

BREWERIES IN ETHIOPIA AND THE POLITICISATION OF BEER

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Introduction

The beer industry is one of Ethiopia's most thriving economic sectors. Being Africa's second most populous country after Nigeria, with 109 million inhabitants Ethiopia consumed 12 million hl of bottled beer in 2018.¹ With huge billboards, adorning buildings, roadside spaces and bustling junctions in Ethiopia's capital Addis Ababa, breweries touted their various beers depicting oversized bottles, glasses filled with sparkling liquid and making renowned sports-people and celebrities praise the unique taste of their brews. These images gave the city a particular atmosphere and reflected the growing consumption of bottled beer in the country. The rising figures of beer consumption alarmed the national government which, in May 2019, raised the consumption tax on alcoholic beverages, restricted advertisement on television and radio from 6 am until 9 pm and prohibited its publicity on billboards as well as its sale in public institutions for reasons of protecting the youth from the detrimental impact of alcohol.² But that is not all, the COVID-19 pandemic reduced beer consumption as bars were closed and breweries quickly complained about a decrease in sales of about 24%.³

In addition to such governmental interventions, beer brewing also has a range of other political implications that are related to the ownership of breweries at different times. In this article, we shed light on the economic actors who dominated beer brewing, particularly the bottled beer industry, and their entanglement with politics. Whilst initially brewing beer was artisanal and carried out by women, in the twentieth century, men – some were originally Ethiopian and others foreigners – took over production and employed industrial methods. Finally, in the late twentieth century, multinational companies appeared on the scene and once again transformed brewing.

To understand how the brewing sector and its political implications have changed over time, as well as people's

perception of this change, this study employs a combination of methods for data gathering. Based on observations of both authors (to different extents) in bars and markets in Ethiopia, mainly Addis Ababa, between 2015 and 2020, the methods include long interviews with a sample of ten consumers (two women and eight men), supplemented by numerous informal conversations and interviews with responsible staff from several breweries, including Dashen Brewery in Gonder, St. George Brewery in Addis Ababa and Meta-Abo Brewery in Sebeta. Online and literary research, especially local English-speaking newspapers and magazines were also employed to obtain additional information on the historical, economic and political background of beer production in Ethiopia.

Most scholars of Africa have discussed either local ways of brewing⁴ or, more rarely, industrially produced beer consumption,⁵ but hardly ever both in conjunction.⁶ The idea for this study was inspired by a beer drinking situation in Gonder city, Amhara Region, in 2015 by one of the authors (Getachew Senishaw). At the time, most people were drinking Dashen beer in Gonder – the ancient capital of the Ethiopian Empire from 1636–1855 – since the brewery of the same name had been established in this town. However, after the 2016 political crisis (when protesters were demanding reforms to ensure good governance and reduce economic inequality in the country) most people in Gonder stopped drinking Dashen beer due to its association with the ruling party. Since then, the political situation in the country has been unstable which directly impacted upon both beer preferences and consumption.

We begin this article with a condensed overview of the political history of Ethiopia in relation to beer brewing, then provide brief histories of the various breweries in the country and finally connect these company histories to the development of the political and economic situation, examining consumers' ideas about how the beer industry impacted on the women's artisanal art of brewing, the regional and

political implications of the breweries, consumers' ideas about beer advertisement and the ambitions of the mostly multinational companies following privatisation after 1991. We found a close interrelation of politics and beer brewing that becomes visible with the beginning of the establishment of the first brewery in Ethiopia during the reigns of Empress Zewditu Menlik and Emperor Haile-Selassie. The involvement of political elites in the beer business has been strongest during the socialist military government, whilst the privatisation of companies contributed again to a depoliticisation of beer brands. The article argues that the politicisation of beer brands is most obvious when ownership of breweries is entangled with politically active individuals or institutions.

Beer brewing, politics, and economy

As in many parts of Africa, in Ethiopia, until the early decades of the twentieth century, women were the sole brewers of beer.⁷ Using maize and sorghum each woman has her own unique recipe for brewing beer. *Tella*, as the local beer is called in northern and central Ethiopia, has cultural and ritual significance. It is *tsebel* (a holy drink) that Orthodox Christians consume during religious ceremonies, annual and monthly events and life cycle rituals (baptisms, weddings, funerals). It is also consumed at *gibir*, a feast that feudal lords, kings, and emperors held regularly. Still today, women are responsible for brewing beer on annual holidays and life cycle celebrations. Beer was not available daily, but brewed for particular ceremonies. Only recently have women also begun to commodify *tella* and sell it to customers in local houses. Other very popular locally brewed and distilled drinks are *teji*, a liquor wine made from honey and malt, and *araq*, a distilled drink made from dates. The gendered order of the production and distribution of alcoholic drinks was transformed in the early twentieth century when industrial beer production was introduced.

The first Ethiopian industrial breweries during the imperial era (1270–1974)

Ethiopia's first brewery, the St. George Brewery, was founded in 1922 in the empire's new capital Addis Ababa, following its transfer from Gonder under Empress Zewditu Menlik a few decades earlier. At that time the first roads were paved in the capital, cars were introduced, brick-built houses were constructed, newspapers appeared and the railway from Addis Ababa to the port at Djibouti had just been completed (1894–1917). Schools, health centres and state bureaucracies were also beginning to develop as part of an incipient 'modernisation' process.⁸ The empress encouraged the con-

struction of the St. George Brewery as it provided employment and generated additional income opportunities for citizens. However, ordinary people could not afford bottled beer, it being restricted to royalty and some foreigners, and there was a negligible number of public bars in the capital.

A second beer factory, the Melotti Brewery, was established in 1939 by the Italian road construction engineer, Luigi Melotti, in Asmara during the reign of Haile Selassie (1930–1974). At the time Asmara was Ethiopia's second largest city after Addis Ababa. Melotti also founded a football team in 1944. The brewery became part of Ethiopian beer production when Eritrea united with Ethiopia under the federal arrangement in 1952. The construction of a third brewery in Ethiopia in 1967, the Meta-Abo Brewery, was part of the second five year development plan of the imperial administration being jointly financed by the Emperor and overseas investors.⁹

These three first-generation breweries greatly increased domestic beer production as well as the gross national product by reducing the amount of imported beer and they can be considered pioneers in Ethiopia's industrial development. Indeed, more generally, industrial beer production opened up African industrialisation, especially after World War II.¹⁰ Possessing a brewery was a sign of modernity that had socioeconomic as well as political implications, as they were supported by and associated with a political elite.

Breweries during the Derg period (1974–1991)

When the *Derg*, the military government, came to power by overthrowing imperial rule in September 1974, its first official acts included taking control of the nation's breweries. St. George Brewery was nationalised immediately and the other two, Melotti and Meta-Abo, in February 1975.¹¹ Between 1976 and 1982, beer production increased by 92% and contributed 2.4% to the output of the domestic manufacturing sector.¹² Despite this increase in production the three breweries were not able to satisfy the ever-growing demand for bottled beer hence the military government invested in creating two more breweries, one in Harar in 1984 and another in Bedele in 1988.

The five breweries were state-owned and administered along socialist principles. Prices were fixed by the government and the beers were all sold from state-owned outlets for the same price, regardless of distribution and production costs. Distribution was not governed by demand or brand preference, but was based on a quota system that considered population size, political stability, cultural affinity and accessibility to the country's various regions. Eritrea and Tigray provinces in

the north were supplied by the Melotti Brewery; Harerge, Gamo Gofa and Sidama provinces in the east and south were covered by Harar Brewery; and the remaining nine provinces were supplied by the St. George, Meta-Abo and Bedele breweries that produced both bottled and draft beer. Draft beer was only distributed 120 km from Addis Ababa where (or near to where) these breweries were located. This distribution system limited the choice of consumers as in most places only one brand of beer was available.

