Working Paper Number 100

Somalia And Survival In The Shadow Of The Global Economy

William Reno*

This study examines the capabilities of self-determination movements in Somalia after the collapse of a central state to explain the variable capacities of groups to provide stable orders and understand why leaders of these movements choose particular strategies. The primary factors shaping these strategies and capabilities include (1) the nature and longevity of prewar local elite relations with the central authority of the collapsing state, (2) the social organization of prewar and wartime informal economies in localities, (3) the capacity of local authorities to control, and in some cases, resist efforts of outsiders to mediate conflict, and (4) the capacity of local authorities to regulate commercial transactions with the rest of the world. This study shows that some movements of self-determination in post state collapse environments like Somalia are capable of creating stable polities, but that this accomplishment rests on using social control over wealth and commerce to keep resources to discipline agents who otherwise have an incentive to engage in predation or disrupt this political consolidation.

February 2003

* Northwestern University

> The Somalis have no indigenous centralized government… The key to Somali politics lies in kinship. Political status is thus maintained by feud and war, and self-help—the resort of groups to the test of superior military power—is the ultimate arbiter in political relations.
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> I.M. Lewis [1]

> The fact of the situation in Somaliland is that they have elected a government in the most democratic way possible, within the constraints of public finance; they have started the process of demobilization and disarmament; they have restructured customs services in the port of Berbera and introduced an audit system. None of this effort could be attributed to a single United Nations initiative.
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> J. Drysdale [2]

Somalia was once considered one of Africa's few real nation-states, based upon a shared Somali language and single ethnic culture. The five points of the star on its flag were meant as a call to 'lost' Somalis in Kenya, Ethiopia, and Djibouti left out in 1960 when Independence led to the union of British Somaliland and the UN trust territory under Italian administration, a cause for which Siyyad Barre's regime (1969-91) attacked Ethiopia in 1977-78. Yet in 1991 Somalia's capital, Mogadishu, hosted forty distinct, mostly clan-based armed groups.[3] Shortly before, the dying regime killed 50,000 fellow Somalis in a failed attempt to repress rebellion in the north.[4] As of 2002, the closest thing to a central government in Mogadishu was a precarious administration that controlled a small area of the city, a result of protracted negotiations in neighboring Djibouti.

In Hargeisa in old Somalia's north out came a new flag and slogans to celebrate Somaliland's declaration of independence on 18 May 1991. Heads of clans transformed themselves into a national assembly. Even though no other government extended it formal recognition, its leaders issued currency, kept order with a new police force, and collected revenues to provide citizens with basic public services. In 1999 the president of Somaliland, Mohamed Haji Ibrahim Egal, upbraided Mogadishu politicians and warlords for their servility to clan interests and seemingly endless fighting. This was the same man who had been a Somali government official, then head of his own clan militia. Neighbouring Puntland created a central administration by 1998, but one more a development organization than a formal government. Puntland authorities pioneer a new hybrid organization that contracts out to private organizations, including indigenous ones, essential tasks such as security that are conventionally assigned to states.

Leaders in Somaliland and Puntland contend with international laws and norms that hinder the creation of new polities. The United Nation's 1960 Declaration on the Granting of Independence to Colonial Countries and Peoples (Resolution 1514) declared that self-determination was legitimate only within the context of ex-colonial boundaries, and that historical or new communities outside this framework did not qualify as authentic candidates. Resolution 1514 declared that 'any attempt aimed at

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[1] *A Pastoral Democracy: A Study in Pastoralism and Politics Among the Northern Somali of the Horn of Africa*, (London: Oxford University Press, 1961), 1,3.
[2] *What Ever Happened to Somalia?* (London: HAAN Associates, 1994), 147.
[3] Scott Peterson, *Me Against My Brother*, (New York: Routledge, 2000), 21.
[4] Africa Watch, *Somalia, a Government at War with Its Own* People, (New York: Africa Watch, 1990), 218.

the partial or total disruption of the national unity and territorial integrity of a country is incompatible with the purposes and principles of the Charter of the United Nations,' a sentiment reinforced in consistent Organization of African Unity condemnations of separatist movements over the last four decades.[5] Thus no state recognizes Somaliland or Puntland sovereignty. Furthermore, many scholars cite internal factors such as foreign aid, clandestine rackets, and diaspora remittances that prevent groups from repeating the Western experience of state formation. This gives few incentives to strongmen to bother to negotiate with local people to construct the bonds of reciprocity and control over power that characterized state building in earlier times in Europe.[6] Yet this is what Somaliland and Puntland leaders appear to have done, even as their southern colleagues conformed to expectations.

What explains these radically different responses of similar societies to state marginality and state collapse? Why do they create (or fail to create) such different new polities and identities amidst greater global economic integration that diasporas and clandestine trades bring even to collapsed states? Are Somaliland's rulers unreconstructed clan politicians, their power undermined by the demise of a radically marginalized Somalia, abandoned by global economic and strategic interests, leaving them to preside over isolated, contentious clan-based enclaves? Or did Somalia's collapse create in the north a reordered authority that accepts the social power of clan-based organizations, but also finds new, sustainable ways to configure internal politics and relations with a world economy? How do these people negotiate diplomatic norms that recognize only sovereign states and communities defined by clearly delimited boundaries?

I show how Somaliland society, and to a lesser extent, Puntland society reconstructed itself around three axes. The first involves a shift toward greater reliance on solidarity groups such as clans, sub-clans and lineage groups that claim people's loyalties and resources. This organizing force in Somali society exists in interaction with other social factors. As contrasting statements at the beginning of this work show, it can appear to be an immutable boundary of conflict, but in fact is fluid and within certain limits is socially reconstructed to respond to political and economic exigencies of collapsing central state authority.

A second axis incorporates clandestine and informal economic channels in conflict. It is not true that collapsing state control automatically empowers self-interested predators who grab valuable economic resources. Somalia's recent experience shows that not all who exercise coercion do so to maximize their personal economic gains.[7] This still leaves unexplained why some pursue short-term personal economic interests and respond to global economic opportunities at the expense of community order, while others in similar circumstances do not, or at least not exclusively. Some who turn their backs on immediate economic gains survive and successfully encourage others to cooperate with them, even amidst predatory rivals. In fact, some Somali war leaders forego fairly easy predation, while others use violence even where gains are marginal. A key variable explaining this difference lies in the extent to which local notables were able to join a presidential clique and migrate into 'official' clandestine markets in the 1970s and 1980s to manipulate state

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[5] Resolution 1514 in United Nations, http://www.unhchr.ch/html/menu3/b/c_coloni.htm, OAU resolutions in Ian Brownlie, ed., *Basic Documents on African Affairs,* (Oxford: Clarendon Press, 1971).
[6] For example, Jean-François Bayart, Stephen Ellis & Béatrice Hibou, *The Criminalization of the State in Africa*, (London: James Currey, 1999).
[7] This contrasts with the analysis of Paul Collier, 'Rebellion as a Quasi-Criminal Activity', *Journal of Conflict Resolution*, 44:6 (Dec 2000), 839-53.

policies and grab state assets for personal benefit. Meanwhile, those excluded from corridors of power, especially in the north, had to take refuge in their own clandestine markets in defiance of presidential power. Highlighting differences in this aspect of state collapse is integral to identifying the social control of resources, and thus coercion after the disintegration of central authority in 1991. By extension, the same elements of social control underlie the construction and eventual character of political communities that succeed the collapsed state.

Changes in global economic norms and practices since the 1970s constitute a third axis. Some of these changes reinforce connections between state collapse, greater marginality and seemingly endless conflict. Other changes give some social networks chances to reconfigure economic ties to the rest of the world to their advantage. To the extent that northern elites can fake adherence to global norms, or convince outsiders that clan and community business networks ought to be treated as a state, or claim that they are something that they really are not (such as a development organization or a business enterprise), they acquire resources and political tools to build a new, post collapsed identity and political community. This 'beyond state collapse' possibility suggests that the contemporary world economy and state system tolerate greater heterogeneity in strategies of engagement from the periphery than normally supposed. This tolerance is unintended. It arises out of the capacity of local leaders to represent their organizations as what outsiders may wish to see, to recruit external assistance for covert purposes, and to utilize norms and practices in ways other than what those who created and use them intended, much as Somalia's president did when he destroyed his state. Where this process occurs, it is central to understanding how globalization affects the construction of identity and the formation of political authority on the margins of world economic and diplomatic transactions.

I argue that the nature of state collapse in the 1970s and 1980s, especially the distribution of social control over violence and markets, unintentionally left Somaliland leaders with more social raw material to reconstruct a single polity after 1991—to 'self-determine'—compared to southern counterparts. Northerners had some flexibility to experiment, to tie nominally private businesses to the maintenance of central authority and order, and exploit norms in international commercial and diplomatic practice created for other purposes. Lessons of Somaliland apply wherever communally based solidarities (as in Central Asia, the Caucasus, and southern Nigeria) connect people to global economic networks in a context of weak or absent states. Subsequent political arrangements in Somaliland differ significantly from state-building models that privilege clear distinctions between public and private spheres of activity and centralized bureaucratic hierarchies. Somaliland authorities preside over a hybrid organization—not exactly a state in a conventional sense—but state-like in the more basic sense of preserving order, as a pole around which citizens establish a shared identity, and able to manage the community's conduct of relations with outsiders, all integral elements of self-determination.

Political and institutional variation among Somalis occurs despite the fact that people in Somaliland and Puntland shared with the rest of Somalis similar economic constraints and historical experiences of state rule. All Somalis lived under the cold war era nationalist governance. All experienced its irredentist project in the 1970s. Especially important, all fell victim to the dramatic weakening of state institutions and faced fear, uncertainties and predations of political entrepreneurs attending the collapse of the state during the 1980s. All regions face risk factors for fragmentation such as exploitable grievances and intermingling of communal settlements, with high

potentials to create opportunities for political entrepreneurs. In fact, northern Somalia, declaring itself the Republic of Somaliland, historically has been more marginal to world strategic and formal commercial concerns than the south and experienced greater violence in the late 1980s. Distant from the capital, it was short-changed in earlier efforts to build state institutions, a situation rooted in a British colonial policy emphasizing minimal administrative intervention. It is shown below that colonial administration had a disruptive impact upon local social organization. Taken together, these factors make the emergence of an autonomous Somaliland capable of defining a political community and organizing its relations with the rest of the world even more baffling.

Instrumentalist and rational choice approaches have a hard time explaining this outcome with reference to conventional calculations of group fears and individual gain. Somaliland especially suggests other instances of non-occurrence or early cessation of war in other places. While a rational choice model for post state collapse violence and persistent conflict may explain the violent warfare and the collapse of states in Georgia's Abkhazia and South Ossetia, it fails to account for the relative absence of violence in places like Georgia's Ajaria and Abazhidze regions. Likewise, Dagestan and Ingushetia attract little attention for their absence of wars. Yet they are among the most ethnically diverse polities of their size, sharing borders with war-torn Chechnya, and are targets of numerous provocations of ethnic entrepreneurs eager to create security dilemmas among these communities. Meanwhile, Chechen neighbors fight Russians, and when not facing invaders, they fight each other.

One could attribute good sense and foresight to political actors, *ex post*. Doing so glosses over highly unpredictable, violent and threatening environments and erratic decision making processes that characterize even those cases that avoid massive conflict and communal competition. It downplays the salience of variables such as ethnically defined units that served as the basis of Soviet administration and that should have heightened ethnic tensions during periods of uncertainty, much as the first quote at the front of this work attributes continuing Somali conflicts to pervasive clan affiliation in politics there. As throughout the Somali space, entrepreneurs in all these cases exploit clandestine commercial networks in niche sectors of regional economies and play a major role in controlling external financial resources to these societies. People throughout the margins of the world economy, whether they fight or peaceably reorganize their communities in some different fashion, contend with the breakdown of old economies, declining subsidies from former colonial powers or superpower patrons, and fighting nearby that exposes them to the risk of contagion of disorder and fear. Furthermore, Somaliland's diaspora represents a larger percentage of total population and contributes more to societal income than any other major region of the Somali space. According to Collier this manner of economic and social externalization should lead to a greater likelihood of conflict,[8] when in fact it is compatible with the opposite.

What these cases, and Somaliland and Puntland in detail here shows is that state collapse and shifts in the global environment can be compatible with the formation of orderly multi-communal polities that are able to manage their connections with the global economy, even as they are extremely marginal to it. While it is not a formula for organizing polities that will have great weight in the economic or political councils of global society, these conditions are compatible with

[8] 'Economic Causes of Civil Conflict and Their Implications for Policy', Chester Crocker, Fen Osler Hampson, eds., *Managing Global Chaos*, (Washington, DC: United States Institute for Peace, 2001). 141-54.

the more modest claim that the destruction of states amidst economic globalization need not spell the end to local political order and peaceful economic engagement with the world economy. It is unlikely that this political project will generate nation-state identities of the sort seen among dominant states, as indeed independent Somalia failed to become. Instead, the organization of identity and political community adapts to manage connections with the rest of the world within constraints and adaptations to marginality.

Divergent outcomes are explained in this work in an institutional framework shaping the calculus of opportunities, much like those who attribute conflict and networks leading to state collapse to rational calculations of vulnerability and fear. Institutions are not limited to clan, ethnic groups, or remnants of the collapsing state. They include novel business and legal arrangements within networks in the world economy, diasporas, and new alliances with non-state international agencies. They may or may not be rooted in custom and tradition, but are central to regulating who is prestigious, who gets resources, who is considered legitimate, and most important, who exercises coercion. Douglass North identified them in his classic broad definition of institutions as 'the rules of the game in a society, or more formally, the humanely devised constraints that shape human interaction'.[9] In the cases here these institutions include unofficial and clandestine linkages, which often play an integral role in how local leaders construct their authority. Somali overseas traders, for example, have long relied upon inter-clan networks of trust and accommodation for economic survival. The persisting lack of international recognition of Somaliland's sovereignty encourages authorities in Hargeisa, the country's capital, to continue to place a premium on these accommodations. But it also forces authorities to contract out state services to local communal enterprises in lieu of the economic regulatory opportunities and access to global commercial practices that outsiders' formal recognition of Somaliland's sovereignty would permit.

Four tentative hypotheses incorporate this modified institutional approach to explaining divergent experiences with conflict and identity formation in the wake of state collapse in the cases examined below:

> **One**: Unofficial, non-state institutions, including those that respond to global economic shifts and increased marginality, in some instances reduce risks of fragmentation that come with state collapse. The pursuit of a state-building project and the consolidation of identity around new syncretic adaptations to global conditions can be explained with reference to informal, mediating institutions that defuse inter-clan (and inter-ethnic) security dilemmas.
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> **Two**: When formal and informal institutional frameworks favour old informal patronage networks and clandestine economic channels over the interests of new or outsider elites, the successful intervention of clan (or ethnic) entrepreneurs is less likely, reducing the risks of violence.
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> **Three**: When elites adapt old informal institutions to maintain an old state or build a new one, the risk of fragmentation is lower. New institutions and channels of resources such as roundtables, national conferences, NGO aid, and outside military intervention can increase security dilemmas, offer new niches for political entrepreneurs, and thus increase risk of political fragmentation.

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[9] Douglass North, *Institutions, Institutional Change and Economic Performance*, (New York: Cambridge University Press, 1990), 6.

> **Four**: If internal conditions noted above are met, local actors are able to exploit opportunities in the international economy to pursue self-determination. These strategies counterbalance and manipulate otherwise strong pressures implicit in international norms and laws that otherwise undermine self-determination efforts outside the framework of existing boundaries of globally recognized states.

Taken together, these hypotheses acknowledge that marginal status in global economic and political networks can become political tools in the hands entrepreneurs. This can take the form of exploiting inter-clan or inter-ethnic conflicts. It is also compatible with strategies that do a better job of containing violence, and are capable of sustaining more diverse political communities, though not in the mold of old fashioned nation-states.

Some scholars cite an immutable 'call of kinship' and durable 'ethnocratic state'[10] predating colonial rule to explain the failure to sustain a centralized state in Somalia after 1990. In this work I recognize that clan and lineage play important roles in Somali politics and are crucial units of analysis. A Somali scholar, for example, identifies six major clans and at least 67 sub-clans that have become defensive networks against predation in the 1990s.[11] Clans are taken as basic determinants of social order elsewhere such as in Chechnya: 'in peacetime, they recognize no sovereign authority and may fragment into a hundred rival clans'.[12] Yet if social structure, the subject of the next section, plays an important role in shaping the organization of conflict, assumptions of immutability do not explain why some clan groups are able to contain entrepreneurs of violence in their midst while others cooperate with them or become their targets. If, as propositions above propose, people in these social units can tailor their own organization, procedures and solutions to concrete circumstances, then it is more useful to look at clan and lineage structures through the lens of political and economic institutions, both formal and informal in this light. In that case, colonial rule emerges as an important influence on social organization and social control of resources used in warfare in the 1990s. Differences in colonial rule and local responses also help explain contemporary variations in politics.

