

Ekonomi och samhälle
Economics and Society

Skrifter utgivna vid Svenska handelshögskolan
Publications of the Hanken School of Economics

Nr 212

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SOMALI STATE FAILURE
PLAYERS, INCENTIVES AND INSTITUTIONS

Helsinki 2010

Somali State Failure: Players, Incentives and Institutions

Key words: state failure, state collapse, social contract, principal-agent theory, institutions, tribalism, patrimonial leadership, cold war, Somalia, Barre, military regime, civilian regime.

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00101 Helsinki, Finland

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ISBN 978-952-232-080-3 (printed)
ISBN 978-952-232-081-0 (PDF)
ISSN 0424-7256

Edita Prima Ltd, Helsinki 2010

ACKNOWLEDGMENTS

I wish to express my deepest appreciation to my adviser Professor Hans Christer Blomqvist whose unlimited patience and careful advice over the years have made this dissertation worthwhile experience. I deeply appreciate everything he has done for me.

I would like to take this chance to express my gratitude to professor emeritus Paavo Okko for his kindhearted tolerance during my undergraduate (MSc.) studies at the University of Vaasa.

I have been fortunate to have Professor Christer Gunnarsson from the Lund University and Professor C Kartik Roy from the University of Queensland as the pre-examiners of my dissertation. Their insightful comments and suggestions were useful when finalizing this study. I am also thankful to Professor Gunnarsson for accepting to serve as my opponent.

I am grateful to the Hanken Foundation, the Ella and Georg Ehrnrooth Foundation, and the Waldemar von Frenckell Foundation for providing generous financial support for this project.

I want to thank the Puntland Development and Research Centre (PDRC), where I was a visiting researcher while I was carrying out the fieldwork, and want to especially thank Abdurahman Adbulle Osman (Shuuke) for his enthusiasm to help this research and for the valuable information and Ali Farah Ali for his endeavor of making my stay in PDRC more pleasant. The entire staff of the PDRC was too kind to me and I appreciate that. I also want to thank Puntland State University (PSU), where I was a visiting lecturer in the autumn of 2008. Especial thanks goes to Mohamud Hamud, the President of the PSU, and Professor Mohamed S. Samater, my former teacher. It was a pleasure being with them.

My gratitude also goes to those who participated in the interviews I conducted for this research. Mohamed Abshir Walde, Mohamed Yussuf Weyrah, Mohamed Warsame Ali (Kimiko), Ahmed Sh. Jama, Mohamed Ali Warsame, Abdulaziz Nour Herssi, Aden Sheikhdon, Hassan Aden and many others provided information that was vital to a successful completion of my dissertation. One fortunate evening with Ismail Ali Abokor in Hargeissa modified my way of thinking towards the process of state failure in Somalia.

Many friends provided moral support, valuable backing, and logistical support. Mohamed M. Abdulle, Suleiman M. Farah-Ghedi, Jama Aden Ismail, and Mursal H. Shirwa deserve to be mentioned in this regard. There are also many friends and colleagues whose acquaintance provided immeasurable support and encouragement. Among them, I would like to highlight my thanks to Maija Kajava, Dr. Marja Tiilikainen, Arshe Said, Abdirizak H. Mohamed and Muddle Lilius.

Finally, I did save the best for last, I am very grateful for my mother Maryan. Her firm and compassionate personality has affected me so many ways. The hardships and sacrifices she confronted for my wellbeing, are surely uncompensatable, but will be remembered. My heartfelt thanks go to my older brother Mohamed (Journale) by not only replacing my father by nurturing me but also instilling in me the importance of an education.

*Aqoon la'aani waa iftiin la'aane
Waa aqal iyo ileys la'aane
Ogaada ogaada dugsiyada ogaada
Oo aada oo aada walaalayaal oo aada
Waa oomanaa iyo abaare
Omos iyo oon biyo la'aane
Ogaada ogaada dugsiyada ogaada
Oo aada oo aada walaalayaal oo aada*

My sister Seynab shares much temperament with him. For them I was more like a beloved son, rather than a young brother. I am also grateful to my mother-in-law Rahmo. She spared no effort for my family to be successful. Last, but certainly not the least, my warmest thanks and appreciation go to my wife, Hibo. I am greatly indebted to her amazing devotion. Surely, without her boundless support this journey would have been much difficult one.

Helsinki March 22, 2010

Abdirashid Ismail

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1 INTRODUCTION

1.1. Background of the Study

1.1.1. *State Failure and State Collapse*

To those who know, ancient Somalia was “the Land of Punt ... a fable source of wealth and luxury” (quoted in Adibe, 1995) whereas post modern Somalia can be seen “as a prime example of a collapsed state” and “becoming another Somalia is the fate to be avoided by every African state” (Luling, 1997).

What is more puzzling is how this could happen in a country like Somalia, the most homogeneous country in Africa both ethnically, religiously, culturally, and linguistically, or in other words, “the only political society in the continent (...) which is a nation in the real sense of the word” (Emeh, 2004). However, many other countries, on the continent and elsewhere followed the footsteps of Somalia. And, it seems, that many other countries are bound for a similar fate (Rotberg, 2004).

In the state failure literature, authors employed various classifications of the state failure concept. Rotberg identified the following types of state: weak, failing, failed and collapsed state. Georg Sorensen, on the other hand, distinguished between two different types, the fragile and failed states, and maintains that “failure is when fragility intensifies” (Sorensen, 2001). Others, such as Peter Wallensteen, classify the phenomena into ten types (Spanger, 2000). Sometimes it is assumed, as the State Failure Project¹ does, that such a distinction is not necessary and even placed these two concepts and civil war in a single category.

However, we conceptually need to distinguish between failed and collapsed state. Rotberg (2004) proposed a range of public goods including, security, education and health services as parameters for state failure. He considers collapse as an “extreme version” of state failure. Doornbos (2001) refers to state failure as a condition where “less than complete collapse” occurs.

In this thesis, state collapse is defined as a situation where “the basic functions of the state are no longer performed. Where the structure, authority (legitimate power), law, and political order have fallen apart and must be reconstituted in some form, old or new” (Zartman 1995). Following Gros (1996), a particular polity will be considered as a failed state “when public authorities are either unable or unwilling to carry out their end of what Hobbes long ago called the social contract, but which now includes more than maintaining the peace among society’s many factions and interest” (Carment, 2003).

¹ Research project commissioned by the CIA, see <http://www.cidcm.umd.edu/inscr/stfail/>

According to Milliken and Krause (2003), the analysis of the concept of state failure contains two dimensions: *the institutional* and *the functional dimensions*. For them a polity is failed as it is unable ‘to provide security and public order, legitimate representation, and wealth or welfare’, and state failure is analysed through the functional aspect of the state. On the other hand, similar to William Zartman, they consider state collapse as a situation where an “extreme disintegration of public authority” occurred, and this can be approached through the institutional dimension of the entity. My analysis is based on these distinctions. I will consider the functional aspect of the state when dealing with the process of state failure and the institutional aspect of the state whenever I am considering the process of state collapse.

1.1.2. Why States Fail?

1.1.2.1. A View from Political Science²

State failure is a worldwide phenomenon and one of the greatest political and humanitarian problems facing the world in this century. Naturally it has attracted much attention in both academic and policy-making circles. However, the literature lacks consensus on the definition of state failure and consequently researchers followed different approaches to identify what went wrong.

To start with, Robert Rotberg (2004) distinguishes between human and non-human (structural) factors in the process. For him some researchers blame accidental factors as the cause of the state failure. He agrees with them that these factors play their role, but rejects the idea that they are the whole story or even that they are dominant in the process. He maintains that, *human agency* is to blame.

Concerning the human factor, we can divide the existing literature into three parts.³ Some researchers pointed their fingers toward foreign actors. Robert Jackson argued that post-colonial African states were ‘quasi states’, not states in the word’s real meaning. In his realisation, these quasi states are only formal institutions created by the colonising power and supported by the international community (Jackson, 1990). Among the often-mentioned causes of state failure are ethnic division, religious clashes, social antagonism, and regionalism. These structural factors could be located at the society level. Due to this it has been stated that “because the state could not emancipate itself but remained subordinated to the *logic of social ties* it acquired a *neo-patrimonial* character and gradually fell prey to the rising power of traditional *intermediaries* such as local chieftains and big men” (Spanger, 2001). Finally, most scholars blamed state failure on the state itself.

It has been argued that these countries, with their wrong sovereignties, their social fragility, and the destructive behaviour of their leaders, survived not

² Although this is a thesis in economics, we need also a political view.

³ I consider structural factors, like geography, as given and do not deal with them in this study.

because of their internal order and public support, but due to their external protection (Herbst, 2004). The Cold War was the main reason for such protection.

For these reasons one is led to believe that the fall of the Berlin Wall and the withdrawal of outside help from *the shadow states* was the final disapproval of these states. As Stedman pointed out “the triumph of free market ideas... undermined the external sources of support for Africa’s patrimonial regimes and left some with no legs to stand on” (Stedman, 1996). Therefore, *Fukuyama’s ‘the end of history’ became the end of Reno’s ‘shadow state’*.

1.1.2.2. Economic Causes of Conflict

During the Cold War conflict analysis was, mainly, undertaken with the bloc politics of the time as a heavy backdrop. Conflict theories were, in one way or another, influenced by ideology struggles between the East and the West⁴

As the Cold War came to an end, a new wave of conflicts and new ways of explanation, expectedly, came hand in hand. In economics two fundamental causes of conflict, and other humanitarian emergencies, are declining economy and inequality (Lundahl, 2000). These were considered as creators of vulnerability.

1.1.2.2.1. Structural Economic Factors

Van de Walle (2004) on the one hand distinguished between economic structural factors, such as low levels of economic activity, largely rural settlements and low population density, and on the other contingent factors, and argued that the former, as constraints on state formation, create a vulnerability that allows for state failure. He then defines contingency factors “as short term events arising from actions of political and economic agents” and maintains that “the move from weakness to failure to collapse and violence largely results from these factors. ... Bad policies can lead to the failure of the state, until the state ceases to provide virtually any public goods, and state agents become almost entirely predatory” (Van de Walle, 2004).

Low per capita income, whether generated by a high rate of population growth and/or by declining or stagnant national income, has been considered a chief cause of social conflicts. Paul Collier (2000) found that “conflict is more likely in countries with fast population growth: each percentage point on the rate of population growth raises the risk of conflict by around 2.5 percentage points. Conflict is also more likely in countries in economic decline. Each percentage point off the growth rate of per capita income raises the risk of conflict by around one percentage point” (Collier, 2000). Auvinen and Nafziger (1999) show how slow, real GDP growth could explain conflict and found that stagnation or protracted decline in real income precedes major conflicts.

⁴ For review of these theories see PRIO (1999).

While the preceding argument maintains a positive relation between scarcity and conflict, a counterargument provides that it is wealth that drives people to fight. Some authors argue that economic growth and prosperity may increase the incentives to use violence to secure the valuable assets available in the economy (Bates 2001). Others, Collier and Hoeffler (2001), argue that it is the abundance of exportable natural resources that may make a country prone to conflict.

In the literature on conflict, the role of economic inequality has been given great attention. Lichbach (1989) identified more than 40 studies which used cross-sectional data and found that, in most of them, a positive relationship between economic inequality and political violence has been identified. In a cross-sectional study of 71 developing countries Alesina & Perotti (1996) found that income inequality, by fuelling social discontent, increased political instability. Frances Stewart maintains that it is the horizontal inequality, inequality between groups in the society, rather than the vertical inequality, inequality between individuals, that matters most. However, it has been argued that inequality may generate conflict even “under conditions of positive (even rapid) growth and expanding resource availability” (Nafziger and Auvinen, 1999). In addition, other recent studies of conflict, Collier & Hoeffler for instance, found that vertical inequality does not increase the risk of conflicts.

1.1.2.2.2. Motivations

The presence of these economic factors, poverty and inequality, and (other) non-economic structural factors as well do not automatically drive violent clashes among groups. The human motivation, rather, plays a central role in any conflict situation (Stewart, 2000).

Perhaps the best entry on this issue is Paul Collier’s “greed or grievance” dichotomy. Collier and Hoeffler, distinguished between two possible human motives for conflict: “justice-seeking or grievance” and “loot-seeking or greed”. According to the latter, economic motivations and opportunities drive violent conflict. Rebels have an incentive to challenge governments because of private gain, which is a function of opportunities foregone by engaging in violence and the availability of lootable resources, which is the payoff for successfully engaging in a rebellion. Apparently, this theory views conflict as the outcome of an expected utility maximisation decision. As rational individuals “potential rebels evaluate their expected gains from war, given their grievances, and compare these expected gains with the expected losses, which include the opportunity costs of foregoing productive economic activity. Rebellion is therefore a rational decision. What determines whether a rebellion will be observed is the financial viability of a rebellion, which depends on the material benefits of the rebellion” (Sambanis, 2001).

The grievance approach, on the other hand, maintains that conflict is motivated by hatred which might be intrinsic to ethnic and religious differences. Here the real motive of conflict is to eliminate the inequality between the groups or

classes. This approach was adapted long ago in the study of conflict analysis. Gurr (1970) argues that the gap between expectations and achievement would contribute to the willingness of people to rebel. So *relative deprivation*, the actors' perception of social injustice derived from a discrepancy between goods and conditions they expect and those they can get or keep, fuels social discontent and anger, which provides motivation for violent conflict. Gurr (1969) argues that "the greater the deprivation an individual perceives relative to his expectations, the greater his discontent; the more widespread and intense is discontent among members of a society, the more likely and severe is civil strife". The relative deprivation, however, needs to be politicised to appear as collective violence (Gurr, 1970)⁵. In line with the recent internal conflicts, researchers stated that "the risk of political disintegration increases with a surge of income disparities by class, region, and community, especially when these disparities lack legitimacy among the population" (Auvinen and Nafziger, 1999).

Collier's greed based theory has been criticised by many for its reductionist nature and being ill-specified (Porto, 2002; Ballentine and Nitzschke, 2003; Nafziger and Auvinen, 2002). However, Collier, with Hoeffler, later stated that "there is, however, no reason for the accounts to be exclusive and the aim of our econometric tests is to arrive at an integrated model which gives an account of conflict risk in terms of all those opportunities [greed] and grievances that are significant. ... to the question of which model, opportunity or grievance, provides a better explanation of the risk of civil war ... while the opportunity model is superior, some elements of the grievance model are likely to add to its explanatory power" (Collier and Hoeffler, 2004).

Perhaps the best explanation of how the actions and strategies of the state agents can lead a polity into collapse and civil conflict is presented through the logic of *Shadow States* initiated by William Reno. He argues that a "Shadow State is the product of personal rule, usually constructed behind the façade of de jure state sovereignty" (Reno, 2000a). Reno's shadow state theory is useful not only because it is able to focus on the interplay between economic and political aspects of the conflict but also due to his realisation that greed and grievance are compatible and can play variable roles and that "explaining these variations requires an analytical framework that has some contact with the world of politics and can deal with complexity" (Reno, 2004). The main frame of this argument is that Post-Colonial African rulers recognised that they could not survive by encouraging efficient formal institutions. Realising that strong formal institutions would give a competitive advantage to their enterprising rivals, African leaders sought other strategies for survival; a colonially constructed mechanism for control was, perhaps, the most easily accessible strategy. To exercise their power these leaders used economic tools through patronage. And as Reno argues, "[a] key element of this patronage-based strategy of rule lay in the fact that over time high officials found it in their interests to undermine the formal institutions of the state itself" (Reno, 2003). To generate revenue, they "converted formal aspects of the state, its institutions, laws, creditworthiness, and capacity to attract aid from outsiders, into patronage that they could

⁵ For Gurr this is the second stage of the process.

distribute to followers to advance their own power” (Reno, 2000b), they also attracted foreign investors for enclave operations. As a complementary strategy, African rulers make the life of their subjects less secure and their properties unprotected. They were also materially impoverished by denying individuals unregulated access to markets and other economic opportunities. Instead, they were encouraged to seek the ruler’s personal favour (Reno, 2000a).

Beyond these economic *incentives* and *disincentives*, the rulers of these shadow states utilised *divide and rule* policies. They fostered social conflicts among their subjects as “[t]his encourages local strongmen to appeal to the personal favor of the ruler to settle disputes that in the past were settled amongst themselves.” (Reno, 2000a). The state not only offers protection to its favoured groups but also gives weapons to destroy their common enemy. This patronage-based strategy creates non-state armed, ethnic and regional groups and generates new types of potential rivals. As rulers of the shadow state increasingly become dependent upon cooperating strongmen, some of these strongmen and ambitious army commanders, in addition to the former contenders, may feel that they would be better off competing with the incumbent ruler (Reno, 2000a). This is the basic principal of *making war as business* or *commercial policy as anti-insurgency strategy* which is the original source of state collapse (Reno, 2000b)⁶.

In short, Reno argues that to enrich themselves and to hold the political power African leaders, intentionally, have chosen to undermine their governments. For Reno there was an alternative path for these leaders: by formulating a sense of nationalism and by trying to unite the people’s energy toward economic prosperity and building strong state institutions (Reno, 2000c, 2004).

In many situations it is the ambitious subordinates who started undermining the formal state institutions by using existing informal socio-political networks. Thus, the opportunity was equally available for both incumbent rulers and opponents. Douglass North emphasised that “the viability, profitability, and indeed survival of the organizations of a society typically depend on the existing institutional matrix. That institutional structure has brought them into existence; and their complex web of interdependent contracts and other relationships has been constructed on it” (North, 2000). So it would be more useful to look at the institutional framework that creates the opportunity for the actors before one considers the choices made by the individuals and organisation, be they the state rulers or insurgency organisers.⁷

The role of the people, as constituents, is also missing from Reno’s analyses. We know that in both predatory and contract based explanations of state behaviour, the role of the society is important.

⁶ Some Post-Colonial Latin American countries had a situation which resembles this. See Blomqvist and Lundahl (2002) for the case of Haiti during the 1800s and 1900s.

⁷ It is fair to say that Reno realises the importance of the “informal social institutions to control predation without building a strong state apparatus.” (Reno 2004).

Another shortcoming of Reno's analyses, though it captures many aspects of the state collapse process and the political economy of the civil war, is that it does not pay enough attention to the process of state failure. Based on 'Quasi States' notion of Robert Jackson, he assumed that post-colonial African states were failed in nature and its leaders were like racketeers rather than state leaders. It is worthwhile to understand why those state leaders, such as Major General Mohamed Siyad Barre, who once tried to, and actually did, carry out programmes of social and economic transformation and build strong state institutions, including both military and bureaucratic administration, finally decided to destroy what they had built. General Barre headed the military government that ruled Somalia between 1969 and 1991.

Reno's analyses mainly concentrate on the resource rich countries where foreigners' involvement in the conflict was a mere economic agenda; investing enclave operations, diamond smuggling etc. Here local predated actors cooperated with these, mainly private, foreign groups. It is, however, hardly conceivable that either the Soviet Union or the USA had direct economic interest in a country like Somalia. Its geographical location was the most valuable available capital in Somalia. This and other exportable resources, such as agricultural products and livestock, were usable only through capturing the state apparatus. In this respect in Somalia, as well as in some other countries, the cooperation between conflicting local elements and the super powers, through the logic of the geopolitical programme that dominated the Cold War rivalry, needs to be addressed to find a comprehensive explanation for these conflicts.

1.1.3. State Formation in Post Colonial Africa

Max Weber's classical definition of the statehood as "a human community that (successfully) claims the monopoly of the legitimate use of physical force within a given territory" and, accordingly, the control over the means of the violence is the central character of the modern state. Political historians, such as Tilly (1990) emphasized two main ways in which external threats contributed to the formation of the states. Firstly, in the midst of the violence competition among states one's relative power to defend itself from external aggressions determined its survival. Weaker ones were conquered and incorporated into the stronger states. Secondly, to defend themselves, the states were to finance warfare projects which is very costly and, thus, securing sufficient source of revenue was essential for states to survive. Effective collection of revenue required relatively established administrative capacity (Eriksen, 2005). Throughout this logic political economist, i.e. Olson (2000) and Bates (2001), developed economic theories of state formation.

According to Herbst (2000) this process of state formation has not taken place in Africa. The main reason that Africa took a different process than Europe is that structural conditions confronted by African state builders were different than those faced by their European predecessors. Scarcity of land and population growth was the source of conflict among the medieval European

kings, these wars were the ultimate source of the formation of states in Europe, but the availability of land was not a problem in the history of Africa. “The fundamental problem facing state-builders in Africa – be they pre-colonial kings, colonial governors or presidents in the independent era – has been to project authority over inhospitable territories that contain relatively low densities of people” (Herbst, 2000). Herbst’s argument is that state formation in Africa has been hindered by low population density and thus the problem of extending authority over sparsely settled areas and distant territories. Projecting power into the hinterlands and territories far from the capital city tended to be more costly and outweighed any potential gains accrued through the increased tax revenue.

According to Bates (2008) “political order is not a given; it is the product of decisions.” Here the state, as specialist in violence, uses its power of coercion to protect its citizens. In the case the state decides to prey rather than protect the wealth of the citizens political disorder is eminent. Bates (2008) emphasized three main conditions that make predation preferable than protection for the specialist in violence. First is a low level of tax revenue. Here benefits of predation may be tempting. Second is an increase in the relative rewards that predation might yield compared to the benefits accrued by state leader if acted as protector. Third is a high rate of discount for the specialist of violence. Here he becomes more greedy or insecure and therefore may find that benefits of the predation outweigh that of guardianship.

Bates (2008) dealing with post-colonial Africa found that events that took place in Africa during the late 20th century encouraged African leaders to prefer predation, and thus political disorder, over protection and stability. Due to global economic crises and predatory behavior of the elites, African states confronted fiscal crises in late twentieth century. The disintegration of the Soviet Union caused foreign patrons to abandon their African clients and as a result local political forces demanding reform emerged and this in turn shortened the time horizon of incumbent elites. Finally, in the midst of fiscal crises, abundance of natural resources in many African countries provided their governments alternatives sources of income. However, use of physical force is, most probably, required in order to seize these resources. “With the loss of public revenues, governments became more predatory. With the loss of their political monopolies, they became less secure ... [and] So great are the riches offered by Africa’s natural resources that, in these instance at least, the rewards to be gained by seizing them appear to have outweighed the prospects of living in the midst of political disorder.” and therefore “the conditions that rendered political order and equilibrium no longer prevailed and states collapsed in late-century Africa” (Bates, 2008).

Another recent study on the state failure of post-colonial state is Collier (2009). Collier dealing with the causes of state failure in post-colonial state emphasized what he termed the Failure Security-Taxation Nexus. Using the logic of state formation presented by Tilly (1990) and others, Collier noted that states that emerged after the World War Two, unlike their predecessors, were saved from external aggression and therefore had no incentives to establish effective

military. Consequently, there was neither a pressure to improve the tax revenue nor was an adequate demand to invest fiscal capacity and legal system. This relatively hindered the creation of private prosperity in the post-colonial countries. Another factor that further negatively affected the state capacity to grow is the foreign aid which substituted the tax revenue and therefore reduced the need to invest in state capacity. In addition, Collier (2009) argued that rebellion and coup threats created insecurity and shortened time horizons of the regimes in post-colonial states which further refrained to invest state capacity.

Furthermore, Collier (2009) found three common characteristics that, in compound with the failure of Security-Taxation Nexus, aggravated the conditions of post-colonial states; small size of their economies, ethnic diversity, and resource richness.

These sources provide useful insights and perspectives explaining Africa's state formation tragedy. Somalia case is not an exception in that perspective. Most of the obstacles pointed out in these literatures were in one way or another present in Somalia. For instance, the structural factors, such as low population density and hostile terrain, emphasized by Herbst (2000), were very significantly present in Somalia. Post colonial rulers, in Somalia, confronted with a very small population who were mainly nomads and enormously scattered and roved over the vast area of the country which is itself was very huge in per capita terms. The physical infrastructure of the new republic was very weak with less than 100 km of paved road. In addition, Somalia had its share of the impacts of the global recessions on the continent, such as global economic downturns triggered by the unexpected increases of energy prices in the 1970s and 1980s.

However, as noted, Van de Walle (2004) maintained that economic structural factors, such as low levels of economic activity, largely rural settlements and low population density, are constraints on the processes of state formation and therefore create a vulnerability that allows for state failure. However, he noted that the propensity of the weak states to fail is seriously affected by the way their leaders respond to and handle their underlying economic frailties. And, according to Van de Walle, structural factors create fragility but bad policies are the source of failure and collapse. Furthermore, both in early 1970s and 1980s Somalia was hit by the the global recession caused by the rise of the oil prices. The impact of the crises was very harsh to many African economies. In Somalia the net impact of the two shocks was positive. This was so because Somalia's livestock export was aimed at the consumers in the oil producing countries. The increase of the oil prices increased the purchasing power of these consumers, which in response increased their consumption of meat and, therefore Somalia's export increased. Another factor was that Somalia exported labour force to the oil producing Middle Eastern countries. The rise of the oil prices increased the migrant laborers and thus the remittance sent by these expatriate to back home. However, according to Mubarak (1996), the Somali "government's poor policy responses made the country unable to take full advantage of this positive shock ... Though export volumes to Saudi Arabia had increased by the mid 1970s, Somalia exports could not keep up with Saudi Arabia's rapidly growing market, and Somalia's market share consequently declined. Still, considering the boom

in labour exports and the remittances they produced, the effects of the oil shocks were overwhelmingly positive.” On the one hand, in Somalia, unlike other African countries, the global recessions of the 1970s and 1980s that adversely affected development objectives of many developing countries were not bad Somalia, as it may appear to some observers. On the other hand, it is quite clear that the role of policy makers is very important in all situations.

In short, it is quite clear that these economic structural factors create vulnerability in the process of state formation, but the basic assumption of this study is that human agency is to blame for the state failure. And therefore, in order to concentrate what policy choices were made by the rulers and why these policy choices were made, I choose the social contract approach of the state formation. This does not mean that in post colonial Africa there were well established social contracts between rulers and citizens. On the contrary, in many cases such as the case of Somalia, the absence of social contract was the rule. But what we are interested in is why social contract is missing and why post colonial states and societies failed to generate one?

1.1.4. Research Problem

In 1960, the Somali Republic gained its independence with, perhaps, unrealistic expectations at both the elite and grass-roots level. At that time Somalia was described as a model for democracy in Africa. However, within a decade, Somalia abandoned its democracy and adopted an authoritarian form of governance with similar expectations. Both were bold if not sacred goals: to gain the Greater Somalia⁸ and Self-Reliance⁹.

Three decades later on from its independence the republic was a country on the verge of mass starvation. The civil war, which started in 1990, exacted a heavy toll in both human and material terms, causing the destruction and the collapse of the statehood of Somalia and fundamental changes in the economy. The economy suffered from destruction of infrastructure and industrial facilities, and the flows of goods and factors of production were disrupted as a result of the fragmentation of the country. Ahmed I. Samatar (1994) lists among the consequence of the civil war, the following: 350,000 have died since the inception of full-scale civil war in 1988; almost 4.5 million Somalis are being kept alive through emergency assistance; 60 percent of Somalia’s basic infrastructure has been destroyed; 80 percent of all social services (e.g., schools and hospitals) have been rendered non-operational; social and political institutions have been shattered.

A range of different answers has been suggested for the causes of the Somali agony. Clanism, psychopathology, militaristic despotism, nomadism vs. sedentariness, and super power strategic competition, has been mentioned (Samatar, 2001). Two dominant interpretations for the Somali problem are

⁸ Uniting the Somali nation at the horn of Africa under a single jurisdiction,

⁹ At least basic needs level

traditionalists and instrumentalist views (Kivimaki, 2001). The first and oldest view, the traditionalist view, is fronted by I. M. Lewis of the LSE. The traditionalists' "thesis is that the segmented clan system remains the foundation of pastoral Somali society, and that 'clannishness' – the primacy of clan interests – is its natural divisive reflection on the political level (Doornbos and Markakis, 1994). The other school of thought, the instrumentalist view, is fronted by Ahmed I. Samatar, and argues that the Somali problem is not the clan reality and its culture, but the elite manipulation of the ruling class is the real virus of the Somali case. This thesis, while not rejecting the relevance of these explanations, concentrates on finding and analysing economic functions behind the state failure and state collapse, and as such tries to answer the following questions:

- Why did Somalia fail?
- What were the sources of bad policies which led the country into total breakdown?
- What were the economic incentives and political opportunities that led the main players to behave as they did?
- What were the institutional matrix that formulated these opportunities and incentives?
- What was the role of the political elite, predating technique and redistribution strategies, which led the country into complete anarchy?
- Why did the Somali public fail to keep their leaders accountable to prevent the latter's extractive policies and destructive actions?
- What was the role of the Cold War rivalry between the US and the Soviet Union? Why did the US and Soviet Union choose the certain policies and actions they took?

1.1.5. Research Objectives

The main purpose of this thesis is to contribute to a better understanding of the sources, processes, patterns, and actors of state failure, state collapse and civil conflict. It is thus the objective of this research to use and further develop the economic literature on conflicts outlined above. This study intends to fill that gap by seeking an answer to the broad research question posed in the previous section. To do that, it will seek convincing answers to the sub-questions.

My approach is based on the idea that all players in the game; society, politician, and foreign power, are self-interested. I will pay special attention to the institutional conditions, which determine the incentives of those engaged in the state failure and collapse processes. I use the tools of the Principal-Agency theory to analyse the preferences and behaviour of these agents. There is a growing interest in the literature in the role of institutions on society's behaviour and preference, and there is a consensus among economists and political scientists that institutions have a strong impact on economic performance. Another objective of this research is to contribute to that literature, by analysing one of the worst cases in the history of modern state collapse, Somalia. I will combine the principal-agency framework and the logic

of the New Institutional Economics and intend to fill the literature gaps by surveying the case of Somalia.

1.1.6. Research Method and Theory

There is a consensus among economists and political scientists that institutions have a strong impact on political and economic performance of any polity. By framing the behaviour of individuals and organisations and creating incentives for them, institutions can be good or bad. Good institutions have three main roles: firstly, they enforce property rights; secondly, they put a constraint on the actions of political elites; and thirdly, they create equality (Acemoglu, 2003). My argument is that tribalism, the identity based patronage system of leadership and the Cold War were the main institutions, which determined the incentive structure and constrained the interactions of specified actors in pursuit of their goals in Somalia. Here I follow Douglass North's definition that "[i]nstitutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction" and as he puts it "institutions include any form of constraints that human beings devise to shape human interaction" (North, 1990). Scholars, including Douglass North, have emphasised two types of institutions: formal institutions such as political, judicial and economic rules, and informal ones which are moral values, traditions, customs, religious beliefs, conventions, etc.

These institutions, tribalism, the identity based patronage system of leadership and the Cold War, are bad because they weaken the society's bargaining power and, thus, its ability to control the behaviour of the elite. These institutions enabled political elites, Barre and others as well, to pursue 'divide-and-rule' strategies, in which they used them as a bridge to power and to maintain their rule despite pursuing economically, politically and socially destructive policies. The presence of these institutions can not only explain why African elites failed to establish developmental states (state failure dimension), but also why they have chosen to undermine their formal institutions (state collapse dimension).

Methodologically, I follow Bates and his colleagues, in their *analytic narratives* approach. Since the second half of the last century a number of social scientists have adopted a combination of historical and comparative research with rational choice models. The authors of analytic narratives share with the former their "conviction that theory linked to data is more powerful than either data or theory alone" (Bates, et al., 1998) and the project is an attempt to make that approach explicit (Levi, 2003). However, two factors made analytic narratives appealing to our purpose here. First is its adherence to the tools of the new institutional economic to investigate the enduring questions of political economy and according to Levi (2003) "it is the claim of the analytic narrativists that understanding the institutional context within which events occurs can explain outcomes in certain (but not all) important historical situations: where structured choices have significant consequences." The second is that although the approach does not exclude the use of other forms of theory they rely on the game theory.

A simple informal model will be developed to check the logical consistence of the argument and to make the identification of causal mechanism easier. Then the case of Somalia will be studied. I will take Dixit's (1996) model and modify it to fit my purpose, in that respect my approach "is analytic in that it extracts explicit and formal lines of reasoning, which facilitate both exposition and explanation" (Dixit, 1996). My approach is also narrative because "it pays close attention to stories, accounts, and context" and "[I] analyse games, since [I] find them useful in order to create and evaluate explanations of particular outcomes. [I] identify agents: some are individuals, but others are collective actors such as elites, nations, electorates or legislatures. By reading documents, laboring through archives, interviewing, and surveying the secondary literature, [I] seek to understand the actor's preferences, their perceptions, their evaluations of alternatives, the information they process the expectations they form, the strategies they adopt and constraints that limit their actions. [I] then seek to piece together the story that accounts for the outcome of interest" Bates, et al. (1998).

My analysis is based on the logic of the previous paragraph. In the theory chapter, it will be identified the actors of the Somali state failure and collapse processes: the Somali state, Somali society, and the super powers. During the civilian rule, 1960 – 69, the Cold War rivalry was relatively calm in Somalia as it was elsewhere in Africa, and thus neither the US nor the USSR dominated Somali foreign relations. Instead, former colonial masters, Italy and Britain, had a significant influence on Mogadishu. However, during the 1970s and 1980s Somalia became a major hotspot of conflict between the Soviet Union and the United States, and this period will be given great attention. From 1969 to 1977 Mogadishu enrolled itself on the side of the Soviets. During this period the Moscow strategy mainly coincided with the interests of the Somali public, or in other words, the two principals had the same preferences and thus assigned the same tasks to the agent, *self-reliance*, or socio-economic development in general. In this period, I 'characterise the state to be an agent of its citizens and the Soviet Union': the probability of state survival was considerably high and in addition Barre's performance was not too bad. From the late 1970s Somali became an ally of the US, and Washington adopted a strategy that did not coincide with the interest of the Somali people, or in other words the two principals had different preferences. Consequently the agent is expected to meet, and exert more effort on, the objectives of the able principal, as ill-perceived actions by the agent can result in a greater punishment from the strong principal compared to that of the weak principal. Therefore, it will be characterised Barre's regime to be an agent of the United States, but not of Somalis.

There are three types of data used in this research. The most important information is from the written sources in archives i.e. books, academic journals, official documents, annals, newspapers and magazines. Data collected in a field study, which was carried out mainly in 2008, but also in 2007 and 2009, is another source of information. In the field study, informal interviews were conducted where open-ended questions were asked to former high ranking political figures, both from the former governments and opposition groups, and

well-informed personalities. A third source of information was the rich but largely unwritten Somali traditions i.e. poems, songs and suchlike.

1.1.7. Research Outline

The thesis is organised as follows: Chapter 1 introduces the study. The chapter presents a simple common agency model and will describe the theoretical framework of the study. In Chapter 2, so as to understand preferences and constraints of the game players I in some depth analyse the evolution and structure of three central institutions: the identity based patronage system of *leadership*, *tribalism*, and the Cold War as a determinant institution of the super power's involvement in Somalia. I consider these three institutions as '*the rules of the game in the Somali state failure*'. My argument is that tribalism, identity based leadership and the Cold War are the main institutions which determine the incentive structure and constrain the interactions of specified actors in pursuit of their goals, in Somalia.

Chapters 3-6 will, in a chronological way, cover the period between the formation of the Somali Republic and the breakdown of state authority in Somalia. Concentrating on the actors' role and how institutions shaped the policy making, the study will narrate the processes of state failure and collapse. Chapter 7 will conclude the study by summarising the main findings.

1.2. The Model: Social Contract Approach

1.2.1. Introduction

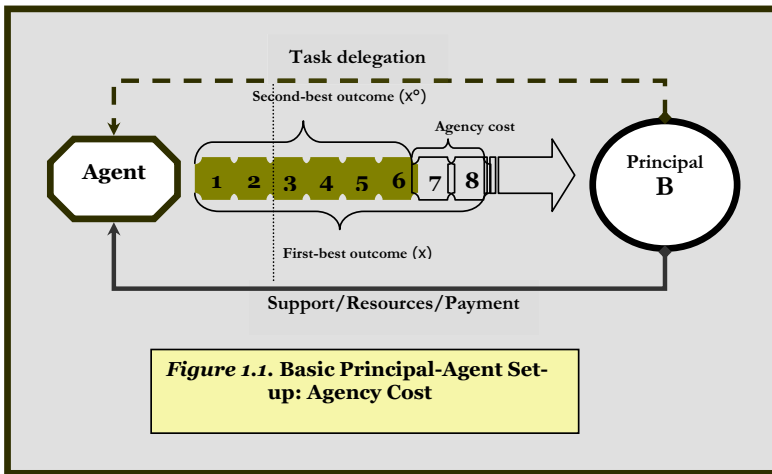
This section presents the theoretical argument of the study. It recapitulates a simple common agency model that will be a base for the study. In the first subsection of this part, I will sketch a simple common agency model and present several extensions to suit our purpose. I will then summarise the logic of principal-agency theory with the respect of the state society relationship and the implications of the model in case of state failure.

1.2.2. A Common Agency Model

To check the logical consistence of the argument and to make the identification of causal mechanism easier, a simple model based on Dixit (1996) is sketched. In order to understand the problem, a simple principal-agent game is depicted in Figure 1.1. There is one principal and one agent. The agent controls a vector of effort t that could be transformed into an output and the principal hires the agent to perform the task of producing a required outcome x , which is beneficial for the principal, and in return the principal gives resources and support to the agent as payment. Each of the actors maximises his welfare in the presence of conflicting interests. The thin vertical round dotted line indicates the reservation line. This shows the minimum level of outcome expected by the

principal to uphold the contract. At any outcome point less than that level the principal concludes that the agent deviated and in response retaliates. The retaliation might involve abrogating the contract alone or inflicting more punishment on the agent depending on the given principal's power to do so. The risk-averse agent has private information of his actions while the risk neutral principal just observes a signal of the agent's actions which is the outcome.

In the situation where the principal fully observes the actions of the agent, the principal's problem is to design a contract that would enable him to maximise the welfare he receives from this relationship and that the agent will accept as far as the optimal risk sharing payment is concerned. Here the agent will choose an efficient action by devoting all the effort he controls in to the production process and the outcome is efficient, as Figure 1.1 illustrates $x = 8$. This is the first-best situation and the interests of all parties are best served.

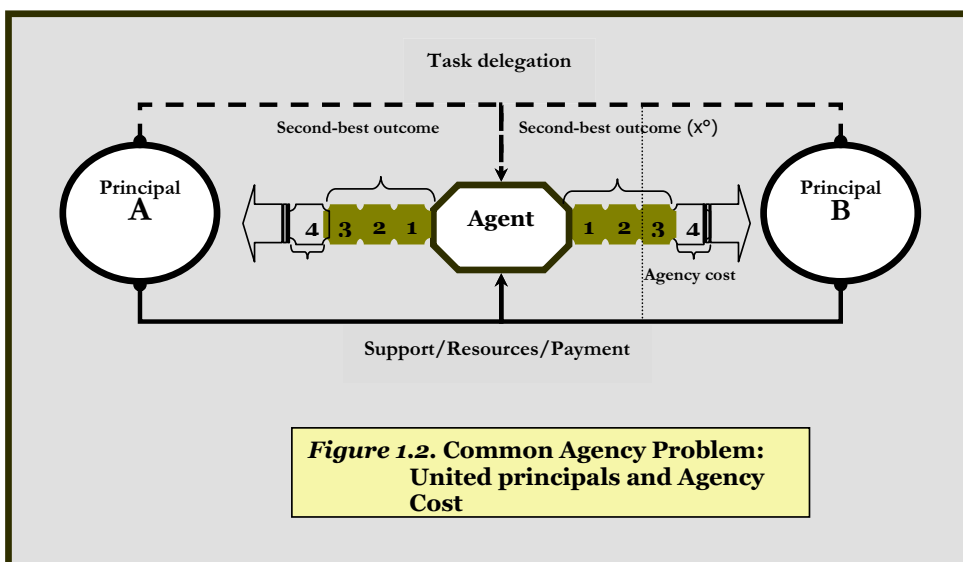


In the situation where the principal observes just the outcome rather than the agent's actions, the principal has to incur the agency costs, which is a category of transaction costs, to mitigate the delegation problems. This is the second-best situation in which the outcome that the principal could enjoy is reduced to $x^{\circ} = 6$, in Figure 1.1. This is shown by shading the level of the outcome. Dixit argues that "[t]he incentive schemes based only on observables gives the agent less than the marginal contribution of his effort ... This in turn leads to less effort, and smaller total surplus. The outcome is a second best" (Dixit, 1996).

Beyond the ordinary setting of a single principal vs. a single agent in the literature, situations have been formulated where a single principal deals with multiple agents (Holmström, 1982). A significant part of the literature considered the opposite situation, the common agency paradigm, where there are multiple principals delegating to a single agent. Bernheim and Winston argue that "[f]requently, however, the action chosen by a particular individual (the agent) affects not just one, but several other parts (the principals), whose preferences for the various possible actions conflict. We refer to such situations

as instances of common agency” (Bernheim and Winston, 1986). Some researchers have modelled adverse selection cases in this common agency setting. However, in this study I will consider the case of moral hazard.

Although the common agency setting had been analysed some time before Bernheim and Winston (1986), their seminal paper “represents a first step towards developing a coherent, widely applicable, abstract framework for analyzing instances of common agency” (Bernheim and Winston, 1986). In this setting there are two possibilities: one is that the principals cooperate, the other is that they compete. “In general, principals are better off if they co-operate. Anything that they can do in a non-co-operative way can be done in a co-operative game. Under co-operative behavior, the game is similar to the simple moral hazard model, since in that model the principal could be either an individual or group of individuals acting co-operatively” (Macho-Stadler and Perez-Castrillo, 1997). In other words, this makes the common agency problem similar to the simple one principal one agent problem I presented in Figure 1.1. Here B is a composition of several principals rather than a single one. Everything else is almost the same. In Figure 1.2 I illustrate a situation where, with the presence of asymmetric information, two principals, A and B, firstly get together and reach jointly an agreement upon two main issues: the incentive scheme they offer to the agent and the way they will divide up the outcome among themselves. Here I assume absolute equality among the principals and here they could achieve the second best (Dixit, 1996). As Figure 1.2 shows, compared with Figure 1.1, principal B gains one-half of the second-best outcome he would have received in the situation where he is the sole principal. The reason is that the agent equally splits his limited effort between the two dimensions. So $x^o = 3$.



The second possibility, whenever co-operation is not preferred or competition is inevitable, is that each principal tries to unilaterally influence the actions of the agent.

Avinash Dixit (1996) analysed the implications of the common agency problem on government activities. He used Wilson's (1986) agency relationship in government bureaucracies as a framework for his discussion. To deal with Wilson's "two key features: (1) Government bureaucracies typically have several dimensions of effort (input) and result (output), and each of these only imperfectly observable or verifiable ... ; (2) each agency deals with several 'principals' who are simultaneously trying to influence its decisions – the executive and legislative branches of government, the courts, interest groups, media, and so on" (Dixit, 1996). Dixit utilised a common agency set-up. He was also forced to consider a *multitask* agency model, of the type developed by Holmström and Milgrom (1991), which, as he put it, "helps us understand some of the features of government agencies stressed by Wilson" (Dixit, 1996).

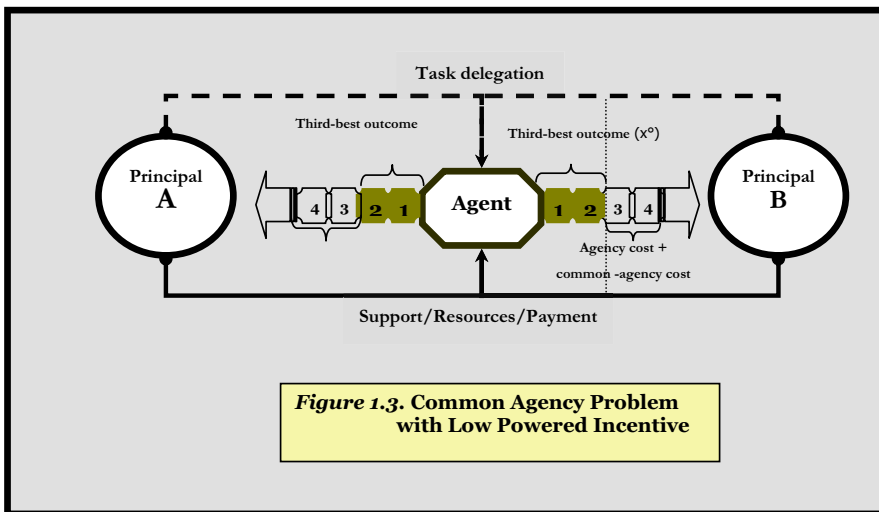
Dixit constructed a common agency model with moral hazard, where several principals compete to influence a single agent, who controls several tasks and assumed that outcomes are observable, not the amount of effort devoted to each task, due to the presence of an asymmetric information problem¹⁰. He considered that "agent's time or effort is scarce, more spent on [task] *a* will necessarily mean less spent on *b* and vice versa. ... [A] constant contract term ..., some of [principal] *A*'s money passes to *B* via the agent" (Dixit, 1996). There are two possibilities: one is that tasks are substitutes and the other is that they are complements. In the former, the non-cooperation behaviour among the principals weakens the power of incentives (Dixit, 2003).

Using a very special case, with two principals and two activities, Dixit (2003) pointed out that "when each principal observes the outcome of all tasks, and can offer marginal rewards or penalties based on all observations, incentives are weaker ... The rough intuition is that each principal offers a customary positive marginal payment for the output that is of relatively greater concern to him, and a negative marginal payment, which acts like an insurance for the output risk (and therefore the agent's income risk) associated with the task that is of relatively greater concern to the other principal. The netting out of the two principals' positive and negative components leaves the agent with weaker overall incentives on all tasks".

Figure 1.3 illustrates this problem. The lack of cooperation between the two principals dampens the agent's incentives and generates third-best outcome. Here the overall incentive is less powerful than those in the second-best, the total output benefited by the two principals is four rather than six and $x^o = 2$. Assuming that each principal concerns only the component of the output that is directly beneficial to him, then all other components of the aggregate output are

¹⁰ At the time of contract formation both the agent and principal have the same information but once the contract is finalised the moral hazard problem arises. The problem is that the principal cannot observe, verify or perfectly control the agent's actions.

zero, but concerning the agent's effort the principal will penalise all its dimensions except the one devoted to the task that is directly beneficial to him. Although the principal, say A, directly concerns with the component of the output beneficial to him he indirectly worsens the component of that output that is directly beneficial to the other principal B. The reason is that principal A would make the agent induce more effort in the dimension that is beneficial to him, but by doing this, the agent exerts less effort on the dimension beneficial to principal B. However, principal B would adjust the incentive scheme he offers. Dixit argues, "Such conditioning of each principal's incentives on the outcomes of direct interest to the other principals has repercussions for the Nash equilibrium ... That is why the equilibrium ends up with substantially lower-powered aggregate incentives" (Dixit, 1996).



1.2.2.1. Asymmetric Principals

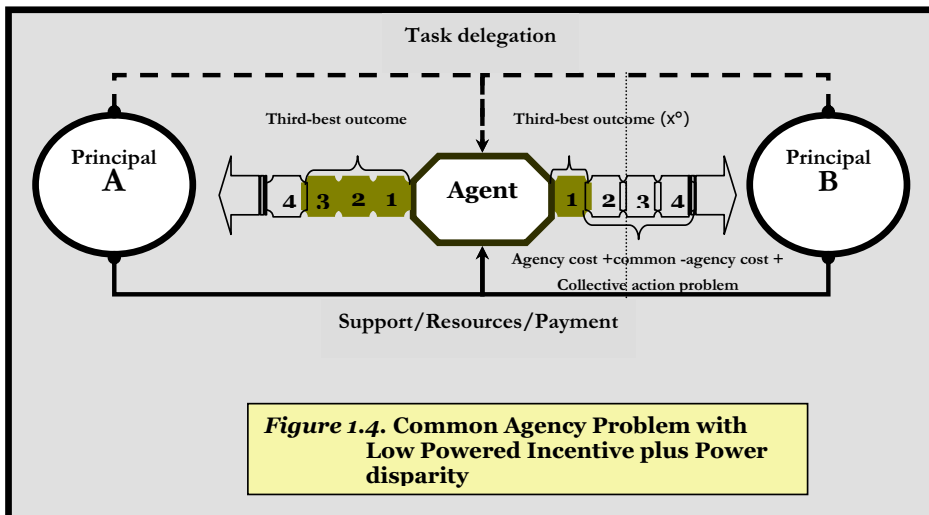
Dealing with the non-co-operative behaviour among the principals, Bernheim and Winston (1986), found that the rational, utility maximising agent chooses the point that maximises the compensation offered by the principals. One feature of this analysis is that the agent responds according to the payments offered by each principal. The more powerful the principal is – in resource and information terms – the more influence he has on the agent's behaviour. In this study I consider a situation where one of the principals is more powerful than the other.

A general result of the common agency problem is that if principal A offers the agent more benefits or incurs higher punishment than principal B, then the output produced by the agent will be proportionately more consistent with principal A's preference. In other words, when principal A is more powerful

than *B* and, accordingly, *A* offers more benefit than *B* to the agent, consequently *A* will have more impact on the agent's action. Lyne et al. (2006), argue that "[p]rincipals with more power and resources have a greater impact on agent behavior". Figure 1.4 shows a situation, where principal *B* is weak in his influence on the agent's behaviour, compared to principal *A*. Consequently, the agent devotes greater effort on the task beneficial to principal *A*.

Siqueira and Sandler (2004), dealing with public goods in the common agency setting, realised that there are a number of collective action problems as following:

1. Common agency costs rises when two or more principals compete to influence a single agent.
2. Agency cost rises when the agent's action is not directly observable.
3. Free riding inefficiency rises as each of the collective principals treats the necessary effort to effectively control the agent as private cost and may thus contribute less than is optimal.



