

An Economic Perspective of the Historic Relationship between Dire Dawa and Djibouti since1900s

Mesafint Tarekegn Yalew^{a*}, Zenebech Admasu Gebreamilack^b

^{a,b}Dire Dawa University, Dire Dawa, Post+251-1362, Ethiopia ^aEmail: mesayflmos@yahoo.com ^bEmail: admasuzenebech@gmail.com

Abstract

The study examined the relationship between Dire Dawa and Djibouti since 1900s in an economic perspective. It mainly analyzed the bases of the economic relations of the two. Both primary and secondary data were deployed to solicit viable information. Qualitative data analyses are articulated to furnish the details of the relations. The findings indicate that the Franco-Ethiopia railway was the bases of the relation of Dire Dawa and Djibouti serves as an as entry port of international trade. It relies on importing food and non-food items from Dire Dawa; and Djibouti sales the port service to land locked Ethiopia where Dire Dawa is proximate to the port. Furthermore, Dire Dawa and Djibouti are not only neighbors but they are also friends and families as they share similar language, religion, lifestyle, and clan interactions. For the mutual beneficiary of trade, considerate price adjustment should be made where Ethiopian farmers and exporters could benefit. Besides, collaboration between them should be in place to ban illegal trade in the area.

Keywords: Dire Dawa; Djibouti; Economic-Development; History; railway; relationship and trade.

* Corresponding author.

1. Introduction

The historical relationship between Dire Dawa and Djibouti has been trace back to the end of the nineteenth century. The port of Djibouti had been created in 1888 by Leonce Lagarde, the French Somaliland's first governor. France established the colony of French Somaliland encompassing today's Djibouti and chose the town of Djibouti as the colony's capital in 1892. The author in [1] state that Djibouti was chosen because it possessed plenty of good water and excellent harbor compare with the British possessed ports of Zeila and Barbara in the Horn of Africa.

On the other hand, in 1884, Emperor Menelik granted permission to Mr. Alfred Ilg, a Swiss engineer and diplomat to construct a railroad connecting Djibouti with the White Nile through Harar and Entoto as author in [2] stated. On April 1896, Mr. Ilg and Mr. Chefneux, a French man, formed a society called "Compagnie Imperiale des Chemins de fer Ethiopiens". The work started in October 1897, progressed inland from Djibouti, but at the end, the railway reached neither Harar nor Entoto the same author in [2]. Entoto was abandoned because it had terminated being the political centre of the kingdom by 1896, and Harar was not reached because the railway officials found that it would be expensive to make level the hills. Therefore, they approached Menelik for authorization to build the line up to the foot of the mountains which he consented in a letter on in 1896. The place was to be called Addis Harar, today's Dire Dawa.

The French inspector sent ahead to look for an ideal place for establishing the new station selected the place where Dire Dawa stands today. Dire Dawa satisfactorily met the conditions the railway engineers wanted for due to the presence of sufficient flat land for the construction of workshops; living quarters for workers; availability of sufficient water for human consumption; steam engine; hospitable climate; and approximately middle position between Djibouti and Addis Ababa. Hence, the first train reached Dire Dawa in December 1902, and this was the birth of Dire Dawa as notable town in the eastern parts of the country as it is discussed in the same author above.

2. Problem statement

An economic perspective of the historical relationship between Dire Dawa and Djibouti is important and it is a reflection of the long standing ties of the two. However, there are no substantial studies in this regard. There are few works on the study area; one is the aspects of the history of Dire Dawa (1902-1936) by the author in [2] and again the same author in [3] wrote about the railway, trade and politics: a historical survey in 1882. Another is author in [9], where he studied the Franco-Ethiopian railway and its history. Therefore, this study attempted to fill the research gaps with special focus on the economic relationship of Dire Dawa and Djibouti since 1900s alongside with the major economic developments and socio-economic legacies in the city of Dire Dawa.

3. Research Purpose and limitation

The purpose of the analysis here is reconstructing the economic perspective of the historic relationship between Dire Dawa and Djibouti since 1900s. Particularly, it investigates the bases of the historical relationship between Dire Dawa and Djibouti; showing up the major foreign legacies in the city of Dire Dawa. Further, it inspects the major economic developments that emerged after the construction of the railway; and the current major economic ties between Dire Dawa and Djibouti.

