

Title

Development by dispossession in Ethiopia: The Contribution of Sugar Mega-Project to the development of Afar Region

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Abstract

Investment objectives in Ethiopia have focused on improving the living conditions of the people living in developing regional states through accelerated socio-economic development. The purpose of this research was to examine the extent to which investment in a sugar mega-project contribute to the development of Afar Regional State in Ethiopia. The study employed both descriptive and explanatory research designs to investigate what happened and the why it happened respectively. Data for this study were collected through qualitative methods which include key informant interviews, observation, focus group discussions and document analysis. Ninety six participants were interviewed and six focus group discussions were conducted. The qualitative dataset was thematically analyzed through inductive identification of themes (where themes and categories emerge from the data gathered through different tools). Moreover, seventeen documents and several reports of the factory were analyzed. The central argument of this study is that investment in sugar project in Afar Regional State has not achieved its intended purpose due to internal and external factors. Instead, the establishment of sugar mega project in Afar Regional State led to pastoralists and agro-pastoralists being evicted from their farms and pasture lands in order to give land to the sugar factory infrastructure. Continuous interruptions (and the eventual cessation of) production, led to worsened living and socio-economic conditions of the local communities. Despite a wealth of natural resources, one of the most prosperous regional states in Ethiopia remains significantly underdeveloped. The researcher recommended that the federal government has to conduct social and environmental analysis before establishing mega projects and investment in Afar Regional State should focus on pastoralist way of life to improve the living conditions of local communities.

Key words

Afar, development, dispossession, Ethiopia, mega-project, sugar

Key dates

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Introduction

Public investment in Ethiopia has been considered as a potential tool to create jobs and lay the foundation for renewed and sustained growth by fostering socio-economic development of Ethiopia's regional states. Based on the argument that well-designed and implemented investments for zero-hunger will increase the productivity and incomes of small-scale producers by offering income-enhancing opportunities to the poor, thereby increasing growth and employment opportunities (FAO, WFP, 2015), the Government of Ethiopia (GoE) introduced Investment Proclamation No.280/ 2002 which underscored that Ethiopia's investment objectives should improve living standards through sustainable economic and social development. This paper examines the pursuit of these socio-economic objectives in Ethiopia's Afar Regional State by investigating the outcome of opportunities brought by Tendaho Sugar Factory (mega-project). This paper sheds light on the investment potential of Afar Region, the Establishment of Tendaho Sugar Project, the benefits brought by the factory and the challenges experienced by Tendaho Sugar Factory.

Background

The peripheral areas of Ethiopia (Afar, Somali, Gambela and Benishangul-Gumuz regional states) are victims of marginalization, the process which started since the time of modern state formation in Ethiopia (Haileyesus, 2014). The GoE established mega-projects in regional states with the aim of enhancing the national economy in general and improving the socio-economic conditions of the people living in the regional states. It was believed that accelerating the development of the above Developing Regional States is the only option to enable them to catch up other regional states.

The sugar mega-project established in Afar Regional State was supposed to improve the socio-economic conditions of pastoral and agro-pastoral communities. However, there are arguments indicating that Afar Regional State is yet relegated to the waiting room of development. For instance, Herrie (2008) contended that change that could benefit the majority of the Afar is not yet achieved. Similarly, the report of Ministry of Finance and Economic Development (MoFED) (2012) revealed out that the regional poverty headcount indices of the 2010/2011 fiscal year showed that the poverty rate of the Afar Regional State was the highest (36.1%) when compared with other Developing Regional States. Moreover, according to GTZ (2015), the Afar Regional State is one of the least developed of the nine (now ten) regions within Ethiopia.

Sultan Hanfare Ali-Mirah, the last traditional leader of Afars, criticized the current policy referring to the implementation of an extensive state irrigation and monopolization of natural resources which he considered as a big threat to the nomadic Afar. To show Afar's opposition to displacement from

ancestral lands, he asserted that their ancestors "*had died and killed for the land*" (Khaled, 2011). On the other hand, article 41 of the 2002 Revised Constitution of Afar Regional State stipulated that residents of the regional state have the right to improve their living standards and to sustainable development; to be consulted with respect to policies and projects affecting their community and the basic aim of development activities shall be to enhance the development of the residents of the regional state and to meet their basic needs.

