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RESEARCH ARTICLE

‘We built Ethiopia by replacing the expatriates’: how Gurage entrepreneurs shaped the national economy and political culture in post-liberation Ethiopia (1941–74)

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Abstract

Once considered an underclass, Gurage people have emerged as Ethiopia’s quintessential entrepreneurial class over the last seven decades. Studies on entrepreneurialism often focus on factors contributing to entrepreneurial success, such as ethnicity. The Gurage case study rethinks entrepreneurialism as nation making, demonstrating how Gurage entrepreneurialism was essential to the formation of Ethiopia’s modern economy and nation state in the twentieth century. The success of Gurage entrepreneurialism partly depended on support from the Ethiopian imperial state. The principal argument developed here is that Gurage entrepreneurs’ struggle against the ‘expatriate’ domination of Ethiopia’s capitalist commerce came to be constituted as a struggle for national economic independence, which was central to the nation-making project in this post-liberation period. In the process, Gurage transformed their own previous marginalization and denigration as ‘foreigners’ to become quintessential Ethiopian nation builders. It is a story about Gurage entrepreneurialism’s input into the Ethiopian nation-building project, one that contributes to larger theoretical discussions about entrepreneurialism, nation making, the state–market nexus and threats of foreign dominance in African markets.

Résumé

Autrefois considérés comme une classe marginale, les Gurage sont devenus la classe entrepreneuriale par excellence en Éthiopie au cours des sept dernières décennies. Les études sur l’entrepreneuriat se concentrent souvent sur les facteurs contribuant à la réussite entrepreneuriale, comme l’ethnicité. L’étude de cas des Gurage repense l’entrepreneuriat comme créateur de nation, en démontrant le rôle essentiel de l’entrepreneuriat des Gurage dans la formation de l’économie moderne et de l’État-nation de l’Éthiopie au XXe siècle. Le succès de l’entrepreneuriat des Gurage dépendait en partie du soutien de l’État impérial éthiopien. Le principal argument développé ici est que la lutte des entrepreneurs gurage

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contre la domination des « expatriés » sur le commerce capitaliste éthiopien s'est transformée en une lutte pour l'indépendance économique nationale, qui était au cœur du projet de construction nationale dans cette période post-libération. Ce faisant, les Gurage ont transformé leur propre marginalisation et dénigrement en tant qu'« étrangers » pour devenir la quintessence de la construction de la nation éthiopienne. Il s'agit d'une histoire sur la contribution de l'entrepreneuriat gurage au projet de construction de la nation éthiopienne, qui contribue à des discussions théoriques plus larges sur l'entrepreneuriat, la construction de la nation, le lien entre l'État et le marché, et les menaces de domination étrangère sur les marchés africains.

Resumo

Outrora considerada uma classe subalterna, a população Gurage emergiu como a classe empresarial por excelência da Etiópia nas últimas sete décadas. Os estudos sobre o empreendedorismo centram-se frequentemente em factores que contribuem parao sucesso empresarial, como a etnia. O estudo de caso dos Gurage repensa o empreendedorismo como criação de uma nação, demonstrando como o empreendedorismo dos Gurage foi essencial para a formação da economia moderna e do Estado-nação da Etiópia no século XX. O sucesso do empreendedorismo Gurage dependeu em parte do apoio do Estado imperial etíope. O principal argumento aqui desenvolvido é o de que a luta dos empresários Gurage contra o domínio 'expatriado' do comércio capitalista da Etiópia veio a constituir-se como uma luta pela independência económica nacional, que era central para o projeto de construção da nação neste período pós-libertação. No processo, os Gurage transformaram a sua própria marginalização e difamação anteriores como 'estrangeiros' para se tornarem construtores da nação etíope por excelência. É uma história sobre o contributo do empreendedorismo Gurage para o projeto de construção da nação etíope, que contribui para discussões teóricas mais amplas sobre o empreendedorismo, a construção da nação, o nexo Estado–mercado e as ameaças de domínio estrangeiro nos mercados africanos.

Introduction

Between 1939 and 1949, Kassa Haile was a *listero* (shoeshine boy) who worked outside a factory owned by an Armenian businessman in Addis Ababa. He also worked as a *telalaki* (messenger in Amharic) for the owner. Later, in the 1950s, Kassa became owner-manager of a shoe factory in Addis Ababa, when manufacturing emerged as an important element of Ethiopia's capitalist economy (Bekele 2019). Similarly, Tekka Ageno worked his way up from street vending and currency exchange to owning a large coffee agribusiness, while Rahimeto Muktar started as a *cooli* (porter) at the A. Besse and Co. import/export company before becoming owner of his own import/export and manufacturing businesses.[1] These three trajectories exemplify how, through pre-entrepreneurial activities such as *listero*, street vending and working for expatriate (such as French, British, Indian and Arab) companies, Gurage entrepreneurs such as Kassa, Tekka and Rahimeto contributed to a successful ethnic Gurage entrepreneurialism, using 'a three-legged entrepreneurial scaffolding' that combined individual initiatives, ethnic cultural resources and opportunities

[1] A. Besse and Co. was a French–British firm that had its origins in Aden and operated in Ethiopia with its headquarters in Arada, Addis Ababa. It dominated the export of hides and skins, wax and coffee (Temtime 1995: 38).

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afforded by state policies aimed at Ethiopian businesses and mentorship by expatriates (Nida 2022).

Many interlocutors (Gurage, other Ethiopians and expatriates) told me that Gurage people made Ethiopia's modern economy by first building Addis Ababa and then by taking over the commercial sector from expatriates who dominated the sector at the time. For example, Kassa asserted that 'we built Addis Ababa through our labour and Ethiopia by replacing the expatriates'.[2] Similarly, Rahimeto's nephew explained that, 'unlike lazy *makwanents* [the ruling nobility] … uneducated entrepreneurial Gurage, like my uncle, Molla Maru, Gulelat and others, worked hard to build Ethiopia and pushed out the rich *ferenji* traders who were sucking the blood of our nation'.[3] This article reframes entrepreneurialism as nation making by analysing the dialectical relationship between Gurage entrepreneurialism and Ethiopian state policies between 1941 and 1974. It examines how, with partial state support, Gurage entrepreneurs successfully struggled against and replaced the expatriate businesspeople who had dominated Ethiopia's commercial sector, and how this entrepreneurial struggle against expatriate commercial monopolies translated into a struggle for Ethiopia's economic independence.

This transformation occurred against a backdrop in which Gurage were treated poorly and subjected to exclusions and bigotry by the old nobility and elite both in Gurageland and in urban areas such as Addis Ababa. Gurage had suffered brutal conquest by Menelik II in the nineteenth century, lost their lands, and were made into serfs on their own lands. They were also marginalized and often considered 'dirty' and 'unruly' when they moved to Addis Ababa and other cities and towns, and they began businesses often by doing the 'dirty work' no one else would do. Yet, against all such odds, Gurage people managed to shift their social standing by doing migratory and entrepreneurial works at a moment that coincided with a particular post-Italian mode of Ethiopian nationalism.