The limitation of this study was mainly language problem because some useful secondary data of the study area were written in French and it was also difficult to find continuous data of economic variables in the study. However, attempts are made to solicit information from informants who know French, English and Amharic and the available data are analyzed to show trends.

4. Materials and Methods

4.1. Data Sources and Methods of Data Collection

Both Primary and secondary data sources were used. Primary sources were collected from key informants, from various offices and institutions through personal interview and observation. Interviews were conducted with key informants who were officials working in governmental organizations involved in import and export, trade, investment and external affairs office.

Secondary sources used in the study include: archives from institute of Ethiopian Studies (IES); Dire Dawa Administration Trade, Industry and Investment Bureau; Ethiopia Revenue and Custom Authority (Dire Dawa Branch); Djibouti-Ethiopia Railway Company; Foreign Trade office, Eastern Ethiopia; Alliance-Franchise. Moreover, reports of Ethiopian Revenue Custom Office and Eastern Ethiopia Import and Export Office; picture and films (Djibouti-Ethiopia Railway Company).

4.2. Methods of Data Analysis

The data were carefully cross checked and analyzed. The quantitative data interpreted through descriptive statistics. Tables and graphs are used to reconstruct the historic relationships and to show trends in the current economic developments that exist between Dire Dawa and Djibouti.

5. Review of Related Literatures

Researchers are reviewed some of the works that are related to the historical relationship between Dire Dawa and Djibouti since 1900s, especially when Europeans had an interest in the region. Scholars forwarded their different views regarding the history of the Franco-Ethiopian railway, trade, politics and the early facilities in Dire Dawa. In this regard, Author in [2] on the aspects of the history of Dire Dawa, discussed that the early foundation, facilities and administration of Dire Dawa. Since its inception, Dire Dawa had modern transport, printing press, shops, industries, hotels and other amenities. Thus, Dire Dawa became a notable future town in the country with modern master plan and residence of skilled worker in Kezira quarter. Again the same author in [3], railway, trade and politics: a historical survey (1896-1935), discussed and analyzed the construction of the railway up to Dire Dawa (1896-1902), the politics of the railway (1902-1906), the construction of the railway from Dire Dawa to Addis Ababa (1907-1917). Another work is by the author in [1] on the Franco-Ethiopia railway and its history. The author discussed the original plan of the railway, the railway concessions, the beginning of the railway construction, and the financial constraints of the railway company is to mention

some. Beside, different researchers have discussed, analyzed and interpreted the history of the railway. For instance, author in [8] noted the Franco-Ethiopia railway from Djibouti to Addis Ababa; and author in [5, 6] noted on the urban study of Dire Dawa and the historical survey of Dire Dawa revealed social institutions and facilities.

The above mentioned works are mainly focused on the Franco-Ethiopian railway and its history; railway, politics, and facilities. Hence, the economic perspective of the historical relationship between Dire Dawa and Djibouti was sidelined. This work is therefore, attempted to analyze and interpret the basis of the historical relationships of Dire Dawa and Djibouti since 1900s and the current major economic developments (trade, tourism and investment) in Dire Dawa.

6. Discussions and Results

6.1. Discussions

6.1.1. How historical relations conceived?

The Ethiopian empire had lacked an outlet to the sea and isolated after Italy seized Eritrea at the end of ninetieth century. Emperor Menelik had zeal ambition to modernize transportation especially the rail transport and to link the county's foreign trade with the outside world. According to author in [7], Menelik sent a letter in 1889 to the governor of Djibouti, president Carno about his interest of the rail transport but he didn't have a response. In1893, Menelik ordered a Swiss advisor, Alfred Ilg who arrived in Ethiopia in 1877. Alfred Ilg had aware of the inconvenience of mule transport, the high cost of which greatly hindered trade in low priced commodities such as coffee, skin, and wax, which constituted the bulk of the Ethiopia's exports as author in [1] discussed and analyzed in his work.

Alfred Ilg together with the French man, Mr.Chefeux studied about the railway construction and prepared a draft how Ethiopia linked to the rest of the world. The study showed the railway construction began from the port of Djibouti to Harar and from Harar to Entoto, then to Kafa and the White Nile.