In this study I assume that one of the principals, *B* for instance, is weaker than the other. One possible way to realise that is to think of principal *B* as a collective principal rather than an individual principal. A collective principal, contrary to the simple principal, contains more than one individual or organisation where, contrary to the multiple principals, each member of the collective principal could not have a separate contract with the agent; instead there is only one contract between the agent and the collective principal (Kiewiet and McCubbins, 1991; Lyne, Nielson and Tierney, 2006). A main characteristic of the collective principal is that it may suffer a collective action problem. Actors within the collective principal may fail to come to a decision a priori, in those situations they cannot change the status quo, for instance they

may fail to agree on the proper actions to discipline the agent in case of misbehaviour. If the agent is aware of this disagreement, “then the agent may be able to play members of the collective principals against each other. Such a situation makes it difficult for the collective principals to alter, or credibly threaten to alter, the agent’s contract. Hence, agents can more easily ignore the threats and refuse to modify their behavior” (Nielson and Tierney, 2003).

1.2.3. State and the Agency Theory

In the past, the state-society relationship has been analysed from the so-called principal-agent perspective. The main argument of this literature was that the people delegate decision-making to the state and control it through elections.¹¹ The principal-agent theory – a theory dealing with contractual relationships between two parties, with conflicting interests in which asymmetric information exists – could be applied to two main cases; adverse selection and moral hazard. In the case of adverse selection, the agent possesses superior and relevant information on a certain issue prior to the signature of the contract, while these characteristics are imperfectly observed by the principal. Moral hazard exists when the principal is unable, without incurring extra costs, to observe the behaviour of the agent. As a solution to the former problem, the principal may offer several alternative contracts in which the agent reveals himself through his choice of a preferred alternative. As to the latter problem, the principal conditions the agent’s utilities to an observable variable, the outcome. This in turn determines the actions of the agent.

In the state-society contract, people delegate their power for making political decisions to the state authorities. The act in which one or multiple authorised actors designate some other actor(s) to perform some tasks on behalf of the former is called delegation. “We can think abstractly about delegation as a ‘principal-agent problem.’ The principal is the person who wants a task performed; the agent is the person to whom the principal delegates authority to complete the task” (McCubbins, 1999).

Kaare Strøm (2003), realising that “since delegation means voluntarily giving over authority to others, we must ask why anybody would do so, and indeed why everybody (or at least every large-scale political system) does”, noted three main constraints that may motivate a citizen’s decision to delegate their power:

1. *Capacity*. Understandably, citizens of a given society are not able to make all necessary decisions about their life. There are a number of constraints but one simple factor that may limit people’s ability to perform most of the relevant tasks is time. “Hence, citizens may often be persuaded to delegate their authority simply to save time, and to ensure that necessary decisions are made. One specific version of such concerns is what economists call transaction costs. Applied to politics, transaction costs refer to any costs that collective decision-making bodies, such as voters

¹¹ Barro (1973), Frejohn (1986), Persson, et.el. (1997), etc.

- or parliamentarians, confront in reaching, implementing, and enforcing policy decisions. These costs ... may suffice to persuade these political actors to delegate their decisions” (Strøm, 2003).
2. *Competence*. The principal’s lack of sufficient skills to perform a task efficiently is another main reason for delegation. Not every person in the society could properly handle the production process of all the political goods he requires. For this reason, most citizens recognise that they need to delegate some of their political power to those whom they think could perform the task more efficiently.
 3. *Social Choice and Collective Action Problem*. In situations of collective decision making, by a group of collective actors, the social choice and collective action problems may emerge. Individual preferences of the group members need to be combined and thus the well known problem of preference aggregation may arise.¹² In addition, the collective action problem may arise in a situation where a group of actors, more than one individual, are required to contribute to a task to accomplish an outcome, because opportunistic individuals in the group may try to get out of contributing to the production cost and any effort required in order to achieve the outcome, but at the same time seeking to enjoy a share of the benefits of the outcome that the others contributed to in the production process. Far worse, every individual in the group may pursue a similar strategy and no collective benefits are produced. “One purpose of delegation is precisely to avoid collectively self-defeating behaviors in such situations” (Strøm, 2003).

Delegation, however, is not free of problems. Two basic characteristics may transfer the delegation process into abdication (Lupia and McCubbins, 2000). Firstly, in the delegation process the actors, the principal and the agent, may have different interests. The owner of a firm may want to acquire higher profits through the hard work of his employees, while the manager of the firm may not feel like working and instead wants to enjoy the good life. A society of a given polity may prefer to see an efficient redistribution of the total welfare of the society while a political leader of that society may prefer to appropriate a lion’s share of that welfare for his private use or he may simply seek to stay in power. Secondly, a common starting point of the principal-agent theory is that the agent possesses private information on his actions. We may understand this as a byproduct of the delegation process. Just as the principal is unable to do the task he desires to be performed, he also often has difficulties knowing whether the agent accomplished the task appropriately. It is understandable that the manager of a company may have superior private information about the company over the shareholders of that company and that political leaders may enjoy an informational advantage over ordinary citizens. The dilemma is that the agent may have an incentive to maximise their personal well-being at the expense of the principal’s welfare. This is simply because “a *homo oeconomicus* who possesses private information should be expected to try to manipulate it,

¹² *Condorcet Paradox* shows the preference aggregation problem even when the number of the actors and their preferences are very small.

since he has in effect a monopoly over his own piece of information” (Salanié, 1997).

Thus, by manipulating the informational advantage he possesses over his principal, the agent may behave different than he would have behaved had the principal had similar information about the agent’s actions. The outcome from this relationship is sub-optimal in terms of the principal’s objectives. In the literature this phenomena is called an *agency loss*. According to Lupia (2001), “Agency loss is the difference between the consequences of delegation for the principal and the best possible consequence. Agency loss is zero when the agent takes actions that are entirely consistent with the principal’s interests. As the agent’s actions diverge from the principal’s interests, agency loss increases. When the agent does things that are bad for the principal, agency loss is high”.

To mitigate the agency’s losses, created by the strategic behaviour of a privately informed agent, the principal incurs additional costs, namely *agency costs*. These are the costs that the principal has to pay to ensure that the agent will behave properly in respect to the principal’s interest. They include the following: the cost of the selection and screening process; contracting costs; monitoring costs; costs incurred by enforcing the contract, etc. This is why the first-best allocation of resources is lost.

To analyse the relationship between the state and citizens in Somalia, the contract approach of the state definition is selected and, therefore, utilise the logic of principal-agent theory. Here Somali citizens are the principal and the state is their agent.

1.2.4. The Other Principal: the Superpowers

The super powers, either the USSR or the USA, will be considered as a principal in the post-independence period. Understandably, there may be some hesitation about how I could put the principal’s hat on one of the super powers or a foreign power. Here my reasoning is simple and relies on Grossman and Helpman’s realisation that “the interest groups are like principals, because they lack the authority to set policies themselves and thus need the policy maker to act on their behalf. The policy maker is like an agent because her actions directly affect the principal’s well being, as well as, perhaps, her own. So each SIG – Special Interest Group – must try to motivate the agent to act on its behalf, giving her incentives to heed its demands in addition to those of the others groups, while she also addresses her own concerns. Like the manufacturer who tries to motivate an agent by offering a commission schedule, so the interest group can design a contribution schedule in order to influence the policy choice” (Grossman and Helpman, 2001).

Grossman and Helpman’s basic reasoning is that SIGs do the following:

1. Collect and disseminate information, and their objective of this might be:

- to educate and persuade lawmakers of the wisdom of the group's arguments,
 - to educate the general public,
 - to educate their own members.
2. Give resources and other campaign contributions to politicians. Their motive here is:
- to buy influence,
 - to buy credibility,
 - to buy access: "a chance for a lobbyist to meet with a lawmaker to present his positions".

Interestingly they emphasise "that the link between a contribution and a legislation's actions need not be made explicit ... 'there is no tit for tat in this business, no check for a vote. But nonetheless the influence is there. Candidates know where their money is coming from'" (Grossman and Helpman, 2001). Furthermore "we use this term – lobbying activities – narrowly to refer to meetings between representatives of interest groups and policy makers in which the former try to persuade the latter that their preferred position would also serve the policymaker's interest and perhaps those of the general public. In other words, lobbying involves the transfer of information by verbal argument" (Grossman and Helpman, 2001).

These types of games were not unfamiliar in the theatre of diplomacy, at least during the Cold-War era. Due to its geopolitical attraction, post-colonial Somalia became a major hotspot of conflict between the Soviet Union and the United States. To win the geopolitical struggle, both the US and the Soviet Union not only poured substantial amount of financial and military aid into Somalia, which become a chief source of survival for political leaders but also participated regime changes and encouraged what became nationally disastrous policies and actions. In this study the superpowers, due to their roles in the power appropriation, political survival and the behaviours of the Somali rulers, are considered as principals of the Somali state.

1.2.5. *Asymmetric Principals*

The logic of the claim that citizens as collective principals may fail to discipline the state as an agent is present in recent literature. As I mentioned, the state-society relationship has been analysed from the principal-agent perspective. The main argument of this literature is that people delegate to the state and control it through elections. However, in a recent paper Acemoglu, et al. (2003), argued that while that is true in some countries, other societies fail to control the behaviours of their politicians. They consider two types of countries. In "strongly-institutionalized polities", where formal institutions are properly operational, the behaviour of the political elite is controlled. In "weakly-institutionalized polities", on the other hand, formal political institutions are not properly operational and thus the behaviour of political elites is not effectively constrained. Consequently citizens are no longer able to discipline

their leaders. Acknowledging that although there are some means to constrain the behaviour of leaders, such as revolutionary threats, even in situations where there are no functioning formal institutions, the authors realised that all these means fail in a weakly-institutionalised polity.

Beyond the conventional theories of autocratic rule, Acemoglu, et al. (2003) further relied on concepts developed by Africanists, such as ‘personal rule’, and ‘neo-patrimonialism’ on the one hand, and Olson’s (1965) ‘Collective Action Problem’ notion on the other. They argued that weak institutions enable political elites to apply ‘divide-and-rule’ strategies, in which they maintain their rule despite pursuing economically, politically and socially destructive policies.

They, furthermore, emphasise the social condition of the polities. They pointed out that the existence of an active social division – i.e. ethnically, economically – in many areas of the developing world completes the picture “by providing selective incentives and punishments, the divide-and-rule strategy exploits the fragility of social cooperation: when faced with the threat of being ousted, the kleptocratic ruler intensifies the collective action problem and destroys the coalition against him by bribing the pivotal groups” (Acemoglu, et.al, 2003).

For our purposes, a central implication of their model is that the presence of an ethnic factor in many developing countries weakens the peoples’ ability to overcome their collective action problem. In other words, an ethnically divided society has relatively weak bargaining powers when dealing with its rulers. In Somalia, the clan factor makes the society socially fragile and politically vulnerable to the divide-and-rule strategies of contending political elites. On the other hand, a superpower is considered a strong principal. A given superpower’s relationship with the Somali state is determined by the incumbent administrations in Washington or Moscow. Each of these administrations is assumed to be organisationally more efficient and economically and politically strong in its bargaining with Somali rulers. Therefore, regarding their influence on the state leaders, Somali citizens are considered a weaker principle while the given superpower is considered a stronger principal.

To address this problem, Dixit’s model is modified to incorporate power differences between the two principals. Here, the model will be briefly described with the help of the common agency argument represented in Figure 1.4. To begin with, we can consider that there are two principals and a single agent. The agent controls a vector of effort t that could be transformed into two types of output. Principal A assigns task a to the agent and B assigns task b to the same agent. Each of these principals, who are risk neutral, seeks to influence the effort of the agent, who is risk averse, by an incentive contract. Principal A can efficiently compensate the agent according to the output on task a , whereas principal B is relatively weak at monitoring and compensating for task b . Although the two tasks are “goods” not “bads” for the two principals, each principal strongly prefers the task he assigned to the agent. I will use both, the involved superpower (USSR/USA) and citizens of the Somali Republic as principals, A and B respectively. I in general consider *Greater Somalia* as a task, a , assigned to the agent – the Somali state - by the superpower, and *socio-*

*economic development*¹³, as a task, *b*, assigned to the same agent by the Somali electorate. Campaign contributions, foreign military and economic assistance will be used as support, *c*, given to the agent by the superpower, and the vote, tax and other resources, obedience etc. will be used as support, *d*, given by the Somali citizens.

1.2.6. State Failure and State Collapse

With the presence of asymmetric principals in our model three situations may emerge. In the situation where the task delegated by the powerful principal coincides with the task preferred by the weaker principal the condition of cooperation emerges and the two principals appear like a single principal. In other words, the two principals are delegating one task to the agent and the stronger principal's ability to control the agent's behaviour substitutes the control effort required from the weaker principal. The agent is devoting his effort to enhancing the interests of the principal as well. Therefore, *there is a social contract between the state as agent and the society as the weak principal.*

In the situation where the task delegated by the stronger principal is different to the one preferred by the weaker principal the condition of non cooperation emerges and the agent devotes most of his effort to the advancement of the interest of the stronger principal and relatively ignores the task delegated by the weaker principal. The problem may come to a situation where the weaker principal realises that the agent's outcome towards the task delegated by the weaker principal to the agent is less than the minimum requirement for the contract to be sustained. As Figure 1.4 illustrates, the outcome falls on the left side of the reservation line. In this situation the state is unwilling to carry out its end of the social contract, as far as the citizen's objectives are concerned. *This is the situation I call the state failure – there is no social contract between the state as an agent and the society as the weak principal.*

In the previous situation the state is there and operating mainly because of the social contract between the state and the stronger principal. Another feature presented in Figure 2.4 is that the regime, even after the abrogation of the contract, may provide public goods. The predatory state may find it in its interest to provide a certain amount of public goods rather than the citizens of that state actually wanting them. As there is no contract between the state and the society, state leaders employ alternative means of control. The patronage system is the most appealing alternative. In the patronage system, the state leader, rather than being an agent of its citizens, emerges as a principal of a subset of the society which, consequently, becomes an agent of the state leader. In this situation the state is on the one hand an agent of the stronger principal, a

¹³ As we will see in Chapter 4, the Greater Somalia issue was one of the two most important visions for Somalis to secure during the post-colonial era. However, for simplicity reasons, I depart from the assumption that the Greater Somalia goal could have been viable in the existing republic if a certain level of socio-economic uplifting would have been secured. Prominent Somali figures including the late Aden Abdulle Osman, the first president of the republic, supported the argument.

superpower in our case, and on the other hand it is a principal of a certain part of the society. The patron-client relationship is extensively developed in the literature with it emphasising the second half of the relationship, that being the relationship between the state leaders and their clients. According to Wintrobe (1990, 1998), the strategies available for the patrimonial state, as a form of dictatorship, could be grouped into two main classes: repression to punish opponents and loyalty to reward clients. However, a careful mix is needed for the two instruments to be effective. The state, in this situation, is predatory. However, unlike in the literature on the predatory theory, here the state leader does not mainly rely on his clients for his survival. The other principal is the main source of leadership survival in this situation. The contract between the stronger principal and the agent is still valid and as the state is safeguarding the interest of this principal, according to the later principal, the state deserves to be supported. To be sure, the role of the clients is also important.

However, a third situation may emerge. What if the contract between the agent and the other principal broke down as well? In this situation, where neither of the principals is interested in the survival of the incumbent regime, the state is a potential candidate for collapse. Most of the predation theories that deal with the crises of the state in Africa start their analysis from this point.

1.2.7. State: a Predator or an Agent of its Citizens

In economics, there are two consistent types of state theory (North, 1981): contract theory, which views the state as an agent of the citizens, and predatory or exploitation theory, which views the state as an agent of particular groups. Grossman (2000) asks himself whether it is a useful research strategy to characterise the state as an agent of its citizens even when the predatory¹⁴ characterisation of the state is correct.

Assuming that to maximise the wealth of the ruling elite is a fundamental property of every state, Grossman and Noh (1990, 1994) show that, under appropriate conditions, maltreated citizens' ability to depose the incumbent leader can cause the predatory state to act as if it is an agent of its citizens. According to Grossman (2000), the means used by the unhappy citizens to depose the incumbent government, legal or extralegal, are not necessary in the analyses. In deriving these appropriate conditions the authors emphasised that the policies of the predatory state must be credible. Here the incumbent ruler should have an incentive to gain a reputation of being reliable and, therefore, announces policies and sticks to them. In addition, they focused on how the credibility requirement interacts with the possibility that the unhappy citizens would depose of the incumbent ruler to constrain the policy choices of the predatory state. Two underlying components are important in this interaction. First, the survival probability of the incumbent ruler determines the credibility of the policies of the state. Second, the possibility that maltreated citizens would depose the incumbent ruler determines the survival probability of the

¹⁴ Grossman uses, and prefers, the term proprietary state rather than predatory state.

incumbent ruler. Accordingly, a political leader, while in power, has a potential survival probability, which is determined by factors that are out of his control. And his actual survival probability comes closer to his potential survival probability the more closely his policies are inline with the citizens' interests. They show that, given that the leader's potential survival probability is sufficiently high, dependence of the leader's actual survival probability on his government's policies assures that the predatory state, maximises the wealth of the ruling elite, and acts more like an agent of its citizens. Grossman concluded that "if for the state to act as if it were an agent of its citizens is necessary and sufficient for the incumbent ruling elite to have a high survival probability, then characterizing the state to be an agent of its citizens provides a useful "as if" framework for positive analysis of economic policy" (Grossman and Noh, 1990, 1994; Grossman, 2000).

In short, given its relationship with the citizens, there is a possibility to characterise the incumbent ruling elite as an agent of its citizens even if it came to power through extralegal means – revolution, military coupe etc.

1.2.8. Conclusion

As pointed out, to analyse the relationship between the state and citizens, the contract approach of state definition is selected. Here the idea is that people (principal) delegate their authority to the government (agent). Then agency problems emerge in their relationship, whenever the objectives of the parts differ. Kiewiet and McCubbins (1991) found that the "principal faces three specific difficulties when delegating. Firstly, the agent can 'hide information from the principal whose revelation would hurt the agent and help the principal. Secondly, the agent can do things behind the principal's back, 'concealing actions' that the principal would sanction if known. Finally, the principal faces 'Maddison's dilemma' in which the need to delegate authority may give powers to the agent that can be used against the principal" (Nielson and Tierney, 2003).

In the literature on delegation, there are at least four types of strategies that principals may employ to safeguard against the agency slippage created by the information asymmetry:

1. Designing contract
2. Screening and hiring processes
3. Monitoring and reporting the agent's actions
4. Institutional checks (Kiewiet & McCubbins, 1991; Strøm, 2000).

Constitutions have been considered an efficiently designed contract between the principal and the agent; the logic here is that power arises from the citizens to the state through formal political institutions and descends down to the citizens. The constitutional theory states that the decision-making process begins with the electorate – the ultimate holders of power – and arrives at the state, only to end back with the people. The people elect the parliament and the parliament monitors and controls the government on the people's behalf.

As Downs (1957) pointed out, this kind of realisation largely rests on Rousseau's theory "that the government consists solely of hired men who carry out policies ordered by 'the will of the people', the argument explains the private motives of the men in government quite simply: They obey the commands of the people with precision in order to keep their jobs, because the slightest disobedience means immediate dismissal" and he concluded that "As our whole study shows, this view is incompatible with uncertainty and the division of labour" (Quoted in Laffont, 2000). This argument could be criticised from some other points of view (Laffont, 2000). However, my point here is that people in the other institutions, judiciary and legislature, are no less than men in terms of their 'private motive'. A fundamental factor is that the material benefit for these politicians solely depends, either directly or indirectly, on the citizens' own resources.

The presence of the other principal, say the US Government, who has its say in both the voting and policy making-process creates another cost, beyond the ordinary agency cost. This cost, the common agency cost, imposes an unusual burden on the citizens of those developing countries such as Somalia, where the Cold War rivalry was present. Furthermore, since we have two heterogeneous principals, Somali citizens are weak and they suffer from the severe effects of some extractive informal institutions, while US foreign policy is organisationally unified and financially and politically stronger. This heterogeneity combined with our assumption of substitutability of the two efforts, in that more effort to one task means less effort to the other task, deteriorates the situation of the weaker principal, or in our case, the Somali people.

2 INSTITUTIONS

2.1. Introduction

This chapter considers the three main informal institutions that determined the behaviour of the actors that contributed the decay of the post-colonial state in Somalia. These institutions were bad, as far as the wellbeing of the Somali society is concerned, because they created incentives for predators. The incentives they created not only increased uncertainty, conflict, and hunger, but beyond that they completely splintered the formal institutions of the state. These institutions put the society in a very weak position in the state-society relationship.

The independent Somali Republic, which came into existence in July 1960, was a unification of former British and Italian Somali-lands, two of the five Somali populated territories under non-Somali jurisdictions. Considering the objective of this thesis, the history of Somalia could be divided into three main phases: pre-colonial Somalis, Somalis under colonisation, and independent Somali Republic. In each of these periods there was a special form of implicit social contract between the citizens and elites of Somalia, and thus a set of institutions where in place. Here elite is a “class of persons within a society who are in a position to view themselves ... as chosen, either by others or by nature to govern” (Scruton, 1982)¹⁵.

2.2. Institutions Matter

In economics, the state plays three main roles: it provides institutions, distributes income and promotes economic development (Reinert, 1999). But, clearly, both redistribution and growth promotion activities of the state are subject to the kind of property rights in place and, therefore, “[t]he basic services that the state provides are the underlying rules of the game”. These institutions or the underlying rules of the game, whether formal or in formal, have two objectives: first, they “specify the fundamental rules of competition and cooperation which will provide a structure of property rights (that is, specify the ownership structure in both factor and product markets) for maximizing the rents accruing to the ruler” (North, 1981). Secondly, institutions reduce the transaction costs and through this they provide a set of efficient property rights which in turn maximise the societal output (North, 1981).

In a risk free rule, every ruler, authoritarian or elected, has an interest to provide an efficient form of property rights and reduce the transaction cost, as “to a regime whose major interest is to enrich itself it may very well be advantageous to reduce the transaction costs in the economy by strengthening its fundamental institutions” (Blomqvist and Lundahl, 2002). Furthermore, “the predatory state reduces the efficiency of the economy only when this is the

¹⁵ The following terms will be used interchangeably: elite, political elite, political entrepreneurs, state, government, and leadership.

most profitable alternative” (Blomqvist and Lundahl, 2002). An interesting question that comes up is: When would reducing the efficiency of the economy be the most profitable alternative for the state? Or why would a self-interested leader of a polity choose to undermine the fundamental institutions of his state?

Since the world of politics is full of risk, an ideal place to search for the answer is the field of political competition and leadership survival. Thus “to secure its own existence” is a twin task, with revenue maximisation, for the state. This has particular relevance in Africa, where, as Roger Tangri (Quoted in Kpundeh, 1995) points out, the “positions of leadership are highly prized due to the material and pecuniary benefits office holding brings to its occupants. Opposition politicians as well want to acquire those positions within the state apparatus, primarily to advance their own personal interests and further individual accumulation. Thus, the key to transforming the petty bourgeoisie into a property-owning class were through state power and political office”.

According to North (1981), it is this conflict over control of the state that led some countries to success and strong economic performance, while it led others to a relative failure or even absolute decline. He maintained that “the relative bargaining power of rulers and constituents was decisive in these results” North (1981). The power of who can stay in office is essential here. Is it a representatives of the society at large or is it sub groups, i.e. special interest groups, among the society that have the final say in this respect? In a formal electoral system the checks and balance mechanism or legal procedure is important to constrain the state. The crucial thing is whether electoral and political institutions penalise state leaders or not for pursuing special interests at the expense of the national interest. Authoritarian states are, also, subject to various constraints. Blomqvist and Lundahl (2002) mentioned three limiting factors of state predation: the proportion of the economy that the state controls; the relative power of the state compared to its rivals; and the transaction costs of resource distributions for the state. Grossman (2000), considers this issue from another dimension: the society perspective. He mentions three constraints that a predating ruler must consider to maximise his outcome: the ability of the people to avoid or to evade taxation; the credibility of state policies; and the ability of the citizens, in case of unhappiness, to depose the ruling elite. He goes on by saying that “In this context the ability to depose the incumbent ruling elite is a critical component of political power and, hence, is a distinguishing feature of the subset of subjects who comprise the citizenry” (Grossman, 2000). Thus, the role and ability of the society is fundamental to the direction the conflict over state control leads to the country in general and the economy in particular.

North’s analysis, on the other hand, generated a growing interest in the literature about the role of institutions for society’s behaviour and preferences, and there is a consensus among economists and political scientists that institutions have a strong impact on political and economic performance of any polity. For Douglass North “[i]nstitutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction” and as he puts it “institutions include any form of constraints that human beings devise to shape human interaction” (North, 1990). Scholars,

including North, have emphasised two types of institutions: formal institutions such as political, judicial and economic rules; and informal institutions such as patron-client relationships and clan networks. Informal institutions were defined as “socially shared rules, usually unwritten, that are created, communicated, and enforced outside of officially sanctioned channels” and by contrast, formal institutions as “rules that are openly codified, in the sense that they are established and communicated through channels that are widely accepted as official” (Helmke and Levitsky, 2003). By framing the behaviour of individuals and organisations and creating incentives for them, institutions can be good or bad. Good institutions have three main roles: firstly, they enforce property rights; secondly, they constrain the actions of political elites; and thirdly, they create equality (Acemoglu, 2003).

One possible way to approach analysing economic conflict of a society is to consider the structure of property rights of that society. But, although I consider the aspects of the property rights in one way or another, it is more fruitful to consider the institutions that constrain the behaviour of the political elite. Douglass North noted that “the two essential building blocks to understanding the structure – of political and economic organization which determine the performance of an economy – are a theory of the state and a theory of property rights. A theory of the state is essential because it is the state that specifies the property right structure. Ultimately it is the state that is responsible for the efficiency of the property right structure, which causes growth or stagnation or economic decline” (North, 1981). In societies where rulers are not constrained by institutions, the ruling elite could formulate the property rights itself and redistribute assets and income according to their preferences. So gaining and losing are highly connected to political power. On the other hand, in order to satisfy the interests of those who can remove him from power the ruler may be forced to pursue unsustainable policies (Acemoglu et. al. 2003).

My argument is that tribalism, an identity-based patronage system of leadership, and the Cold War were the main institutions, which determined the incentive structure and constrained the interactions of specified actors in pursuit of their goals in Somalia. The next sections look at the evolution of these institutions. These institutions are “bad” because:

- They weaken the society’s bargaining power and, thus, its ability to control the elite’s behaviour. These institutions enabled political elites, Barre and others as well, to pursue “divide-and-rule” strategies, in which they used them as a bridge to power and to maintain their rule despite pursuing economically, politically and socially destructive policies. Here, the logic is that as long as citizens do not retain the ability to replace their leaders or the leader’s political survival does not depend at all on the acquiescence of the citizenry and thus political accountability is absent, there is no reason that their interests should be taken into account (Acemoglu et. al., 2003; Padró-i-Miquel, 2004).
- These institutions, on the other hand, limit the expected time horizon for the ruler’s survival which is important for economic development. As Grossman (2000) maintained: “with a sufficiently low potential survival

probability for the ruling elite the state is unable to establish a credible regime of non confiscatory taxation and secure claims to property and even can be trapped on the wrong side of the Laffer curve” He then emphasised that the main factors that mitigate the potential survival probability of the ruling elite are “internal discord associated with ethnic rivalry; threat of conquest by an external foe; and dependence on the support of a capricious external patron” (Grossman, 2000).

- These are bad or extractive institutions because they generate predation or actions which are unfavourable to economic development, since they create state dependence on special interests (Blomqvist and Lundahl, 2002). Here, the survival probability of state leadership becomes dependant not, mainly, on the state policies but on policies made by others, internal groups or external powers. This in turn causes the predatory state to act more like an agent of interest groups at the expense of its citizen’s interest (Grossman, 2000).

2.3. Tribalism: a Socio-Political Institution

As Adam (1995) noted, “ethnic conflicts take the form of clan conflicts” in Somalia. However, ethnic differences in Somalia, with minor exceptions, are based on genealogical segmentations. Clan conflicts have been seen as the dominant factor of Somali politics, in both state formation and state collapse. Two explanations for clan involvement in Somali politics are common in the literature, as we mentioned earlier. In the *primordial* view, based on kinship sentiments, clan attachments are a cultural given and cultural affinity. In the *instrumentalist* view, tribe sentiments and loyalties are manipulated by the political elites for political ends. However, in the words of Doornbos and Markakis (1994), “whether one regards clannishness – the primacy of clan interests – as a reflection of traditional Somali society, or of its transformation and decay, it is generally agreed that this phenomenon matured in the bosom of the modern state.”

Somali social structure is constructed from some 5-6 clan families (*Beelo*), in which the latest version is the so called 4.5 notion¹⁶. Each clan family consists of different clans and sub-clans. I am not interested in this paper in the complex and unknown history and origins of these groups; I rather emphasise the development of its negatively politicised aspect, *tribalism*; its relation with the state structure, national unity, and most importantly its impact on the country’s economic and political development.

Catherine Coquery-Vidrovitch, in her *Africa Endurance and Change, South of the Sahara*, noted that “‘Tribalism’ today is the final manifestation, debased by colonialism, of pre-colonial ‘ethnic sentiment’”. She has described three stages of tribalism in Africa. The first phase, the *precolonial equilibrium*, she argued, was a period that “political, social, and lineal structures were closely

¹⁶ Arta version of Somali Clan-families: Daarood, Digil/Mirifle, Dir, Hawiye and the half is a collection of other clans. It was invented during the Arta Peace Conference in Djibouti, in 2000.

interconnected. ... the kinship structures then played their full role, both assuring and representing an equilibrium between the social and the political system, between the organization of production and commerce and the ideology and culture of the group” (Coquery-Vidrovitch, 1988).

The second stage, which she terms as *the ethnic revival under colonialism* is the period when African societies experienced the concept of ethnicity. For political, administrative, and religious purposes colonial authorities have either “imposed” or “to a great extent, fabricated” it “upon hitherto undifferentiated groups”. She pointed out that, despite being a colonial invention, African social groups used ethnicity in their resistance movements against colonisation, and colonial authorities, in turn, used ethnicity to crackdown on the anti-colonial movements (Coquery-Vidrovitch, 1988).

In the third phase, “ethnicity, created by colonizers, then adopted by local people as a form of resistance”, she wrote, “ultimately developed into a political factor. This development was encouraged by the creation of ‘administrative chiefdoms’ selectively legitimised by ‘colonial technology’. At this point the third stage appeared: *neo-colonialism*. Tribalism – that is to say, the conscious manipulation of an ethnic sentiment that had been reinforced and distorted by half a century of colonial rule – come into being. This neo-colonialism can be seen in the choices and behaviour of the first leaders of the new independent African states. ... ‘Tribalism’ has then, become a social and political fact that must be accepted. It was rooted in the minds of the people by the pre-colonial and colonial heritage and through the state apparatus, which encouraged it and protracted its existence” (Coquery-Vidrovitch, 1988).

Somali tribalism, apparently, took a process similar to Coquery-Vidrovitch’s evolutionary stages. In the 16th and 17th centuries Portuguese forces, which dominated the area, severely “destroyed”, “looted”, and on some occasions “burned to the ground” the main coastal Somali cities, which were the main seats for the Somali city-states and sultanates.¹⁷ This and the victory of the Ethiopian empire supported by Portuguese forces over Somali sultanates aided by Ottoman troops in the hinterland of the territory caused the disintegration of Somali sultanates into “tribal and village communities” (Lapidus, 1988). In the period between the 17th century and the arrival of the imperial powers, a nearly complete decentralised system consisting of the *clan-state* and *clan-kingdom* dominated the Somali way of life.

This, however, could be perceived as an implication of Jack Snyder’s “default option”. Snyder (1993) pointed out that the clan or other ethnic solidarities “predominates when institutions collapse, when existing institutions are not fulfilling people’s basic needs and when satisfactory alternative structures are not readily available”. Similarly, Peter Ekeh (1990) noted that historically state failure was a breeding ground for African kinship institutions by saying “[it] seems fair to assume that in the extended centuries of the slave trade in Africa, kinship systems were strengthened and elaborated as a means of providing

¹⁷ Davidson (1968), Laitin and S. Samatar (1987), A. I. Samatar (1988).

protection against the dangers of the violence created by the slave trade. It is my view that the most enduring social structure within which Africans could be assured some measure of protection was provided by the kinship system, not the capricious state institutions that rose and died with the turbulence of the slave trade. ... Kinship provided the individual room for defining his citizenship (that is, his right and duties) and meaningful protection against the vicissitudes of the slave trade and its predatory state institutions”.

This period, unsurprisingly, witnessed periodic clashes between neighbouring tribes, mainly over grazing and water. However, it was during the colonial rule when clan identity was modified and politicised in Somalia, as elsewhere in Africa. Colonial authorities, for political and administrative reasons, applied indirect rule administration to team up Somali groups. The colony was divided along clan lines. In other words, colonial administration adopted a policy of tribal separatism. Furthermore, colonial administration viewed some Somali clans as allies, while others were regarded as enemies. To discipline the enemy clans, a range of coercive mechanism was utilised, but, probably, the least costly and widely used one was pitting one clan against another (Samatar, 2001). Similar measures were used to suppress anti-colonial uprisings. Here the aim was to intensify clan competition and to stimulate conflict, so that Somalis could exhaust their energies on fighting one another, rather than challenging and possibly overthrowing colonial powers.

Sources of clan conflicts, in Somalia, have been grouped into four main categories: elite manipulation, struggle for social justices and equality, historical memories, and environmental pressures (Adam, 1995). All but the last one, which was the main source of pre-colonial clan conflict, could in one way or another be attributed to the colonial imposition. Adam agrees with Larry Diamond “that [the] elite do not ‘manufacture ethnicity out of whole cloth but rather, (can) exploit a profound cultural tendency for politics to be perceived and expressed in communal terms”’. We should note that the main events that generated hostile historic memories, “captured in the immortal poetry of classical Somali poets” happened after the arrival of colonial powers’ (Adam, 1995).

To summarise, the clan based clientism – *tribalism or political ethnicity* – that Somalia experienced throughout its history as a modern state took its final and mature form during the colonial period. Since then Somalis have suffered a severe collective action problem, and have become a deeply divided society and thus very weak in terms of state-society relationship.

2.4. Leadership Institution

In the pre-colonial era there were no such specific pluralistic political systems established in the Western liberal democracies in which the interests of different groups were checked and balanced by a set of rival competing claims. Instead there was a viable set of democratic institutions, which governed the political, social and economic affairs of the contract. The constitution of *Umma*, as

Samatar calls it¹⁸, consisted of two main complementary bodies: *kinship* “a combination of blood-ties and customary law”, and *qanoon* “a set of Islamic laws to guide the behavior of the believers”. According to Samatar the pre-colonial era leadership class was a combination of elders¹⁹ and *Sheikhs*²⁰, and emphasised that “[u]nder the aegis of such leaders, the crucial affairs of the community were discussed in open meetings, *Shir*”. He then concluded it that, “finally, from the perspective of the modern world, it is worth registering that the old Somali order carried the seeds of two essential ingredients of democratic practice: separation of powers and open, participatory deliberation, albeit male-centered” (Samatar, 2001).

Kapteijns argues, “in theory, all adult males of sound mind and some means could participate in exercises of political authority; age and married status were not explicit for such participation. However, only after men had established their own households through marriage and only as they accumulated prestige and influence by giving support to other community members’ overtime, did they acquire the qualifications for leadership. Finally, wisdom and impartiality were ideological imperatives only for older married men and not for the younger passionate bloods” (Kapteijns, 1994). However, she mentioned two possible routes for an elder to power, “one was the long and slow process of trying to become a wise elder who continuously reinvested his wealth in members of his kin group and thus acquired claims to their future labor and other services. The other was a track for angry young men who, under leadership of a charismatic and fearless entrepreneur (the *Abaanduule*, or ‘war leader’) decided to intensify their labor efforts and make a bid for quick wealth through raiding or warfare” (Kapteijns, 1994).

Figure 2.1 presents a simple institutional flow-model of the pre-colonial Somali political system²¹. The structure presented in Figure 2.1 is deduced from the social structure of the Somalis. Although in pre-colonial Somalia there were no formal political institutions, Somalis, through established lineage segmentation, used to summon an informal council called *shir* whenever the need arised to discuss any matter of their concern. According to Lewis (1999[1961]) *shir* was “the fundamental institution of government” that all adult males were allowed to attend, but representation was common for issues concerning larger segments. In all cases agreements are reached by majority decisions. Every segment had its own leader, which was responsible for the implementation of the decisions of the *shir* and other government activities. The titles and power of these leaders were different across lineages and the different levels within the lineages. For instance, *Sultan* was used by some clans while others used *Ugaas*, *Malaq* etc.

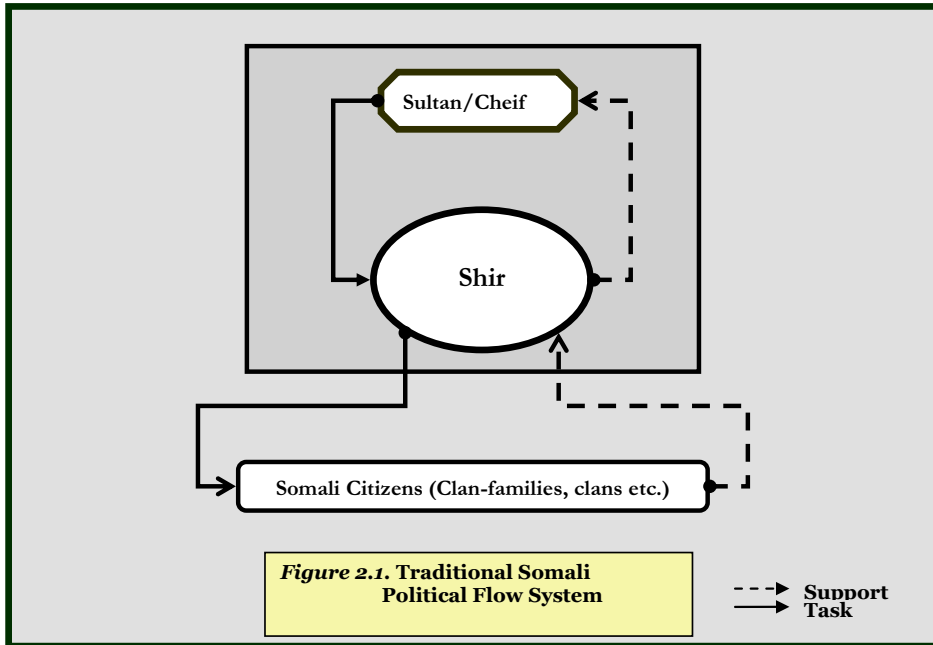
¹⁸ See Samatar (1994, 2001),

¹⁹ Elder: “the incarnation of the confluence of those peaces – *Heer* and *Hiddid* – of kinship culture”.

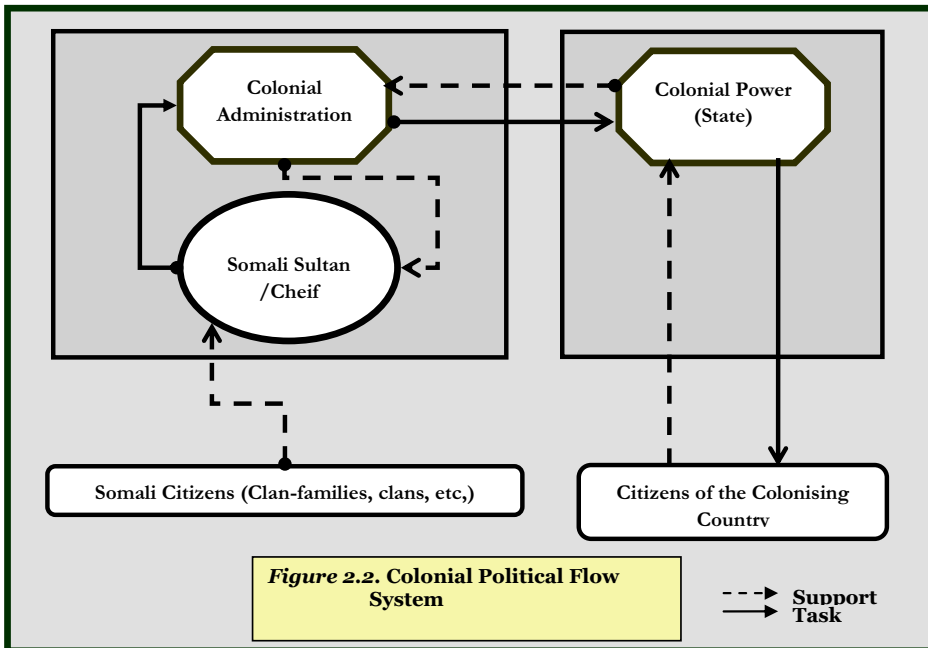
²⁰ Sheikh: a “learned reverent” of Islamic knowledge in general and *qanoon* in particular.

²¹ This and the following figures are based on David Easton’s (1953) familiar input-output model.

As shown in the figure there was a single source of support, and tasks were directed to them. There were considerable incentive schemes for the political elite to be responsive, as their subjects where their sole source of material and political support; and the information problem was at a minimum since people were aware of the political processes; and the participation was high, and reasonable accountability instruments – both exit and voice – were in place.



In the colonial era, as everywhere else in the third world, the colonial administration had to rely on a class of indigenous people to carry out its imperial activities. Traditional elites, on the other hand, responded to the colonial incursion in two distinct ways. Part of these traditional elite collaborated while others resisted. “The resistance movements consisted of men who chose to defend and fight for their rights and freedom. Many died in action, others in exile. Those who survived resigned themselves to the rule of the colonial conqueror” (Kiwauka, 1975). Collaborators, on the other hand, were “opportunists who read the signs of the times correctly, and they may even be described as worldly wise. Having read the signs of the times they willingly jumped on the colonial bandwagon and reaped the fruits of collaboration. With the colonial administration they established a partnership, which lasted until de-colonization. Collaborators were essential partners and allies in the process of colonial conquest” (Kiwauka, 1975).



Many Somali leaders, as with other African rulers, collaborated with the colonial powers. Two main objectives can be documented that drove this collaboration on the Somali leaders' part. At first, some of these leaders formed alliances with one European power or another, hoping that this power would protect them against any aggression from other imperial powers, and thus signed formal treaties with them (Lewis, 1965). The dispute among traditional Somali leaders could also be considered as another cause for this cooperation (Hess, 1966). However, this form of friendship did not last long and the colonial programme was implemented after imperial powers solved the colonial disputes between them.

Through *the indirect rule* those who preferred to collaborate had been chosen to exercise the colonial rule. This was more effective and less costly for the colonial authority. These indigenous rulers gained substantial economic privileges and enormous political authority, which they never had in the pre-colonial Somalia. The ultimate lever of power was reserved for the non-native administrators and their metropolitan (colonising) country and the most important administrative functions were in the hands of colonial authorities. The indigenous rulers were permitted to enjoy unrivalled authority at the expenses of the welfare of the citizens, as far as they do not question the colonial rule and its objectives. Finally, this process created a situation where the interests of the Somali leaders became more and more closely intertwined with the interests of the colonial power.

During this colonial period, the traditional leadership institution was considerably re-shaped. Both the traditional recruitment process and essential

characteristics of the leader was altered. Kapteijns (1994), argues that “[l]eadership was increasingly vested in those men who could provide access to the state and urban economy or who succeeded in exploiting such access to build their own wealth and power. The slow and arduous track to power of the local elder who reinvested his surplus wealth in the junior members of the kin group more and more obsolete. ... Raiding too, became gradually less significant. ... To the extent that raiding continued, or (...) increased, accesses to the state and town for firearms become a crucial condition for success”.

Another affected area was the leadership quality. According to Gesheker (1985), “until the early 1930s, the quality of ‘bravery, hospitality, and verbal eloquence’ usually distinguished an *caaqil* – chief – among Somalis, but by the Second World War they were being selected simply on hereditary lines, exerted little influence in towns, and lacked credibility among the nomads.” A further problem created by this pattern was fierce competition, sometimes with bloody clashes, among these leaders for state controlled resources, and “much of the warfare and raiding for the period preceding and immediately following World War I was the result of, or had as its objective, special access to the favor of the colonial state” (Kapteijns, 1994).

On the whole, in the colonial governance system described above, Somali leaders were propping up legitimacy guaranteed, not by fellow citizens but by colonial power and their “local authority derived ultimately from their links to the state and their access to the political, military, and economic benefits it bestowed” Kapteijns (1994). In other words, they were agents for the colonial administration. Consequently in the leaders’ behaviour, the native population were not citizens but colonial subjects, governed by specialised coercive rules, and for the citizens’ realisation, the leaders came to be seen as the mouthpiece of the imperial administration pursuing their own interests rather than as servants of public interests. Figure 2.2 illustrates the political flow system under the colonial rule. Colonial administration which is an agent of the colonial power – the horizontal arrows indicate the relation between the colonial power as principal and colonial administration as agent – was the only viable principal for the Somali leaders – the chiefs – and the simple reason was that “the colonial state was not designed to be accountable to the citizens of these colonies but to the metropolitan states” (Kivimäki and Laakso, 2000). This is shown at the left side of the figure, where Somalis as subjects were expected just to support the administration through the traditional leaders. The right side of the figure shows the political system of the colonising country. Here citizens of the colonising country are principals for their government.

A wave of nationalism swept over all African colonies during the post WWII period. According to James Coleman (1954) several political, economic, sociological, psychological, and religious factors contributed to the rise of this nationalism. Most of these, and perhaps other specific elements were present in the development of modern Somali nationalism (Samatar, 1988; Gesheker, 1985; Lewis, 1965). These movements, unlike previous resisters and pre-nationalists, were mainly organised and led by Westernised elite: those with

Western education – mainly the sons of collaborating chiefs – and those working for the colonial administration (Castagno, 1964).

Tracing the evolution of modern elites in the developing countries to the colonial era, Charles Elliott (1975) found that “three crucially important assumptions were held in common”:

- The colonising power and its representatives in the colony were superior and in every aspect – i.e. culturally, socially, politically, economically – different than the indigenous people.
- Europeans in the colony had the right to gain a higher standard of living than compared to their expected one had they stayed in their home country.
- Colonial administrators were social, economic, and political elites.

Based on these facts Elliott (1975), concluded that in post-colonial times these levels “provided a target for the new elite seeking to take over European jobs. It is difficult to over-emphasize the historic importance of the assimilation of a small number in the indigenous population into the ruling elite. With an ideology that hardly transcended a narrow nationalism and in the majority of cases paid only the most perfunctory lip service to the principles of socialism..., it was perhaps inevitable that the new leadership should be the object of a process of economic osmosis by which the assumptions and patterns of the colonizers were transferred virtually intact to the new masters. At that point, the rhetoric of development so liberally proclaimed by the new leadership contained within itself the seed of its own destruction”. Consequently, these elite used their power and influence to achieve these targets, by distorting the allocation of resources, and thereby impoverished the rest of the society (Elliott, 1975).

In Somalia, the Westernized elite, who led the anti-colonial movement, had a main mission: to liberate their people from the yoke of colonialism. However, as rational agents they were also self-interested. Furthermore, they were the natural candidates to succeed the European administrators, since they were the only ones who could run the colonially structured state institutions. Because of that, their simple assumption was that they had every reason to enjoy the privileges created for the holder of the position. Furthermore, this personal ambition replaced independence as the main mission, as it had been secured,²² and those educated Somalis who opposed the movement or at least had not participated in the decolonisation movements joined those who led the movement to participate in the management of the country’s political destiny. Even in the early days of the modern nationalist movements, during the pre-nationalist social organisations, this individualistic ambition was present, and involved Somalis who “were beginning to see themselves as a class apart. ‘We were anxious to erect better meeting places than the *geedeeye*²³’ recalled a

²² In November 1949 Italian Somaliland was made, by the United Nation’s General Assembly, a trust territory for ten years, after which it was to become an independent polity.

²³ An ordinary local tea shop at the time.

prominent *Nadi*²⁴ member, ‘and insisted on appropriate privileges as government civil servants such as better allowance, shorter time in rank, and provision of better lighting for our buildings. We were also concerned to find suitable servants to serve us tea at our club functions’” (Gesheker, 1985).

This elite was relatively small, shared a broad similarity with regard their outlook and with minor exceptions, were adherents of liberal-democratic institutions based on the Western model. This resulted in part from the Western education and experience enjoyed by many of these leaders but mainly from traditional Somali political culture. The so called pastoral democracy is a distinct political culture developed by pre-colonial Somalis which can easily accommodate the modern democratic process. Mohamed S. Barre, the former Somali dictator, in explaining this Somali political tradition said “Somali traditional society is, after all, highly democratic. The chiefs were only the first among equals. The Shir [assembly] has been our basic institution; everyone has a voice and all issues are heavily debated. Once decision is reached, it is binding on all” (Castagno, 1971).

However, for some reasons, this broad similarity in outlook was a liability rather than an asset for Somali national development goals after independence. Tribal mobilisation consensually became the ideal game rule for their competition. The formation of nearly all political parties, established after 1950, was a basic strategy for this competition (Castagno, 1964).

Even the Somali Youth League (SYL), who spearheaded the Somali nationalist movement and dominated the post independence civilian politics, was not spared from these accusations, politicising the clan factor, not only as individual members but as an organisation as well. According to Castagno, “Despite its desire to extirpate clanism, the SYL was compelled to rely on traditional leaders and to employ agnatic cleavages wherever and whenever they could enhance the party’s strength” (Castagno, 1964).

The elite road to influence and power depended upon their ability to mobilise mass support where tribalism was a ready instrument to capitalise on. Imperially fabricated and modified chiefs were there, and divide and rule tools of the colonial power, as we will see, were mastered. Describing post-colonial leadership in Kenya, William Ochieng (1975), wrote that “[w]hen a leader feels him-self weak on the national platform he begins to calculate that the only support he may have will come from his own tribe. He starts to create antagonism of his sort so that he can at least entrench himself as a leader of his tribe. Some of our politicians are people who had internalized Western values. They had come to realize that the survival of the colonialists had depended very largely on the colonial policy of divide and rule. Armed with this theory they are the ones who, in their fight for survival, commandeered tribal sentiments to help them maintain and improve their positions. ... They set people against others and those leaders who were triumphant in the power struggles tried to dish material benefits out to their people quite out of proportion to what others

²⁴ Club.

got.” In Somalia, during the civilian regime, this struggle had the form of a cold civil war, and under the military dictatorship the only viable options were forming an opposition front or accepting economically lucrative but politically humiliating and toothless portfolios, as under stateless Somalia organising own militia and becoming a warlord is strictly a dominant strategy.