Research methodology

This study applied descriptive and explanatory research designs to investigate what happened (descriptive) and the why it happened (analytical) aspect of the problem being researched. The study also employed qualitative research methods to generate detail and appropriate information helpful to understand the perspectives of the various categories of people regarding the research topic. Purposive and snowballing sampling technique was employed to get knowledgeable participants voluntary to discuss about the issue to be researched. As suggested by Marshall and Rossman (2016), this technique helped the researcher in removing worthless answers and gaining comprehensive and practical viewpoints.

Data for this study was gathered through in-depth interviews, focus group discussions, personal observation and document analysis. Generally, ninety-six participants were interviewed from federal Sugar Corporation, Afar Regional Bureaus, Zonal and Woreda/district levels Offices, civil servants, community members as well as Tendaho Sugar factory top, middle, lower level managers and workers have participated in the interviews and focus group discussions. Interview schedules comprised of open-ended questions and the schedule was communicated to participants and this helped to avoid emotional and psychological harm. Interview was conducted through Amharic language which was later interpreted in to English and the data obtained was thematically analyzed. Clarification was given whenever some terms in the questions appeared to be ambiguous. During interviewing respondents were given better room to explain what they might feel and the researcher took notes on any non-verbal actions or expressions in order to better understand the views of respondents and to conceptualize their argument with the way they express the issue they are requested to describe.

The researcher also conducted six focus group discussions with the various categories of people mentioned above purposefully selected from the regional capital, Tendaho Sugar Factory and in the selected Woredas. Discussions were made in safe places where participants feel comfortable. The flexibility inherent to this method has allowed the researcher to ask questions with the intension of inviting discussants to explain the issue at length. Discussants were encouraged to express their own ideas and to respond to other members which helped the researcher to gain an in-depth

understanding of problems related to investment in sugar project in the region.

The researcher's personal observation in the regional state, Woredas and the sugar factory was an important source of primary data. The researcher visited the factory and the farm where it grew sugarcane four times from January 2018 to December 2020. During the field visit, the researcher got the opportunity to directly contact with different groups of people, watch what is going on (activities inside the factory, sugarcane farms, as well as sugarcane out grower households) and to listen what managers and workers of the factory, agro-pastoralists and local government officials have been saying regarding the sugar project in the region. Moreover, seventeen documents and several reports of the factory were analyzed. Documents like production manuals, rules and regulations of the factory, memorandum of understandings signed between the factory with different stakeholders, evaluations have enabled the researcher to get information which complement the data gathered through other tools.

Many ethical considerations were taken into account such as Addis Ababa University's approval for the study. The university wrote supporting letter which the researcher presented it to the president office of Afar regional state. The office in turn wrote letters to regional bureaus, Zone administrator and Tendaho sugar factory. The Zone administrator communicated it with Woreda offices and clan leaders through whose support the researcher got the consent of participants. As promoted by Khupe and Keane (2017), the researcher noticed regional cultural norms such as observing days set aside for meetings with traditional leaders, appropriate communication channels and time frames. With respect to Ubuntu's principles, no participant of the study was subject to fraud, harm, disrespect or unfairness. After debriefing and reviewing the informed consent document, every study participant was interviewed independently. Focus group discussions were conducted with due consideration of the participants choices of place, time and conditions.

Literature review

The investment potential of Afar Regional State

Investment objectives in Ethiopia's revised Investment Proclamation No. 769/2012 are designed to improve the living standards of the peoples of Ethiopia through the realization of sustainable economic and social development. According to the 2004 Revised Investment proclamation of Afar Regional State, the objectives of investment in the region are to improve the social services and encourage the economic development of the regional state; to encourage investors to use the natural resources; to expand income sources of the region and to create wide employment opportunities for the people (ANRS, 2004).