Though, there were influences from the then imperialist powers, and resistance from nobles, caravan traders and landowners. Menelik had firm stand and he gave the concession to Mr. Alferd Ilg. Therefore, they approached Menelik for authorization to build the line up to the foot of the mountains to a new station called 'Addis Harar' (later renamed Dire Dawa).

The railway construction had continued and on 24 December 1902, the first train from Djibouti arrived (in the evening) at Dire Dawa railway station. It carried passengers of foreigners, company officials, and railway workers. Since then, a regular cargo and passenger service has been operated.

After it reached Dire Dawa, the construction work of the company wasn't advanced across the Awash valley, a distance of over 430 kilometers in order to reach the capital, Addis Ababa because of company's bankruptcy in 1907 as it is discussed in author [2]. The construction had interrupted for more than seven years. Construction work resumed at the end of 1909 and in May 1914, the railway construction had reached Akaki. However, emperor Menelik, architect of the railway plan had already passed away before the rail line reached Akaki.

In June 1917, the railway reached the capital, Addis Ababa from Djibouti. This marked the official commercial opening of the 784 kilometers long railway station of Addis Ababa in author [2, 8]. When the railroad reached the capital in 1917, the port of Djibouti grew rapidly. Following the opening of the railway system, large number of Somalis and Arabs migrated to the port to take advantage of the opportunity for employment and trade.

According to author in [1], the trade activities in Ethiopia before the construction of the railway were through the port of Zeila. However, after the construction of the railway, the country used the port of Djibouti which expanded tremendously and transformed in to an international port. The arrival of railway in Dire Dawa in 1902 has also transformed, Dire Dawa as center commerce and preferred area of residence had better opportunities in trade, industry, and modern communication services.

Dire Dawa was the first planned city in the history of Ethiopia with modern facilities and built by the company's engineers. Government buildings, hotels, important railway workshops, and several shops were built. Trade activities increased and became lucrative; industries were began boomed; there were also better amenities and facilities, most of them are used as potential tourist attractions.

6.1.2. Socio-Economic legacies in the city of Dire Dawa

The Socio-Economic foreign legacies had great influences and reflected in the social, cultural and economic aspects of the city of Dire Dawa. The foreign legacies in Dire Dawa are characterized in language, architecture, infrastructure, food, dressing, and other institutions. The dominant foreign legacies in Dire Dawa are of the French, Italian, Arabs, Greek, Armenia, and Indian. Table below indicate Socio-Economic foreign legacies from diverse sources. As it is indicated in the table above, Dire Dawa has various cultural heritages in Kezira and Megalla quarters. Some of the cultural heritages that are found in Kezira are palaces, railway station, railway workshops, hotels, Churches, Schools, printing press, Cemetery and railway hospital. In the Megalla quarter, there are Mosques, Kefira open market, Indian community school, Balian crematorium; sweet foods are among few cultural heritages.

6.1.3. The Contemporary Economic Relationships

In historic stance, the port of Djibouti was shrunk when Ethiopia had access to the red sea port of Asseb during the Eritrea federation (1952-1962) and Even after the abrogation of the federation (1962-1991). However, the port of Djibouti has become critical to Ethiopia following the Ethio-Eritrea war in 1998 that terminated the use of the port of Asseb. Djibouti is the largest Ethiopia's trading partner in African. The two countries have been connected by a railway for more than a century. Their relation is mainly in trade, investment, people to people relation, politics, peace and security. They are also working to ban illegal trade, to curb terrorism, and to control cross boarder criminals. Moreover, the two countries are working for the economic integration in the region. Dire Dawa's location as middle way to the capital of Ethiopia which heavily dependent on the port of Djibouti, helped it to be passage of international trade and ferry passengers.