Ethnic federalism and the arrival of multinational companies after 1991

In 1991, the *Derg* government was defeated and the Ethiopian People's Revolutionary Democratic Front (EPRDF) came to power, introducing ethnic federalism as the new form of government.¹³ Its policies also changed the brewery landscape in a fundamental way by encouraging privatisation of the state-owned companies and inviting foreign investment. Following the proclamation No. 25 of 1992, public enterprises were removed from government control to enhance their efficiency, productivity, rentability and competitiveness. Due to the cessation of Eritrea in 1993, Asmara and concomitantly the Melotti Brewery, no longer belonged to Ethiopia. Melotti was renamed the Asmara Brewery, becoming Eritrea's national brewery, and the Ethiopian government agency then went about creating additional breweries to compensate for this loss.¹⁴

From the late 1990s, multinational companies made their appearance, offering to acquire and upgrade Ethiopia's breweries. The first brewery to be privatised, in 1998, was St. George. It was sold to Brasseries et Glaciers Internationals Ethiopia (BGI Ethiopia), a subsidiary of the French Castel Group which is active in many African countries.¹⁵ In 2011, Heineken International, the leading Dutch brewing company, purchased Harar and Bedele breweries and in 2013, the UK-based company Diageo acquired Meta-Abo Brewery. The results of these purchases were that market shares were redistributed and competition increased. Whilst the price of a bottle of beer during the *Derg* regime was Br0.50 (about \$0.10), after its fall prices at first rose to Br1.20 in 1997, but growing competition between the multinational companies quickly forced them down again and made bottled beer accessible to more consumers.¹⁶

As the demand for beer and profits from its sale were high, Ethiopian companies, too, engaged in the brewing industry and created share companies and, more rarely, joint ventures with multinationals. In 2000, the Dashen Brewery was established in the town of Gonder by members of the ruling elite and British shareholders.¹⁷ Habesha beer was founded

in Debre Birhan, situated 130 km north of Addis Ababa, by Ethiopian and Dutch shareholders; Raya Brewery was created in Tigray with Ethiopian and French capital; Zebidar Brewery started production in 2017 in the Gurage area with Ethiopian and Belgian shareholders; and finally, Anbessa Brewery was formed in 2019 by Ethiopian and Mauritian partners.

Between 2010 and 2015, the creation of new breweries, growing competition and the accessibility of their beers led to an annual increase of between 15-20% in beer consumption, i.e. it doubled from 1.5 to 3.1 million hl annually.¹⁸ By 2015, Ethiopians already consumed on average nine litres per person increasing to ten litres in 2017, although this was still below that of neighbouring Uganda at twelve litres and Nigeria at 13 litres. Several factors contributed to this rise in demand, including a shift from tella and teji to bottled beer, the expansion of infrastructures such as roads that enabled factories to more easily access the country's different regions, population growth, economic development and an increase in the purchasing power of the emerging middle-class.

In 2016, according to Aklilu Kefyalew, an official cited by *Ethiopian Herald*, breweries were helping to transform the Ethiopian business landscape because alcoholic beverage industries had a lion's share in terms of investment and market coverage.¹⁹ By the end of the 2016/17 fiscal year, the country's export revenue for the alcoholic beverage industry was expected to hit \$17 million. The increased production capacity of the brewery companies and their global distribution networks enable them also to export their products to South Sudan, Djibouti, USA, Canada, Israel and some European countries.²⁰ A closer look at the histories of the various breweries will be instructive to understand the unfolding of this development.

Brief histories of breweries in Ethiopia

Ethiopia was among a few African countries that began industrial beer production in and around the first decades of the twentieth century. Following South Africa in 1820, Egypt in 1897, Morocco in 1919, Namibia in 1920, both Kenya and Ethiopia saw their first breweries open in 1922 (most other African countries constructed breweries only after the Second World War or post-independence). The number of Ethiopia's breweries gradually grew to ten in 2020, most of them are owned by multinational beverage conglomerates - St. George, Meta-Abo, Bedele, Harar, Walia, Raya - with only a few in shared ownership of Ethiopian companies with multinational conglomerates - Habesha, Raya, Zebidar, Dashen and Anbessa (with an Indian conglomerate). By contrast, in previous political eras

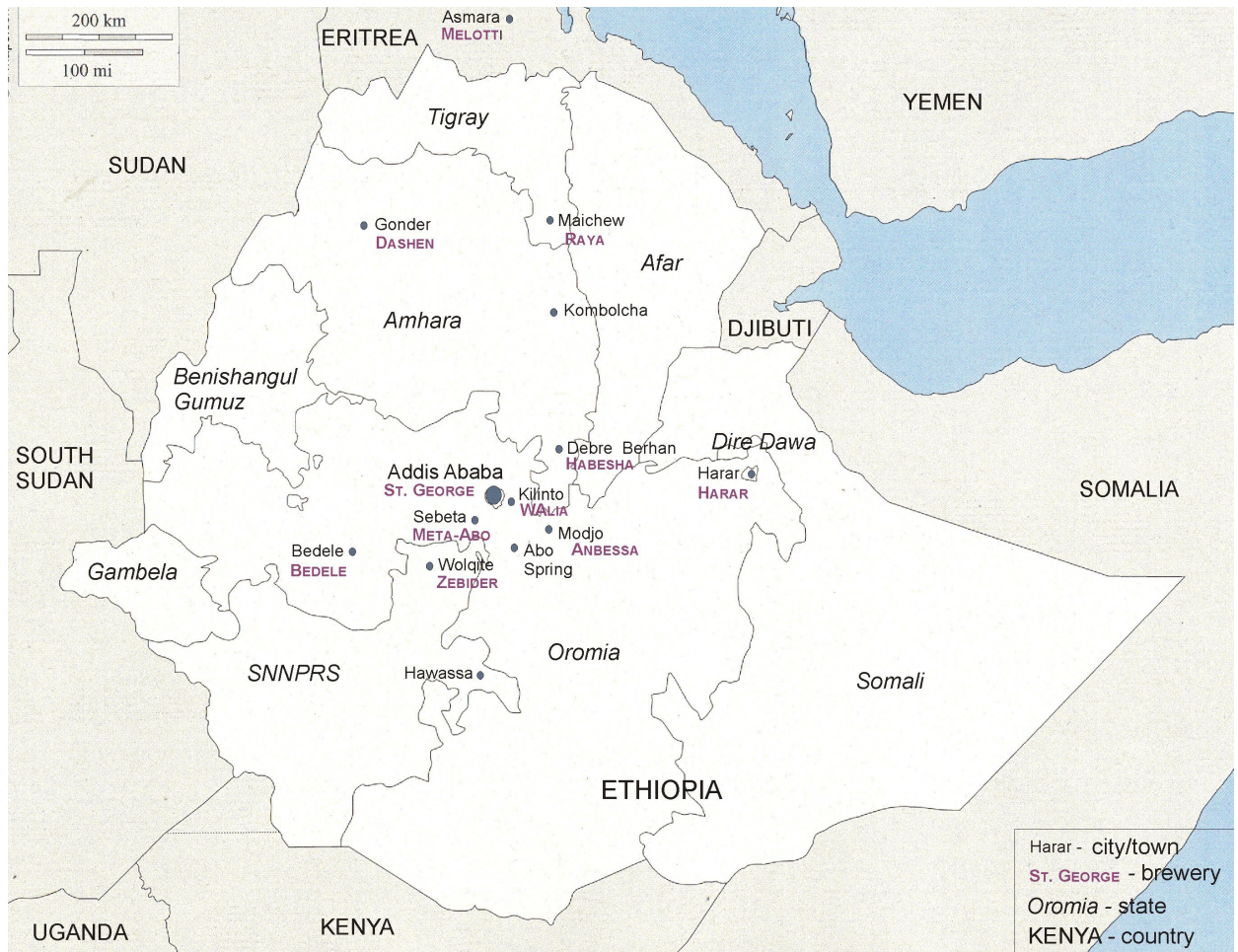


Figure 1. Map of Ethiopia, with breweries.

most breweries were fully or at least partly, owned by the Ethiopian state or by the political elite, and just a handful by private individuals. Most of these factories produce both beer and soft drinks. Only Melotti began by manufacturing *araq*, wine and cognac at Asmara, producing their first bottled beer as late as 1942.²¹ Later, in Ethiopia, *araq* and gin were produced by different factories. In the following, the brewery histories are presented in chronological order according to their date of establishment.