The literature also cites Afar's significant natural resource base highlighting water, mineral salt, potash, gypsum, manganese, marble and sulfur as examples (FAO and Tufts University, 2019). Similarly, the Afar National Regional State Rural Land Administration and Use Policy Document (2008) mentioned that the regional state has a large size land endowed with natural resources. Despite this wide resource base, neither the land nor the other natural resources have been used in a manner that would support the interests of future generations (Ibid). This idea is substantiated by the information obtained from the participants of the interviews and focus group discussants. They explained that Afar Regional State is rich in natural resources such as vast arable land and animals as well as tourist attractive areas which could encourage investment in the region. However, investment activities have not been properly carried out to make use of the existing abundant resources in the region and in a way that could benefit the pastoralist community. To date, investment activities have not capitalized on these opportunities or benefitted the pastoralist community.

Although an estimated 90% of the population of Afar is pastoralist, most of the development investment projects in the region have been made in sectors that are marginal to pastoralism (Helland, 2015). According to Sewagegnehu (2018) the federal government lacked minds to predict the potential risks when selecting the project and the feasibility study of the project was only for formality which evolved vicious circle of problems. Local marginalization still continued but the GoE planned to privatize sugar projects following the 2018 political transition (Yidnekachew, etal, 2022).

Feedback from communities in the region also indicated that the more minimal contribution made by the investment sector to Afar's economic development is partly related to the lack of emphasis given to the investment sector by the regional state government. Business owners in the region explained that the institutional structure adjustments have not been made to capacitate investment activities in the region. Before 2017, the unit responsible to coordinate investment activities in Afar Regional State had the status of 'Investment Core Process', a structure below the status of Office (with low manpower and budget funding). This unit was promoted to the status of 'Investment Office' in 2017 and this office was again promoted to the status of 'Investment Commission' in 2019. This implies that investment activities in the regional state have not been properly coordinated to date so as to enable the sector support the economic development of the regional state (Interview with regional official, February 2019).

The establishment of the Tendaho Sugar Factory

According to the report of the Global Agricultural Information Network (GAIN, 2019), Ethiopia has become dependent on imported sugar to meet domestic demand since 1993. The vision of the Ethiopian Sugar Corporation is to become one of the world's top ten sugar producing countries by 2020 through consistent development endeavors

(Mengistu, et al., 2016). This indicates that sugar projects are among the various investment sectors where the government of Ethiopia has invested huge capital. Tendaho Sugar Factory is one of the government projects established in the Lower Awash River Basin with this intension. The factory was established by the Council of Ministers Regulations No.122/2006 as a public enterprise.

The Tendaho sugar factory's vision is to play a leading role for the national economic development by producing environmental friendly sugar and sugar-products. The mission of the factory includes cultivating sugarcane on 50,000 hectares of land and building sugar and ethanol producing factories; supplying quality sugar to the beneficiaries and the sources of renewable energy (ethanol and electric power) and ensuring the benefits of the local community from the development project.

The factory was established in Assaita Woreda and its head office is in Assaita town. A senior manager and head of one department of the factory explained that the factory was established with 5.5 billion Birr - capital obtained from a government of India loan. According to the factory records, the stakeholders involved in the establishment of the factory including an Indian company, Overseas Infrastructure Alliance (OIA) - the main contractor, an Indian, Associates Private Limited (JPMA), specializing in engineering and consultancy services, the Ethiopian Ministry of Water Resources, the Ethiopian Water Works Construction Authority and Ethiopian Water Works Design and Supervision Enterprise carried out the land preparation, dam construction and irrigation structures. The Ethiopian Ministry of Urban Development and Construction constructed houses for the leaders and workers of the factory.

As one of the top managers of the factory reflected, unlike the technologies of older sugar factories in Ethiopia which began with analogue systems, Tendaho Sugar Factory, the largest sugar plant in the country started with digital systems. When the factory reached its full production capacity during the first phase operations, it has the potential to crush 13,000 tons of sugarcane per day to produce 1,300 quintals of sugar per day. He further mentioned that, during the second phase of its production, it is projected that the factory would have the capacity to crush 26, 000 tons of sugarcane and produce about 100,000 tons of sugar per year. He explained that, the factory would also generate 60 megawatts of electricity at full operation.