| Foreign | Infrastructures and | Industry, | Religious | Others |
|---------|--|------------------------|--------------|--|
| Legacy | Facilities | Business, and | Institutions | |
| | | | | |
| of | | Institutions | | |
| French | -Alliance Francaise school | -St. Alazar | Augustine | French Language |
| | (1908) | Printing | Catholic | |
| | | press(1908), | Church | |
| | -Railway Hospital(1911) | | (1000) | |
| | -Railway station & | -Mekonen bar | (1908) | |
| | workshops(1902) | and Hotel | | |
| | (()))))))))))))))))))))))))))))))))))) | | | |
| | -City Master Plan, | | | |
| | French/Djibouti consul | | | |
| | | | | |
| | -Facilities: Railway, Road & | | | |
| | Ox-Carts. Sport club, Alarm | | | |
| | Bell | | | |
| | -Postal service, Water | | | |
| | supply(pipe line) | | | |
| | | | | |
| | -Telegraph | | | |
| | Electricity(Generator) | | | |
| Greek | -Gololakos(Greek) | Continental | Catholic | |
| | School(1919) | Hotel(1906) | Church | |
| | | | (100) | |
| A | -Architecture and Paintings | The Let | (1926) | Maria Inc. 1 |
| Arab | Architectures | Trade: Shops/Market | | Mosque, language, dressing, sweet foods (Mushebeck, |
| | | Shops/Warket | | Bakilwaba,&Fetira) |
| Armenia | | | Armenia | |
| Armema | | | Church | |
| | | | (1935) | |
| India | -Mahajan School(1928) | Trade | () | |
| | | | | |
| | -Hindu Crematorium & | | | |
| | Architecture | | | |

Table 1: Socio-Economic legacies in the city of Dire Dawa

| Italy | Road, Air port, Italian Fort, | Cement, | Textile | Italian | |
|---------|-------------------------------|------------|---------|-----------|-------------------------------|
| | workshops (Garage, wood | factory | and | Mosque | |
| | and Iron works). | Flour mill | | | |
| Britain | Africans Cemetery | | | War | three air force Pilots and 73 |
| | | | | Cemetery | British African Soldiers |
| | | | | (1939-45) | (common wealth soldiers) |

A. Trade

The two countries have been connected by the Franco-Ethiopian railway for a century. Ethiopia exports chat, fruits, and vegetables, livestock products, animal food, cereals, and other food items to Djibouti. Of all these items, chat, fruits, and vegetables are the dominant one as author in [11] stated. However, according to the Eastern Ethiopia foreign trade office, price of export items which was fixed in 1950s in the trade agreements of the two countries is not yet changed, even it is far below the domestic market price. Thus, it has an impact on the bulk of the Ethiopia's export earnings. Djibouti mainly sells port service to the land locked Ethiopia, and Ethiopia imports items such as rice, sugar, spaghetti, macaroni, vegetable oil, and textiles (clothes), readymade, and salts on the port of Djibouti. Ethiopia also imports items like food staffs, and clothes, electronics, pharmaceuticals and cosmetics, cigarettes, and tobacco products through Djibouti.

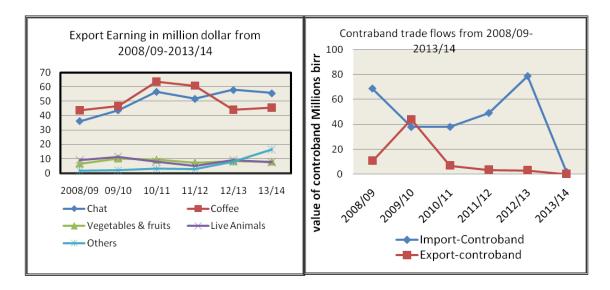


Figure 1: Official trade

Figure 2 Unofficial Trade

Source: own computation from Ethiopia revenue and custom authority (ERCA, 2014).

Trade between Ethiopia and Djibouti are both official and unofficial (contraband). Djibouti imports live animals, coffee, chat, vegetables and fruits and food items officially and unofficially from Ethiopia through Dire Dawa. Livestock is imported primarily for re-export to the Middle East. On the other hand, traders unofficially import new and used clothes, electronics, cigarettes, manufactured food items, vegetable oil, and

pharmaceuticals from Djibouti. Not all these items are products of Djibouti. Traders also import illegally across the border through Djibouti from West Asian and European countries. The government regards the cross border trade as illegal and it is commonly referred as "contraband". Control mechanisms such as border patrols and searches at various checkpoints are employed to curb this illegal trade. However, these mechanisms are not found to be effective enough to curb the illegal trade on their respective borders.