St. George

The first bottled beer company in Ethiopia, the St. George Brewery, was founded in 1922 by Mussie Dawit Hale who was either Belgian or a German national with Ethiopian descent.²² According to a local legend St. George had played an important role in the successful resistance against the

Italian colonizers in 1896. Not only the brewery, but also the main football club, a square and the impressive cathedral in the capital are named after the saint. The brewery was established with imperial consent during the reign of Empress Zewditu Menelik who had moved the empire's capital to Addis Ababa. Hale bought 20,000m² of land near Mexico Square, acquired the machinery, imported the ingredients (barley and hops) from Europe and employed 137 workers to brew the beer. The management staff and the leading technicians, however, were foreigners. The factory operated at first with hand-powered machines which transported the raw material to the silo and the whole brewing process was carried out manually. During its first year about 200 to 300 half litre bottles of beer were produced daily.

Hale ran the factory until the 1935/36 Italian invasion in Ethiopia. According to some, the factory was closed during the five years (1936-1941) of Ethiopian occupation whilst

Brewery	Creation date	Factory sites	Brands	Owners in 2020	Capital/ value	Land sqm	Production capacity hl
St George	1922	Addis Ababa (1922), Kombolcha (1998) (Oromia), Hawassa (2011) (SNNPRS)	St. George Castle (2018?) Amber (2018?)	BGI (2010) 100%	Br500,000 (1952) Br5,250,000 (\$2,000,000) (1974)	20,000	50,000 (1950s) 1,600,000 (2010)
Melotti	1942	Asmara (Eritrea)	Melotti	Eritrean govt, 100%			
Meta-Abo	1965	Sebeta (Oromia)	Meta, Zemen (2014) Guinness (2017) Doppel München (2019?)	Diageo (2012) 100%	Br2,000,000 (1965) Br83,280,000 (1998) \$225,000,000 (2012), 250,000,000 in 2013	369,000	50,000 (1967) 120,000 (1970) 350,000 (1980) 365,000 (1998) 1,700,000 (2010s)
Harar	1984	Harar (Oromia)	Harar 5% Hakim Stout 5,8%	Heineken Int. (2011) 100%	\$78,000,000 (2011)	103,407	250,000 (1984) 500,000
Bedele	1988	Bedele (Oromia)	Bedele premium, Bedele special, Bedele draught 4%	Heineken Int. (2011) 100%	Br163,860,000 million birr (\$85,240,000) (2011)	250,000	250,000 hl (1993)
Dashen	2000	Gonder, Debre Berhan (Amhara)	Dashen Dashen draft, Dashen royal draft	Tiret (ANDF) 49% and Duet (Vasari) 51%	Br2,000,000,000 (2000), \$80,000,000 (2010)	12 ha	300,000, 1,000,000 (end 2010s)
Raya	2010	Maichew (Tigray)	Raya	BGI 100% (formerly BGI 42%, Ethiopian shareholders 58%)	\$80,000,000 (2010)	225,000	600,000 (2014) 700,000 (2017)
Habesha	2013	Debre Berhan (Amhara)	Habesha Kidame	Swinkels (Bavaria) 50%, 8,800 Ethiopian shareholders 30%, Linssen 10%	Br1,100,000,000 (2013)	7.5 ha	300,000 (2015) 1,500,000 (2017)
Walia	2014	Kilinto (Oromia)	Walia	Heineken Int. 100%	€110,000,000 (2014)		1,500,000 (2015)
Zebidar	2016 or 2017	Wolqite (SNNPRS)	Zebidar	BGI 58% (formerly by Unibra) and Jemar General Industries (1000 Ethiopian shareholders) 42%	Br1,200,000,000 or 1,300,000,000 (2017)	150,000	350,000 (2017)
Anbessa	2019	Modjo (Oromia)	Anbessa	United African Beverages (Mauritius) and Kangooroo Plast	Br1,500,000,000 (\$53,100,000)	25 ha	1,600,000 hl (2019)

Table 1. Breweries in Ethiopia, 2020.

others state that it was taken over by the Italians who increased production to 3-4,000 bottles per day.²³ In 1941, the factory became the property of Haile Selassie and several other shareholders from the ruling class and resumed work. However, Hale appealed to the government that his capital had been taken illegally. He won the case, but sold the factory to the government for Br500,000 on 1 August 1952.²⁴ The brewery successfully produced St. George beer throughout the 1940s and 1950s, reaching a production capacity of 50,000 hectolitres annually. Its machinery, physical buildings, vehicles, and marketing networks were in good shape when the *Derg* regime took it over in 1974.

Following its coming to power, the military junta nationalised the brewery, which by then had a capital of Br5,250,000 (around \$2,000,000) the result of investments by the emperor, royal family and other higher officials.²⁵ The *Derg* changed the brewery's name first to Pilsner and later to Addis Brewery. Even though the nationalisation created some challenges, the brewery pulled through with some improvements, particularly regarding manpower development and increased worker engagement. It also started to produce draft beer that gained popularity. However, the brewery was lacking the financial means to introduce new technology. According to our informants, the workers showed great commitment and dedication to maintain the beer's popularity throughout the *Derg* period.

In 1991, following the coming to power of the Ethiopian People's Revolutionary Democratic Front (EPRDF) government and the privatisation of state-owned companies, the original name was reintroduced, and the company sold in a bid to BGI Ethiopia, a daughter company of the French Group Castel. BGI constructed an additional factory in Kombolcha in 1998. Since 2010 the two breweries together produced 1.6 million hl annually. Between 2011 and 2016, the brewery's production increased sixfold as BGI expanded production areas from two to six factories investing \$70 million. During the expansion, BGI constructed the Hawassa factory in 2011 which was to cover the markets of southern Ethiopia. According to the company management, St. George brewery focuses on good quality, reasonable prices and efficient promotion and distribution strategies.

Meta-Abo

After St. George and Melotti (which is not discussed here as it is no longer in Ethiopia), Meta-Abo brewery was created in 1965 as Ethiopia's third brewery. It was constructed based on the imperial administration's second five-years development plan and the facilities site was selected due to the availability of spring water and proximity to the capital.

The founding members of the brewery included the Haile Selassie II Foundation, St. George Brewery, Melotti Brewery and 80 other agencies and individuals.²⁶ On 18 February 1965, they met at the Haile Selassie I Welfare Association where they decided to establish the brewery at Sebeta, 30 km outside Addis Ababa on a 369,000m² site. The brewery gets its soft spring water, locally known as the holy water of St. Abo Church, situated in a town named Meta, a little further to the southwest. Meta-Abo brewery was financed by its founding members on the basis of a share company whose initial capital was Br2,024,000 (Br1,500,000 domestic capital and Br524,000 foreign capital, contributed by Bruno Bertuzzi).

St. George and Melotti Breweries were assigned to carry out the pilot survey for the brewery, which eventually began production in June 1967 with an annual capacity of 50,000 hl.²⁷ Meta imported 75% of its raw materials from Denmark and Germany. Owing to high demand – in 1967, Meta beer was ranked as one of the best beers in the world by the famous Alfreed Jorgsen laboratory in Copenhagen, Denmark – the capacity was quickly raised to 100,000 hl.²⁸ In 1970, the brewery's capacity had already attained 120,000 hl and by the time of its nationalisation in 1975 by the *Derg* it had the capacity for producing 350,000 hl.

Following the 1991 reforms, in December 1998, Meta-Abo was transformed into a share company with a capital of Br83,280,000. The brewery's major raw materials, such as hop extract, hop powder and chemicals, were imported from abroad whilst malt was obtained from Ethiopia's Assala Malt Factory 200 km from the brewery. It produced 365,000 hl of bottled and draft beer which were distributed to wholesalers (55%) and to retailers (45%).