State Collapse and Violent Fragmentation in the South

Italian administrators imported into Southern Somalia their own experiences with state economic planning and heavy state support for large-scale enterprises. This tight connection between state policy in the capital and commerce appeared when the Duke of Abruzzi (famous for Alaskan and Himalayan adventures) in 1919 established

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[10] Lewis, *Pastoral Democracy*, John Markakis, *National and Class Conflict in the Horn of Africa*, (New York: Cambridge University Press, 1987).

[11] Abdalla Omar Mansur, 'The Nature of the Somali Clan System', Ali Jimale Ahmed, ed., *The Invention of Somalia*, (Lawrenceville, NJ: The Red Sea Press, 1995), 117-34.

[12] Sergei Arutiunev, 'Ethnicity and Conflict in the Caucasus', Fred Wehling, ed., *Ethnic Conflict and Russian Intervention in the Caucasus*, (San Diego: Institute for the Study of Global Conflict and Cooperation, 1996), 17. Similar functionalist propositions appear in classic studies of 'tribal societies' including Somalia in Lewis, *Pastoral Democracy* (fn.1), and elsewhere in E E Evans-Pritchard, *The Nuer, A Description of the Modes of Livelihood and Political Institutions of a Nilotic People*, (Oxford: Clarendon Press, 1940), and Meyer Fortes, *The Dynamics of Clanship Among the Tallensi*, (Oxford: Oxford University Press, 1945) that understand clan politics in isolation and abstracted from processes of historical causation such as colonial rule, regional politics, or global commerce.

the Societa Agricola Italo Somala (SAIS) in the fertile river valleys of southern Somalia. He and other concession holders discovered that they could not attract workers from among the Gosha people of the area that had migrated to these river valleys from the Zanzibar coast in the pre-colonial era. Small holders were reluctant to leave their farms and trade social obligations and protections of family and lineage based production for wages. European concessionaires identified the problem as following from the tendency of local elders to discourage young men from accepting paid labor that would undermine elders' control over bride price. Oral histories from the Jubba River Valley cite worries over the potential for local disruption that loss of elder control over matrimony would cause. If young men could afford to marry whomever they pleased, this would favour some families over others, perhaps permanently. This risked giving young men means to ignore local sensibilities concerning what constituted appropriate marital matches, which involved concerns about family alliances and redress for past wrongs or disadvantage,[13] all social constraints that are important later if one is interested in controlling fighters or freeing them to prey on communities.

The launch of the Italian invasion of Ethiopia from Somalia in 1935 helped to 'solve' this labour problem. The conscription of 40,000 Somali troops gave Italian officials the means to forcibly remove local farmers from their land and give it to Italian enterprises. Removing young men from among settled populations in southern river valleys, disrupted local food production in the late 1930s. Food shortages and higher prices ensured that more local people sought wage labour contracts, some of which provided food as in-kind compensation. Some young men discovered what elders feared, that employment on plantations growing bananas for the Italian market freed them from local customary constraints. Employers also recruited young women to provide workers with wives from outside the area to convince their workers to settle on plantations.[14] This change increased matrimonial options for young men but undermined the role of married women in elders' constructions of flexible, cross cutting ties between local lineages.[15]

Heavy state subsidies for commercial farms also initiated a pattern that outlived the Somali state in the 1990s of drawing powerful actors from the capital into southern economic and political affairs. It was the intention of colonial administrators from the start that large-scale commercial agriculture be distributed according to political criteria, not simply efficiency. Specifically, investment was designed to uproot local producers' control over land and force them to engage fully with a national economy. By the mid 1930s SAIS became Italy's main banana supplier and Somalia's largest commercial agricultural enterprise behind the shield of import tariffs and state subsidies. The export quota survived the collapse of the Somali state through terms of the Lomé Conventions that protected Somali banana exports to the European Union up to 1999. This colonial policy resembles later policies of 'national self-sufficiency' that masked capital-based elites' manipulation of state economic policies to divert assets for themselves and weaken regional power bases of rival politicians. This patronage-based allocation of economic opportunities drew outsiders into the region to control land and monopolize access to economic opportunities with

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[13] Kenneth Menkhaus, *Rural Transformation and the Roots of Underdevelopment in Somalia's Lower Jubba Valley*, Ph.D. dissertation, Department of Government and International Studies, University of South Carolina, 1989, 247-48.

[14] Robert Hess, *Italian Colonialism in Somalia*, (Chicago: University of Chicago Press, 1966).

[15] See, for example, Ali Moussa Iye, *Le Verdict de l'arbe: le Xeer Issa*, (Dubai: International Printing Press, no date).

help from the coercive force of the state to back up their claims. When violence increased in the 1980s, this elite was able to replace state militias with young men of their own kin from outside the area. These young men were refugees from conflict in other regions, freed from customary limits that their home communities would have exercised over their use of violence.

Thus economic expansion and government revenue in Italian Somalia and the independent Somali state did not develop on the basis of global competitiveness. Instead it relied on violent accumulation and privileged connections to political authority in the capital. Colonial officials used this strategy to bolster a formal economy export market that could provide revenues to the state. Despite the eventual diminishment of formal state control over transactions, colonial policy resembled later practice in that beneficiaries relied upon the support of key officials—later, patronage bosses—who used coercion and public asserts to ensure commercial success. For example, 1955 banana exports to Italy provided $7.6 million of the colony's total exports of $10.8 million only because SAIS still enjoyed prewar tariff exemptions and state-regulated pricing in Italy. A World Bank team estimated that Somali bananas cost 40 percent more to produce and ship to Italy than did West African and Canary Island bananas.[16] Likewise, SAIS also produced textiles, soap, and sugar for local consumption at 40 percent above world prices, again with the benefit of tariff protection and easy access to state credits, policies that continued after colonial rule. Thus the World Bank report accurately predicted that Somalia would require heavy financial support long after achieving independence in 1960, a responsibility that expanded with large-scale aid projects that boosted commercial farming to include about 20 percent of all farming land in southern Somalia's river valleys.[17]

Despite state support for agriculture—or rather because of it—Italian Somalia entered the 1950s heavily reliant upon direct subsidies from Rome to pay for administration. From 1951 to 1957, the colony generated average annual revenues of only $5.4 million, requiring an additional Italian government subsidy averaging $9 million.[18] 'The hard facts', wrote investigators, 'are that the traditional sectors of the economy offer little prospect for rapid expansion, while European agriculture has grown up on a largely artificial basis'.[19] This did not deter multilateral creditors and foreign donors from taking the burden of financing projects after independence in 1960. During the 1960s and 1970s foreign donors and creditors supported a large expansion of plantation agriculture. From Independence to 1981, 18 percent of remaining small holders in the Jubba River Valley had their communal and private holdings forcibly expropriated to state farms, not including land lost to reservoirs. This was usually done without compensation. The impact on local communities was more dramatic than figures suggest, since water diversions to large irrigation schemes left additional land unfertile.[20]

Foreign aid enhanced the importance of commercial farms in elite political strategies and increased the disruptive impact of state 'development' strategies on the

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[16] Figures and assessment from International Bank for Reconstruction and Development, 'The Economy of the Trust Territory of Somaliland', (Washington, DC: IBRD, 1957), 63.
[17] Kenneth Menkhaus & Kathryn Craven, 'Land Alienation and the Imposition of State Farms in the Lower Jubba Valley', Catherine Besteman & Lee Cassanelli, eds., *The Struggle for Land in Southern Somalia*: *The War Behind the War,* (London: HAAN Publishing, 1996), 166.
[18] Mark Karp, *The Economics of Trusteeship in Somalia,* (Boston: Boston University Press, 1960), 147. The $14 million annual budget, about $60 million in 2002 prices, highlights the miniscule bureaucratic capacity of the colonial Somali state.
[19] IBRD, 1957, 91.
[20] Menkhaus, 1989, 166.

local population. Foreign support for the three largest commercial farms in the Jubba area during the period 1976 to the late 1980s totaled at least $325 million, while direct state aid exceeded $50 million annually, a considerable sum given the country's GDP of $1.7 billion in 1987.[21] Privatization of enterprises, begun in 1981, reinforced close ties between political power and one of the country's primary economic assets. A 1975 land tenure law expanded the assets available for patronage through giving legal means to civil servants and businessmen who could get government backing to claim village lands that were not included in commercial farms. Registration of titles became 'a political rather than an economic process' reported a foreign technical expert. 'The successful individual is one that has contacts in the bureaucracy, knowledge of how to "work the system", clan and personal ties with high government officials', at the expense of the mostly Gosha small holders who held land on the basis of custom and lineage ties solidified through marriage.[22] The land grab in southern areas alienated a further 6,000 ha in addition to the 16,000 ha lost to plantations, increasing the importance of this region as a source of political patronage beyond its value as a recipient of foreign aid, and put most of the region's economy under control of powerful outsiders.[23]

The top-down merging of political networks and official economic policies destroyed local customary authorities' capacity to control resources. It also helped determine the contours of conflict in the 1990s, since it drew into the region outside elites of mixed origins, several of whom became important political actors in the river valleys by virtue of their positions in the hierarchy of the military dictatorship in the capital. Their economic power was tied to the coercive power of the state. As state control diminished in the 1980s, they developed their own capacity to act as political entrepreneurs to recruit and field armed forces. The significance of colonial and nationalist policies, however, lay in providing these actors with tools to become violent entrepreneurs as these policies weakened local capacity to resist this process.

Southern river valleys consequently became a site of frequent conflict since 1991. Control over major plantations played key roles in the strategies of two major militia leaders in the early 1990s. General Mohammed Aydeed, who had held positions in the government in the 1980s, and his backers provided land in the river valleys on which disaffected *mooryaan* ('dispossessed ones') could settle. Aydeed used the attractions of this region to recruit followers from his own Habr Gidir clan to join his faction of the United Somali Congress (USC). Other strongmen from the Barre regime saw a strategy of survival in southern farms. Aydeed's principal businessman backer, Mogadishu-based Osman Ato, organized the looting of farm equipment, then provided backing to set up militia-controlled plantations. Ato already had a base in the area, since he had been allocated a farm in the 1980s that his sister ran.[24] Barre's former defense minister, Adan Abdullahi Nur 'Gabeeyow' also used

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[21] Aid figures from Hussein Adam & Richard Ford, 'Somalia: Toward a Revised Rural Development Strategy', (Mogadishu: Ministery of Interior, 1986), 'Final Evaluation Report, Jubba Development Analytical Studies Project', (Mogadishu: Ministry of Jubba Valley Development, 1989). GDP figure is from World Bank, *Sub-Saharan Africa: From Crisis to Sustained Development*, (Washington, DC: World Bank, 1989), 221.

[22] Allan Hoben, 'The Political Economy of Land Tenure in Somalia', R.E. Downs & S.P. Reyna, eds., *Land and Society in Contemporary Africa*, (Hanover: University Press of New England, 1988), 216.

[23] Michael Roth, *An Analysis of Land Tenure and Water Allocation Issues in the Shalambood Irrigation Zone, Somalia*, (Madison: University of Wisconsin Land Tenure Center, 1987), Susan Gunn, 'Somalia', John Powelson & Richard Stock, eds., *The Peasant Betrayed: Agriculture and Land Reform in the Third World*, (Boston: OGH, 1987), 116-24.

[24] Interview with UN official, New York, 8 March 2002.

southern farming lands as a patronage resource of his own once his president had fled to attract and organize fighters, first after teaming up with Col Omar Jess, and continuing after he switched to the side of General Mohammed Said Hersi 'Morgan', another Barre crony and head of the Somali National Front (SNF).

Continued exports of bananas to Europe provided hard currency to entrepreneurs, estimated to total $26 million in 1990, and still generated export incomes in the range of $6 to $8 million in 1994.[25] These resources and opportunities drew in more *mooryaan* from other regions for refuge, employment, and food. Col. Omar Jess, for example, used the southern region as a base for displaced members of his Ogadeen clansmen who had fought in an earlier conflict once Jess recognized in 1990 that his presidential patron was going to fall. Thus the report of an aid worker in 1995 reflected the presence of large numbers of armed outsiders: 'In lower Jubba, the district commanders and militia are the only structure of authority… There is no civilian administration. Osman Ato's farm is where the main commander is based'.[26] Despite the absence of state-like administration, this merging of economic and coercive power shrank the social space for indigenous resistance. Defensive groups of local farmers from the Shebelle and Jubba valleys such as the Somali African Muki Organization (SAMO) have remained weak because they lack access to hard currency with which to buy weapons and cannot recruit their own *mooryaan* from distant urban areas or other battlefields like their much stronger opponents.

This organization of conflict hardly counts as a societal consensus on virtues of clan politics. Instead it follows from a colonial, then national labour policy that undermined local customary contract arrangements and political institutions based upon elders' control of marriage and land allocation. These changes indicate that woman once played an important role in maintaining flexibility in lineage boundaries and thus in political arrangements. As outsiders disrupted local matrimonial customs, then seized local farms, local people were unable to control enough resources to oppose these interlopers. Indigenous people and newcomers alike became 'stabilized' around rigid lineage identities as a consequence of the coercion, then outright violence of economic policies that created security dilemmas for entire communities. Denied means or incentives to make local political accommodations, newcomers petitioned patrons in the capital to hold onto their assets and positions. Eventually they had to seek protection from clan militias that also served the same entrepreneurial purpose, except now in more outwardly violent ways.

Indigenous inhabitants had fewer choices. If they lacked weapons, they had to seek protection as subordinates to local armed groups, or take their chances in poorly armed home guard militias. These rigidified lines of conflict fit the expectations of scholars that political entrepreneurs will exploit these security dilemmas to get control of local resources. This is especially true among new arrivals who lacked mechanisms to settle disputes among themselves, since all were 'foreigners' who could call upon distant kinsmen to tip the balance of power. The relative violence in southern regions illustrates the proposition above that outsider elites who had benefited from privileged access to the political networks of the crumbling state fit best into the expectations that state collapse and violent exploitation of resources will

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[25] The 1990 figure is from 'Banana Wars in Somalia', *Review of African Political Economy*, 64(1995), 274. The 1994 figure is from *Maanta* [Mogadishu based UN newspaper], 17 Nov 1994, 2. See also Ken Menkhaus & John Prendergast, 'Political Economy of Post-Intervention Somalia', Somalia Task Force Report #3, April 1995.

[26] Human Rights Watch, *Somalia Faces the Future: Human Rights in a Fragmented Society*, (New York: HRW, April 1995), 40.

lead to long-term conflict, rigidified ethnic defensive groups, and will fail to build large-scale political communities. Economic globalization in this setting adds resources to sustain the battles of political entrepreneurs, and thus creates formidable obstacles to organizing stable political authority.

Northern Variation in Marginality

While Italian Somalia depended heavily upon subsidies to underwrite exports and maintain state agencies, officials in British Somaliland insisted that the colony remain economically 'undisturbed' and get by with a smaller state apparatus compared to its southern neighbour. British administrative responses to the anti-colonial resistance of Sayyid Mohamed Abdille Hussan, the 'Mad Mullah of Somaliland', whose fighters held off British expeditionary forces for twenty years from 1900 to 1920, explains some of this caution. 'The expatriate administration', wrote Lewis, 'consequently received stern admonitions from London that nothing was ever to be done again that could possibly provoke the Somalis'.[27] Thus it appears that Somali regions experienced very different legacies of colonial rule, depending whether they were included in Italian or British realms.

Differences in style, however, did not translate into dramatic variation in levels of colonial intrusion in local societies. Albeit, British officers no doubt thought that direct rule and economic intervention of the Italian sort would lead to too much resistance, would be too costly, and would weaken the willingness of local leaders to collaborate with, or at least tolerate colonial rule. These concerns informed the British doctrine of Indirect Rule elsewhere on the continent, which mandated appointment of customary authorities as agents of the colonial state wherever possible. The legal and administrative goal in Somaliland was to concretize social organization, as understood by British officials. This meant that while Italian officials were trying to destroy linage control over potential workers, British authorities recognized *diya*-paying groups as basic political institutions. These were groups pledged to pay blood money to the families of victims of violence to resolve feuds. *Diya* is an element of customary law in that it regulates social interactions. But it does not concern the standing of in individual before the law so much as the relations between groups. Lewis takes these groups as integral to local society and stresses the minimal impact of colonial rule on local society, and even asserts 'during the colonial period, hardly any attempt was made to artificially erect a system of Indirect Rule'.[28] This interpretation conflicts with British colonial budgets that list stipends paid to individual headmen and observers who complained that appointees had an entrepreneurial tendency to make British colonial authority a tool for fighting their internal rivals or engaging in self-enrichment.[29]

Colonial rule actually did considerably change Northern Somalia. The concretization of *diya* paying groups gave local headmen a stake in enforcing colonial ordinances, since transgressions netted them a portion of fines. It was in British colonial administrative interests to reinforce the position of headmen, since *diya* gave justification to British ordinances prescribing collective punishment for infractions in lieu of a large and expensive bureaucracy.[30] The practice of collective punishment, in

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[27] I M Lewis, *Blood and Bone: The Call of Kinship in Somali Society*, (Lawrenceville, NJ: The Red Sea Press, 1994), 4.
[28] Lewis, *Blood and Bone*, 23.
[29] Colonial Office Peace Handbooks, *British Somaliland*, (London: HMSO, 1920), Ralph Drake-Brockman, *British Somaliland*, (London: Hurst & Blackett, 1912), 125-28.
[30] *Laws of the Somaliland Protectorate*, (London: Stevens, 1923).

which any member of the *diya* paying group could be fined or dispossessed even if another individual was suspected of an infraction, gave headmen an interest in ensuring that *diya* boundaries remained static. Headmen wanted to rigidify social boundaries to make sure that individuals and families did not try to reinterpret their lineage to escape obligations incurred by people unknown or distant from them. This artificial rigidity reinforced the colonial legal notion of blood group solidarity and recruited blood groups to control 'members' to avoid liability for their actions.[31] Thus British, like Italian administration, laid foundations for less flexible definitions of clanship. This legacy also should aggravate group security dilemmas and provide opportunities for political entrepreneurs amidst conflict in the 1980s and 1990s, just as Italian and nationalist economic policies did in the south.