This article is part of a larger study that examines how Gurage entrepreneurialism evolved during the second half of the twentieth century. The study is based on ethnographic and archival research conducted in 2002–04 in Ethiopia, involving participant observation and interviews with over sixty entrepreneurs from different backgrounds in different types of business.[4] It investigates what (ethnic) 'entrepreneurialism' meant and represented in post-liberation Ethiopia (1941–74), based on a qualitative analysis of stories related by pioneer, second- and third-generation Gurage entrepreneurs and non-Gurage interlocutors. I collected entrepreneurial narratives (through time-depth interviews) that were constitutive of meaning- and nation-making processes. As Brodkin (2007) has shown with regard to how the children of first-generation immigrants in California construct their 'political selves' through narratives, these Gurage narratives reveal how they crafted their 'entrepreneurial selves' and provide insights into the role their entrepreneurial activities played in the

[2] Interview, Addis Ababa, 17 February 2003.

[3] Interview, Addis Ababa, 12 April 2004. Similar to *muzungu* in Swahili, the term *ferenji* means a 'white' person but also refers to 'non-white' persons of foreign descent, a practice that is still common in Ethiopia. In this article, I use the terms 'foreigners' and 'expatriates' to refer to British, French, Italians, Greeks, Armenians, Indians and Arabs.

[4] In this article, most research participants are anonymized.

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making of contemporary Ethiopia. Analysis of these narratives shows how Gurage entrepreneurialism evolved, interpreting their entrepreneurial journeys and experiences against a changing national socio-political landscape. As a native Gurage who grew up selling used books on the streets of Addis Ababa, subsequently earning a PhD in anthropology and then pursuing an academic career in the USA, I am both a cultural insider and an academic outsider. Formal anthropology training helped me defamiliarize the familiar – that is, Gurage migratory and entrepreneurial stories – while ethnographic training equipped me with what Hurston (2008 [1935]) called 'the spy-glass of anthropology', a lens to distance me from my Gurage entrepreneurial culture as an academic outsider while also examining it 'from a position of intimate affinity' (Narayan 1993: 671). I use this ethnographic lens to juxtapose how Gurage entrepreneurs and non-Gurage Ethiopians and expatriates in Ethiopia view Gurage entrepreneurial experiences.

This article comprises five sections. Sections one and two situate Gurage people in Ethiopia, discuss their pre-entrepreneurial activities, engage relevant key theoretical perspectives in entrepreneurial studies, and invoke research on the state–entrepreneurialism–market nexus to provide comparative contexts for understanding Gurage entrepreneurialism in nation making. Sections three to five examine narratives of nation making, focusing on conventional Ethiopian narratives, and analyse how Gurage ethnic entrepreneurialism became national. Insights are provided into the state's support for Gurage entrepreneurialism and how Gurage entrepreneurialism shaped national political cultures and redefined national dignitary titles, leading to a discussion about the ambivalent relationships that emerged between Gurage entrepreneurs and political elites.

Situating Gurage people and their pre-entrepreneurial activities in Ethiopia, 1890s–1930s

Gurage migration and entrepreneurialism both shaped and were shaped by the Ethiopian imperial state. To contextualize this dialectical relationship between Gurage entrepreneurialism and national identity, I outline Gurage social history and the emergence of Ethiopia's imperial nation state. Gurage are one of Ethiopia's eighty-six ethnic groups. The agrarian Gurage inhabited Gurageland, located about 200 kilometres south and south-west of Addis Ababa. Historically, sedentary agriculture, farming, raising livestock and trade constituted their major economic activities. After their conquest by Menelik II during the second half of the nineteenth century, Gurage added migratory labour and entrepreneurship as salient economic activities. The cultivation of their staple food crop, *Ensete ventricosum*, is still a major part of rural Gurage life.[5] They are adherents of Christianity, Islam and traditional religions (Bonsa 1997; Nida 1991; Shack 1966).

Gurage people do not constitute a homogeneous group. Rather, 'Gurage' refers to a contested, differentiated, changing social space comprising multiple subgroups,[6]

[5] *Ensete ventricosum* (false banana) is the staple food of about 20–30 million Ethiopians, including Gurage, in the country's south-western regions. Shack dubbed these parts 'the ensete complex areas' (1966: 3).

[6] The Silte group established a separate, non-Gurage identity and administration in the 1990s.

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whose internal variations have significant implications for understanding Gurage migrations and entrepreneurialism.[7] Gurage entrepreneurialism is rooted in their migratory experiences, shaped by their subgroups' encounters with Emperor Menelik II's invading forces between 1874 and 1888. Menelik II's territorial expansionism constituted processes of (re)building Ethiopia as a modern state in the late nineteenth century. It was through these 'southern marches' (Donham and James 1986) that the emergent imperial state of Ethiopia expanded its economic base (Clapham 2019: 33–4), culminating in the birth of Addis Ababa in 1886, the conquest of Gurage peoples and their lands in 1888, and the establishment of Harar in 1887, which became the empire's biggest commercial hub, 'attracting Greeks, Indians, Arabs, a mixture of Europeans and Armenians to settle there' (Bekele 2019: 21). Harar paved the foundation for the Djibouti–Addis Ababa railway, constructed in 1897–1917 (*ibid.*). The railway was the bloodline of Ethiopia's emerging capitalist economy. These developments served as pull factors for Gurage migrations to Addis Ababa and other areas, while the harsh treatment of Gurage who resisted Menelik II – including dispossessions, tributes imposed by the Amhara-dominated ruling nobility, and serfdom (Nida 1991) – constituted push factors for large-scale migrations.

Although a crucial aspect of Gurage social history is their resistance to Menelik II's conquest,[8] not all Gurage subgroups defied him. For example, the Soddo group submitted peacefully in 1876, which resulted in favourable treatment by Menelik II and access to political and economic resources. The majority of the Soddo were (and remain) Orthodox Christians, who currently identify as *Kistanes* ('the Christians') (Bonsa 1997). At the battle of Jebidu in 1888, when Gurage resistance was finally defeated, Soddo and Muher people (Christianity also has deep roots among the latter) fought on the side of Ras Gobena Dache, an Oromo and Menelik's right-hand general (Nida 1991). This religious affiliation facilitated the Soddo people's early access to state power and resources, allowing them to pioneer Gurage engagement with the labour market and entrepreneurial activities. This paved the way for other migrants-turned-entrepreneurs from other Gurage subgroups, some of whom were employed and apprenticed by Soddo people.

Several Gurage groups escaped Menelik's atrocities by migrating to Addis Ababa and other cities. These migrations connected Gurage people with a wide range of Ethiopian and expatriate groups through which they encountered global capitalism, first as labourers and then as entrepreneurs, as exemplified by Rahimeto's experiences. Spearheaded by Soddo people, Gurage entered and dominated Addis Ababa's labour market from the early 1890s to 1974. They worked for Ethiopian nobility and traders, and for foreigners. Many Gurage apprenticed themselves, acquiring entrepreneurial skills, and later replacing the expatriate businesspeople who dominated Ethiopia's commercial sector (Bonsa 1997; Nida 1996; 2006). This development, which had begun with the Gurage people's pre-entrepreneurial activities, was central to the formation of Ethiopia's emerging economy, state structures and sense of 'nation'.

[7] See Nida (especially 2005a: 929–33; 2005b; 2005c) for the etymologies of the term 'Gurage'.

[8] Similarly, several Oromo groups, as well as Hadiya, Kambata, Sidama, Gamu, Waliyata and Kaffa, were victims of those campaigns.