John Cartwright (1983) articulated three constraints on post-colonial African leaders:

- Those imposed by foreign states and trans-national organisations.
- Those imposed by their own states.
- The personal capabilities of the leader.

Combining the first two constraints, Cartwright demonstrates incentives, institutions, players and the outcomes relevant for these leaders.

He argues “that most leaders are in a weak position in their dealing both with other states and with foreign investors, and that they generally find few shared values around which they can rally all the people of their state. At the same time, however, they have to meet only a limited range of domestic demands, and are subject to few checks from within the state of their behaviour. The overall effect of these factors has been to discourage leaders from trying to achieve major developmental transformations of their societies and to encourage them to seek personal security and self-enrichment, against which widely shared social values and strong political institutions generally act as barriers. In dealing with forces outside their own state, African leaders have received constant reminders of their lack of power” (Cartwright, 1983).

2.5. The Cold War

During the World War II the Soviet Union joined the United States, with Britain, in an effort to defeat the common enemy, Nazi Germany. This cooperation took place after they agreed to recognise and reserve important prerogatives to each other i.e. rights to veto resolutions in the U.N Security Council and recognising the spheres of influence on each other. Due to the preceding suspicions and mistrust, the alliance between the United States and the Soviet Union began to crumble immediately after the surrender of the Nazi forces in 1945. However, to avoid another world war the two powers designed a new interstate system, based on republicanism, to replace the old imperial system.

Although the United States and the Soviet Union collaborated to destroy the imperial system and the construction of the new republican system, as Schaeffer (1997) noted, they “reserved spheres of influence²⁵ for themselves, a development that led to a series of disagreements and conflicts known

²⁵ Spheres of influence are, as defined by Vazquez (1973), “spaces tacitly or expressly reserved to the hegemony of one state”.

collectively as the cold war” a geopolitical, Ideological, and economic struggle between the Soviet Union and its allies and the United States and its allies. The war took the form of i.e. networks of military alliances with an arms race and rising military budgets; propaganda, covert activities and economic embargos and wars by proxy, political use of military and economic aid and frequent interventions of internal affairs of the new republics, by the superpower (Schaeffer, 1997).

When the Cold War began, relations between the two superpowers became critically strained. Each tried to tighten its control over its satellites within its own spheres of influence. In the years after World War II, the struggle mainly took place in Europe. However, within a decade the European situation was settled, and the tensions of the Cold War moved to the other continents: Asia, Africa and Latin America.

In Africa and Asia, the superpower’ mission of constructing a republican system coincided with the local people’s struggle to overthrow colonial regimes and the decolonisation process frequently became entangled in Cold War tensions as the superpowers competed to control the new republics.

During the Cold War the Soviet Union’s main strategy in the Third World was to spread its communist ideology to gain a large share of clients in the newly-liberated countries, because it believed that the world was geo-politically in favour of Washington. The United States, on the other hand, intended to contain Soviet communism within their current borders with the hope that internal division, failure, or evolution might end the threat. The United States containment policy was based on the fact that it already dominated the world economically and militarily and its main objective was to maintain that status quo (McClintock, 2002). George Kennan, an influential policy planner in the State Department and the mastermind of the containment strategy, secretly informed US policy makers, that “we have about 50 percent of the world’s wealth but only 6.3 percent of its population, ... Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security” (Kennan, 1948 and quoted in McClintock, 2002).

For Kennan, the United States should stop the global spread of Communism through political, economic and ideological struggle rather than direct military confrontations. Kennan wrote “it is clear that the main element of any United States policy toward the Soviet Union must be that of a long-term, patient but firm and vigilant containment of Russian expansive tendencies” and added that Soviet expansion could be “contained by the adroit and vigilant application of counter-force at a series of constantly shifting geographical and political points, corresponding to the shifts and maneuvers of Soviet policy” (Kennan, 1948 and quoted in McClintock, 2002).

Although the real driving force of the superpower’ competition was self-interest the interventions of other nation’s internal affairs required that these actions or policies are presented in a way of fairly consistent principles. Truman’s doctrine

presented initial guidelines for the containment strategy to challenge the Soviet expansions. It was justified not only as the strategic interest of the U.S. but also as a moral mission to help small vulnerable nations which are friends in the time of crises. In his famous containment speech, U.S. President Harry Truman, stated that:

“One of the primary objectives of the foreign policy of the United States is the creation of conditions in which we and other nations will be able to work out a way of life free from coercion. ... To ensure the peaceful development of nations, free from coercion, the United States has taken a leading part in establishing the United Nations, The United Nations is designed to make possible lasting freedom and independence for all its members. We shall not realize our objectives, however, unless we are willing to help free peoples to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes. This is no more than a frank recognition that totalitarian regimes imposed on free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States.”

Truman emphasised that there are two alternative ways of life and every nation must choose the one which suits it most. The first of these is based upon the will of the majority. The basic characteristics of this way of life are: institutions which are free; a government which is representative; free and fair elections; guarantees of individual liberty with freedom from political oppression; etc.

The second way of life, according to Truman, is based upon the will of a minority at the expense of the majority. The basic characteristics of this way of life are: a reliance upon controlled institutions; political terror and oppression; fixed elections; and the suppression of personal freedoms; etc.

Although the Truman Doctrine basically ascribed the United States the right to intervene in the internal affairs of other nations, he noted two main pre-conditions for such intervention. First, the United States policy must be “to assist free peoples to work out their own destinies in their own way” and secondly, that this support must be at the interest of the majority “who are resisting attempted subjugation by armed minorities or by outside pressures” (Truman, 1947).

However, the basic assumption behind these conclusions was the belief, by the United States leaders, that democracy with its economic capitalism as a universal system will be the preferred way of life by the new African and Asian nations that would emerge from the process of the prospective breakup of the European colonial empires throughout these continents. The United States considered the process as an opportunity to contain the Soviet Union and its oppressive Marxist-Leninist dictatorship.

The actual developments were disturbing as scores of new nations, among which were those that emerged from the decolonisation process, chose communism as their preferred way of life rather than democracy and its free

institutions, while some others followed the path of democracy against Marxism, but decided to seek required economic and military support from Moscow. These results were acutely disappointing to Washington since the Third World primarily became the new arena for the Cold War confrontation with Moscow. In Washington, these developments were considered as a change of the world's geo-political balance in a way which was favourable to its rival and, consequently, as threat to the United States' own interests. Carpenter (1985), says that "Washington's response to this adversity has been a particularly simplistic and unfortunate one. American leaders increasingly regarded any anticommunist regime, however repressive and undemocratic it might be at home, as an 'ally,' a 'force for stability,' and even a 'friend.' At the same time, they viewed leftist governments – even those elected under democratic procedures – as little more than Soviet surrogates, or at least targets of opportunity for communist machinations".

In response to this the basic conditions for intervention were modified in Washington. In his inaugural address in 1961, President John F. Kennedy informed the world to "let every nation know, whether it wishes us well or ill, that we shall ... support any friend, oppose any foe". Whether or not this friend or foe is a democratically elected leader –oppressed people struggling to maintain their free institutions and their national integrity – is not important.

Since then a set of rules for the Cold War emerged:

- Unlike the traditional spheres of influence in Eastern Europe and Latin America, which were established zones, in newly decolonised African and Asian countries there was a fierce competition for influence by the United States and the Soviet Union. Here each of the superpowers recognised the other's right to pursue its interest and exploit unilaterally its local predominance while respecting the other's sphere of influence. Each part viewed the other as being behind unfavorable developments in these countries, even if this development is local in nature with no international dimension.
- Based on how friendly local political actors are to their own interests, each superpower developed its own criteria for Third World governments and movements. A Third World government might be considered as *friendly government* or *undesirable regime*. For the United States a friendly government might be *moderate*, *democratic* or simply *anti-communist*. For the Soviet Union a friendly regime should be one which follows a *non-capitalist path*, has established links with the *socialist block*, and more importantly the ruling regime intends to adopt *Marxism-Leninism*. On the other hand, a friendly government for the U.S. is viewed, by Moscow, as a potential threat to the USSR's interest and consequently falls under the category of undesired regime. Similarly, any Third World regime that is a friendly government for Moscow is considered as an undesired regime in Washington. In addition, whenever there is a friendly government in a country for one of the sides, any opposition groups to that government are considered *aggressive movements* or *reactionary groups*. Similarly, when an undesired regime

rules a country any opposition groups were considered as *free people* seeking their rights or *anti-imperialist forces*. Furthermore, legitimacy and majority representation were mainly determined by the category into which the respective group falls. Undesirable regimes and groups are mostly minority groups illegitimately imposing or intending to impose its will on the majority, while friendly regimes and groups are the legitimate forces representing the will of the majority of the people in the concerned country.

- “The attitude of the political leadership” was considered as the main determinant of a nation’s way of life in Africa. Given the state-society relationship the superpowers realised that the best strategy to bring African nations on board was to help the “leaders with [the] ‘correct’ outlook to achieve power”. So *leadership change* and *survival* became an important issue in the superpower’s involvement in these countries. In Washington, right-wing military dictators were regarded “as valuable friends whose repressive excesses must be ignored or excused” which deserve to hold the power, “while perceiving leftist insurgent movements and governments as mortal threats to America’s national interest, justifying a posture of unrelenting hostility” and worked every possible way to get rid of them. In Moscow, on the other hand, ambitious unpopular leaders were considered as “revolutionary democrats” and assumed that “although the proletariat was too weak to sustain a revolution, this did not matter: the revolution could be led from above and with the support of the world, the socialist system could withstand colonialist counter-measures until the proletariat had matured”, while democratically elected leaders were considered as reactionary forces which had to leave office (Carpenter 1985).
- Each part was prepared to “pay any price, bear any burden, meet any hardship,” to support its friend and oppose its foe whether it is a government or movement without giving much attention to the impact of this support on the internal politics and interest of the societies at large. This support might be political, economic or military aid. Depending on the situation, this support might on some occasions take an extreme form, such as political assassination, organising a military coup or direct military intervention by one superpower or the other. According to Jeffrey Sachs, “Western cold warriors, and the operatives in the CIA and counterpart agencies in Europe, opposed African leaders who preached nationalism, sought aid from the Soviet Union, or demanded better terms on Western investments in African minerals and energy deposits. In 1960, as a demonstration of Western approaches to African independence, CIA and Belgian operatives assassinated the charismatic first prime minister of the Congo, Patrice Lumumba, and installed the tyrant Mobutu Sese Seko in his place. In the 1980s, the United States supported Jonas Savimbi in his violent insurrection against the government of Angola, on the grounds that Savimbi was an anticommunist when in fact he was a violent and corrupt thug...The CIA had its hand in the violent overthrow of President Kwame Nkrumah of Ghana in 1966. Indeed, almost every African political crisis – Sudan,

Somalia and a host of others – has a long history of Western meddling among its many causes” (Sachs, 2005).

This approach does not undermine the interest and well being of the Third World societies alone, as we will see in the case of Somalia, but, perhaps, in the long run it also weakens the interests which the essence of the Cold War was supposed to protect. Carpenter (1985) noted that “the consequences of this simplistic and morally inconsistent strategy are highly unfortunate. America finds itself involved far too often in futile or mutually destructive confrontations with left-wing regimes. Even worse is the evolution of a cozy relationship between Washington and a host of right-wing authoritarian governments. A pervasive perception of the United States as the sponsor and protector of such dictatorships has undermined America’s credibility as a spokesman for democracy, caused Third World peoples to equate both capitalism and democracy with U.S. hegemony, and established a milieu for rabidly anti-American revolutions. It is an approach that creates a massive reservoir of ill will and, in the long run, weakens rather than strengthens America’s national security.”

The Cold War, in this way, specifies the fundamental rules of competition and cooperation of the superpowers in Africa and Asia. Both sides were deeply involved in the internal affairs of these nations by influencing leadership changes and survival, and policy making-processes. This weakens the society’s bargaining power and, thus, its ability to control the behaviour of the elite. A purely economic foreign aid without any political or military intention “cannot do much good” as economist Peter T. Bauer (1981) noted, while it is “nevertheless likely to do much harm”. Most importantly, Bauer (1981) observed that “since official wealth transfers go to governments and not to the people at large. ... [a]id increases the power, resources and patronage of governments compared to the rest of society and therefore their power over it.” Moreover, the superpowers provided political and military assistance to Third World leaders, and thus, the survival probability of state leadership became dependant not mainly on leadership policies and performance but on policies made by external power. By creating state dependence on foreign power, the Cold War generated or encouraged conditions which were unfavourable to the political and economic developments in these countries i.e. *personal rule*, *neo-patrimonial leadership*, and *the divide-and-rule system*. Furthermore, each side encouraged policies and actions which, might be seen as strategic in their struggle, but have locally disastrous impacts.

Somalia is located in the Horn of Africa – an area comprising Somalia, Ethiopia, Djibouti and Eritrea – which was at the times of the Cold War an “area of the world whose strategic location has thrust it into the international arena as a potential crises zone” and “makes it a pivotal factor in the global balance of power” (Schwab, 1978). Its geo-political prominence was based on the fact that it controls the Bab el-Mandeb straits - a narrow passage in which, according to some sources, 60 percent of oil to Western Europe and the US and 85 percent of oil to Japan passes through – and that it overlaps the Middle East, the Red Sea and the Indian Ocean. When these geopolitical dimensions are combined with

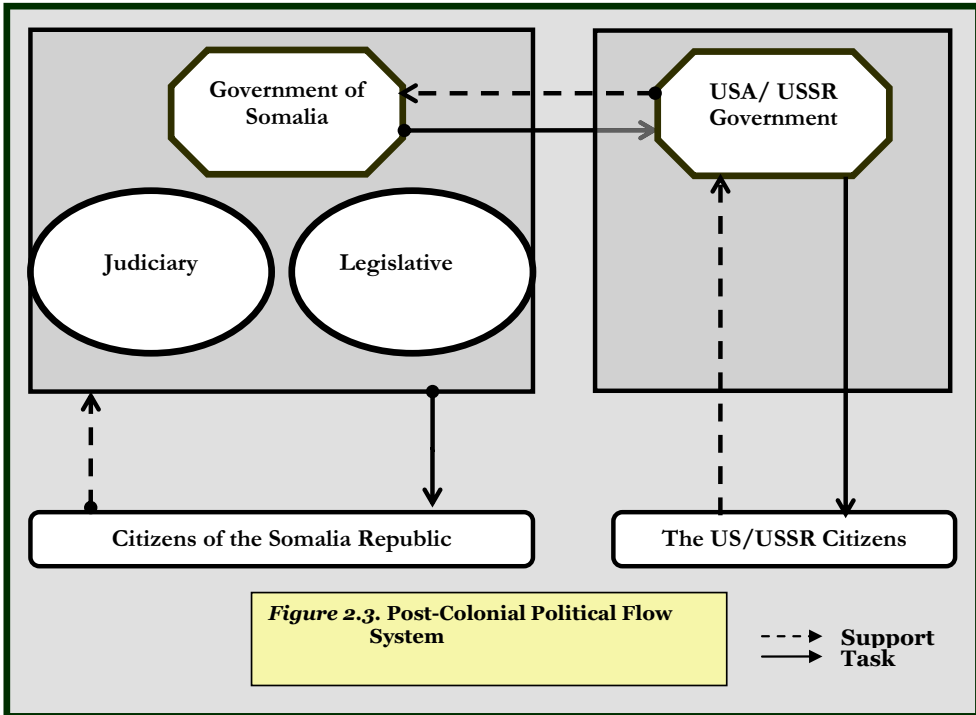
the internal aspects of the countries in the region, the Horn becomes an area of immense importance internationally (Schwab, 1978; Makinda, 1982).

Accordingly, during the 1970s and 1980s Somalia became a major hotspot of conflict between the Soviet Union and the United States. From 1969 to 1977 Mogadishu enrolled itself in the Soviet camp and from late 1970s Somalia became a US ally. The first mission of each of the two superpowers was to ensure that the other did not succeed in extending hegemony into Somalia, a pivotal factor in the global balance of power where “both the US and the Soviet define what takes place in the horn of Africa within the perimeters of what they view as their national interests. ... Their notion of security, which to the West imply an absence of communism and to the East liberation from capitalism, do not seem to take into consideration the concrete local situation and the real needs of the peoples of this region” (Makinda, 1982).

To win this geopolitical struggle, both the US and the Soviet Union not only poured a substantial amount of financial and military aid into Somalia, which became another source of survival for Barre and faction leaders, but accepted and sometimes encouraged nationally disastrous policies and actions, such as the Ogaden War. This geopolitical set-up is what I refer to as the ‘Cold War institution’.

2.6. Conclusion

The main frame of the shadow state concept, seen in Chapter 1, is that post-colonial African rulers recognised that they could not survive by encouraging efficient formal institutions. Realising that strong formal institutions would give a competitive advantage to their enterprising rivals, African leaders sought other strategies for survival. A colonially constructed mechanism for control was, perhaps, the most easily accessible strategy. To exercise their power these leaders used economic tools through patronage. As Reno (2003) states, “[a] key element of this patronage-based strategy of rule lay in the fact that over time high officials found it in their interests to undermine the formal institutions of the state itself”. African leaders transformed state institutions and capacity to attract assistance from foreign powers into patronage that they could distribute to followers to advance their own power (Reno, 2000b).



Undermining the formal political institutions, African leaders employed informal methods for their survival. As we have seen in the previous chapter a combination of two main instruments were used by African leaders for their survival. The first is coercion. Here the security institutions established to safeguard the interests of the citizens from internal and external predators were mobilised to suppress political opponents. Secondly, African leaders employed a “neo-patrimonialism”, or “personal rule” strategy. Bratton and van de Walle (1997) maintain that “the distinctive institutional hallmark of African regimes is neo-patrimonialism”. The basic proposition of the notion is that informal relationships of loyalty and dependence pervade the formal state institutions. In this system the state apparatus is dominated by one individual who stays in power for a long time, often a president for life, and “the leader and his inner circle undermine the effectiveness of the nominally modern state administration by using it for systematic patronage and clientelist practices in order to maintain political order” (Bratton and van de Walle, 1997). A basic feature of the neo-patrimonialism system is that there is no separation between the public and the private realm.

Together these two instruments could form what is called the “divide-and-rule” strategy. “Divide-and-rule is a method used by leaders to maintain power in weakly-institutionalized polities while simultaneously pursuing policies costly to society” (Acemoglu et al., 2003). To remove an incompetent ruler from power, people need to cooperate and overcome their collective action problems. African leaders, to remain in power, bribe segments of the society and selectively punish

potential opponents and related groups. Consequently, “the divide-and-rule strategy exploits the fragility of social cooperation: when faced with the threat of being ousted, the kleptocratic ruler intensifies the collective action problem and destroys the coalition against him by bribing the pivotal groups” (Acemoglu et al., 2003). Clearly, social fragility is a precondition for this strategy to succeed. In Somalia the politicised clan differences provided the opportunity for ambitious political entrepreneurs and, therefore, Somali leaders as, their counterparts in Africa were aware that there was “a ready-made clientele ... waiting to be led” (Horowitz, 1985).

However, for leaders to carry out their divide-and-rule strategy an enormous amount of resources were required: financial and military, for which the tax revenues from the impoverished citizens is not sufficient. Alternatively, African leaders exploited and heavily rented the natural resources of their countries and in addition cultivated strategic alliances with the rivals of the Cold War, the superpowers. To the leaders of the countries with limited resource endowment, such as Somalia, foreign assistance was extremely important. The unpopular leaders established these strategic relationships with the US or USSR to defend their rule.

Figure 2.3 illustrates the post-colonial governance system in Somalia. Post-colonial government in Somalia had two principals: the Somali citizens and the governments of the superpowers. Unlike the colonial governance system, Somalis were now citizens and were to support their agent. The government as agent was expected to perform tasks in the interest of its principal. In addition, in this period the colonial administration was also to be removed. However, governments in Washington or Moscow behaved as principals for the Somali government in this post-colonial era.

These institutions are bad because they weaken the society’s bargaining power and thus allow political leaders to operate unchecked. Leaders on the other hand not only undermine formal political and economic institutions but also pursue destructive actions and policies that make the state, the single most important formal institution, collapse.

In the rest of this study I intend to spell out the actions of the actors that contributed to the eventual collapse of the post-colonial state in Somalia. However, these actors were responding to incentives generated by the informal institutions, which were analysed in this chapter.

3 POLITICAL ECONOMY OF THE CIVILIAN REGIME

3.1. Introduction

In 1960, after almost a century of colonial rule, the Somali Republic was formed by a merger of Italian Somaliland and British Somaliland, two out of the five Somali populated colonies. However, the other three parts, Ogaden, French-Somali Land, and Northern Frontier District NFD, remained under alien rule. Since then, socio-political unification and socio-economic development have become the central issues to be addressed by every Somali state.

In terms of the unification immediately after independence there were two challenging tasks that lay ahead. Firstly, internally, the main task that confronted Somali state leaders was to heal the social cleavages created by colonial administration, whether it was clan animosity or inherited institutional differences of the parts of the new republic. Beyond that they had to establish a form of national unity which could accommodate or properly replace the decentralised tradition of Somali clans. Secondly, externally, the main goal was to re-incorporate the Somali-inhabited areas, so to complete the noble mission of the Somali nationalist movement, the notion of a 'Greater Somalia'. However, the new Somali state should have more than anything else involved itself in socio-economic uplifting, a task of great urgency and magnitude. This was partially because the Somali economy had met extreme negligence during the colonial era and partially because the nature of the unification task required enormous amounts of resources. The basic indicator of the success or failure of the post-colonial Somali state is how the government addressed these key issues.

After the formal unification of the South and the North, the Somali Youth League (SYL), a dominant political party in the South, agreed to act jointly with the Somali National League (SNL) and the United Somali Party (USP), both from the North, to facilitate a complete unification of the two territories. In July 1960, an elected National Assembly of 123 deputies representing the two territories appointed Aden Abdulle Usman, a senior and very popular figure of the SYL, president and he in turn appointed Abdirashid Ali Sharmarke, another senior member of the SYL, prime minister. The latter formed a coalition government of the SYL, the SNL and the USP.²⁶ Abdirizak H. Hussein formed a new government in 1964 after replacing Sharmarke as prime minister. In 1967, former premier, Sharmarke, was elected new president of the republic and he in turn appointed Mohamed Ibrahim Egal as prime minister. This chapter summarises these successive civilian governments' achievements towards fulfilling the abovementioned national goals.

²⁶ see Castagno (1964) for an excellent study of early Somali political parties and elite behaviour.

3.2. Socioeconomic Development

Since its independence Somalia has been one of the poorest countries in the world with its economy consisting of three distinct sectors: firstly, agriculture, in which the main components are herding livestock²⁷ and plantations²⁸, had the largest share in GDP and export earnings, and it also provided the livelihood for the majority of the population; secondly, an urban private sector run by a small commercial class; and thirdly the service sector where actors in this group are mainly the public officials such as soldiers, employee of ministries, parliamentarians, and other public services (Laitin and S. Samatar, 1984).

During the years between 1960 and 1963, Somali leaders took advantage of the geopolitical value of their country. By placing their self in the neutralist camp, by expressing a determination not to join any of the two Cold War camps, and by pretending to be interested in both, they accrued an immense amount of foreign aid. Table 4.1 shows the financial grants and loans Somalia received from foreign sources until 1963. In addition, Sharmarke's government took some other measures in order to attract foreign private investment and create incentives for the local private sector. Several projects were also implemented in this term. However, the Somali state gave socio-economic development little attention. Furthermore, even these minimal attempts were un-planned, un-integrated, and dependent on foreign ownership and resources (Ahmed Samatar, 1988).

Table 3.1, Foreign Aid to Somalia, 1960-3

Source	Financial Grants (So.Sh. 000)	Financial Loans (So.Sh. 000)	Total
Italy	171	150.5	321.5
U.S.S.R.	4.3	316.4	320.7
U.S.A.	109.4	12	121.4
U.N.	85.5	-	85.5
UAR	13.2	68.4	81.6
UK	65	-	65
W. Germany	2.9	37.6	40.5
Czechoslovakia	-	25.7	25.7
E.E.C.	18	-	18
Others	7.5	-	7.5
Total	476.8	610.6	1087.4

Source: Lewis (1967).

²⁷ In 1963, with a population of less than 2 million, there were as following (estimated): 24 million sheep, 16 million camels, 6 million goats, and 3 million cattle.

²⁸ Approximately 8.3 million hectares, 13 percent of the total land area, is potentially suitable for cultivation.

Somali national budget is normally divided into an ordinary budget and a development budget. In these years the sources of revenues for the ordinary budget were mainly customs taxes from international trade, direct taxes, sales of goods and services, but almost one-third of the revenues came from external aid, former colonial masters, with Italy and Britain being the main donors.

Several factors were argued to be the causes of the Shermarke government's underperformance regarding economic development. Firstly, there were serious differences between the President and Premier concerning the nation's development priorities. The prime minister and his government were mainly committed to devoting a great deal of the nation's energies to the unification project. On the other hand, the President believed that the best way to pursue the Greater Somalia issue was by first consolidating firm foundations for the new republic. The prime minister's agenda, namely to aggressively pursue the Greater Somalia project, prevailed. Consequently, this took much attention away from the demands of economic development and resources²⁹. Secondly, most of the remaining national resources were devoted to the integration of the parts of the new republic. Thirdly, as noted above, there was no clear strategy and plan for uplifting the national economy (Abdi Samatar, 1997; ACR, 1969/70).

In 1963 the first Five-Year Development Plan (1963-68) was developed³⁰. The funds for this development plan were mainly derived from foreign sources. Table 3.2 summarises the sources and Somalia's development budgets from 1963-1969. Less than 15 percent of the contribution came from Somali sources.

The plan, with a projected expenditure of US\$266.5 million, was intended to build a viable infrastructure for the economy, especially the export oriented industries i.e. banana and livestock. The former was dominated by Italians and the latter was in the hands of Somali nomads. A basic assumption was that if the basic physical infrastructure – such as ports, transportation facilities and roads – was improved, the plantation crops and livestock exports would increase (Laitin, 1993). However, several industrial developments – i.e. expanding the output capacity of the Jowhar sugar factory, establishing textile, milk and dairy as well as fish processing factories – and certain improvements in social services and formation of a number of state owned farms were part of the plan³¹ (Mehmet, 1971).

In 1966, Hussein's government conducted a mid-term appraisal and found that the Plan was seriously behind schedule. Table 4.5 illustrates the size of the problem. During the first three years, of the five year plan, only a quarter of the total project's work was implemented. The government blamed several factors on the underperformance: lack of skilled man power and qualified personal in

²⁹ In 1962 Britain terminated its aid after Somalia reversed the diplomatic ties with Britain due to the latter's decision on the NFD.

³⁰ This aid amounted to \$15 per head while the average annual aid to developing countries was only \$4.5 (Mehmet, 1971).

³¹ See Table 4A.1 for details on the sector distribution of the plan.

the development projects; government departments hampered efficiency; the Somali government failed to raise the required local contributions; and insufficient working capital allocations obstructed the performance of the completed public enterprises (Mehmet, 1971). Furthermore, other various, mainly exogenous, factors were also indicated to be part of the problem: successive years of drought; increased military expenditure due to border hostilities between Somalia and Ethiopia in 1964; internal political crises in Italy disturbed its contribution to Somalia's ordinary budget of 1963-4; and the closure of the Suez Cannel in 1967 hampered the country's export (Mehmet, 1971).

Table 3.2, Source of Development Finance, 1963-9

Source	So.Sh. 000	%
Somali	283,531	14.9
Foreign	1,619,528	85.1
U.S.S.R.	388,928	20.4
U.S.A.	326,489	17.2
E.E.C.	245,108	12.9
World Bank	219,427	11.5
U.N.	143,567	7.5
F.R. Germany	122,951	6.5
Italy	71,339	3.7
China	39,220	2.1
Saudi Arabia	14,561	0.8
Others	47,938	2.5
Total	1,903,059	100

Source: Mehmed (1971).

Thus, in March 1966 the Government abandoned the Five-Year Plan and instead developed an Emergency Plan, in which it concentrated on a few, but more realistic, objectives:

- To secure self-sufficiency in food by increasing production.
- To improve the export oriented industries.
- To close the deficit in the ordinary budget.

In addition, three new organisations were established: The Ministry of Planning; the Agricultural Development Agency; and the Livestock Development Agency and Fund. They were assigned to assist in the attainment of the aims of the Emergency Plan (Lewis, 1967).

In 1967, a two year Short-Time Development Programme (1968-70) was launched by Egal's government, which differed very little from the First Five-Year Plan in terms of sector priorities and sources of funding. Some USD100 million was expected to be spent this time; with 70 percent of the amount being devoted to infrastructural improvement. The Somali contribution of the plan was only 12.5 percent. Basically, the Government intended to consolidate the attainments of the First Plan and the creation of basic conditions necessary for the formulation and implementation of future more ambitious development

programmes. However, the Short-Time Development Programme, mainly due to similar reasons, was no better than the First Five-Year Development Plan in terms of its achievements (Mehmet, 1971; ACR, 1968/9).

3.3. Integration

Due to the dual colonial heritage, the two parts of the new republic were, from an institutional perspective, almost two separate countries: firstly, government officials from the North and the South were receiving unequal payment and were operating under different conditions of services; secondly, from the legal aspect, each part of the republic had a separate legal tradition inherited from its colonial authorities; thirdly, different procedures of accounting and fiscal systems – tariff systems, custom dues, patterns of trade etc – separated the South from the North; and fourthly, the affairs of the two parts were conducted in two different languages, Italian in the South and English in the North. Physical communication between the two regions, especially the two main cities, was too poor and economic contacts between the two were virtually nonexistent. However, one most important issue, which does not directly relate to the unification of the South and the North, was a politicised clan system that emerged under the colonial governance system. This was inherited by the postcolonial political system of the republic.

Sharmarke's government dealt with the institutional unification aspect of the two territories with the help of some international bodies, such as the Consultative Commission for Integration, a board created by the UN. Within the first four years most of the institutional integration objectives were accomplished. A single legal system was approved, similar provincial and district administrative services were operational, the fiscal and accounting systems were unified, and the police and the national army were integrated.

3.4. Unification

Right from its inception Sharmarke's government faced a vocal movement that favoured the creation of a "Greater Somalia" with the goal of uniting the Somali-populated areas of Ogaden, French Somaliland, and the NFD with the new republic. Almost every Somali wanted these "Missing Territories" to become part of the Somali state. However Britain, if not invented, initially encouraged the Greater Somalia project. After World War Two, the British Government proposed a trust territory comprising British Somaliland, Italian Somaliland and Ogaden. Later on the liberating and unifying of Somali territories became a noble mission for the Somali nationalists. Political leaders, on the other hand, understood that the mission dominated the popular opinion of the Somalis. David Laitin (1976), in analysing the situation, said "unlike all the other new states of Africa, Somalia was a 'nation' before it became a state. Some four million people inhabit the Horn of Africa, and they share a common language, a common religion, a common culture, and notably ... a common understanding of themselves as a long-standing political community. In the early 1960s,

therefore, when most African states were attempting a strategy of ‘nation-building’ – the creation of a new identity consistent with their former colonial boundaries – Somalia could engage in ‘state-building’, or the enhancement of political control at the new centre”.

Consequently, as one commentator noted, the countries preoccupation with the Greater Somalia shaped its newly formed institutions (S. Samatar, 1993). The star on the Somali flag stands for freedom and each Somali territory, the three Missing Territories and the two parts of the Somali Republic, is represented by one of the five-points of the star. The 1961 constitution of the Somali Republic states that the republic promotes “by legal and peaceful means, the union of the Somali territories” (S. Samatar, 1993).

As a result, during Sharmarke’s tenure, creating Greater Somalia became the dominant theme of Somalia’s international relations. In the words of the Premier Somalia’s “misfortunes do not stem from the unproductiveness of our soil, or from lack of mineral wealth. ... No! Our misfortune is that our neighbouring countries, with whom like the rest of Africa, we seek to promote constructive and harmonious relations, are not our neighbours. Our neighbours are our Somali kinsmen whose citizenship has been falsified by indiscriminate boundary ‘arrangements’. They have to move across artificial frontiers to their pasturelands. They occupy the same terrain and pursue the same pastoral economy as ourselves. We speak the same language. We share the same creed, the same culture and the same traditions. How can we regard our brothers as foreigners? ... We shall promote ‘by legal and peaceful means union of Somali territories” (Somalia, 1962).

However, the prospect of unifying any of the missing territories with the republic was not encouraging. In 1958, French Somaliland had voted, in a referendum, to remain an overseas territory of France and in July the next year, during his visit to the Djibouti, Charles de Gaulle emphasised the extreme importance of this tiny port to his country and announced that he will not renounce its possession (Lewis, 2002).

Given the fact that Kenya was still under the British administration and with a growing tension for independence, the NFD initially appeared to be a soft target for the Greater Somalia mission. Thus, while not ignoring the other two cases, Ogaden and Djibouti, Sharmarke’s government put most of its efforts on the NFD issue. Furthermore, in 1961 the Somali parliament, responding to requests from political and tribal leaders in the NFD, passed a motion welcoming the union of the NFD with the Republic and urged the government to press this using every possible means. In 1962, to ascertain popular opinion in the NFD, Britain sent an independent commission which found that the great majority of the people were supporting a separation from Kenya when the independence of Kenya, in the next year, was to take place. However, despite that finding and the fact that the Mogadishu government used every possible means to support the separation, in 1963 the British government announced that the NFD was to remain part of Kenya as the North-Eastern Region of that country (Lewis, 2002).

The Ogaden case not only dominated the other two cases of missed territories, but became a focal point that determined the future of the new Republic. The Ogaden³², commonly known as Western Somalia by the Somalis, like many other areas of the Somali populated lands came under the control of the European colonialism in the late nineteenth century through various agreements between the Somali leaders and colonial authorities. On the other hand, Ethiopia did not only escape from the yoke of colonialism and remain an independent empire while the other African nations were under colonial control³³, but joined the European colonials in the scramble of Africa. This was the period when Ethiopia gained control over Somalis in Ogaden³⁴. Later on, due to extensive efforts by successive Ethiopian emperors, the Ogaden was formally placed under Ethiopian control through Anglo-Ethiopian and Italo-Ethiopian treaties regarding boundary demarcations. Since then Ethiopia argued the validity of these agreements and that Ogaden is part of Ethiopia. Ethiopia also realistically feared that if Somalis in the Ogaden are to be granted self determination, this will lead to a similar demand from most of Ethiopia's major ethnic groups, which may see the beginning of the complete disintegration of the Ethiopian state itself. Somalis, on the other hand, rejected the validity of these boundary agreements and considered them artificial colonial arrangements.

To defend its position, Ethiopia constructed a political fence for what it termed as its territorial integrity. Ethiopia took over a leading position in both the creation and direction of the Organization of African Union (OAU) established in 1963. The Union supported the permanence of the colonial boundaries, which it saw as necessary for the territorial integrity of the member states. The reason was that most African leaders, like Emperor Haile Selassie of Ethiopia, knew the territorial disputes that re-opening the fragile colonial border issue would create in their own countries. For that, in 1964, the member states of the OAU pledged "to respect the borders existing on their achievement of independence" (Makinda, 1982).

Somalia's refusal of this principle put her in an isolated position in Africa. At the international level, the United Nations considered Ethiopia a sovereign African country, not a colonial power, and thus as a member state its sovereignty must be preserved. Consequently, although both the OAU charter and constitution of the Somali Republic permit only a "peaceful settlement of disputes by negotiation, mediation, conciliation or arbitration" (Article II of the OAU Charter), it was clear that diplomatic processes would bear little, if any, fruits. The other option for the Somalis was to use military means.

However, US trained and equipped Ethiopian Armed Forces had little to worry about from Somalia's ill-equipped army of only 5000 men. Understandably, Somali leaders were keen to establish a professional army. This created a great

³² In fact there are two areas in the region – Ogaden and Haud – which are, in most of the cases, generalised as Ogaden.

³³ Liberia is the other country that was spared the legacy of colonialism.

³⁴ And also Oromos and Afars in the Horn of Africa.

opportunity for the Cold War rivals in the Horn of Africa, particularly the Soviet Union. From then on, the military aspect of the Ogaden issue, as we will see, became a magic card used by the superpowers in pursuit of their strategic interests. Both superpowers supported or encouraged Somalia to take military confrontation with Ethiopia whenever they see it promoting their interest and vice versa.

3.5. Causes of the Failure

3.5.1. Leadership

In general, the primary motive of a political leader is to keep themselves in power and consequently in doing so has to answer to those that keep them in power. For the Somali civilian leaders to win the conflict over influential positions, the state and leadership survival gradually became the most important tasks for the majority of the Somali elite. There were, however, some notable exceptions (Abdi Samatar and Ahmed Samatar, 2002; Ahmed Samatar, 1994).

The main reason for this development was that the inherited economy was extremely poor and thus access to the state power became a main determinant of economic success. Losing this competition was seen as losing an economic opportunity as well as losing political power. In 1956, under the Italian trusteeship, Somalis in the south were given an opportunity to form the first Somali government. Abdullahi Issa was appointed as the first Somali prime minister. He insisted that, although his party's dedication to eliminating clanism is valid, the situation forces him to consider the ethnic balance in the new government. Although the Prime Minister sought the satisfaction of every group, another factor, knowledge of the Italian language, forced him to narrow his choice (Castagno, 1964; Abdi Samatar and Ahmed Samatar, 2002).

However, no one complained about ethnic imbalance in the government and even most of those approached by the Prime Minister to give them a ministerial portfolio declined the offer, indicating that they did not have the necessary education and experience to effectively manage the institutions (Abdi Samatar and Ahmed Samatar, 2002).

Unfortunately, within a short period of time it was apparent that, due to its material and pecuniary benefits, such ministerial positions were highly prized. For instance, each senior government official had access to credit to build his own luxury villa and ministers were each given a car with its own chauffeur and other staff including housekeepers. In addition, SYL supporters, realising the improved condition of the ministers and having witnessed the habit of the Italian authorities, especially in the first years of the trusteeship, which used the government positions to reward their own supporters, assumed that the current administration will do the same for its supporters. Mogadishu and particularly the residences and offices of the elected officials were crowded by their

supporters from the other regions to secure government employment or monetary reward (Abdi Samatar and Ahmed Samatar, 2002).

Furthermore, influenced of course by the opportunity the ministerial portfolios provide their occupants, the SYL leaders considerably changed their attitude towards holding these positions. When Abdullahi Issa was reappointed as the Prime Minister in 1959 by the Italian Governor, unlike in 1956, most SYL political leaders visited the Prime Minister's home to make sure their names were included on the list of the ministers of the new government.

On the other hand, Post-Colonial Somali leaders, like their peers in Africa, were aware that they could not survive by encouraging efficient formal institutions. Realising that building strong formal institutions does not serve their interest, Somali leaders formulated other strategies for survival. These short sighted strategies undermined the formal state institutions and leadership institution itself and put the country in a political trap. As Abdi Samatar noted, there was only one short period that the Somali government encouraged formal institutions. As Table 3.3 shows, all post-colonial Somali governments, except for Premier Hussein's one, never intended to build state institutions.

Table 3.3. Elite Structure, Legitimacy and State Building in Somalia 1960-90

<i>Regime</i>	<i>Elite unity</i>	<i>Conscious leaders</i>	<i>Legitimacy</i>	<i>Clarity of strategy</i>	<i>Institution building</i>
1960-64	high	Low	High	no	no
1964-67	low	high/low	High	yes/no	yes
1967-69	low	Low	high/low	no	no
1969-77	high	Low	High	yes/no	no
1977-90	low	Low	Low	no	No

Source: Abdi Samatar (1997)

Unfortunately then, Somali leaders discouraged formal state institutions. Let us next consider the democratic institutions of control. In Somalia, separation of powers was not considered a method of limiting the amount of power in one group's hands in order to make it more difficult to abuse. The formation of the different state institutions – executive, legislative and judiciary – was perceived as a distribution mechanism, a method with which a leader could use to parameterise the share of the national cake he deserves in relation to the size of his clan, his personal ability to mobilise enough resources to that end, and his level of understanding and playing within the rules of the game.

Consequently, “the democratic parliamentary process which has seemed to blend so well with the traditional Somali political institutions and had begun with such verve and promise, had turned distinctly sour. The National Assembly was no longer the symbol of free speech and fair play for all citizens. It was now widely regarded cynically as a sordid market place where, with little concern for the interest of those who had voted for them, deputies traded their votes for personal gain” (Lewis, 2002).

Conciliation between conflicting interests of the society, especially a divided one, is necessary if the national government is to operate efficiently. By developing enough common ideas among enough people and by articulating diverse interests into a single platform, political parties facilitate this conciliation process. In Somalia, with few exceptions, political parties were not a collection of enough people with similar political ideologies and ideas. Most of them were created and existed to promote and defend the private interests of the political leaders, in the government and state institutions. Many of these parties were founded by former members of another party after the member in question failed to secure an appropriate position in that party or the party refused to let him hold, or run as a candidate, for an influential position. A considerable number of the Somali parties existed for a short period before and after an election time. Founders of these parties, on many occasions, left their party and joined the ruling party to secure government portfolio as Somali leaders had “learned the least bloody way to behead political opposition is to bestow political plums” (Castagno, 1964).

Political parties play an important role in controlling the government. The ruling party in the government transforms its principals and social preferences into practice. And the public, when judging the government’s performance, can look at the administration’s achievements in the light of the basic principals of the party and people’s preferences. The opposition in the parliament opposes and informs the public on government policies and underperformances, whilst at the same time promoting and defending the interests of the significant number of the society, or its members at least.

As Castagno (1964) noted, even though it was apparent that the Somali Youth League, the ruling party, could not achieve significant goals in the field of socio-economic development, the opposition parties, did not, by and large, criticise the government’s policies or inform the public on what they regard as the objective needs of modern government. Their main task was, however, to secure compensation for the leaders of the opposition.

In order to win and survive, political leaders formed competing, unstable and often changing coalitions. The group that attracted a significant number of political leaders won and became the winning coalition. However, the top leaders in this group required resources to maintain the group unity and each member of the group was expected to bring a significant number of voters.

Tribal mobilisation and playing the clan card commonly became the ideal game rule for their competition. Firstly, it was common that a Somali leader, in order to get a government position, informs his superior about the importance of his clan in society (Abdi Samatar and Ahmed Samatar, 2002). Here the goal was to remind the boss that the survival of the latter will seriously be questioned unless the former is a member of the boss’s coalition.

Secondly, the Somali leader, in order to qualify himself for the winning coalition, has to make sure that his clan is behind him. Using the resources at

his disposal, the leader should secure the loyalty of the influential, traditional leaders of his clan.

Thirdly, Somali leaders, to keep the members of their clan in their camp, exacerbated the clan conflicts. In his Dugsi maleh Qabyaaladi poem Mohamed H. D. Gaariye (1979) said:

Qabiilkii dorraad yiil	Isticmaarki baa dumay
Shalay daba-ka-naax iyo	Dibitaati baa waday;
Maantana dillaal iyo	Dibbir baa ku xoogsada
Waa dabin qarsoodi ah	Ummadday ku dagayaan
Boobkay ku dedayaan.	
...	
Isku soo dabbaaloo	Waa dabaqad maal jecel;
Waxa loo dig leeyey	Dhididkayga dahabka ah
Sidii loo dudubin laa.	

(Tribalism of the day before yesterday – colonial period – was formulated by the colonial powers. And that of yesterday – during the civilian regime – was exploited by the parliamentarians. While that of today – during the military regime – is the source of income for political entrepreneurs. It is a hidden trap to deceive the public and to cover up their lootings... In short, these entrepreneurs are a wealth seeking class trying to misappropriate my production).

Finally, ethnic cleavages within the society became an important weapon for the Somali leaders. To destroy the credibility of a political opponent they often stressed the dark side of clan differences, by magnifying past conflicts between their clan and that of their opponent. It was a common practice that “as soon as a leader gains national stature and prominence, his clan affiliation is exploited by his competitors, within and outside his political party, in order to reduce his appeal” and consequently, given the politicising of the clan factor during the colonialism “whatever national confidence he may have gained may be transformed into widespread mistrust based on ethnic provincialism” (Castagno, 1964).

3.5.2. Society

Somali electorates were aware that their government could not achieve the major goals of the Republic, they were also aware that politicians were abusing the political institutions. Studying people’s perceptions and attitudes towards the state makes that clear. Xaaji Aadan Af-qallooc, in describing the attitudes of the Somali post-colonial leaders towards i.e. the state positions they occupy – were each is as a lion at his kill – and his relation with the citizen, said;

*Tallaabada mid gaalkii shabbaha, tegay ma-liibaane,
 Adigoo wuxuun tabanayoo, tegay halkuu joogay,
 Markuu sida libaax raqi u taal, qoorta kor u taago,
 Uu 'tayga' luquntiisa sudhan, taabto faraqiisa,
 Oo inaad addoonkiisa tahay, taa na la ahaatay,
 Iya na waa tabaalaha adduun, taynu aragnaa.*

(One who even walking imitates the departed infidel,
 May he never be blessed,
 While in need of assistance, you go where he was,
 And then as if he were a lion at his kill,
 He raises up his neck in haughtiness,
 Touches the tip of the tie around his neck,
 And behaves as if you were his slave.

These are the misfortunes of the times that we are witnessing.)(APD 2002)

Similarly, the great Abdulahi Suldan Tima'ade disappointed with the behaviour of the political leaders during the civilian regime said, in his *Dawarsadaha Qaawani* (the Naked Beggar):

*dawarsadaha qaawani kuwuu daasadda u madhiyay
 ee daaskeenii wixii yaalay lagu doortay
 dikhsi lama xisaabsanid haddaad dow ku kulantaane*

(Those that the naked beggar emptied his own pockets
 And for their election we paid all we had
 You are worth less than a fly if you meet them in the street)

In greater detail Aden Arab Abdi's poem, "The Minister" supports the case. He emphasised that elected politicians never served the interests of their electorates and blamed them for devoting efforts to their own satisfaction. He

also indicated that ordinary citizens were excluded from the benefit of the statehood and estimated that only one thousand men – political leaders – enjoyed the fruits of the independence. In concluding he asks himself, “Were the men selected to promote their own ends alone?”

Ingiriis dalkiisii mudhxay oo, cunay magoolkiisa

Isagoo masaafira haddaan, subax ka miidaanshey

Oo lagu mintiday waw dhamayn, minawarkaan fuullay

Maskab kama dhaxline wiilal baa, helay macaankiye

Kun nin baa martabadii u hadhay, ama muluugtiye

Inta kale mus ood laga rogtey, meerayaan dibade

...

Isagaa maqsuuda ee wax kale, looma maamuline

Bal muxuu micneeyoo na taray, ministarkaan doortay?

Afuun malaba shicibkii haddii, lagu mashaysiiyey

Oo aan muraadba u qumayn, mooye say noqone

Waa nala madaarshaynayaa, tan iyo maantiye

Mahdigii naloo sheegay iyo, malihi beenowye

...

Mukhlis iyo haddaan lagu shaqeyn orod maleegnaana

Ma xiniin yahay moodayaan muunad nala saaray

Ma naftiina maara u qabtaa nimanka loo miiray

Political leaders misused the political power partially because Somali electorates, due to ethnic cleavages, failed to reward good behaviour and punish bad behaviour. As Castagno (1964) noted, political leaders who selflessly tried to promote the national interests did not get public support for that. Thus, the “concept of public service to the nation must necessarily be restricted when national recognition of that service is rarely, if ever, forthcoming”.

After the general elections of the National Assembly held in March 1964, President Osman appointed Abdirizak H. Hussein, outgoing interior minister, to form the new government. The President believed that new leadership, with fresh ideas, would solve the country’s political problems and the prime minister-

designee, like the President, wanted to give greater attention to the nation's socio-economic problems (S. Samatar, 1993). In addition, both the elections and Premier-designee seemed to be one step in the right direction of Somali political development. The elections, both the process and the way parties participated, were special in Africa, and signalled Somalia's "commitment to the principles of parliamentary democracy." The new Premier on the other hand was "a politician of considerable charisma and courage". Despite these positive attributes, Somali politicians, mainly the SYL ranks, severely harassed Hussein's government at every possible opportunity (Lewis, 2002).

Most importantly, politicians joined forces to obstruct the new government from being constituted. As a constitutional rule, the new government must be supported by the majority of the deputies in the National Assembly. It took almost six months for Hussein's government to be accepted. The formal conflict was between the President on the one hand and senior politicians from his party and others from the other main parties on the other. The President stressed the quality; firmness, fairness, devotion to work and charisma of Hussein's government, while opponents stated that their rejection was based, firstly, on the Government's reduction of the military share in the budget, which was interpreted as the Government's shift from the greater Somalia Issue. Secondly, the Premier was branded as pro-Western (Ahmed Samatar, 1988).

However, the reality on the ground tells another story. Firstly, Somali politicians, since the 1950s, have enjoyed the benefits of the "clan balance doctrine". This doctrine promotes the identity or the clan affiliation as the most important qualification of the candidate. Opponents of Hussein's, most prominent members of the previous administrations, knew his position on this doctrine. He openly rejected the clan balance practice ever since it was introduced into Somali politics. In 1959, he openly complained before the UN Trusteeship Council that clan balance formalises clanism in politics and argued that its practices are "incompatible with the political evolution of Somalia and fatal to its unity" (Castagno, 1964). Secondly, Mr. Hussein instead introduced the "karti iyo Hufnaan" – competence and integrity – motto in the selection of his government. Thus the list of ministerial candidates he proposed included less senior young technocrats and, unlike previous administrations, was proportionately dominated by the Northerners (Ahmed Samatar, 1988). Thirdly, according to some intellectuals, Hussein was "the most progressive and the least tribal-minded member" in Shermarke's government, and previously he was mentioned as someone who can reinvigorate Somali politics (Castagno, 1964). His position towards corruption and mismanagement was clear to all. For instance, each of his cabinet members was asked to publicly declare his property and business interests (Ahmed Samatar, 1988). That was, as we have seen, in contradiction with the behaviour and political interests of the majority of the Somali political elites, the ruling group and the opposition alike. Finally, the group that opposed Hussein, as mentioned previously, complained on grounds of the Greater Somalia issue and his leaning towards the West. However, the group that spearheaded this coalition were the same group that brought down Hussein's government by defeating Osman in the presidential

election three years later. Their position about the two issues became very clear in the tenure of their administration (see below).