The British north, however, lacked the Italian south's history of state appropriation of economic assets on behalf of outsiders, at least during the colonial era. This condition continued into Barre's regime and became a major factor in shaping the local development of social regulation of violence in the 1990s and 2000s examined in detail below. Unlike every other British colony in Africa, except the Gold Coast (where resistance to colonial rule also resulted in armed struggle), colonial authorities levied no head taxes, subsisting instead on taxes on trade to pay for administration.[32] From 1951 to 1957, average annual British Somaliland internal revenues amounted to only £860,000. The colony was distinguished as one of the few that required regular subventions from the Exchequer. London's subsidy, along with postwar Colonial Development Corporation grants, added an average of £1.2 million to the colonial budget during the 1950s.[33] As in the Italian colony, administration required subsidies for about two-thirds of its expenditures, though British officials rejected statist pretensions of their Italian colleagues. Regardless, colonial authorities in both places saw little prospect for viability without outside financial support, and London shed its burden upon Somali Independence in 1960.

Meanwhile, British officials pursued their goals by simply foregoing economic development. Lewis, then a member of the British Somaliland civil service, reported that when he arrived in Hargeisa in 1955 about 200 senior officers ran the entire colony.[34] An official from London charged with charting a development plan for the colony in the 1950s complained that the local administration actually resisted the whole notion of economic development. He was astounded that, taking prewar London's fears of disorder to heart, they feared social disruption and 'modern' social pressures, and to avoid these evils, they actively defied postwar economic policy directives from London that local officials considered imprudent.[35] 'As a result', reports Lewis, 'the traditional attitudes of pastoral Somali society were even more strongly entrenched in the north, while the south, by contrast, appeared in many respects more modernist in outlook'.[36] Local society may have seemed 'traditional' and 'in comparison with other segmentary lineage societies fictional kinship seems strikingly rare',[37] although administrative intervention in local social categories suggests otherwise.

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[31] H.B. Kittermaster, 'British Somaliland', *Journal of the Africa Society*, 27:108 (1927), 329-37.
[32] Crawford Young, *The African Colonial State in Comparative Perspective*, (New Haven: Yale University Press, 1994), 133.
[33] Protectorate of Somaliland, *Somaliland: Reports [various years]*, (London, HMSO, 1955-1960).
[34] Lewis, *Blood and Bone*, 5.
[35] John Hunt, *A General Survey of the Somaliland Protectorate, 1944-1950*, (London: Crown Agents for the Colonies, 1951).
[36] I M Lewis, *A Modern History of Somalia*, (Boulder: Westview, 1988), 169.
[37] Lewis, *Blood and Bone*, 23.

Given these similarities, it is even more baffling that armed entrepreneurs in the south failed to build a stable political order after 1991 while armed northern leaders found ways to manage conflict, build cross cutting alliances and rein in violence without the aid of outside force or subsidies. As evidence below shows, colonial experiences were not decisive in shaping contemporary identity and political organization, though they are important for their significant influence on shaping social categories and the social distribution of resources. The key variable shaping these outcomes lies in the nature of rule in post-colonial Somalia, specifically the extent to which local elites either joined with or were excluded from political networks that dominated commerce, as the fate of commercial farms and state economic development policies in southern Somalia showed.

Patronage Politics, Foreign Aid, and the Start of State Collapse

The 1960 unification of British Somaliland and Italian Somalia as an independent state did not result in a reduction of external financial support, nor the economic irrelevancy that IMF investigators and scholars predicted. Though no magnet for foreign investment, Somalia's rulers discovered that they could turn prerogatives of sovereignty into tools to attract external economic assets. Somalia's government perfected the art of playing to the diplomatic and strategic interests of former colonial rulers, superpowers and others willing to exchange aid for affirmation of a particular ideology, diplomatic alignment, or access to military bases.[38] Rulers used these resources to attract popular legitimacy and manage domestic political rivals. The latter presented more pressing challenges and dominated the conduct of Somalia's external relations. As southern Somali agricultural projects shows, capital-based strongmen used foreign aid to build political networks that later provided key agents of violence and armed groups of followers when central control over this network collapsed. Ironically, the preferred strategies for building a state and political community on the margins of the global economy after 1960 also lay at the heart of state collapse and violent community fragmentation after 1990.

The high water mark of this centrally managed political project began with the coup of General Mohamed Siyaad Barre on 21 October 1969. Initially it appeared to be a state-building project. Barre (a former member of the Italian Somaliland and British wartime interim administration police) announced that all speakers of the Somali language should be unified in a single state, and supported crash literacy programs to propagate a new Somali script. In 1970 he unveiled an official 'Scientific Socialist' ideology and invited the Soviet navy to lease the deepwater port of Berbera, in former British Somaliland. Barre took ideological cues and foreigner's cash where he could find it, combining Islamic poetry with the centralizing vision of Lenin, the cult of personality of North Korea's Kim Il-Sung and advice from Western creditors and donors who in fact remained his primary financial supporters even during his alignment with the Soviet Union. Barre also admitted to admiring Benito Mussolini, who he called 'my former commander'. While Barre was insistent on ideological consistency, he did maintain a consistent pursuit of a centrally organized state-building project, whether of fascist or socialist inspiration. In this sense, Barre responded to the global incentives of his time, a political and economic world that supported state regulation of domestic economies and that provided financial support to leaders of new states who embarked on these projects.

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[38] Steven David, *Choosing Sides: Alignment and Realignment in the Third World*, (Baltimore, Johns Hopkins University Press, 1991).

Barre went even further, and vigorously pursued an irredentist project of consolidating all Somali speakers in a single state. This translated into official support for a Northern Frontier District Liberation Front in Kenya and a Front de Libération de la Côtes des Somalis in neighboring French Somaliland.[39] Somali state-building continued with the infiltration of Ogadeeni clan fighters of the Somali-Abo Liberation Front (SALF) and the Western Somalia Liberation Front (WSLF) to 'reclaim' ethnic Somali territory in Ethiopia's Ogaden after a coup in 1975 amidst challenges from separatist movements in Eritrea, Tigray and Oromo. SALF and WSLF ties to the Somali government were tight enough that a government office in Mogadishu distributed their propaganda in the consolidated *Bulletin of Somali Liberation Fronts*, denouncing 'Abyssinian colonialism' and calling for these regions to (re)join the Somali nation.[40] By March 1978, however, Ethiopian counter-attacks reached Somali territory after Ethiopia's rulers made their own bid for Soviet aid. Barre's attack on Ethiopia had consequences decades later as Ethiopian leaders concluded that keeping Somalia very weak and disorganized after Barre's fall in 1991 was integral to their own security. Barre's Soviet backers abandoned him in 1978, preferring instead to align with a seemingly more genuine Marxist-Leninist ruling party in Ethiopia (which also is ten times more populous than Somalia). This came on top of the bad news for Barre in 1977 that French Somaliland voters rejected union with Somalia and opted for independence as the Republic of Djibouti in a referendum.

Despite Barre's loss of Soviet patronage, his regime managed to find a new external source of income. The US government established its own (more modest) military presence and gave Barre's regime more than $800 million in aid. A quarter of this was devoted to military expenditures. Italy was more generous. Conveniently for Barre, his Italian patrons were willing to include local politicians in insider deals in providing over a billion dollars in the 1980s for more than one hundred projects, which contributed to Barre's role as a distributor of largesse to his informal political network of associates, both inside government and in 'private' (but politically well connected) business.

Overall, outside aid generated $2.8 billion for Somalia between 1972 and 1989, making Somali people Africa's greatest beneficiaries of aid on a per capita basis at that time.[41] The geographic, sectoral and political distribution of aid, however, shows that most Somalis benefited very little as aid, not just from his Italian patrons, became a major source of corruption and kickbacks to regime favourites. The extreme dependence of the country on foreign aid for 90 percent of recorded development spending underlines the centrality of Barre in all avenues of economic life—as manager of formal state allocations and as patron to political allies—at the expense of broader community or commercial efforts. Barre's domination of these economic channels also entrenched his power in the institutional frameworks of communities targeted for development spending. He used these initiatives to overlay his own political network over old informal local networks. The consequence later would be that informal mediating institutions such as *xeer* and the authority of 'traditional' leaders would be weakest in these areas once sustained conflict broke out in the late 1980s. Thus economic globalization in this manner laid the groundwork for state collapse. When examined in its patrimonial context, it also provides a guide

[39] On official support for irredentist groups, see John Markakis, *National and Class Conflict in the Horn of Africa*, (Cambridge: Cambridge University Press, 1987), 169-201.
[40] Pamphlets in the author's possession.
[41] John Sommer, 'Hope Restored? Humanitarian Aid in Somalia, 1990-1994', (Washington, DC: Refugee Policy Group, 1994), 7.

for predicting which communities would organize their own responses to state collapse and which ones would not, and how each category would respond to economic opportunities in the 1990s and 2000s.

Meanwhile, agricultural projects and programs absorbed 22 percent of development spending in the 1980s, with 90 percent of that allocated to large-scale commercial crop farming. Favoured groups benefited from the construction of dams, irrigation and plantation farming in the south. This southern area was the dominant beneficiary of this category of spending.[42] Foreign experts complained that this priority excluded more numerous pastoralists, especially those in northern areas affected by conflict that continued long after the Somali invasion of Ethiopia, even though agriculture spending rose as a proportion of development spending during this period.[43] Further accentuating the social differentiation that development spending promoted, social service expenditures fell from 6.3 percent of development spending in 1975 to less than one percent in 1989. By the 1980s, even this small amount was reserved in large part to provide housing for faculty and staff at the National University in Mogadishu.[44]

Even though state support declined politically favoured groups continued to benefit. Industrial firms, for example, received 35 percent of development spending in 1975, dropping to 10 percent in the mid 1980s. This decline reflected the regime's acceptance of creditor advice to privatize industrial enterprises. This was carried out on the basis of political favouritism, and was immediately followed with massive manipulation of credit markets to benefit regime cronies. Administrative regulations depressed formal market interest rates for credit to –80 percent in real terms in 1984, compared to marginal positive rates in the late 1970s.[45] Not efficient in economists' terms, negative rates ensured that credit would be distributed to politically powerful groups and businessmen. Lucky recipients later paid their creditors in severely depreciated local currency, which effectively meant that the state provided its favourites with a bonus for holding these loans. The fiscal demands of this policy meant that the politically marginalized had to seek credit on their own in much more expensive informal markets that did not enjoy patronage from the state. Alternatively they could leave the country in search of economic opportunities abroad. This further marginalizing politically disfavoured groups from Barre's informal patronage networks, though it would have positive significance in later years when their community leaders would find that they had influence over these overseas sources of income independent of strongmen associated with Barre's regime.

Likewise, policy failure coupled with a steady flow of foreign aid helped civil servants migrate into regime-sanctioned clandestine channels. By 1989, civil servants were paid only three to four percent of the real value of their 1975 salaries, and had to support themselves through corruption, bribes and kickbacks. Despite declining salaries, Barre increased civil service employment from approximately 20,000 in 1969 to over 56,000 in 1983. This made association with foreign financed development projects a vital part of the survival strategies of civil servants. Uncertainty and scarcity helped turn these projects into an even more valuable political resource for

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[42] World Bank, *Somalia: Crisis in Public Expenditure Management*, (Washington, DC: World Bank Report 8727-SO, 1991).
[43] Somali Ministry of National Planning, *Report on the First Meeting of the Joint Coordination Group for Somalia*, (Mogadishu: Somali Ministry of National Planning, 1987), 10. Foreign consultants and advisors often wrote ministry reports evaluating project development.
[44] World Bank, *Somalia: Crisis*, 124.
[45] Jamal Abdalla Mubarak, *From Bad Policy to Chaos in Somalia*, (Westport, CT: Praeger, 1996), 126.

Barre. A foreign consultant observed, however, that the civil service lost a disproportionate portion of more educated employees, particularly those who came from the north who Barre regarded as less desirable as political clients.[46] As shown below, politically marginalized communities in the north were forced to became more adept at exploiting the economic opportunities of clandestine markets and overseas employment on their own, often in defiance of the regime and in conflict with clandestine rackets that regime favourites ran.

Even when Barre's irredentist adventure and destructive economic policies brought growing popular insecurity, foreign relief aid offered him additional political resources that he could plow back into his 'official' clandestine economy. UN officials, for example, complained that $100 million in relief aid to refugees of the 1977-78 war was distributed on the basis of clan leadership loyalties to Barre, and was used to reinforce the control of regime strongmen who were responsible for controlling distribution of relief aid in the camps.[47] Aid workers testified that food was pilfered from convoys and sold in local markets with the connivance of local officials. UN officials used this same complaint over pilferage to justify intervention in the early 1990s. Nor is it coincidence that the same individuals and armed groups were responsible for this use of violence in both periods, though prior to 1990 this was an informal 'official' state policy, while freelance in the latter. One aid worker estimated that three quarters of all supplies were stolen, with some going directly to pro-Barre militias that attacked clans that Barre believed opposed his rule.[48] Massive over counting of refugees, 1.5 million by Somali government estimate versus 650,000 in the view of aid agencies also were geared toward generating resources for patronage.[49]

Clandestine Markets, Political Entrepreneurs, and the Destruction of Southern Elite Autonomy

The failure of the Ogaden invasion posed a serious challenge to Barre's authority, not just because of the military defeat and challenge to the irredentist project. The 1978 defeat and continuing armed clashes with Ethiopia through the early 1980s changed how Barre ruled. Barre could no longer mobilize a broad-based coalition on the basis of a vague socialist ideological appeal (backed with visible evidence of general economic development), nor could he unify his country in a regional state-building military campaign. Instead, he shifted toward a more thorough reliance on manipulating markets and directing the violent predations of strongmen who were allied with his regime. This key variable, already seen in reference to southern farming areas, shaped the physical and social distribution of insider beneficiaries and outsiders to Barre's rule. Ironically, those who were left out—usually against their will—gained social tools that they used later to impose order and build defensive networks against local predation and disruptive elements of the world economy. Thus this analysis locates the primary cause of Somalia's disruption as a consequence of the last two decades in the internal configuration of patronage politics and state collapse. Economic globalization contributed to this process only insofar as resources and opportunities were channels in ways that undermined social cohesion, which was precisely the informal aim of Barre's patrimonial strategy, along with

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[46] Peter Gregory, 'Somali Civil Service Reform', (Mogadishu: USAID, 1990 mimeo), 12.
[47] UNDP, 'Report on Development Assistance to Somalia',
[48] Jonathan Tucker, 'The Politics of Refugees in Somalia', *Horn of Africa*, 5:3 (1984), 22.
[49] Robert Gersony, *Why Somalis Flee*, (Washington, DC: US Department of State, Bureau of Refugees, 1989),

securing those resources for him to distribute at his personal discretion to his supporters. Likewise, global economic transactions became the key either to later fragmentation or consolidation of communities, depending upon how those communities allocated those resources after the central state collapsed.

Nor was Barre's patrimonial strategy always successful, even when he dominated economic resources. One of his own Daarood clansmen, Colonel Abdulahi Yusuf, led an attempted coup against Barre. Abdulahi Yusuf was stationed in the northern part of the county amidst the half million Ogaden refugees from the 1977-78 war and presided over the lucrative distribution and looting of foreign aid to refugees. Like Barre, Abdulahi Yusuf and these refugees hailed from the Daarood clan. Despite these kinship ties (and undermining the notion that Somalia's conflict derived from immutable clan identities), Barre took seriously the possibility that Abdulahi Yusuf could organize a mass-based uprising against his rule from these core members of Barre's patronage network. Abdulahi Yusuf found that he could sell his opposition to Barre for military and financial support from Ethiopia's regime, which saw in Abdulahi Yusuf's role as a political entrepreneur who could weaken their enemy in Mogadishu. Abdulahi Yusuf used Ethiopian backing to form the Somali Salvation Democratic Front (SSDF), which took up arms against Barre's regime.

Abdulahi Yusuf's defection and suspicions that others might use clan solidarities and positions in his patronage network against him alerted Barre to the dangers of delegating too much responsibility to his subordinates, especially those who controlled coercive force and resources in their own right, to hold onto power. Yet the war with Ethiopia entailed increasing the army from 22,000 well-armed soldiers in 1977 to over 50,000 troops in 1981 once Barre's adversary benefited from Soviet aid and advice. Many of these hastily mobilized soldiers owed more allegiance to specific commanders who recruited them than to Barre's nationalist vision or centralized state. By 1990, numbers reached 60,000 through forced conscription.[50] Barre's dependence on these regional strongmen within his own political network seriously limited his ability to mobilize people or resources in Somali society.