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Migration provided Gurage people with opportunities to interact with the 'foreigners' or 'expatriates' who dominated Ethiopia's commercial sector at the time, first as employees and later as competitors. Over time, Gurage–expatriate relationships changed from an employee–employer relationship that included apprenticeship to one of fierce competition mediated by the imperial state. Attitudes towards the expatriates also changed over time from initial reverence to viewing them as threats to the country's economic development in post-liberation times.

There were several expatriate groups that Gurage people worked for, struggled against, and ultimately replaced. The term 'expatriates' has signified non-Ethiopian business owners and workers of different nationalities, who have dominated various business sectors at different periods. For example, in the pre-Italian occupation periods, with the encouragement of Emperors Menelik II and Haile Selassie, most expatriate business owners were British, French, Armenians and Greeks, although there was also a small number of Indians and Americans. Most Yemeni Arabs, Indians and some Europeans came as employees of those large businesses, many of them as *coolis* (porters) working at Besse and Co., the largest firm in Ethiopia at that time, where many Gurage, such as Rahimeto, also worked. Later, many of those who came as workers became business owners themselves, bringing more workers from the Middle East and India and hiring Gurage workers as well. Various expatriate groups dominated different business sectors. For example, Yemeni Arabs, Indians and Armenians dominated the retail, tailoring and garment businesses and shoe manufacturing, respectively. The five-year Italian occupation brought a shift as Italians, Somalis and Libyans came to the country and Italian business owners dominated commerce facilitated by the Italian colonial powers and policies. The specific makeup of different expatriate groups has continued to change until the present.

In contrast, the term 'foreigners' was used to refer to both non-Ethiopians and some Ethiopians. For example, according to the story of Gurage *yiweta* (i.e. 'expel Gurage' in Amharic), some Ethiopians – namely, the old ruling nobility in Addis – considered Gurage people as 'foreigners'. Thus, Gurage entrepreneurs had to struggle against both the old nobility and the expatriate business owners as both sought to marginalize them for different reasons. As part of this struggle, Gurage people remade themselves from being considered as 'foreigners' by the old nobility to becoming nation builders by successfully replacing other 'foreign' – or rather, 'expatriate' – business owners. In doing so they joined the national political power holders in lumping all 'foreigners' or expatriates together and viewing them as threats to national economic development.

Key developments between 1890 and 1930 shaped Gurage migrations and early entrepreneurial activities. Bekele (2019: 20–3) demonstrated how Menelik II's actions laid the foundation for the evolution of Ethiopia's economy from a 'traditional' economy based on tribute payments and a barter system to a market/money economy. These policies included the introduction of a national currency, creating institutions such as commercial banks, enhancing commerce by encouraging expatriates to invest in Ethiopia, and enjoying access to Europe, the Middle East, the USA and Asia, mainly through Aden in Yemen and other European-controlled ports at Zeila, Berbera and Djibouti, and via the Djibouti–Addis Ababa railway from 1917. The railway facilitated Addis Ababa's rapid development as a twentieth-century

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capital city, accelerated by the construction of Menelik II's royal palace and St George's church, the formation of *safars* (new urban neighbourhood communities) and the emergence of the Arada market in Addis Ababa in the 1890s (Zewde 1987). Gurage engagement with the city's commercial evolution was marked at Arada, which served as Addis Ababa's major commercial hub until it lost its prominence to Merkato, the largest open market in Africa, established by the Italian colonial state in 1938 (Temtime 1995: 11–12). European companies based in Aden opened branches in Arada and the trade in skins, hides and coffee (the three critical global commodities) flourished and expanded into rural parts of the country, Gurageland included. Expatriates dominated commercial activities in Arada and later Merkato, where many Gurage, such as Rahimeto, were employed, apprenticed and later became business owners and managers. For example, having started as a porter at Besse and Co. in Arada, Rahimeto was subsequently promoted to counter of skins and hides, then supervisor, and, in the 1930s, to deputy manager of the company, second only to Besse himself. Rahimeto became Besse's business partner and hired many Gurage porters, who eventually replaced Arabs and Indians as workers and later as entrepreneurs. Before Rahimeto took a managerial role, Arabs and Indians had dominated the workforce at Besse. An elderly interlocutor said, 'Haji Rahimeto engineered and promoted this process of replacing the expatriate working force with Gurage and other Ethiopian workers.'[9] These changes made Addis Ababa a magnet for large-scale Gurage migration.

It was a period of incubation and transition for Gurage entrepreneurialism, from labour-intensive to capital-intensive business activities. Since they had come to the capital as corvee labourers in 1888, Gurage claim that they built the city. Kassa, who evolved from shoe shining to shoe making to owner-manager of tanneries and shoe sole export businesses, becoming one of the first successful Ethiopian manufacturers, said:

> What is Ethiopia without Addis Ababa? We built Addis Ababa through our labour and Ethiopia by replacing the expatriates. We built Addis Ababa by working as farm workers [and] construction workers, cutting and carrying wood, cutting and collecting fodder for animals and grass for thatching; preparing and carrying construction materials such as ropes, stones, sand, wood and grass; carpentry; ploughing, planting trees; digging wells; and building roads. Then we built Ethiopia's modern economy by competing against and replacing the *ferenji*. I was one of the first Ethiopian entrepreneurs who penetrated the manufacturing business and led the way for the liberation of the sector from Armenians, Greeks, Italians and Arabs. Similarly, Rahimeto and Legesse led the way in [the] export trade in skins, hides and coffee; while Tekka and others pioneered in agribusiness, growing and exporting coffee. Gebereyes Odda was the first entrepreneur who created a tyre factory. I can go on and on … These are the people who liberated Ethiopia's economy. But in achieving this, we received support from the emperor and Makonnen. I do not want to forget that.[10]

[9] Interview, Addis Ababa, 23 April 2004.

[10] Interview, Addis Ababa, 17 February 2003.

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By 1909, there were 2,000 migrant Gurage in the capital, constituting 3.1 per cent of the city's population (Merab 1921–28: 116). Most non-Gurage Ethiopians despised labour-intensive work, leaving manual labour and petty trade as primary niches for Gurage people. Later, Gurage migrants created new markets through their entrepreneurial innovations, such as *suqe bederete* and *delago yalesh begemede* (exchanging rope for hide). Children of the first generation of Gurage labour migrants in Addis Ababa became adults who competed with and displaced expatriate businesspeople. Young Gurage exploited opportunities derived from the modern imperial state and urbanization, such as increased access and apprenticeships. They produced commodities by creatively transferring their village crafts, allowing them to acquire capital to invest in shops. In the rural areas, Gurage people made ropes from *kacha* (the fibre of *ensete*, their staple food crop), and in Addis Ababa ropemaking became one of the Gurage people's entrepreneurial innovations, turning ropes into commodities, a construction material, a form of currency and capital formation. As one elderly Gurage entrepreneur reminisced:

> When I first came to Addis Ababa [in the early 1940s], I went to Doro Tara,[11] where my father and other people from my area lived … I was a child and I remember that [we] arrived … in the evening. As we entered this house, I saw about twenty people working on ropes. Some of them were making ropes from *kacha* and others were preparing and straightening the *kacha* … there was a pile of *kacha* on one side of the house. And this was a one-room house. I had seen people making ropes in the village. However, these people in Doro Tara were so fast … Their pace was really amazing to me … Some would spend the night making them. Others would tie the finished ropes in loads and take them to the expatriate companies. They sold the ropes mainly to the Besse company … Besse used these ropes to tie and pack skins and hides that they were exporting to different countries … They also sold them to Ethiopians who bought them for construction purposes. My relatives would carry the ropes and walk around the city's neighbourhoods shouting '*felagi gemede*' and '*delago yalesh begemede*' [rope in exchange for hide]. I did this myself when I lived in Doro Tara. Rope business was our thing and Doro Tara was the centre of this industry.[12]

Such Gurage entrepreneurial activities were so ubiquitous that both Ethiopians and expatriates started to associate Gurage with trade, signifying the birth of Gurage entrepreneurialism and a new Gurage identity, which became part of both academic and state narratives about entrepreneurialism and national economic development. For example, Mengistae (2001) investigated why enterprise ownership was concentrated among Gurage people. He focused on firms owned or managed by the country's four largest ethnic groups: Oromo, Amhara, Tigrai and Gurage, who together constituted 'more than 75% of Ethiopia's total population' of sixty million in

[11] *Doro* in Amharic means chicken and *tara* is a section. Hence, Doro Tara was a quarter where Gurage and other Ethiopians traded in chickens and eggs in Merkato.

[12] Interview, Addis Ababa, 18 June 2004.

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1994 (*ibid*.: 3).[13] Gurage people (approximately two million) owned disproportionately more firms than Amharas and Oromos (approximately eighteen and thirty million people respectively) (see *ibid*.: 3–4). Likewise, Abebe (1994: 60) reported that Gurage women entrepreneurs constituted 34 per cent of her sample of 250 women from different ethnic groups, and Leka (1997: 60, 56) observed that sixty-one of his sample of seventy-one shoemakers in Addis Ababa were Gurage.

Perspectives on entrepreneurialism and its relationships with the state and with markets

The way in which early Gurage built their entrepreneurialism on the back of labour and labour-intensive activities echoes other cultural contexts where pre-entrepreneurial and labour-intensive activities have given birth to successful entrepreneurialism. Weber (1992 [1904]) explained the rise of Anglo-American capitalism as a result of a Protestant work ethic that emerged from Calvinistic asceticism. Two major overlapping theoretical streams have dominated studies on ethnic entrepreneurialism. Cultural theories view cultural ideas and values as causes for entrepreneurial successes (Barth 1962; 1967; 1969; Cohen 1969; Light 1972; Beresford 2020), whereas structural theories attribute entrepreneurial success to resources based on class, social networks and ethnic, kin and family solidarities (Bonacich 1973; Karam 2004; Jalloh 1999; Hale 1979; Rutashobya 1998). Combined, such theories contribute to our understanding of entrepreneurialism by highlighting the socio-economic effects of cultural ideas in entrepreneurial development.

Such insights guide my analyses of Gurage entrepreneurialism. Transplanted village crafts such as ropemaking, kinship structure in the form of *equbs* (Gurage-originated rotating savings and credit associations) and group living all helped Gurage entrepreneurs create much-needed capital (Nida 2022). *Equbs* were a necessary but insufficient resource for establishing a business; they had also to be combined with individual initiative *and* political and structural opportunities (Nida 2022; 2006). Cultural and structural models often take ethnicity for granted, paying inadequate attention to the fact that 'culture' and 'ethnicity' are embedded in power relations, and that cultural resources are constructed, shifting, contested and, more importantly, differentially accessed (Karam 2004); and, furthermore, that 'culture' and 'ethnicity' are themselves systems of power (Guest 2020). The critical role of the state and the impacts of entrepreneurialism on ethnicity and nation making remain understudied.

This article extends conventional entrepreneurial narratives by examining the dialectical relationship between ethnic entrepreneurialism and the state. I draw parallels with studies conducted in India, Malaysia and Kenya that have examined relationships between state structures/practices, entrepreneurialism and markets. Jeffrey and Young (2014: 182) elucidated the socio-economic and political significance of the Indian term *jugad*, defined as 'making do' and 'finding a way around'. They provide insights into the state–entrepreneurship nexus by discussing how under-employed lower middle-class male youth in north India emerge as entrepreneurs and how 'the Indian state … picked up on *jugad* as a model for a distinctly Indian

[13] Ethiopia's total population was estimated at 120 million in 2022.

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neoliberal development strategy' (*ibid.*: 182–3). In another Indian case study, Bhandari (2022: 35) analysed Agra's tourism entrepreneurs' struggles during Covid-19 and found that they 'depended on proactive and favorable state-led actions'. Likewise, in both Malaysia and Kenya, state actions have long mediated between local entrepreneurs and expatriate businesspeople. Kelman (2018) examined 'Malaysia's technology-based start-up ecosystem', analysing the relationships between the state, local Muslim Malay entrepreneurs and expatriate (Chinese and Indian) entrepreneurs in promoting Malaysian entrepreneurship. In Kenya, King's (1996) study of *jua kali* ('enterprising in the hot sun' – referring to informal artisans) provided insights into the increased involvement of the Kenyan state with 'informal' non-state actors during Moi's presidency in the 1980s–1990s, something echoed more recently in a growing body of work on 'hustling' in Nairobi, which contemporary politicians, including President William Ruto, have also engaged with (Thieme *et al.* 2021). Such state–entrepreneurialism relationships in India, Malaysia and Kenya resemble those in Ethiopia, as these governments have – often for political reasons – championed local entrepreneurialism as a model for national economic development.

King (1977) examined state–entrepreneurship relations over time, providing a historical analysis of *jua kali* in Kenya that parallels earlier events in Ethiopia. Like Gurage, in Kenya Kikuyu people emerged as a group with 'a distinctive trading culture and work ethic', signifying the evolution of African businesses in the post-liberation era (King 1996: 5). As with many Gurage, many Kikuyu entrepreneurs had been apprentices while working for Indian businesspeople (*ibid.*: 6). And similar to the role of expatriates in Ethiopia, commerce was dominated by Indian businesspeople 'as a group . . . located immediately above the aspiring African entrepreneurs' (*ibid.*, citing Marris and Somerset 1971: 96–7). Kikuyu animosity towards Indian traders echoed Gurage resentment towards expatriate entrepreneurs. Despite such parallels, there are also significant historical differences between Ethiopia and India, Malaysia and Kenya. Ethiopia is the only African country that has never been colonized (Clapham 2019), except for the short-lived, five-year Italian occupation, while Malaysia, Kenya and India were colonized by the British for a much longer period. And state support for Gurage entrepreneurs occurred seven decades ago, whereas government promotion of *jugad* in India or of *jua kali* in Kenya began more recently, in the 1980s and 1990s.

The Ethiopian imperial state's support for Gurage entrepreneurs was shaped, partially, by changing relationships between the state and foreign businesspeople in Ethiopia. Historically, Emperors Menelik II and Haile Selassie encouraged expatriates to invest and work in Ethiopia in various sectors, including the import/export trade (Bekele 2019; Clapham 2019). This was one of their strategies to 'modernize' Ethiopia. Menelik II, Haile Selassie and other members of the ruling class partnered with expatriates as surrogates in the import/export trade, the most lucrative economic activity at the time. As a result, expatriates came to dominate Ethiopia's economy, especially the commercial sector, and Besse and Co., with its headquarters in Yemen, became the largest expatriate company in Ethiopia. But the Italian occupation (1936–41) changed the balance of national political and commercial powers. After forcing Emperor Haile Selassie and some of his officials into exile, the Italians faced strong resistance; in responding to this resistance, they committed massacres and atrocities across Ethiopia, giving birth to 'anti-*ferenji*/expatriate' sentiments and heightening nationalism among Ethiopians, both ordinary people and state officials. As a result,

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Ethiopia's relationship with expatriate businesspeople and companies became characterized by ambivalence and suspicion.