In January 2012, the multinational Diageo Plc. acquired Meta-Abo Brewery for \$225 million in a competitive tender process held by the Privatisation and Public Enterprises Supervising Authority (PPESA) on behalf of the Ethiopian government. Diageo invested an additional \$344 million to triple the brewery's annual capacity to 1.7m hl. The brewery uses advanced technology, including flash pasteurisation and automated packaging to attain high-quality control and upgrading the brewery's packaging capacity by nearly 50%. The new line was highly efficient, reducing waste and the amount of water required for the brewing process. In December 2014, the brewery launched a new brand, Zemen Lager and in 2017, it started producing Guinness with 6.5% alcohol content as a strategy to diversify its production.²⁹ The acquisition of Meta-Abo by Diageo represented a significant UK investment in Ethiopia.

Harar

Harar Brewery Share Company was created by the *Derg* regime in 1984 on the outskirts of the historic town of Harar, about 530 km east of Addis Ababa. It is the only brewery in the eastern part of the country and situated close to Djibouti and Somali ports. Based on an agreement between the governments of Ethiopia and Czechoslovakia, the brewery was built with the assistance of Czechoslovakian technicians on a 103,407m² site and designed to have a production capacity of 250,000 hl per annum. Most of the machinery and equipment was acquired from Czechoslovakia. It brews with spring water that is pumped from a deep well in Finkile, located 33 km from the brewery. It produces several brands: Harar beer (4.25% ABV), Hakim Stout (5.8% ABV) and the alcohol-free Harar Sofi that appeals to the large Muslim population in the region and throughout Ethiopia.

Under normal conditions, its daily capacity comprises of four brewing cycles, each consisting of 200 hl, but with slight changes in the brewing-house this could be raised to five cycles. In the bottling section, the general production rate reaches 20,000 bottles per hour. Recently, the factory replaced its old labelling machines with new ones capable of front and back labelling, neck labelling, foiling and date printing. There is also a new keg filling plant for draft beer, with washing and filling stations. Before the establishment of Assela Malt Factory in Ethiopia, the brewery imported its malt from abroad. Today, malt is only imported in small quantities for blending purposes. The brewery, however, imports hops, mostly from Germany, plus chemicals for treatment and sanitation purposes.

In 2011, Heineken International purchased the Harar Brewery for \$78.18 million from the Ethiopian government's endowment fund, the Privatisation and Public Enterprise Supervising Authority (PPESA) and sells Harar Beer almost everywhere in the country. The sales activity is carried out partly by the brewery itself and partly by sales agents. Direct sales by the brewery comprise 46% of the total production volume, whilst the brewery's branch offices in Dire Dawa, Shashemene and Addis Ababa promote sales activity. In addition to supplying the domestic market, in the early years of its operation the brewery exported large quantities of beer to the USA, Canada and Djibouti. Such exports were interrupted in the early 1990s, but has now been revived and adding the Netherlands to the list of overseas markets.

Bedele

In 1988 the Bedele Brewery Share Company was constructed in the town of Bedele – 483 km southwest of Addis

Ababa – on a 250,000m² plot. In a very similar way to the brewery in Harar, the construction of Bedele Brewery began under the *Derg* regime that had signed an agreement with the government of Czechoslovakia. Czechoslovakian technicians assisted in its set up and provided most of the brewery plant and equipment. However, it did not begin production until November 1993 with a volume of 250,000 hl. Unfortunately, the Bedele brewery was affected by rumours that pro-Eritrean political leaders would use Bedele plant to gain influence on the Ethiopian market by selling a beer of a similar taste to Melotti. At the time, consumers in Ethiopia were reluctant to drink Mellotti due to the political situation associated with the secession of Eritrea from Ethiopia.

In December 1998, the brewery was transformed into a share company, with a capital of Br163,860,000, fully owned by the government which intended to sell the shares later. In August 2011 Heineken International bought the brewery from the PPESA for \$85,240,000. The brewery also exports some beer to Canada and the United States.

Dashen

Dashen Brewery is situated in Gonder, the ancient capital of the Ethiopian empire. It was established in 2000 by leaders of the Amhara Regional State ruling party, the Amhara National Democratic Front (ANDF), who established the Tiret Corporate to organise their project. Tiret was founded in Bahir Dar, Ethiopia, in 1995 as an endowment organisation whose capital reserve of Br26,000,000 was provided by the Amhara National Democratic Movement (ANDM) and its 25 founding members. Tiret owns several companies, of which the brewery is one. In 2012, the Ethiopian Tiret Corporate sold the majority of its share in Dashen to Duet, a UK-based investment company which operates under Vasari Beverages, owned by the UK-based asset management firm, Vasari Global. Dashen brewery is now co-owned by Tiret Corporate (49%) and Duet (51%).³⁰ For the construction of the brewery a German company was commissioned and it started construction with a capital of Br2 billion on a 12-ha site in July 2000. The brewery has an annual production capacity of 300,000 hl, which was gradually expanded to 500,000 hl. A few years later, the company was able to construct another brewery in the town of Debre Berhan from where further areas in central and southern Ethiopia were supplied with its beer. Towards the end of the 2010s it had reached a capacity of 1 million hl annually.

According to the company workers, one of Dashen brewery's important characteristics is the strictness with which it follows the German purity law. This means that only four



Figure 2. George sign board on small restaurant. All photographs by Ute Rösenthaler.



Figure 3. Billboard for Meta beer suggesting drink makes the star as powerful as a lion.

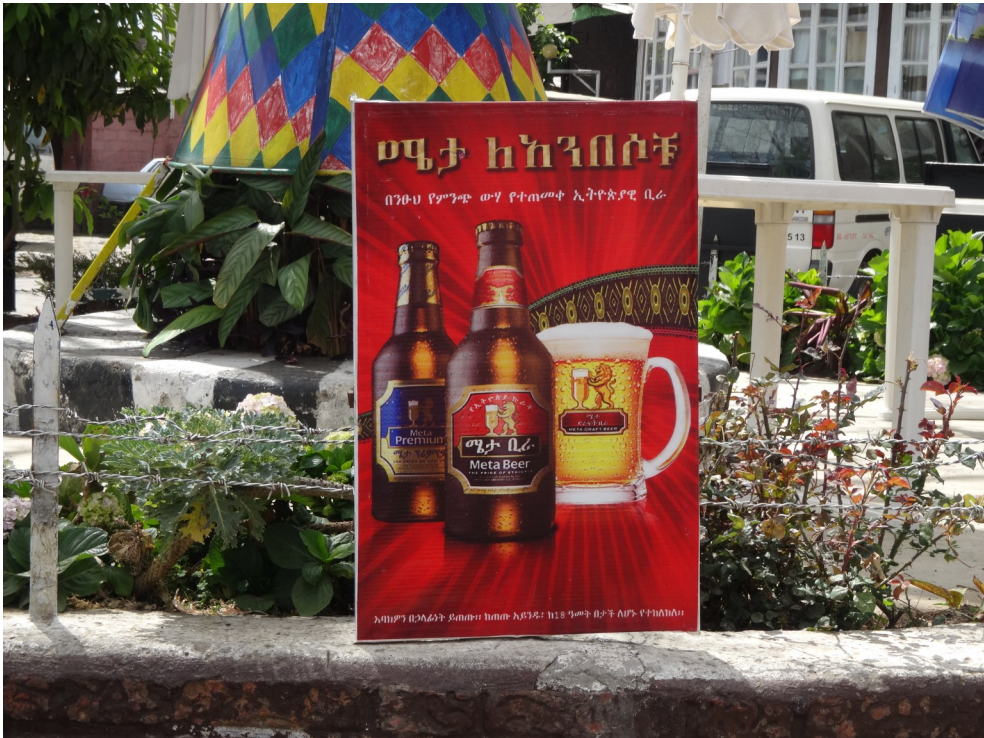


Figure 4. Meta poster.