Tendaho Dam has the capacity to hold 1.86 billion meters cubed of water which could develop 60,000 hectares of land. The factory had planned to cultivate sugarcane on 50,000 hectares of land (the first half in the first phase and the remaining half in the second phase) and to use the remaining 10,000 hectares of land for fodder development for the animals of pastoralists. The plan was to develop half of the land in Assaita Woreda and the other half in Dubti Woreda. But agro-pastoralists in Assaita Woreda decided not to give their land to the factory which as a result the factory was

forced to readjust its plan of growing sugarcane only in Dubti Woreda according to conditions.

Tendaho Sugar Factory started to grow sugarcane in Dubti Woreda on the land which was owned by the former Tendaho Large-Scale Commercial Cotton Plantation Enterprise. Factory records indicated that land preparation tasks started in 2008 and in the same year, it planted the first seed cane. The size of the land covered by sugarcane grew to reach 21,191.9 hectares in 2015. While the first sugarcane matured in 2010, the factory could not produce sugar because the ripening pace of the sugarcane outstripped the pace of the factory completion. Feedback suggested that, whereas alternative production measures were sought, these measures were only able to cover the payment of casual workers employed to cut the sugarcane.

The role of Tendaho Sugar Factory has to be viewed from the federal government's aim of expanding sugar projects in the country. For instance according to Yidnekachew, etal (2022), the establishment and expansion of the sugar industry is one of the largest and most significant modernization projects in the Ethiopian lowlands. They further mentioned that the federal government through its projects aimed at creating *"development corridors to extract resources from river basins and irrigable lowlands, in order to generate economic opportunities for a Young and growing population and achieve a structural transformation of the economy"* (Yidnekachew, etal, 2022: 435). Similarly, Sewagegnehu (2018), explained that the GoE rushed to establish several projects to realize its big hope of solving the long lasting sugar problem in the country and become a sugar exporter. Moreover, one of the missions of Tendaho sugar development project is to ensure the benefits of the local communities from the development project.

Participants of the interview and focus group discussants explained that the local communities were promised that the project will help to transform their lives. Pastoralists were convinced that they will be benefitted if they grow sugarcane on their farm and supply it to the factory. Accordingly, 1,667 agro-pastoralists were organized into 16 sugarcane outgrowing cooperative associations to cultivate sugarcane and to supply to the sugar factory. The land use tax that the regional state could collect from the factory was expected to accelerate the socio-economic development of the regional state in general and to the members of the local community in particular. As discussed below, the factory promised to create huge employment opportunities for the sons and daughters of the local communities. Therefore, the sugar project was expected to enhance national and regional development.

Results

The research results revealed that that the establishment of Tendaho Sugar Development in Afar Regional State did not achieve its intended purpose. Agro-pastoralists were displaced from their land for the infrastructure establishments

of the factory and farms where the factory grew sugarcane. The factory did not fulfill its promises to the regional state the local communities. It has been unable to pay land use tax to the regional state, the employment opportunities it created during its initial phase deteriorated as the factory ceased to produce sugar. The lives of agro-pastoralists who lost their land became worsened. Regarding this issue, Wayessa (2022:16) mentioned that *“displaced people who were assured a better future have been left dispossessed and offered none of the better opportunities and services they were promised”*.

DISCUSSION

Benefits brought by the Tendaho sugar factory project

Source of income and employment opportunities

Focus group participants explained that both federal and regional leaders had promoted false narratives on the benefits of the sugar factory to the economic development of the regional state and to improvements to the lives of local communities. Thus, the factory was expected to generate income to the regional state, employees of the factory and sugarcane out-growers as well as to create employment opportunities to members of the local communities. Accordingly, Tendaho sugar factory had to pay 11 million Birr land use tax per year. However, one departmental factory head confirmed that, in 2017, only 5 million Birr land use tax was paid. It was also confirmed that penalties for non-payment amounting to 85,054,211 Birr for the years 2010-2016 had also not been paid. Letters from the regional revenue bureau confirmed that the factory has been requested to pay the land use taxes. At the time of writing this paper, the factory has ceased to function and the issue of outstanding payments remains unresolved.

Factory personnel, pastoralists who were growing sugarcane for the factory and other crops around the factory, elders and Afar community leaders at different levels all agreed that the factory had been a source of income for its employees. They confirmed that the factory has been paying 36,000,000 Birr to its workers every month and that the regional state has been collecting approximately 2 million Birr in income taxes from factory workers. The local economy had also benefitted as factory workers would spend their salaries on hotels, food and other services provided in towns.