Emperor Haile Selassie and Makonnen (one of his leading ministers, whose role is discussed in more detail below) returned from exile in 1941, at the height of Ethiopian nationalism, and came to view expatriates as a threat to the country's economic independence and development. State officials applied two strategies in targeting expatriates: one for large investors and another for small business owners. On the one hand, Haile Selassie continued to invite large international investments as he was incentivizing Ethiopian businesspeople to take the upper hand in various sectors. He valorized successful local entrepreneurs such as Tekka, who created one of the largest agribusinesses in coffee in Ethiopia at the time, by giving them dignitary titles. On the other hand, Makonnen focused on encouraging local entrepreneurs, Gurage in particular, to take over expatriate small businesses, mainly targeting Arabs who then dominated the retail sector.

Haile Selassie was one of the leading architects of the re-centralized imperial state of Ethiopia in the post-liberation period. During this period, the government's interests increasingly aligned with Gurage entrepreneurs. Both Haile Selassie and Makonnen viewed Gurage entrepreneurialism as a strategy for uplifting the imperial state against a monopoly of the economy by expatriates. Next, I turn to discourses of nation building and discuss Ethiopia's conventional narratives of nationhood in juxtaposition with discourses of Gurage entrepreneurialism as nation making.

Nation making and ethnic Gurage entrepreneurialism in Ethiopia

Defying the extensive literature on how 'nation states' in Europe were imagined or invented into existence (Anderson 1991 [1983]; Hobsbawm and Ranger 1983) through everyday processes and practices (such as the emergence of print capitalism), accounts of Ethiopian nation making in the pre- and post-liberation periods have tended to focus primarily on state actors: namely, emperors. Historians (Marcus 2002; Zewde 2001) trace the 'invention' of Ethiopia's imperial state to the nation-building efforts of three emperors: Tewodros (1855–68), Yohannes (1871–89) and Menelik II (1889–1913). These conventional narratives highlight how Menelik II completed the unification begun by his predecessors and created 'modern' Ethiopia through conquests, dispossessing local people (Gurage included), making them into tribute-paying serfs on their own lands, and expanding the state's economic base, especially in the south and south-western regions (Donham and James 1986; Clapham 2019; Nida 1991). Menelik II used religion, language, education, urbanization, military garrison towns and the incorporation of Harar to construct a modern nation state.

While historians such as Shiferaw Bekele (2019) have offered useful analyses of Ethiopia's economic transition from the 1890s to the 1960s, from a tribute-and-barter system to a money-based economy, mainstream narratives on Ethiopian nation making have tended to omit other important processes, such as the role of Gurage entrepreneurs and ethnic entrepreneurialism. As Clapham has put it, Ethiopia's conventional history:

> privileges a particular power structure, and the people associated with it. From the viewpoint of the great tradition, Orthodox Christians, and notably

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> those who speak Amharic and Tigrinya, are Ethiopia, whereas other peoples merely become part of Ethiopia, either at times when they are incorporated within the boundaries of the modern Ethiopian state, or else when they associate themselves with that state, through conversion to Christianity, use of the Amharic language, or employment in some capacity by the state itself. (Clapham 2002: 40)

One of this article's contributions is that it challenges conventional narratives of Ethiopian nation making by presenting a chronicle about the Gurage people's active participation, through migration and entrepreneurialism, in the construction of Ethiopia's twentieth-century economy and nation state. (Re)framing entrepreneurialism in relation to the state enables theorization of the politics of entrepreneurialism. Gurage entrepreneurialism was shaped by major political and socio-cultural changes at national and transnational levels: Menelik's campaigns gave birth to modern Ethiopia and Addis Ababa, and attracted expatriate firms and businessmen, while the Italian occupation (1936–41) produced roads, factories and a changed land tenure system and opened up land ownership in Addis Ababa to non-nobility Ethiopians. These changes weakened non-Italian expatriate firms and favoured Italians. All these factors would contribute to development activities in the post-liberation period. Gurage exploited these structural opportunities to play a leadership role in liberating Ethiopia's national economy from expatriate control after the Italians were defeated in 1941.

In the post-Italian period, Gurage entrepreneurialism was constituted into nation-making processes in the context of a rapidly changing Ethiopia resulting from both state and non-state actors' actions.

A synergy of national forces: Makonnen Habta-Wald, Hager Fiker and Gurage entrepreneurialism

Following Ethiopia's defeat at the battle of Michew in 1936, Makonnen and the emperor went into exile in Europe. Makonnen created the Hager Fiker Association[14] in Paris to lead the national independence movement among the Ethiopian diaspora. After Ethiopia's independence from Italy in 1941, Makonnen and the emperor embarked on various national projects. Makonnen served for forty-seven years, spanning the period before and after the Italian occupation, as minister of finance, agriculture, trade and industry (Makonnen 1967–68: 1), becoming 'one of the most powerful ministers after 1941' (Zewde 2002: 22). On returning from exile, in collaboration with prominent Gurage entrepreneurs such as Rahimeto, Makonnen re-established the Hager Fiker Association and a theatre under the same name in 1942. Makonnen advocated national unity to gain support for the emperor and his policies through diverse activities at Hager Fiker theatre. He endeavoured to inculcate a sense of citizenship by educating the people about Ethiopian histories and cultures (Makonnen 1967–68: 7–8). He promoted a national ideology of a modern Ethiopia,

[14] *Hager Fiker* means 'Love for the nation' in Amharic.

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shaping modern Ethiopian subjecthood, including Gurage entrepreneurs, and forging strong feelings of nationalism.[15]

Makonnen was an entrepreneur: he designed the Hager Fiker theatre as a multipurpose institution that was a national political forum and an income-generating and self-sustaining enterprise. Makonnen exhorted Ethiopians to stop buying commodities from European and other expatriate shops. As he said in one speech:

> They incite your children and women to come to their shops regularly. They would give you one candy and then make you their customer for a long time. In doing so, they are taking your money and you are being cheated considerably. (Makonnen 1967–68: 29)

Giving candy to children was common among the expatriates, particularly Arabs, who dominated retail businesses in Addis Ababa. From the 1940s to the 1960s, the term 'shopping' was synonymous with going to an Arab shop, but after Gurage people replaced Arabs in the retail industry, 'shopping' became synonymous with patronizing a Gurage shop. This signified a major discursive shift in public perceptions of entrepreneurialism. An elderly male Gurage intellectual and community leader from Addis Ababa reminisced about his childhood experience of fighting with siblings to go to the Arab shop to get free candy and biscuits, indicating the significance of the occasion. According to him, when people went shopping, they used to say 'I am going to the Arab shop', which later changed to 'I am going to a Gurage shop'.[16]