Figure 5. Bedele billboard.

ingredients are used; yeast, malt, pure spring water and a local plant, *gesho* (*Rhamnus prinoides*) employed in a manner similar to hops so becoming the first Ethiopian brewery not to include sugar, corn, or sweet potato in their beer. Dashen has its biggest market shares in northern Ethiopia, especially in the Tigray and Amhara regions where otherwise local drinks are commonly consumed. There, in the rural areas, people even use their pack animals to transport Dashen beer to the villages.

The management of Dashen invested the profit from sales to establish other companies such as a maltings and a plastic factory to produce containers, helping the brewery become self-sufficient. Additionally, the brewery engaged in community activities through social projects, helping to promote the company's image of the company and refute the arguments of some critics that the profit might be used by the ANDF leaders for their political ambitions. For instance, the company supported the construction of the Bahir Dar and Mekele stadiums and plans to build another stadium in Gonder. It also supports the construction of schools, health centres and houses for the poor in Gonder.

The company's objectives of enhancing development are reflected in the slogan of Dashen beer, '*Yegn Bera*', meaning 'our beer'. One of the brewery's employees highlighted this role as a pioneer and a brewery that was established solely by Ethiopians until its sale to Duet in 2012. Informants further emphasised that the brewery has the objective to enrich Ethiopian communities.

Habesha

Habesha Brewery is located in the town of Debre Berhan, 120 km north of Addis Ababa. It was initiated in 2009 by a group of 8,800 Ethiopian investors and shareholders, including the Ethiopian diaspora. When the Dutch company Bavaria (now owned by Swinkels Family Brewers) joined them, they increased the brewery's planned capacity of 300,000 hl to 650,000 hl. Bavaria, which has been the second largest brewery company in the Netherlands, has the largest share of 49.9% in the brewery.³¹ However, another source states that Swinkels owns 60%, the Ethiopian shareholders 30% and Linsen Investment, a Dutch rose grower based in Ethiopia, 10%.³²

In September 2013, the company started the construction of the brewery on 7.5 hectares of land with a capital of Br1.1 billion.³³ Its malt was at first sourced from the Holland Malt Company in the Netherlands, but recently the company has made a deal with three local farmers' cooperatives in the Southern Nations Nationalities and People Regional State

from which it plans to procure at least 10 to 20% of its malt.³⁴ Distribution of Habesha Beer started in July 2015, but was limited to the markets of Debre Berhan, Addis Ababa and Adama. According to Reporter, Habesha Beer is gradually becoming more popular which encouraged the company to expand production and double its capital from Br1.1 billion to Br2.2 billion and raise its production to 1.5 million hl.³⁵

Raya

In April 2010, Raya brewery was established as a share company with an initial capital of \$80 million. Whilst BGI Ethiopia provided 42% of the capital, the remaining 58% were endowed by the 58 founding shareholders, including important Ethiopian political and business personalities³⁶ such as Dawit Gebregziabher who owned 25% of the brewery.³⁷ The brewery's capital was then increased to Br250 million by enlarging the number of shareholders to more than 2,440. The shareholders raised Br600 million from the sales of shares and obtained a loan of Br914 million from the Commercial Bank of Ethiopia. A site of 225,000m² was acquired for construction on the outskirts of the town of Maichew in Alamata woreda, which is situated 667 km north of Addis Ababa in Tigray Regional State. Since the secession of Eritrea, no brewery had been active in the northern Regions. In November 2013, construction of the brewery began, was completed within a year, and had an annual capacity of 600,000 hl. Raya beer, however, is not widely available in the capital where most consumers argued that it is not their preferred beer. In 2017, BGI acquired all the shares held by Ethiopians for Br2.5 billion and assumed full ownership of Raya. BGI offered sevenfold the initial share values to every shareholder of the company. This translates to Br7,000 for a single share with a par value of Br1,000.³⁸

Walia

In 2014, Heineken, which had already acquired Bedele and Harar breweries from the Ethiopian government, decided to invest €110 million and open a new brewery at Kilinto, just outside Addis Ababa, which may become the largest brewery in the country – at least in the short term – with a capacity of producing 1.5 million hl of various Heineken brands for local consumption and export. Walia brewery was launched in January 2015 when the company also presented its new beer brand, Walia, named after a protected Ethiopian animal and the national football team of the same name. Its introduction resulted in a significant shift in the market in its favour. This change allowed Heineken Ethiopia to further

develop its portfolio of high-quality beers and satisfy the growing demand in the country.³⁹

Zebidar

Zebidar Brewery Share Company is located in Gubre, near to Wolqite town in the Gurage Zone, Southern Nations, Nationalities and Peoples Regional State (SNNPRS), 167 km southwest of Addis Ababa. The brewery that was established in 2014 and is owned by a share company that started with an initial capital of Br1.2 billion. 58% of the brewery was owned by the Belgian company, Unibra, the remaining 42% is owned by its local partner, Jemar Hulegeb Industry Share Company, a business with more than 2,000 Ethiopian shareholders. The brewery, covering 150,000m², employed Belgian experts and started production in January 2017 with an annual capacity of 350,000 hl. The speciality of Zebidar is a pull off cap that does not require a bottle opener. Only 15 months later, BGI Ethiopia (Castel) purchased the whole share of Unibra (58%) and increased the brewery's annual production to 650,000 hl.⁴⁰

Anbessa

A late comer in the Ethiopian beer sector is Anbessa Brewery, located in the town of Modjo, 80 km south-west of Addis Ababa. The brewery has a capacity of producing 1.6 million hl of beer and of manufacturing 800,000 units of packaging materials so making it one of the largest breweries in Ethiopia employing over 240 people. The share company was formed with an investment of Br1.5 billion (\$53.1 million) by Kangaroo Plast (KP), a family-owned business group located in Addis Ababa, together with United Beverages, founded in Addis Ababa in 2016, as a subsidiary of United African Beverages headquartered in Mauritius. The brewery was built on 25 ha of land by the German Krones company, which carried out the manufacturing and installation of the plant.

KP had plans to construct a brewery as early as the 1980s and cooperated with Heineken International for the purpose. It also acted as Heineken's local distributor into the 2000s however, their cooperation and distribution agreement ended when the Dutch firm constructed the Walia Brewery, close to Modjo where KP had intended to build their own brewery. There were some disagreements about the name Walia which originally seems to have been KP's idea but was finally awarded by a court judgement to Heineken.⁴¹ The start for Anbessa in May 2019 however, was complicated as it coincided with government restrictions on the advertising of alcoholic beverages and an increase in the consumption tax.⁴²

Bottled beer: consumers' perceptions, entanglement with politics and de-politicisation

These brief histories provide an outline of the evolution of the Ethiopian beer industry from artisanal brewing to the arrival of technically efficient, multinational companies. This section examines how consumers perceive this shift from home brewed beer to bottled beer and the connotations these beers have; the close entanglement of beer with politics and the significance of the monopolisation and ownership for the Ethiopian beer industry.

Drinking places and consumers appreciation of specific drinks

Drinking often relates to sociability and morality, to a person's social position and their ability to afford bottled beer is attributed high social status in many African countries and also types and places of drinking largely correlate with consumers' place in society.⁴³ These findings resonate well with Mary Douglas' seminal statement that drinking is 'socially constructive'.⁴⁴

As mentioned earlier, the introduction of bottled beer transformed fundamentally the Ethiopian drinking landscape. The consumption of local drinks, especially *tella* and *teji* in conjunction with eating meat represented the ideal of a good life. Following the arrival of bottled beverages, drinks were no longer just *tella* and *teji*, but brands, associated with a particular brewery. In the beginning, the first bottled beer, St. George, was sold solely under the local name *berra*, beer. But with the arrival of other breweries, the concept of beer brands gained importance. People henceforth no longer consumed just *berra* but St. George, Melotti, or Meta.

