides these three quarters, the rest of the residences were allocated for the ordinary workers of different sections including the constructions. The houses in these residences were constructed from wood and mud roofed with asbestos. These quarters were characterized by the prevalence of open ditches to discharge wastes called *arjin*, poisonous liquid wastes released from the three departments of the factory. These departments also produced different types of wastes which are harmful gases emitted into the air, such as pungent smell from the mill houses. The other common waste material

⁶Almaz and Tefera, Present the case of HVA in Ethiopia, AIMIRO ETHIO-chapter, you Tube-March, 9 and 10, 2013, <https://fluoridealert.org/news/ethiopia-victims-of-wonji-sugar-factories-launch-web-site/>

was the molasses which was poured on the street that produced odd smell and nurtured flies. Because of such wastes, the company brought about six different types of health problems and accidents to the residents of the three towns that were hosting the factories. It is said that 'these communities were vulnerable because they were perceived weak and passive citizens who will not fight back against the poisoning of their environment in fear that it may jeopardized their jobs and economic survival'⁷.

Some of the health problems and accidents were caused by the dust, gasses and smokes discharged from the factories. They affected many people's lung and respiratory tract and resulted in asthma, chronic obstructive pulmonary disease, cardiovascular disease and lung cancer. Besides that, the drinking water was heavily polluted by the hazardous wastes discharged from the factories. The company also neglected the defluoridation effect of the drinking water. As it is known, the excessive fluoride in a drinking water causes dental and skeletal fluorosis. The water from the Awash River has less amount of fluoride content, below 2 milligram per a litter in contrast to ground water which contains above 8 milligram per liter. The latter was supplied for the town dwellers that could not get water from the Awash as it is found far from the area. Even if it is not convincing, it is said that the Dutch discovered the presence of florid in the water in 1962 when a Dutch child who visited Holland was found to be ingested by excessive florines. Up to that time no one knows that the water was affecting the health of the residents. But the Dutch never exposed the information to the non-European residents. The Ethiopians continued to consume the same water but the Dutch planted two purifying machines in their quarter⁸. It is also said that they provided water from Addis Ababa for the Dutch citizens for the five years even before the planting of the machine.

Nevertheless, the majority of the Ethiopians were exposed to skeletal fluorosis. A current study by medical professionals shows that of those who consumed the water for ten years, 70.3 % of them, were found to be victims of skeletal fluorosis. Children were also affected by tooth decay. To sum up, it has been reported that chronic fluoride toxicity caused weight loss, dental and skeletal changes, low blood calcium (hypocalcemia), excess blood potassium (hyperkalemia) which affect the spine, cerebral impairment, and damages soft tissues. The report also added that excess consumption of fluoride lead to cancer, osteoporosis, neurological and cerebrovascular effects. There was also noise pollution due to the power looms. The other health related problem was asbestos which was widely used for different purposes. It was extremely aerodynamic and could cause shortness of birth and pain in the lower back (Genene and Redda, 1997, pp. 160-167).

Access to medical treatment was also provided in a highly discriminatory manner. The hospital building was compartmentalized into different floors on which each race was given separate services. The upper floor was reserved for the Dutch citizens, the middle floor was for the Asians, and the ground was for the local Ethiopians. The difference was also shown on the nature of the medical services. The Ethiopians had to pass through series of ups and downs to get admission paper to be treated. To visit the hospital, they have to be given the paper from their supervisor both in the case of their

⁷*Ibid.*

⁸*Ibid.*

own problem or that of their family. They could visit only a dresser or a nurse who give them only primary services. Mostly, they were given aspirin for almost all types of illness without proper diagnosis (Almaz, 2003). Possibly, that is why the informants and some of the attendants who are mentioned below were people with such chronic disability.

The present researcher made interviews on January 2019 with individuals who were walking on crutches and wheel chairs and with bended backbones that are living in the town of Wonji. The informants told the researcher that there are a number of men and women workers on the plantation who are still alive but could not walk even through the help of crutches and wheel chairs but spent most of their time in bed or sitting on a chair in their home or compound. Because of that, they could move only from bed to toilet or to the outdoor. It is also noticed that most of the women above certain age developed bended backbone, bended or immobile legs, non-functioning arms as well as fallen teeth. Such case was observed during a funeral ceremony of one of the plantation workers. The majority of the workers with such disability who appeared at the funeral were women. As to the information found out from the attendants of the ceremony, the men with similar age already died because of the severity of the problem or could not move with the help of crutches and wheelchair. Also, the informants asserted that most of the plantation workers and even the factory workers are still facing similar health problem in their late age or before their retirement from the plantation or from the factory. Although most of them could not clearly tell the cause of their disability, they associated it with their working environment and living areas in one form or another including the drinking water, particularly before the introduction of water treatment chemicals.

The company had thousands of Dutch workers who were living in the residence area reserved for them. They were encouraged to come with their families or partners so that they should not have sexual relations with the Ethiopians. However, about a thousand of them did not have female partners. Then, they employed a number of young Ethiopian women as kitchen maids, baby sitters, cleaners and the like. Most of them began to have love affairs either openly or in secret with these Ethiopian women. In fact, majority of them did not want to have a child from them. However, large number of the domestic servants, unfortunately, began to give birth for half caste children who were not recognized by their Dutch fathers. As a result, the children who were born mainly from domestic servants were subjected to chronic poverty, social alienation and other related crisis. Most of them could not be sent to a school because of the poverty of their mothers. Sometimes, they were brought up in rural villages where there were no schools and were identified as "*ferenjis*" as well as "*diqala*" "bastards". In case, those children were sent to schools particularly after they had become young adults, the students mocked at them saying that "*yegterferenj*" (Whiteman of the rural area) (Daniel, 2005).

Nevertheless, surprisingly, the company rarely apologized for any of the damage it caused to the people of the area. One of the managers of the company reacted to the accusation of an activist and victim fluorosis. In this case, he claimed that after it was noticed, the company instantly took measures by creating separate water distribution points where special bone-filters were used to produce low-fluoride water or so called 'children's water' so that everybody could collect water. Regarding the segregation and discrimination in the residential areas, the company denied that white and black people were not segregated but there were two areas of which one for labourers (all black) and

the other one for staff where white and black lived together and sharing similar facilities. Moreover, the company reacted that the air pollution from sugar factory was very less compared to other industries like steel, chemicals, etc. Anti-pollution measures were taken as it was common practice and valid for west European plants in those days. The manager also added that no asbestos was used for houses to his knowledge. Finally, he concluded that “All in all the living conditions within the factory premises were undoubtedly much better than outside in the villages. For sure, industrialization also has its other side, just as in Western Europe. However, in our opinion, it is on a comparable scale in Ethiopia- not much worse and not much better” (Almaz, 2003).

4. Conclusion

Multinational companies did not fully terminate their deal with the African countries even after they found nominal political independence. Post independent governments of African countries invited multinational companies from abroad promising to provide them with excess land, infrastructures and cheap labour. These governments planned to earn foreign exchange at the expense of their people. They told their people that the companies create employment opportunity. They gave deaf ear to the appeal of the people who were losing their ancestral lands, facing the destruction and pollution of their environment, experiencing health problems which were caused because of the poisonous wastes discharged from the factories, suffering bad working conditions and substandard wages. In a similar manner, the imperial government of Ethiopia, which was reinstated after the withdrawal of Italy, praised the HVA while it caused all the aforementioned destructions to the people of the country. The imperial government reacted positively for none of the misery of the Ethiopians who were suffering the consequences by the HVA in one form or another.

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