However, although the reason they were blocking the corrective policies primarily involved personal political and economic ambitions, they not only succeeded to bring the Osman and Hussein government down, but they successfully inherited the office. However, for the Somali public there was no preferential difference between the two groups. The identity of the politician matters the most.

Every formal political institution was abused by the politicians and electorates failed to utilise political instruments to correct the government's misbehaviour. One of the most relevant political instruments, as far as the citizen's empowerment is concerned, is the election. This is because votes are essentially in the hands of individual voters and any kind of abuse of it may need some kind of preference and voluntary action by the owner of the vote, the individual. All other institutions of leadership control depend on the quality and the rules of the election.

The main logic of institutionalising and organising an election is that politicians will be responsive to their electorate's demands, and the main reason for that is that the politicians could be held accountable at election time as voters control the resources they need to win the election. However, as James Fearon noted, there are situations where voters "might understand elections as means of selecting or conferring honor on ... [a] most distinguished person ...with conferring or recognizing honor without any instrumental purpose...here the voters have no expectation whatsoever that the elected officials have a responsibility to act on behalf of the electorate" and in this case the election was "understood simply as declaration of who in the group most deserves the honor of political authority" (Fearon, 1999).

Somali voters are perhaps the best example of those who do not understand the essential instrumental aspect of their votes. The clan identity of the candidate or his tribe is the key denominator for whom to vote. In other words, the campaign bid, merit and performance had no meaning for the Somali voter. Thus election was not a tool of accountability, but a process of conferring an honour on a member of one's clan. After Abdirizak H. Hussein was appointed prime minister in 1964 to succeed Abdirashid A. Shermarke, both where from same sub-clan family, a Somali voter played the famous shirib:

Mugna Rashiid mugna Risaaq

Inta kale ma raashinaa (rootiyaa)?

"One term for Rashiid (Abdirashid A. Shermarke) and the other for Rizaaq (Abdirizak H. Hussein). Are all others a ration (or bread –worthless)?"

Despite the proven personal quality and performance of Hussein as a political leader during his previous portfolios (see Samatar and Samatar, 2002) as the

shirib shows, based on his identity many Somalis demonstrated their rejection of his premiership.

Indeed, in Somalia, to vote for a clan member is a moral obligation supported by the fear that if a member of another clan succeeds, the latter will mistreat the fellow clansmen of the former. This fear is, as noted above, an outcome of political programmes undertaken by the political leader of the respective clan. Thus, for a Somali, voting is not a strategic action for maximising his own welfare. This is why the National Assembly became “a sordid market place” and this is why Somalis voted for those who had “little interest... [for]... those who voted for them ... [and] traded their votes for personal gain” (Lewis, 2002).

3.5.3. Superpowers

Prior to 1967, although there were allegations that some opposition parties, the pro-Italians parties for instance, were getting political funds from foreign countries, the political struggle was mainly between Somali groups and coalitions. However, from 1967, the superpowers played a crucial role in determining the winning coalition among Somali groups. Here the intentions of the superpowers were not to give mere support, but they wanted mainly to achieve geopolitical objectives, and for that were influencing public policies. Thus, using the terminology of the theory chapter, the Somali state had two principals: the Somali electorate and the superpowers.

The United States of America established diplomatic relations with Ethiopia in 1903 and commenced its presence, as a strategic partner, in Ethiopia after World War II. In the early 1960s the Soviet Union established its presence in Somalia after the new republic was formed. Since then, resulting from the geopolitical value of the region, “both the US and the Soviet Union define what takes place in the Horn of Africa within the perimeters of what they view as their national interests” (Makinda, 1982). Both consistently articulated their concern for the security of the region. However, the notion of security to each superpower implied an absence of the other from the region and neither of them was taking into consideration “the concrete local situation and the real needs of the peoples in the region” (Makinda, 1982).

The United States had two main objectives in Somalia and in the region in general. Firstly, as I noted above, the US wanted to prevent Soviet control in the region. The former US ambassador to Somalia, Raymond L. Thurston, noted that “our objective should be to exclude the military bases or related facilities of foreign powers from the Horn of Africa” (Thurston, 1978). Secondly, Washington wanted to be the sole superpower in the region. In the words of Chester Crocker, the former assistant secretary of state for Africa affairs, “the Horn of Africa ... has considerable strategic importance for the United States as it is relevant to both the security of the Middle East and to Africa ... We seek access to airfields and harbours for our military forces should they, in times of crises, be required to defend against Soviet expansionism in the Persian Gulf or

the Indian Ocean” (Crocker, 1985).³⁵ The Soviet Union, on similar grounds, unsuccessfully sought to establish its presence in the region after the summit meetings of Allied leaders in Tehran, Yalta and Potsdam in the mid-1940s.

Somalia established diplomatic relationship with Moscow in September 1960. Between 1961 and 1963 the government of the new Republic of Somalia, was repeatedly asking the West, the US especially, for military assistance with the aim of establishing a professional army, but all was in vain. Although previously refusing to accept offers of arms from the East, Somali leaders unsatisfied with the responses of the West, now approached Moscow and received military aid from the Soviet Union (Patman, 1990). Here Moscow got the opportunity it was looking for. The Soviet Union knew that, through its economic and political aid, it would be able to influence Somali politics, particularly foreign relations, but Moscow did not interfere in the internal affairs of Somalia.

Several things, on the other hand, constrained the relationship between Somalia and the US, but the most important one was the Somali government’s Greater Somalia policy and its support for movements against Addis Ababa in Ethiopia. The US strategy on Somalia, since its independence, was to encourage Somalia to maintain its neutral foreign policy (Schraeder, 1994).

In the words of Ambassador Thurston (1969), “The entry of the Soviet Union into the military picture in the Horn” due to the deteriorating relationship between Somalia and the West coupled with improving ties with the East, showed that “Somalia was moving away from the policy of strict nonalignment the Somali Government had professed to pursue from the inception of independence” (Thurston, 1969). Consequently, some officials in the State Department, particularly Ambassador Thurston himself, were keen to see a different scenario play out on Somalia’s relations with Washington, which is itself subordinated, as I indicated, to Somalia’s relations with the regional states, particularly, Ethiopia.

A significant shift was observed in the Somali foreign policy in the late 1960s. In July 1967, former premier Abdirashid A. Shermarke defeated Aden A. Osman, the incumbent president, in the presidential elections. Shermarke appointed Mr. Mohamed I. Egal as Prime Minister. Immediately Egal abandoned the hostile approach to the Greater Somalia issue and tried to normalise the tension between Somalia and the neighbouring states first, and then with the West. US officials at the embassy in Mogadishu, perhaps Ambassador Thurston himself, described Egal as “our man in Somalia” (Schraeder, 1994). In March 1968, Egal visited Washington and he was warmly received by President Lyndon Johnson. The US State Department, in a memo to brief the President before he met with the Prime Minister, informed President Johnson that “Egal, 39, took office last summer. He speaks English fluently ... He is a pragmatic African moderate and is pro-West. He has few interests outside politics ... Egal has completely reversed Somalia’s policies in the last nine months ... His efforts ... exceed our most optimistic expectations” (DS, 1968). The fact was that Egal owed much

³⁵ Quoted in Schraeder (1994).

politically to the US. Schraeder (1994) noted that according to several sources the CIA facilitated Egal's appointment. One of those sources is "Following the Scenario: Reflection on Five Case Histories in the Mode and Aftermath of CIA Intervention" by Roger Morris and Richard Mauzy (1967). The authors indicated that their findings are not based on the written sources alone, but also many oral conversations that they both had with US decision-makers and foreign policy officials who, through their extensive contacts, provided them previously unpublished details. They maintained that before 1967 the "official U.S.-Somali relations were distant ... suddenly, early in 1967, history took a turn for the better. President Abdirashid Shermarke was elected for a six-year term as President in June and in July appointed as Premier Mohammad Egal ... In 1968 Egal visited the United States, following a visit to Somalia by Vice President Humphrey, and was hailed by President Johnson as 'enormously constructive in a troubled area of Africa.' What the two leaders did not discuss, say official sources, was how 'constructive' the CIA had been for Mr. Egal, whose rise, to power was reportedly facilitated by thousands of dollars in covert support to Egal and other pro-Western elements in the ruling Somali Youth League party prior to the 1967 Presidential election." The support was mainly financial for the campaign and although "very modest by the CIA standards ... its immediate benefits – in rising U.S. influence ... – no doubt seemed real enough at the time" (Morris and Mauzey, 1976).

This was the first involvement of a superpower in the process of the leadership change in Somalia. Washington's intention was, as previously indicated, to reverse Somalia's increasing tendencies towards Moscow to its favour and to redirect the Somali leaders' energies from the Greater Somalia issue which was the basic justification for the Soviet's military involvement in Somalia. Small financial contributions did an excellent job at least in the meantime. Washington did very little to encourage the socio-economic development in Somalia, but the task it assigned to Egal was to bring Somalia into the camp of the West.

The US wanted Somalia to restore its former neutralist foreign policy and to abandon its growing links with the Soviet Union. Thus, Washington's most important mission in this stage was to reshape the Greater Somalia issue in a way favourable to the US's interest; *regional détente*. Consequently, during his first year in office Egal devoted most of his time and government energies to revising the regionally hostile attitude of previous Somali governments. Egal initiated more conciliatory diplomacy towards neighbouring countries, France, and Britain.

In September 1967, at the OAU Heads of State Conference, the Premier met with Emperor Haile Sellasie and Vice President Daniel A. Moi³⁶ of Kenya in Kinshasa, Zaire and later in that month sent a team of ministers led by the interior minister, Yassin N. Hassan, to Addis Ababa for a preliminary meeting regarding a planned future conference for the heads of the two states. The Somali delegations and their Ethiopian hosts issued a joint communiqué with a

³⁶ President Jomo Kenyatta did not attend the conference for health reasons.

series of agreements, including that “steps be taken to remove conditions which affect adversely relations between the two countries, irrespective of the nature of these conditions” (ACR, 1968/9). The following February, the Ethiopian delegation led by the Foreign Minister, Ato Ketema Yifru, arrived in Mogadishu for further talks. Another communiqué was issued in which both delegations “expressed their great satisfaction at the progress achieved in the improvement of relations between the two countries” (ACR, 1968/9). They also agreed a further meeting at a future date between the heads of the two states to discuss major issues.

In September 1968, Premier Egal visited Addis Ababa for the planned talks with Emperor Selassie. For the two leaders these talks were of an exploratory nature aimed at the eventual settlement of major differences. Again, a number of agreements were issued. The heads of the states “reaffirmed previous undertakings to remove all causes of tension, and undertook not to engage in subversive activities against each other” (ACR, 1968/9). Trade agreements and establishing air and telecommunication links between the two countries were among the discussed issues. Great satisfaction at the progress achieved was also expressed by the two leaders.

In October 1967, Premier Egal met with President Kenyatta at Arusha, Tanzania in a follow-up meeting to the Kinshasa meeting. The heads of the states agreed that “the interests of the people of Kenya and Somalia were not served by the continuance of tension between the two countries” and thus decided to exert all efforts and do their utmost to create good relations between the two countries in accordance with the OAU Charter. Over the next two years a series of negotiations further improved the relations between the two countries. In addition in December 1967 Egal, after visiting London, restored diplomatic relations with Britain.

The Premier visited Paris for talks with French authorities in September 1968. In Paris Egal, as reported by *Le Figaro*, admitted that his government had modified his countries approach towards Djibouti and said that “Djibouti belongs to France and that its independence will have to be negotiated directly with France”. On 21 September a joint communiqué was issued. The two countries decided to pave a way for a good-neighbourhood policy and economic cooperation between Somalia and France (ACR, 1968/9).

To maintain that trend Washington realised that it had to strengthen Egal’s position, relative to his contenders, and encourage his policies (DS, 1968). Lewis (1972) points out that “[w]ith the financial resources at his disposal the new Premier was soon able to secure a favorable balance of cautious support” in the national assembly

Although the Prime Minister cultivated a good relationship with the West and initiated reconciliatory diplomacy in the region, the internal consequences of the US involvement in the leadership change were very unfortunate. Egal, the president and the Minister of Interior Yasin Nur Hassan emerged as triumvirate

in Somali politics. Egal soon dominated the SYL, the dominant ruling party that he had joined only several months before he assumed office.³⁷

3.6. The Failure

During the civilian regime, both physical and social infrastructure improved: the level of schooling increased; the health sector improved; new roads were paved; ports and factors were built. However, the overall picture shows that the 1960s was, in an economic perspective, a lost decade. Far worse, the state institutions mysteriously vanished.

Table 3.5 illustrates that the development projects did not produce any proportionate returns in this period. In 1969 about one-third of the total development programmes were implemented. On the other hand, the World Bank estimated that Somalia's GNP per capita declined at an average of 1.6 percent annually (Mehmet, 1971). Although in the early 1960s the export significantly increased, the foreign trade remained in deficit, due to an increase of imports (see Table 3.4). The ordinary budget deficit was never eliminated.

Table 3.4, External Trade Deficit, 1964-9

Year	1964	1965	1966	1967	1968	1969
Imports	391,000	353,700	300,300	286,400	339,800	369,798
Exports	227,000	192,000	213,900	198,500	212,000	231,910
Deficit	164,000	161,700	86,400	87,900	127,800	137,888

Source: Lewis (1973, 1974).

One reason for this failure was the government's preoccupation with the Greater Somalia issue and administrative problems created by the merger of the two different systems, British and Italian, formerly adapted by the two parts of the republic. Lack of absorptive, both institutional and man power, capacity is another.

The inherited state became a source of welfare, where "prestige, wealth, and power are obtainable almost exclusively in government area" and the "best men" have usually been "absorbed into the three branches of the government, the largest realm of lucrative employment in the Somali Republic" (Castagno, 1964). In addition, the foreign aid became an instrument of venality and produced, as one commentator said, "the first generation of millionaires" (Laitin, 1975). In these circumstances it is not unexpected that Somali leaders wanted to gain and keep their positions of power and privilege. Consequently, instead of responding to the country's demand for urgent socio-economic uplifting by adopting pro growth policies, Somali leadership initiated an atmosphere of cut-throat competition where everyone sought to secure a share of the national cake. Indeed

³⁷ In October 1966 Egal left the opposition party that he was leading previously, the SNC, and joined the Somali Youth League. Of course, this was a necessary step for preparing him for the Premiership since only a member of the SYL would be able to assume that office.

there was no reason to worry about the nation's economic development simply because "votes ... had little or nothing to do with the past performance of the government" and, further more, "the economic state of the country was neither an election issue nor the major concern of the government" (ACR, 1969/70).

Although the last civilian administration shifted its attention from the Greater Somalia issue to focus on the economic development aspect, most of the traps that constrained previous administrations were still present. In addition to those mentioned earlier, several other factors added insult to injury.

Firstly, as noted above, Egal spent most of his time and energies on harmonising Somalia's relations with the neighbouring countries and the West. He successfully established a regional détente and pursued more conciliatory diplomacy. Indeed, reversing Somalia's isolation was necessary for tackling its economic problems, but more than that it was essential for the survival of his government, as Washington might not be pleased if he failed to bring Somalia onto the right track.

Secondly, having eased the tension there was an opportunity to deal with the economic development aspect of the country. However, after several months of the approval of the 1968-70 development plan, the political temperature began to rise as the parliamentary elections of March 1969 were approaching and by the mid of 1968 the politicians threw on a mantle of self-protection, and everyone was busy securing enough votes, which had nothing to do with the economic performance of the state (ACR, 1969/70).

Secondly, during Egal's government a significant number of prominent civil servants, influenced by the behaviour of the political leaders, left their professional jobs seeking their share in the political rents. This departure of the professionals undoubtedly weakened the economic performance of the country. But their actions attenuated further the already commercialised political system of the republic. As Lewis wrote "with such intense competition involving an unprecedentedly large number of senior civil servants who had [left] their posts to enter the lists, electoral expenses had been unusually heavy, and those who had succeeded in gaining a seat in the National Assembly were naturally anxious to recover their costs at the earliest possible opportunity. In a country where the national budget was running at approximately \$35 million some candidates are estimated to have spent as much as \$30,000" (quoted in Samatar, 1988).

Corruption and economic mismanagement, and tribal manipulations by the political leaders were common during the civilian rule. In addition, as we have seen, Somali state leaders weakened the formal state institutions. However, thanks to Washington's support that enabled Mr. Egal to win and retain the loyalty of key figures of the political elite³⁸, the last civilian government installed

³⁸ The US did very little to support Egal's policies of economic development. There is no known change in the US assistance on Somalia in this respect. Even the conversation the Prime Minister had with President Johnson, during his first visit, indicates Washington's reluctance to change its policies concerning its method of supporting Somalia's development goals. Perhaps,

a typical personal rule in Somalia. The new leadership sought to put the power base into their hands.

Firstly, the institutions of accountability were brought under the Prime Minister's control. The ruling party was the first victim of the subordination. A group of prominent members of the SYL, led by the General Secretary Mr. Abdirizak H. Hussein, opposed the Prime Minister's policies which on 17 November 1967 caused the expulsion of the Prime Minister from the party by the Central Committee. But Egal succeeded initially in bringing the party under his control after amendments were made to the constitution of the party. Now a new post, the *leader* of the party, was created and given to the Prime Minister. In addition, the new amendments gave Egal powers to appoint and dismiss the Secretary General and dissolve the Central Committee. He initially appointed Ali Mohamed Hirave³⁹ and later on assumed the position of the secretary general by himself. Here the leadership of the state and the ruling party were brought into a single hand for the first time in the history of the Republic. Further more, the new administration chased out opponents from the Party (Samatar, 1994, ACR, 1968/9).

the only gains that the Prime Minister scored from Washington, as far as his socio-economic development objectives are concerned, was to the amount of US \$1.1 million (DS, 1968).

³⁹ Mr. Hirave was a close ally to both the President and the Prime Minister. He held ministerial portfolios in both Shermarke's (1960-4) and Egal's government (1968-9).

Table 3-5. Rates of Implementation at Selected Dates, by Industrial Sectors

Sector	Actual development expenditure						Total estimated expenditure to completion	%
	To end of 1967			To end of 1969				
	So. Sh. 000	% of est.		So. Sh.000	% of est.			
1. Agriculture	124,695	33.5		137,988	37		372,618	100
2. Animal husbandry	2,907	3.2		14,714	16.2		91,066	100
3. Irrigation	21,787	20		25,371	23.2		109,156	100
4. Industry	209,203	42.5		250,795	50.9		492,691	100
5. Basic Infrastructure	252,755	17		420,621	28.2		1,489,234	100
6. Social Infrastructure	99,149	28.5		144,562	41.6		347,897	100
7. Total	710,496	24.5		994,051	34.2		2,902,662	100

Source: Mehmet (1971)

In March 1969, in an infant republic, with a population of only 2 million, and 0.9 million voters and with an annual budget of approximately \$40 million, 1002 candidates representing 62 parties stood for election competing for a place in the National Assembly with 123 seats. When the votes of the general elections were counted, 73 out of 123 seats went to the SYL and the remaining 50 seats went to other parties. However, during the first meeting of the parliament all but one⁴⁰ of the non-SYL deputies crossed the floor and joined the SYL. This can be explained simply by viewing the accounts of the Prime Minister's office from the time of the election.

As all the deputies, except one, of the national assembly were members of the SYL and as the winning coalition cleared the Party from opponents, the members of the party were expected to support the policies of the administration, and thus the parliament lost its role as an instrument of accountability. According to Lewis (2002), "the democratic parliamentary process which has seemed to blend so well with the traditional Somali political institutions and had begun with such verve and promise, had turned distinctly sour. The National Assembly was no longer the symbol of free speech and fair play for all citizens. It was now widely regarded cynically as a sordid market place where, with little concern for the interest of those who had voted for them, deputies traded their votes for personal gain".

A Somali advocate was appointed to the Supreme Court to replace its former Italian president. Being free from political pressures, the court under the leadership of the Italian president handled allegations against violations of election rules from earlier occasions. The new president refused to act on forty petitions alleging a variety of electoral malpractices by arguing that he had no such jurisdiction.

As political institutions of democratic check and balances were undermined by the state leaders, a system of personal rule established itself in Somalia, were almost every state institution was abused. There were serious allegations that government rigged the elections. The state treasury was heavily channelled to political expenses, as Lewis had noted, according to a detailed statement based on a close study of the Prime Minister's accounts made public by the military regime in 1969, which showed Egal has given over U.S. \$1 million of public funds⁴¹ to members of the national assembly (Lewis 1972). Other national institutions were similarly abused, i.e. the widely respected chief of the police force, General M. Abshir Mussa, resigned before the election in a protest that his authority was being usurped for political ends by his superior, the Interior Minister.

⁴⁰ Abdirizak H. Hussein, former Prime Minister and General Secretary of the SYL who had now formed an opposition party, was the sole exception.

⁴¹ The countries total revenue of 1968 was about forty million US Dollars, including foreign budgetary aid.

3.7. Conclusion

Somalis, since the inception of the post-colonial Somali state, had two main missions: socio-political unification and socio-economic development. Accordingly, these were the key issues to be addressed by every Somali state.

However, even before the independence Somali intellectuals raised their doubts about the future of the forthcoming republic. Osman Y. Kenadid professed that Somalis may lose their destiny. In his *Tabaha Fuulaanka* (The Raiding Strategies), he warned Somalis

Istiqlaalkii lagu taami jirey tiirki soo durugye

Hadaan tabar u leenahay xornimo timi waraaqdeede

Waa kaa Talyaanigu salimey tacabadii qaare

Istaxkumadi ma fufududee hadaan taag u heli weyno

Tiiraanyo iyo ciil hadey taawo nagu reebto

Tadbiir xumo darteed xaal hadduu toosi kari waayo

(The long awaited for self-determination is too close to be achieved

If we are able to manage properly, the letter of our sovereignty has arrived

As you are aware, the Italians have transferred some of the authority

How about if we fail to rule ourselves efficiently, as it is not an easy task

How about if we are infected by despair and anger

How about if, due to misgovernance, we fail to address our vision)

Neither of the two main national goals was achieved by the civilian regime that ruled Somalia in the first decade of post-colonial Somalia. Instead, formal institutions eroded, political values commercialised and personal rule took its shape.

Somali civilian leaders, as leaders of independence movements during the 1940s and 1950s, wanted to see a better Somalia. However, their primary motive, as rational agents, was to gain and keep the political power. On the other hand, post-colonial Somali leaders realised that they could not survive by encouraging efficient formal institutions and formulated other strategies for survival. These short sighted strategies undermined the formal state institutions and leadership institution itself and put the country into a political trap. Formal institutions of democracy, i.e. separation of powers and political parties, were misused by the Somali leaders. They instead used divisive informal institutions, i.e. tribalism.

Somali society, although having a democratic system of governance, failed to utilise the basic instrumental objective of the institutions of accountability, i.e. elections. Therefore, since there is no effective system of accountability, the Somali electorate was unable to control their leaders. Far worse, due to ethnic cleavages among the Somalis, they simply became victims for political manipulations by the political elites.

In addition, Washington, with the intention of reversing the Somalia's increasing tendencies towards Moscow, involved itself in Somalia's election and policy making processes in 1967. This involvement in the internal politics and leadership change worsened the situation by contributing to the total erosion of Somali democracy and enabled the triumvirate group in the last civilian regime to seek to install personal rule in the country.

Studying the causes of the military takeover, David Laitin (1977) wrote that, "The civilian regime which attained the independence in 1960 operated in a tumultuous environment ... The modern state was rife with corruption, and political leaders bought votes, used government cars as taxis, and hired relatives to sing their praise...By 1969, the corruption of the civilian regime had reached egregious proportion, to a degree that was an insult to the morality and the intelligence of most Somalis. The last election in March 1969 was rife with candidates openly and unabashedly buying their parliamentary seats. Afterwards the ruling party bought out the opposition members, and this kind of cynicism filtered down to the bureaucracy...The military intervened only after the civilian institutions collapsed".

Table 3.6, Sectoral Distribution of Development Expenditure by Source of Finance, 1963-9 (So. Sh. 000)

Sector	Somali										Total
	Multilateral					Foreign					
	E.E.C.	U.N.	World Bank	China	F.R. Germany	Italy	Saudi Arabia	U.S.S.R	U.S.A.	Other	
1. Agriculture	52,822	23,279	4,219				1,853	215,972	69,403	1,700	369,248
2. Animal husbandry	17,664	37,292	245		3,896				796		59,893
3. Irrigation	5,001	10,598						7,753	1,542		24,894
4. Industry	107,670	3,920	7,236		27,450	23,928		85,557	12,015	40,139	307,915
5. Basic Infrastructure	67,783	139,576	22,719	39,220	71,465	29,370	12,500	55,032	214,864	6,059	878,015
6. Social Infrastructure	32,591	41,041	98,550		20,140	18,041	208	24,614	27,869	40	263,094
7. Total	283,531	245,108	143,567	39,220	122,951	71,339	14,561	388,928	326,489	47,938	1,903,059

Source: Mehmet (1971).

4 SOMALIA UNDER MILITARY RULE

4.1. Introduction

The preceding chapter analysed and established the failure of the civilian governments between 1960-69. This and the subsequent chapters deal with the military regime that ruled Somalia between 1969 and 1991. In its assumption of power, the regime abrogated all formal political institutions of democracy; the National Assembly, the Constitution, the Supreme Court and political parties were suspended and political activities banned. The Somali Revolutionary Council (SRC) monopolised all rights and responsibilities of these institutions. Consequently, Barre - with his wing in the SRC - consolidated the power in his hands. On the other hand, during the first phase, the military rulers tried, with considerable success, to advance the socioeconomic bases of the society. The present chapter considers the regime's strategies for survival and its socioeconomic achievements. The regime's approach and achievements on the unification mission will be considered in Chapter 5.

4.2. The Coup D'etat

Due to the chronic mismanagement and fatal inefficiency of the civilian regime, people felt that the state betrayed the confidence they had put in it. Expressing that discouragement by comparing the Somali state leaders with colonial authorities, Abdi Idan Farah, said;

Ma waraabe dad-qaadiyo,

Libaax diifi ku taallaan,

Isku doorsanayaa,

Ka dugaag ka dugaag,

Ma daacuun ka tagoo,

Fanto soo dalbo baa,

Ninkaa diirka madow leh,

E' daartii gaalka fadhiistay,

Haddii anu ii damqanayn,

Ma dan baa iga haysa,

(Farah equates the Somali government and colonial administration as a hungry lion and a man-eating hyna and argues that for the black man who replaced the

departed white man, there was no difference as neither of them cared for his well-being).

In addition, Somalis wished for a reversal of the situation and vowed that a system like this will soon come to an end. Ahmed Ismail Dirie (Qaasim) professed before the revolution the following:

Carruuraha la dhacay awliyada laga cadhaysiiyey

Carshigaaba laga soo aqbalay cabashadoodiye

Caawaa la kala soocayaa caabud iyo gaal'e

Casha aan fageyn waxays beddeli ciidan fara weyne

Caaddaa rag koraybuu nabsigu hoos u soo celinne

Caanuhu dhawaan way ka quban ciil dar loo qabaye

Inay curaddo khayr lihi kacaan ciiddan la arkeeye

(He hoped that God's approval of the call against the leaders by the impoverished children and maltreated saints would be imminent. He argued that, as it is the time of judgement, the current leadership will be replaced with humiliation. He hoped that glorious leaders would replace them soon).

On 15 October 1969, the president of the Republic, Abdirashid A. Shermarke, while visiting drought stricken areas in the Northern region was assassinated by a member of the police force on duty to guard the president in-front of the president's guest house in Las Anod. This assassination was preceded by an aborted attempt when a grenade exploded near the president's car in 1968. Premier Egal hastily returned from Washington, where he was on an official visit, to Mogadishu "to master-mind the National Assembly's election of a new President who would safeguard his own position" (Lewis, 1972). Soon after his arrival, the Premier along with the top SYL leaders started the process of appointing their candidate for parliament; this is required so as the new president can be approved by a two-thirds majority vote within thirty days. During this period the president of the Parliament, Sheikh Mukhtar Mohamed, was the acting president of the Republic.

The ideal candidate for the surviving members of the previous triumvirate was Haji Mussa Boqor, "an old campaigner and close associate" to the Premier and a "business colleague" of the Interior Minister (Lewis, 2002; ACR, 1969/70). After long hours of heated debate, the Premier's candidate was accepted to be supported by the party caucus in the late hours of 20 October, the night before the planned date for the Parliament to elect the new president. However, at three o'clock the next morning, the army occupied the key instalments in Mogadishu staging a bloodless military coup organised by a group of young army officers responding to the opportunity provided by the mismanagement

and inefficiency of the last civilian government. Later on, twenty-five dominant figures of the group established the Somali Revolutionary Council (SRC), under the leadership of General Mohamed Siyad Barre, the commander of the Somali Army.

The SRC started uprooting formal democratic institutions. Leading civilian politicians, including Mr. Egal, his main rival Abdirizak H. Hussein and the former president Aden A. Osman, and some army officers were either detained or put under house arrest. Nearly all formal political institutions were suspended and political activities banned. All rights and responsibilities of these institutions were transferred to the SRC or its affiliates. The SRC transformed the Somali Republic into the Somali Democratic Republic and promoted the military coup as a political revolution undertaken by an angry society led by its armed forces.

However, few tears were shed for the termination of liberal democracy and the disappearance of leaders for the independence struggle from the political stage. Many disappointed Somalis were expecting that every change would bring some sort of relief and the most neutral groups believed that “democracy had lapsed into commercial anarchy, and strong rule of a new type was desperately needed if the state was to be rescued” (Lewis 2002). Beyond that, Somalis welcomed the military move. Aden Arab in his *Damaashaad* “Celebration” said:

Dibitaatiyadi uummiyaha kala dillaalaayey

Ee aanay doocba u tarayn dabaqaddaan saarnay

Ee sida dameeraha biqlaha dabada noo jeedshay

Ee shicibku meeshuu ka diday nagu dudduucayey

In Ilaah ku daalacanayiyoo duni ma faallayne

Concentrating the two main objectives of the Somalis, the economic development and the greater Somalia, he expressed his wishes by saying:

Xooggii dalkiyo ciidankii siday dabbaabbaadka.

Kol hadday dugaagtii qabteen Doollarka eryeysay

Daacuunka Soomaali galay inuu dawoobaayo

Oo caafimaad irra daf odhan waa daliil run ahe

Daalkiyo harraadka i hayiyo diifta iyo oonka

Gaajada i dubaye laftiyo diirka kala siibtay

Darbo waxaan ku noolahay dhakhasaba waa debberayaane.

...

Dalkayaga cidhiidhiga ku jira waa durkinayaane

Deyrkiyo xuduudkoow Hawaas dacalka kuu saarnay

Doogada rnadoobeey Wajeer duhurka kaa taagnay

Dakaddii Jabbuutaay cashuur dalab leh kaa qaadnay

...

Duulkii amaah nagu lahoow deynka idin siinnay

It was true that Somalis, in general, wanted a leadership change in Somalia. But what about the US? In July 1969 emperor Selassie warned the White House “that there were dangers that other forces in Somalia which are under Soviet influence could nullify Egal’s constructive influences in ways that would pose great dangers for Ethiopia” (DoS, 1969). Despite that earlier warning, the United States Government was completely ignorant about the forthcoming military coup. On 20 October, the day before the coup, Henry Kissinger, then the President’s Assistant for National Security Affairs, informed President Nixon that, as a consequence of the murder of President Shermarke, the intelligence information they have reveals that an army takeover, the army by nature being anti-détente, in the near future is not likely and added that potential candidates for the presidency are pro-Western, and would probably continue Somalia’s ties with Washington and the regional détente.

The Nixon administration’s détente policy toward the Soviet Union that eased the tension between the two and the Nixon Doctrine which assumes that other countries have both the ability and responsibility to deal with local disputes reshaped US foreign policy. After visiting Africa, Nixon stated the African version of his doctrine as being “[t]hat the Continent be free of great power rivalry or conflict in any form. This is even more in Africa’s interest than in ours... We will not intervene in the internal affairs of African nations. We strongly support their right to be independent, and we will observe their right to deal with their own problems independently. We believe that the national integrity of African states must be respected” (DoS, 1970). This reversal of US foreign policy might possibly explain Washington’s lack of information about the coup.

In 1972, Christopher Clapham recognised his inability to find clear evidence showing that there was a direct role played by the Soviets in the Somali military coup, but insisted that military advisers from Moscow may have been involved in the coup of 1969 (Clapham, 1972). Today, as far as I know, the situation seems to have remained the same, i.e., there is no clear evidence of direct Soviet involvement.

As I indicated earlier, the Soviet Union had been supporting Somalia since the formation of the republic. However, Moscow was not very happy with its relationship with Mogadishu. Moscow was the largest source for the Somalia's development finance, providing over 20 percent of the total development budgets of 1963-9. But this aid showed no viable return to the national development perspective, in despite of it creating several Somali millionaires. From the military aspect, Moscow was the principal supplier for the Somali army from 1963. It transformed the Somali army from an ill-equipped and ill-trained 5,000 men to a professional army of over 20,000 men. This put the Soviet Union in an unfavourable position. Offering little or nothing in return to Moscow, it made the Soviet Union a threat to the stability and integrity of Somalia's neighbouring countries (Bell, 1975).

Initially Moscow did not consider Egal's government a threat to its interest in the region and welcomed the Somali détente with the neighbouring countries. This was based on the fact that Shermarke, who initiated the Somali relationship with the Soviet Union, was the new president of the Republic. Realising that the détente with Ethiopia, Kenya, and France resulted in a rapprochement between Somalia and the West, Moscow soon changed its mind. Prior to the elections of March 1969, it took several steps to express its unhappiness with the Somali government. The Soviet press stopped covering Premier Egal's international diplomatic manoeuvres, particularly the accords signed by Somalia and Ethiopia. According to Patman (1990) "this was a significant omission." In addition, Soviet writers accused the Premier of Somalia of abandoning Somalia's non-alignment and its open support for the West.

With the United States preoccupied with the Vietnam War, in early 1969, the Soviet Union realized that actions taken by the United States and China were endangering its Asian strategy. This strategy was challenged by the growing accommodation between Washington and Peking. Two out of Moscow's three logistic routes of transporting arms from the industrial centres in the western USSR to South-East Asia, were interrupted by the Washington-Peking rapprochements. Firstly, China limited the arms supplies entering Vietnam which were transported by Chinese railways. Secondly, during the first half of 1969, Soviet and Chinese troops clashed repeatedly along the border between the two nations. This conflict disrupted the Soviet arms supply to Vietnam; Moscow previously used to transport the supply along the Trans-Siberian railway then passed across China's Xinjiang Province before it intersects with the North Vietnamese transportation system. The route was mainly used by the Soviet forces opposing the Chinese army. In addition, the military supplies to Vietnam were severely disrupted by Washington's bombardment of Cambodia which completely blocked the overland weaponry supply lines from Sihanoukville to the Ho Chi Minh trail. It became clear to Moscow that Peking was willing to cooperate with Washington, at the expense of Moscow, in order to end the Vietnam War. The Soviet Union had to find an urgent solution to protect the remaining sea route and this forced it to reconsider its strategy in Africa in general, and Somalia in particular. "In terms of global strategy, therefore, there was every reason for a Soviet interest in naval facilities in the Indian Ocean" (Payton, 1980; Patman, 1990).

Furthermore, Egal's government agreed to stop the North Vietnamese vessels from trading under the Somali flags of convenience after Washington threatened to terminate the American foreign aid to Somalia if the practice was to be continued in September 1969. This was argued to be another concern for the Soviets already affected by the consequences of the US-China rapprochements (Payton, 1980).

From 1960 the Chinese relationship with its main ally, the Soviet Union, had dramatically deteriorated. The Nixon administration sought to improve US relations with China in order to gain a strategic advantage over the Soviet Union. One step in the strategy was China's entry into the United Nations. Nixon himself, even before his term, urged bringing China into the United Nations. In a 1967 article in *The Foreign Affairs* Nixon wrote "taking the long view, we simply cannot afford to leave China forever outside the family of nations". Whilst in office he decided to use the Sino-Soviet conflict to shift the balance of power towards the West in the Cold War. He, with his new National Security Adviser, Henry Kissinger, made moves to encourage China's entry to the United Nations. Other countries were required to support Washington's position on the issue to be voted for. On 7 October 1969 Egal strongly supported China's entry into the United Nations at the General Assembly by saying that "[w]e cannot have a state to respect our authority when we exclude that state from participation in our decision making machinery. In addition, we cannot expect the authority of the United Nations to carry full weight if we turn a blind eye for the principle of the world co-sharing" (Egal's speech, at the UN General Assembly, in Oct 1969).

All these developments, augmented by regional power alignments around the Horn of Africa, see Payton (1980), contributed to the Soviet Union's incentive of a regime change in Somalia. On the other hand, several factors created an opportunity for Moscow. Firstly, political anxiety among the general public was created by the government's policy towards the Greater Somalia goal without any improvements on the economy, fuelled by the March election. Secondly, the military was badly affected by the government's policy of détente. According to Y. Y. Etinger "the Soviet intelligence apparatus was aware of dissatisfaction in army circles" (Patman, 1990). Thirdly, since 1963 the Soviet Union had been used by Somalia to train its military officers which probably made the military more receptive to Soviet influence. In this vein, it was noted that the Soviets who visited Somalia after the coup were surprised by the large number of Somali military officers who spoke Russian. Fourthly, thanks to the relatively substantial number of Soviet military advisers, Moscow had the necessary infrastructures for collecting required information and means to convey its messages to the Somalis, particularly the military officers. And perhaps, this is what Moscow did as far as the military coup is concerned (Patman, 1990).

According to Patman (1990), several aspects of the coup support this conclusion. Firstly, in August 1968 Moscow signed an economic agreement with the Somali government that allowed Mogadishu to repay its outdated debts, or those falling due before 1970, in annual instalments from 1972, while other loans for certain projects were written off. However, in June 1969 Moscow

changed its mind and adopted a hard-line approach on the debt rescheduling issue. Payton (1980) interpreted this action as a destabilisation policy towards Egal's government. This seems to be the case, especially if one takes the soft approach Moscow adopted in December, after the coup, on the same debt repayment issue and the cancellation of the scheduled visit in July of both Egal and Shermarke to Moscow.

Secondly, Moscow's subsequent denunciation of Egal's overthrown government was followed by a prompt and warm reception of the military takeover by the USSR. Within days *Pravda* characterised the coup "as a pre-emptive measure to forestall efforts by Somali reactionaries to take power and arrest progressive reformers" (Patman, 1990).

Thirdly, Soviet military, rather than political, representatives established the initial contacts with the new regime in Mogadishu. These military contacts were followed by 14 Soviet economic delegations, headed by the Chief of the African Department of the USSR State Committee for Foreign Economic Relations, which arrived in Mogadishu on the 2 December 1969 (ACR, 1969/70). The delegation offered new financial assistance and certain outstanding loans were written off. Commenting on this Payton (1980) noted that "this flip-flop in the soviet position from the previous June only adds credence to the suggestion that the summer crisis was manufactured in Moscow".

Payton's (1980) thesis is that although the available evidence does not support the idea that Moscow orchestrated the October coup, it assures that a "coincidence of interests" existed between Siyad Barre and the Soviet strategic objectives. He concludes that the Soviet decision to destabilise the elected government in Mogadishu dramatically changed the character of the Somali state and systematically reshaped the regional balance of power and by "striking the afforded target, Moscow guaranteed itself a prolonged period of military and political opportunity on the Horn of Africa, and insured that its full range of options remained open" (Payton's, 1980).

Whatever the connection between Moscow and the coup plotters was, one thing is for certain, that carefully planned strategic actions of the Soviet policy makers facilitated the smooth implementation of the military takeover.

4.3. SRC's Power Consolidation

Soon after the coup, the SRC took all necessary steps to fully assume power. Later on the morning of the coup, Mogadishu Radio broadcasted that "the National Army, supported by the Police, this morning, at 09.00 Mogadishu time, took over the administration and political power of the country ... a Revolutionary Council set up today, October 21, 1969, has taken over all power in order to protect the security of the country" (ACR, 1969/70). The SRC, with the concrete help from Moscow, invented its own governing institutions and vested them all political and administrative powers of state institutions. It took the responsibility of the following: enacting laws, and approving those proposed

by the secretaries of state; appointing the executive branch of the state; and approving politically sensitive functions of the secretaries of state, such as high level appointments in their ministries. So the functions of the president and the parliament were directly attached to the SRC.

A council of secretaries was appointed to administer the day-to-day ministerial duties, without political powers. In addition, they were responsible for drafting new laws and making proposals for the senior administrative posts. Thirteen out of the fourteen were “youngish civilian technocrats”, the sole exception General Jama Ali Korshel, vice president of the SRC, was given the internal affairs portfolio. However, ‘vigilant’ military officers were posted to ministries for monitoring.

Having accomplished the task of power monopolisation, the SRC established proper systems of censorship for any *Kacaandiidnimo* (counter-revolutionary) and *Afmiisharnimo* (rumour-mongering) activities. The National Security Services (NSS) was created and Colonel Ahmed Suleiman Abdalla, a member of the SRC and Barre’s son-in-law, was appointed as its head. With enormous power, the organisation was responsible for the regime’s security, especially uncovering possible counter revolution plots and preventing the emergence of opposition groups. The NSS established an extensive network of informers throughout the country and all levels of society. The National Security Court (NSC) was also formed to replace the Supreme Court and to supplement the activities of the NSS. The court immediately started dealing with a wide range of political offences, including the “lack of revolutionary zeal and treason” (Lewis, 2002).

Previously, the country was administered through a regional system. The SRC re-organised the 8 regions and 40 districts by setting up revolutionary councils as an organisational tool at local levels. Here all previous civilian district and provincial governors were replaced by army and police officers and chairmen of the local revolutionary councils. They were expected to execute the decisions and policies of the SRC at the local levels.

In a public speech on the occasion of the revolution’s first anniversary, Oct. 21 1970, Barre declared that “in order to realise the interest of the Somali people, their achievement of better life, the full development of their potentialities and the fulfilment of their aspirations, we solemnly declare Somalia to be a socialist State”.

However, as Peztalozza (1974) mentioned, the official decision was not unexpected. *Stella d’Ottobere*, an official daily paper, stressed that “it was with the objective of socialist development that the revolution took its first steps in the first year of its life”, by listing a whole range of activities done during the year, and then the paper went on by writing that “all measures and provisions taken in this first year had had the concrete aim of creating healthy basic conditions on which to build the new Somali socialist society”

Pestalozza (1974) believes that, by their assumption of the power, most of the SRC leaders were convinced of the supremacy of “scientific socialism” and the main reason for the delay was to wait until Barre’s wing had eliminated the pro-Western wing of the SRC, i.e., when the revolutionary struggle was sufficiently mature.

Barre underlined that “[f]or us, socialism is simply defined; it is a system in which the state takes the primary responsibility for the political, social and economic development of the nation” (Castagno, 1971). He also stated that their choice of the scientific socialism is to mobilise the people and direct their energies to achieving the real goals of the society: reducing poverty, illiteracy and disease.

According to Pestalozza (1974), scientific socialism for Barre and his supporters in the SRC was the following: a method to overcome nationalism without principles, which may give a role to the conservative elements; a way to reject deficient forms of socialism such as Islamic socialism, African socialism, Arab socialism; a method of class struggle that can be used to eliminate economic dependency for exploited societies; and a strategic method for economic development.

According to Ahmed Samatar (1988), the SRC leadership that to achieve their revolutionary goals firm theoretical guidelines are needed and they believed that socialism could provide the required organisational tools. He thus noted that scientific socialism meant a method of organising the Somali society to:

1. Bring the most important parts of the economy into the realm of the state;
2. Improve the capacity of local resources;
3. Reduce income inequality in society;
4. Encourage people to participate in the decision making processes;
5. Establish an official script for the Somali language;
6. Reduce the trade deficit of the economy;
7. Reduce foreign dependence, particularly on the West;
8. Restore original positive non-alignment in the sphere of international politics.

However, Lewis (1982) indicated that military leaders pursued scientific socialism to legitimise their rule, simply because it distinguishes the regime not only from the previous regimes but the western camp as well.

My thesis at this point is that, although the relevance of this arguments are not easily dismissible, the SRC leaders’ adaptation of scientific socialism was intended to legitimise their rule in the eyes of the Soviet leaders more than it was directed towards Somali people. In that way, I come into agreement with Laitin and S. Samatar (1984), who believe that, by choosing scientific socialism, intended to please Soviet advisers who, according to them, helped to make the military coup a success. My argument is based on the following points:

First, Barre and other top SRC leaders were never imbued with the principles of socialism. He personally knew virtually nothing about Marxism-Leninism before the coup (Laitin and S. Samatar, 1984). Barre often used what Lewis (2002) called “*Siyaadised Socialism*”, which was full of contradictions and the sole parameter it had was Barre’s political interest. Abdirizak Mohamud Abokor, a member of the SRC and the minister of education, explained that state ideology has three main components (ACR, 1972/73):

1. Barre’s ideas of community development,
2. Scientific socialism, and
3. Islam.

The first component, Barre’s ideas of community development, had a reconciliatory effect on the conflict between scientific socialism and Islam⁴², on the one hand, and a legitimising effect on the SRC’s contradiction with the principles of scientific socialism, on the other.

In November, 1971, *Stella d’Ottobere* wrote in its editorial “the Soviet Union, the world’s first socialist state, is the model socialist society for our country, which is only beginning to build socialism” (Gorodnov and Kosukhin, 1972). In December, 1971, Barre himself was quoted as saying that “we believe there is only one form of socialism. There is no such thing as “African”, “Western”, or “Soviet” socialism. There is only scientific socialism” (Castagno, 1971). This was, however, after Moscow supported him in stopping the military coup, of May that year, against him. Later on, after hosting the OAU summit of the heads of the states and becoming its chairman, Barre’s position was that “a Soviet socialist cannot tell me about Somalian problems, which must be put in an African context” (Laitin, 1979). In addition, developing socialism as an ideology had a secondary priority according to Barre’s objectives and whenever he felt its threat he was prepared to keep it with its limits. According to Laitin (1976), Barre seemed “to be offering his people the promised land rather than socialism, and it is therefore no surprise that he has had to purge from the revolution a number of doctrinaire socialists who were the source of his original programme”. Furthermore, as we will see later on in this chapter, there was a huge gap between the rhetoric and economic practice of the socialism in Somalia. All this confirms that it was not socialism as a principle that mattered to Barre.

Secondly, if the Somali public, rather than the Soviet Union, would have been the main target of the regimes socialist orientation, Islamic socialism would have been the best option for the SRC, not scientific socialism. This would have mitigated the conflict between Islamic values and socialism, since Islam was the main source of rejection of socialism by the Somalis. And as we will see, Barre was fully aware of that, and that is why he was tirelessly trying to reconcile between the two. However, Barre rejected Islamic socialism and according to Pestalozza (1974), scientific socialism is nothing but Marxism-Leninism.

⁴² See the next chapter for the impact of this conflict.

Thirdly, Moscow justified its support for the revolution on ideological bases, rather than Somalia's geopolitical value. "Since the 1969 revolution, the Soviet-Somali relations have entered a new stage. The USSR has been giving the Somali Democratic Republic all-round assistance to help it achieve its aims – the establishment of society free from social inequality, exploitation and oppression, and restructuring life along socialist lines" (Sofinsky, 1974).

Finally, Moscow devoted itself to supporting the regime in general and Barre's wing of the SRC in particular in cases of clashes among the SRC leadership. On the first level, the Soviet Union supported the regime to build a strong security system. The NSS was built up with Soviet assistance. Yuri Andropov, head of the KGB, made a little publicised visit to Mogadishu "to ensure that the NSS was on the right lines" and later on Suleiman, the head of the NSS, himself turned up in Moscow to study the operations of his organisation's incubator, the KGB (Cozier, 1975). On the other level, Moscow supported Barre in squashing several attempted coups against his rule in 1970 and 1971. These coups were allegedly from within the top SRC leadership and Moscow was happy that its support helped "the young national state... to more effectively resist the internal reactionary forces" (Sofinsky, 1974).

Clearly, the SRC's choice of scientific socialism was primarily motivated by pleasing the Kremlin. However, Barre also wanted to legitimise his rule in the minds of the Somali: his second principal. Here, by stressing the two common national goals, socioeconomic development and unification, his main strategy was to show that he is performing well. Another strategy was to root out the clan system in Somalia; the prime instrument for potential political rivals and a decisive factor against the national goals. Thus, in addition to his direct survival, Barre also wanted Soviet support to deal with these issues.

In early 1971 several factors helped the Soviet Union drift towards Somalia (Makinda, 1987). First, the death of Nasser and the rise of Sadat in Egypt in 1970 initially cooled Moscow's relationship with Cairo and later on caused an expulsion of the Russians from Cairo. This made Somalia a useful alternative to Moscow. Another factor was the deterioration of the Soviet relationship with Sudan in 1971, after a short-lived coup against President G. Numeiri. Consequently, in this period Moscow had two main objectives in Somalia: firstly, it wanted to safeguard its strategic interests in the region, or in other words it wanted to improve its position vis-à-vis Washington and it wanted to maintain that position; and secondly, in the long run, it also wanted to transform Somalia – politically, socially, culturally and economically – into a real socialist state. This, as we will see, was evident in the Soviet's involvement in Somalia.

For several reasons the Soviets concluded that Barre was their man both in Somalia and in the SRC. First, in the period after the coup, Moscow was pleased by the way the military regime handled the country's main issues and the Soviets praised the Somali government ushering in an era of "profound transformation in social, economic and political spheres of society" (Patman, 1990).

Secondly, Barre was ready to grant the required military facilities to the Soviets. With this Moscow was convinced that “political conditions in Somalia were favourable to the establishment of a military presence” (Makinda, 1987). Accordingly, Somalia, in the hands of Barre, became the right place to look after the regional geopolitical ambitions of the Soviets (Makinda, 1987).