Furthermore, *berra* (bottled beer) was understood to be a different drink from the locally brewed *tella*. Consumption of *tella* and *teji* is mainly carried out at home with family members, relatives, and friends whilst bottled beer is drunk in urban bars and restaurants. Thus, during the twentieth century, consumption patterns gradually shifted, especially in the cities, from local *tella* to bottled beer, from home consumption to particular drinking places and from family members and neighbourhood friends to a broader range of individuals, work colleagues and outsiders, providing a space for the interaction of diverse individuals. Drinking became more cosmopolitan.

Interviewees observed that in cities, bottled beer consumption was higher than in rural areas, due to greater levels of disposable income. Also, in cities like Addis Ababa where

people of diverse ethnic identities co-exist, consumption seems to be higher than in cities and towns which are ethnically and culturally more homogenous. Other informants argued that alcohol consumption (not particularly of bottled beer) was higher in places where the temperature was high, too, as in southern Ethiopia.⁴⁵ Sometimes, people from a particular region might assemble in a bar whose owner has the same ethnic identity to use, for example, the drinking place for their meetings and the discussion of local issues but in most bars in the city no concentration of people of a particular ethnicity was observed.

Our interviews also reveal that consumers tend to create social difference through their drinking choices. Although they highlighted that only the taste of a certain drink guides their decisions, the choice of what and where to drink reflected their socio-economic status which in turn has an impact on their taste. A few examples illustrate this tendency. Most Ethiopians consider bottled beer a drink of the middle class. People from a higher class tend to prefer whisky or wine while people from the lower economic classes usually consume local drinks like *tella* and *araqi* (a local drink with a high alcoholic content). Bars are generally considered middleclass drinking places whilst local beer houses where *tella* is sold are frequented by lower class people.⁴⁶

Among all drinks available in the city, whiskey – which is not produced in the country but imported – is the most prestigious and expensive. It is consumed in whisky houses which also serve bottled beers at a higher price than in other venues. In terms of their price level, these drinking places are followed by restaurants and bars where beer is sold at an average price. In groceries, where both *tella* and bottled beers are served, the same bottled and draft beer brands are sold for the lowest price. People also connect the consumption of bottled beer with a higher economic position than that of draft beer. Those who can afford to drink bottled beer in such places have a slightly higher status than those who drink draft beer, followed by all those who consume *tella*. Hence urban consumers hesitate to drink local beer in beer houses, as one interviewee admitted:

I am a university instructor living in Addis Ababa. I drink home-made local beer in my house during holy days, but it is difficult for me to drink local beer at the local beer house. In terms of status, local beer houses are places where low-income groups especially daily laborers are drinking, so I am not comfortable to drink in such places.

Consumers would even pay more for a beer to avoid drinking with ordinary people. Another informant explained:

I do not want to go to local beer houses to drink local beer. Rather I prefer to drink bottled beer in standard or high ranked hotels [and pay more] than small restaurants or bars.

There is little variation in the cost of bottled beers as they are all considered to convey a similar status. Rather, prices vary according to the status of the bar, hotel, or restaurant in which they are sold. Recently, Diageo and Heineken sold brands such as Guinness and Heineken that have about 30% higher prices than the other beers. Some consumers order such brands to ostensibly demonstrate their economic capacities.

Drinking beer with friends provides a platform where they discuss politics and express their ideas freely. As Gregor Dobler states alcohol provides a space for people's freedom to express their opinions without fear.⁴⁷ However, consumers considered the consumption of bottled beer less social than that of local beer; firstly, inviting two or three friends to share bottled beer is more costly than inviting them to a local beer party; and secondly, because people who drink at the local beer house are more familiar with each other than the consumers in a bar or restaurant, as one informant explained:

The people who are drinking in the local beer houses know each other but this is not the case in bars and restaurants. So, I am freer to discuss issues in local beer houses than in a bar.

As a result, the sense of individuality is heightened in these places in contrast to drinking in local beer houses where 'integrated drinking' prevails.⁴⁸ Moreover, it seems that people drink *tella* in family contexts for different reasons and discuss other issues than when they frequent bars and restaurants. Most of our informants explained that they discuss political and business issues while drinking bottled beer and family issues at *tella* sessions at home or in church. Thus, there has been a significant shift in the idea for what drinking is good for.⁴⁹

Preference of bottled beer and women's waning control of brewing

The shift from local drinks to bottled beer had severe implications for women as beer brewers. The preparation of local drinks in general, and *tella* in particular, is exclusively a women's task. Home-brewed beer, made from sorghum and sometimes barley, has been available in most households in north and central Ethiopia especially on holidays like New Year, Christmas, and Easter, and during other annual and monthly religious festivities. For major celebrations such as weddings and funerals, women from the extended family

and the neighbourhood were expected to contribute their labour preparing *tella*.

For about the past three decades, women have also begun to serve *tella* in local beer houses. When this became more common, the women in a specific location arranged to brew their beers in turn, so reducing competition among them and ensuring that their customers (mostly men) could always find beer available in one of the *tella* houses. In addition to this arrangement, women have established *equib* - saving and credit schemes. They organise weekly or monthly meetings, hosted by one of the members in turn, at which each member contributes a fixed amount of money. The collected amount is given to one of the members at a time whereby a lotto system determines which member receives the money. For these occasions, the host prepares local beer which she serves to the members.

Today, however, especially in the urban centres, bottled and draft beers have largely taken the place of local beer, even at family celebrations. Reasons for this change include that land for the production of grain to brew local beer has become a scarce resource and farmers prefer to produce food crops like *teff* than grains for local beer. In addition to this, bottled beer is ready to take, whilst *tella* needs a long process which requires labour and time which most women no longer want to invest. Also, the income of certain sections of urban dwellers has increased so that they can afford bottled beer, especially those engaged in politics, business, and the private sector. Some of the farmers, too, can afford bottled beer, especially when the prices for cash crops increase during the harvest season.

Draft beer is becoming even more economic than local beer. In many towns, beer companies supply draft machines for social occasions. Br500 are sufficient to serve 70 big or 130 small glasses of draft beer. *Tella* can easily be more expensive, is more time-consuming and labour-intensive. Providing draft beer during celebrations conveys higher status than serving local beer. Another reason for the preference of bottled beer is that it has become accessible, especially in the capital, but also in regional towns and cities due to improved road construction. Whilst bars and restaurants are found everywhere, local beer houses are only rarely found in urban centres.

The expansion of bottled beer has other disadvantageous implications. Whilst the shift to bottled beer reduced the burden on women it negatively impacted their decision-making power and de-balanced the regime of gender roles. Women used to control the supply of resources such as grain and decided the amount of local beer to be brewed. In contrast, ordering bottled beer is mostly done by men who also

manage the amount and supply during events. The shift from local to bottled beer reduced women's opportunities to control the income from alcohol, in particular beer distribution. Processing and selling *tella* was one of the means with which women generated financial resources for themselves and their children. Contributing labour while brewing was an important occasion for women to come together, exchange opinions and discuss the up-coming event while tasting and evaluating the drink at every stage of the process. For example, *tella* was consumed together with cultural dishes like *doro wot* (chicken sauce) which was a joyful cultural practice with ceremonial significance. *Doro wot* and holidays have been associated with local beer for centuries especially in the northern and central parts of Ethiopia. Bottled beer cannot replace these culturally specific meanings that are evoked when *doro wot* is consumed.

Consumption of *tella* was also discouraged due to ideas of 'modernity' attached to bottled beer. As people from the former political elite had easier access to bottled beer, they strongly influenced attitudes towards local beer that the rural majority continued to consume. Notwithstanding, in terms of satisfaction, these people preferred *tella* to bottled beer. Also, many women stick to *tella*, as one female consumer explained: 'Maybe men prefer bottled beer to *tella*, however, most woman will prefer *tella* to bottled beer, even in towns'.

Despite all these developments, local beer has not disappeared and, even in cities, there are a few *tella* houses that serve people who cannot afford bottled or draft beer. However, as one local beer brewer explained,

the *tella* in the local beer houses are quite different from the *tella* prepared for family consumption. When we prepare for the family, we use better inputs and take great care which is not the case for *tella* for sale.