Fortunately for Barre, Somalia's increasing dependence on outsiders for aid facilitated his switch from a bureaucratic state-building project to a patronage network rooted in violent control over economic channels. His strategy of ruling through manipulating access to economic opportunity made segments of the country's elite beholden to Barre for personal wealth and security. This neutralized the ability of clan elders to control resources on their own to resolve local conflicts, since official favour equipped local strongmen with means to appropriate these exchanges and resources for themselves and their followers. Those beholden to Barre's network still could patronize their own clan's kinsmen. This was Barre's intention as well, since this gave Barre greater leeway to use his proxies to manipulate tensions between clans and within clan groups to divide not only his opposition, but also ensure that his allies never could mount a direct challenge to his rule.

Barre chose his associates according to this calculus of instigating clan competition for favour. 'This', wrote Lewis, was reflected in the popular code name '"MOD" given to the regime. M (Marehan) stood for the patrilineage of the President, O (Ogaden) for that of his mother, and D (Dulbahante) for that of his principal son-in-law, head of the national security service'.[51] This bias in Barre's provision of patronage benefited already entrenched southern-based elites more than it

[50] Marc-Antoine Pérouse de Montclos, *Interprétations d'un conflit: le cas de la Somalie*, (Bordeaux: CEAN, 2001), 35.
[51] I M Lewis, *A Modern History of Somalia*, (Boulder: Westview Press, 1988), 222.

did northern ones who were more marginal to Barre's original power base, and hence he trusted much less. Even so, enterprising northerners could participate, and as seen below, would engage in violent predation to bolster their fortunes in competition with their colleagues after Barre's fall. Earlier, however, this arrangement gave the president excellent bases to sharpen and exploit competing security dilemmas within his own political clique. Local power and access to wealth, even in clandestine economies, increasingly came from membership in the capital-based clique, an arrangement designed to harness the ambitions and violent strategies of political entrepreneurs in Barre's divide-and-rule network.

Barre confronted Abdulahi Yusuf's challenge with this technique of selective arming of strategically placed clan based political entrepreneurs. As Barre armed other Daarood sub-clans, Abdulahi Yusuf's Majeerteen compatriots found themselves increasingly isolated and fair game for other groups that wanted to take advantage of the general political crisis to loot their politically marginalized neighbours. This created a reciprocal rationality of fear among Daarood sub-clans as communities and their elders had to decide whether they would back their president or side with a potentially successful challenger. Kinship should matter more in choices like this, since one wants to be able to count on receiving protection from one's patron, even if the patron's fortunes should decline. Abdulahi Yusuf also had to contend with Barre's efforts to appease segments of its broader Daarood membership with bribes to desert his SSDF. This meant Abdulahi Yusuf's sub-clan became even more exclusively associated with the SSDF. This in turn caused the entire group to become suspect in the eyes of people, even among those who might otherwise join forces with them against Barre.

Barre also armed Ogadeeni refugees to fight Isaaq communities in the north who he thought might be sympathetic to the plight of his other enemies, or perhaps join them in arms. Supplied with government arms, Barre used his patronage of Ogadeni refugees to revive old conflicts over pasturage in Ethiopian territory with their Isaaq neighbors dating from the 1950s. British forces had occupied shared pasture land in Ethiopia during World War Two, then returned it to Ethiopia in 1954 with the proviso that northern (mostly Isaaq) pastoralists would continue to have access to pastures. This was a bargain that was kept only intermittently. WSLF fighters sought to exploit this grievance too, but could not join with Isaaqs to address this problem if the key to patronage from the capital for Ogadeenis lay in getting guns from Barre's allies to attack other Somalis. Attacks on Isaaq occurred within Somalia too. During May of 1983, for example, Daarood Ogadeeni fighters killed 500 northerners in a week of fighting in the Burao area. Now conflict was taking on the character of a seemingly deeply rooted clan conflict. Fighting thus mobilized more immediate personal interests in the framework of clan politics, as Lewis observed when he visited the region in the late 1980s: 'Male Ogadeeni refugees [of the Daarood clan] have been encouraged to take over the remains of Isaaq shops and houses in what are now ghost towns. Thus those who were received as refugee guests have supplanted their Isaaq hosts, many of whom—in this bitterly ironic turn of fate—are now refugees in the Ogaden'.[52] Through selective arming of Daarood Ogadeenis to target supposedly disloyal Daarood sub-clans, Barre deflected armed opposition and undermined prospects for any unified challenge to his rule.

[52] I M Lewis, 'The Ogaden and the Fragility of Somali Segmentary Nationalism', *Horn of Africa*, 13 (1990), 59.

Barre also promoted preferred supporters from among Oromo and Ogadeeni refugees to official positions in the north. This hitched the 'official' clandestine economy to Barre's favourites, since state office gave these appointees positions from which to skim substantial humanitarian aid for themselves. Their exemption from enforcement of other laws and economic regulations gave these people privileged commercial positions from which to use their loot in the country's clandestine economy, for example, in unofficially condoned smuggling operations. Barre and his associates then were able to manipulate violence for the benefit of the state through tapping into other informal sectors of the economy. Young men who sought access to clandestine economic opportunities quickly discovered that their best chance of improving their situation lay in joining a regime-approved patron who would supply them with guns, protection and access to economic opportunity on this basis of manipulated inter-clan tensions. This allowed the president to exploit what a UN agency observed as a 'synergy between two forces—increasing economic exclusion and social disintegration'.[53] Barre turned violence that might otherwise be directed toward his regime into a controlled political space with armed groups preying upon other citizens, leaving victim and predator unable to construct an alternative stable political order.

The resulting chronic instability further exacerbated insecurity and created some opportunities for northern political entrepreneurs too. Many Isaaq who faced 'official' predation and who wanted to get their pasturage back sided with an armed Isaaq group within the WSLF, the 'Fourth Regiment' that Barre's regime supplied with weapons. They fought Barre's other allies, in the process ensured that none became so strong that either could repeat the 1978 coup attempt. Meanwhile, inter and intra-clan fighting over pastures in Ethiopia left Barre's Ethiopian enemies with turmoil in their own neighbourhood. Nor could Ethiopians support Barre's enemies too strongly, lest their Somali clients use this aid to reclaim parts of Ethiopia's Ogaden for themselves. Their 1984 arrest of Abdulahi Yusuf and persistent meddling in the internal politics of the Isaaq opposition further divided these groups, even those that later became the core of the Somaliland administration. Thus parochial politics overwhelmed even the façade of twentieth century liberation politics, a process that Barre's economic politics from the late 1970s reinforced.

The Political Economy of Forced Social Autonomy in the North

At the start of this turmoil in 1977, foreign donors and creditors pressured Barre's government to implement an economic reform programme, which included as its central prescription the deregulation of exchange rates. They negotiated with their hosts what was called the *franco valuta* system, in which local businessmen could convert foreign remittances from Somalia's estimated 250,000 overseas migrant workers earning $1.5 billion annually[54] at open market rates to pay for imported goods. The official aim of the policy was to relieve a shortage of basic goods while tapping illicit imports of hard currency estimated to top $350 million into legal channels that could benefit the country's depleted treasury.[55] By 1985 remittances to Somalia alone totaled an estimated $338 million, about fifteen times the entire wage

[53] 'Year 2050', *The Situation of the World's Children*, (New York: UNICEF, 1995), 8.
[54] Normal Miller, 'The Other Somalia: Illicit Trade and the Hidden Economy', (Hanover, NH: American Universities Field Staff, 1981), 5.
[55] Roland Marchal, *The Post Civil War Somali Business Class*, (Paris: EHESS, 1996), 35.

bill for the country's formal sector.[56] Northerners contributed disproportionately to these remittances, reflecting the tendency of politically marginalized people to search for work in the Persian Gulf and further afield. They did this rather than engage in what for them were more difficult efforts to get incorporated into the country's increasingly pervasive patronage politics, compared to opportunities available to more politically favoured Somalis.[57] Isaaq also formed the core of a West European-based diaspora among those who worked in Britain's merchant navy after the end of the Second World War. Further Isaaq migration to Britain followed in the 1960s and 1970s when political aspirants and would-be entrepreneurs lost out in patronage politics after independence, then more so after Barre's 1969 coup.

Instead of deregulating economic exchange, Barre's informal manipulation of *franco valuta* accomplished the reverse. He retained control over import licensing, which he distributed on the basis of political calculations. Those already deeply entrenched in clandestine commerce and diversions of aid with this permission were especially well placed to benefit, since they could channel this capital into what were effectively legalized smuggling operations. He used uncertainty to enhance his personal control over exchanges, 'canceling' *franco valuta* in 1982 (though application of this 'cancellation' was at Barre's personal discretion), only to officially revive it in 1984. Retention of other regulations also gave Barre's regime tools to allow favoured entrepreneurs to undervalue imports, increasing the value of their *franco valuta* profits vis-à-vis competitors. These manipulations reinforced the political nature of Somalia's clandestine market as an instrument in Barre's exercise of power.

Meanwhile, politically marginalized groups continued to rely upon local solidarities to protect their transactions against inconsistent enforcement of laws and competition from the president's business allies. For example, Ali Mahdi, noted above as a big landowner in the south, then later a militia financier translated his presidential favour in the 1980s into a *franco valuta* assisted business empire. Ali Mahdi owed his position to Barre's protection and not to his Hawiye kin. This gave him geographic and social flexibility, defined by Barre's political network rather than on any claims he might make on his kinsmen by virtue of custom. This left Ali Mahdi vulnerable to Barre's machinations, and he was jailed in the early 1980s on suspicion of supporting a coup plot. But he was rehabilitated in 1984 in time to profit from *franco valuta.* Ali Mahdi then quickly became a major figure in Mogadishu business circles, largely through managing the Barre regime's ties to Italian businesses, including those that offered access to sophisticated arms.[58] Ali Mahdi made an ideal associate for Barre, since his reliance on the president ensured that he would not have any real independent base of support. The social context of Ali Mahdi's power was reflected in his 1991 bid after Barre's flight to get him recognized as 'interim president' on the basis of Italian diplomatic support and his ability to arm fighters, not for his status as a representative of a particular group of people or community. These ties and their connection to arms acquisition reinforced the disruptive character of this new elite attached to a centralized and violent patronage network, then courted by foreigners once widespread fighting broke out in the 1990s.

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[56] Vali Jamal, 'Somalia: Understanding and Unconventional Economy', *Development & Change*, 19:2 (1988), 239.
[57] Ismail Ahmed, 'Remittances and Their Economic Impact in Post-war Somalia', *Disasters*, 24:4 (2000), 380-81.
[58] 'Somalia: Power Struggle', *Indian Ocean Newsletter*, 2 Feb 1991, 1-2.

Usman Ato, later to become a financier of Mohammed Aydeed, also consolidated his business position in the 1980s without having to face much of the burden of customary demands or constraints of clan networks from his home community. Like Ali Mahdi, Usman Ato helped organize arms acquisitions for Barre's government. Usman Ato shared 'official' clandestine commercial ties to Aydeed, who had been exiled and then returned to Barre's fold as a defense minister and key organizer of arms acquisitions in the 1980s. Like Ali Mahdi, Barre punished, only to later rehabilitate both of these men into exploit new clandestine commercial networks, cementing their dependence upon him. These men and their associates still became patrons to kinsmen, but fateful for future conflict, they did not owe their control over resources and business opportunities to approval from clan authorities or conformity to local social conventions.

These men were the people best able to equip fighters, either young clansmen who came to cities to find jobs, or simply the adventurous, ambitious or desperate. As junior members (or aspiring members) of centralized networks, these young men known as *mooryaan*, or urban tough guys, sought relief from insecurity through finding some place in the businesses associated with Barre's patronage networks. Their best chances for relief from poverty came through affiliating with strongmen who could arm them as political muscle or as enforcers in the regime-favoured channels of the clandestine economy. Like their patrons, 'these bands were constituted more according to personal affinities during the last years of Siyaad Barre, and defined by the same types of activities, or by habitation in the same parts of the capital'.[59] This is hardly clan warfare in the sense of primordial tendencies toward conflict. Instead, it is a good illustration of a security dilemma conducive to forcing would-be victims to seek out a protector, often along kinship lines, to mitigate threats or to share in loot. Barre's political strategy shows that he recognized that this was especially true if fighters and patrons were in 'foreign' territory where the defensive moves of local communities would seem especially threatening to outsiders who, like them, found themselves free from the social bonds of customary means of mitigating conflict. Likewise, 'foreigners' who are outside one's social networks are easier to loot. In this sense, conflict in the 1990s was an intensification of Barre's informal techniques of rule through patronage and regime imposed insecurity. [60]

Once Barre fled Mogadishu in 1991, business kingpins continued to attract young men to fight on their behalf. In regions where these strongmen could recruit and where their business enterprises generated income, clan elders 'found themselves attempting to negotiate with young militiamen and bandits from distant clans rather than with "peer" elders', a situation which one scholar blamed for the failure of customary conflict resolution strategies in the south.[61] This pointed to ways that mobility and allegiance to a new elite based upon appropriation of informal markets and state assets undermined the social control that customary authorities and social obligations once ensured.

Some northern businessmen viewed Barre's *franco valuta* cancellation in 1982 and again in 1985 as part of an effort to single them out for punishment and to reassert

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[59] Roland Marchal, 'Les *mooryaan* de Mogadiscio: Formes de la violence dans un espace urbain en guerre', *Cahiers d'Etudes africaines*, 130:33 (1993), 307.

[60] On structural aspects of commitment, see James Feardon, 'Commitment Problems and the Spread of Ethnic Conflict', David Lake & Donald Rothchild, eds., *The International Spread of Ethnic Conflict, Fear, Diffusion, and Escalation,* (Princeton: Princeton University Press, 1998), 107-27.

[61] Ken Menkhaus, 'Traditional Conflict Management in Contemporary Somalia', I William Zartmen, ed., *Traditional Cures for Modern Conflicts,* (Boulder: Lynne Rienner Publishers, 2000), 191.

political control over patronage and clandestine businesses. Some businessmen in the northeast from the Majerteen community complained that few in this region could take advantage of *franco valuta* in the first place because businessmen were subject to predations of private militias that exacted collective punishment in the 1980s after the appearance of Abdulahi Yusuf's SSDF challenge to Barre.[62]

Northern economic fortunes suffered further harm from Barre's regime, but in ways that increased its future autonomy from developments closer to Mogadishu. In 1981, for example, the government imposed a fifty percent tariff on the north's growing livestock trade to Saudi Arabia, forcing local exporters to rely more heavily upon kinship networks to guarantee transactions across international borders outside the state's regulatory reach.[63] This trade is estimated to have been worth several tens of millions of dollars annually through the early 1980s. [64] A northern delegation that went to Mogadishu to petition Barre to remove these charges returned home when they were threatened with arrest.[65] Meanwhile, this tariff benefited the economically inefficient Trans-Suba Livestock Project, funded with Italian and World Bank finance that supported this new source of patronage positions and payouts to regime favourites.[66]

This political and economic marginalization led northern businessmen to seek local protection from predatory exactions from officials. Clan solidarities offered them the best prospects for shielding commerce from harm. Clan based credit systems, or *abbans*, already existed to manage business networks that remained outside Barre's political grip. They had offered some protection from nationalization policies beginning in 1972, when Barre's regime took over much of the formal economy's financial sector. Mogadishu based elites who took over these businesses had ready access to subsidized credit via state agencies. Meanwhile, *abbans* enabled local businessmen to tap into locally organized informal remittance systems in which overseas senders and local recipients relied upon customary clan authorities to guarantee contracts, protect members, and adjudicate disputes outside state bureaucracies and the informal patronage institutions that hade become increasingly inaccessible to them. Several scholars estimate that 90 percent of foreign exchange from commerce in 1981 (as distinct from foreign aid to refugees and to Mogadishu) was generated through this trade in livestock, much of which was organized through *abbans* in coordination with remittance flows.[67]

Self-identification of outsider status appeared as local businessmen compared themselves to Greek, Lebanese and Indian commercial diasporas that have relied upon tight-knit families and community self-help organizations to survive hostile political environments. Northern commerce also made use of the geographic proximity to Djibouti, which became independent of France since 1977. Djibouti's government offered its territory as a low tax entrepôt for transshipment of smuggled goods in and out of adjacent Somali territory to benefit from the need of northern entrepreneurs to

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[62] Interviews, Jan 29 and Feb 5, 2002.
[63] Abdi Samatar, Lance Salisbury, Jonathan Bascom, 'The Political Economy of Livestock Marketing in Northern Somalia', *African Economic History*, 17(1988), 92-94.
[64] Abdi Samatar, 'The State, Peasants, and Pastoralists: Agrarian Change and Rural Development in Northern Somalia, 1884-1984', PhD Thesis, University of California, Berkeley, 1985.
[65] Interview, 12 March 2002.
[66] Osman Mohamoud, 'Crisis and Decay in an Authoritarian Regime', *Horn of Africa*, 4:3 (1983), 7-11.
[67] Abdi Samatar, Lance Salisbury & Johnathan Bascom, 'The Political Economy of Livestock Marketing in Northern Somalia', *African Economic History*, 17 (1988), 81-97. See also I.M. Lewis, 'Lineage, Continuity and Modern Commerce in Northern Somaliland', Paul Bohanan & George Dalton, eds., *Markets in Africa*, (Evanston: Northwestern University Press, 1962), 365-85.

find a more secure environment from which to organize their transactions. This enabled the Djibouti business community and the country's treasury to benefit from their neighbours and clan kinsmen to profit from the smuggling trade in livestock and other goods. [68] Prior to technological developments in telecommunications, Djibouti also harboured trusted Somali financial intermediaries beyond the reach of Barre's government or patronage network, and who would handle cash for migrants and businessmen and provide credit for those frozen out of Somalia's formal sector and politically allocated *franco valuta* financial markets.