Thirdly, five months before Barre came to power, General Gaafar Numeiri had overthrown a civilian government in Sudan. Moscow initially supported Numeir’s government. However, in July 1971, an unsuccessful coup briefly removed Numeiri from power, and Moscow welcomed the move undertaken by local communists. Within three days a counter-coup supported by Egypt and Libya brought Numeiri back to power. As a result the relationship between Moscow and Khartoum became seriously strained. Understandably, the Soviets, cautious of repeating similar mistakes in Somalia, supported Barre’s wing of the SRC.

Finally, although there were a number of indoctrinated individuals and a few socialist organisations emerged in Somalia before the coup, they were weaker and too unorganised to be a better alternative for Moscow.

Having succeeded to bring the Soviets to his side, Barre’s second task was to bring the Somalis on board. But before considering his strategy towards the Somali public, let me first deal with his political opponents and the ways he dealt with them.

Barre’s immediate political threat was from within the SRC. Though he led the coup and was superior to any one else in the group, being the commander of the Somali National Army, some in the SRC leadership believed that he was not the right man. Pestalozza (1974) identified sub-groups in the SRC that belonged to an opposition category against Barre’s wing, which according to Pestalozza (1974) were “men of more dedicated leftist leanings.” He believes that the first group was a pro-western wing led by the former police chief and first vice president of the SRC, General J. A. Korshel; while the second group was purely nationalist, the Nasser type pan-Arabists. This group was spearheaded by the minister of defence General Salad Gaveire and the second vice president General Mohamed Ainanshe. Samatar (1988), on the other hand, believes that the conflict was a struggle for power, rather than ideological differences. This is more credible than Pestalozza’s hypothesis.

Barre’s response to this front was swift and harsh. Both sub-groups were eliminated after two alleged attempted coups. Korshel was accused of organising a counter-revolutionary plot, which aimed to stop the process of building a society based on scientific socialism. After the so called “April-May crises”, which finally led to General Korshel’s imprisonment, Barre noted that, “Defending the nation ... does not mean going to the frontiers to strike at the enemy; there is much to defend inside the republic” (Pestalozza, 1974). For Barre, defending his rule was defending the nation and his opponents were seen as enemies of the nation.

A year later, on 4 May 1971, after reports of clashes between the SRC, both Gaveire and Ainanshe, along with other officers and civilians were arrested. Accused of plotting to overthrow the government, the two generals and colonel Abdulkadir Del were publicly executed on 3 July 1972. Following Barre's usual line Radio Mogadishu, commenting on the execution, said "this is a clear warning to all those who might have an intention of keeping self-interest before the supreme welfare of the nation" (ACR, 1972/73).

However, in a public meeting in June 1971, after the aborted coup, Mohamed Ali Samatar, secretary of defence and member of the SRC, acknowledged that the issue is a matter of a power struggle within the SRC. He mentioned that the coup was intended to set sections of the army against each other and to assassinate some members of the SRC. He also claimed that general Gaveire had on several occasions, since July 1970, attempted to stage a coup. Samatar underlined that SRC, being aware of the general's intention, took a more conciliatory approach by trying to dissuade him. However, Samatar added, "Gaveire paid no heed to the friendly advice of the SRC members but concentrated his efforts on securing an opposition group within the SRC" (ACR, 1971/2). Samatar also mentioned that "Ainanshe was promised the post of Presidency" (ACR, 1971/2).

Another general, Ahmed Mohamud Adde, former mayor of Mogadishu, was expelled from the SRC on corruption charges. With these four senior generals eliminated, in December 1971, the SRC membership was reduced to 21. Barre took this opportunity to promote ally figures in the SRC, who were relatively more junior, and gave them sensitive positions. Lt Col Samatar was promoted Brig-gen. and the first vice president of the SRC. He was also appointed as the secretary of defence. Brig. Gen. Hussein Kulmie Afrah became the second vice president and the secretary of interior affairs. Col. Ismail Ali Abokor was appointed third vice president and given the post of the secretary for information and national guidance. Four other SRC members assumed ministerial posts in the government. It is interesting to note that now seven out of eighteen of the ministers were from the SRC, compared to an earlier proportion of one out of fourteen.

Another front against Barre's rule was from the military, but outside the SRC. These were mainly military officers who, for one reason or another, did not participate in the October coup but wished that the highest positions of the government would be filled by themselves. They, in addition, believed that they could mobilise enough resources to secure that vision. Col. Abdulahi Yusuf Ahmed and Col. Mohamed Farah Aidid were prominent figures in this group. Barre used a variety of incentives and punishments to dissuade these potentially dangerous military officers from taking action against him. A common strategy was appointing such a leader as a head of a public enterprise with resounding prestige, but without real power, or into a harmless diplomatic post overseas to enjoy all the perks of the position. However, by choosing not to abstain from causing trouble to the regime, SRC leaders had no choice but to put such a leader behind bars. I will come back to this group later on.

A third group were the civilian leaders. However, the strict coercive measures introduced by the military rule and the detention of most of the leaders in this category rendered the remaining civilian leaders no option but to abstain from the business of politics and to involve themselves in other business. A significant number of this group moved into the private sector and established companies, mainly in the agricultural sector. As a result this group was not an immediate threat to the regime.

4.4. Legitimising the Military Regime

Acknowledging their illegitimate seizure of power, the SRC harried to legitimise their rule. They firstly directed a relentless stream of attacks against the civilian regime that they had replaced. In justifying his actions Barre, on many occasions, had a whole list of weaknesses regarding the civilian government: The civilian government proved their inability to move the nation in the direction of prosperity; they made no effort to tap the potential of the people; political leaders exploited tribal feelings to secure political and economic interests; and foreign powers had a disproportionate degree of influence on the government (Castagno, 1971).

The regime maintained that “independence and re-unification in 1960 heralded a decade of successive reactionary civilian regimes and recalcitrant politicians. The chains of neo-colonialism were spread. Even those citizens with the best of intentions found themselves inadvertently propelled into a vortex of corruption, nepotism, tribalism and personal interests. The more one tried to keep oneself out of this socio-political quagmire, the deeper one sank into it. The Somali people were truly disillusioned, their hopes and aspirations became like an ever-receding mirage. Their long struggle for freedom connoted an exercise in futility. The nationalistic movements, thoughts and actions were abhorred. Individualistic and tribalistic interests were admired and pampered. The policy of “Divide and Rule” was expertly executed. The economy of the country went into a limbo. Magnificent paper plans that never took off the ground appeared in quick succession. The International press derisively referred to Somalia as the “graveyard of foreign aid” (Somalia, 1974).

However, discrediting the civilian regime was not a difficult task since, as we have seen, people were already fed up with the behaviour of previous politicians.

Secondly, the new government stressed that, despite their usurpation of power, they came to restore Somali nationhood and claimed that their move was to save the country from anarchy. Barre noted, “[w]e soldiers recognize that we are not good politicians” but “there was absolutely no choice. The assassination of President Abdirashid Ali Shermarke was the culminating point of the vast corruption and moral degeneracy that had penetrated the fabric of government ... There was no longer a sense of confidence in the national will, not even a minimum bases for national cooperation was established and there was a high degree of moral decay. ... We simply had to put an end to all these developments and reassert our national pride and dignity” (Castagno, 1971).

Thirdly, they boldly projected the goal of the new regime as the establishment of, through a participatory approach, a respected and prosperous Somali nation.

Finally and more importantly, as far as state-society relations were concerned, Barre pointed out that “[w]e are devoting all our energies toward destroying all forms of national disunity, including *tribalism* and *elitism*. For example, civil servants no longer act as if the people are their servants, but realize that they are the servants of the people” (Castagno, 1971).

On 22 October 1969, the second day of its life, the regime pronounced the basic framework of its governance agenda, the so called “the first charter of the revolution”. The first part of the charter, the internal policy, was as follows:

1. To constitute a society based on the right of work and on the principle of social justice considering the environments and social life of the Somali people.
2. To prepare and orientate the development of economic, social and cultural programmes to reach rapid progress in the country.
3. Liquidation of illiteracy and to develop an enlightened patrimonial and cultural heritage of the Somali people.
4. To constitute with appropriate and adequate measures the basic development of the writing of the Somali language.
5. Liquidation of all kinds of corruption, all forms of anarchy, the malicious system of tribalism in every form and every other phenomena of bad customs in state activities.
6. To abolish all political parties.
7. To conduct at appropriate time free and impartial election.

Soon the coup was promoted as a political revolution undertaken by an angry society led by its army. And the regime started instilling the supremacy of the ideals of socialism, by not directly mentioning socialism, among the Somalis during the first year of its existence. They did this by arguing that it was not the behaviour of the previous political leaders alone that failed them. The liberal democratic system itself, as was told the public, had the prime responsibility of the national failure, because liberal democracy and capitalism are instruments of subordination used by the West for its neo-imperialism and neo-colonialism agendas. For that Pestalozza (1974) was right by arguing that the decision in favour of socialism was not unexpected. As noted above, the regime’s decision about scientific socialism was conveyed to the public in October 1970. In his first anniversary speech, Barre promoted socialism as “the most humane ideology in keeping with man’s needs” and in particular as “the sole alternative possible to achieve a rapid economic and social start-up” for a nation like Somalia (Pestalozza, 1974). And in the climax of that speech Barre declared that “in order to realize the interests of the Somali people, their achievement of a better life, the full development of their potentialities and the fulfilment of their aspirations, we solemnly declare Somalia to be a socialist state” (Laitin, 1979). This is why some scholars concluded that military leaders pursued scientific socialism to legitimise their rule or used it as theoretical guidelines to achieve revolutionary goals.

However, as noted above, the Soviet Union was the main source for the choice of scientific socialism, while Somalis were manipulated and brought on board. The SRC's justification was simple: previous regimes failed the nation because of wrong strategies and bad policies and we are here to rescue our country. The best way for rapid transformation is the path of scientific socialism. In other words, Barre expertly manipulated the Somali public to somehow accept his version of socialism as the best political framework that can be used by impoverished nations, such as Somali, to overcome previous impediments and gain development objectives. The same ideology that Moscow was expecting the regime to indoctrinate the Somali people with became the guiding principle for prosperity for the Somali public. In that way, Barre successfully managed to unify the main objectives of his two principals: the Soviet Union and the Somali citizens.

To transform these policies and programmes into practice, several institutions and organisations were created. The public Relations Office commonly known as the PRO was established by the SRC in every sphere of life to politically indoctrinate the Somali society and mobilise them and to implement the new regime's programmes. In the first years of the revolution the PRO worked in the capital. In 1973 the PRO was transformed into the National Political Office (NPO) and expanded into a national organisation. Branches were established in all villages, districts and provinces. Local committees were formed and entrusted to undertake revolutionary programmes. *Goleyaasha hanuunita* (Orientation Centres) were established in every permanent settlement of any size and used as local premises and local residents were expected to visit the centres and attend lectures to study the revolutionary aims and methods. The walls of centres were decorated with the pictures of the *jaalle* Marx, *jaalle* Lenin and *jaalle* Siyad (Barre).

The SRC also constructed the *Guulwadeyaal* (Victory Pioneers), an elite group of young vigilantes involved in all sectors of society. Their main tasks were drumming up support for the regime's programmes and mobilising people to come and participate in the activities of the *goleyaasha hanuuninta* and to discourage dissidence against the regime. The organisation was involved in two essential tasks: the regime's security and spreading socialist ideology. Therefore, Soviet involvement in this organisation was both necessary and well known. However, scholars disagree on which Soviet organisation the group is modeled after. According to Patman (1990) the group was the *Komsomol*, a Soviet communist organisation, of Somalia. Crozy (1975), on the other hand, believes that the group is in line with *Druzhinniki*, a Soviet auxiliary police organisation of young people. Anyway, the *guulwadeyaal* impressed the Soviet writers who visited Somalia. According to Sherr (1974) they were "very active in helping the new regime to consolidate and safeguard the gains of the evolution ... they wear green shirts and red ties, which, the leaders of the organization told us, symbolise loyalty to Leninist principles".

4.5. Socioeconomic Development

There is a consensus among the existing studies that in the first years of the revolution, until about 1975, the military regime's record was positive and confirmatory. In 1971, based on the first charter of the revolution, the government drafted a three-year development plan (see Table 4.1.). The main objectives of the plan were: to overcome the budgetary gap, which had been a serious problem ever since independence; in the livestock sector, the largest sector in the Somali economy, higher priority was given to marketing, water spreading and range management; in agriculture, which received a lions share in the planned investment, with the intention being "to move towards national self-sufficiency" in food grains; in the modern sector, the intention was to establish a number of manufacturing plants in certain high priority areas; and creating a suitable physical infrastructure and an appropriate communications system gained significant priority.

In 1973 a subsequent five year plan, 1974-78, with an estimated cost of 3863.4 million Somali shillings, was approved by the SRC. As Table 4.2 indicates, priorities were similar to the preceding plan. However, the share of the agriculture substantially increased, now 29.1 percent, compared with the previous 14.1 percent, of the total amount. Transportation and communication received 24.5 percent were industry and livestock received 15.2 and 4.2 respectively.

Table 4.1 Investment in the Three-Year Development Programme, 1971-3, By Sector (Million Somali Shillings)

Sector	Investment	% of total
Rural		
Livestock	51	7.8
Forestry & Ranges	5.0	0.8
Agriculture & Irrigation	83.2	12.7
Fishery	4.5	0.7
Rural Water Supply	64.2	9.7
Sub-total	208.0	31.7
Industry	117.5	17.8
Services	331.4	50.5
Total	656.9	100.0

Source: Samatar (1988).

Table 4.2 Investment in the Five-Year Development Programme, 1974-8, By Sector (Million Somali Shillings)

Sector	Investment	% of total
1. Livestock	162.1	4.2
2. Agriculture	1124.5	29.1
3. Forestry	51.1	1.3
4. Fishery	78.0	2.0
5. Water Resources	139.5	3.6
6. Mining	45.7	1.2
7. Electricity & Power	136.5	3.5
8. Industry	588.3	15.2
9. Transport & Communication	944.7	24.5
10. Education	191.1	4.9
11. Health	77.7	2.0
12. Housing	157.0	4.1
13. Labour	11.3	0.3
14. Statistics & Cartography	106.1	2.8
15. Tourism	12.6	0.3
16. Information	37.1	1.0
Total	3863.4	100

Source: ACR (1974/5).

Regarding these plans two observations are worth mentioning: one is that the Somali contribution of the development budget increased, 20.2⁴³ percent in the 1971-73 plan and 32.6 in the 1974-78 plan. Another is that the external source of the development budget now shifted to the East and the Arab countries (UAE, KSA, Kuwait and Libya), as major contributors, the US for instance, pulled out. The Soviet Union, on the other hand, remained the largest single contributor.

⁴³ Different figures exist to those in Table 4.3.

Table 4.3 Proportion of Development Funds from Local versus Foreign Sources

Development Plan Period	Local Revenues		Foreign Contribution	
	Million So. Sh.	% of Total	Million So. Sh.	% of Total
1963-69	289.5	14.9 ⁴⁴	1,619.5	85.1
1971-73	118.9	16.2 ⁴⁵	615.8	83.8
1974-78	1,260.3	32.6	2,602.9	67.4

Source: Abdi Samatar (1989), Ozay (1971).

The reader should remember that my analysis in this chapter concerns the first phase of the military regime, 1969-75. The main reason for this time frame, as we will see in the following chapters, is that the regime's incentive structure was changed. Another reason, as we will see later in this chapter, is that the 1974-78 development plan had been held up due to the drought of 1974-5, since resources had been diverted to the relief programmes.

The SRC, in the first year of its rule, nationalized various sectors of the economy: in the financial sector all branches of foreign banks – the Italian Banco di Roma and Banco di Napoli, the British National and Grindlays Bank and the Egyptian Bank– were take over by the state; oil distributing companies, Agip and Shell were nationalized; the Italian-Somali sugar industry (SNAI) and Italian-Somali Electric Society (SEIS) were among those affected by the nationalisation act. The act was in line with the regime's aim of bringing the commanding height of the economy under its control. In addition, national agencies, such as National Trading Corporation (ENC) and Agricultural Development Corporation (ADC), were created and given monopoly control over import, purchase and sale of their respective products. *Stella d'Ottobre* wrote that the “development of the state sector would be a bases for industrialization, the cornerstone of an independent economy in developing countries, and would lead to the emergence of a working class as a conscious social force” (Viktrov 1970)

Despite the regime's socialist orientation and nationalization act, the SRC decided to maintain Somalia's traditional mixed economy. On several occasions Barre told the public that he “wants to stress that socialism in Somalia does not aim at the elimination of all private property. Private enterprises and foreign investments are always welcome ... We have no intention, on the lower economic scale, of confiscating the livestock of the Somali pastoralists or the privately owned Somali farms, nor do we intend to confiscate the Italian plantations ... We have rejected the old order because it failed to establish rational plans and to use the natural and human resources of the country effectively” (AR, 1971).

⁴⁴ Abdi Samatar found that local contribution was zero in the 1963-67 plan, whereas others argued that the local contributions were not actually available during the implementations.

⁴⁵ A detailed sectoral breakdown shows that the local contribution was over 20 percent in the 1971-73 plan (ACR, 71/2).

Consequently not only the private sector survived under “scientific socialism”, but the livestock and banana sectors, the two mainstays of the Somalia’s export, remained in private hands. Furthermore, the military regime encouraged private investment. National banks were authorized to grant credit facilities to business entrepreneurs. At the same time Barre reminded the businessmen that this is not without limitations, “private ownership is allowed in scientific socialism in Somalia, provided that such wealth is not used against the interests of the Somali people, politically or economically ... then revolution has no cause to intervene.” (Patman 1990)

Now let us consider the regime’s socio-economic performance in the period under consideration, 1969-1975, in the light of the two plans. Tables 4.4 and 4.5 summarise the economic performance of the regime until 1976 by comparing with the previous civilian regime. Indeed, figures do not corroborate the regime’s expectations and promises, but indicated that the military government performed better than its predecessor. They also show that the modern sector, industry and services, significantly improved while agriculture gained little. In addition it illustrates that the service sector, including defence, become the dominant sector in the Somali economy.

Table 4.4 Growth of Production

Average Annual Growth Rates (percent)							
GDP		Agriculture		Industry		Services	
1960-70	1970-76	1960-70	1970-76	1960-70	1970-76	1960-70	1970-76
1.0	2.1	-1.5	-1.2	3.3	10.3	2.1	8.0

Source: World Bank, WDR (1978).

Table 4.5 Structure of Production

Distribution of Gross Domestic Product (percent)					
Agriculture		Industry		Services	
1960	1976	1960	1976	1960	1976
45	31	17	8	38	61

Source: World Bank, WDR (1978).

Table 4.6 depicts Somalia’s current budget both in pre-revolution and post-revolution years. The data indicates that, while the revolutionary objectives are not attained, the post-revolution era was better than the pre-revolution period.

Table 4.6 Current Budget (Million Somali Shillings)

Revenues	1968e	1969	1970	1971	1972	1973
Direct Taxes	16.7	20.1	26.2	34.5	42.7	43.6
Indirect Taxes	218.3	231.3	239.1	270.2	297.9	308.0
Other Receipts (Including Sales of goods and services)	24.6	20.9	22.5	32.0	65.4	91.7
Foreign Grants	22.0	15.5	18.0	13.7	13.9	13.7
Total	286.1	287.8	305.8	350.4	419.9	457.0
Expenditure	1968e	1969e	1970	1971	1972	1973
General Administration and Defence	229.0	241.1	251	247.9	299.4	328.8
Education	18.5	20.4	20.2	20.2	19.9	27.9
Health	21.8	23.8	24.1	21.7	24.5	28.9
Agriculture, Livestock and Rural Development	11.5	16.2	14.0	10.0	14.2	7.8 ⁴⁶
Other Social and Community Services	-	-	-	-	1.0	1.3
Total	281.6	301.5	309.3	299.8	352.6	396.1
Net Total	4.5	-13.7	-3.5	50.6	67.3	60.9

Source: UN Economic Commission for Africa, see ACR (1973/4) and ASS (1977).

In the livestock sector, the most important sector in the Somali economy, intensification of marketed output was the main objective of the regime in this period. However, the sector's performance was encouraging. As Table 4.7 shows, the export earning of the livestock sector increased dramatically. This was as a result of an enormous price change, which partially was a consequence of international price change and, most probably, was partially due to improved quality, health or otherwise, of the exported animals and improved marketing system. Observers who disagree argue that the nomadic population were not beneficiaries of the accrued profits; rather, the windfall of the harvest went to the major livestock dealers and the state (Ahmed Samatar, 1988).

⁴⁶ Agriculture alone.

Table 4.7 Exports of Live Animals from Somalia, 1970-1975

Year	Cattle			Camels			Sheep and Goats		
	No. (000)	Price (Per Head)	Value (Million So. Sh.)	No. (000)	Price (Per Head)	Value (Million So. Sh.)	No. (000)	Price (Per Head)	Value (Million So. Sh.)
1970	45.4	341	15.5	25.5	745	19.0	1150.9	74	84.9
1971	56.1	330	18.5	23.7	700	16.6	1184.6	74	88.2
1972	77.1	289	22.3	21.2	694	14.7	1617.2	76	123.5
1973	69.6	504	35.1	27.9	835	23.3	1322.7	105	138.3
1974	27.4	788	21.6	23.7	1275	30.2	1211.2	141	170.6
1975	38.7	866	33.5	33.4	1421	47.4	2304.4	131	301.1

Source: Jamil (1983).

However, it is not easy to accept such conclusions for the following reasons: firstly, although it is true that traders and the state were getting a considerable share of the livestock export earnings, this, as Samatar himself recognises to some extent, actually happened in the late 1970s and 1980s rather than early 1970s; secondly, Jamal (1983) found that, because of the export boom, the financial position of the nomads significantly improved in the 1970s, "this has brought a substantial amount of cash into the hands of the pastoralists, increasing their purchasing power and their terms of trade vis-à-vis the rest of the rural, as well as the urban, sector" (Jamal, 1983). As Table 4.8 illustrates, he found that between 1970 and 1978 the total income in their hands increased fivefold. Finally, in the early 1970s the rise of livestock prices was not unique in the export oriented sub-sector of the economy. As Table 4.9 shows, the prices of three of the main products of the livestock sector more than doubled in three years alone in the local markets. In the local markets, like the Wardiglei market in Mogadishu, a nomad was able to sell his products on the market directly⁴⁷.

Table 4.8 Producer Income, 1970 & 1978

Sources of Income	1970		1978	
	Total	%	Total	%
Export Sales	61.4	55.1	365.9	64.1
Meat Factory	6.5	5.8	-	-
Internal Sales	38.1	34.2	182.0	31.9
Hides	5.4	4.8	23.0	4.0
Total	111.4	100	570.9	100

Source: Central Statistical Department, State Planning Commission (See Jamil, 1983).

Table 4.9 Price Index of Livestock Sold in Wardiglei Market, Mogadishu

Year	1966	1967	1968	1969	1970	1971	1972	1973
Camels	100	112.45	108.71	111.20	108.30	1170.12	119.50	234.02
Oxen	100	126.83	144.72	141.46	115.45	1000.00	147.97	290.24
Goats	100	87.18	92.31	89.74	92.31	1179.49	202.56	192.31

Source: Monthly Statistical Bulletin of the Somali Republic (See Laitin, 1976).

In agriculture, the aim was to move the country towards national self-sufficiency in food production. In addition, for the banana sub-sector, the country's second largest exported item, the goal was to make Somali bananas competitive in international markets. The figures in Table 4.10 are not in line with the regimes objectives, as food imports did not decrease in value terms. However, one could infer that the price of the imported rice was the main factor that was undermining any measure taken by the government in the food sector. As the data show, from 1971 to 1972 and to 1973 – pre-drought years – the value of the

⁴⁷ This was very significant, if one considers the variance between the price indexes. Taking 1970 as base year of 100, by 1978 the livestock prices index rose to 451, while the general consumer price index rose to 205.

imported cereals without rice decreased from 68.1 to 32.2 to 17.4 million Somali shillings respectively. In 1973, the value of imported rice was 40.1 million Somali shillings, compared to 24.3 millions in 1972. Furthermore, the problem was a dramatic rise of rice prices in the international markets, rather than an increase of the imported volume of rice. Between January and March of 1973 alone, the price of rice increased about 30 percent in the international markets⁴⁸ (Africa, 1974).

Table 4.10 Food Imports (Million Somali Shillings)

Imports	1967	1968	1969	1970	1971⁴⁹	1972	1973
Cereals	35.4	35.2	48.8	50.5	104.8	56.5	57.5
Rice	20.6	19.9	26.3	26.5	36.7	24.3	40.1
Cereals (without rice)	14.7	15.3	22.5	24.0	68.1	32.2	17.4

Source: UN Economic Commission for Africa, see ASS (1977) and (Laitin, 1976)

For that the government's policy of subsidising basic food stuff imports negatively affected food imports, particularly of rice, which was increasingly becoming a favourite food for the Somalis compared with the locally produced cereals. In 1974, the secretary for interior trade disclosed that rice alone cost 20 out of the 34 million Somali shillings the government expended in order to keep down the cost of basic food stuff for the Somali consumer (ACR, 1974/5).

Table 4.11 demonstrates the quantity and value of bananas exported. The quantity, though increased, had no regular trend. And in value terms, though improved, the effect of the international prices was not as favourable as that of the livestock sector⁵⁰. However, in the banana sub-sector, the regime's performance is not as bad as it superficially appears, if compared with the pre-revolution periods. In terms of export value, the downward trend of the pre-revolution period was reversed to an upward trend from 1970.

⁴⁸ Consequently, in the same year the regime decided to start an experimental project for rice and sunflower seed production in Somalia.

⁴⁹ In 1971, a drought, though less severe than the 1974/5 *Dabodheer* in scale, hit Somalia.

⁵⁰ A main reason was that the major market for the Somali banana was Italy, whereas Saudi Arabia was the main market for the Somali livestock.

Table 4.11, Banana Exports

Exports	1967	1968	1969	1970	1971	1972	1973	1974
Value (Million Somali Shillings)	68,370	59,684	55,723	62,813	63,827	-	67,564	79,837
Volume (Metric Tons)	70,450	86,073	91,491	99,659	103,673	116,497	102,225	96,950

Source: Central Statistical Department (MOP&C) and UN Yearbooks of International Trade (see ASS, 1973 & 1977; Laitin and Samatar, 1984).

In the communications and transportation sector significant work was carried out: with airports (such as Kismayo airport) and ports (Mogadishu port) being either built or modernised; and the telecommunication system was upgraded. Regarding road construction, the work was enormous: the total of asphalted roads in the country increased ten times within two years from 100 km in 1969 to 1,000 km in 1971, and latter in the decade the figure again more than doubled (Ahmed Samatar, 1988). In the industry sector the regime reorganised some factories, such as the milk factory in Mogadishu and textile factory in Balad; the regime also founded new factories, a tomato canning factory in Afgoe, a cigarette and match factory, a wheat and pasta factory and a petroleum refinery in Mogadishu and a packing plant making cardboard boxes and polythene bags in Jammame; in addition, the regime put some factories into operation, with the meat processing plant in Kismayo and fish processing plant in Lasqorey for instance, and expanded the operations of others, such as Jowhar sugar factory (Laitin and S. Samatar, 1984).

An area that received the revolutionary regime's attention was establishing industries that use locally available raw materials, primarily aimed at import substitution. However, export oriented projects using livestock products were the most successful programmes. Almost one half of the development fund for the livestock sector of the 1974-78 plan, 80.4 out of 162.1 million Somali shillings, was channelled into a single project, the Trans-Juba Livestock Project. The aim was improving meat exports. Consequently, the exports of canned meat increased from less than three million Somali shillings to over 35 million Somali shillings during the 1971-73 plan. In sum, Somalia's manufacturing sector, as Laitin and S. Samatar (1984) noted, was negligible in 1969, but by the early 1970s about 20 percent of the country's exports was manufactured goods.

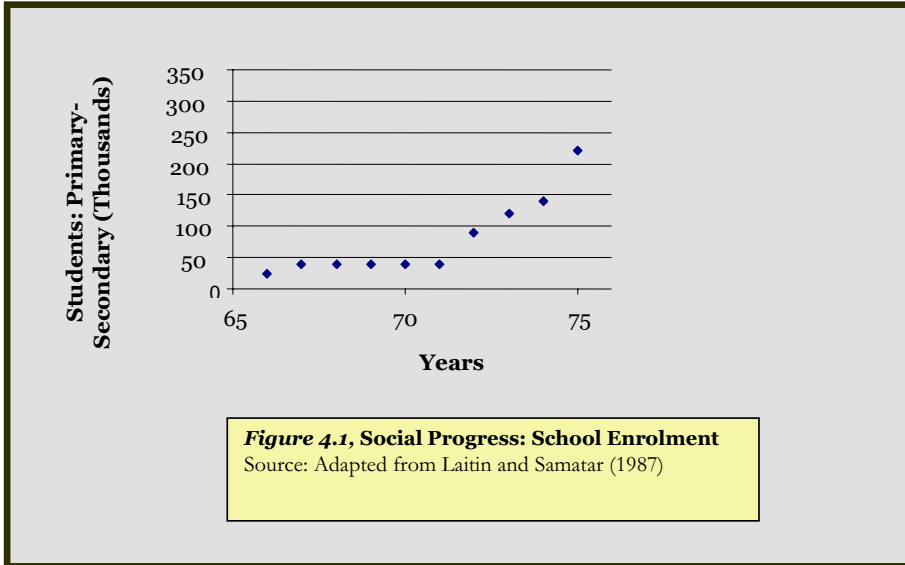
However, the regime's great success lies somewhere else. Two main targets of the regime, as shown in its first charter, were to liquidate illiteracy and to create a written form of the Somali language.⁵¹ Moreover, according to the President, education is "a tool for concrete solutions, producing citizens to engage in revolutionary transformation of the country" (ACR, 1971/2). Soon after it came to power, the revolutionary government started to attack the education problems from two fronts: by creating educational opportunities for the Somali children, a insignificant number of whom were receiving formal education; and establishing a written form for the Somali language. Concerning the latter, the government constituted a committee and in 1972 the committee proposed the Roman alphabet as the official script for the Somali language. In the revolution's anniversary of that year, Barre stated that "the script we shall use will be the Latin script, because it is the only script which can be easily used to write the mother tongue" (ACR, 1972/3). Thus Somali became the sole official language in the country, replacing English, Italian and Arabic. This was consensually recorded as a historic achievement for the regime.

⁵¹ See point 4 of the first charter.

Former official languages were to be used for another three years at all levels of education, but the time given to the civil servants to master the new script was only three months, after which no foreign language would be permitted for official work, except for certain specific areas. Extensive literacy campaigns followed the introduction of the script. In March, 1973, the President announced two main phases for “the anti-illiteracy campaign” with the aim of transforming “the vision and belief one had of Somalia where illiteracy is over 90%, as this percentage will soon be replaced by another which is diametrically opposed to it” and two years was given for this target to be achieved. “In the first year” the President added “our main task will be directed towards the cities, districts and villages; in the second, we will take with us water containers, and go to the nomads ... I can only tell you pull up your socks, and good luck” (ACR, 1973/4). In 1973, a highly successful literacy campaign was undertaken, where all public centres were used as schools for learning the new alphabet. In July 1974, the second phase of the campaign, the Rural Prosperity Campaign, started. A huge task force of over 25 000 people, virtually all of the country’s secondary school students and teachers supported by veterinary and medical personnel, was dispatched into the countryside with the aim, as Barre noted, “to educate their brothers and to learn more about the Somali people and country in order to prepare themselves to run the country in future” (ACR, 1974/5). The target was to bring 60 to 70 percent of the nomads into the framework of development and progress. So, as Lewis (2002) noted, the task was not to teach nomads how to read and write alone, but to also to give them a basic education about hygiene, modern animal husbandry and the aims of socialism. For that the campaign was entitled “the Rural Prosperity Campaign”, rather than “the Rural Literacy Campaign” as it is commonly known. “Equipped with blanket, a folding blackboard, and water-bottle, and drawing a daily allowance of two Somali shillings (approximately 15 English new pence), these privileged urban students were to share the fruits of the revolution with their neglected nomadic comrades, staying as guests with nomadic family groups and teaching their hosts to read and write. The guiding slogan, supplied by the President, was the same as that for the earlier urban mass literacy campaign: “If you know teach; if you don’t learn” (Lewis, 2002). Unfortunately, one of the worst droughts in the history of Somalia halted this great national project, *dabodheer*. In the face of this unexpected disaster, the Rural Prosperity Campaign was soon renamed as the Rural Development Campaign, which I will discuss in some detail later, and the education project automatically turned into a lifesaving project.

Concerning formal education, the military government pushed hard to give educational opportunity to the Somali youngsters in the urban centres. In October 1972, the regime nationalised all schools and the President commenting on this said “our aim behind this ... is to give to our people orientation towards justice, unity, freedom, equality, and progress, as well as to teach them a sense of responsibility which will enable them to play their role in the leadership of the country both now and in the future” (ACR, 1972/3). In addition, a unified system of education was announced, which necessitated a smooth transition process from primary and secondary classes. Here the intention was to increase efficiency and reduce dropout rates (ACR, 1973/4). Furthermore, significant

number of classes and schools were constructed. Consequently, as Figure 4.1 illustrates, the total enrolment dramatically increased.



4.6. State as an Agent of its Citizens

Basil Davidson, based on class realities, divided Somalis of the day into four groups, two in the urban – small *proto-bourgeois* and relatively large *petit bourgeois* - and two in the rural areas - *nomads* (about 60 percent of the total population) and *peasant cultivators* (about 20-25 percent) (Davidson, 1975a).

As we have seen, Somalis, in general, spontaneously welcomed the military coup of 1969. The main reason for that was that the disappointed Somalis expected that the change would improve the deteriorating condition of the country. In addition, Barre initially secured the support and the backing of major influential urban groups: soldiers, students, religious leaders, poets etc.

Furthermore, Barre took two bold steps. Firstly, he tried to revive Somali nationalism, badly damaged during the previous regimes. A few days after he came to power, Barre told the backbone of his power, the armed forces, that “the purpose of the revolution is to guide us back to our true Somali characteristics; to clearly understand what we are, and what we stand for, and to work for our people in sincerity and devotion ... We have to embark upon the task of creating a nationalism that will not detrimentally differentiate the rich from the poor, and the educated from the illiterate, the urban from the nomad, and the high from the low. In sum, what we are striving to create is a nationalism of oneness”

(Laitin, 1976). In comparative perspective, David Laitin maintained that civilian leaders not only exploited clan divisions in order to survive from any threat to their power, but also constrained political participation and thus, by disregarding the rural population, kept some 86 percent of the Somalis out of the political game. In contrast, rejecting that strategy, Barre “wanted nationalism with realisable goals based on the dignity, not the subservience, of the people” (Laitin, 1976). Here Barre’s strategy was *inter alia* to remove the constraints on political participation and to reach the nomads (Laitin, 1976).

Believing that if revolution was to mean anything real and lasting, the regime has to win the active participation of the ordinary people, Basil Davidson in 1975 confirmed that, the regime had initiated a programme of political action and explanation and one could see throughout the country, especially in towns, districts and villages, that a great deal of achievements were secured towards the organisation of mass participation. Davidson (1975a) states, “Thousands of Somali men and women who had never before possessed the least right to any part in government were actively using their spare time to discuss their local interests and decide their local problems”. According to Samatar (1988), Somali nationalism was reactivated to inspire and mobilise the general population.

The second step was trying to eliminate tribalism. This was a mission for the regime ever since it constituted its first charter. Indeed, the cost of tribalism to the modern state of Somalia was a matter of concern to every one. As Samatar (1988) indicated “the issue weighted so heavily on the minds of the new leadership that no speech of the President or his associates failed to underline the evils of tribalism”. Contrary to the civilian regime’s clan balance doctrine Barre’s first cabinet, the council of secretaries, was clearly selected on merit rather than their clan affiliations. In early 1971 a strong campaign against tribalism was launched. Government used the press and radio to inform the public about the unparalleled harm caused by tribalism and asked the public to fight against it. In addition, the regime took several actions to “diminish the institutions and practice that has sustained it” (Samatar, 1988); the positions of the tribal chiefs, which both colonial governments and civilian regimes legitimised and gave stipends to; the traditional practice of *diya* paying (blood compensation for harm) was abolished; attempts were made to contain inter-clan conflicts, wedding ceremonies and burial activities were transferred from clan to the neighbourhoods. The public took the matter seriously. A Russian visitor told the world that “one day we saw an ugly horned figure which looked like a fairy-tale forest spirit, being dragged along the road. We were told that it was a symbol of tribalism. The people along the street threw stones and sticks at the effigy, which was then burnt” and indeed “such scenes may be observed all over the country. That is the Somali people’s response to the government’s appeals to put an end to the survivals of hated tribalism” (Sherr, 1974).

Eliminating corruption was another strategy for the regime to maintain the support of the masses. At its inception, the SRC launched a strong campaign against corruption. This campaign against tribalism was a strategy to distance itself from the wrongdoings of the civilian regime. *Xisaabi xil maleh* (no shame with accounting) was the name chosen for the campaign. In the beginning the

campaign was targeted towards the politicians and bureaucrats of the civilian government that the regime replaced. The wrong doings of the revolutionary government become the next target. A member of the SRC, the former mayor of Mogadishu General Ahmed M. Adde, was among the first casualties of the campaign. To prove that there was no exception, *Down*, a state owned weakly paper, published a letter from a Swiss bank offering the President a secret account along with Barre's reply of "no thank you" (Laitin, 1976).

All this was done, by Barre, to improve his potential survival probability. It also reversed the moral degradation of the society and restored the spirit of national unity. Barre was right by saying that "on the spiritual side, I believe, we have restored the people's confidence in the government. Every one is now pulling together" (Castagno, 1971).

In order to maintain this mass support the regime had to satisfy the hopes of large segments of the society: the nomads, peasants, soldiers, students and civil servants, religious leaders etc. The Government attacked the problem from several fronts. As we have seen, it tried to improve the socio-economic condition of society in general, through the conventional planning system. At the end of the period under consideration, it was apparent to all that "the standard of living of the average Somali un-doubtedly increased ... if all aspects of life are taken into consideration" (AC, 14 December 1974). Supporting that conclusion Laitin (1979) stated that "for both Somalis and foreigners who have seen Somalia before and after the revolution, the progress is astounding ... Even a well-trained eye is likely to be agaze about the progress".

The regime increased the share of development funds that went to the rural sector. As Table 4.12 illustrates, the government, through its development budget, allocated more funds to the rural sector. In the civilian era about one third more investment went to industry compared to the rural sector. In the 1971-73 plan the money that went to the rural sector dramatically increased. As Table 4.2 shows, about 40 percent of the 1974-8 development budget was allocated for the rural sector, whereas the share of the industry was little over 15 percent. All this indicates the regime's commitment to improving the lives of the large segments of the society.

Table 4.12, Non-recurrent Government Expenditure in Development Programs, (Million Somali Shillings)

Area of Investment	1963-1967	1971-1973
Industry	214	87.8
Rural Sector (Agriculture, Fishers, Forestry, Animal Husbandry, and Irrigation)	142	220.3

Source: Laitin and Samatar (1987)

Regarding the social inequality, the regime initiated important steps such as reducing the gap between the lives of the nomads and that of urban dwellers;

improving education; improving gender equality in the work place etc. Commenting on that, Laitin noted that “the institutional forms of democracy in the early independence years were coincided with the erosion of social equality in Somalia. The new regime has acted to restore social equality to Somalia” (Laitin, 1979). A significant number of the society was definitely benefiting from these measures (see Laitin, 1979 for more details).

An important concept materialised by the regime was the issue of *Iskaa Wax u Qabso* (self-help) that became the synergy between the state and society on the one hand and a resource for the development programme on the other. Energised by the speeches of the regime, this period witnessed genuine community participation in the execution of development projects. Here, the state supplied food and other materials while the community volunteered their labour and time. Somalis, in every corner of the country, willingly contributed their sweat and skills to community development. The motto, *Iskaa Wax u Qabso*, itself was invented “to capture the prevailing atmosphere of collective response to local problems” (Samatar, 1988). Through the spirit of *Iskaa Wax u Qabso* schools, hospitals, roads, clubs, dams, bridges etc. were built. Again Sherr (1974), shares his experience with us by stating that “banter and singing resound at the busy construction sites. Girls dextrously load baskets with slabs of building limestone and tall muscular young men deftly wield spades ... After a hard day’s work, men and women returned to their construction sites under the self-help programmes and worked there tirelessly without pay”.

Indeed, *Iskaa wax u Qabso*, in those days, became an important contribution to the Somali planned development programmes. However, the President and his colleagues used it to tackle even exogenous disasters. One that attracted the eyes of all was the *Mashruuca Bacaad Celinta Shalaanbood* (Shalaanbood sand-dune stabilisation project). Launched by Barre in July 1973, the project aimed to stop shifting sand dunes along the southern coastal belt of the Indian Ocean. The sand, propelled by the wind from the Indian Ocean and thus travelling at high speed, threatened fertile land and a main highway that connects Mogadishu to the south of the country, including Kismayo. The government recruited a permanent workforce for the task and asked the Somali community to help out on Fridays, the Somali holiday. The community responded well and tracks carried thousands of volunteers to Shalaanbood about 100 km to the south of the capital. Again Laitin (1979) wrote that “the project caught the imagination of urban ‘compradors,’ and observers could see Somalis, from the President, to bureaucrat, to nomads, tool in hand, shovelling sand. A truly classless society was together doing battle with the nature”.

Another project, worth mentioning here, is the relief operation of the *Dabodheer* drought. A severe drought hit some parts of Africa in the first half of the 1970s. In Somalia, according to Basil Davidson, the drought was even more severe than elsewhere. Neighbouring Ethiopia was also among those hit hard. The experience of Somalia and Ethiopia can offer many lessons. In Ethiopia, lessons are all negative. Because of indifference, corruption, mismanagement, irresponsible autocratic behaviour, cover ups etc. a huge number of Ethiopians died when the rains failed (Davidson, 1975b).

In Somalia, when the proportion of the drought became clear, in late 1974, a central committee headed by Major General Hussein Kulmie Afrah, the vice President and the secretary of the interior, was established. A state of emergency was declared, the rural literacy campaign was transferred into becoming a relief operation, all those engaged with the literacy campaign were asked to involve themselves with relief operations, and every Somali individual was asked to take extra responsibility to save fellow Somalis and appeals were made to the international community for relief supplies. All Somalis, including those in the diaspora, responded in a brotherly way and the international community contributed generously, with the Soviet Union playing an extraordinary role.

Estimated figures reveal the devastating nature of the *Dabodheer*. About one third of the population was affected and by the end of *Dabodheer*, data reveals a human loss of 18 thousand people. In livestock terms, estimates indicate the death of 5.75 million sheep and goats, one million cattle, and half a million camels. In the south, the home of the Somali agricultural sector, the devastation was less severe. However, crop production was seriously reduced by the drought and when the rains fell, by the end of the drought, unusually heavy floods devastated some areas in the south and increased food shortages. The long time impact of *Dabodheed* was clear, “the hopes of the self-sufficiency in the near future were dashed ... Supplies of livestock and meat products, the country’s chief export, dried up” (ACR, 1974/5 & ACR 1975/6).

In the emergency programme, according to Davidson, little could be done to save the livestock as the drought affected a vast area of the country, over one half of the republic’s territory, over 300 thousand square kilometres. On the human side much could be done and, Davidson confirms, was done. Most of those that died in the relief camps were children who arrived to the camps in a condition beyond which they could be saved. Over one third of those that lost their lives, died before they reached the camps or the relief could reach them⁵². Indeed, that number is, sadly, a big one. But most of those familiar with the situation agreed that without the Somali government’s efficient campaign the figure would have been hundreds of thousands, thus Somalia’s lessons were all positive. Davidson (1975b) states that “[a]ll conditions were present for irrecoverable disaster on a nation-wide scale. Courage, honesty, and sound policy stopped that disaster from taking shape”.

By the second half of 1975, *Dabodheer* ended, but work remained to be done. The most immediate task was solving the problem of the huge number of nomads that had lost all, or almost all, of their livestock. In the relief camps the Government started a sedentarisation programme for the nomads. Here the aim was to re-establish those nomads either as cultivators on the fertile land of the south or as coastal fishing communities⁵³. Nomadic families were grouped into

⁵² Over 100,000 from the Ogaden region of Ethiopia were among those that came to the relief camps, and a similar number settled near the Somali border to benefit from the Somali relief operations (ACR, 1974/5).

⁵³ This was one of the long term objectives for the SRC, even before the drought (Lewis, 2002).

villages, 100 families each. Schools were opened for the children and farming technique training for the adults initiated. In July a massive re-settlement operation started. With the help of 16 transport aircraft and 160 lorries loaned by the Soviet Union, the life of about 140 thousand people had been established mainly in new agricultural communities at Dujuma, Sablaale and Kurtunwaarey. Another 25 thousand people, who decided to become fishermen, settled along the Indian Ocean coast. The rest either followed their colleagues later on, as they initially hesitated to do so, or preferred to go back to their nomadic life (ACR, 1975/76).

With all these, one could conclude that the SRC leadership tried to show Somalis that, contrary to their civilian predecessors, they are there for the people by improving the socio-economic wellbeing of society. Consequently, the President was inaugurated as *Aabihii Ummadda* (the father of the nation).

4.7. Conclusion: Constituting New Social Contract

In the theory part (Chapter 1) we saw that in the common agency setting there are two possibilities: one is that the principals cooperate and the other is that they compete. I also mentioned that in general, principals are better off if they co-operate and also maintained that under co-operative behaviour, in all aspects, the game resembles the simple moral hazard problem (Macho-Stadler and Perez-Castrillo, 1997). The situation in Somalia during the first half of the decade I spelled out in Chapter 4 is in parallel with the situation of common agency problem where the principles decided to cooperate. The Soviet Union's decision to reform Somali society and thus to support the development aspects of the country coincided with the interest of the Somalis as citizen's. Therefore, the regime was mainly to involve a single task which was socio-economic development. In other words, the situation was more like the game presented in Figure 1.1. Here B is a composition of Somali citizens and the Soviet Union, rather than a single principal, and the agent is the military regime in Somalia.

Assuming the power, through a military coup d'etat, Barre overthrew the elected government, abrogated Somalia's formal democratic rule, nullified the parliamentary system of governance, and undermined civil liberties. Given his potential survival probability, he successfully brought Moscow onto his side, eliminated political opponents and established his authoritarian rule. However, as assessed in the previous two sections, he mobilised the society to rally behind him through the vision of restoring people's dignity, guiding them to their true Somali characteristics and creating a nationalism of oneness. Furthermore, the regime sought to improve the welfare of the society. In light of this, the military rule, in its first phase, could be characterised as *an agent of its citizens*.

By adapting scientific socialism to build new socialist Somalia and granting required military facilities to the Soviets, Barre secured Moscow's political, economic and military support. On the other hand, the SRC convinced Somalis that they "have chosen Scientific Socialism because it is the only way for the rapid transformation of the country into a developed and economically

advanced nation”. In that way Barre unified the two objectives of his two principals: the Somali citizens and the Soviet Union. As a response to the failure of the civilian governments, Somalis welcomed the military coup with dozens of celebratory poems, songs, and traditional dances, and the smooth transition of power was clear evidence of people’s perception. Barre, on the other hand, tried hard to improve the welfare of society. The vast majority of society voluntarily supported the regime and had many reasons to do so, after a century of colonial humiliations followed by nine years of political, social and economic chaos.

Hugunku waa, hugunku waa, hayaankii bulshada cusub

Xoogsatada is haysatee horukac tiigsanaysee

Hantiwadaaga Soomaliyeed

Hawsha waw hogaansanahay

Himilada Kacaanka waw hanuunsanahay

Hir caleen leh iyo doog ayaannu hiigsanaa

...

...

Na hogaami Siyaad (Barre)

The regime’s achievements in the early 1970s, prompted President Julius Nyerere, an authority on African socialism, to remark in 1974 that “[t]he Somalis are practicing what we in Tanzania preach” (Patman, 1990). In short, though Barre’s seizure of power was not through a legitimate process, based on the preceding paragraphs, the first phase of Barre’s rule was a unique era when post-colonial Somalia witnessed one form of *social contract* between the state and society.

5 SOMALI STATE FAILURE

5.1. Introduction

In Chapter four we saw that the military regime in Somalia did well as far as the developmental aspect of the country is concerned. The regime did so because the interests of the Soviet Union coincided with that of the Somalis as citizens. The regime also took the opportunity to legitimise its rule through aligning its policies with the wellbeing of the society in general. However, the same military regime, as we will see in Chapter 6, eventually led the country into total collapse and complete anarchy.

My intention in the present chapter is to show the military regime's transformation from being an agent of its citizens to a predatory state advancing the interests of a small ruling clique while undermining the interests of society at large. So the main concern of the chapter is the political factors that were responsible for such a transformation and the process of transformation. Chapter 6 will give more attention to the economic behaviour of the regime, in the last phase of the regime. Before doing so I will summarise the performance of the formal economy in the 1980s.

5.2. Economic Development

In January 1979, the Somali government adapted a new national Three-Year Development Plan. The plan envisaged over seven billion Somali shillings of total expenditure for 1979-81. Agriculture received special attention, over one billion Somali Shillings of the total expenditure was allocated to it. Almost half of that sum went to the Bardera Dam Project, which according to the plan was "probably the most important project to develop the country's economy that the government has ever initiated" (ACR, 1979/80). The main goals of the project was to irrigate more than 200,000 hectares of agricultural land and to generate 115m kWh of hydroelectric power for urban, rural, industrial and agricultural use. Another sector that gained from the plan was infrastructure. It was specified over 2 billion Somali shillings. The main target was to close major gaps in the road network and thus highway development became the most important component in this sector (ACR, 1979/80).

A Five-Year Development Plan for 1982-86 followed the previous three year plan (see Table 5.1). Here the total investment required was 16.3 billion Somali shillings. In this period the Somali government stated that it had three main long-term objectives:

1. To raise the standard of living of the Somali people to a high level.
2. To provide employment opportunities to the entire labour force.
3. To eradicate all forms of exploitations.