Hager Fiker-centred events were political nation-making projects where traditions and national imaginaries were invented (Anderson 1991 [1983]) and specific kinds of national entrepreneurial subjects were created. An important part of Makonnen's narratives of building home-grown entrepreneurialism was drawn from Gurage examples. Makonnen used his power as a statesman to mobilize local entrepreneurs against expatriates. He celebrated Gurage entrepreneurialism, especially early labour-intensive Gurage activities such as shoe shining and street vending, which were despised by non-Gurage Ethiopians. Makonnen's teachings contributed significantly to Gurage entrepreneurial success. Five of the sixty interviewees attended many of Makonnen's Sunday lectures at Hager Fiker and mentioned that Makonnen publicly advocated the Gurage people's entrepreneurial role in displacing expatriate businesspeople. Several respondents heard Makonnen state in his Sunday lectures: 'The Gurage are our national heroes. They are the ones who are going to liberate our country from the *ferenji* [expatriates].' One elderly male entrepreneur who regularly attended these lectures said that Gurage people, especially the young, were attracted to Makonnen's teaching because they liked doing business, with many already running enterprises. That was why, he claimed, *listeros* (shoe shiners), *suqe bederetes* and owners of kiosks and small shops were flourishing. Most of the elderly, wealthy people were products of these small businesses.[17] Echoing this widely shared

[15] Prince Makonnen Haile Selassie was the guardian of Hager Fiker.

[16] Interview, Addis Ababa, 21 November 2003.

[17] Interview, Addis Ababa, 10 March 2003.

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view, another Gurage interlocutor narrated how Gurage entrepreneurs competed with expatriates:

> In business, we fought against Arabs who came as porters to work at Besse and other expatriate firms and became businesspeople owning most small shops in Addis. We did this through *suqe bederete* [hawking] by selling items we carried on our chest as we roamed the city and having open stalls in front of or next to Arab shops. But this was not easy because the police chased us away, sometimes beating us and arresting us. The police and government were on their [expatriates' or Arabs'] side. It was a struggle, but we never gave up. That is how we pushed the Arabs out of the market and the country and built our country's economy. Later we received support from the government, especially after the Italians were defeated. Makonnen who appreciated our struggle encouraged us to keep fighting the *ferenji* until we replaced them.[18]

State support for Gurage entrepreneurs through policies

Makonnen also used other state actions and policies to promote Gurage entrepreneurialism and to 'Ethiopianize' the emergent capitalist economy. He advised officials responsible for enforcing the Ethiopian commercial code of 1942 to be lenient towards Ethiopians, Gurage people included. The code required any person engaged in business activities to have a licence and pay taxes. Individuals who failed to obey the law could be fined and imprisoned. Makonnen instructed officials to support Gurage entrepreneurs rather than penalize them for not meeting the stipulations, and decided that Gurage small entrepreneurs need not have business licences. Kassa, one Gurage pioneer, interpreted Makonnen's instructions as follows:

> In doing so, he strongly believed in the fact that no force but Gurage could get rid of the Arabs and Indians from Ethiopia. He would say, 'If we demand that the Gurage fulfil the stipulations, and ask them to get licences, they would abandon their business activities and go back to Gurageland. Don't touch the Gurage. Leave the Gurage alone. If they don't get the licences now and don't pay taxes now, they will pay later. Where would they go? This is their country. The Gurage will stay in Ethiopia. In contrast to the expatriates, who are sending their profits to their respective countries of origin . . . ' Makonnen was right in that we [Gurage entrepreneurs] became the backbone of Ethiopia's economy not just by replacing the expatriates but also by becoming the main source of national revenue through the huge taxes we pay for the government.[19]

Makonnen envisioned Gurage entrepreneurs as wealth creators for the nation and assisted them to compete and establish themselves. Many interlocutors claimed that Gurage people were paying more tax than other groups and were the largest contributors to the country's public revenues. According to Kassa, Gurage people paid

[18] Interview, Addis Ababa, 12 October 2003.

[19] Interview, Addis Ababa, 17 February 2003.

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taxes to the emperor, the Derge (the military junta) and the government of the Ethiopian People's Revolutionary Democratic Front.[20]

State actions, such as giving tax breaks and rent waivers, were not designed to benefit Gurage entrepreneurs exclusively but were intended to encourage all Ethiopians to become entrepreneurs. Gurage people were well positioned to take advantage of these favourable state measures, perhaps because they had already entered and dominated the labour market in Addis Ababa and in other urban areas and had access to capital (*equb*) to start new businesses.

Makonnen held multiple government positions (such as minister of finance, of trade and of industry) that had a direct bearing on business matters. He was simultaneously engaged in not-so-public activities to help Ethiopians succeed in building local business enterprises. Kassa told me that Makonnen facilitated indirect (through unwritten instructions) institutional support for the emerging Gurage entrepreneurs, especially those who were daring to enter the manufacturing sector, such as Gebereyes Odda (who created the country's first tyre factory), Molla Maru, Gulelat Woldeyes, and Kassa himself. These Gurage entrepreneurs received loans from the Ethiopian banks. Kassa narrated:

> I applied for a licence to create my shoe factory from the Ministry of Industry. They gave me an industry licence. At that time, licences for trade were common. In contrast, an industry licence was very rare among Ethiopians. When I got my industry licence, I was the sixth on the list – only five other Ethiopians had such a licence before me. Gebereyes Odda was one of these five people. Once I got my licence, it was easy to get loans. Based on the licence, which the investment bank saw as collateral, I got a 10,000 *birr* loan from the investment bank, with which I expanded my shoe factory that I created with 4,000 *birr* that I received from *equb* . . . Then, the investment bank told me that I was eligible for a 200,000 *birr* loan to expand my industry, which I declined because I could not use it wisely. Other Gurage such as Gebereyes Odda who had better ideas than me used such huge loans from the investment bank and started and/or expanded bigger factories.[21]

Another elderly Gurage entrepreneur recalled that they did not pay monthly rent. They paid 36 *birr* a year: 24 *birr* as land tax and 12 *birr* for sanitary services. According to him, 36 *birr* per year was nothing in those times.[22] Such narratives provide insights into the critical role state support played, challenging mainstream views in studies of entrepreneurialism that individual entrepreneurs are the sole creators of business enterprises and that entrepreneurialism is disconnected from the state. Conversely, Makonnen instructed officials to be strict and to complicate matters for expatriate businesspeople. Gurage benefited when the government decided to work with Gurage entrepreneurs in fighting against expatriates' business domination. The dispossessed Gurage came to play leading roles in the making of Ethiopia's modern economy, replacing the expatriates. This discourse also provides insights into how individuals,

[20] *Ibid*.
[21] *Ibid*.
[22] Interview, Addis Ababa, 13 May 2004.

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culture, society and economy co-construct each other through entrepreneurial processes at the intersection of local and global forces. 'State-building, market reconstruction, and the constitution of society are interdependent social processes' (Riain 2000: 191).

Gurage entrepreneurialism shaped stakeholders' imagination and sense of belonging and constituted new ways of perceiving and belonging to the nation state. Gurage people came to imagine themselves as part of a modern Ethiopia that they had helped to remake, thereby also forging new ways of being nation makers. This discourse reveals the dialectical relationship between the national political 'centre' and Gurage economic activities guided by an ethnic ideology of entrepreneurialism. The narrative contributes to our understanding of how 'residues' of the past (i.e. being conquered and subjected to serfdom) informed Gurage people's entrepreneurial present and Ethiopian political ideas and actions around entrepreneurialism in nation making. In post-liberation Ethiopia, Gurage entrepreneurs were actively engaged in nation making as a home-grown capitalist class and became favoured patriots in post-liberation Ethiopia when expatriates fell out of favour.