Commercial exclusion from Barre's patronage networks also shaped the organization of armed opposition in the north from the early 1980s. The 1981 founding of the Isaaq dominated Somali National Movement (SNM), for example, owed much to the financial resources of the Isaaq diaspora community in Britain, among whom a receptive audience was found. The role of clan elders in guaranteeing *abban* transactions of these migrants also ensured that clan elders on the whole exercised greater control over the finances and political processes of this group, compared to others involved in Somalia's conflicts.[69] This was the result of circumstances, not northern virtue. Furthermore, the SNM had to form in exile to escape Barre's wrath. Based in Ethiopia during its 1981-88 exile, it remained under tight control of Ethiopia's President Mengistu. Unlike southern-based militias after 1989, SNM's Ethiopian patron did not allow it to receive foreign aid from any single major donors, lest this give the group the autonomy to defy Mengistu in coordination with Isaaq herders to settle grievances about access to Ethiopian pasture or revive Barre's irredentist dream. Mengistu also interfered in SMN's internal affairs, and had early leaders arrested to hinder the SNM's utility as a vehicle for personal ambitions of political entrepreneurs. [70]

Thus by the time Mengistu forced the SNM to return to Somalia in 1988, the group could not easily finance itself through predation because it never could develop its own source of funding, ether from a generous patron or through looting local communities. Ultimately it had to raise funds through deals with commercial intermediaries within the *abban* system constructed outside of Barre's control. Dahab Shiil, later one of Somaliland's largest financial and telecom companies, got its start as an SNM financier. Isaaq financiers based in the Ethiopian town of Dire Dawa intervened in the organization's affairs as they used SNM's radios to transfer money to fighters.[71] This alliance enabled the SNM to tap into migrants' remittances to finance armed struggle, but not in ways that made business enterprises an adjunct to their own organization. This arrangement made less likely the southern outcome where militia leaders also were the principal business operators in their region. For their part the private commercial partners in these transactions used this alliance to consolidate their market leadership in telecoms and financial services in the 1990s, the two services that the remittance system integrates.

This relationship continued to influence the organization of the SNM when its Ethiopian patrons force it to return to Hargeisa in 1988. While Barre assigned strongmen that he supported in his patronage network the task of attacking Isaaq communities, they were free to support themselves with loot. SNM fighters, on the

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[68] Norman Miller, 'The Other Somalia: The Illicit Trade', 8-10.
[69] Daniel Compagnon, "Somali Armed Movements: The Interplay of Political Entrepreneurship & Clan-Based Factions', Christopher Clapham, *African Guerrillas*, (Oxford: James Currey, 1998), 84.
[70] Hussein Adam, 'Militarism and Warlordism: Rethinking the Somali Experience', (Boston: Boston University African Studies Center Working Papers, 1993), 10.
[71] Interview, 5 March 2002.

other hand, could not loot local communities that provided critical income from remittances and which were the bases of the commercial organizations essential to the militia's continued survival. Likewise, this lack of local leverage for armed groups undermined prospects for political entrepreneurs in the organization who entertained notions of joining the fray further south to fight their way to power. Their initial dependence on businessmen who were outside Barre's old networks meant that these men were not as free to loot their home communities as their southern colleagues were doing to pursue ambitions in the wider world of Mogadishu and the periodic foreign-sponsored peace conferences that gave seats to those whose predations made them difficult to ignore.

This did not mean that the north was entirely free of predation. Brig. Gen. Omar Jess, the Ogadeeni commander of the refugee militia after the 1978 war, then commander of a militia in the south, used his position in Barre's patronage network to loot. As his patron's fortunes declined, Jess pursued his own ambitions, but this did not require that he shift his strategy for getting resources since he already had built his own commercial networks by virtue of his privileged ties to the president. By the time Barre perceived that Jess was becoming a powerful figure in his won right in the 1988 attack on Hargeisa and the SNM, Jess controlled enough resources to defy Barre's order to leave his military post. An analyst observed that Jess' strength 'comes from having some 8,000 troops, nearly all Ogadeeni, under his direct command'.[72] Clan identity played a major role in this conflict. More important, however, was Jess' ability to sustain his organization through predation, since he did not derive his main income as a consequence of his on-going relationship with powerful members of a particular community. This was a 'strength' gained by virtue of his position in a crumbling centralized patronage network and its violent appropriation of clandestine economies and state assets, not through some customary standing as head of a clan.

Controlling Political Entrepreneurs

Political entrepreneurs still posed a danger to the formation of a separate Somaliland polity outside the predatory framework of the collapse of Barre's patronage networks. For example, in June 1989 Jess formed his own Somali Patriotic Movement (SPM), which joined forces with the SNM that he previously attacked to overthrow Barre's regime. As Barre began to look very vulnerable, military leaders from the Hawiye clan, including Mohamed Farah Aydeed, organized their own clan-based opposition groups under their personal leadership in the loosely organized United Somali Congress (USC) in nominal alliance with the SNM. It was these military formations that Jess and Aydeed used to move south to the farming valleys to seize plantations that served as their own refuge for armed followers and to some extent a source of income that they controlled directly.

But Jess's SPM alliance and the other groups' support for the SNM could not be described as a nationalist opposition to Barre. These loose affiliations and shifting alliances are better explained in terms of the political entrepreneurial and social contexts of faction leaders. Before his fall in 1991, Barre was able to instigate tensions between Hawiye sub-clans to create antagonisms between Hawiyes who had joined the SNM and its Isaaq core. This led to a split in 1989, with the departure of Ali Mahamed Osooble Wardhigley, who organized a faction of the USC in Rome in Jan 1989. The Hawiye dispute reinforced the mutual interests of other political

[72] 'Somalia: The Rise of the Ogadeni', *Africa Confidential*, 26 Jan 1989, 3.

entrepreneurs in SNM and Barre himself in indirect ways. For example, Ahmed Silanyo, the SNM chairman from 1984 to 1990, used an alliance with Hawiye commanders to cleanse the organization of fellow Isaaq who opposed him, behavior that contributed to Barre's hold on power at first, but also encouraged ambitious strongmen to make their own bids for power. Especially among the Hawiye factions of the USC, commanders conscripted fighters from various linage segments, and led them to Mogadishu to overthrow Barre. This geographic mobility of fighters aided control of militia leaders, since it freed their fighters from immediate concerns about retaliation against their families for looting and murders that they committed. These conflicts also seem to fit well with standard explanations that identify the extreme economic externalization and dependence on predatory rent-seeking opportunities as foreclosing any large-scale social control over violence.

Nor were northern politicians immune to the allures of competition over the spoils of predation. Abdirahmaan Ali Tuur, an Isaaq and the first (interim) president of Somaliland, joined the SNM shortly after its founding in 1981. Tuur's supporters were involved in fighting in the northern port city of Berbera in February 1992 where they emptied local banks and sacked several NGOs. Conflicts over the integration of clan-based units into a Somaliland national army led to further fighting in 1991-92 before clan elders brokered a peace agreement. They criticized Tuur for his close friendship with Aydeed, and for his participation in various peace conferences organized by the UN and Egyptians. Tuur was able to claim a seat at the negotiating table on the basis of his importance as a commander of fighters, which gave him additional incentives to battle potential allies and loot local communities, lest he be left out of any externally brokered settlement that promised control over the whole state—including clandestine and predatory economic opportunities—to the fortunate winners of the mediation effort. Tuur's maneuver also informed local notables' criticisms of foreign-organized peace conferences in general. They threaten internal stability through diluting local control over the control of resources since they raise the stakes of struggle to control the state. This is not a situation easily dealt with in customary law, especially when the locus of that struggle is distant from the social context of customary law's social control over violence.

In the provisional government that followed, Tuur's political authority rested upon his direct control over armed units. The majority of the remaining militia commanders were dependent upon local clan elders for recruitment and to maintain loyalty within the ranks since their inability to establish 'liberated zones' in Ethiopian refuges (before their eviction in 1988 after incessant Ethiopian manipulation of leadership politics) led them to turn to Isaaq clan elders to recruit and maintain fighters. Tuur's fighters, on the other hand, found it easier to loot and abuse the local population, since they could escape social consequences of their behavior. While in Somaliland, Tuur relied upon ties with Mohamed Aydeed for resources and to support him in conflicts with rivals within the SNM in Somaliland. But when local commanders were able to control fighters enough to consolidate forces to oppose him, Tuur's ambition took him from Somaliland to Mogadishu where he too contended for a role in externally supported peace negotiations. Meanwhile, his associate Jaama Mahamed Ghalib Yare defeated in May 1993 presidential elections, helped promote fighting in Burao and Hargeisa in 1994-95, reportedly with the help of bribes, variously reported to be from Aydeed and other southern politicians who resisted Somaliland separatism.[73]

[73] Daniel Compagnon, 'Somali Armed Movements', 84-85.

As the experience of the war shows, northerners should have been even more susceptible to Barre's strategy of divide-and-rule than their more privileged and better-connected southern neighbors. They were the ones who faced the most vicious initial attacks, bereft of the resources that their southern rivals controlled by virtue of their ties to the old president. In fact, political disfavour and the marginality to clandestine economic opportunities turned out to offer organizational means to northern authorities to resist outside interference once conflict started. Marginality began to get translated into autonomous economic channels even before Barre's rise to power. Then exclusion from the benefits of southern agricultural projects, lack of access to subsidized credit, the fruits of privatization or the benefits of *franco valuta* manipulation in the 1980s forced more northerners abroad in search of work to support themselves and their families. Overseas work attracted youth from all over Somalia, but by 1987, the majority of the estimated 375,000 migrants in Gulf States were northerners.[74] The International Labor Organization estimated n 1985 that 165,000 to 200,000 Somalis lived in the Middle East and remitted approximately 30 percent of their $700 million annual earnings, resources that contributed to northern elite autonomy and dependence upon local community business structures, rather than to predation.

Evidence elsewhere suggests that autonomous local social control of clandestine sources of wealth in the context of state collapse helps preserve order. Sierra Leone's Revolutionary United Front (RUF) fighters had a fearsome reputation for committing serious human rights violations against non-combatants and devotion to diamond mining during the 1991-2002 war. In 1994, Dr. Alpha Lavalie, a professor at the University of Sierra Leone, organized home guard units called Kamajors to defend communities in diamond mining areas. While a student, Lavallie saw how Sierra Leone's authoritarian ruler instigated violence in home town to divide opponents in an election, in which the regime 'condoned, perhaps even encouraged, chiefdom uprisings which entailed intimidation and coercion' with the help of thugs and paramilitaries acting on behalf of the president,[75] much as Barre manipulated clan affinities with help from strongmen and their paramilitaries in Somalia. Lavallie observed, however, armed youths under the command of customary initiation society leaders tended to resist these enticements. He noted that many of the young men joined the militias of politicians to loot communities and beat up the president's critics were outsiders, usually unemployed youth from urban areas. Local elders were able to use 'traditional' initiation rites to attract local youth and to drive out attackers. These youth became reliable defenders of their home communities and refused entreaties to join rebels to loot.[76] Yet Kamajor units outside their home areas drew criticism for looting and human rights abuses.[77] Kamajors eventually were organized as Civil Defense Forces (CDFs) as an alternative to the country's fractured and predatory army. Still, CDF-Kamajors stationed outside home areas have proven less effective fighters and more likely to shift alliances in local factional fighting much like predatory RUF units did.

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[74] I.I. Ahmed, 'Remittances and their Economic Impact in Postwar Somaliland', *Disasters*, 24, 4, 380-89.
[75] Roger Tangri, 'Conflict and Violence in Contemporary Sierra Leone', *Journal of Modern African Studies*, 14:2 (1972), 3-4.
[76] Alpha Lavalie, 'SLPP: A Study of the Political History of the Sierra Leone People's Party, with Particular Reference to the Period, 1968-1978', MA Thesis, University of Sierra Leone, 1983.
[77] Human Rights Watch, *Sowing Terror: Atrocities Against Civilians in Sierra Leone*, (New York: HRW, 1999).

The behaviour of young fighters in Somalia's north reflected similar elements of local versus outsider control over the distribution of resources. At first glance it appeared that Northerners had to cope with the problem of self-interested armed young men on the prowl for loot. Gerard Prunier described his visit to Somaliland in 1989: 'The danger while traveling, comes rather from the SNM "auxiliaries," armed youngsters who drift around pretending to be "Mujahiddins" but without being really attached to any regiment'.[78] But Prunier also observed that these young men mostly limited their predations to looting aid shipments. Social control extended to fighters of the SNM. He notes 'the difficulty of shooting young apprentice-shiftas because their clan and family backgrounds have to be taken into account, and the same holds for any person they might kill,'[79] much like Sierra Leone's Kamajors when they are posted in their home areas.

Marginality and a New Somaliland Identity

This work to this point shows the importance of differences in the social control of violence for explaining divergent political outcomes in northern and southern Somalia. The most important difference has been in the relationship of local elites to economies, whether clandestine, patronage based or international. Where they have been tied to a centralized patronage network their armed groups turn into predatory gangs, as when Col. Omar Jess used Ogadeeni refugees to battle regime enemies in the north, then took them to the south to conquer agricultural lands. Politically marginal elites, on the other hand, find more incentives to organize armed groups as autonomous protective organizations. These elites also preserve and extend their power to settle disputes, give guarantees, enforce contracts, and ultimately tax those who they protect. In all instances, leaders of militias and local strongmen may look and speak alike and may feel very strongly about obligations to serve the interests of kin. Their differences derive from distinctive styles for managing the same resource: organized violence.

Somaliland, and to a lesser extent the autonomous Majerteen-dominated far northeastern autonomous region of Puntland provide vantage points from which to view the relevance of this difference for contemporary political organization in peripheral areas of the world economy. This internal process of controlling violence shows that the violent dissolution of political networks in collapsed states into 'network wars' is not inevitable. The contemporary world economy still permits local experimentation in forms bearing some resemblance to classic accounts of the formation of states as a consequence of reciprocal relations between 'predators' and 'victims' in which the former gains some interest in the security and productivity of the latter, albeit in a global economy that weighs much more heavily on this internal process. Internal institutional structures and norms, including informal ones, still influence how violence is distributed and controlled, and what types of organizations serve the interests of ambitious people. This in turn affects the efficiency and organization of economic exchange in a process that permits a diversity of outcomes, including broader social control over the exercise of coercion. This focus also highlights how wielders of force participate in the economy and conversely, how economic exchange affects those who manage force.[80]

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[78] Gerard Prunier, 'A Candid View of the Somali National Front', *Horn of Africa*, 13&14: ¾ -1/2, (1991), 108.
[79] Prunier, 'A Candid View', 109.
[80] Charles Tilly, *Coercion, Capital, and European States, AD 990-1992*, (Cambridge, MA: Blackwell, 1992).

The self-declared Republic of Somaliland (and the Puntland State of Somalia), however, does not receive global recognition as distinct political communities. This reluctance of the international community to extend formal recognition of sovereignty is a double-edged sword. On the one hand, entrepreneurs in those places face difficulties obtaining access to international institutions and norms that regulate economic opportunities. For example, foreign businessmen complain that they cannot convince foreign insurance companies to write policies to indemnify their operations and protect assets.[81] Their mutual problem lies in their inabilities to find suitable venues for arbitration of disputes, a precondition for any contract to be recognized by an underwriter, much less to attract investors. Nor will foreign investors agree to allow local authorities to adjudicate disputes out of fear that they will be biased in favour of fellow Somalis. In normal course, business partners from different jurisdictions chose a neutral venue and agree to a third party that all trust to adjudicate disputes.

Thus the absence of international recognition, observes an official of the Somaliland Chamber of Commerce, 'means we cannot enter into formal trade agreements; we cannot even contact the outside world through direct postal services, as we are not a member of the postal union'.[82] The fact that Somaliland is not a *de jure* recognized state—in fact no state officially recognized Somaliland as of late 2002, eleven years after its declaration of statehood—denies it and its business partner recourse to global basic commercial law infrastructure such as the 1958 Convention on the Recognition and Enforcement of Foreign Arbitration Awards. This convention provides the legal framework for transactions involving international agencies such as the World Bank. Most multilateral trade protection and regulation agreements, such as those protecting intellectual property rights and foreign investment insurance require contracts to conform to the principles of the 1958 Convention.