Table 5.1 Investment for the Five-Year Development Program, 1982-6, By Sector (Million Somali Shillings)

Sector	Investment	%
1. Livestock and Forestry	2435.7	14.9
2. Agriculture and Irrigation	4742.8	29.1
3. Fishery	458.8	2.8
4. Water Resources	1628.6	10
5. Mining	557.2	3.4
6. Electricity & Power	685.0	4.2
7. Industry	2080.3	12.8
8. Transport & Communication	732.1	4.5
9. Tourism	257.2	1.6
10. Commerce	457.2	2.8
11. Forestry & Wild Life	57.6	0.4
12. Education and Sports	1090	6.7
13. Labor and Employment	34.1	0.2
14. Health	337.2	2
15. Rural Develp. & Regional Plans	701.9	4.3
16. Information & Statistics	47.8	0.3
Total	16300.8	100

Source: Somalia (1983).

Productive sectors, i.e. agriculture, livestock, forestry, and fisheries were given high priority in the development strategies. Developing basic infrastructure and the social sector was

Table 5.2 Official development assistance: receipt (Selected African countries)

	<i>Net disbursement of ODA from all sources</i>										Per capita		% of GNP
	<i>Millions of dollars</i>										<i>(dollars)</i>		
	1981	1982	1983	1984	1985	1986	1987	1987	1987				
Somalia	374	462	343	350	353	511	580	101.6	57.0				
Senegal	398	285	323	368	295	567	642	92.4	13.6				
Zambia	232	317	217	239	328	464	429	59.5	21.1				
Mozambique	144	208	211	259	300	422	649	44.6	40.9				
Sudan	632	740	962	622	1,128	945	902	39.0	10.5				
Tanzania	703	684	594	558	487	681	882	36.9	25.2				
Kenya	449	485	400	411	438	455	565	25.6	7.0				
Zaire	394	348	315	312	325	448	621	19.0	10.7				
Ethiopia	245	200	339	364	715	636	635	14.3	11.8				

Source: World Bank (1989)

among the high priority sectors in the plans. Commenting on the 1982-86 plan, the government said that “the program will assist the country in breaking out of the present vicious cycle of stagnation and decline caused by the fact that major natural disasters have been superimposed on structurally weak, less developed economy” (Somalia, 1981).

In the livestock sector and agriculture, the aim was to raise production and export, and to reduce economic wastages. Import substitution was another goal of the plan, to bring about a more viable balance of payment. In the industry sector, the government wished to rehabilitate existing factories and to introduce modern management systems, as well as establish new ones mainly using local raw materials for import substitution, and promote exports. Another objective was to encourage private entrepreneurs to participate in the sector; since the nationalisation act of 1970 the sector was mainly in the hands of the government.

Growth targets were set up in the plan. It was hoped GNP (excluding agriculture) would grow at 4.7 percent, agriculture 2.3 percent, population 2.8 percent, gross fixed capital 5 percent, export 2.8 percent and import 4.5 percent per year.

As far as sources of finances were concerned, the plan was not much different than previous plans. As Table 5.3 indicates, about 32 percent of the plan was expected to come from internal sources. However, over two-thirds were expected to come from external sources. It is interesting to note that Somalia, in the period under consideration, received an exceptional amount of aid. As Table 5.2 tells us, in 1987, for instance, Somalia received an official development assistance which was 57 percent of the country's GNP, the highest in the world and aid per capita of US\$ 101.6, the second highest in Africa, after Botswana.

The military government of Somalia indicated four major constraints to its development objectives:

1. Lack of financial resources for development.
2. Lack of trained and skilled manpower in all sectors.
3. Lack of foreign exchange.
4. Limited absorptive capacity of the economy.

The last development plan published by the military government was the 1987-91 Five-Year Plan. Here⁵⁴ goals similar to those mentioned earlier are outlined as follows: a higher standard of living; full employment; reducing the resource gap as a percentage of the GDP and inflation; increasing domestic savings and self-reliance; and popular participation in development.

An annual growth rate of 5 percent in real GDP was planned and it was expected that achieving that target would permit a modest improvement in per capita

⁵⁴ The broad objectives were expected to remain the same for the 1990s. Priorities, however, were expected to change depending on the performance.

income. The percentage contribution of livestock to the total GDP was expected to decrease. Due to limited availability of a suitable range, a further increase of livestock was not sought. Increased production, improved marketing and export competitiveness of the Somali animals in international markets were the main targets. In the crop production, the hope was to reduce the dependence on food imports and to obtain the highest level of self-sufficiency. Banana production was intended to be expanded and production of other commodities, such as grapefruits and dates, were to increase for domestic demand and their export potential was to be pursued. Cotton, sugar cane, etc. were to increase in order to meet the needs of the manufacturing sector.

In the manufacturing sector the government sought to rehabilitate public enterprises, both their obsolete equipment and managerial competence. However, the plan was to pave the way for private entrepreneurs to assume a greater role in the sector. Later on we will see the role of the structural adjustment programmes on the government's policies and strategies.

In the social sector, more cooperation between the government and the rural communities to enhance the latter's wellbeing was envisaged. Improving socio-economic conditions of women and youth was also documented. Improving the effectiveness of formal education, vocational training and literacy programmes, health services and population planning were also in the plan.

It was hoped that all other production sectors, such as manufacturing, would grow at a rate greater than the average.

Table 5.3 Financial Requirement for the 1982-6 Plan: Local versus Foreign Sources, (Million Somali Shillings)

Source of Investment	%
Local Resources	31.9
Foreign Resources	68.1
Total	100.0

Source: Somalia (1981)

Another feature of the economy in this period reflected by the plans, especially the 1987-91 plan, is the role of the Structural Adjustment Programs (SAP) advocated by the International Monetary Fund (IMF). As we have seen in the previous chapter, the economy was hit by the *Dabodheer* drought. That was followed by a costly 1977/8 war with Ethiopia. I will deal with the war issue later in this chapter. One of the impacts of the war was that it terminated Somalia's relationship with the Soviet Union. The Somali economy until the war, as we have seen, was heavily dependent on Moscow, which was a major source of aid. Thus the economy was experiencing worsening difficulties in the late 1970s (See

Somalia, 1981). Consequently, Somalia became one of the first African nations to accept the IMF's adjustment programmes.

SAPs are conditional lending programmes built on the principle that a recipient country must accept certain changes to its economic policy and these changes must be made, or at least the given government's behaviour towards these changes must be acceptable against certain criteria, for further loans⁵⁵. The main objectives of the SAP's, as David Plank described it, are to "seek to restore balance to a government's domestic and international accounts, and thereby put development on a sustainable footing" (Plank, 1993).

The main elements in the adjustment programmes centered on the following goals

- a) strengthening the balance of payments position;
- b) reduction in domestic financial imbalances, including less financing of government deficit;
- c) elimination of price distortions in various sectors of the economy;
- d) promotion of domestic savings in public and private sectors;
- e) increasing trade liberalisation;
- f) revival of orderly relationships with trading partners and creditors;
- g) mobilisation of additional external resources.

Tarp (1993), argues that to achieve these immediate objectives, the following specific policy instruments have been generally implemented:

- a) credit ceilings and control of money supply;
- b) exchange rate adjustment, mainly devaluation;
- c) interest rate policy;
- d) deregulation of prices of goods, services and factor inputs;
- e) fiscal policy, including measures for resource mobilisation as well as the reduction of public expenditure;
- f) trade and payments liberalisation entailing, for example, the removal of import quotas;
- g) institutional reforms with an emphasis on increased capacity to implement public investments and privatisation;
- h) debt rescheduling.

In February 1980, the Somali government signed a stand-by credit agreement of USD 14 million with the IMF. Here the intention was to stabilise the balance of payment deficit which had increased over 75% since the war. However, the agreement was not implemented. A new stand-by agreement was signed by the two parts in July 1981. Here the IMF granted USD 46.6 million in support of a new fiscal policy where a two-tier exchange rate was to be introduced (It was

⁵⁵ The instruments, combined in policy packages, have basically served as the basis for criteria against which a given country's performance has been assessed.

abolished a year later). In July 1982, the agreement was completed and a further stand-by agreement was signed by the IMF and the government. Somalia's relationship with the IMF was not a smooth one. The government's reluctance to fully undertake IMF sponsored reforms caused considerable disputes and disagreements during the decade. In March 1984, for instance, the government agreed the terms of a new credit of USD183 million with the IMF. However, In April 1984, Somalia abandoned its reform programmes and its negotiations with the IMF broke down. In September 1984, the government agreed to implement reform policies. Overall, from 1981 to 1990 five IMF stand-by agreements had been accepted by the Somalia government.

As a result, in the early 1980s, reform programmes were part of the Somali economic policies. In 1981 the military (socialist) government stated that "the long-term objectives of development envisage a definite role for the private sector and foreign investment in Somalia and in fact in some sectors an increasing role for such investment is foreseen" (Somalia, 1981). The government also acknowledged that the private sector dominates agriculture, livestock and small-scale industries and that the sector provides some 80-90 percent of the employment in the economy. In addition, the government realised that in some large-scale sectors, such as oil prospecting and development, uranium production and the use of large fishing boats, the participation of foreign capital and expertise were needed (Somalia, 1981).

IMF's reform programme had three main objectives in Somalia: inflation; export; and economic growth (Jamal, 1988). By the late 1980s the Somali government had announced its implementation of most of those IMF encouraged structural adjustment policies. In the macroeconomic aspect the government indicated that it took several measures, mainly to improve revenues, to tackle the fiscal deficit problems, for example: eliminate tariff exemptions for government agencies; imposition of new taxes on certain activities; increase of penalties and taxes on other activities; implementing severe measures to control for smuggling and tax evasion; and increasing remuneration for tax officials. To improve the trade balance certain measures including elimination of some state agencies that formerly controlled trade of certain commodities and acts enabling the private sector to participate in banking, insurance and shipping were implemented. Following, are some specific activities intended for reforming the economy:

- The Government accepted to reduce its personnel and terminated its policy of acting as the last-resort employer of all secondary school graduates
- The State monopoly of some sectors, i.e. grain marketing, was abolished and state trading companies were dissolved
- In the financial sector, the government formally permitted foreign banks to operate in the country and to abolish state monopoly of insurance
- The Somali shilling was frequently devaluated and two-tier exchange rates and an auction system, to determine the value of the shillings, were occasionally introduced

- Price control by the state was reduced
- The import/export sector was agreed to be liberalised
- The Somali government was also expected to increase its revenue and reduce the expenditure

Before I summarize the economic achievements of the decade let us briefly consider the impact of the IMF and its SAPs on the process of state failure. Indeed, the IMF's relationship with Somalia, like other developing countries, could be characterised as principal-agent relationship. The fund imposed strict macroeconomic conditions in which the military government in Somalia was to accept and implement in order gain access for the Fund's lending programmes.

Four months after the financial crises struck Asia in July 1997, Jeffery Sachs wrote an article in *The Financial Times* entitled "The IMF Is a Power Unto Itself", where he emphasized that the real problem with the Fund was the disparity between the unrestrained power delegated to it and its actual capacity. Sachs (1997) noted that "The IMF threw together a draconian programme" for some countries with in short notice "without deep knowledge of the country's financial system and without any subtlety as to how to approach the problems." This criticism was obviously accurate in the case of Somalia. This, rather than improving the economic conditions of the country, contributed the decay of the state institutions in 1980s. This was mainly for two reasons.

Firstly, the lack of profound knowledge of the structure of the Somali economy not only undercut the main objectives of the SAPs, but also threatened the already weakened foundations of the state. According to Jamal (1988), failing to understand the exceptionality of the Somali economy, mainly the nature of the livestock sector and the economy's dependence on remittance from Somalis working in abroad, the SAPs had little impact on any of its main targets because the measures undertaken were marginal to the functioning of the Somali economy. Far worse, "all in all, the spectacle is one of the IMF trying to impose the trappings of a free market economy on Somalia when one exists in all but name. In some respects – e.g. restricting the importation of consumer goods – the measures have in fact militated against the exigencies of a free market" (Jamal, 1988).

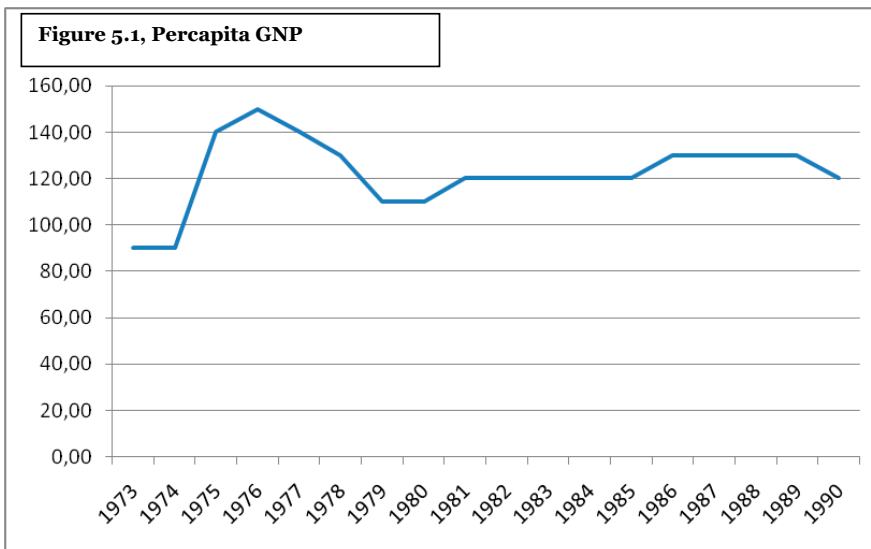
Secondly, the SAPs contributed to the conditions of political instability. As we have seen in chapter one, some economic factors, such as declining national income and economic inequality, were considered as main causes of the social conflict. According to Chossudovsky (1997), the SAPs imposed by the IMF in Somalia aggravate the living condition of the society, "urban purchasing power declined dramatically, government extension programmes were curtailed, infrastructure collapsed, the deregulation of the grain market and the influx of food aid led to the impoverishment of farming communities ... the entire fabric of the pastoralist economy was undone."

Thirdly, as we have seen in the previous chapter, in 1970s people relied on the state for the provision of certain public goods. Although the military

government abandoned these activities before the intervention of the IMF in 1980s the SAPs exacerbated the problem further. For instance, as noted earlier the regime had pushed hard to give educational opportunity to the Somali children in the urban centres. As Figure 6.1 illustrates the share of social service, including education, decreased dramatically since mid 1970s. However, the World Bank data noted that the share of education in the recurrent expenditure declined from about \$82 per annum in 1982 to about \$4. According to Chossudovsky (1997) the reform programmes of the 1980s is to be blamed with this breakup, at least partially. Similar fragmentation happened in all other sectors of the economy and this in turn undermined further the population's limited confidence in the government.

Finally, the regime, due to the extreme need for financial resource and its predatory nature of the 1980s, although it formally accepted conditions and pretended implementing required policies, formulated escapist strategies to gain financial access and reformulated required measures to fit its patrimonial practices. I will deal these in the next chapter. However, "more generally, the adjustment programmes undermine patronage within the state, which weakens political cohesion." (Cramer and Weeks, 2002) On the other hand the regimes escapist strategy, as we will see latter, worsened the situation further.

Now it is time to evaluate the country's economic performance of the 1980s. Despite the government's plans and programmes and despite exceptional support from the donor community, the Somali economy was in serious disarray.



Source: World Bank (1995)

Let us summarise the macroeconomic performance of the economy in the 1980s. The Somali military government stated that the annual real growth rate

of the GDP at market price was 0.9 percent between 1979-1988. In the same period the GDP per capita decreased 19.4 percent in real terms (Somalia, 1990). The balance of payments situation worsened. As Table 5.4 illustrates, the export sector severely deteriorated. In 1989 the revenue from export was only one-third of its 1980 figure and the cost of import was over 8 times higher than the revenue from export.

Table 5-4 Balance of Payments (Millions of US dollars)

Year	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Export	204.50	255.44	256.14	177.20	106.74	127.60	94.69	94.00	58.40	67.70
Import	540.56	-519.46	610.28	486.08	602.80	-454.14	530.60	-438.21	380.59	-552.71
Balance	336.06	264.02	-354.14	308.88	496.06	326.54	-435.91	-344.21	-322.19	-485.01

Source: World Bank (1995)

According to government figures, the ordinary budget balance deteriorated over time, from a surplus equivalent to an average of 1.2 percent of the GDP in the early 1970s to a deficit equal to 6.5 percent of the GDP in late 1987. As Table 5.5 depicts, in 1987 the revenue was less than half of the government's expenditure, or in other words the deficit was larger than the revenue.

Table 5.5 Central Government's Current Budget

	Average 1970-75	Average 1981-83	1984	1985	1986	1987
<i>(million Somali Shillings)</i>						
Revenues	521	2994	3774	5220	9595	10018
Expenditure	-476	-4086	-6663	-7910	-12765	-21021
Balance	36	-1092	-2889	-2690	-3170	-11003
<i>(% of GDP)</i>						
Revenues	16.1	10.4	6.1	6.0	8.0	5.9
Expenditure	14.9	-14.2	-10.7	-9.1	-10.7	-12.4
Balance	1.2	-3.8	-4.6	-3.1	-2.7	-6.4

Source: Somalia (1990)

Sky-rocketing inflation, unbearable successive devaluations of the Somali shilling and a soaring consumer price index were the main features of the Somali economy in the 1980s. The productive sectors were not doing well either⁵⁶.

As we have seen in the previous chapter, the military government tried hard, with some success, to improve the living standards of society in the first half of the 1970s; and beyond that, as I noted earlier, in that period the regime had the character of being as an agent of its citizens. However, in the mid-1980s it was clear that the regime was failing society and the Somali economy in the late 1980s was approaching a complete collapse. In the rest of this chapter I will detail one of the reasons for these changes of behaviour: Why the military regime moved from being an agent of its citizens to a predatory regime. I will give more attention to the process of the transformation that happened during the second half of the 1970s.

Waddadii caddayd, cagta saarnayoo, Ku carraabisee,
Cimrigii jiriyoow, Jiriyoow jiriyoow, caynaanka hay

⁵⁶ I will deal more with these in the next chapter.

Weligaa hay.

<i>Caqli toosanoo,</i>	<i>Caafimaad qabaad,</i>	<i>Nagu caymisee,</i>
<i>Cududoo midiyoo,</i>	<i>Caanaha wadaag,</i>	<i>waa caadilnimee,</i>
<i>Cimrigii jiriyooow,</i>	<i>jiriyooow jiriyooow,</i>	<i>caynaanka hay,</i>

Weligaa hay.

Abdi Muhumad Amin (1971)

<i>Waddadii caddayd,</i>	<i>Cidhif dhaaftayoo,</i>	<i>cayn kale u rogtee,</i>
<i>Cimrigii dhacyoow,</i>	<i>caynaanka daa,</i>	<i>Noo sii daa.</i>
<i>Cududdaan midayn,</i>	<i>Caanaan dhansiin,</i>	<i>Nagu cidhib jartee,</i>
<i>Cimrigii dhacyoow,</i>	<i>dhacyoow dhacyoow,</i>	<i>Caynaanka daa,</i>
<i>Noo sii daa.</i>		

<i>Ciilbaan qabnaa,</i>	<i>Keligii cunoow,</i>	<i>Ciiddaad geliye,</i>
<i>Cimrigii dhacyoow,</i>	<i>Caynaanka daa</i>	

Abdi Muhumad Amin (1981)

5.3. Abrogating the Social Contract

5.3.1. External Reconstruction

As noted in the previous chapter, in the first years of its rule the military regime in Somalia concentrated on the local problems, namely consolidation of power and socioeconomic reconstruction, and pursued a low profile approach in external affairs. According to Lewis (2002), due to the dramatic progress achieved by the SRC on local development and the consolidation of its authority, the Somali government initiated an aggressive policy, which focused more on external affairs. Perhaps a series of events that provided Somalia an opportunity to play international/regional roles, in 1971-2, influenced further the Somali government's view on external affairs. In one year, Somalia did the following: became a member of the UN Security Council; assumed the chairmanship of the Council in the first session of 1972 and the chairmanship of the UN Apartheid Committee; secured the chairmanship of the OAU Ministerial Committee; and hosted for the first time the Summit meeting of the East and Central African Region. Somalia, as a natural bridge between Africa and the Arab and Muslim

World⁵⁷ and being the closest ally for the Soviet Union in Africa, had a comparative advantage within Africa.

Consequently, by 1972 it was very clear that the government was upgrading Somalia's external standing. Initially, the government started playing a prominent role in African affairs. Three main strategies towards Africa could be figured out. Firstly, the Somali government played the role of peacemaker between African states. Both Barre and Omar Arteh Ghalib, Somalia's foreign minister, pressed hard to peacefully settle a military conflict between Uganda and Tanzania, the main problem to confront East Africa in 1971-2. Secondly, Somalia extended support, mainly political, for the African liberation movements. Particular attention was given forces against the South African apartheid regime as well as the Portuguese and French colonies. Mogadishu collaborated with Cuba in the training of forces for the African Liberation movements (Lewis, 2002). Barre's government not only supported the movements against these colonial governments, but also directly confronted these states. For instance, when the President of the Ivory Coast, Felix Houphouet-Biigny, presented a dialogue with South Africa, Barre took a leading role within the OAU in opposing that proposal, by saying that he feared that such an issue would divide Africa and preferred that courageous leaders like President Houphouet-Biigny exercise their courage in "more positive aspects of our striving" (ACR, 1971/72). The Somali government was among the first African countries to threaten withdrawal from the Olympic Games in Munich, had the Rhodesian team been allowed to take part. Finally, Somalia started playing a leadership role regarding Africa's interests internationally. In early 1972, as chairman of the Security Council, Somalia pressed hard in persuading the UN Security Council to hold its February meeting in Addis Ababa, Ethiopia, the first-ever meeting in Africa by the Council. Somalia's role in African Affairs peaked in 1974 after hosting the OAU summit and Barre's assumption of the chairmanship of the organisation. He also sought the role of OAU's secretary general for his foreign minister, Mr. Ghalib.

During the same period Somalia successfully tried to improve its relationship with the Arab World. In November 1971, on his way home from Moscow, Barre visited Saudi Arabia, Egypt, Iraq and Syria and assured that the visit was "very fruitful". *Al-Jamhuriya*, the main Iraqi newspaper, described the Somali revolution as "the advance front for the Arab nation in Africa" (ACR, 1971/72). Earlier, Mogadishu reaffirmed its total support for Egypt in the Middle East dispute and declared that it would give unqualified support to the Palestinians (ACR, 1971/72). By the end of 1972, Somalia significantly improved its relation with Arab states, no matter what their ideological orientation was. In 1973, Somalia's concern over its border dispute with Ethiopia increased, and consequently Somalia started identifying itself even more with the Arab cause during the October War. In September, Somalia expressed its support for "the struggle of Arab people to recover their land and regain their rights". During the war Mogadishu, to help Arab states overcome shortages, offered to send its entire supplies of meat, preserved fish and livestock to Egypt and Syria. It

⁵⁷ It contested on this role with Sudan (Lewis 2002)

initiated anti-Israel moves in the OAU and the UN. In March 1974, Mogadishu proposed for an emergency conference of the Red Sea Arab States to discuss the danger of an Israeli presence in the region and pledged to host the conference. During that the year, Somalia also deepened its relations with other Arab states, such as the Gulf states, North African states, Sudan and South Yemen (ACR, 1973/74).

All this paved a way for Somalia, the first non-Arabic speaking country, to gain membership to the Arab League in 1974. The Somali government claimed that this was done because of Somalia's historic ties with the Arab world, the legitimacy of the Arab cause and the indispensability of Afro-Arab unity. However, most observers believe that economic interest was the driving force behind Somalia taking such steps (Ahmed Samatar, 1988). An important factor for Mogadishu's involvement on the Arab issue was its intention to gain Arab support for its reunification agenda, especially its dispute with Ethiopia. However, there is no doubt that economic interest superseded any other interest and within a year Mogadishu reaped the fruits.

“Following admission to the Arab league, Somalia set out to attract foreign aid from the Arab states. A number of delegations toured the Arab world during the year ... Iraq agreed to construct an oil refinery, and to supply crude oil; it also provided a three-year loan to cover Somalia's 50 percent of the cost. The Kuwaiti Fund for Arab Economic Development gave a loan of US\$7.3 m. In September, following a tour by Osman Mohamed Gelle to Saudi Arabia, the United Arab Emirates, Qatar, Oman, Kuwait, the Yemen Arab Republic and Egypt, grants totaling Sh234 m were announced, mainly from Saudi Arabia and Kuwait. The Kuwaiti Fund also agreed to finance the construction of a new power station in Mogadishu in December at a cost of over Sh140 m. Livestock agreements were made with the UAE and Qatar; air and communications agreements with Sudan and Saudi Arabia; and economic and trade co-operation agreements were reached with most of the Arab states. Other agreements involved Iraqi assistance in improving the Somali insurance system, through a special company; The Saudis provided finance for the Maqdis dam on the Shabelle river, which will cost Sh.55 m; finance from Abu Dhabi for an abattoir, canning factory and irrigation scheme at Berbera, worth £28 m. Following a visit by Libya's President Ghaddafi in February, agreements were signed on shipping and agriculture; jointly owned companies were set up” (ACR, 1974/75).

Though the EEC and Italy continued their aid programmes in Somalia, Mogadishu's relation with the West had remained cool since the military coup, while its relations improved significantly with the East. Somalia maintained a good relationship with the Peoples Republic of China. This relationship with China provided significant economic aid, mainly by constructing highways and contributing to the health and agricultural sectors. However, China did not want to intervene in Somali internal affairs and its disputes with the neighbouring countries. Somalia's relations with east European countries were determined by its relations with Moscow.

5.3.2. *The Soviet Union: An Unhappy Principal*

In the previous chapter we saw that the Soviet Union at least facilitated, if not directly encouraged, the smooth implementation of the military takeover. We also saw how Moscow devoted itself to supporting the regime in general and Barre's wing of the SRC in particular, in the case of a dispute among the SRC leadership. In addition, Moscow supplied substantial amounts of economic and military aid to Somalia.

However, after the first several years of its relationship with the regime, the Soviet Union started to reconsider its position. It realised that the regime was not properly addressing its long run objectives, in particular the fact that the vision of constructing a new Somalia based on scientific socialism was not on the right track. Several factors prompted Moscow's conclusion.

Firstly, the deep presence of Islam in the Somali social fabric and the regime's reluctance to aggressively address this issue was the main source of Soviet disappointment. By choosing socialism as a way of life for Somalis, the regime put itself into an unfavourable position as far as religion was concerned: Firstly, Moscow wanted to see a new Somalia based on Marxist-Leninist principles, free from religious influence. Secondly, the Somali people, on the other hand, believed that Islam had an indispensable role in their political, social and economic spheres of life and could not be excluded from it. Previously, Somalis, led by the religious leaders, resisted even modernising the educational system. Thirdly, some Somali socialist ideologues, particularly young Marxists, like Soviets, wanted Somalia as an ideal secular socialist state. And finally, Marxist-Leninists ideas about religion provided ample opportunity for political opponents. Here, besides the clan factor, religion could be used as an instrument for mobilisation.

Barre formulated his strategy for each of those issues. For the Somali public Barre maintained his rejection of the idea that Islam was the opium of the people and argued that "the Koran is the foundation of our moral and ethical system and the government has the responsibility of supporting and advancing it" and insisted his well known "non-contradiction" approach. According to him "there is no conflict between Islam and socialism, as they both enshrine the principles of human dignity, mutual respect, cooperation, progress, justice and wellbeing for all" (Castango, 1971). Realising the danger and trying to give room for his socialist ideas in Somalia's Islam, he articulated that "historically, our people, strongly believing in Islam, have unanimously fought all threats against their faith and their country. Today their faith is stronger than ever. As far as socialism is concerned, it is not a heavenly message like Islam but a mere system for regulating the relations between man and his utilisation of the means of the production in this world. If we decide to regulate our national wealth, it is not against the essence of Islam" (Patman, 1990). He was quoted as saying that "our Islam teaches us that its inherent values are perennial and continually evolving as people progress. These basic tenets of our religion cannot be interpreted in a static sense, but rather as dynamic force, as a source of inspiration for continuous advancement" (Laitin, 1976). In addition, he tried,

with some success, to bring the religious leaders on board and argued “the need for our religious leaders to probe within the social reality of our people, and wrest from our religion its practical teachings, thus making available its ideas and actions in the interest of general progress. Among our people, religious leaders must play a galvanising role to activate a society advancing towards the high values of Islam, which have always been the foundation of our social and political organisation” and, with his usual tone, concluded that “the Somali Democratic Republic will spare no effort to follow the path to prosperity ... This path is laid out by Islam” (Laitin, 1976). Religious leaders were also trained to catch up and many of them approved Barre’s socialist programme and “prayed constantly for the revolution”. Farther more, reliable religious figures, such as Sheikh Abdulqani Sheikh Ahmed, who not only approved Barre’s non-contradictory thesis but argued that spreading false rumours, that socialism conflicts with Islam, is “contrary to the principles of Islam”, were put in charge of the country’s religious affairs (ACR, 1972/3, 1973/4). The state media, both the press and radio, pressed to spread the non-contradictory message.

For the radical socialist Somalis, Barre’s message was simply that “the founders of Scientific Socialism were not against a religion in particular but they exposed and disproved the reactionary elements of religion that dominate [the] sound reasoning of mankind and hence hinder [the] progress of society” (Lewis, 2002). As we have seen in the previous chapter, the socialist ideologues, who approved the regimes policies, were welcomed and given certain positions in the government and those who tried to resist these policies, naturally including those unhappy with the presence of Islam, were expelled from the administration or even jailed.

For the religious leaders who resisted the regime on religious grounds and political opponents who tried to take advantage of religion, the response was even harsher. “The reactionaries”, Barre underlined, “wanted to create a rift between socialism and Islam because socialism is not their interest”. So for Barre even those Muslim theologians, who opposed the regime’s policy merely on a given policy contradicting with Islamic teachings, belonged to the reactionaries who either wanted to use religion for their selfish interests or were *Wadaad Xumeyaal* (the pseudo-religious men), as he used to call them, while, as he argued, he personally understood the essence of Islam better than they did. A testing moment happened in 1975, during Women’s International Year, when the SRC approved a family law which, directly contradicting the Koran, entitles an equal share in the inheritance between the boys and girls. Soon after Barre uncovered the decision, the “most explosive confrontation” between Islam and socialism occurred. Religious leaders took the mosques by strongly denouncing the act with the intention of discrediting it. They emphasised that an act like this not only shows the regime’s disrespect to Islam, but also its intention to eliminate Islam and secularise the society. However, the regime’s reaction raised many eyebrows⁵⁸. Ten theologians were executed and many

⁵⁸ Exploiting religion to undermine and weaken the powers of the state is punishable by death penalty, according to the law of twenty-six articles, as it was called, promulgated in September, 1970.

others given long-term imprisonment. In his usual line Barre commented: “If both Islam and socialism advocate justice, equality and improvement of people’s lives, who can tell me where they differ? Where do they contradict one another? What harm is there in having the faith of Islam, and at the same time applying socialism as an economic and political system through which our country can make progress? I would say none” (Ahmed Samatar, 1988).

The regime succeeded in convincing Moscow that the situation was more dangerous and required long-term social transformation rather than direct conflict with society, which may have given ample opportunity for reactionary forces. According to Pestalozza (1974), the Gaveire group, by seeking Islamic Socialism, belonged to this category. Perhaps, that is why Moscow sought their execution. Moscow sent a delegation to support Barre’s own Russian adviser who strongly advised that an example should be made and, according to *Africa Confidential*, the decision was apparently based on that advice (AC July 6, 1973). However, after several years Moscow’s conviction that socialism would advance at the expense of Islam withered away and the regime’s reluctance to rule out Islam become apparent. By 1973, Somali officials openly admitted that socialism in Somalia included a large dose of pragmatism and that practical needs dictated by local conditions, rather than dogma, take first priority, and thus “the Muslim religion is vigorously upheld in public life and the dilemma posed by the atheism of dialectic materialism is studiously shunned” (AC Dec.14, 1973). Barre’s intention became clear in 1976 after he was convinced, as we will see later, that there are better alternative than Moscow. He informed the Russians that “to attain our strategic goal ... we must take account of the realities ... In our country religion is not just a matter of faith: it is inherent in our culture and has its own social structure ... we decided that in our country there should be no struggle between religion and socialism”. Commenting on this Patman (1990) said that “Siad [Barre] was saying that Islam – a serious problem in Soviet eyes – was here to stay”.

Secondly, Moscow was, beyond the presence of Islam, unhappy with Mogadishu’s ideological orientations. In the pervious chapter I touched upon the ambiguity of Barre’s version of scientific socialism. One of the problems here was the economic aspect of the future New Socialist Somalia. The regime, though it nationalised some sectors of the economy, left other sectors, including the livestock and banana plantation, the country’s main export items, in private hands. Thus the mixed economy was maintained. The Russians initially assumed that Somalia as an African country transforming itself into socialism should adopt a mixed economy as a necessary transitional step. However, as we noted earlier, Barre maintained that “private ownership is allowed in scientific socialism in Somalia” (Patman, 1991). And in 1972, at Halane National Orientation Centre, he reminded new trainees about narrow-minded orthodox Marxists by saying “that Comrade V. I. Lenin confiscated such and such property after the Great October Revolution, or in [the] 1940s Comrade Mao Tse-Tung did this and that in his country against the reactionary forces. These people are totally ignoring the historical context of the teachings of the great socialist thinkers. They recite quotations from the founders of the scientific socialism out of their proper context” (Lewis, 2002).

Furthermore, the military government actively encouraged the private sector. One of its policies to improve the agricultural sector was to create investment incentives for the private owners intending to modernise their production. Thus, the government authorised the national banks to grant credit facilities to these farmers.

Later on the Soviets expressed their discontent with the regime's economic policies. G. V. Kazakov commenting on the Somali Government's private sector encouragements noted "notwithstanding the implementation in 1970 of partial nationalisation the activity of the private sector did not lessen. The financing by the banks of the activity of the private sector at the beginning of 1971 exceeds its deposits in the bank by 49% [sic]. This is the characteristic feature, indicating the activity but not a reduction of 'activities' of the private sector in Somalia after the revolutionary overthrow of 1969" (Patman, 1990).

5.3.2.1. From Development to Unification

To escape from these dilemmas, Moscow started two main approaches so as to institutionalise itself in Somalia. The first method was to seek a formal treaty of friendship with Somalia. The SRC came to power fully understanding the Somali public's preferences and as we have seen decided to deal with the socio-economic problems. When it came to the issue of *Greater Somalia* the regime decided to tell Somalis and the world that the "missing territories" will not be neglected, but diplomatic channels will be pursued rather than military. Addressing the nation, on 1 July 1970 Barre said "[w]e in the Somali Democratic Republic do not intend to kindle the fire of destruction in the Horn of Africa. We have heard, and some of us have seen the effects and repercussions of war, which twice struck this world and left behind untold sorrow and suffering. What we intend to do is to press for a peaceful and amicable settlement of all disputes which engulf us and our neighbors, and which sow the seeds of suspicion and hatred between the peoples and governments of our part of the world. If these perennial and thorny problems are to be solved, the efforts of all States concerned will be concentrated on the eradication of the arch enemies of mankind – disease, ignorance, and poverty, and on economic and social betterment of our peoples" (SDR, 1974).

Considerable diplomatic effort had been devoted to the issue by Barre and his Foreign Secretary Mr. Omar Arteh Ghalib, until 1974. Three years later, Barre told Emperor Haile Selassie⁵⁹ that being "aware of human frailty and vanity of man which may some times hold the tongues of brave men and there by prevent them from taking actions dictated by the realities of a situation, I have decided not to be persuaded by such vain considerations for I am convinced that there is no braver act nor is there a prouder stand than to seek peace and prevent war" (SDR, 1974).

⁵⁹ Emperor of Ethiopia

However, for Moscow, Barre's approach to find a peaceful solution on the border dispute between Somalia and Ethiopia, was unfavourable to its objective of furthering its influence on the military regime in Somalia. In early 1972 the Soviet leadership realised that President Anwar Sadat, frustrated that the USSR was not providing Egypt with enough weapons, may break diplomatic ties with Moscow. For that reason, and possibly reinforced by a pro-communist abortive coup in Sudan which severely damaged Sudan's relations with Moscow, Somalia received the status of viable alternative. Accordingly, Soviet politicians started recruiting Somali leaders. However, SRC leaders seemed reluctant to play the role.

Probably, the best strategy to manipulate Somalis for greater Soviet presence, both militarily and politically, was to reshape the SRC's policy toward missing territories. One of the main tasks for Marshal A. Grechko's, the Soviet Defence Minister, four days visit to Mogadishu in February 1972 was to encourage Barre and his military regime to understand the situation. That and numerous following delegations travelling between Moscow and Mogadishu, discussed the issue. Public statements were made for military cooperation between the two and Somalis were reminded that the USSR "consistently supported and does support peoples fighting for their liberation, national independence and social progress" (Patman, 1990). However, the issue was much deeper than these carefully designed public statements. According to General Mohamed Nor Galal, on the underground level talks, Moscow confirmed to Somalis that it was prepared to support Somalia, if the latter were ready to take the opportunity⁶⁰. To further their mission Russians sought a treaty of friendship with Mogadishu, however, as speculated, the SRC declined to sign that treaty (Makinda, 1987; see Bell, 1975).

Exactly two years after Sadat asked, in July 1972, the Soviet military advisers in Egypt to leave the country, Moscow achieved its objective. On July 1974, Somalia and the USSR signed the well known treaty of friendship and cooperation, "[t]he first of its kind between USSR and a black African state" which "marked 1974 as a momentous year in the Horn of Africa" and "transformed little Somalia into the fourth largest most heavily armed state in black Africa, ... [and] in 1976 Somalia had probably the strongest air-strike capacity in black Africa" (Patman, 1990). William Zartman described the treaty as an "institutionalized high point of relations" (Makinda, 1987). Since then the SRC's strategy, concerning Greater Somalia, was reformed and a year later in 1975 Mogadishu started supporting local, armed independence movements in Ogaden. This was the initial step for Somalia's military confrontation with Ethiopia – a step towards the Ogaden War.

5.3.2.2. Somali Revolutionary Socialist Party

The other approach was to encourage the SRC to establish a vanguard Marxist-Leninist party, which is essential for a socialist country to perform effectively.

⁶⁰ See e.g. the BBC interview with General M. N. Galal.

By 1971 it was apparent to the Soviets that Somalia needed to reform itself on the bases of a political party and other public organisations. Such a party was required to organise the masses in order to participate in the country's decision making process and Somalia still lacked one, and by 1972 the Soviets believed that Somali officials acknowledged the advantages of creating a political party. As we saw in Chapter five the Soviets believed that Barre was their man both in Somalia and in the SRC and they relied on him in person rather than through firm institutional arrangements. However, Moscow, with the experience it gained from its former friends in developing countries, including Egypt, was aware that military aid did not guarantee a permanent foothold in an African country. Patman (1990) states "In Somalia, therefore, the Soviets sought to institutionalise its position through the establishment of party to part relations". Therefore, Moscow's main goal on party building in Somalia was to free itself from dependence on Barre personally. Such a party would provide an institutional commitment between two socialist organisations and the hope was that "when such a party establishes itself, Siyad [Barre] himself may no longer be indispensable to the Russians" (Crozier, 1975). In short, Moscow was formulating a better alternative in Somalia.

The Soviet Union's point was supported by people's growing desire to participate in their future destiny, with Sherr noting that "[d]uring the tours around the country one repeatedly heard, sometimes from the leaders, sometimes from the rank and file workers, regrets in the Republic concerning the acutely felt lack of a party and its guiding influence" (Patman, 1990).

As I noted earlier, before the coup there were several socialist parties in Somalia: The Greater Somalia League (the Great); Somali Democratic Union (SDU); and *Hawl & Hantiwadaag* (Labour & Socialism). These Parties, particularly the SDU, with the help of the Italian Communist parties, established relationships with the European and Soviet communist parties. The SDU was, reputedly, financially supported by the Soviet Bloc countries (Castagno, 1964) and gained educational training in these countries for its supporters.

After the coup, most of these leftist groups sought to closely identify themselves with the regime. They warmly welcomed the military move, supported it and in some ways became informal pressure groups and advocates for socialism. The SRC on the other hand used these groups to its advantage as intellectuals and as an instrument for mobilisation. In 1970, these groups, with other intellectuals who were critical of the civilian regime, was consulted by the SRC and were among those who recommended that socialism is the best choice for Somalia. And the leaders of the PRO/NPO were mainly recruited from these groups. The NPO maintained the relationship between the system and the communist parties in the Soviet Bloc and pursued sending trainees to these countries. These leftist groups, probably aware of Moscow's intention for the political party, pressed for the formation of a party. The main figures of these groups believed that under a socialist party they would be the ideal candidates for top national offices and thus would accrue significant power and influence in the regime. Most probably, these were the leaders advocating for the formation of the

political party mentioned by Sherr (above). However, Barre was aware of this danger.

In 1972, preparations for the political party proceeded in Somalia i.e. the SRC tried to devolve power to local authorities, it initiated a process of establishing trade unions, the public Relations Office (PRO) was expanded and branches were established in all villages, districts and provinces and later on, in 1973, it was transformed into the National Political Office (NPO) which became the foundation stone for the projected socialist party. On 21 October 1973, on the fourth anniversary of the revolution, Barre announced that a political party was to be formed in the country soon by stating that Somalis were “ripe of politics and ready to form their own political party” (ACR, 1973/74).

However, it took three more years for the party to be formally established. The delay was assumed to be caused by disagreement within the leadership about the need and timing of setting up the political party. Barre, with other SRC members, was worried that their power base would be weakened if an ideal Marxist party was established. Several particular dangers could be figured out. Firstly, the party if properly formed, would not only give the masses an opportunity to participate in the decision making process but may also change the direction of their decisions. Local councils, for instance, were formally appointed by the President, but if a party were established, people expected that that approach would be reversed. As the chairman of the Hiiraan regional council explained to the people, “in the future when we want to have elections, the villages will elect their representatives to the district congress (as will the various quarters of the towns); the district congress will elect the regional, and the regional the national congress” (ACR, 1974/75).

Secondly, the abolishing of the SRC and the formation of a political party would possibly give opportunities to political contenders, including young radical Marxists. Some groups were expecting that the party formation would provide a mass base for mobilisation and were eager to see the new Party established. Indicating the government caution and reminding the people of their experience with political parties during the civilian regimes, Ismail Ali Abokor, Minister of Information, noted that “[w]e must be careful not to repeat the former mistakes ... The new party, which will be a socialist party, must be properly prepared” (ACR, 1974/75).

Thirdly, the party, if properly established, would be a source of power independent from the army. This, however, would be to the advantage of socialist intellectuals, such as M. A. Sheikh, Weyrah, and Omar Salad over military officers, such as Barre. Following this logic Barre and other SRC members would lose the advantage given them by the military coup. Finally, Barre knew that he may no longer be Moscow’s man in Mogadishu if a firm Leninist-Marxist political party would be established.

Consequently, Barre decided to act before it was too late. The regime decided to create its own cadres for the projected party. Since the former socialist ideologues in the system were seen as a threat, independent sources for reliable

cadres were needed by the SRC. Training courses for ministries and state agencies' workers in trade unionism was established, the NPO was directed to extend its network of local offices to almost all permanent settlements "in order to educate the necessary cadres for the party" (ACR, 1974/5) and the Institute of Political Science was initiated. "The institute orientates, develops and prepares cadres for the party, social organizations and academic clubs. It is the only centre that could organize party education and political orientation" (XHKS, 1976).

In the regions, a massive re-organisation of local government was implemented: major old regions were split up, for instance Benadir and Upper Jubba were divided into three regions each; and new regions were formed. A number of revolutionary council chairmen, both at the regional and district levels, were removed from their positions in the North-Western and North-Eastern regions⁶¹. At the national level, the SRC started to clean the system from potentially hostile elements, so that their elimination would not create immediate turmoil. In 1975 a series of mass-dismissals were undisclosed throughout the year. Some one hundred senior officials, including a significant number of director-generals and ambassadors, were chased out from the government. Their alleged crime was that they "could not comply with the principals of the revolution" (ACR, 1975/6).

On the one hand, the party was promoted as the highest political institution in the country; it would replace the SRC. All other institutions, state and social, were brought under the party and they were regarded as parasites that could not live without the party. As was noted in the political programme of the Party "[t]he party must guide the activities of both state apparatus and social organizations. Without the political leadership of the party, its ideas and organization, or if the party fails to fulfil its obligations, these institutions will go astray, and will be in danger for the principles and policies of the imperialism, they will loose the revolutionary awareness and become prone to be intermingled by enemies" (XHKS, 1976). Furthermore, although Barre was the chairman of the Council of Ministries, the Ministries were regrouped into functional areas and every set of industries were put under one of eleven *Hogaans* (bureaux) of the Party. So the Ministries were accountable to both Barre and one of the party bureaux. In addition, national social organisations, the Federation of Somali Trade Unions (*SHASOMA*), the Somali Women's Democratic Organization, and the Somali Revolutionary Youth Organization, were formulated as "creatures" of the Party. As Figure 5.2 shows, the ministry and social organisations were monitored by a party representative and each autonomous unit in the ministry was stationed a party representative. Almost every major public building hosted *Xafiiska Wakiilka Xisbiga* (the Party Representative Office). In this regard the party became the supreme institution in the country, and all other institutions were subject to its command.

⁶¹ Local council chairmen are appointed by the President. However, as we will see, they will select the local delegations for the congress and members of the forthcoming party. For that their loyalty must be re-assured.

On the other hand, when the Party was created Barre became like an unchallengeable monster at the top of the supreme organisation. In the creation process, Barre mobilised all means under his command to bring the party under his full control. In June 1976, 3000 delegates attended the national congress in Mogadishu. The delegates from the regions and villages were selected by the chairmen of the local Revolutionary Councils. At the national level, the head of the NPO, Abdulqadir Haji Mohamed, an unswerving and loyal supporter of the President, was responsible for screening the delegates from state institutions and social organisations. However, all candidates were subject to the President's final approval. The clan balance and the candidate's loyalty to the revolution's policies were the main criteria for the selection process. The congress convened the Somali Socialist Revolutionary Party (SRSP) with the 3000 participants as founders of the party. A Central Committee of 73 members was also formed. A Political Bureau of five leading SRC figures was created consisting of the following: Barre; the three Vice-Presidents (Mohamed A. Samatar, Hussein K. Afrah., Ismail A. Abokor); and the head of the NSS and the President's son-in-law Ahmed Suleiman Abdalla. Barre assumed the role of the Secretary-General for the SRSP. In the election of the Central Committee, Barre's approval of the candidate and his confirmation was necessary. Eleven *Hogaans* (bureaux) with administrative responsibility were also created. Barre, as the Secretary-General, had the right to appoint the heads of the SRSP *Hogaans*, the members of the council of the ministries, and the heads of the national social organisations. In addition, as Figure 6.2 illustrates, the armed forces and security apparatus (NSS and NSC) were under Barre's control. The party put great emphasis on the security organisations, with "the Party constantly engag[ing] itself to defend and safeguard the fruits and the gains of the revolution from both the internal and external reactionaries as well as antirevolutionary elements" and this could be done by "strengthening the state security organisations, the police and the victory pioneers. That could be achieved by improving their technical capabilities and developing the political awareness of the staff and, beyond that, these organizations must blindly recruit those individuals that have proven themselves to be the most lovers and believers of the revolution among the working class" (XHKS, 1976). Furthermore, after reshuffling the government in December 1974, the Ministry of Planning and Co-ordination was brought under the President's Office and its Minister, Ibrahim Megag Samatar, was sent somewhere else. The reason was, as elsewhere in Africa, that the Planning Ministry had the responsibility to receive and disburse foreign aid, and by controlling it, the president controlled the most important source of foreign exchange. So both the means of coercion and those of prosperity, using Robert Bates' terminology, were now under full control of the President (Bates, 2008).

Many stressed the necessity of a political party and propagated for its formation, however, a series of unfavourable consequences appeared soon after its formation:

1. Barre dominated Somali politics even before the party and no one, whether from the SRC or otherwise, dared to challenge Barre after 1971. However, the coup gave the SRC members a say in the future of the country and its members played a leading role in the country's affairs. In

an informal discussion with Ismail Ali Abokor, a member of the politburo, in the summer of 2007, he maintained that before the SRSP the leaders used to behave like a team, the President being team leader, but after the Party was founded, that approach was not practiced anymore. The autocratic character of Barre significantly increased after the formation of the SRSP.

2. *“Naftayada ayaanu khatar geliney markaan cinqilaabka ku dhaqaaqnay si aanu wadanka u badbaadino”* (By getting involved in the coup, to rescue the country, we put ourselves in great danger). These words were often heard from the SRC members. Here they were establishing the legitimacy of their rule (Shuuke, 2008). The SRC was dissolved soon after the Party was formed. In the Party the admittance of the SRC members both into the Party membership and the Central Committee was automatic. However, as individuals in a committee of 73 members, where decisions were made by majority vote, they felt that their power base had deteriorated. Neither former SRC members nor the new members of the Central Committee had the same incentives as those the SRC once had to safeguard national interests in order to secure their own interests.
3. Socialist ideologues were hoping that the situation would improve to their advantage, however, they now realised that their hopes were dashed. They were expecting that members of the new party would be recruited from the supporters of socialism
4. in Somalia. After the SRSP was established they claimed that the Party was a tool for Barre to undermine adversaries. As Markakis (1987) noted, they discerned that the Party was designed to be an instrument for the military rule and Barre’s authoritarianism. Weyrah, a prominent figure among the group, agrees with that. According to him the “progressive forces” encouraged the Party to be established, however when established they realized that they became very disappointed. By appointing Barre and another four generals as the politburo for the Party, the new Party just provided Barre and other generals “civilian uniforms” (Weyrah, 2009).
5. Moscow, of course, was among those unhappy with the outcome
6. A fierce power struggle at all levels of the government, mainly caused by the overlapping roles, started. Pleasing Barre was gradually replacing any other achievement by the state officials. In every ministry the minister, deputy-minister, permanent secretary, director generals and Party representative directly reported to the President.