Provision of community servicing

Managers of the factory believed that the establishment of the factory in Afar Regional State has numerous advantages to the community. They explained that the establishment of Tendaho Sugar Factory in Afar Regional State by itself which had never been thought of could contribute to the development of the regional state. In addition to growing sugar cane at Tendaho, currently, the factory is also cultivating wheat on 700 hectares of land which can be used as a model to the pastoralists (motivate pastoralists to engage in agriculture).

The shared agreement among the different level managers of the factory interviewed during the field visit was that the factory has been discharging different social responsibilities to the local communities. Currently the factory cultivated only 21, 192 hectares of land and the factory distributed the remaining land and the excess water to the local communities allowing them, use the land until the factory start its second phase of production. Moreover, the factory has been supporting the local community by clearing land, preparing farm, providing machinery and sometimes by ploughing their farm using its tractors. Moreover, villagers attested that they have been getting education and health services from the institutions established by the factory for its workers and their families. They further maintained that the factory had planned to sell sugar to the local community only at production cost. However, the local community has been unable to get these benefits with the passage of time because the factory's production process was interrupting at different times until it totally stop functioning in May 2019.

Challenges experienced by Tendaho sugar project

Internal challenges

Feedback from participants of interviews and focus group discussions highlighted the threats to the factory's functioning caused by the installation of old, unreliable machines. Production was soon interrupted due to damaged machinery which continued in cycles. Interview feedback indicated that the factory operated without interruption only for three consecutive months (February-April- 2017) and, by May 2019, after only working at half capacity, stopped operating altogether.

Factory data also exposed a high employee turnover rate because the factory has not been properly functioning without interruption. Until 2017, the factory has created employment opportunities for a total of 17,065 workers. However, the number of these workers decreased over time (in 2018 to 15,607, in 2019 to 10,923, and in 2019 to 10,434). Out of the remaining employees, and based on the qualifications required for mid-senior roles in the factory, only 60% were from Afar. The Afar tended to hold the lower paid jobs such as guard, operator, office runner and site coordinator roles. High turnover rate of management also caused significant disruptions to productivity. One senior manager disclosed the fact that eight managers had been appointed since the establishment of the factory and that four of the managers were still in prison due to mismanagement of resources and corruption cases.

The interruption in the functioning of the factory had combined with both the deterioration of the pasture and climate change to significantly impact job security for Afar young which, in the past, had been supported by the animal resources held by pastoralist groups. Generally speaking, all categories of respondents felt that the factory had produced more adverse effects than benefits. One respondent argued that the project was meant to make use of the fertile land to enhance the national economy and not to benefit the Afar

people. He stated that the government didn't conduct appropriate social and environmental analyses before the establishment of the factory and that pastoralists had been evicted from their farm lands where they were producing crops two times a year. The pasture land upon which the lives of animals sustained has been taken by the factory, which worsened the living conditions of pastoralists due to the gradual loss of their animal resources, and without any support given to those pastoralists evicted from their land. Other respondents noted that, despite pastoralists in Afar being important sources of livestock and highland crop cultivators it was paradoxical that these groups now drank the milk in the Semera-Logia towns brought from Amhara agriculturalists.

Initial opposition to the establishment of the factory had been rooted in the regional government's prioritization of federal objectives with little consideration of regional impact. Some respondents spoke of lobbying and coercive measures used to convince some regional leaders initially opposing the idea. Respondents also claimed to have been misled after efforts were made to convince them that the benefits of the factory would greatly outweigh the costs of being evicted from their land which was not the case. One academician at Semera University described the evictions as unconstitutional through Art 42(2) of the 2002 Revised Constitution of Afar Regional which states that displaced individuals or people whose lives are impacted by state projects have the right to get sufficient support, to be transferred to other places and commensurable payments.