Somaliland remains outside this framework so long as international commercial law institutions have no mechanism for decertifying prewar 'Somalia'. It is unlikely that the latter will be decertified so long as international organizations continue to support the effort to extend the authority of the Transitional National Government in Mogadishu. Global norms noted earlier against recognizing new states continue to inhibit consideration of this possibility. Thus Somali and foreign businessmen complain that conventional international venues for adjudicating commercial disputes such as the American Association of Arbiters, the International Chamber of Commerce, the London Court of International Arbitration, and the World Bank's International Center for Settlement of Investment Disputes have become progressively less able to provide services for business transactions that involve partners based in non-recognized entities and jurisdictions. They complain that the growing prevalence of Anglo-Saxon common law as the standard framework for hearing international business disputes further limits their access to international commercial institutions. Outside Somalia, most parties prefer this legal norm. They appreciate its flexibility for dealing with novel and unanticipated legal and commercial situations, an advantage lacking in the legal codes of continental Europe that are more specific to countries' situations and political priorities. Litigants also cite preferences for US legal culture and practitioners. Unlike most European jurists, typically considered auxiliaries of justice systems that prize a general interest and distance from clients. US litigators, however, have no hesitation in demonstrating

[81] A complaint in multiple interviews.
[82] E-mail correspondence, 19 Dec 2001.

legal inventiveness and tactical aggression, which clients take as evidence of the lawyer's devotion to their client.[83] This complaint finds substance in decisions of US District Courts to deny standing to litigants who base claims on laws of entities whose sovereignty is not recognized by the US Government,[84] a hindrance that applies throughout the world of Anglo-Saxon legal practice which relies in large measure upon US commercial law precedence.

How do those who do business in Somaliland organize their transactions? Large foreign firms can make agreements with Somaliland authorities, but they must try to avoid conflict with earlier agreements signed by the legal government of Somalia (from an international view) in Mogadishu. Thus the European oil company TotalFinaElf supplies fuel to airports in Hargeisa and Berbera after ensuring that the pre-1991 Mogadishu government had made no contract with other firms to supply these services. On the same principle in 2001, TotalFinaElf signed a one-year agreement with the Mogadishu TNG to explore for oil in the southern region of the Lower Shabelle and Jubba Valleys.[85] The TNG had legal competence to abrogate previous concession agreements and acknowledge old partner firms' declarations of *force majeure* from the start of the war. Despite their greater *de facto* authority, Somaliland authorities did not have this *de jure* capability. Consequently, they have had to rely upon exploration agreements with less established firms that are willing to take the risk of doing business with a partner that might expose them to legal action in foreign courts from Agip, Amoco, Conoco, Phillips and Chevron, all of which held prewar concessions in the north. Chinese firms have played a dominant role in these agreements, as they have in Sudan, where they have replaced western firms that have left under pressure from international sanctions against the Khartoum regime.[86] In this case, the Chinese government provides diplomatic and business support for these firms, helping them fill these niches that international commercial law renders out of bounds for most other firms. This leaves Somaliland authorities in a bind. They seek global recognition, and have declared that they will continue to honour existing contracts that foreign companies signed with the Barre regime. Since recognition has not been forthcoming, authorities are willing to risk dealing with rogue firms. But they must weigh this against the cost shifting partners and settling conflicting claims if others provide diplomatic recognition. One official observed the difficulties this contradiction created for his government. So long as western oil exploration firms are more competitive, Chinese authorities have a vested interest in frustrating Somaliland's bid for international recognition, lest Chinese firms lose their protected niche.[87]

The consequence is that the majority of cross border transactions and foreign investments in Somaliland are most easily conducted through personal networks. This is where the defensive measures that local strongmen, clan elders, and members of the diaspora developed during the Barre regime become valuable tools for organizing Somaliland's relations with the global economy while promoting Somaliland's stability, a crucial task in sustaining the region's self-determination

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[83] This is an analysis developed in a conversation with a Somaliland importer of electrical equipment, 14 May 2002.

[84] Marian Nash, 'Contemporary Practices of the United States Relating to International Law—Unrecognized Governments Access to US Courts', *American Journal of International Law*, 90:263, 262-65.

[85] Thomas Yager, "Djibouti, Eritrea, Ethiopia, and Somalia," in US Geological Survey Minerals Yearbook—2001, (Washington, DC: Department of Energy, 2002), 12.4.

[86] 'Hunting for Oil in Somaliland', *Indian Ocean Newsletter*, 21 April 2001, 6.

[87] Interview, Finance Ministry official, 15 May 2002.

project. While the legal infrastructure of international commerce keeps larger firms at bay, small Somali entrepreneurs with family ties to the region are able to use practices such as *abban* and other clan-based customs to guarantee contracts and protect transactions from risk. This also means that Somali entrepreneurs run nearly all businesses in Somaliland and most have significant connections to the diaspora community and its capital.

This social complexion of commerce gives local authorities a stake in protecting entrepreneurs, most of whom have family ties in the region. Not only does this protect entrepreneurs from competition from larger foreign rivals, it binds the social control of violence that developed in the 1980s and 1990s to the protection of a local business class and the collection of revenues. Adjudication of business disputes and protection of contracts is an extension of the negotiation process that local authorities were able to impose on militia leaders from the late 1980s to the present. This also gives local authorities the means to keep out entrepreneurs who they determine might disrupt local order. Their denial of protection keeps resources out of the hands of political entrepreneurs who might otherwise use their wealth to raise a militia to contend for power in Mogadishu or make themselves powerful enough that foreign peace brokers will have to include them in negotiations. This arrangement also explains why members of Somaliland's diaspora do not become financiers of armed groups the way they do in the south where legitimate local authorities do not exercise social control over connections between wealth and coercion. Local authorities' control over the Security Forces of Somaliland, a 7,000-man army of paid soldiers financed through an official budget, along with informal control over customary adjudication ensures that those who lack protection will not fare well.

Mogadishu provides a good contrast of commerce that is not regulated through these informal institutions. Militias began to proliferate again in 2001-2002 as the TNG appeared to pose a more credible threat of imposing order on local strongmen. UN investigators reported that 'some leading businessmen have outflanked militia leaders from their own clans and have started buying the backing of individual militia fighters'.[88] This they attributed to 'part of the competition between Somali groups in advance of the anticipated conference of concerned parties in Nairobi under the auspices of IGAD (Intergovernmental Authority on Development) peace negotiations'.[89] This commercial independence also enables entrepreneurs to use militias to improve their economic fortunes. An attack on the home of the TNG's Interior Minister in March 2002 and again in May appeared to stem from a dispute concerning the minister's business operations in the Middle Shabelle Region where he controlled farms.[90] Likewise, splits within the Rahanwein Resistance Army (RRA), a southern-based militia, show a similar connection between business, political fragmentation and disorder. After declaring a 'South-Western Regional State of Somalia' in April 2002, fighting broke out in July between an RRA commander—a former Barre-era National Security Service Commander—and his deputies over the right to tax trucks passing through Baidoa. Since elders exercise little leverage over militia members who have come from other parts of Somalia it is the entrepreneurs who determine how coercion is used, not local customary authorities.

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[88] United Nations Security Council, *Report of the Team of Experts Appointed Pursuant to Security Council Resolution 1407 (2002), Paragraph 1, Concerning Somalia*, (New York: UN, 3 July 2002), para. 32.

[89] United Nations Security Council, *Report of the Team of Experts*, para. 28.

[90] United Nations Security Council, *Report of the Secretary-General on the Situation in Somalia*, (New York: UN, 27 June 2002), para. 12.

Somaliland businesses still encounter trouble with organizing transactions with non-Somali enterprises. Thus businesses that actually conduct operations in Somaliland and Puntland use off-shore 'home offices' in the globally recognized jurisdictions of Djibouti, and increasingly in more reliable and internationally connected venues in the United Arab Emirates (UAE), much as the business associates of the SNM in the late 1980s, and local entrepreneurs throughout the Barre era 'borrowed' their Ethiopian and Djibouti neighbours' sovereignty to avoid predators within Somalia. During Barre's time this was a defensive measure. Now, these ties, reinforced through diaspora connections, are deployed to seek out new economic opportunities, a demonstration of the transformation and reinforcement of an old *ad hoc* practice put to the service of a new task. For example, Somaliland's largest of three airlines, Daallo Airline, is based in Djibouti 'to ensure neutrality, flexibility and independence.' An official in the firm also notes that this arrangement enables underwriters to write policies to insure the company's aircraft. Daallo's venue also is critical for managing inter-airline agreements with foreign carriers, for gaining access to the Gabriel, Galileo and Amadeus global reservation systems, and organizing financial services to collect fares via electronic payments and internet-based systems, all of which require mutually agreeable venues for resolving possible commercial problems.[91]

The advent of the internet mitigates some of these difficulties, since this allows firms to conduct immediate transactions in 'cyber-space'.[92] In practical terms, this allows firms access to the laws and norms of the geographic space in which a server is located and enables the business entrepreneur to shop for the institutional benefits of different venues. For initial transactions, at least, the ability of a firm to remain connected to customers and services reassures both groups of partners that the firm is integrated into globally recognized norms and procedures. These technical advances favour financial intermediaries such as Dahab Shiil, which was noted above for playing an important role in facilitating the finances of the SNM. This firm, for example, formed a telecom subsidiary in Burao, Somtel, to handle directly the growing business in private remittances from migrants. Somtel has also helped address the Chamber of Commerce's complaint about an absence of a postal union agreement though simply organizing a private postal system via an agreement with Ethiopia's state post office. With 1,000 workers, Somtel claims to be Somaliland's largest private employer. Other financial and telecom firms play important roles in organizing a central bank. President Egal (who died on 3 May 2002 and was replaced by Dahir Riyale Kahin) admitted that his regime's currency reserves reside in the State Bank of Ethiopia, and that the instant communications of Somaliland's efficient telecom and financial services make this unusual arrangement feasible.[93]

Somaliland's government gains a political advantage of reliance on business intermediaries that can remain offshore at arms length. Though it is reliant on these businesses for revenue, authorities also are forced to take into account business interests in promoting economically efficient policies and in limiting commercial risk within Somaliland. Thus unlike southern political actors, Somaliland's authorities have an immediate interest in imposing uniform order and controlling coercion. These interests complicate any effort of political figures to subordinate business to a

[91] E-mail from an official of Daallo Airlines, 4 April 2002.
[92] E-mail from Hargeisa importer, 26 March 2002.
[93] 'The Nation Nobody Knows', *The Economist*, 12 April 2001. A UN employee also notes that private firms collect financial sector statistics, and that he considers these figures among the most reliable in Africa. Interview with UNDP officer, 9 Jan 2002.

patronage network in Barre's fashion. Somaliland thus emerges as a remarkable exception for appearing to have solved this serious obstacle to building effective and legitimate polities in the African context. Furthermore, it has done so through adapting to an unconventional international status, and more generally, as a response to marginality that in the eyes of many scholars ought to have condemned this community to violence and fragmentation. This relationship of commerce, customary authority and government represents a hybrid 're-traditionalization' of power in that it recovers some of the flexibility of customary authority figures and practices to adjudicate disputes and distribute resources, much like the role of *xeer* in guaranteeing contracts in pre-colonial Somalia described earlier in this work. Only now, this social process takes account of a broader global context in which this flexibility becomes advantageous.

Likewise, Somaliland's diaspora from among its two million inhabitants and their remittances force local authorities to adapt flexible methods to get access to their resources, while also limiting the power of these authorities. While it is difficult to determine what portion are northerners, Somali migration since the start of internal conflicts in the early 1980s has been considerable (see table). Unlike southerners, northern migrants had the advantage of arriving at already established 'beachhead' groups overseas that

Table: Overseas Somalis (2000)

Canada	30,000	Denmark	14,000
USA	25,000	Sweden	12,000
Netherlands	25,000	Germany	8,400
UAE	25,000	Switzerland	5,400
Saudi Arabia	20,000	Finland	5,300
Britain	20,000	Norway	4,000
Italy	20,000	Australia	2,000

(source: M-A. Pérouse de Montclos, 'A Refugee Diaspora: When the Somali Goes West', Khalid Koser, ed., *New African Diasporas*, (London: Routledge, 2002.)

consolidated and benefited from kinship connections through *abbans* and reverse migration, as well as the negative feature of having been specifically targeted for collective punishment prior to the spread of general conflict after 1990.[94]

Overall remittances are difficult to quantify. Net estimates for all of Somalia range from $140 million to $800 million annually.[95] This overshadows the $115 million in donor assistance to all of Somalia in 2000, of which 42 percent went to Somaliland and Puntland.[96] A private analyst ventures an estimate of $150 million annually for Somaliland.[97] Somaliland's Ministry of Planning provides a more

[94] Joackim Gundel, 'The Migration-Development Links Study: The Somali Case', (Copenhagen: Centre for Development Studies, March 2002), 11.
[95] United Nations Development Program, *Human Development Report: Somalia 2001*, (New York: UNDP, 2001), 64-65.
[96] United Nations, *Report of the Secretary-General on the Situation in Somalia*, S/2001/963, 11 Oct 2001, para. 48.
[97] 'Somaliland's Economy Survives', *Africa Research Bulletin*, May-June 2001, 14791.

precise estimate of $97 million for remittances in 1997.[98] Regardless of the precise figure, all of these estimates overshadow government budgets, which in 1999 stood at $26 million to provide for 6,000 civil employees.[99] Remittances also compete with local returns from the export of livestock, which amounted to about $125 million in 2000. Saudi claims of detection of Rift Valley Fever in Somali cattle, coupled with their subsequent ban on Somali cattle imports, prompted a collapse of this source of income and increased local reliance on remittances from overseas. This is also thought to have increased the influence of clan elders who pressure overseas communities to send money home.[100] This income has a substantial impact on local consumption, especially in Hargeisa where remittances are estimated to constitute about 40 percent of household income.[101]

Somaliland's diaspora community stands at arms length from the Somaliland government, yet is critical to the viability of a separate Somaliland polity. This relationship, along with the paucity of foreign aid, ensures that resources do not become concentrated in the hands of a single faction, nor in the dispersion and channels of resources do they present an easy target for predatory political entrepreneurs. This conclusion contradicts findings of the World Bank's development research director, who states that 'if a country which has recently ended a conflict has a large diaspora living in the USA, its risk that the conflict will resume is sharply increased'.[102] This conclusion reflects the analysis that diasporas are more susceptible to extremist appeals and separatist romanticism because they do not suffer the consequences of subsequent violence. Thus they offer a source of easy revenues to political entrepreneurs. In fact, Somalia and Somaliland show that, like arguments linking natural resources with predation, this argument misses the variable nature of the underlying political economy of informal and clandestine economies—the main focus of this study—that are responsible for the different organizational outcomes of conflict.

Overall, marginality actually may promote order in Somaliland. This is not the marginality that preserves pristine local customs, as in the imagination of British colonial officers. Instead it promotes innovation. That Somaliland does not possess global recognition of its sovereignty, nor receives much foreign aid, forces its government to make deals with powerful groups, especially elders, who hold the key of access to overseas resources. Since local firms are forced to locate offices in places like Djibouti and the UAE where they are able to get access to underwriter's services, arbitration acceptable to foreign business partners, and somewhat easier access to capital, Hargeisa officials have to rely upon the confidence of elders and families who have connections to diasporas to attract contractors willing to provide services and utilities and collect revenues. Some interpret this as a de-regulatory, free market success story. [103] It is more accurate to describe it as a success of institutionalizing a 'clandestine' economy under the social control of clan elders to create order and fend

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[98] Ministry of National Planning and Coordination, *Plan of Action for Repatriation, Rehabilitation and* Reintegration, (Hargeisa, photocopy, July 1999), 12.
[99] Economist Intelligence Unit, *Somalia*, May 2000, 33.
[100] Steve Kibble, 'Somaliland: Surviving Without Recognition; Somalia: Recognised but Failing?' *International Relations*, 15:5 (Aug 2001), 16.
[101] United Nations Development Programme, *Human Development Report, Somalia 2001,* (Nairobi, UNDP, 2001), 105.
[102] Paul Collier, 'Economic Causes of Civil Conflict and Their Implications for Policy', (Washington, DC: World Bank, Development Research Group, 15 June 2000), 14.
[103] Michael del Buono & Jamil Mubarak, 'The Macroeconomy of Somalia: A Conceptual View', (Nairobi: United Nations Office for Somalia, March 1999).

off political entrepreneurs who would otherwise have incentives to prey upon local communities. This ability to constitute a separate political order in territory they control in the midst of a marginal external and violent regional political economy is critical to Somaliland authorities' pursuit of self-determination.

Somaliland's persistent lack of global diplomatic recognition remains problematic, however. Somaliland officials fit their political community within the confines of the former British Somaliland in the hopes that foreigners will recognize their state as they did Eritrea, as a final act of de-colonization to fulfill the post-colonial norm that each separate colony is entitled to recognition as an independent state. In terms of international law, Somaliland's case is stronger, for example, than that for Bosnia.[104] Unlike Eritrea, however, Somaliland's army did not capture the capital of the state from which it separated, nor did it secure an agreement from its old capital separation. More important, continued international efforts to mediate Somalia's conflict do not accept the principle of partition as a solution to conflict. Thus Somaliland self-determination is constrained by these persistent international norms.