In smaller towns, some women control small bars where they also serve bottled beer. However, in larger towns, women only rarely own the restaurants, bars and hotels that serve bottled beer. Rural women who have the capital to buy bottled beer for resale, serve it in their local beer houses to those customers who can afford it.

Political implications of brands and breweries

Although beer consumption is rising everywhere in Ethiopia, people do not consider it a national drink. If there is such a thing, one which people strongly identify and which is consumed by all social groups, in all regions and by the various religious groups, it is most likely coffee, not *tella* nor any of the bottled beers. This is so because consumers



Figure 8. Amber billboard.



Figure 9. Signboard on small restaurant depicting various beers.

vary in their choice of drinks and beer brands from region to region. Local beer, *tella*, is commonly consumed in the northern and central parts of the country whilst in some southern parts of the country the common drink is *boka*, made from honey. *Teji*, also made from honey, is common in many parts of the country, too, but considered more expensive. Similarly, local *araq* is widely available but not commonly consumed because of its high alcoholic content. Of the local drinks, *tella* is certainly the most widespread. It is, however, not consumed by Muslims and the followers of the Pentecostal. They are principally prohibited to drink alcohol, and they do not drink it, at least in the family context, whereas the remaining sections of society do not discourage drinking unless it is done excessively.

People will usually argue that they prefer a particular beer brand because of its taste and the absence of a hangover in the morning. In a similar vein, experts in the breweries have argued that their customers like their beer due to its pure taste. For example, the marketing strategy of Dashen promoted the idea that consumers select the brand due to its quality. According to Dashen marketing experts, the company does not promote their brands by inviting consumers to enjoy a free beer in drinking places, as some other breweries do, but prefers to educate people on the quality and purity of Dashen beer.

Some consumers, however, have chosen their beer brand according to the geographical location of the brewery, or to ethnic and political affiliations. Indeed, the tendency for the regionalisation of brands began during the *Derg* period when breweries delivered their brands to consumers in the region in which the brewery was situated. People grew up being familiar with that brand of beer and often stayed with it. In this sense we can speak of beer brands being associated with a particular ethnic identity; for example, people from the western parts of Ethiopia were familiar with the Bedele brand since the brewery was situated in the Oromia Region. The establishment of Habesha brewery in Debre Berhan town and of Zebidar Brewery in the Gurage area contributed to the association of their beer brands with the Amhara and Gurage ethnic groups respectively and that of the newly established Raya Brewery with the Tigray. However, this association is not strong and breweries like St. George, Harar, Walia and Meta are not in any way associated with an ethnic group or region. Consumers also stated that just because a brewery is situated in the region they come from, does not necessarily make that beer their favourite brand, as one consumer explained:

For instance, I am from Tigray but I prefer Bedele from Oromia Region. I tried with Raya beer when it began production but its taste is not pleasant, so I continue to drink Bedele.

In contrast, certain breweries and beer brands are more directly connected to politics rather than with the nation or specific ethnic groups. First and foremost, political leaders in Ethiopia were and are involved in the bottled beer business. The royal families were the major shareholders of the first and second breweries in the country. The socialist *Derg* controlled and owned all the breweries in Ethiopia during its rule. The current ruling party endowment funds also owned, and in some cases still own, brewery companies. This highlights the attachment of Ethiopia's political leaders with brewery companies. Politicians also attributed much importance to controlling alcohol consumption either by keeping prices high, as during the imperial time, by fixing the prices as during the *Derg* regime or by levying high taxes on its consumption and, as recently, by issuing restrictions concerning advertisement and the sale of alcoholic beverages.

Still today, certain beers are associated with particular political affiliations and the consumption of their brands is easily read as a political statement. Ownership of breweries by politicians can generate preferences and dislikes, discourses and rumours.⁵⁰ For instance, consuming the beer of Dashen Brewery in which members of the ruling party have a strong share is understood as such a political statement, particularly in times of political crisis, and can have implications on individuals' choices of bottled beers. For this reason, some people are reluctant to consume this brand.

As a result, in the 2005 election campaign when opposition parties were relatively strong in challenging the ruling party, Dashen had a serious marketing difficulty due to its political association. Some opposition leaders and the social media picked up this issue and contributed to the market failure of the brand. Similarly, during the 2016 protests against the ruling party in the Amhara Region, particularly in the Gonder area, where the Dashen Brewery is situated and has a considerable number of customers, the demand for Dashen Beer declined sharply and those who were seen drinking it were labelled as government supporters. One consumer explained:

Dashen has good quality beer but due to its political attachment most people do not like to drink it, because they believe that drinking the beer means supporting the ruling party.

Another interviewee observed: 'It is difficult to find Dashen beer in bars and restaurants when political tension is high because then the selling rate is very low'. Others argued that even though they did not like its political affiliation, they preferred Dashen, and consumed it, particularly during peaceful times because of its pure taste. However, during

political tension, it remains complicated to drink the beer in public due to social pressure. One consumer worried that it was impossible to drink the brand he liked for its taste in situations of political tension: ‘during the political unrest I am not comfortable to drink Dashen not because of my political stand but due to so many people staring at me’.⁵¹

In an effort to counterbalance disadvantageous associations that consumers might attribute to them most breweries organise social events and provide donations and development projects to villages. However, despite all the social support to local communities, certain breweries still find it difficult to rebrand their image and rid themselves from its political attachment.

Advertisement and philanthropy

Multinational companies are less easily victims of politicisation, but they also seek to increase sales by engaging in philanthropic donations which concomitantly serves as an advertisement for their beers. Word of mouth proves to be one of the most effective methods of advertising, but it is difficult to control as it requires the cooperation of consumers. Also, important is a stable network of distribution to all parts of the country, the training of staff and affordable prices. All breweries advertise their beers on television, radio, newspapers and by free sampling and internet platforms. Images of beer brands also circulate in the city on vehicles. Until 2019, as mentioned earlier, large billboards were seen on all main public squares, major outlets and public service stations.⁵² Most companies advertise their beers with Ethiopian celebrities, especially football players, dancers and musicians. Meta and Habesha breweries commissioned celebrities such as artists, dancers, and musicians to advertise their beers. For example, Bedele advertised its beer with one of the best piano players in the country and Heineken with the football star, Ronaldino.

Consumers often admired the professional way that commercials with celebrities were made, but were sceptical as to the message. One of our interviewees noted: ‘They are using Ethiopian celebrities to advertise their beer but I do not like this. The celebrities have their own talent which is not related to the beer’. Another interviewee stated

I am impressed by the Heineken commercial with Ronaldino because I like football ... but I would not change my preference from St. George to Walia or Heineken.

Some breweries like Habesha try to relate the beer with nationalism and the people of Habesha which is another name of the people of Ethiopia. One interviewee argued:

Very few individuals ... will like the nationalist commercial of Habesha beer which associates the name Habesha with the pre-1974 ruling elites of the feudal class.

Less critical voices have been heard of Harar and Zebidar breweries who promote the idea of friendship by relating beer consumption with strengthening ties of friends drinking together.

Breweries also organise social events, for example, by sponsoring exhibitions, music festivals, public gatherings, religious meetings, research forums and mass media programmes.⁵³ At such events, the audience is often attracted by what is locally called *lotto*, i.e. the opportunity to buy a lot and win an attractive present. For instance, in September and October 2017, Walia offered ten apartments, ten cars and one million free Walia bottles to winners at the occasion of the celebration of the Ethiopian New Year. Bar owners noticed that more people started to drink Walia ‘due to this lottery’. Meta-Abo Brewery, too, provided ‘lotto winners’ for 50 days daily with furniture worth Br50,000 (about \$2,000) when they were celebrating the 50th anniversary of their establishment.