Ethnic entrepreneurialism shaping national political cultures: redefining Ethiopian dignitary titles

The ideological shift of Gurage entrepreneurialism from being ethnically based to being representative of a national identity was manifested through the emperor's official recognition of Gurage entrepreneurs. Tekka Ageno, Gulelat Woldeyes, Gebereyes Odda and Mohammed Rahimeto were recognized for their entrepreneurial feats by being bestowed with honourable titles such as *Qagnazmach* and *Fitawerari*, national insignias traditionally reserved for the *makwanents*, the ruling nobility. This was symbolically important because it signified an ideological shift and a redefinition of national values – recasting entrepreneurship in a new, positive light. Their entrepreneurialism was honoured as contributing to the national economic independence movement, illustrating the argument in this article about the transitioning of an ideology of ethnic entrepreneurialism into a national one.

Tekka was the first Ethiopian entrepreneur to receive a national award with the title of *Qagnazmach* for his exemplary entrepreneurial performance in the coffee agribusiness.[23] The emperor created a national award organization in 1963 (the first of its kind in Africa) to encourage and recognize people for their achievements in diverse fields, including the arts, research, commercial agriculture and industry. Tekka narrated his conversation with the emperor as follows:

> At the event . . . the emperor said, 'Okay, how much do you plan to produce in the future?' I told him what my plan was. The emperor replied, 'No, I do not think you will reach your goal. We know how *our children* [emphasis added] behave, when you achieve some profits you stop working [hard].' He said this in order to encourage me. Then I said to the emperor, 'My lord, it is not people who gave birth to me. Rather, I am a child of *suqe bederete*.' [Through his use of the phrase 'our children', the emperor claimed that 'we' (i.e. his government)

[23] For the history of Ethiopian national awards, see Ashagere (1998).

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> created entrepreneurs such as Tekka, but Tekka countered by making his own claim: 'I am not a child of anyone; rather, I am the product of hawking.'] This made the emperor burst out with laughter and continued to laugh for a while. I was later shocked that I said that to him, forgetting who he was. (*Ethiop* 2004: 39)

This narrative reveals how individuals and groups made claims about entrepreneurialism and entrepreneurs as change makers through competing discourses to serve their interests. Challenging the emperor's claim that successful Ethiopian entrepreneurs were primarily the result of state actions and policies, Tekka asserted that he was a self-made entrepreneur whose success resulted from his bootstrapping entrepreneurial activities such as *suqe bederete*. 'Even though I had faced a number of challenges and problems, this small *suqe bederete* was my beginning, where I came from to where I am at now … *Suqe bederete is the foundation of my success*,' said Tekka (*Ethiop* 2004: 15, emphasis added). However, it was a combination of both their own efforts and state support that contributed to Gurage people's entrepreneurial rise. According to Tekka, the emperor's recognition of his success helped expand other large agribusinesses owned by Ethiopians.

> Having seen my award, an incentive from the emperor's awards organization, everybody, almost all urban wealthy Ethiopians, were encouraged to start agribusinesses in rural areas … All big modern coffee agrobusiness farms in Jimma were created by such people who left Addis Ababa as they were impacted by the news about my award from the emperor. It helped the expansion of modern agricultural business undertakings across the country. (*Ethiop* 2004: 23)

The emperor reportedly admired Gurage people's reputation for working hard. One of the emperor's grandsons reminisced about a conversation his grandfather had with an assistant:

> My grandfather liked the Gurage. He was appreciative of their hardworking character. I remember from growing up at the palace, one day I was with grandpa in his office. Apparently, some Gurage businesspeople came to see him. I think these Gurage came to the palace frequently. His assistant, who was an Oromo general, came and told grandpa that there were these people who wanted to see him. He also made a comment or complaint, something like, 'Oh, those Gurage, they just like to come back again and again. They are troubling us.' I clearly remember what grandpa said to his assistant. 'They are not troublemakers. They are good people and working hard to develop our country. If only half of our [Ethiopian] people were working as hard as the Gurage are, our country would have become one of the civilized nations in the world such as Japan in a very short period.'[24]

[24] Interview, Addis Ababa, 12 November 2003.

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The story illustrates how a transformed Gurage entrepreneurial ideology was perceived by political leaders and the government, and how this idea of Gurage identity became part of the national narrative of nation building. Such inclusive discourse provided legitimacy to the space Gurage people created and occupied as a national capitalist class in society. However, despite this support, the emperor's and Makonnen's attitudes towards Gurage entrepreneurs were also ambivalent, and their support for the Gurage people was cautiously measured, creating complex relationships between the state and Gurage entrepreneurs.

Ambivalent relationships between Gurage entrepreneurs and political elites

While some Gurage entrepreneurs cast Makonnen and the emperor positively, others revealed a more complicated and competitive relationship. Zewde (2001: 197) reported that national powerholders modelled their business monopoly on the Italian policy of state control over commerce through organizations such as the Ethiopian National Corporation and Grain Corporation, which was used to 'control the three most important export commodities: coffee, hides and skins, and grain'. A retired Amhara official said that Makonnen encouraged Gurage to perform as petty traders but did not want them to grow significantly.[25] Zewde's historical account (*ibid.*) provides insight into why Makonnen would want to limit the scale of Gurage entrepreneurship and success, suggesting that he did not want to share his monopoly over the lucrative export trade.

Other stories reveal that Makonnen's approach to some successful Gurage entrepreneurs was also shaped by religion. Haji Rahimeto rose from being a *cooli* (porter) at Besse and Co. to become one of the foremost Gurage Ethiopian entrepreneurs, playing a major role in expanding Gurage entrepreneurialism as deputy manager of the Besse firm and building his own import/export trade in coffee, skins and hide, establishing manufacturing businesses (such as a modern slaughter house in Qera in Addis Ababa and a blanket factory in the town of Debra Birhan), co-establishing Hager Fiker, and rebuilding the imperial state in post-liberation Ethiopia. He was a Muslim. Rahimeto's family suggested that Makonnen was suspicious of Rahimeto. According to Rahimeto's cousin:

> Many *makwanents* were jealous of my uncle and other wealthy Gurage entrepreneurs. My uncle was very close to the emperor, but Makonnen was unhappy about that … once Makonnen sent a Christian priest to beg to Haji [Rahimeto]. Haji was leaving his office at the Besse and this priest, who was waiting at the gate for Haji, came to Haji's car and asked him for alms. Haji unrolled his car window and gave him 100 *birr* and left. The priest came back and told Haji that he gave him too much money. Haji replied to the priest that it was Allah who gave, not him. My uncle told me this story and he thought that the reason why Makonnen sent a priest was to check if my uncle was biased against Christians when he gave alms.[26]

[25] Interview, Addis Ababa, 20 April 2004.

[26] Interview, Addis Ababa, 12 March 2004.

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This reflects the nuanced nature of the claims and counterclaims within Gurage entrepreneurial narratives, underscoring that the meaning and significance of relationships between Gurage entrepreneurs and political elites were contested. While Zewde (2001) pointed to Makonnen's economic concerns in his caution about Gurage entrepreneurial development, this narrative suggests that Makonnen may have harboured religious concerns as well.