Taiwan provides a useful parallel. A distant and locally illegitimate capital claims Taiwan as its' own. Much of the rest of the world recognizes this claim. Nonetheless, Taiwan's business families straddle international borders, using bases in Vancouver, Hong Kong and Singapore to provide services that require full-scale *de jure* sovereignty. Like Taiwan, Somaliland authorities for their part conduct what looks like diplomacy masquerading as business in conjunction with a huge commercial diaspora. Whether it is recognized or not, the end result is that Somaliland's authorities have succeeded in asserting self-determination through state-like strategies of gaining control over the exercise of violence and negotiating with productive groups in society for support and revenues to increase the capacity and legitimacy of the political organization. In this regard Somaliland is more state-like in a classical *de facto* sense than are the majority of *de jure* sovereign states in Africa.

Puntland Self-Determination in Comparison

Somaliland's neighbour on the northeast corner of Somalia styles itself as The Puntland State of Somalia to stress that its leaders explicitly reject calls for recognition as a separate state.[105] Puntland, however, also illustrates the centrality of the political economy of conflict to the establishment of new political communities. This is the region that earlier produced the anti-Barre SSDF militia, which provided an organizational basis and personnel for the Puntland administration. Puntland's administration also got a later start, organizing in 1997-98 partly as a result of discussions between SSDF leaders and regional elders under the auspices of the Uppsala (Sweden) Life and Peace Institute and the UNRISD War-torn Societies Project to identify ways of creating security forces, and instituting reliable means to control and pay them.[106] The former SSDF leader Abdulahi Yusuf emerged as the head of the Puntland administration in this externally assisted process. Puntland's formation also shows that external mediation is not always an incitement to violence

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[104] Anthony Carroll, B Rajagopal, 'The Case for the Independent Statehood of Somaliland', *American University Journal of International Law and Politics*, 8(1993), 653.

[105] Puntland State of Somalia, Ministry of Commerce and Industry, 'Opportunities for Foreign Investors' 1999.

[106] Martin Doornbos, Matt Bryden, *War Torn Societies Project in Somalia*, (Geneva: UNRISD, 1998); Mary Jane Fox, 'Foundations of Consensus & Conflict: Somaliland, Bari Region, and Somalia', (Uppsala: Department of Peace and Conflict Research, 1997).

and disruptive of local order. The UNRISD project operated with an explicit conceptual recognition that the quelling of violence required binding authorities to the interests of elders through denying authorities an autonomous source of income or capacity to exercise violence.

Puntland's relative order has helped promote the same kinds of business operations seen in Somaliland. Firms such as one providing water to the town of Bossasso use offshore offices to conduct relations with suppliers. Their lease contract with the municipality relies upon paper contracts and 'common understanding' with local authorities that clan elders help mediate contract disputes, protect assets and collect fees. These intermediaries also help the firm manage political pressure from local authorities not to increase prices and to provide services to government installations for free. Entrepreneur perceptions that Puntland remains at risk of violence limits investment in water utilities. Unlike electricity generation that can involve a removable generator, underground pipes are not easily evacuated if the region returns to war. Thus this entrepreneur reports a great willingness to conclude long-term agreements with local authorities to manage risk, a discussion that includes reference to clan elders as credible mediators and guarantors in lieu of reliable government courts or enforceable contract law. This also means that sensible entrepreneurs include representation from a wide range of local clans in management positions and form business alliances according to the same strategic calculus, reflecting the relative weakness and late formation of credible clan elder oversight of Puntland authorities compared to Somaliland.[107]

Puntland has more uncertain claims to sovereign status compared to Somaliland, a factor that contributes to complicating the development of sustainable clan elder-business-government arrangements. Ironically this is due less to the absence of global recognition of sovereignty, a condition shared with Somaliland, as to the internal ambiguity as to appropriate physical boundaries of the community. Puntland never enjoyed a distinct legal identity in international law, unlike Somaliland's colonial experience as a separate administration from the south. Nonetheless, Puntland's first president was able to build a militia of about 1,500 fighters that succeeded in fending off interlopers from the southern region of which Puntland is still formally a constituent part. Local entrepreneurs, officials and foreign NGOs have learned how to live with this effective division. The main complaint of commercial agents remains, however, that local authorities face a more difficult task of deciding where the polity's boundaries should lie, a dilemma that deters foreign partners, including among the Somali diaspora. Especially where alliances require cross cutting clan participation, one can always argue that the next settlement, the next hill or the next kilometer of coast ought to be included. This uncertainty leaves as ambiguous where the ultimate center of regional power lies or who has the right (or power) to stake a claim to leadership. Thus local strongmen have played a dual game of seeking power in Puntland and, when the opportunity presents itself, as players in contention or negotiations centered on Mogadishu. Fighting broke out in August 2002 in this context between Col. Abdullah Yusuf's militia (which allegedly received outside support from Ethiopia) and those opposed to his administration. A claimant to the presidency, Jama Ali Jama subsequently fled to Libya.[108]

The existence of regional peace negotiations under the auspices of IGAD and separate negotiations organized by Ethiopia offer opportunities for political

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[107] E-mail, 9 Sept 2001.
[108] United Nations Security Council, *Report of the Secretary-General*, 25 Oct 2002, para.11.

entrepreneurs in Puntland to make a bid for influence in Somalia as a whole. Puntland's council of elders removed Abdulahi Yusuf as the administration's leader in 2001 amidst allegations that he was trying to use his position as a platform to negotiate in Mogadishu. Abdulahi Yusuf raised a militia in his hometown, and at the end of 2001 a council-sponsored mediation effort only was able to postpone this conflict. Abdulahi Yusuf was able to appropriate customs revenues from his home base of Boosaaso, Puntland's source of about 80 percent of administrative revenues. He was able to use these resources outside the framework of the local council that tried to mediate the conflict, much as Ethiopian aid gave him the flexibility to chart his own military strategy.

So far self-determination has relied upon finding diplomatic cover that can compensate for some of the shortcomings in Puntland authorities' control over coercion. A key strategy involves fashioning local authority as a 'civil society' development organization rather than as a state. This strategy has the virtue of attracting outside resources in the form of foreign aid. Foreign donors do not have to worry that their assistance will imply recognition of Puntland as a separate state. The authority addressed this problem by contracting in March 1999 with a newly formed local private firm, the Puntland International Development Corporation (PIDC), to run a police force and coast guard.[109] Police and coast guard recruits (trained by private British military service experts) were drawn from among the young men who served in militias. To address sensitivities of local sub-clans, young men were stationed in their own communities. The private corporate nature of the police force was designed to address community concerns about the misappropriation of revenues to run these security forces. If styled as a 'private' operation that puts no revenues in the hands of administrators, there are no resources available to enterprising individuals outside the clan community framework, nor is the administration a target of predation. Money and recruits remain under close scrutiny of community elders, both to ensure fiscal probity and proper behaviour by young men with guns.

Furthermore, the creation of PDIC establishes an interlocutor that can attract aid from foreign charitable organizations and state-run programs geared toward security sector reform, since aid to PIDC does not establish diplomatic precedent regarding relations with Puntland authorities. This vehicle also helps give local leaders more control over the distribution of resources from outsiders, limiting the multiplication of predatory factions such as during the 1980s when Barre's regime used foreign aid to refugees as patronage, and local commanders commandeered refugee aid to support their own private armed groups. PDIC also provides a portal for foreign resources for security sector issues that are harder for individual politicians to appropriate. Foe example, de-mining efforts attract support from UNDP to assist the local Puntland Mine Action Centre. This non-state global relationship allows UNDP authorities to overlook Somalia's requirement to ratify the Ottawa Treaty regulating anti-personnel mines. Since Puntland does not claim to be a state, UNDP requires only that 'relevant authorities embrace the spirit of the Ottawa Treaty' and function as a local NGO.[110]

Overall, Puntland resembles other 'non-state' authorities that have had no prior international status as separate sovereignties. This category includes 'non-states' such as the Republic of Nagorno-Karabakh (in Azerbaijan), the Dnestr Moldovan Republic (in Moldova), the Republic of South Ossetia (in Georgia), the

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[109] 'Somalia: Pirates' Last Stand', *African Business*, March 2000, 17-19.
[110] United Nations Development Programme,

Republic of Abkhazia (also in Georgia) and the Turkish Republic of Northern Cyprus. Like Puntland, these separatist regions construct central governments, collect revenues and organize some services. But in the Somalia context, Puntland does this less effectively, as do these other 'non-states' in their regional political economic contexts. This is because central authorities find considerable incentives to exploit clandestine business opportunities for themselves rather than regulate and tax non-governmental enterprises since their precarious status requires that they rely upon a regional state 'patron'—in this case, Ethiopia—that can intervene to keep a particular local faction in power.[111]

At best, if local councils of elders can become more solidly institutionalized, their closest relative in international society might be the UAE, which also functions much like a political arena in which several councils of elders of elders of different lineages settle disputes and agree to cooperate in common ventures, much as independent polities negotiate with one another.[112] Only in UAE's case, local lineage elders managed to convince the rest of the world that their unusual arrangement be considered as a state, a major qualification for comparison with Puntland. The inability of non-state actors to control political entrepreneurs' access to resources continues to undermine the ability of any single authority to concentrate and control the exercise of coercion. This is reflected in continued incidences of piracy off the Puntland coast. Late in July 2002, for example, an oil tanker registered in North Korea was hijacked with its crew off Puntland, and it remained in militia hands as of late 2002.[113]

Self-Determination in the Shadow of Globalization?

The analysis above makes clear that Somalia is not an ahistorical clan society. It shows how self-determination involves building polities that can impose order in a defined space through controlling the exercise of coercion and regulating transactions with outsiders. It underscores that self-determination is not an endogenous process. Polities develop as results, some more intentional than others, of internal and external interactions. This is not surprising. Major scholars and historians of state formation in the West long have noted that states developed there through internal processes of bargaining between authorities and those who wield means of coercion on the one hand, and societal responses to pressures and opportunities in the wider world on the other hand.[114] This variability appears in Somalia's past too. Somalia's north appeared as 'stateless' to I.M. Lewis quoted at the start of this work, as it did to Richard Burton in the 19th century. Yet it was also in the north that from the 10th to the 15th century was the site of small kingdoms under the Sultanate of Ifat. A 16th century sultanate included parts of the Upper Shabeelle River, Jubba River and Indian Ocean coasts that now are centres of disorder and conflict.[115]

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[111] A similar argument is found in Charles King, 'The Benefits of Ethnic War: Understanding Eurasia's Unrecognized States', *World Politics*, 53 (Winter 2001), 524-52.

[112] I owe this comparison to Martin Doornbos, 'When Is a State a State? Exploring Puntland', Piet Konings, Wim van Binsbergen, Gerti Hesseling, eds., *Trajectoires de libération en Afrique contemporaine*, (Paris: Karthala, 2000), 125-39.

[113] United Nations Security Council, *Report of the Secretary-General*, 25 Oct 2002, para.16.

[114] For example, Charles Tilly, *Coercion, Capital, and European States, AD 990-1992*, (Cambridge, MA, 1992); Hendrick Spruyt, *The Sovereign State and Its Competitors*, (Princeton: Princeton University Press, 1994); and Thomas Ertman, *Birth of the Leviathan: Building States and Regimes in Early Modern Europe*, (New York: Cambridge University Press, 1997).

[115] Roland Marchal, *Lower Shabelle: Study on governance*, (Nairobi, United Nations Development Office for Somalia, November 1997).

At the start of this work I highlighted four propositions that contribute to an explanation of this variation, and by extension the formation of new polities as vehicles for self-determination in the contemporary Somali space. These propositions also provide a basis for drawing out broader implications for movements of self-determination in the contemporary world, especially in the context of state failure, violence and economic marginality. First, throughout Somalia unofficial and non-state institutions have played key roles in building new authorities. Inter and intra clan negotiating norms, clandestine markets, and informal political networks tied to Barre's patrimonial strategy of rule all featured more centrally than did formal institutions of the Somali state, especially after collapse of the irredentist state-building project in the late 1970s. Barre and his cronies manipulated laws such as the *franco valuta* foreign exchange mechanism in the service of the informal institutions of patronage and clandestine deals that kept their political networks together. Likewise, international aid provided more resources for this social construction of violence and accumulation in the 1980s.

The second proposition, however, provides a lens for distinguishing the variable impact of these informal networks for the destruction and reconstitution of authority and the control of coercion. The variety of experiences in the Somali space shows that when formal and informal institutional frameworks favour old networks of elites with greater ties to local communities, the scope for intervention of disruptive political entrepreneurs is reduced. The experience of Somaliland, and to a lesser extent Puntland shows how local clan elders and military strongmen had to rely upon their ties to local communities and a large diaspora population to weather the consequences of Barre's suspicion and distrust of their intentions. Even if these people wanted to be part of Barre's privileged inner circle, they found that they faced greater hardship and fewer opportunities than did more favoured groups elsewhere in Somalia. By extension, this shows how marginality in the earlier period of patrimonial politics gave incentives to local authorities to build defensive arrangements. These later turned out to be social resources that gave clan elders the means to mediate conflict, control coercion and most importantly, regulate the social use of wealth to prevent enterprising strongmen from recruiting young men to loot local communities and rush to bargaining tables in distant cities to assert a claim to rule Somalia.

A major implication of this observation is that activities that governments, international agencies, and activists define as fuel for conflict and appropriate targets for suppression—'conflict diamonds', smuggling rackets and the like—may play important roles in mitigating conflict and underwriting self-determination. It is not the illegal or forbidden nature of the transactions that is most important in this analysis. Instead, the social context of these transactions is what determines the *local* legitimacy of this activity. Authorities in Somaliland succeed in substantial measure in the most basic task of governance, to 'compel men equally to the performance of their covenants, by the terror of some punishment'[116] whether in the guarantee of commercial contracts in lieu of Somaliland's access to conventional international commercial institutions, or to force local militias and armed young men to heed the broader interests of their communities. The major policy implication for this observation is that wanton international suppression of 'illicit' or 'wartime' commerce, as when the US president directed in late 2001 that sanctions be applied against informal money transfer institutions that serve overseas Somalis who send

[116] Thomas Hobbes, *Leviathan*, (New York: Oxford University Press, 1996), 95.

money home, can increase the risk of violence and undermine successful efforts at promoting order.

Third, where elites who adopt old informal institutions—such as clandestine commerce in the case of Somaliland—face competition from new institutions and channels that offer resources, the risk of fragmentation is higher. The cases above show how this proposition undermined order throughout Somalia during Barre's regime. The president attracted followers through offering resources that were autonomous of the social control of the communities from which these men hailed. Violence became generalized throughout Somalia by the late 1980s, even worse in the north than the south, but not all violence was the same. Everywhere it was worse when predators with outside sources of income attacked. The difference in the north was that legitimate local authorities, especially clan elders, could regulate sources of income for local strongmen and recruit them for fighting off interlopers. Later events demonstrated the same principle. Puntland's Abdullahi Yusuf, for example, proved more willing to loot his own community and defy arbitration by Puntland's elders when he could rely upon Ethiopian support. Indeed, it appears that Ethiopian authorities recognize that sponsoring endless 'peace conferences' is a good way to keep Somalia fragmented to ensure it never poses an irredentist threat or that Somali groups develop effective ties to Ethiopia's own Oromo separatists. The broad policy implications for this finding are round-tables, conferences, NGO aid and other 'conflict prevention' measures can intensify conflict and promote fragmentation if they are sought without consideration of the nature of local social control over resources and coercion. UN-sponsored peace talks in Mogadishu, for example, attract militia leaders to the city, resulting in an increase in fighting that overwhelms the local mechanisms that elders have devised to control conflict.[117]

Finally, if local actors can meet the above conditions—regulate the flow of resources through all channels, including clandestine, control how those resources are used in order to mitigate freelance exercise of coercion, and do so free from the disruptive influence of outsiders bearing gifts and enticements that give enterprising freelancers other alternatives—they prove able to equip their societies to exploit opportunities in the international economy. The world economy is not favourable to places like Somaliland or Puntland. There is little that these places can sell to the rest of the world. On the one hand they remain highly dependent upon diaspora remittances, and they are not attractive places for investment by people who do not share the cultural ties and understandings that are integral to the regulation (and success) of business there. On the other hand, this condition may exempt local people from some of the more disruptive aspects of the world economy such as the sudden appearance of extremely efficient foreign enterprises that have more leverage to defy local interests and priorities. Somalilanders may lament the poor state of their economy at present. But strong ties between their diaspora and the informal regulatory power of local authorities seems to offer at least the possibility of following the paths of UAE, Singapore, Hong Kong, and to some degree Lebanon, which are among the few examples of prosperity and successful integration into the world economy on the basis of transnational family and clan cultural networks rather than the centralizing administrative projects that scholars of early modern European state-building describe (and which World Bank and other officials increasingly prescribe).

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[117] United Nations, *Report of the Secretary-General on the Situation in Somalia*, S/2002/189, 21 Feb 2002, para. 6.