High rates of absenteeism also impacted on the factory's working culture which subsequently affected performance. Feedback from factory employees indicated that workers sometimes remained absent for a month or more without the knowledge of their immediate boss. Factory managers indicated that such workers often produced letters of support from different offices and health institutions regarding their absence. Not only managers at different levels but also workers of the factory underlined that poor working culture has been one of the serious problems of the factory. One senior technician of the factory claimed that workers could disappear for months, but that the factory could not exercise disciplinary actions due to improper intervention of regional leaders. According to senior employees of the factory, any manager who tried to take disciplinary measure would be held personally accountable and accused in courts of being guilty of harassment.

The factory working culture was also characterized by a lack of motivation due to absence of incentives and rewards, absence of proper supervision and encouragement as well as a constant fear of job termination due to ongoing disruptions in operations. A high turnover rate was particularly prevalent amongst skilled employees, such as senior electricians. One factory manager confirmed that, after only a few months of being employed, many electricians had left the factory to take up higher paying positions elsewhere. Their inability to exercise control over their teams also contributed to this high turnover.

Efforts were made to address the high turnover rate by introducing higher education in relevant fields like forestry. According to one instructor of Semera University, cognizant of the existing lack of professional manpower, the university established Sugar Plant Science Department in 2012 with 42 students to produce graduates who could fill professional human resource gaps in Tendaho Sugar Factory and to conduct research in the area of sugar development. Until 2015 four cohorts with a total number of 195 students had graduated from the department. However, delays and disruptions to the factory's operations rendered it unable to create employment opportunities for knowledgeable and skilled professionals. In 2017, this led the department to review its curriculum and change the programme to a more general "Plant Science" focus.

The other internal factor challenging the performance of Tendaho Sugar Factory was the distance between the farm where the sugarcane grew and the factory where sugar was produced, which limited the amount of daily sugarcane that could be brought to the factory. Feedback indicated that the minimum and the maximum distance between the farms and the factory was 7 and 70 kilometers respectively. They further elaborated that, in one shift (8 eight hours) a tractor can transport sugarcane only twice from the nearest farm and only once from distant farms. Therefore, given the poor transportation facility of the factory, even if the machinery of the factory had functioned properly, it would have been impossible to transport 13,000 tons of sugarcane from the farm to the factory per day. One factory employee stated that: "once cut, the sugarcane had to reach the factory within 24 hours. However, due to lack of transportation service, the sugarcane often reached the factory after three or four days, dried and lost its sucrose."

External challenges

The establishment of mega projects like Tendaho Sugar Factory requires a thorough prior analysis, which could have foreseen the regular disruptions in operations and the eventual cessation of the factory functioning. However, Tendaho sugar factory began trial production in an effort to gain political capital in the lead up to the November 2015 elections, while the construction work was still under way. One of the factory department head associated the ineffectiveness of Tendaho Sugar Factory with the haphazard and hasty decisions of the federal government to launch several sugar mega projects at a time. He further asserted that a thorough look at of the vision of the Ethiopian Sugar Corporation which came into being in October 2010 by the Council of Ministers Regulation No 192/2010: "Ensuring sustainable growth, becoming one of the ten competitive sugar producing countries of the world in 2023", accounted for the country's rush to establish huge projects without conducting clear feasibility studies.

Another external challenge which forced the factory to sustain with its problems is the role of the Ethiopian Sugar Corporation. According to one senior foreman, the

corporation focused on changing managers instead of trying to solve the fundamental challenges like investigating the condition of the machinery and creating conducive and collegial working environments by raising awareness of the factory's operations among regional leaders and the local communities.

The majority of regional administration leaders had opposed when the federal government consulted on the need for and the scope of the intended projects. The factory managers underscored that the establishment of Tendaho Sugar Factory became inevitable because the federal government managed to convince the few regional leaders who were dominating regional politics at the time. Through lobbying efforts and coercion, regional leaders at different levels were forced to accept the decision of the federal government. However, with the passage of time, most of the regional leaders developed negative outlook on the impact of the factory in the region.

Focus group feedback also indicated that the same dominant regional leaders also intervened in the factory's functioning which resulted in numerous workers being on the payroll without working. They explained that more than 700 workers were appointed at a time before the factory start to work just to fulfill the interests of regional leaders. Regional leaders routinely wrote letters supporting the appointment of certain individuals without expecting them to experience a competitive hiring process. An example of a supportive letter addressed to Tendaho Sugar Factory requesting the appointment of an individual to a status of "coordinator" was shared with the researcher.