A. Tourism

Dire Dawa is a queen city of the desert, commonly seen as 'miniaturized Ethiopia' for its ethno-linguistic diversity. Dire Dawa is a melting pot of indigenous and foreign cultures since the time of its inception. It is a city that has evolved and developed a new culture of tolerances and respects of the indigenous and foreign cultures, faiths and ethnic diversities. Dire Dawa was created by the railway. It was the first planned city in the history of Ethiopia and could soon boost with buildings, friendly hotels, important railway workshops, several good shops, facilities and industries. Dire Dawa has various attractions particularly in Kezira and Megalla, the two earliest quarters of Dire Dawa. Some of the cultural attractions that are found in Kezira are palaces, railway station, railway workshops, city master plan, Churches, Schools, printing press, railway hospital and hotels. Mosques, open markets, schools, Balian crematorium, sweet foods are among few attractions that are located in the Megalla quarter of Dire Dawa. In addition to cultural attractions, Dire Dawa has also different type of accommodations and transport facilities. Hence, Dire Dawa has untapped potential of tourist attractions from its prehistoric caves, cave paintings, and historic heritages. Data on tourist flow shows significant number of tourists flow to Dire Dawa are coming from Djibouti. Djiboutian are considered as special guests of Dire Dawa especially from May to September every year (when the weather is too hot at home). The Djibouti tourists are attracted in Dire Dawa during the spring season. Dire Dawa has modified and hospitable climate, it is proximately location to Djibouti, the warmly reception of the people of Dire Dawa, and they have similar culture and clan interactions of the two people. This is shown in the following figures below).

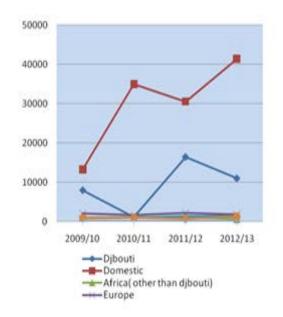


Figure 3: Tourist flow in Dire Dawa from 2009/10-2012/13



Figure 4: Tourist flow quarterly in each year (2009/10-2012/13)

Source: own computation from Dire Dawa tourism office, 2014.

The figure on tourist flow showed, so far a significant numbers of tourists to Dire Dawa are coming from Djibouti next to the domestic tourists. The tourist flows are tremendously increased in to two folds within two years from 2009/10-2011/12.

Dire Dawa administration is planning to improve better facilities, various forms of accommodations, infrastructures, and use this opportunities to increase the length stay of Djiboutian tourists in Dire Dawa.

B. Investment

Dire Dawa's location on the railway line becomes an import-export flow path. In the 1910s, Dire Dawa was the second largest lucrative economy next to the capital, Addis Ababa. Currently, Dire Dawa has been selected as industrial development corridor area in the country; and Djiboutian investors have special privileges to be treated as domestic investors in Ethiopia (Dire Dawa) after the agreement made between the two countries in 2006.

The Djiboutian investors in Dire Dawa are engaged and planed to engage in different investments areas. According to the Dire Dawa investment office annual report, 2014, Djiboutian investors are mainly engage in hotels, import and export, animals fattening, animals' husbandry (milk), and production of animals' food. Thus, the Djiboutian investment different sectors have temporary and permanent job opportunities for the local communities

6.1.4. Other diversified Economic Links

There are different economic developments that are emerging between Dire Dawa (Ethiopia) and Djibouti. These economic developments include: new railway project and road construction, expansion of port, the development of dry port, power supply, and so far Ethiopia supplied 50 mega watts electricity to Djibouti, undergoing water supply and a plan for petroleum refinery in Dire Dawa. According to the Ethiopian broadcasting corporation (EBC, 2015) so far, Djibouti contributes \$4million of which \$3million was provided from its people to the Ethiopia grand renaissance dam. In general, the country level economic cooperation is more noticed in Dire Dawa; and it tends to strengthen the existing long term ties.