Taken together, these propositions recognize that marginal status in the global economy can be integrated into movements for self-determination, in this case, Somaliland's autonomy. Seemingly 'archaic' and even (from an outsider's view) illicit social forms and activities can play important roles in this political change. Thus Lewis' 'call of kinship' is important for understanding the Somali space and the future of its constituent parts, but it is hardly immutable, nor is it opposed to self-determination and state-building of a sort that is able to integrate into wider economic and political circuits.

Somalia's Lessons for Self-Determination Amidst Marginality

Many other 'marginal' conflicts related to state collapse elsewhere in the world reinforce the lessons learned from the Somalia space. Most dramatically, illicit trades, clandestine economies and armed strongmen can either be disruptive promoters of fragmentation or they can be elements of the constitution of a new order and possibilities for self-determination. Olivier Roy explains, for example, how leaders of several Central Asian states integrate socialist communal farms and other enterprises into a single political community on the basis of their identities as 'neo-clans' arising out of socialist era ties to an informal economy of favours and illicit exchanges. In Tajikistan, on the other hand, this old elite and their clandestine 'fixers' faced competition from an outsider group, which give local level political entrepreneurs the chance to pick and chose among would-be protectors and allies inside Tajikistan and from among outside mediators as completing factions jockeyed for position in peace negotiations. [118]

Likewise, the separatist 'Dnester Moldovan Republic', base of the Soviet 14th Army, was a prime candidate for multiplying ethnic security dilemmas and predatory conflict. Yet after fighting between 1991 and 1994, fighting ceased. Closer examination reveals a 'traditional' Soviet army value system that survived within the 14th Army that dominates the region. Ordinary Soviet soldiers long contended with an informal system of hazing and other physical abuse as they encountered the local pecking ordered of military units. Families had to seek out individuals to bribe for special treatment for their sons, soldiers had to seek out protectors, while officers tolerated and even promoted the system as good for building unit solidarity and identifying 'good guys' and 'team players'. Mediation during the fighting in 1991 to 1994 came from Aleksander Lebed, a 'good guy' who commanded respect in this informal institution as much as in the formal. As an operator or politician or whatever one prefers to call him, he used social control over actual fighters to help local commanders maintain local solidarities through appeals to a shared ideal that prized the notion of Soviet internationalism. Strengthening this solidarity undermined political entrepreneurs who tried to frame local conflicts in ethnic terms. Had such entrepreneurs been more successful it is likely that the conflict would have become more violent. Suddenly members of the same unit (who from a 'traditional' Soviet internationalist perspective were equally 'at home' anywhere in the Soviet space, whatever their parentage) would find themselves bearers of an ethnic label far from their respective homelands, and forced to seek alliances with other ethnic kinsmen.

The Russian Ingush Republic's (now former) President Ruslan Aushev, neighbour of war-torn Chechnya also demonstrates the variable uses of informal institutions and clandestine commerce. He presided over the multiple mafias of his land-locked 'offshore economic zone'. Aushev legalized vendetta with police help to

[118] Olivier Roy, *The New States of Central Asia*, (London: I B Tauris, 2000).

regulate this trade, thus locking armed young men into an arrangement where they faced social constraints if they used violence against their own communities. Aushev removed Arab 'guests' from the region, complaining that outsiders were issuing fatwas to encourage local youth to kidnap people and rob business for income to pay for the Holy struggle. For Ingush people who encountered these young men as predatory bandits, and Aushev's measures were popularly regarded as restoring social control over armed young men and instrumental in removing opportunities for violent entrepreneurs in the guise of Arab guests and Chechen provacateurs.

Each of these places also face the overall framework for 'self-determination' that reflects how the international community wants to resolve conflicts. What most of these people want is to 'self-determine' as a separate political community, not as a minority in someone else's state. The international community does not encourage these desires as people fear that 'self-determination' for the likes of Somaliland (unless Hargeisa authorities can convince outsiders that their project is a final act of decolonization as independence for British Somaliland) but especially Puntland and the rest will start a domino reaction as rebellious minorities resort to violence to press their claims for self-determination.

The Meaning of Contemporary State Collapse for Self-Determination

The relatively durable and stable political arrangements in Somaliland and Puntland shed light on the nature and possibilities of political organization in the context of state collapse. Of particular interest to students of social movements is the decisions and capacities of some Somali leaders to resist incentives for short-term predation and interference from violent entrepreneurs. This addresses the basic question of explaining why people cooperate to form political communities at all, especially when such behavior is irrational from a short-term materialist perspective. Do either self-interested or altruistic protectors, perhaps responding to hidden incentives, provide political order and define communities? Or do communities prevail upon rulers to hold them accountable for their behavior, or even choose their rulers, binding them with a contract to respect certain rights and giving them incentives not to abuse citizens?[119]

The 21st century and its global market is supposed to impose great constraints on states, at least on the world's poorest states. 'Everywhere, boundaries are being drawn between protected and prosperous global enclaves and the anarchic poverty-stricken areas beyond'. People at the margins of world diplomacy and commerce discover that state institutions and autarchic economic policies can no longer protect them.[120] They choose (or are forced into) a 'Somali road to development';[121] faction based politics centered on violent competition for resources that is incompatible with the existence of a centralized state or expression of a single political community beyond unstable ethnic mini-states and fragmented political affiliations of inhabitants.

Manuel Castells conceptualized violent competition for resources among political actors and the disruption of broad-based political communities as 'network

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[119] Mancur Olson, 'Dictatorship, Democracy, and Development', *American Political Science Review*, 87:3, 567-76 presents a coercive explanation for imposition of political order. Barry Weingast, 'The Political Foundations of Democracy and the Rule of Law', *American Political Science Review*, 91:2, 245-63 offers a contractarian version, and Vadim Volkov, 'The Political Economy of Protection Rackets in the Past and Present', *Social Research*, 67:3, 1-36 offers a socially constructed alternative.

[120] Mary Kaldor, *New & Old Wars: Organized Violence in a Global Era*, (Cambridge: Polity Press, 1999), 75; Mark Duffield, *Global Governance and the New Wars*, (London: Zed, 2001).

[121] Jean-François Bayart, Stephen Ellis & Beatrice Hibou, *The Criminalization of the State in Africa*, (Oxford: James Currey, 1999), xiv.

war', a violent globalization as predatory entrepreneurs exploited their own communities and undermined local order, using instead privileged connections to global networks to protect them from the negative consequences of socially destructive behavior that states once regulated and suppressed.[122] This competition reflects the end of the viability of cold war era state-building projects based upon government support and protection for local industry and foreign investors. Thus intense global economic competition hits weak states very hard. After the cold war's end, states like Somalia were even less able to compete in the global economy on the same basis as wealthy states. Now they were left without diplomatic protection and foreign aid that earlier they used to compensate for their internal weaknesses and marginal position in the world economy. More fortunate and wealthier individuals can integrate themselves into global networks, especially clandestine economic ones, without services of a protective state. An economist summed up this potential for destruction with regard to Somalia as early as 1960: 'If a country such as England, which is heavily dependent on foreign trade for its standard of living, were suddenly cut off from channels of international economic intercourse, it would doubtless be worse off as a result, but so would the rest of the world; whereas if Somalia were cut off from international trade, it would be worse off, but the rest of the world would not'.[123]

The structural irrelevance of poor countries to the world's economy does not produce a void in place of cold war era economic relations, nor need it result in the total exclusion of people in the periphery of the global economic and political order. People in poor countries reintegrate themselves into the world economy on new terms. Castells expects them to exploit niches in the world economy, usually clandestine businesses such as drug trafficking, toxic waste dumping and frauds. This is not supposed to generate viable alternatives to states, at least in terms of promoting widespread security and economic opportunity, since these networks rely upon violent exploitation of communities, armed attacks on competitors, and have few incentives to provide public goods. These strategies increase inequality and conflict. Equally important, they are supposed to be incompatible with maintaining territorial and bureaucratic states since authority and coercion are based on control over commercial networks which are used to manipulate social solidarities—clans, ethnic associations and the like—rather than to support expensive formal state bureaucracies, laws, and regulations that require broad popular legitimacy to finance and to sustain compliance. This appears to be true in many instances, especially where competitors for power and those who challenge them pursue neither broad programmatic or ideological projects, nor do they mobilize followers in institutions like nationalist state-builders of the cold war era used.

But marginality is not the same as withdrawal from global commerce. Expectations of the political economy of conflict often assumers that even those opposing predators become predators since access to guns requires deals with violent outsiders who can tolerate huge risks of violent state collapse and who benefit from the extreme deregulation that crumbling formal state structures leave in their wake. The growth of unregulated trades help political entrepreneurs provision followers through trades in small arms, petrol, stolen 4X4 vehicles and food. Illicit trade in weapons, for example, feeds on the global availability of small arms, which drove the

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[122] Manuel Castells, *The Rise of the Network Society*, vol. 1 of *The Information Age: Economy, Society and Culture*, (Cambridge, MA: Blackwells, 1996).
[123] Mark Karp, *The Economics of Trusteeship in Somalia*, (Boston: Boston University Press, 1960), 168-69.

price of assault rifles as low as $15 in Mogadishu in the early 1990s.[124] Extreme deregulation, coupled with technological innovation that increases the reach of local politicians-turned-businessmen reinforces the power of these global networks. Banks do business in Mogadishu without benefit of a government, for example, even if they spend a third of their operating expenses on armed security.[125] Private businessmen have foreign firms print money. Mogadishu cell and satellite phone companies compete for customers and offer some for Africa's lowest rates for international telephone service.[126] As shown above, telecom services also emerge as part of a larger process of commercial adaptation to the legal and practical consequences of the absence of globally recognized sovereignty, especially as this affects standard commercial banking practices.

Still, it appears that Somalia's situation, or at least the southern territory of the pre-1991 state, shows the inevitability of increased disorder, impoverishment, and exclusion from productive economic transactions of the world at large that accompanies state collapse. Even lacking valuable, easily exploited resources such as Congolese or Sierra Leonean diamonds, or Liberian timber, the region's regulatory void attracts predatory operators. Local entrepreneurs are cited as central actors in the regional trade in the mild stimulant qat and have been suspected of making deals with toxic waste dumpers, including an $80 million contract in 1992 with Italian and Swiss companies to dump waste in Somalia.[127] The International Chamber of Commerce warns mariners that Somalia's coast is a major world center of piracy.[128]

Violent competition to control resources through co-opting informal and illicit trans-border networks appears inimical to the formation of new states and even threatens to destabilize surviving neighbouring states. But cases above show that this is true only where competitors control links to external markets in ways that give them less interest in protecting local people. If rulers can use trading networks to replace cold war diplomatic alliances and state revenue institutions to get resources, they have little incentive to engage in expensive and politically risky tasks of protecting people or promoting productivity if they have to worry about short-term threats from those who prey upon the same people. They also may worry that members of their own entourage will conclude that becoming a freelance predator is more rewarding than sticking by the side of a doomed central authority. Faced with this dilemma, some incumbent rulers also turn to predation to survive. In any event, creating a cohesive community on the scale of Somaliland amidst rival violent groups should be an unlikely prospect, given the formidable obstacles to collective action.

Achille Mbembe observes that state collapse also feeds off global economic ideologies that prescribe shrinking corrupt bureaucracies and lessening state economic regulation. Market liberalization increases the ease with which incumbent politicians and new competitors appropriate resources that states once controlled. It also undermines old strategies of holding together states with patronage networks based upon overstaffed state bureaucracies and informal access to state regulated economic opportunities in return for political loyalty and popular acceptance. This failure

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[124] ICRC, 'Arms Availability and the Situation of Civilians in Armed Conflict', (Geneva: ICRC, June 1999), 18.
[125] E-mail correspondence with Somali businessman, 28 Aug 2001.
[126] Economist Intelligence Unit, *Somalia*, September 2000, 30.
[127] Hao-Nhien Vu, 'The Law of Treaties and the Export of Hazardous Waste', *UCLA Journal of Environmental Law & Policy*, 389 (1994), 32-53.
[128] See, for example, the piracy website of the International Chamber of Commerce at www.iccwbo.org/ccs/imb_piracy/weekly_piracy_report.asp.

promotes the further disintegration of central authority and its replacement with 'private indirect government'[129] much like a private business syndicate or mafia. This historical shift in Africa 'is the direct link that now exists between, on the one hand, deregulation and the primacy of the market and, on the other, the rise of violence and the creation of private military, paramilitary, or juridical organizations'.[130]

Attacks on bureaucracies often spell the end of central authority capable of regulating economic transactions and providing protection for the benefit of a citizenry. Indeed, many state officials simply intensify exploitative operations that they already controlled by virtue of their positions in corrupt regimes, a development familiar from Somalia's turmoil. Ellis describes this tendency in his study of fragmenting patronage networks leading to Liberia's 1989-96 civil war: 'The longer the war lasted, the more factions appeared… The object of factional activity was to wrest control of territory and economic resources, and individual war bands often threatened to split from their patrons or fought each other for turf even within factions',[131] a pattern appearing in Somalia in the late 1980s. Internal conflict intensifies as members of ethnic and clan groups turn to one another to provide security. Once one group arms itself outsiders have a hard time distinguishing between predatory, versus strictly defensive moves of neighbors.[132] Schierup describes this process in the breakup of Yugoslavia as a 'retraditionalization' of politics similar to the rising prominence of clans in Somalia's conflict. Facing threats from other groups, 'the local party elites and the increasingly "national" working classes were to be bound together by innumerable ties of an increasingly traditionalistic character. They were displayed in idioms such as kinship, friendship, locality, and ethnicity, taking the form of a complex network of reciprocal favours'.[133]

Those facing predation from the violent competition of rulers and rival strongmen to control commercial networks often seek protection in clans and ethnic associations. Resurgent 'traditional' identity is a response to local political economies shaped by marginality to new global conditions and shifts toward more violent forms of accumulation. Communities mobilize kinship and ethnic networks to protect themselves from predations of those who fight to control resources and social networks, and to make their own connections to global networks to get resources they need for their survival.[134] This 'rationality of fear' undermines any effort to rebuild centralized authority, since all other groups will gang up on one that appears able to dominate the rest. This increases incentives to find one's own protectors, usually political opportunists who field paramilitaries to support local clandestine business operations. This arrangement offers limited relief to local communities, while also

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[129] Achille Mbembe, *On the Postcolony*, (Berkeley: University of California Press, 2001), 66-101; see also Beatrice Hibou, ed., *La privatization des états*, (Paris: Karthala, 1999).
[130] Mbembe, *On the Postcolony*, 78-79.
[131] Stephen Ellis, *The Mask of Anarchy: The Destruction of Liberia and the Religious Dimension of an African Civil War*, (New York: New York University Press, 2001), 104.
[132] Applied to ethnic conflicts, see Barry Posen, 'The Security Dilemma and International Security', Michael Brown, ed., *Ethnic Conflict and International Security*, (Princeton: Princeton University Press, 1993); Jack Snyder & Robert Jervis, 'Civil War and the Security Dilemma', Barbara Walter & Jack Snyder, eds., *Civil Wars, Insecurity, and Intervention*, (New York: Columbia University Press, 1999), 15-38.
[133] Carl-Ulrik Schierup, 'Memorandum for Modernity? Socialist Modernisers, Retraditionalisation and the Rise of Ethnic Nationalism', in Schierup, ed., *Scramble for the Balkans: Nationalism, Globalism and the Political Economy of Reconstruction*, (London: Macmillan, 1999), 47.
[134] Manuel Castells, *The Rise of the Network Society*, (Cambridge, MA: Blackwell, 1996),135.

boosting the wealth and power of these enterprising individuals who use violence to exploit economic opportunities.[135]

Yet current conditions in at least the northern parts of the Somali space are very different from these general analyses of state collapse. The prospects for self-determination in Somaliland and Puntland show that the future is more uncertain, which also means that their futures look somewhat less bleak than in similar cases of state collapse and protracted conflict. Above all, these cases point to the dangers of comparing political choices in the midst of state collapse to market choices. While it seems that one can expect that actors will chose actions that result in further aggression and fragmentation, this is not always the case. The end of wars in Somaliland, the Ingush Republic and many other would-be conflict zones that do not get much media coverage—because they are relatively peaceful—show that actions operate in a social context of markets, whether clandestine or otherwise. Thus political actors in Somaliland prove somewhat able to make up their own 'rules of the game' after state collapse. They cannot make those rules as they please. The prior distribution of shares of resources, the locations of these actors, and the interests of outsiders all shape what is possible and what can reasonably be accomplished with regard to building new political orders. Yet within these broad structural parameters purposeful action can create 'post state collapse' instances of self-determination.

From a broader historical perspective this constrained capacity to make solve political problems of state collapse is not surprising. After all, the post 1960 Somali state was itself a 'solution' to the colonial division of Somali people, much as pre-colonial sultanates arose out of disorder of their times. Quite simply, state collapse is not a permanent condition; otherwise, where would states have come from in the first place?

[135] Rui de Figueirdo & Barry Weingast, 'The Rationality of Fear: Political Opportunism and Ethnic Conflict', Walters & Snyder, eds., *Civil Wars,* 261-303.