The view held by pastoralist groups towards the factory and its impact on the pastoralists' life continued to be a strain on community relations. At times, pastoralists would send their cattle to consume cane seedlings as earlier growth of the sugar cane was softer than the more matured growth which could pierce the cattle's tongue. When the factory accused pastoralists of deliberately sending their cattle to the farms, the responses from leaders was unfriendly and questioned the contribution that the factory made to the pastoralist groups. When the regional leaders observed the continuous disruptions in the factory's ten years of operations, it gave back land to the pastoralists which had been promised to the factory for its later phase operations. This view also developed based on the belief of regional leaders that a factory which did not properly produce sugar would create discontent among the local community and clan leaders.

The other external challenge to Tendaho Sugar came from agro-pastoralists evicted from their farms and pasturelands. Pastoralists interviewed during the field visit confirmed that the sugar cane plantation in the Lower Awash Basin has affected the dry season grazing area, which decreased the size of their livestock and they also lost the chance of producing crops. The factory had promised to bring so many good fortunes for the local community like preparing pasture land for their animals, providing employment opportunities for their children and to pay compensation for the land it took. However, the factory failed to fulfill its promise. The voice

of one pastoralist read as *"they took our land through lobbying and promises of a better future which could not be materialized."*

During the late Prime Minister, Meles Zenawi's visit of the Tendaho Dam and Irrigation Project in 2010, clan leaders and community elders voiced that the sugar factory has been adversely affecting the lives of the local communities in many ways. Agro-pastoralists lost the fertile soil of the Awash Valley where they were producing crops and cultivating vegetables. They reported that they lost not only their pasture and cultivable land to the factory but the canal dug for irrigation purpose also restricted movement of pastoralists and their animals. Moreover, clan elders stated that drought resistant trees which had grown along the Awash River basin, and which were used for animal feeding, were cut down to clear land for the sugar project.

Members of the local community reported that agro-pastoralists were organized into 16 sugarcane outgrowing associations in 2014. These associations made an agreement to grow sugarcane and supply it to the factory. According to sugarcane out growers, they made such agreement because the leaders of the regional state told them that they would benefit if they produced sugarcane and supplied it to the factory. They further explained that, although in 2015 the association supplied the factory sugarcane grown on 60 hectares of their land with the expectation that the factory will pay (12,000 Birr/ hectare of sugarcane/year). But the factory did not pay them which led, for many families, to starvation and malnourishment.

Recommendations

Based on the findings of the research the following recommendations are recommended:

- The Federal government is recommended to conduct social and environmental analysis to have prior information regarding the challenges and opportunities of establishing mega-projects.
- Investment in Afar Regional State in general and the Lower Awash Valley in particular has to focus on sectors related to the lives of agro-pastoral and pastoral communities such as cotton production, cultivation of vegetables, dairy products, meat processing and leather processing plant if investment in the region has to improve the living conditions of the local community.
- Federal and Regional level governments should consult with the local community whose lives would be affected by the newly established project to create awareness, develop sense of belongingness and make them part of the solution.
- The government of Afar Regional State has to structurally promote and empower the regional sector discharging the responsibility of coordinating investment activities in the region, fill it with the required manpower and allocate appropriate

funding to enable it properly follow up and support investment activities in the region.

Conclusion

The federal sugar project which was trusted to bring about economic development for the country in general and the Afar Regional State in particular did not achieve its intended purpose. Let alone improving, it changed the lives of the local communities from bad to worse. The establishment of the sugar factory in Afar Regional State negatively altered the living conditions of, and disadvantaged, pastoral and agro-pastoralist communities in two ways. Their eviction from their farm and grazing lands prevented them from producing crops and rearing animals over the irrigable lands in the lower Valley of Awash River. The living condition of Sugarcane out-growers was seriously affected. This notwithstanding, the factory failed to properly function and was unable to receive the sugarcane from the out-growers. As a result, the sugarcane dried on the farm and denied community members the opportunity to use their land for other purposes. The Afar Regional State couldn't collect tax revenue from the factory due to operational interruptions. After it ceased operations in May 2019, pastoralists' cattle took over the farmland and damaged the sugarcane.

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