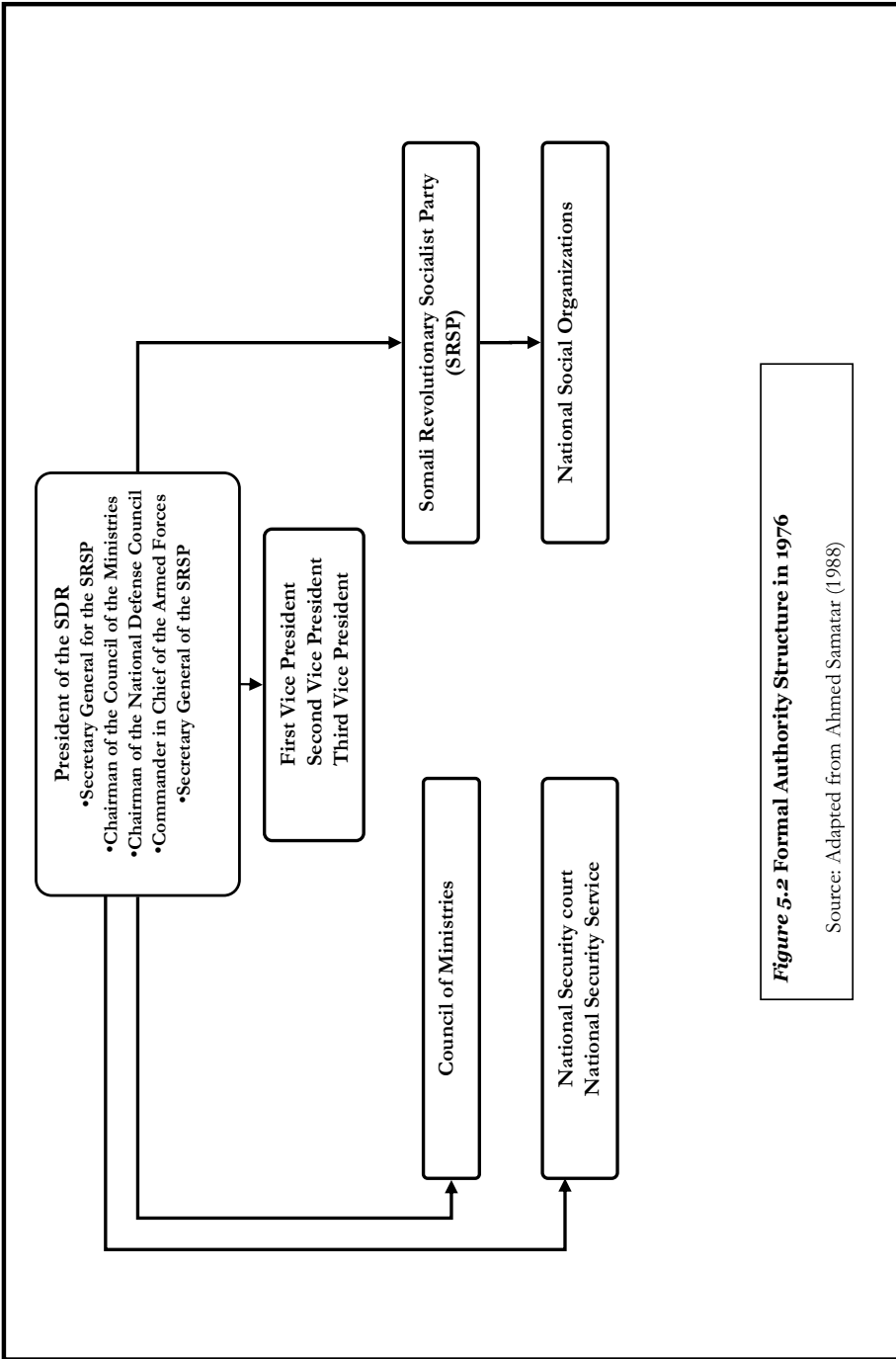


Figure 5.2 Formal Authority Structure in 1976
Source: Adapted from Ahmed Samatar (1988)

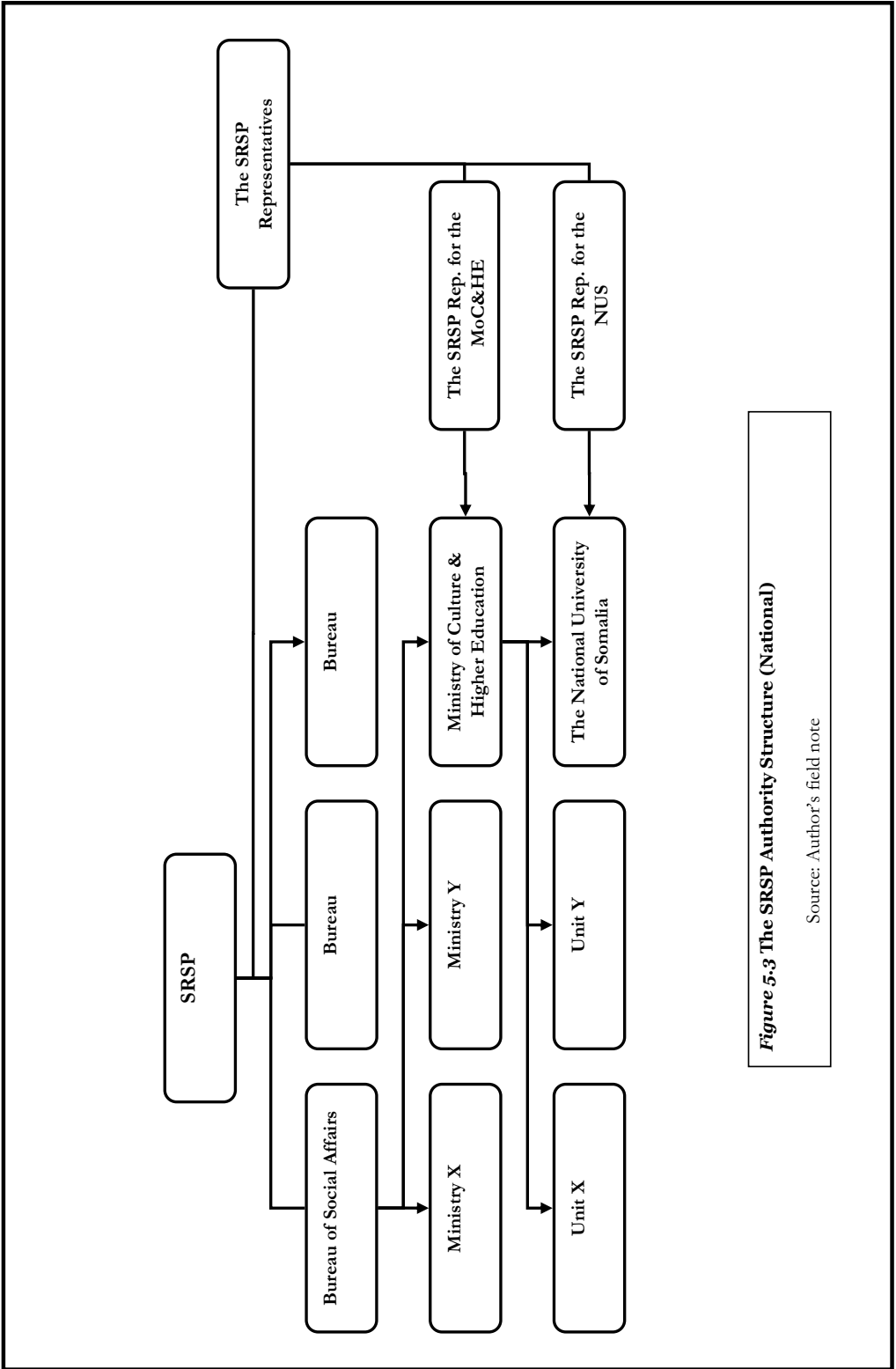


Figure 5.3 The SRSP Authority Structure (National)
 Source: Author's field note

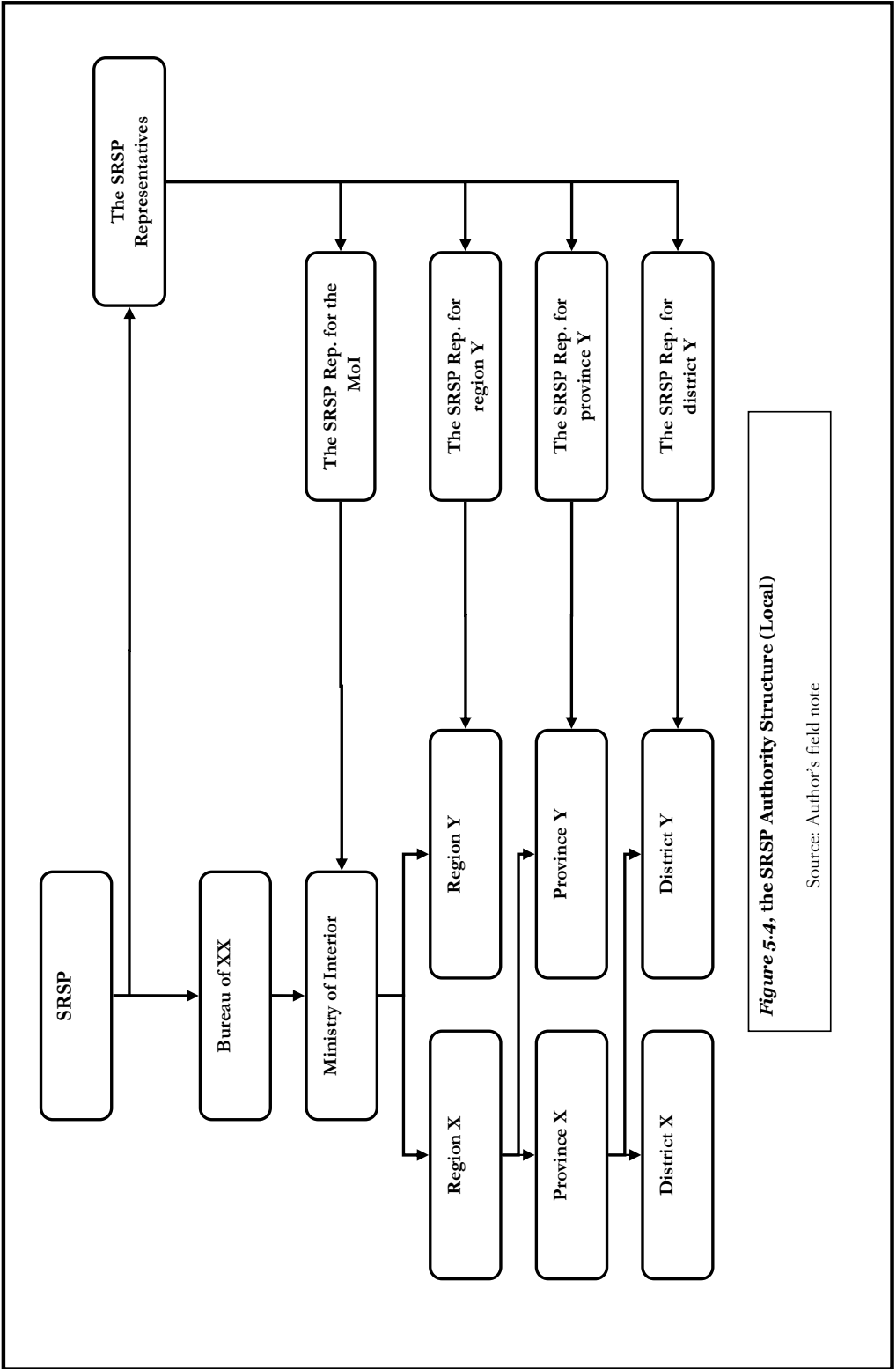


Figure 5-4, the SRSP Authority Structure (Local)
 Source: Author's field note

5.4. Barre's Personal Rule and the Re-birth of the Tribalism

In the last chapter, we saw that the SRC officially banned and symbolically buried tribalism in Somalia. Here the intention, mainly, was to undercut lineage loyalty and thus to weaken the main source of legitimacy for potential opponents. I also noted that by 1973 Barre's confidence, at least in the near future, was apparent. However, little success was gained on this front. By the mid-1970s, the resilience on tribalism in Somali politics was observable. There are two main speculations about the phenomenon. One suggestion is that Barre, though he had formally denounced tribalism, was carefully using clan balance as a mechanism for control. Lewis (2002) argues that clan representation was a basic principle in Barre's political game even in the beginning. Laitin and Samatar (1987) argue that "[f]rom the early period of the revolution, Siyad [Barre] exhibited what some would call paranoia ... of the *Majerten* clan. The *Majertens* were the clan that held the key to power throughout most of the civilian era ... [Barre] made allusions to his enemies among the *Majertens* in many of his early remarks. To confront his enemies directly, [Barre] found himself identifying them on the bases of their clan membership. In doing so, [Barre](perhaps inadvertently) re-legitimated the language of tribe in Somali politics". Here the argument is often elevated as follows: Barre as *Marehan* clansman believed that those clans that played a dominant role in Somali politics during the civilian regime, *Majerten*, *Habar-Gedir*, *Abgal*⁶² and *Isak*, may not admit to his leadership. According to Abdullahi Yussuf Ahmed, former president of the Transitional Federal Government, and long-time rival of Barre, Mohamed Siyad Barre, in planning the October coup of 1969, approached him and proposed his participation in the forthcoming coup but Abdullahi declined the offer. Barre, commenting on Yussuf's decision said you, *Majerten* clansmen, are not willing to accept any one else to assume the top office in the country. If confirmed, the story illustrates Barre's suspicions against certain clans in the country, which is not something unusual in Somali politics. The result was, the argument concludes, that Barre overreacted by selectively punishing certain clans and rewarding others.

The other speculation is that, elements in the leadership of these clans were playing the clan card. By bringing up the prominent role played by leaders from these clans in the pre-coup governments, these leaders were trying to delegitimise Barre's rule at least in the eyes of their clansmen. Although the former argument is not totally excludable, the later has more credence for the following reasons: firstly, in Chapter 4, we saw that whenever a politician gains prominence in a national position his political opponents exploit his clan identity in order to mitigate his appeal. Unfortunately, as I noted, Somalis responded to such exploitations sympathetically. Castagno (1964) noted, I re-quote, "whatever national confidence he may have gained may be transformed into widespread mistrust based on ethnic provincialism". And Barre's case is not an exception;

⁶² Some put Hawiye in general, rather than Habar-Gedir and Abgal alone, on the stage. Both are clans of the Hawiye clan-family. These observers believe that the execution of Gaveire, Ainanshe and Del in 1971 was due to Barre seeing the aborted coup as a rebellion from three opposition clans (Laitin and Samatar, 1987).

secondly, we have seen how the last government of the civilian era, from 1967-9, weakened the post colonial state and undermined state institutions in Somalia. However, when that government was elected, Ahmed Ismail Dirie (Qasim), a well known poet, said:

Nabad iyo Naq roob baa beddelay Nayla-Jaliyiye

Nacabkii Ilaah naga kaxee naaqiska ahaaye

Nasiib baannu leenahay haddaan Aadan soo noqonne

...

Noolaatay yidi-diiladii Naxashka saarrayde

Mar haddii ninkii geyey kursiga nabadgelyuu fuulay

Nimcadiyo sow mahad-naq uun lagu negaan mayo

Here, Qasim is celebrating the defeat of President Aden in the elections of March 1968. And by characterising the President as malevolent and feeble, he expresses how he was pleased with the election results. The election, as we have seen, brought President Shermake and Premier Egal into power. The main justification of Qasim's satisfaction was that a fellow clansman, the new Premier, assumed a higher office. In a similar vein, in 1974, in denouncing Barre's rule Qasim said:

Seeddiyo boqnaha hay jareen sab iyo laangaabe

Sanqadhyari ha ii dilo Tumaal siiqya looshadaye

Sanka hayga mudo inangumeed loo sarrayn jiraye

Sawaab iyo Midgaan Guulwadii ha i sudhnaadeene

...

Anagiyo Saleebaanadii waa na sidataaye

Seeftii Abgaal bay agtaal saawirta ahayde

Habar Gidir sinsaarada ku timi sigay Ugaaskiye

Sixilluu kacaankani u galay Saca raggiisiiye

...

Soomaalidii waxa ka nool saaka madaxgaabe

Wax Siyaasaddii loo egmadey silic ku nooshiye

Here his main argument against the regime was that its leadership is not from politically significant clans. In the first paragraph he stresses the leading role played by men from socially minor clans. The *Sab*, *Laangaab*, *Tumaal*,

Inangumeed, Midgaan, all indicate inferiority in the Somali traditional social structure. He then comes to what he regards as a humiliating role, under the military regime, for the clans that were politically dominant previously. Qasim then concluded that the inferior races alone were prospering in Somalia during the military regime. For him, Somali politics is entrusted to the deeply distressed clans.

Finally, as I mentioned earlier it was political suicide for the SRC leaders to bring the clan system back into Somali politics.

The two speculations disagree on which of the two parts, Barre or his opponents, initiated the using of tribalism for political ends, but agree that it was the political leadership, rather than the clans as organisations with objectives, that saw the clan factor in politics would serve their interests. The Party was the starting point of re-tribalising the state. As I noted earlier during the Party formation congress, the delegates were selectively chosen on clan and loyalty basis. According to Weyrah (2009) those posted to the regions and national organisations as Party representatives were selected disproportionately from the President's clan.

5.5. The Ogaden War and the Somali State Failure

Events which took place between 1974 and 1977 reshaped the Horn of Africa and its international relations. Firstly, Emperor Haile Selassie of Ethiopia, a prominent ally of the US, was ousted by a military junta, known as the Dergue. Secondly, the leaders of the Dergue established a relationship, and they finally signed a friendship treaty⁶³, with Moscow. Secondly, SRC considered the Soviet relation with Ethiopia as violation of the 1974 treaty. Thirdly, Moscow was unhappy with Somalia's socialist orientation and its growing relations with reactionary Arab states. Finally, the Dergue's expulsion of Americans and relations with Moscow created geopolitical unbalance, giving Washington and its allies an inferior position. The US, on its part, mobilised its Arab and other non-Arab Muslim allies, such as Iran, to bring the Somalis into their camp.

In April 1977, the US was expelled from Addis Ababa and the USSR completely replaced the US in Ethiopia. On 6 April, US Vice President Walter Mandale was asked by his boss, President Jimmy Carter, "I want you to tell Cy⁶⁴ [Vance] and Zbig⁶⁵ that I want them to move in every possible way to get Somalia to be our friend. ...I've told Cy that before" (Time, April 18, 1977). On the same day, Barre was assured that he would get a considerable amount of aid, \$300-350 million, including arms from the West (Patman, 1990).

On 11 June, Carter, in his foreign policy statement, said "[m]y own inclination, though, is to aggressively challenge, in a peaceful way of course, the Soviet

⁶³ Is similar to the Somali-Soviet treaty.

⁶⁴ Cyrus Vance, the US Secretary of State.

⁶⁵ Zbigniew Brzezinski, Carter's National Security Adviser.

Union and others for influence in areas of the world that we feel are crucial to us now or potentially crucial fifteen to twenty years from now on”, and mentioned Somalia among other countries. He also went on by saying that he was “quite concerned” about the Horn of Africa’s problem. He also stressed his administration’s adherence to amicable relations with Mogadishu. Fred Halliday, commenting on that speech, said “Carter’s policy toward the Soviet Union is in some respect a more aggressive one ... and the campaign to win over Somalia follows logically from this” (Halliday, 1977). A few days later, Dr Kevin Cahill, long time friend and personal physician of Barre, arrived in Mogadishu. Dr. Cahill, Jim Paul (1977) noted, “is an experienced professional in the world of politics and diplomacy and has devoted his entire career to using medicine as an opening wedge for high political action”. The Newsweek said that the Doctor “is no stranger to the world of secret diplomacy” (Merip, No.62, 1977). In his meeting with Barre, Dr Cahill conveyed two messages by saying that “(a) the USA would not resupply Ethiopia in the event of a Somalia invasion of Ogaden; (b) the USA would not look askance at a Somali request for arms, and was not totally opposed to such a venture in Ogaden” (Halliday, 1977).

Barre ordered his ambassador in Washington, Mr. Abdullahi A. Addou, to submit a formal arms request to the US administration (Patman, 1990). On 1 July, Mr. Vance, speaking about the tension in the Horn, stressed that “all sides should be aware that when outside powers pour substantial quantities of arms and military personal in to Africa, it greatly enhances the danger that disputes will be resolved militarily ... This danger is particularly great in the Horn, where there has been an escalation of arms transfer from the outside... We will consider sympathetically appeals for assistance from states which are threatened by a buildup of foreign military equipment and advisors on their borders, in the Horn and elsewhere in Africa” (DSB, August 8, 1977).

Probably, the central mission of all this assurance and manipulations was Somalia’s total break with Moscow, and Somalia finally abrogated their treaty with the Soviets, and consequently Moscow vowed “to teach the Somalis a lesson they will never forget” and asserted that they “will bring them to their knees” (Newsweek, Feb. 13, 1978). However, before Mogadishu expelled the Soviets and their allies, the SNA launched a massive military campaign against Ethiopia. Surely “without US encouragement of Siad [Barre] in May-Jun 1977 it is inconceivable that the Somalis would have invaded Ogaden” (Halliday, 1977).

On 27 July 1977, the SRC rolled tanks and troops, supported by aircraft, into the Ogaden against Ethiopia and captured most of the disputed territory within several weeks. The battle was over by March 1978, with a total defeat of the Somalia National Army (SNA) and some local liberation groups, by Ethiopians backed up by the Soviets and Cubans. Both the human and physical cost of the war was awesome and tragic, however, the most devastating consequence of the war, was that it abruptly terminated the social contract between the state and society. Somali public, unaware⁶⁶, about the final mission of the war, realised its

⁶⁶ This lack of information was also common among senior military officers. Some rumours revealed that the final objective was to destroy the mighty power of the SNA.

devastating outcome. Another effect was that the defeated and humiliated Barre did not anymore monopolise violence. Longtime dormant contenders got an opportunity to compete. Barre, on his part, decided to survive at any cost.

As the war began, 11,000 Cuban troops supported by 1,500 Soviet advisors - which were manly transferred directly from Somali and took all the necessary information about the war with them. These troops were using, beside Ethiopian military hardware, an estimated 1.5 billion of military equipment supplied by Moscow, which involved a huge sealift and 225 planes, about 12 percent of the entire Soviet transport fleet. Senior Soviet and Cuban officials, including First Deputy Commander-in-chief and Cuban Foreign Minister and Fidel Castro's brother Raoul Castro arrived in Ethiopia to supervise and coordinate the war.

Indeed, Moscow was true to its word and "the scale of operation served notice that the Soviet Union would not allow Somalia's defection to go unpunished" (Mayall, 1978). About 25000 Somalis lost their life in the war, and more than three-quarters of Somali aircraft were either destroyed or put out of commission. The direct economic consequences were also enormous. About one million refugees finally crossed the border of Somalia.

The frustrated Somali people, due to their tribal differences and thus suffering from a collective action problem, were not able to *voice* against Barre and his ruling party. A large part of the citizens, realised that the state was not doing a good job and not working for their wellbeing, and ceased trusting the state and thus chose to *exit*. This was the end of the *Somali social contract* and this is what we mean by *Somali state failure*. However, Somalis did not try to search for a new form of social contract to heal the injury. Instead the process of state collapse took its shape. Only a month after the Ogaden War an abortive coup was mounted against Barre, on 9 April. This was the beginning of Barre's predation and the Somali Civil War.

5.6. Conclusion: State as the Instrument of the Ruling Elite

In this chapter, we saw that the military regime, although it assumed power through extralegal means, a military coup, served to some extent in the developmental interest of the citizens and consequently characterised the regime as an agent of its citizens. The main incentive of the regime's involvement in the socioeconomic development of society was simply because the Soviet Union saw its interest as to reform Somali society. In other words, there was a coincidence of interest between the two principals.

However, the Soviet Union, unhappy with the regime's performance on the reform process, took measures that diverged its interests with that of the Somalis. It decided to dramatically increase its presence in Somalia and to do so it shifted its focus from social reform to the Greater Somalia issue and therefore encouraged the war between Somalia and Ethiopia. Moscow also put great pressure on the regime to establish a vanguard socialist party. That made Barre

worry for his future and he started to act before it was too late. In the mid-1970s the geopolitical setup of the region changed as well. A military junta took the power in Ethiopia and the Soviets decided to align its interest with Ethiopia sacrificing its role in Somalia. Understandably, this time, they not only abandoned the Greater Somalia issue but opposed any aggression against Ethiopia. This further aggravated its relation with the military leadership in Somalia. The United States took the opportunity and started wooing Barre's regime from the Soviet camp. To do so Washington encouraged the war between Somalia and Ethiopia. The Somali leaders believed that Washington was offering a more rewarding alternative, and expelled the Soviets from Somalia and abrogated the relationship treaty with the Soviet Union. This marked the loss of the main principal for Barre, the Soviet Union. The regime's abandonment of the socio-economic development and defeat in the Ogaden War marked the end of the social contract between the regime and society. Somalis as citizens realised that the government failed to achieve either of the two main goals: socio-economic development and unification. The Somali state failed. After the departure of the Soviets from Somalia and the Ogaden defeat of the Somalis, the regime was in trouble. Many wondered how Barre survived. Lewis (1982) says that "It's quite amazing that Siad wasn't unseated at that point. He had been very concerned about destabilization inside Somalia at the time of the Soviet withdrawal ... Once the whole Ogaden venture collapsed and it became apparent that the American super power wasn't going to replace the Russians automatically, then the situation became even graver". Using the theoretical logic of chapter two, the Somali state was without a principal and thus had no social contract at all.

Barre, on the other hand, decided to survive at any cost and formed a patrimonial network for control. He employed the well-known divide-and-rule policy based on clan manipulation. By doing so Barre abandoned his interest with Somalis as citizens and relied on particular client groups and in short, the military regime became an instrument of a ruling elite. To maintain his power and carry out his policies Barre sought to bring Washington on to his side. Economic predation and social antagonism was the order of the day. This is the subject of the next chapter.

6 SOMALI STATE COLLAPSE

6.1. Introduction

In the first phase of his rule Barre, as the leader of the SRC, successfully brought Moscow to his side. Through the vision of building a socialist Somalia, Barre secured Moscow's support to maintain his rule and for the economic development of the country. In addition, he mobilised society to rally behind him through the vision of restoring people's dignity, guiding them to their true Somali characteristics and creating a nationalism of oneness. Furthermore, the regime sought to improve the welfare of society. Consequently, the regime secured the support and the backing of major influential urban groups: soldiers, students, religious leaders, poets etc. Moreover, the regime not only used the support of these groups to maintain his rule, but also as a useful resource for socioeconomic development.

As we have seen in the last chapter, the regime, by concentrating on external relations, devoted little effort to the socio-economic development aspect of the country during the second half of the 1970s. I also mentioned that by the mid-1970s, resilience of the clan factor in Somali politics was observable.

This chapter addresses the process of disintegration of the post-colonial state of Somalia. The chapter firstly addresses the political difficulties that the regime faced after the Ogaden War and the political aspects of the dissolution of the formal political system. But the chapter mainly deals with economic strategies that the regime formulated to maintain its power. It will show how the heartless actions of power-seeking opposition leaders, the regime's merciless reactions and Washington's callous policies shattered the entire country and wrecked its state institutions.

6.2. The State Collapse

As I mentioned earlier, Somalia's war with Ethiopia and the ultimate defeat of the SNA resulted in a number of devastating consequences at the national level. In addition, a number of unfavourable impacts, as far as Barre's survival is concerned, were the products of the Ogaden War. Firstly, as Laitin (1979) argued, Barre as the President of the republic, the Secretary -General of the SRSP, Commander in Chief of the armed forces, unlike Sayid Mohamed⁶⁷, "has not come out of defeat as hero. The greatness of Siyaad [Barre] has been questioned rather than reaffirmed by loss". As professed by Laitin, the defeat mitigated his internal authority and since then, as people lost confidence in him, it was increasingly difficult for him to mobilise the Somalis as citizens. The second was the loss of the superpower patron, as the Soviet Union was useful for Barre mainly for his own survival. Now the Soviets were sent out and the other

⁶⁷ Mohamed Abdulla Hassan, a Somali nationalist leader who lost his war with colonial powers after the British Royal Air Force ruthlessly destroyed his main fort at Taleex in 1920. But according to Laitin, "military defeat did not spoil the lustre of this hero's feats".

superpower, the US, was not prepared to completely fill the vacuum created by the Soviets' departure and her support and objectives were carefully limited in a particular form of partnership. Thirdly, the military became weaker both technically and morally. Finally, and more importantly, after the war a large part of the citizens realised that the state was not doing a good job and was not working for their wellbeing, and decided not to trust the state anymore.

Three unfortunate events followed the military defeat of the Somali army. First, in Hargeissa soon after the withdrawal of the Somali army from Ethiopia, Barre ordered the execution of a number of military officers. The order was preceded by a heated discussions and criticism of the war and the way it was conducted. However, *Africa Confidential* maintained that the criticism of both how the regime carried out the war together with its diplomatic performance during the war centered on Barre with an over reliance on particular clan groups: The *Marehan*, *Ogaden* and *Dulbahante* (AC, Dec. 15, 1978). According to some observers the executed individuals were among the most critical elements in the group (Ahmed Samatar, 1988).

Secondly, a month after Somalia withdrew its army from Ethiopia, an abortive coup was launched against Barre on 9 April 1978. The fact was that after the war, in the military circles, a regime change was not a strange idea. According to General Ali Ismail⁶⁸, three out of the four main brigades of the army were stationed in the North West of the country, and among the military leaders in the three Brigades in the North-West, the future of Barre's government was, secretly of course, debated and most of them welcomed the idea of a regime change. One aspect of the coup was that it was mainly led by officers from *Majerten*, one of the clans that Barre was suspicious of. Moreover, the coup was masterminded by Colonel Abdulahi Yussuf Ahmed. Colonel Yussuf was, like General Mohamed F. Aidid, a long time opponent of Barre. In the period between late 1968 and October 1969, before the military coup that brought Barre to power, there were rumours that military groups were planning a coup against the civilian government. Aidid and Yussuf were among the leading figures and were believed by many to be the brains behind the predicted potential coup. According to many, Aidid and Yussuf with others were partners in planning the coup (Kimiko, 2008; Mohamed, 2008). In 1993 at an informal meeting held in Bosasso, a North Eastern city, Yussuf stated that in 1968 he and other officers approached General Mohamed Abshir, former chief of the Somali Police, and asked him to lead the coup that they intended to carry out and argued that Abshir's refusal paved a way for Barre's successful coup. General Abshir, who was also present at the meeting, confirmed Yussuf's argument, but maintained that he declined to lead the coup simply because he believed that every military coup in Somalia would end up in the same way that Barre's regime ended (Weyrah, 2009).

As to the April coup, army units loyal to Barre crushed the revolt and Barre formally claimed that the coup leaders were army dissidents that aimed "to hand over the country to colonialism and blow the nation's stability sky-high"

⁶⁸ Commander of the third brigade based in Burao in the Northwest.

(ARB, Apr. 1-30, 1978). However, Barre put Majerten as a clan at the center of the blame and, therefore, held them accountable for what he believed to be the clan's actions. Most informed non-Majerten military officers maintained that Majerten as a clan had nothing to do with the coup. According to an army officer, non-Majerten himself, who was in Dolow Bay with Abdullahi Yussuf, argued that Majerten officers who were in Dolow with him became aware of the coup event after Yussuf crossed the border to the Kenyan side. He maintained that on the day of the coup Abdulaahi Yussuf took Majerten figures, with other officers in Dolow to the Kenyan border for what Yussuf described as military inspection in the border area and there Yussuf informed them about the aborted coup. He told them his intention of defection and that those who wanted to join him were welcome to do so. He also warned that those who decided to remain in the country were subject to Barre's punishment. Colonel Yussuf moved to Ethiopia and formed the first armed opposition group against the military regime in Mogadishu.

With a very narrow social base now and eager to survive, Barre established a strong network of clientism. Being an expert of the Somali social structure, he employed well designed divide-and-rule strategies. He used clan loyalties and created economic incentives for capable allies, mainly his immediate clan and all other clans whose political opportunists understood the rules of the game or in other words could read the signs of the times correctly, and were ready to jump on Barre's bandwagon. Most of the Marehan elite naturally fell into this category. Leaders from the Ogaden and Dolbahante, all from the Darod clan-family, and some other "unthreatening neutral groups" mainly made up the rest. These leaders reaped the fruits of economic predation. Most senior positions, both civil and military, were given to those who could bring their clan on board. National agencies became clan agencies.

Barre also employed coercive force as a means of governance. After the Ogaden War, Barre restructured the SNA. Since the early 1980s, maintaining internal security was its main preoccupation. Most of the influential command positions were put under the control of reliable officers. Clans played a decisive role here. The military leadership was mainly drawn from loyal clans. For instance, in 1986, 34 out of 47 army brigades were commanded by officers from three clans – Marehan, Ogaden and Dolbahante (AC Oct, 1986).

Other clans, particularly Majerten, Isaq and Habargidir, were, as we have seen, considered threatening clans. Barre in general prevented members of these clans from becoming powerful politically, but dividing them provided some leaders from these clans lucrative offices. Enemy clans, as Barre considered, where significant numbers of the members were manipulated by faction leaders, were collectively punished militarily and economically. Majerten was the first clan to fall into this category after the April coup and the subsequent formation of the Somali Salvation Democratic Front (SSDF). Isaq, after the Somali National Movement (SNM) was established in 1981, became the second. A significant number of Habargidir, though they did not establish a separate movement, also joined the SSDF and SNM. I will later on consider how Barre used the clan patronage system for his survival.

In addition, the regime distributed arms to some of the clans at the border with Ethiopia to fight against Ethiopia-based antigovernment armed guerrilla groups (Mohamed, 2008). By 1983 tribal wars aroused the border areas from the North-Western to the Central regions (AC, July, 1983).

After the defeat of the Ogaden War, in addition to the unpleasant situation of the army, there was pervasive though poorly articulated and unorganised demand for regime change among ordinary citizens. To address, in his own way of course, some of the social discontent, but also to please the Western leaders including the U.S. administration, Barre established a constitution, formed a national assembly in 1979 and held elections. The constitution appeared to guarantee some civil rights for citizens but in reality most of these rights were overwritten by contradictory articles. Furthermore, the constitution not only approved the extraordinary political power that Barre was already enjoying but also gave an opportunity to further undermine the SRSP and SRC. In the constitution an article regarding the extraordinary powers of the President, for instance, stated that the President, after consulting with the National Defence Council, had the right to impose emergency rule and to take proper measures for the country as whole or part of it. The NDC itself was a “creature of the President and dominated them” (Ahmed Samatar, 1988). Furthermore, the members of the parliament were nominated by the SRSP. Barre, taking these advantages, not only suspended the activities of the Parliament and the SRSP when needed, but also sometimes ordered the confiscation and takeover of properties of civilian people in some regions by the military (NYT, Aug. 16, 1982).

After the war, Barre also initiated a campaign to cleanse the SRSP’s Central Committee and the SRC of unfriendly elements. By 1982 influential figures of the socialist ideology were either behind bars or went into exile. Key SRC elements such as Ismail Ali Abokor were put under detention.

In the first half of the 1980s most of the regime’s energies and efforts were exhausted by military suppression of the armed opposition, punishing target clans and providing opportunities for the client elements. However, an unfortunate event in 1986 hit Barre’s patrimonial system right at the heart. The President was seriously injured in a car accident on 23 May 1986 outside of Mogadishu. Well over seventy, Barre was ill – he had i.e. liver and heart diseases, throat cancer, depression – even before the car crash (Show, 1985). In the accident he received, among other injuries, three broken ribs, sustained a rigorous blow to the head as well as heavy abdominal bruising and a severe nervous shock.

Barre, before the accident, relied on his personal quality, as a hard worker and master manipulator, to maintain his leadership. The accident weakened his health and he lost most of these qualities. In contrast to his usual midnight work, he was able to stay in office for only a few hours each day, and was able to give only short impaired speeches. In all circles it was quite apparent that he was not able to maintain his extensive informal networks.

The day after the accident Barre was taken off to a military hospital in Riyadh, Saudi Arabia. The questions, of who would succeed him and on what condition, would it be a smooth or violent transition, dominated people's minds rather than his safe return.

The accident badly fragmented Barre's internal coalition for survival. Soon after the accident the situation became tense and an internal power struggle for succession broke out in the presidential palace. A fierce competition between two main groups became apparent and dominated the struggle. After the President was flown to Riyadh, Colonel Maslah M. Siyad, Barre's eldest son moved to the palace, Villa Somalia, and took all necessary means to keep his father's office under his command. Masleh's group included his powerful mother, mama Khadiija⁶⁹, and his uncle Abdirahman J. Barre, the foreign minister. Mohamed Ali Samatar, the second man to Barre in the formal hierarchy – first vice President, second man in the Politburo and the minister of defence – declared a first degree alert for the armed forces and he himself went to occupy the President's office⁷⁰. The move discouraged the Maslah group from taking the capital in what resembled a military coup. Soon Samatar called a meeting of the senior army officers and managed to attain almost unanimous endorsement for his constitutional rights: as the First Vice-President, the constitution gave him the right to be the interim president. Therefore this group is often labelled the *Constitutionalist*.

In response to the Constitutionalist's actions, close relatives of Barre, joined by some senior Marehan figures, went to Riyadh in the first week of June and held a meeting. Their main concern was "what would happen if Barre died" (AC, June 1986). The later is labelled as the *Dynastyst*.

After six weeks of hospitalisation in Riyadh, the President returned to Mogadishu in early July and a month later he formally resumed his power from Samatar. In his returning and resuming power each of the two groups hoped that their position would be supported by the President. However, Barre chose to side with his family against his friends. Many believe that the weakened Barre had no choice and fell under the complete manipulation of his first wife, first son and brother. After his arrival, the increasing alienation of the Constitutionalist group and an extensive scramble for influence by the Dynastyst group was apparent.

Consequently, non *Marehan* military officers including SRC members, shocked by the President's reliance on his family, realised that they were not anymore what they were supposed to be and that family bonds outweighed political alliance. This however broke down Barre's patronage system and his survival appeared to rely on Marehan. A new survival strategy had to be found. On

⁶⁹ She was believed to be the brains behind the group and that she owned an effective political network including an intelligence unit. However, her political role emerged after Barre was weakened by the car accident.

⁷⁰ According to senior civilian figure Samatar initially hesitated in challenging the Maslah group and it was non-Marehan Barre supporters that encouraged him to move to Villa Somalia (Warsame, 2008).

January 1987, when 22 military colonels were promoted to the rank of general, including nine Marehan. Most of these were appointed to sensitive command positions. For instance, at the time the Somali state collapsed the Minister of Defence consisted of General Morgan, Barre's son-in-law, the Army Chief-of Staff was Maslah, and four out of the six main military components – sectors 26 (Hargeissa), 60 (Baydabo), 77 (Magadishu) and 43 (Kismayo) – were commanded by Marehan officers. Furthermore, Marehan officers held the critical first artillery brigade, the second tank brigade and Unit 99, the military police unit, in Mogadishu. These were outside the normal structure of the military establishment and they were under direct control of the presidential palace.

However, later on, many non-family Marehan figures decided not to support the Maslahisation process. A significant number of the latter group preferred General Omar Hagi over Maslah. This further narrowed the power base of the regime. Furthermore, neither Maslah nor Abdirahman, like the ailing President, was an effective manipulator. *Africa Confidential* was soon to point out the potential dilemma as “tiring easily he[Barre] has been forced to give up most of his day-to-day involvement in the Party and the political affairs ... one sign that he is failing has been his apparently increasing reliance upon his brother, Foreign Minister Abdirahman Jama Barre, and his son Brigadier-General Maslah. This is something new, as are the presidential efforts to push Maslah into greater prominence” and concluded that “Somalia is now reaping the harvest of the policy of divide-and-rule which President Siad Barre has wielded so effectively for a decade or more. But it is a policy that depends upon the skills of the individual at the top. Without Barre, or a figure of comparable talents, it is a policy which may be very hard to carry out” (AC, July 1987).

Although the President relied on his relatives, they were even unable to keep the family together. Far worse, Maslah and Abdirahman were not in complete agreement on what position each would hold after Barre vacated his office. It was believed that Abdirahman was very active in building his own power base. Some of the promoted generals who had been given influential positions became uncontrollable. So by early 1988 the country's leadership was in total disarray. Junior military generals led by Maslah dominated the military wing of the leadership and relied purely on coercion rather than political manipulations. Later on, despite their weak base, the group itself was fragmented by internal conflict and struggle (AC, Nov 1989). For instance, General Aden Nur Gabyow, the minister of defence, one of the closest allies of Maslah was initially demoted and finally jailed in July 1989. By all means the power base of the regime increasingly contracted. The power struggle reached a point where Barre's two wives and their respective family members clashed. However, the Mama Khadiija group prevailed where Maslah and General Mohamed Said Morgan, her son in law, emerged as the “government's strongman” (Simons, 1995).

As we will see later on, the US changed its approach towards the Mogadishu regime during the second half of the 1980s. But the car accident encouraged Washington to rethink its position in Somalia. According to the *Africa Confidential* (July, 1987), one effect of the May automobile crash was “declining

United States interest in the Barre government". Washington believed that a firm alignment with Barre would merely prejudice its relations with his successors. Thus it started to distance itself from the Mogadishu regime. In other words, the US administration was convinced that Barre's rule would not last long and decided to abandon its role of keeping Barre in power and therefore, started to reduce all of its commitments to Mogadishu. As Table 7.1 illustrates, US military aid was only a small fraction of the \$47million originally requested in 1987 (AC, July 1987). Perhaps, the internal fierce struggle among the ruling group in the late 1980s increased Washington's unhappiness with the regime further. And both military and economic aid decreased substantially after 1987. So Barre's inability, caused by the car crash, weakened his sources of leadership survival. As a result of the accident the informal alliance system perished. America's interest in the Somali regime vanished. However, Washington's new position had to do mainly with the new phase of the Cold World in the second half of the 1980s. Washington would have been forced to search out or even create an alternative to the ailing administration of Barre had Moscow maintained the role it once had in world affairs.

6.3. The Armed Opposition Movements

The regime's negligence of the socio-economic development during the second half of the 1970s created dissatisfaction among society and the regime's failed Ogaden venture convinced the Somali people that the state was not working for their interest and, therefore, there was no reason to support it anymore. The existing social cleavages, however, prevented them from forming a united front against Barre's unviable regime. Political opportunists, especially long-time dormant contenders, materialised this social frustration and started to take all necessary steps to oust Barre's regime. The 1978 coup was the first of such attempts. However, the heartless response off the military regime – 17 officers of the ring leaders of the coup were executed after the plot was suppressed – reminded opponents of how dangerous such a project might be. It was realised that armed struggle through an opposition faction to weaken the regime would be more appropriate at this stage.

After the coup failed Yussuf fled to Kenya and joined the Somali Democratic Action Front (SODAF). In February 1979 the SODAF was transformed into the Somali Salvation Front (SOSAF). Within months Yussuf assumed the chairmanship of the organisation. The SOSAF started an armed struggle against government forces in the border areas, guerrilla operations in the central regions and it carried out bombings in the capital. These marked the beginning of the civil war in Somalia. In October 1981 the SOSAF amalgamated with two small organisations based in Aden, Yemen and formed the Somali Salvation Democratic Front (SSDF). These two organisations, the Democratic Front for Liberation of Somalia and the Somali Workers' Party, were founded mainly by members of pro-Soviet socialist ideologues who had defected from the Mogadishu regime. Again, Col. Yussuf became the chairman of the SSDF.

In April that year the Somali National Movement (SNM) was also founded in London and soon moved its headquarters to Ethiopia. Ahmed Mohamed Guleid and Ahmed Ismail Abdi (Duksi) were respectively elected chairman and secretary-general of the SNM. Hassan Aden Waddadi became the spokesman. The two organisations were the two main opposition movements until 1989 when the United Somali Congress (USC) and Somali Patriotic Movement (SPM) were created. These new organisations, like the former two, participated in the military struggle against the Mogadishu regime.

A number of weaknesses that were handicapping these organisations were mentioned here and there. The most serious ones were i.e. multiple and contradictory ideological orientations within each organisation, lack of a comprehensive political programme, dictatorial tendencies among the leadership⁷¹, lack of popular support, identification with the historical enemy – Ethiopia, and tribal organisations.

The role of these armed groups in the destruction of the post-colonial state in Somalia deserves extensive research attention. However, a basic fact is that these organisations were creatures of power-seeking political elites. Almost all major opposition groups were formed by civilian political elites that lost their power during the military takeover in 1969 supported by politicians who defected from Barre's rule after they were demoted. For example, the SSDF was initially formed by civilian leaders who left the country after Barre's military coup. The top leaders of the SODAF, latter became the SSDF, such as Osman Nur Ali (Qonof) former minister and Omar Hassan Mohamud (Isterlin) who was the mayor of Mogadishu during the civilian era. Both the first chairman, Guleid, and secretary-general, Duksi, of the SNM were political figures in the civilian regime. For the USC, its founder, Ismail Jimale Ossoble, and chairman, Ali M. Ossoble (Wardhigley), were former ministers in the civilian governments. The SPM was initially established by army officers loyal to the demoted and jailed minister of defence, Gabyow⁷². However, former civilian figures, such as Omar Moalin, joined the group.

However, these organisations, with the exception of the SNM⁷³, fell into the hands of military officers, such as Yussuf, Aidid, and Col. Ahmed O. Jess, who were long-time rivals of Barre. Therefore, another fact was that the main goal of the leaders of these factions was to depose Barre, with each intending to personally replace the dictator. For this reason, the opposition leaders pursuing their principal goal used clan manipulation not only against the regime but within their organisations. General Aidid's full scale mobilisation of *Habar-Gedir* against *Abgal*, (both clans belong to the *Hawiye* clan-family which supported the USC), after Ali M. Mohamed, an Abgal, proclaimed the interim Presidency in the early 1990s is known to all those familiar with the Somali Civil War. Another aspect of the opposition factions is that their leaders relied on

⁷¹ This in contradiction to the "multi-party democracy based on true representation and full participation of the people of Somalia" that they claimed advocating. (Bongartz 1991)

⁷² Colonel Bashir Ali Bililiqo, Gaboyo's son in-law, established the group

⁷³

foreign patronage. Several former SSDF that I met during my field survey in 2008 acknowledged the negative impact of the Libyan involvement. That was made very clear in April 1985 when the Libyan leader withdrew his financial support, after reaching an agreement with Barre, from Col. Yussuf and consequently the latter's position became uncertain. In May the Ethiopian leader, Mengistu, unhappy with the colonel's performance not only withdraw his support but sent him, with some leading figures of the SSDF, to an Ethiopian prison, where he spent five years. Therefore, Yussuf's political survival was in the hands of leaders of other countries and the members of the SSDF had little influence on their leadership. In short the same informal institutions – identity based leadership, tribalism, and foreign intervention – that decayed the post-colonial state in Somalia were paralysing these opposition forces as well⁷⁴.

It is worth mentioning here that the SNM's performance was somewhat exceptional compared to the other functions. The SNM's achievements of its main goals were apparent and, unlike other armed opposition factions, most of its members were pleased with the performance. This does not mean that the SNM was without problems. In fact, most of the dilemmas – power struggles, factionalism, clan mobilisation within the organisation, etc. – that weakened other factions were present in the SNM as well (Lewis, 1994; AC, Nov 1983). However, the SNM's relative success was mainly due to two interrelated factors. The first factor was the lack of a master-manipulator leader. Among the competing elements in the organisation's leadership no one was powerful enough, in terms of clan manipulation and implementing divide-and-rule strategies that Somali leadership usually relies on, to dominate the others⁷⁵. According to the former Chairman of the SNM's Central Committee, Ibrahim Megag Samater (1997), "the lack of charismatic leaders ... is one of the ways in which it [SNM] avoided the build-up of dictatorial tendencies within itself". The second factor was its reliance on its own resources rather than foreign patrons. And therefore its supporters were to a greater extent the sole principal for its leadership. Samater wrote that "if one were to single out a phenomenon in which the SNM is unique among the liberation movements, past and present, it is the extent of its self-reliance ... Financial assistance from Ethiopia was next to nothing and even the ammunition and fuel were a token contribution ... In that Ethiopia was the only source of external assistance, the movement had to provide its own resources or perish. There was, of course, no lack of potential helpers. But the premium put on independence was such that the movement chose to eschew any and all aid that seriously affected its independence decision-making ... This choice of self-reliance by the SNM paid its dividends ... The people have to "own" their movement" (Samater, 1997). However, it was pointed out that helpers were in abundance as Samater claimed. According to Adam (1995), Colonel Qadhafi of Libya, the main financier for Yussuf's SSDF, "disliked SNM leaders and so would not finance their movement" but Adam

⁷⁴ After I presented the principal-agency theory of state failure in a public lecture in Garowe, Somalia, a former member of the SSDF's executive committee commented by saying that agency relations between leaders and foreign governments is what they were witnessing while in opposition.

⁷⁵ This was the case at least until President Egal came to power in 1993.

agreed with Samater that the self reliance “enhanced accountability” within the organisation. Therefore, the lack of a master manipulator through the clan system and the absence of a foreign patron led the SNM to pursue its goals in its own way. The nonexistence of a foreign patron is the factor behind these since the existence of an able foreign patron to a great extent would have created a dominant figure among the competing elite in and possibly from outside of the organisation.

6.4. USA: a Reluctant Principal

After the Ogaden War, with the expulsion of the Soviets from Somalia, the US became the sole superpower available for Somali leadership to seek support from. However, unlike the Soviets, America’s interest in Somalia was purely military, access to Somali facilities, and limited in time perspective. Many American policymakers believed that “Ethiopia meant much more to the United States than did Somalia and a military relationship with Somalia would finish any chance of resuming closer ties with Ethiopia” (Pettersen, 1985; see also Schraeder, 1994).