6.2. Main Results

The trade activities in Ethiopia before the construction of the railway were through the port of Zeila. However, after the construction of railway, the country used the port of Djibouti, and then the port of Djibouti was expanded tremendously and transformed in to an international port. Thus, trade activities increased and became lucrative. Following the arrival of the railway in Dire Dawa in 1902, Dire Dawa became place of residence for railway workers; and had better opportunities in trade, industry, and modern communications services. Dire Dawa was the first planned city in the history of the country (built by the company's engineers). Government buildings, friendly hotels, important railway workshops and several good shops were built and boosted. Dire Dawa has better amenities, facilities and most of them are seen in the city as a foreign legacies.

The Europeans and non-Europeans had great influences on the socio-cultural and economic aspects of Dire Dawa. The foreign heritages in Dire Dawa are characterized in languages, architectures, infrastructures, foods, and other institutions. The dominant foreign legacies are of the French, Italian, Arabs, Greek, Armenia and Indian. Dire Dawa has proximate location to Djibouti with modern infrastructures, airport, road and railway transport and other facilities. Thus, Dire Dawa is an ideal place in the eastern parts of the country by attracts significant number of tourists and investors. Djibouti serves as an as entry port of an international trade for the land locked Ethiopia. Ethiopia's foreign trade mainly depends on the port of Djibouti through Dire Dawa. The two countries have been connected by railway for about a century. Their relation is mainly in trade, politics, peace and Security. They work to ban illegal trade, to curb terrorism and to control cross boarder criminals. Moreover, the two countries are working together for the economic integration of the region. Ethiopia mainly exports chat, fruits and vegetables, livestock products, animal food, cereals and other food items to Djibouti through Dire Dawa. Of all these items, chat, fruits and vegetables are the predominant trade items. However, according to the eastern Ethiopia foreign trade office, the price of Ethiopia's export which was fixed in 1950's is far below the domestic market price, which impacts on the bulk of the Ethiopian export earnings. After the agreement made by the two countries in 2006, Djiboutian investors are treated as the domestic investors. Currently, the two countries are working on the construction of road, new railway project, and expansion of port, building of dry port, power supply, water supply, and petroleum refinery.

7. Summary, Conclusion and Recommendation

7.1 Summary

The trade activities in Ethiopia before the construction of the railway were through port of Zeila. However, after the construction of railway, the country used the port of Djibouti, and then the port of Djibouti was expanded tremendously and became international port. Thus, trade activities increased and became lucrative.

Djibouti serves as an as entry port of international trade and Dire Dawa is serving as middle way to the landlocked Ethiopia. Ethiopia foreign trade is mainly depends on the port of Djibouti through Dire Dawa.

Since the arrival of railway in Dire Dawa in 1902, Dire Dawa became place of residence for railway workers; and it had better opportunities in trade, industry, and modern communications services. Thus, Dire Dawa has better amenities and facilities. Europeans and non- Europeans railway workers and importer and exporters had built various institutions in Kezira and Megalla, the two earliest quarters of Dire Dawa. The dominant foreign legacies in Dire Dawa are the French, Italian, Arabs, Greek, Armenia and Indian. Dire Dawa has proximate location to Djibouti with modern infrastructures, airport, road and rail transport and other facilities that can have a potential to attract tourists and investors.

Currently, the relationship between the two is mainly in trade, tourism, investment, peace and security. They are also work to ban illegal trade, to fight terrorism and to control cross boarder criminals. Moreover, the two countries are working together for the economic integration of the region. Ethiopia exports chat, fruits and vegetables, livestock products, animal food, cereals and other food items to Djibouti through Dire Dawa. Of all these items, chat, fruits and vegetables are the predominant trade items to Djibouti.

After the two countries signed a memorandum of understanding, Djiboutian investors have given special privileges to invest in Ethiopia and to be treated as the domestic investors. The two countries are currently working on the construction of road, new railway project, and expansion of port, building of dry port, power supply, water supply and petroleum refinery.

7.2. Conclusions

Both Dire Dawa and Djibouti are the creation of the railway. Dire Dawa and Djibouti are not only neighbors but they are also friends and families since they share similar cultures, languages, religion, dressing, food, and clan (Issas) and marriage interactions. Thus, the railway increased the interaction of the two people for a century. As a result, Dire Dawa is being the first planned city in the history of Ethiopia with better facilities; and most of them have a potential to attract tourists and investors. As a result, industries and trade activities were attracted.