Some members of the ruling class viewed Gurage entrepreneurs as hardworking but morally depraved profiteers, who were 'stingy', who lived in large groups in 'filthy' houses and 'primitive' conditions, and who were 'disloyal' to the nation. Most of the Amhara-dominated ruling nobility reportedly held this view, which eventually spread to the rest of the population. Some non-Gurage informants from the Amhara and Worji groups agreed with this assessment, noting that most landlords in Addis Ababa were unwilling to rent their houses to the 'filthy' Gurage. Gurage resisted such marginalization by the *makwanents* (the old ruling nobility) and embarked on a campaign of expelling expatriates. Many of the old ruling elites resented the Gurage's rise from serfs (working for *makwanents*) to successful entrepreneurs competing with the expatriate businesspeople in Addis Ababa. According to a widely accepted story known as 'Gurage *yiweta*' ('Expel the Gurage'), some *makwanents* wanted to expel Gurage entrepreneurs from Addis Ababa (and Ethiopia, in some versions of the story) because they were becoming 'unruly' (*kesirat wich honu*, i.e. 'became out of order'). Kassa said:

> After the Italians were defeated and the emperor returned, we [Gurage] were succeeding in building new and large businesses. Some of our people like Haji Rahimeto and Gulelat became friends with the emperor and Makonnen. But the backward nobility was unhappy and they wanted to push us out of Addis Ababa.[27]

When *makwanents* presented this proposal to the emperor, he disagreed and dismissed the proposal by telling them that what Gurage people were doing was very important for Ethiopia's development and that Ethiopia was their country. The emperor further emphasized that Gurage people had no other country to go to and asked the *makwanents* to return to him when they found other people who could work like the Gurage and replace them. While these *makwanents* considered Gurage entrepreneurs in Addis as 'foreigners', Gurage had historically used the same term to refer to those *makwanents* who had displaced Gurage people and had made them serfs on their own land in Gurageland in the nineteenth century. However, through the middle decades of the twentieth century, through migration and entrepreneurialism, Gurage had reconstituted themselves as nation builders, liberating Ethiopia's national economy by replacing those other 'foreigners' who had come to dominate its economic sphere.

With state support, Gurage people successfully competed with and replaced expatriates from the 1950s to the 1970s through competition in the marketplace and through organized protests. The latter were especially apparent in the 1960s, when progressive nationalist forces such as students from Addis Ababa university and others on the political left protested under the slogan 'Arab *yiweta*' ('Expatriates must

[27] Interview, Addis Ababa, 17 February 2003.

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be expelled'), at a time when anti-colonial and national independence struggles were gaining momentum across Africa. Gurage entrepreneurialism had become part of the nation-making project through state rhetoric and political ideology, state-led actions and policies, and legitimization through awards and dignitary titles.

Conclusion

This article broadens social science conversations about entrepreneurialism by advancing our understanding in several ways. Entrepreneurialism needs to be (re)framed in relation to the state because ethnic cultures or solidarities and individual initiative and hard work are not sufficient to explain entrepreneurial success in many contexts. Conventional entrepreneurial studies tend to theoretically delink the relationship between entrepreneurialism and the state. This article bridges this divide by illustrating how the state contributed to entrepreneurial success and how entrepreneurialism in Ethiopia was central to the nation-making project in the decades after 1941. (Re)framing entrepreneurialism in relation to state and government policies and actions enables analysis of the dialectical relationships between political/structural forces and entrepreneurialism, highlighting how these factors worked together, resulting in successful businesses led by local entrepreneurs such as Kassa, Tekka and Rahimeto, and feeding into broader efforts at nation building and economic restructuring.

The article has discussed how government leaders and state policies initially encouraged the expatriate businesses in which Gurage migrants sought employment and acquired the skills with which to subsequently develop their own entrepreneurial activities. A shift later took place following liberation from Italian occupation in 1941, when a strong Ethiopian nationalism emerged. Gurage entrepreneurialism came to be recognized as complementing political efforts to replace expatriate dominance of commercial sectors, as Ethiopianizing entrepreneurialism, and as growing the capitalist economy. State policies played a key role in this transformation as Gurage business owners gained access to bank loans and to suspended tax and rent payments, and were not required to have licences. This state support shaped Gurage entrepreneurialism by facilitating the transition of Gurage entrepreneurs from small labour-intensive activities into large businesses, as demonstrated by the successful trajectories of Kassa, Tekka and Rahimeto from shoe shining, hawking and portering to becoming the country's leading capitalists in manufacturing, agribusiness and import/export businesses. This demonstrates how the interests and activities of state officials and government policies and those of Gurage entrepreneurs became increasingly entangled and mutually advantageous as national sentiments ran high in post-liberation Ethiopia; how once marginalized Gurage people emerged, remade themselves and were reconstituted as nation makers through migrant labour and entrepreneurship; and the various ways in which their entrepreneurialism was increasingly recognized as contributing to nation building by creating wealth, revenue and jobs.

While much of the work involved in Gurage entrepreneurialism had previously been denigrated, the emperor's recognition of successful Gurage entrepreneurs as heroes deserving of dignitary titles contributed to changing ideas about entrepreneurship and the reshaping of political cultures. These actions signified a

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historical moment when Gurage entrepreneurs began to take centre stage in national politics. As a result of this political move and the growing perception of an emergent Ethiopian capitalist nation, ideas of entrepreneurialism became linked to ideas of 'Gurageness', and an ideology of ethnic entrepreneurialism became a national entrepreneurial ideology. The name 'Gurage' became fused with entrepreneurialism and capitalism in the Ethiopian imagination, and entrepreneurial Gurageness became one of the constitutive elements of Ethiopianness. Consequently, the increasing participation of non-Gurage Ethiopians in entrepreneurialism is articulated in public narratives as 'becoming Gurage'. In public discourse, Gurage people were increasingly presented as having liberated Ethiopia's national economy from domination by 'foreigners', even though they themselves had long been denigrated as 'foreigners' by older Amhara-dominated *makwanent* nobilities. Gurage entrepreneurs were viewed as having fought successfully for the economic independence of an Ethiopia that, less than a century earlier, had deprived Gurage people of their freedom and their lands through conquest. As such, conquered serfs, their children and grandchildren became nation makers, constituting a major force for the (re)building of an imperial nation state and a modern capitalist economy. Gurage people subverted their former identity as serfs and 'foreigners' to create their own space and sense of belonging in the context of an emergent nationhood, redefining themselves as nation makers and forging a new sense of Ethiopian belonging through entrepreneurialism.

Kassa's assertion that 'we built Ethiopia by replacing the expatriates' signifies how Gurage entrepreneurs knew very well that what they were doing went beyond just building their own businesses. Through their migratory and entrepreneurial practices, Gurage engaged with deepening Ethiopian nationalist sentiment in the wake of the Italian occupation, and at a time of changing attitudes and policies relating to expatriate businesses among political elites such as Makonnen and Emperor Haile Selassie, to challenge both the old ruling nobility of the *makwanents* and 'foreign' dominance of Ethiopia's economy. In the process, they transformed themselves from denigrated, 'dirty' 'foreigners' to nation builders by offering a viable model for (re)making a modern nation.

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