Most of the breweries provide philanthropic donations to communities, constructing roads, schools, clinics, or bridges. These donations aim at enhancing the socio-economic condition of society and demonstrating to the public that they are fulfilling their social obligation. For instance, Dashen Brewery provided financial help for youth and disabled individuals, including victims of war, offering bank collateral to 110 people who intended to obtain a credit from a bank to start a livelihood project. The brewery also helped construct health centres in communities that the government was unable to cover. In 2015, Dashen provided Br6 million and in 2016, Br12 million to support development projects in the town of Gonder, including a number of schools as part of the project ‘From das (tent) to class’. Similarly, St. George Brewery has engaged in projects such as helping HIV/AIDS and war victims, urban sanitation, road construction and the development of the arts⁵⁴ and Diageo sponsored a ‘water for life’ project for 50,000 beneficiaries by opening a borehole in 2015.⁵⁵ St. George Brewery also supports one of the oldest football clubs, St. George FC. Dashen and Harar breweries maintain their own football teams, Dashen Beer FC and Harar Beer Bottling FC. Walia sponsors the Ethiopian Football Federation (EFF) – Walia being the name of the beer and of the national football team.

All our interviewees stated that they had decided on their choice of beer long since and that advertising could not easily influence them to drink another brand. The only way they would change their brand was being offered an opportunity

to win a prize or other incentive. Once they had identified with their beer, they were also ready to support their brewery. Consumers of Walia, for example, stated that they drank the beer because of its superior taste and because they were convinced that enjoying the beer would help the national team.

Privatisation of breweries and the take-over by multinational companies

The beverage sector in Ethiopia, as in many other African countries, is highly profitable, as beer consumption is constantly rising, even though Ethiopia consumes less bottled beer than some other African countries (Uganda, Nigeria, South Africa). Thus, political and economic actors have been interested in engaging in this sector, as the ownership of breweries promises to be a rewarding investment. Most often, however, the capital for investment in the sector came from foreign companies. The market is competitive and foreign companies increasingly seek to secure their share of it.

In 2019, Ethiopia had 13 breweries in various locations. BGI owns three factories (Addis Ababa, Kombolcha, Hawassa), Heineken three (Bedele, Harar, Kilinto), Diageo one (Sebeta), Dashen two (Gonder, Debre Berhan), Habesha one (Debre Berhan), Raya one (Maichew), Zebidar one (Wolqite) and Anbessa one (Modjo).⁵⁶ Multinationals have gradually acquired most of the Ethiopian-owned breweries, so that only in Dashen, Habesha, Zebidar and Anbessa Ethiopians still own shares. How the newcomer Anbessa will develop remains to be observed.

Ethiopians are obviously ready to sell their shares to multinational companies, which make attractive offers. BGI offered sevenfold the original value of the shares to Ethiopian shareholders of Raya who did not turn down the offer and sold, although the Raya brand is not even very popular. One reason why Ethiopians sell their shares might be that the profits from the sales enables Ethiopian businesspeople to invest in other sectors that are still less competitive, but this requires further research. The leading multinationals each attempt to monopolise the beer market. BGI, in particular, seems to be determined to purchase the shares that other multinational companies own, as it did when it proposed to acquire the shares of Unibra in Zebidar.⁵⁷

With their social projects, the breweries contribute to the development of the country. However, to make the sector grow further, the necessary infrastructure (roads for beer transportation, electricity to power refrigerators and telecommunication) must be expanded and employment created.

Instead, inequality in income generation is growing, so that many people still do not have the means to satisfy their daily needs, never mind being able to purchase bottled beer. In addition to these challenges, beer consumption is not steady throughout the year, as for example, during the fasting season when less people drink alcoholic beverages.

The multinationals also influence the agricultural sector, attempting to reduce importation of ingredients and substitute them by local agricultural products, but for the time being most of the malt is imported from Europe. For the future, United Beverages (Anbessa Beer) plans to use only raw materials produced in Ethiopia. Heineken, too, intends to invest in agriculture to meet at least 60% of its need of raw materials.⁵⁸ Residues from brewing can also serve as cattle feed.⁵⁹ The lack of raw materials for brewing is still often a challenge. European companies, especially from Germany, have shown interest to invest in malt projects, promote agro-processing and stimulate further expansion of beer industries in the country.⁶⁰

For their expansion, Ethiopian breweries have depended on multinationals. For example, beyond Ethiopia, Diageo produces 65 million hl in 100 sites in 30 countries, Heineken International operates in 178 countries and produces 178.3 million hl, and the Castel Group that is the fourth largest beer company in Africa (after SAB Miller, Heineken and Guinness) with its subsidiary BGI Ethiopia also operating the Castel Winery and vineyard located at the town of Ziway. These multinational breweries are continually enlarging or announcing to expand their production capacities, but figures concerning their market shares seem quite unreliable. It is, however, safe to say that in Ethiopia, Heineken International and BGI (Castel) have the largest shares amounting to about 4 million hl each, followed at some distance by Diageo, Dashen and Anbessa (more than 1 million hl) and finally Zebidar and Habesha (below 1 million hl). This estimation resonates well with beer consumption in Ethiopia of 12 million hl per year.⁶¹ These companies successfully ousted Unibra and many local businesspeople from Ethiopia's growing beer market.

With the takeover by multinational companies, the Ethiopian breweries and their brands gradually lose their political entanglements. The associations with certain individuals, political parties and their ideologies become less pronounced. Taken together, these developments have de-politicised breweries and their brands. Tensions during political crisis might less often become visible in the consumption of beer brands but the extent to which the takeover of Ethiopian companies by multinationals is good for the country's development has yet to be seen.

Conclusion

This article set out to examine the relationship between beer consumption, politics and economy and ways in which consumers understand the beers they drink. It showed that locally brewed beer has completely different meanings than bottled beer. Whilst artisanal beer is brewed by local women and consumed mostly in a family context, bottled beer is considered less social and consumed mostly in bars and restaurants. Consumption of bottled beer has been associated with affluence and urban habits whilst artisanal beer is related to a homely atmosphere and social gathering at family and church celebrations as well as with less affluent social groups. As a result of the shift from home-brewed to bottled beer women largely lost control of beer brewing and distribution. Now men control beer production, particularly the politically and economically powerful, as its industrial set-up requires investment in land, property, raw materials and expensive machinery.

During this process bottled beer became closely connected with higher social status and an urban lifestyle, which also changed gender roles and the meaning of drinking beer significantly. Also, urban drinking places are spaces where political opinions are exchanged and where the consumption of certain beer brands can communicate political orientation. Beer brands were associated with certain regions and political affiliations, but no beer was considered one to unite the nation. Consumption of beer rather sparked ethnic, religious, and political difference as soon as relevant individuals, parties or institutions were associated with their ownership.

Ethiopian bottle beer has been politically affiliated with the ruling class or party, especially at the beginning of its industrial production. The three breweries (St. George, Melotti, Meta-Abo) which were established during the imperial period can be considered first-generation breweries in Ethiopia which generated the image of high social status related to the consumption of bottled beers. The second-generation breweries, Harar and Bedele, were additionally established during the *Derg* period. The *Derg* organised the distribution of bottled beers in all parts of the country, which regionalised the meanings of the brands, although they were all owned by the government. Following the privatisation of state-owned companies, and the creation of new breweries – the third-generation breweries; Walia, Dashen, Habesha, Raya, Zebidar and Anbessa – ownership of breweries became more widely dispersed in society, whilst some of the brand meanings remained politicised depending on their ownership.

In this process, the take-over by multinationals tends to de-politicise the beer brands and reduce the awareness of their

attachment to government and political parties and hence could also mitigate the risk of public criticism that is sparked off by beer brands related to the ownership of brands and breweries. Ethiopians have profited from the sales of their shares or of entire breweries to multinational companies, but, in the end, these now take the profits, not Ethiopians.

To increase consumption of their brands and try to divert any political and profit-making connotations away from their companies, breweries have associated themselves with celebrities and sportspeople in their publicity and engaged themselves in philanthropic donations and development projects. Rising beer consumption is, of course, a concern for the nation's health (although there are also signs that the beer market is becoming saturated) and to tackle this as well as to reduce the economic influence of the multinational companies, the government has recently taken regulatory measures to put the beer industry in its place. The development of this dynamic market and its numerous breweries will require research in the future.

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