There are significant economic developments that are emerging between the two. Trade is the main economic activity that adore the relationship between Dire Dawa and Djibouti, one depends the other. However, Prices for some items of Ethiopia's export were fixed in 1950s in trade agreement of the two counties is still not yet changed; and it is even far below the domestic market prices.

Djiboutian are the main tourists and investors in Dire Dawa. They are so far significant and treated as domestic investors since the agreement made by the two counties in 2006. Next to the domestic tourists, Djiboutian

tourists are the most welcomed tourists in Dire Dawa, since the Djiboutian tourists don't require a visa or travel permit to enter in to Dire Dawa (Ethiopia). Another interesting feature in the history of Dire Dawa is the Europeans and non-Europeans legacies, which is still active and functional with high touristic values.

7.3. Recommendation

It has found that the history of Dire Dawa is quite impressive and sincerely recommended the incorporation of the railway history in the African history curriculum. The administration should maintain and preserve the existing heritages and use it as tourist attractions; and take the advantage of these attractions as investment opportunities. However, most of these heritages need urgent cares and preservations. Appropriate preconditions has to be set to protect heritages from damages caused by construction works and other developmental activities; and hence, heritages are needs to be collected and organized in museums, libraries, and archives. There should also be a proper balance in preserving heritages, and the development of the city and utilize heritages for development.

To benefit from its strategic location, proper promotional work should be in place; and to control illegal trade in their common borders, they should work together. Price of export items which was fixed in 1950s in the trade agreements of the two counties, which is far below the domestic market prices. Thus, considerate price adjustment should be there to benefit Ethiopian farmers and exporters. Finally, to increase the bargaining power in Ethiopian side, deliberate strategies should be in place. Relationships can also be strengthening through education sector.

Acknowledgements

We are grateful about the financial and material support provided by Dire Dawa University. We also highly appreciate the encouragement we received from the research and technology interchange office. We have benefited considerably from the selected key informants and offices; hence, we are highly indebted of their support over the course of the research.

References

- [1] R. Pankhurst. The Franco-Ethiopian Railway and its History: Addis Ababa University, pp 1-5, 1963.
- [2] S. Bekele. Aspects of the History of Dire Dawa (1902-1936): Proceedings of the fourth Seminar of the department of history held at Hawasa, Addis Ababa University, 1987.
- [3] S. Bekele. Railway, Trade and Politics: a Historical Survey (1896-1935): MA thesis, Addis Ababa University, 1982.
- [4] F. Ladislas. Abyssinia on the Eve: Wyman and Sons, G.P. Putnam's Sons, New York, 1935.
- [5] B. Henry. A Historical Survey of Dire Dawa, MA thesis, Addis Ababa University, 1972.
- [6] B. Henry. Urban Study of Dire Dawa: BA thesis, Addis Ababa University, pp. 140-147, 1970.
- [7] P. Gnogno. Emperor Menelik's Foreign correspondence: Aster Nega Publisher, pp. 53-67, 2010.
- [8] A. Foch. The paradox of the Djibouti-Ethiopia Railway concession Failure: Centre d'Économie de la Sorbonne: University Paris 1– CNRS, pp. 18-21, 2009.

- [9] R.P. Skinner. Abyssinia Today: An Account of the First Mission sent by the American Government to the Court of the Kings 1903-1904, Negro Universities Press, New York, 1969, pp. 9-10.
- [10] W.W. Stewart. The Franco-Ethiopia Railway Djibouti to Addis Ababa: The New Zealand Railways Magazine, vol. 11(issue 3), pp.1-6, 1936.
- [11] T. Teka. & A.Aezez. Cross Border Trade and Food Security in Ethiopia and Somalia Borderlands, OSSREA development research report series vol. 1 (issue 4), 2002.
- [12] M. Gabriele. Visitor's Guide, Dire Dawa Administration Tourism Promotion and Development Core process: Dire Dawa Administration, 2005.
- [13] M. Getahun. British Paramountancy in Dire Dawa (1941-1946): Notes towards History, pp. 61- 68, 2002.