To begin with, the United States’ strategic interest with Mogadishu in the 1980s could be summarised as follows: firstly, Washington’s main interest in Somalia was to have access to Somali naval bases and airfields for military purposes. Berbera was the main target for the Pentagon. Due to its strategic location, the Soviet Union built an extensive naval facility and an airfield that was able to handle the largest bombers and transport airplanes. According to an American congressman who visited the facility in 1975, Berbera was “the most comprehensive naval support facility available to the Soviets anywhere outside the Soviet homeland including Cuba”. However, the facility had lost some of these features as the Soviets tried to dismantle it after they were expelled from Somalia in 1977 (ACR, 1979/80). The facility attracted special attention from Washington after the Iranian Revolution and Soviet occupation of Afghanistan.

Secondly, Washington in order to secure its presence in Somalia had to make sure that a reliable ally was in power in the country. For Washington, Barre was not the man of their choice. According to a former US ambassador to Somalia Donald K. Pettersen (1985), Barre’s past relationship with the Soviet Union, his hostile attitude towards the US, his “reputation for deviousness”, and his dishonest assertions about his involvement in Ogaden made him a man that Washington could not sincerely rely on. However, as Pettersen (1985) stated “there is another side to Siad [Barre]” as far as Washington’s interest in Somalia is considered. Barre, according to ambassador Pettersen, “has strengths as a leader which have enabled him to stay in power for fourteen years. As any Somali knows, he is a shrewd and extremely capable politician. He does, as he says, know his people ... During the four years I was in Somalia, I heard many predictions of Siad’s imminent political demise. These ignored his strengths, the lack of cohesion among his opponents, and the fact that within Somalia in recent years no person or faction had emerged as a realistic alternative to him” (Pettersen, 1985). Therefore, although Barre was not an ideal leader for

Washington, the US policymakers realised that they had to deal with him, with caution of course, at least for the time being.

Thirdly, as I mentioned, the US believed that Ethiopia rather than Somalia was the perfect partner for its strategic interest in the region. Thus, Washington's relationship with Somalia in this period was restrictive on the condition that it should not jeopardise the former's future relationship with Ethiopia⁷⁶. US policymakers, for instance, made sure that any assistance from the US to Somalia would not hurt Ethiopia. As a former CIA official noted, America in order to "play the Somali card" decided to give Barre only defensive equipment and formally put on notice that any conflict between Somalia and Ethiopia in Ogaden would terminate the US relationship with Somalia (Oudes, 1980).

Washington, soon after Somalia's defeat and subsequent withdrawal from Ogaden, sent the Assistant Secretary of State, Richard Moose, to Mogadishu in April 1978 to discuss a possible relationship for the two countries. However, between 1978 and 1979 US policy put strong pressure on Barre to abandon his previous policies towards Ethiopia and Kenya as well. President Carter, for instance, made clear in March 1978 that Barre must provide "a renewed commitment not to dishonor the international boundaries of either Ethiopia or Kenya before we would be willing to discuss with them [the Somalis] economic aid or defensive arms supplies" (Marder, 1987).

In late 1979, two major events altered Washington's approach towards the Horn. On 4 November 1979 forces loyal to the Iranian Revolution took control of the US Embassy in Tehran which led to a hostage crisis and then exhausted the foreign policy agenda of the Carter administration. And on 25 December, over 100,000 Soviet troops invaded Kabul, the capital of Afghanistan. These events put Washington in a condition of uncertainty over the extremely important region of the Persian Gulf. In December 1979 the US sent a delegation to investigate military facilities in Somalia, particularly the Berbera naval facilities (Schraeder, 1994). In addition, in a tripartite defense pact established in early August 1981, Libya and Marxist South Yemen with Ethiopia angered the Somali government, as Barre saw it, by providing military and economic support to the Somali opposition group based in Ethiopia, as a direct threat to his rule. In response Barre expelled Libya's diplomats in Mogadishu and closed down their Embassy. Furthermore, in the West the pact raised some eyebrows. "In terms of East-West rivalry" as one Western diplomat noted "the idea seems to be to replace Siad Barre with a president who would prevent the Americans from using Berbera" (Cowell, 1981).

Barre, in trying to manipulate the situation, forwarded an offer of military facilities to the US and in return asked for US \$2 billion in military and economic assistance. However, Barre finally accepted military aid totaling \$65 million over three years and the formal access agreement was signed in August 1980. The Reagan administration came to the White House in a period when the

⁷⁶ Throughout the decade the US tried hard to reestablish its close relationship with Ethiopia. See Schraeder, 1994.

US was expected to implement its security commitment in Somalia (Schraeder, 1994). Nevertheless, Washington, although it gained formal access to the Somali facilities, delayed time and again the supply of military equipment to Mogadishu. At the end of June and in early July of 1982 a military campaign spearheaded by a Somali opposition group supported by the Ethiopian army captured two Somali settlements and tried to occupy the principal highway linking the Central and Northern parts of the country to the Southern part and consequently cut the country in two halves. The United States rushed emergency military aid to Barre by airlifting some equipment and thereafter started implementing its security commitment in Somalia (ACR, 1982/3). According to Radio Kulmis, voice of the Ethiopian-supported Somali Salvation Democratic Front, “the U.S. has now openly intervened in an internal Somali war but nothing will save the Barre regime and the arms will end up in the hands of our fighters, hastening Barre's inevitable defeat”. Since then Washington, to keep Barre in power, involved itself in a decade long civil conflict in Somalia. Table 7.1 demonstrates US military and economic aid to Somalia.

Globally, the rise of Mikhail Gorbachev marked the beginning of the end of the Cold War. Regionally, the Soviet interest in Ethiopia dramatically contracted after Gorbachev came to power in 1985 and the Russians started to reduce their assistance, and in particular military aid. In July 1988, Gorbachev told the Ethiopian leader that his administration was unwilling to increase the military assistance to Ethiopia. Latter on Moscow refused to reschedule its debt to Ethiopia and even initially declined to indicate whether it would renew the arms agreement after the one in force expired. Finally, Moscow refused to conclude any new arms agreement with the military regime in Addis Ababa. Furthermore, the Kremlin expressed its support for the peace talks between the Mengistu regime and Ethiopian armed opposition groups sponsored by the former US President Jimmy Carter and supported by the US administration in 1989 (Ofcansky and Berry, 1991).

Therefore, in the later half of the 1980s the US leaders started to reconsider their position. Barre was severely injured in a car accident in 1986 and this, as we have seen, raised the issue of who would succeed the ailing dictator, created mounting tension and wiped out the already fragile cohesion among loyal groups of Barre. This coincided with decreased tension related to the Cold War struggle. And, thus, Somalia started to lose its geopolitical value. As Table 6.1 shows, since 1986 both economic and military assistance to Somalia decreased dramatically. Furthermore, by 1988 it was quite clear that Washington had lost its interest in Somalia. In mid-1989 Carter initiated a peace deal between Mengistu and opposition groups and after meeting with Mengistu in Ethiopia expressed his hope that the 28-year-old civil war would end. And two months later he hosted peace talks between the Ethiopian government and the Eritrean faction in Atlanta. Mengistu too, in realising that he was losing his superpower patron, conveyed his desire for a better relationship with Washington. The US took the opportunity not only to bring an old ally back again but more importantly to prevent Ethiopia from collapsing.

In late 1980s and early 1990s both countries, Somalia and Ethiopia, were both on the verge of collapse. Unfortunately, Washington ignoring its role in the Somali conflict abandoned Somalia while paying all means necessary to bring the warring Ethiopian factions together to solve their differences at the negotiating table rather than splintering the country. The final result was the peaceful departure of Mengistu and political stabilisation of Ethiopia. In Somalia the worst scenario prevailed. Howard Wolpe, Congressman and former professor of African Politics, observed that “[w]hat you are seeing [he was talking about the consequences of the Somali civil War of the early 1990s], ... is a general indifference to a disaster that we played a role in creating” (quoted in Zunes, 2002). S. Zunes noted that “[t]here is widespread agreement among those familiar with Somalia that had the U.S. government not supported the Barre regime with large amounts of military aid, he would have been forced to step down long before his misrule splintered the country” (Zunes, 2002).

Table 6.1 US Economic and Military Aid to Somalia, 1980-90 (Bilateral Loans and Grants, Millions of Dollars)

Program	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
I. Total Economic Aid	62,3	57	35,8	48,7	46,7	52,6	46,9	37,5	18,2	12,6	5,8	3,7
A. Aid & Predecessors	12,3	12,1	14,4	26,9	15,6	21	22,5	18,5	6,1	5,2	0,8	0,6
B. Food for Peace	50	44,9	21,4	21,8	31,1	31,7	24,4	19	12,1	7,4	4,8	3,1
II. Total Military Aid	20	20,4	25,4	30,6	33	34,1	20,2	8,2	6,5	0,9	0,8	0
III. ESF	5	0	20	21	35	30	22	17,1	4	8	0	0
IV. Grand Total	87,3	77,4	81,2	100,3	114,7	116,7	89,1	62,8	28,7	21,5	6,6	3,7
Loan	37,7	35	24,5	25	16	20	16,5	1,1	0	0	0	0
Grants	49,6	42,4	56,7	75,3	98,6	96,8	72,6	61,6	28,7	21,5	6,6	3,7

Source: Schraeder (1994)

6.5. Political Economy of Predation

Clearly by the late 1970s Barre had mobilised all means under his command to centralise state power in his hands in order to penetrate all aspects of society. However, his efforts met with catastrophic results in the economic realm. As we have seen, as soon as it came to power the military regime brought a large part of the economy into the hands of the state. But after the formation of the SRSP the economy was in the hands of the President. Previously, the main objective for the state control of the economy was to develop a base for economic development, reduce inequality and establish an independent economy for the country. After the war, Barre's first and foremost goal was to survive politically and every aspect of the national economy was formulated to meet that end. The main strategy was to create economic incentives for capable allies. Under the "patrimonial dimension developed under Siad Barre's regime ... Embezzlement of public funds, corruption of ministers and civil servants in connection with public markets and development projects, baksheeshes at all levels of the bureaucracy, illegal trafficking by relatives or friends of the president - all these were tightly linked to a direct access to state power" and consequently, on the one hand "a stratum of wealthy and corrupt businessmen (many of whom were penniless in the early 1970s) arose from all the clans" (Compagnon, 1992). However, the national economy completely collapsed due to Barre mobilising it to ensure the survival of the military regime. In addition, to finance the war against armed opposition groups, national resources were channelled for military use.

Long ago researchers, Bates (1981) and Lal (1983), identified the instruments used by predatory governments to extract rents. A range of instruments utilised by the predatory state were found (Azam, et.al., 2005): exchange rate change; obstructing access to key markets; and playing with prices in factor markets and the goods they sell. Blomqvist and Lundahl (2002) documented a more comprehensive list of such instruments: taxation, particularly tariffs and trade duties; trade barriers and granting monopolies for clients; government appointment; printing money; foreign debt; development assistance and direct confiscations. In the following pages I will try to some extent spell out the exploitation techniques employed by the military regime and consequently explain the collapse of the formal economy in Somalia⁷⁷.

6.5.1. Political Economy of Public Employment

The first strategy of formulating a patrimonial system related to the recruitment and promotion processes into the public offices. In the later part of Barre's rule, assignments of almost all levels of government offices, both civil service and military, were directly (by giving a post to an influential friend or foe who could contribute to the survival of the regime) or indirectly (employing someone who's employment would please a powerful friend) based on the logic of patrimonial

⁷⁷ As the formal economy was falling into complete disintegration a parallel or informal economy, which finally replaced the formal economy, was emerging slowly.

relationship. Through that process the public institutions became *clan institutions*; the top level positions, ministers, deputy ministers, permanent secretaries of all ministries for instance, were given to influential figures and their appointments were exclusively made in the presidential palace. Occupants of the second category of the hierarchy, the heads of departments, were mainly appointed by superiors of the institution in question with the acceptance of the presidential palace of course. The appointment of the lower level positions, the heads of units and individual civil servants, were made exclusively by the top leaders of the institution. However, leaders of any public institution, when making employment decisions, were to make sure that the decision should contribute to their survival in particular and that of the regime in general. The best strategy for a superior to distribute allocations of public positions under his control was to give a potential office, as much as he could, to his fellow clansman. This would serve two main objectives: one is that, everything else being equal, a clan member is more reliable than a member of another clan, so it assures the loyalty of the subordinate; the other, the political entrepreneur, the superior, should gain an opportunity to convince his clan that he is there for their cause, which may influence the clan to rally behind him. In other words, the clan is firstly expected not to support a rival faction and to be ready to support⁷⁸ the regime when needed. In the late 1980s it was common knowledge that almost every public institution was incorporated with clan identity. The clan of a minister of a given ministry or a general manager of a given public agency disproportionately occupied the offices of the organisations in question. Nothing was wrong with an unemployed youngster being informed by colleagues that “*Adeerkaa sow wakaalad hebla ma haysto*” (Your uncle, meaning your fellow clansman, have got agency X!⁷⁹).

The chief of Protocol in the Foreign Ministry said “the Foreign Ministry did not apply a Foreign Service Law, neither did it have rules, procedures and norms for posting of officials to Somali Diplomatic Missions abroad. The Minister enjoyed almost unfettered power and privilege in assigning officials to whatever posting he deemed them competent for ... the Ministry became the property of privileged persons. The children of influential people, who were recommended for foreign service posts did not work at the Ministry for even a short period to try and learn something before being posted abroad. Some of the President’s nominees did not even know the location of the Ministry until it was time to collect their diplomatic passports and tickets. Otherwise, perhaps children of the new elite, and already benefitting from state scholarships to foreign universities, were directly absorbed into the Somali Embassy of the country where they were living, without even returning home first” (Omar, 1992).

⁷⁸ The regime might need to arm the clan in order to fight another clan which is hostile to the government.

⁷⁹ The sentence shows ownership of the public agency by its leader.

Table 6.2, Exchange rate between US\$ and So. Sh.(selling rate)

Year	Month	So Sh to 1US\$	Year	Date	So Sh to 1US\$
1985	Jan	36,3600	1988	Jun	181,8000
	Feb	36,8550		Aug	224,2200
	Mar	37,3700		Sep	249,4700
	Apr	37,8750		Oct	263,6100
	May	40,5094		Nov	259,5700
	Jun	41,0144		Dec	273,7100
	Nov	42,9250		1989	Jan
1986	Jan	55,0450	Feb		305,9100
	Mar	59,0850	Mar		336,6000
	Apr	63,1250	Apr		380,1600
	May	67,1650	May		440,5500
	Jun	71,2050	Jun		482,5300
	Jul	75,2450	Jul		497,9700
	Aug	79,2850	Aug		542,5200
	Sep	83,3250	Sep		576,1800
1987	Jul	116,0252	Oct		611,8200
	Aug	140,6784	Nov		672,2100
	Sep	153,4998	Dec		920,2100
	Oct	101,0000			

Source: Somalia (1990)

Secondly, as Table 6.2 demonstrates, the Somali government extensively devaluated the Somali Shilling. Before July 1981 the exchange rate in Somalia was So.Sh. 6.23 to \$1. However, in December 1989 the rate was So.Sh. 920.21 to \$1. Consequently employment remuneration severely deteriorated in the 1980s. Table 7.3 indicates the salary structure, including cost-of-living supplements, of the civil service employees and shows that in real terms the salaries of public employees in 1989 were only between 2.7 to 4.3 percent of their respective salaries in 1975⁸⁰. Although since 1975 the government had made periodical adjustment of the cost-of-living of its employees in the form of allowances and the fact that there were extra allowances that accrue to individuals occupying certain positions, this did not address the ever worsening erosion of the real value of the employment remuneration caused by inflation.

⁸⁰ An exception of this worsening formal remuneration was some payments in kind given to senior officers. Ministers and some top administrators were eligible for housing with utilities, cars with fuel, staff etc. The value of these remunerations was very large compared with formal salary. For a good summary of the government employment in Somalia see Gregory (1994).

Table 6.3. Civil services salary structure, Somalia 1975 and 1989

Grade	Step	Salaries in		Real Salaries in 1989 (1975 Shillings)	1989 as a percentage of 1975
		Salaries in 1975	1989 (Current Shillings)		
Apprentice		132,00	665,00	6,00	4,30
D14	1	220,00	1 109,00	10,00	4,30
	5	264,00	1 294,00	11,00	4,20
D13	1	275,00	1 348,00	12,00	4,20
	5	319,00	1 563,00	13,00	4,20
D12	1	330,00	1 617,00	14,00	4,20
	5	374,00	1 780,00	15,00	4,10
D11/C11/X4	1	375,00	1 833,00	16,00	4,20
	5	452,00	2 185,00	19,00	4,20
C10/B10/X4	1	473,00	2 195,00	19,00	4,00
	5	557,00	2 501,00	21,00	3,90
C9/B9/A8/X2/F3	1	630,00	2 831,00	24,00	3,90
	5	720,00	3 192,00	27,00	3,80
C8/B8/A7/X1/F2/AY3	1	800,00	3 546,00	30,00	3,80
	5	920,00	3 732,00	32,00	3,50
A6/F1/AY2-1	1	1 000,00	3 771,00	32,00	3,20
	3	1 060,00	3 918,00	34,00	3,20
A5	1	1 090,00	4 029,00	35,00	3,20
	4	1 150,00	4 250,00	36,00	3,10
A4		1 160,00	4 287,00	37,00	3,20
A3/AY1	1	1 200,00	4 435,00	38,00	3,20
	3	1 300,00	4 805,00	41,00	3,20
A2/AY1	1	1 400,00	5 174,00	44,00	3,20

A1	3	1 600,00	5 787,00	50,00	3,10
	1	1 800,00	6 035,00	52,00	2,90
	2	2 001,00	6 339,00	54,00	2,70

Source: Gregory (1994)

According to Gregory (1994) the official exchange rate was So.Sh. 1000 to \$ 1 and the professional allowance and the largest responsibility allowance amounted to only 70 cents and 2 dollars a month respectively. Therefore, the public sector remuneration was extremely poor and the state authority was not prepared to address that. In addition, the World Bank estimated that almost over half of public sector staff was excessive and rather than decreasing the real salary of the public sector by reducing the redundant employees, the Somali government kept increasing the staff in the public institutions. Figure 6.1 shows that, except 1986 and 1987, government employment increased dramatically compared to the second half of the 1970s. Furthermore, although the expenditure budget in Table 6.4 indicates that total government expenditure on employees decreased about 34 percent between 1975 and 1989, the expenditure per employee on the contrary decreased significantly.

Table 6.4, Central Government non-defense Expenditure, (per Employee, Somalia, Selected Years, 1975-89)

year	Expenditure (millions)	Employment	Expenditure per employee
1975	476,00	20 600,00	23 107,00
1979	700,00	35 000,00	19 971,00
1981	269,00	40 000,00	6 721,00
1989	314,00	56 500,00	5 558,00

Source: Gregory (1994)

The table points out that the central government's expenditure per employee decreased from over 23 thousands shillings in 1975 to only a little over 5.5 thousands shillings in 1989 which is about 76 percent. All these indicate that the government was intentionally ignoring the deteriorating situation of the public employment sector.

Thirdly, as we will see later, Barre's government gave the green light to its clients to use public offices to remunerate themselves. Controlling all forms of rent-seeking was implicitly lifted, except for unsympathetic elements. Almost everyone in the system was using the office he occupied, at least partially, to compensate himself. According to the former Director-General (interior) of the Somali Bank of Commerce and Savings (SBCS), the intentional negligence by the highest figures of the government and the leaders of the institutions responsible to protect the property of both people and government, such as the Auditor-General, Chief Justice, Central Bank⁸¹ and relevant security forces, resulted in people's deposits in the SBCS being plundered by state officials and cronies (Amiin, 2004).

This dreadful situation forced the sector to decline and finally to collapse. Waves of former public sector employees migrated to the oil rich states in the Middle East for better wages. Others sought to involve themselves in Public Investment

⁸¹ The central bank had the responsibility of safeguarding the deposits of the clients and administrative efficiency of all banks in the country.

Projects (PIP), that were financed by donor countries and organisations, during their implementation period. In this phase the PIP were mainly administered by expatriate managers and foreign firms and local staff were paid well. To avoid working for the government, when the project was completed and handed over to the government they quit and looked for another PIP project which was still in its implementation phase. Most of those who left public sector employment for the Middle East or to PIP were, relatively, the best qualified Somalis (Mubarak, 1996). Others went into the private sector for self-employment or a better wage.

Those who remained in the sector had two options. Firstly, those who were unable to milk their office were forced, despite formally staying in the office, to look for extra money from outside their offices. Civil servant absenteeism was a common practice in the 1980s and “some officials showed up in the morning to sign the attendance register and left. They went downtown in search of part-time work or business, to make a little more money” (Omar, 1992).

Secondly, those who were willing to generate illicit rents preferred to stay. Here a public employee was in office mainly to support his living by demanding unofficial fees. However, in some cases, by raising large amounts of money through illicit revenue they were paying themselves much higher than the fair salary they would have obtained in an efficient market. In the 1980s several subsections of Mogadishu, with a concentration of luxurious villas, were increasingly becoming very different from the rest of the city. *Boolli Qaran* was the largest and most well known one of these. Almost all of these buildings were owned by government officials and cronies, at the time when the salary of a minister was 4000 Somali shillings (about \$ 4 in Dec. 1990).

Government officials who were to deal with the private sector realised that the more they created obstructions against private firms, the more rent money they would gain. So due to irregular regulations and informal embarrassments private business became a soft target for the rent seeking government officials. However, ordinary individuals seeking normal public services were not spared from the burden of corruption. Let me share with you some of my experiences of corruption in Somalia. At the end of December 1990, I was one of those students who completed their four year studies in economics at the Somali National University. After graduation some of my classmates went to the office that was responsible for issuing the certificates to graduated students. Most of us were expecting to collect our certificates as soon as possible since the civil war that ravaged most of the country was closely approaching the capital. My colleagues came back and informed us that they were told that the rector, who was to sign the certificate, had allocated only one day a month of his schedule to sign the certificates, and unfortunately, the bulk of certificates that would exhaust his allocated time for at least the next six month were already on his table. Later on we realised that those who were willing to pay 50 thousand shillings (approximately 50 dollars) would get their certificates quickly.

Consequently, anyone in the public sector who once committed themselves to taking a bribe or to other illegal activities felt that it was in his interest to protect

the regime, either to defend his economic interest or to escape from justifiable punishment, as he were vulnerable to prosecution forever. Barre used this as a method to control the public sector (Coolidge and Rose-Ackerman, 1997). So in the 1980s the common way to resign from a public office, especially a high level one, was to go into exile.

The immediate economic impact of such behaviour was loss of efficiency in the public sector. As significant number of educated Somalis left the country's government institutions in search of a better life, their offices were occupied by relatively unqualified employees. According to well informed observers "new projects flush with foreign aid and projects which are popular with the government can offer better terms than the projects which have exhausted their foreign aid or lost favour. As a consequence, the best staff leave the ministries, and leapfrogging from one project to another is common" (Cited in Menkhaus, 1989).

This was observable in some of the most important offices; the accountant-general's office failed to fulfil its responsibilities partially because of "declining skills and low morale" (UN, 1991). The widespread absenteeism mentioned earlier undoubtedly had its impact, but even those who stayed in office used most of their time on tasks which were not their formal assignments i.e. forging or preparing fake documents, informal bargaining about how much a client would pay, involvement in political tasks asked by their patrons. Another phenomenon was a lack of discipline and a weakened formal hierarchy in the public sector. Everyone believed that he was there because of his political identity, not because of his performance. So it was not very difficult for subordinates to ignore the orders of their superiors.

6.5.2. Political Economy of Financial Management

The budget processes of any country should at least fulfill two main purposes: first, it should mobilise and allocates resources. Here the budget process determines the distribution of limited resources; secondly, the budget should also provide financial management and accountability. Therefore, the budget is inherently correlated with the political process. In this section, to draw attention to the role of Barre's political patronage in the public financial management which ultimately rendered the national economy into a complete collapse, the study considers both the revenue and expenditure sides of the public budget. At the expenditure side, it will be concentrated on three main stages: formulation of the budget, its execution or implementation, and the control of the budget.

The Ministry of Finance assumed most of the budget related activities: The Ordinary Budget Department and the Treasury Department used to develop recurrent expenditures and revenue budgets respectively. The Domestic Development Department under the Ministry of National Planning had the responsibility for developing the Domestic Development Budget. These departments, though dealing with the national budget, lacked any cooperation for their activities. Even at the ministry level the lack of cooperation was quite

apparent except at the highest level of government and, according to Ekstrom (1993), there is ample evidence indicating “that a conscious strategy of purposeful fragmentation of budgetary and financial management activities existed in order to insure some form of top level control over governmental finances”.

In the formulation process the Ministry of Finance, after relevant organisations submitted their estimates about revenues and expenditures, prepared the annual ordinary budget. It was approved firstly by the cabinet, then by the National Assembly and finally by the President.

To start with, there were serious deficiencies in the process of budget formulation: in the process of formulating expenditure-revenue estimates, there was a lack of basic information required to prepare reliable estimates of things like GDP growth rate, inflation and exchange rates, and government employment policy. Thus the estimates were mainly “based on guesswork”; equally serious problems that resulted from the lack of information, and lack of macroeconomic forecasts, hampered the formulation of fiscal policy. Regarding revenues, the lack of such information was particularly serious where no information was given on the inflation rate or the growth of imports and exports (UN, 1990).

However, most deficiencies in the formulation stage occurred in the process of deciding expenditure targets and it is hard to believe that these deficiencies were unintentional. Table 6.5 illustrates the recurrent expenditure budget between 1984 and 1988 and shows that the meager national resources were poured into the unproductive sphere of so-called general services; in 1988, 94.45 percent went to the general service alone. About half of the total expenditure was devoted to finance and central services including the presidency. The economically productive spheres gained only 2.39 percent of the total expenditure. Social services, education, health and labour gained 3.12 percent of the total.

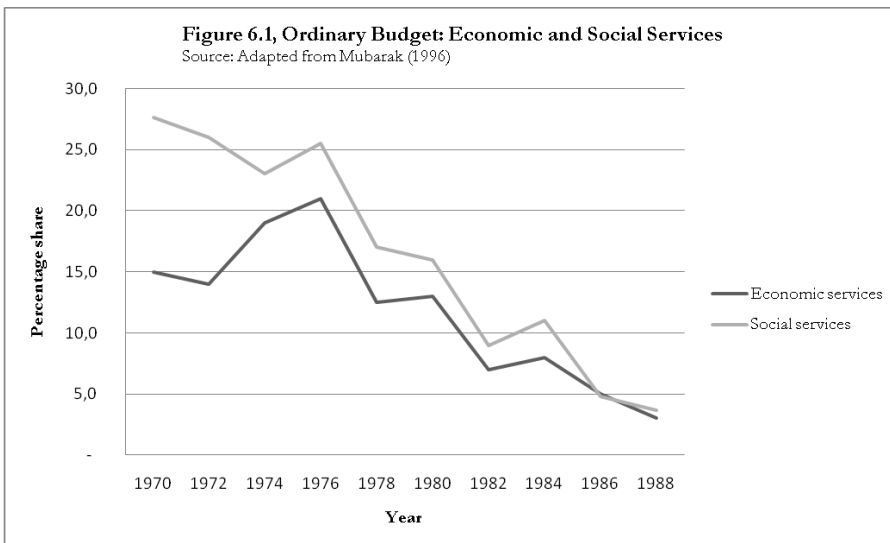
Table 6.5 Ordinary Expenditure, 1984-88

Expenditure	1984						1985						1986						1987						1988						1988					
Finance and central services	2 102,40						4 118,30						7 631,80						14 127,10						12 515,60						49,80					
Defence	1 785,80						1 750,90						2 511,00						2 999,70						7 917,60						31,50					
Interior and police	223,60						307,80						443,40						560,70						715,40						2,85					
Foreign affairs	219,90						427,20						632,20						1 413,90						2 153,10						8,57					
Justice and religion affairs	141,20						158,40						244,60						290,20						446,90						1,78					
Total general services	4 472,90						6 762,60						11 463,00						19 391,60						23 748,60						94,49					
Transportations	53,10						55,90						60,70						87,50						94,50						0,38					
Post and telecommunications	54,10						65,70						58,70						76,70						75,60						0,30					
Public Works	38,80						47,60						48,90						57,50						69,80						0,28					
Agriculture	96,20						56,30						45,40						59,50						55,30						0,22					
Livestock and Forestry	56,40						74,80						83,20						89,50						109,90						0,44					
Minerals and Water	53,40						75,40						60,60						85,20						93,10						0,37					
Resources	7,10						7,00						10,90						45,10						43,90						0,17					
Industry	4,40						5,80						11,00						na						na						0,23					
Commerce	28,20						30,00						33,90						45,40						58,20						0,23					
Fisheries	3,80						4,30						4,30						10,20						na						na					
Tourism																																				
Total Economic Services	395,50						422,80						417,60						556,60						600,30						2,39					
Education	327,30						314,40						330,40						403,00						478,10						1,90					

Health	138,40	153,90	165,60	203,50	255,10	1,01
Labour	22,70	21,30	17,10	21,10	54,80	0,21
Total Social Services	488,40	489,60	513,10	627,60	785,00	3,12
Total Expenditure	5 356,80	7 675,00	12 393,70	20 575,80	25 133,90	100,00

Source: Statistisches Bundesamt (1991).

This does not show the unfortunate situation of the economic and social spheres alone but illustrates that most of the symptoms of economic mismanagement were present in Somalia. For instance, a severe decline in education and health expenditure as a share of the recurrent expenditure budget was apparent. Figure 6.1 shows that the share of economic services of the government's expenditure budget declined from about 22 percent in 1975 to about 3 percent in 1988 and that the share of the social services declined from about 26 percent to 4 percent in the same period. In addition, deteriorating economic and physical infrastructure was also visible around the country in the period under review. As one former Somali officer noted, "our governments never possessed maintenance mentality. They used a building until it collapsed for lack of maintenance and care, and then just moved to another one" (Omar, 1992).



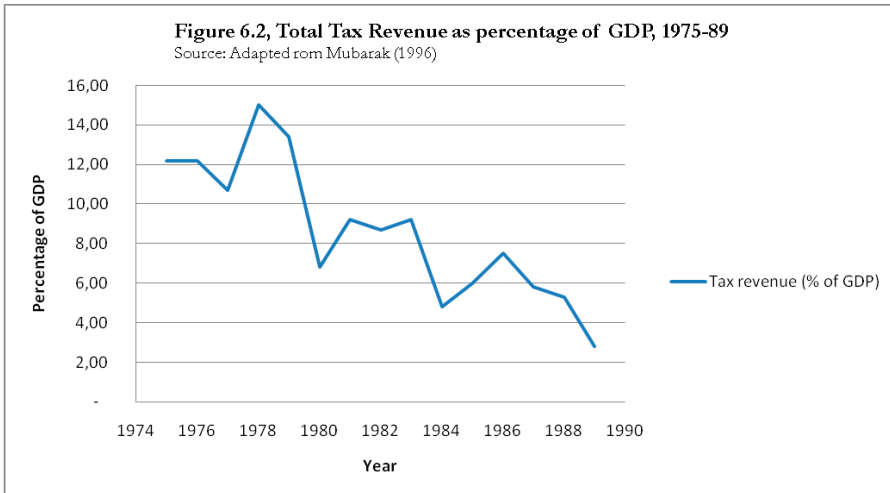
Furthermore, the increasing share of the unproductive spheres of the expenditure budget alone would have been enough to illustrate the level of financial disarray of the economy. However, as Ekstrom (1993) noted, a large portion of the expenditure budget, especially this that concerns the unreasonable share under the control of the Minister of Finance, were appropriated as lump sum totals. According to him, "the net effect of this lump sum appropriation was that 75.9 percent of the appropriations in the 1990 ordinary budget were made without detailed justification and for unspecified purposes" and he goes on by rightly saying that the "lump sum tactics were used to mask the real intent of spending plans and to provide for centralized control of this spending since the Minister of Finance controlled most of the lump sum appropriations".

In Somalia revenue comprised tax, which was classified into direct (i.e. net income and property taxes) and indirect, and non-tax, including receipts from property income, administrative fees and charges, fines and forfeits, cash operating surpluses and amounts due from public enterprises. The component of the indirect taxes, the largest source of the ordinary budget, were taxes on goods and services and taxes on international trade, mainly import and export duties. The responsibility for revenue collection and administration was concentrated in the Ministry of Finance (UN, 1991).

The economic mismanagement was evident everywhere at the revenue collection stations and in many cases there was lack of information about the revenue collection (UN, 1991). Customs duties on imports were a source of almost half of the central government's revenues and it was here where most of the mismanagement and tax evasions were taking place outside the Minister of Finance. Those who were able to gain letters of credit or permission for import/export business were the same people who were able to secure tax exemptions for their business in order to escape from the burden of the tax. This, however, crippled the revenue base of the government. Figure 6.2, shows that the tax revenue severely declined from the late 1970s to the late 1980s. And it is interesting to note that this occurred while the import as a share of GDP, in the same period, substantially increased (Mubarak, 1996). The leaders of the state and their cronies were the main players in the import sector. Major General Mohamed Sheik Oman, the minister of finance and a long time ally of the president who transformed himself from an ordinary army officer to one of the wealthiest men in Somalia, was a main figure in this business. A popular joke in Somalia in the late 1980s was that on many occasions when General Osman came across beautiful luxury buildings in the capital, he would inform his assistant that he, the Minister, wants this building to be his own. Most of the time the replies of the assistant were the same "Mr. Minister, the building is already yours". Furthermore, although fraud and corruption was a common practice at the collection posts for some time, in the late 1980s there was tax evasion on a massive scale in the Treasury Department of the Ministry of Finance itself, and by all means effective revenue collections had broken down (Ekstrom, 1993).

There were also significant deficiencies in the process of budget control. The problem of information loomed large in the process of control. For example, the Budget Department of the Ministry of Finance was not able to control the expenditure of any particular head after budget implementations were approved in the beginning of the fiscal year. The lack of information of the cash flows partially prevented the department from exercising its control over the expenditure as the year proceeded and the meager information available was not always analysed properly nor was it readily usable for management purposes. In addition, the definitions of procedures used for controlling the budget, for instance, were less clear and the responsibility for their application was fragmented. These made the judgments of how appropriate these procedures were very arduous. Furthermore, the institutions responsible for the accuracy of the budget outcomes and for identifying inconsistencies, such as the Accountant-General, the Magistrate of Accounts and audits, were either

ineffective or paid little attention to the purposes of budget review and control. Moreover, the government had for a long time ignored to review the financial laws and therefore “the regulations for expenditure control therefore contained loopholes, and overlapping procedural requirements. Often it [was] easy to avoid or circumvent the procedures and make the control ineffective” (UN, 1991). However, the highest leadership of the government should be blamed since, as we saw earlier, it intentionally fragmented the budget and financial management activities in order to assume extended control over government finance.



In addition to the lump sum budgeting and information gaps, mentioned previously, Ekstrom⁸² (1993) noted other factors indicating the degree of disintegration that the official budgetary and financial management Somalia was experiencing before the collapse of the state. One of these “indicators of uncertainty” is *repetitive budgeting*. Repetitive revision of budget decisions throughout the fiscal period is believed to be a sign that the country in question is experiencing extreme uncertainty of whether or not the allocation decisions can achieve acceptable resolution. The phenomena has been visible in Somalia at least since the mid-1980s and in most of the cases the divergence between the actual and revised figures were abnormally large, which indicated that formulating the budget with realistic figures was not easy, even in the revision phases (UN, 1991). In 1990 the national budget had been revised four times where the original Ordinary Budget had been increased by 78.9 percent, while the increase of the Domestic Development Budget and Debt Service was about 30 percent each (Ekstrom, 1993).

⁸² Carl D. Ekstrom was among the very few qualified non-Somalis who witnessed the collapse of the Somali economy before the collapse of the state itself in the early 1990s.

6.5.3. Political Economy of Non-Financial Public Enterprises

Another sector under state control was the industrial sector of which the government owned over 80 percent in the 1980s. The GDP contribution of the manufacturing sector was around 5 percent in the mid-1980s. However, it absorbed a large share of the development expenditures. As we saw, the regime's objective of developing the state sector was to establish a basis for industrialisation, which was considered as a cornerstone of an independent economy. Hence the regime reorganised some factories, founded new factories and put some others into operation. However, the manufacturing sector was far from playing its role in the 1980s. The sector suffered a negative annual average growth rate of 3.4 percent during 1980-86. Table 6.6 summarises the sector's capacity utilisation in the early 1980s and shows that the production capacity of the sector was thoroughly underutilised. The overall capacity utilisation of the sector declined from a low level of 39 percent in 1982 to a lower level of 26 percent in 1986. A study carried out by the World Bank in late 1987 found that 40 percent of the enterprises showed negative value added (UNIDO, 1988). This reveals that despite the enormous amount of public funds spent on both human and physical capital the production per employee in the manufacturing sector declined and efficiency deteriorated (Mubarak, 1996).

Table 6.6, Utilisation of Installed Capacity in Selected Industrial Enterprises, 1982-6 (percentage)

Enterprise	1982	1983	1984	1985	1986
Juba Sugar Complex	35	40,1	38,4	55,9	38,6
SNAI Sugar Complex, Jowhar	29,8	6,9	1,7	6,8	8,3
Edible Oil Mill, Mogadishu	1,7	1,1	0	0	0
Wheat, Flour and Pasta Factory, Mogadishu	12,9	54,1	77,4	56,5	61,4
Meat Factory, Kismayo	6,2	0	0	0	19,5
ITOP Afgoi (Fruit Canning)	3	4,3	2,1	9,1	12,5
Milk Factory, Mogadishu	18,3	6,7	0	0	0
National Bottling Co. (Private)	66	55	45	16	7,8
Cigarette and Match Factory	51,1	35,2	27	25,9	31
Somaltex, Balad	47,6	30,2	23,1	15,6	27,5
Tannery Km 7 Mogadishu (hides only)	0	8,5	45	48	63
Incas Packing	16,7	18,3	21,1	24	33
Somali Chemical Industry (private)	21,2	12,9	15,3	4,8	4,6
Urea Plant, Mogadishu				4,2	2
Petroleum Refinery, Mogadishu	47,8	43,9	31,1	36,5	27
Foundry and Mechanical Workshop	33,3	21,8	17,2	14	14
Aluminium Utensils	45	24,8	34,2	15	12,5
Somali Marine Products			15	2	20
Weighted Average for the Manufacturing	39	33	26	28	26

Source UNIDO (1988)

Several factors were found to bear the prime responsibility for this disappointing performance: (UNIDO, 1988; Mubarak 1996; and Samatar 1987).

1. Agriculture as the supplier of the raw materials of most of the industries failed to keep pace. So lack of raw materials hampered the sector.
2. Lack of hard currency to buy spare parts, imported raw materials and regular maintenance. The government's price policy and unbearable taxes impoverished the manufacturing sector. Domestic prices of the sector's output were not allowed to fluctuate with the market demand and, in addition, the sector was expected to provide contributions to the Government's budget. Therefore, public industries were unable to generate the required foreign exchange in order to buy imported machineries, materials, etc.
3. Shortage of required skilled manpower because of insufficient remuneration and increasingly corrupt management practices.

Since coming to power, the military regime used public enterprises as an instrument for political survival. In the early 1970s the regime's misbehaviour was limited to appointing potential rival military officers to some lucrative public enterprises to discourage them from pursuing their unfavourable political ambitions. General Mohamed F. Aidid became the General-Manager of ASPIMA, a firm importing and distributing drugs, while Colonel Abdulahi Yusuf became General-Manager of FIAT Somalia.

However, in the 1980s political patronage became just as chronic in this sector as in other sectors of the economy. Almost all enterprises were run by the loyalist of the regime. These loyalists for their part recruited their loyal clansmen, family friends, etc. A former director general of a factory told me that to meet unqualified job seekers with a placement paper, for non-vacant positions, from national political leaders was not unusual. So overstaffing was common in the public enterprises, particularly places with expectedly sizable illicit rents. Senior political figures were also asking financial contributions from the subordinate managers of the respective enterprises. A minister for instance may expect from a manager, of a given enterprise under the ministry in question, financial contributions for his private use no matter what the financial situation of the enterprise was. So the enterprise had to meet not with the illegal income needs of its staff alone but also the expectations of economic rents of the senior national figures (Aden, 2008).

Another way of swindling public enterprises, by the political leaders, was misappropriating some of the money allocated for their entity, ministry for instance, and transferring the burden to a public enterprise as a form of non-payment of payable bills. About 48 percent of the power generated by ENEE, National Electric Authority, was used by the Government. However, the government failed to pay about 75 percent of the bills (Ekstrom, 1993).

In addition, powerful politicians were authorising their cronies in the business sector to generate huge profits by manipulating the production process of the

public enterprises, without any regard for the implications of such acts on the enterprises' performance. Giving output of a factory to a businessman, who was an associate to the top political leader at a substantially low price who in return sells the products at the much higher market prices, was a common practice in the 1980s. According to UNIDO (1988), the Union of Somali Co-operatives bought the unsuccessful ITOP (state owned fruit and vegetable processing factory) from its former owner, the Somali Development Bank, and installed a team of young and dynamic managers in 1984. Consequently, recovery started in the following year. According to one of these new managers, the former Managing-Director of ITOP, the Somali Bank of Commerce and Savings was expected to meet the financial requirement of the factory, especially for overcoming the liquidity problem. However, the Bank's allocations were mainly based on political relationships rather than the economic efficiency of the allocations and ITOP management were not able to secure the required investment from the Bank. They, instead, approached the clients and made a deal with them: after jointly estimating the required investments of the production process and the acceptable price of the produced goods, clients agreed to pay the financial requirements of the factory in advance and the management, accordingly, had to meet the client's demands on the terms agreed. However, a common problem, he added, was to meet other buyers' holding letters from political figures asking for the factory output to be sold to these businessmen (Aden, 2008).

Furthermore, the Government was using the enterprises to finance the expensive defense sector to overcome growing internal uncertainty. This was particularly so in the late 1980s, and reflected the Government's response to the international donors' pressure on the Government to reduce its defense expenses to ease the budget deficit. However, the military government channeled a large part of its defense expenses through public enterprises to conceal it from the official reports. This strategy affected all public enterprises and "the government owned pasta factory typically ordered large quantities of wheat much of which was then sold to the military at prices substantially below market rates, providing a hidden subsidy to the military in the form of a loss to a government owned enterprise" (Ekstrom, 1993).

In the late 1980s, to meet IMF's conditions for further loans, through the logic of privatising state enterprises, the Somali Government started distributing public enterprises, including the most efficient ones, to allied figures and sometimes to foes. I will consider this issue shortly.

6.5.4. Political Economy of Agriculture

As we have seen, agriculture including livestock was given high priority in the development strategies in the 1980s. Between one-third and one-half of the planned expenditures were given in this sector, and the hope was to increase production, improve marketing and export competitiveness of Somali animals in the international markets. In crop production, reducing the dependence on food imports and obtaining the highest level of self-sufficiency was planned.

Banana production and export were to expand. However, as we have seen, neither of these objectives was secured.

Agriculture became a primary target of development for the military regime in Somalia in the 1970s, and in the 1980s the sector emerged as a soft target for the regime's exploitation. Several measures taken during the 1970s facilitated the sector to emerge as easy prey for the regime's predation. The two most appealing of these actions were the creation of a state agency that monopolised the grain businesses and the Agricultural Land Law.

In 1971 the military government created the Agricultural Development Corporation (ADC) and became the sole trader and distributor of grain. According to the government, the Corporation was formed to protect the interest of both the farmers and urban households and by law no other organisation was permitted to purchase, store, sell, or distribute grain. The Corporation purchased the maize and sorghum from the farmers during harvest time and then used to sell the locally produced grain plus the imported crops to the urban consumers (Yassin, 1989).

Probably, the regime's main purpose for monopolising the grain market and fixing its prices was to provide affordable staple food for urban households. However, unintended consequences, according to the economists, resulted from the government's fixed price policy. The argument was that the low prices of the ADC trimmed down the farmers' incentives to produce. According to some observers "with soaring prices of other inputs, real producer prices of major crops have been declining ... This decline in the real producer prices has created a great lack of incentive within the farming families". And according to the commentators farmers "reduced their efforts and work volume to a level which simply guaranteed subsistence". This is the amount allowed any farmer to use for his own consumption (cited in Menkhaus, 1989).

According to others, the ADC's fixed prices, though they played a role, were not the primary cause of the agrarian crises in the 1970s. Menkhaus (1989), for instance, argued that farmers involved themselves in the parallel market rather than abstaining from production. He noted that peasant farmers estimated that they were selling about half of their harvest on the illegal black market. Had ADC's low prices been the real problem in the 1970s, he argued, we would have witnessed i.e. decreased grain import; a significant increase of the total area cultivated; and enhanced economic security for the peasants, after prices were liberalised in the 1980s. Neither of these has happened and the "village economies steadily deteriorated through the 1980s" (Menkhaus, 1989).

Nevertheless, the ADC in the 1980s, in many ways, became an instrument of abuse for the regime's supporters, to be used against the peasant farmers. Indeed, the parallel market provided farmers an escape from the official rate, but on the other hand it also provided government officials an opportunity to ask for bribes or even to confiscate any grain found in the underground market with the excuse that the product was under illegal operations. By prohibiting the farmers to save over one hundred kg of grain per season, they were forced to

either use illegal hoarding which was prone to confiscation or to end up in the refugee camps especially in the seasons when there was a bad harvest (Gunn, 1987). In addition, ADC officers, using their presence in the area and official power were among those who, exploiting the agricultural land law, spearheaded the loot like land grabbing activities of the 1980s. Here, the fertile lands of the peasant farmers were outrageously grasped in a massive way by the regime's supporters. Furthermore, ADC officers were enriching themselves by reselling the grain collected for the ADC on the illegal market at higher prices. Sometimes these officials were hoarding the grain until there was a local shortage which forced local farmers, who produced this grain and received low rates from the ADC, to buy it back at illegally inflated prices (Besteman, 1999).

In 1975 the Somali government decided to nationalise all land and hence since then controlled all land resources. The Agricultural Land Law (No. 73) had two main objectives: political and economic. The economic objective of the reform was to transform what has been perceived "to be as an archaic system, communal tenure and nomadic pastoralism, with one more economically productive and less destructive of the land ... The consensus among planners has been that Somalia is vulnerable to drought largely because it is locked to subsistence economy driving from these traditional patterns. And without an agricultural surplus the economy can never hope to support a modern state" (Gunn, 1987).

As to the political aspect, the regime since it came to power wanted to eliminate the tribal basis of the society, which it perceived as an enemy of the regime, and, as we saw in Chapter 4, the *Dabodheer* drought of the mid-1970s gave the regime an opportunity to implement its policy of settling at least part of the nomadic population into the agricultural areas as famers. Here "mixing in the resettlement areas of refugees from different places and descent groups is seen by the Government as essential to its campaign to eliminate clan loyalties in favor of nationalism" (ACR, 1975/6).

Under the Law, farmers were permitted to keep a predetermine size of land for a specified period of time and following certain rules of succession. The state was, on the other hand, given the right to expropriate or repossess a given farmer's land if the conditions were not met. By denying pastoralists, about 60 percent of the society, to any land right unless they join the Government sponsored cooperatives and allowing agriculturists to register their limited land right on an individual bases, and favouring modern sector and large-scheme projects the Law was criticised as being "modernist", "statist" and "non-socialist" (Hoben, 1988).

However, in the beginning farmers were reluctant to register their land for several reasons: the registration law was not regularly enforced; the registration process was procedurally very complex to understand, and very expensive and time consuming for peasant farmers (Hoben, 1988). Another factor that supported the previous one was that agriculture was a relatively un-rewarding industry in the 1970s and thus very few outsiders were trying to obtain farmland (Menkhaus, 1989). Furthermore, farmers considered the act as unjust state

interference in their affairs and became reluctant to register their lands (Besteman, 1999).

The law formally brought the land under state control and the farmers' reluctance to register their land made their property legally insecure and prone to confiscation.

Due to several factors, people's attitude towards farmland dramatically changed in the early 1980s. This was due to factors such as: the sky rocketing inflation of the 1908s; Saudi Arabia's, virtually the sole importer of Somalia's livestock, astonishing ban on Somali livestock; the Government's liberalisation of the grain prices in 1984; high donor interest in agricultural development; a wealthier class seeking someplace to invest their wealth emerged in the 1980s; increased need for vegetables and grains for urban households; and the regime's advocacy of agriculture, and agricultural land became a "durable asset, as an investment, and as an object of prestige" (Besteman, 1999).

The Land Reform Act of 1975, supported by the people's new perception on agricultural land, became another important instrument for Barre to reward his allies and their associates in the 1980s. Consequently, explosive politicised land concentration, expropriation and grabbing started in the 1980s. In the beginning, the regime started carefully distributing unallocated farmlands to its supporters. However, later on, the political leaders started to scramble for the lands allocated for public use. State farms, cooperative land and refugee settlements were among the victims of this process. For example, in 1986, 4000 hectares of land in the Jubba valley was specified for the resettlement of thirteen thousand refugees, which had been caused by the development project, the Baardheere dam. However, the entire zone, 4000 hectares, was given to the brother of the Director-General of the Ministry of Agriculture and his business associates (Menkhaus, 1989). In addition, the government leaders⁸³, both military and civilians, and their associates, by manipulating the farmer's ignorance, weakness and reluctance to register their land, expropriated the lands of the peasant farmers, "urban-based bureaucrats, politicians, and businessmen, and the modern sector organizations in which they are active, are manipulating the land registration system to gain leasehold control over large amounts of agricultural land ... Land registration and dispute settlement processes work to the advantage of elite with access to bureaucratic channels and political power" (Hoben, 1988). Worse yet, in the late 1980s, the farmers who did register their land received no state protection and "ultimately the piece of paper giving evidence to registered title to land does not necessarily afford any tenure security at all; what determines land title in Somalia is political power" (Menkhaus, 1989).

The Land Reform Act of 1975 and the politicised land grabbing of the 1980s seriously jeopardised the economic base of the peasant farmers. Moreover, it weakened the agricultural productivity of the country. The main reason was that

⁸³ Local regional supporters, who emerged as "big men", where among those manipulating the registration process to participate in the land scramble (Besteman, 1999).

those who grabbed the agriculturally fertile lands were not mainly interested in crop production and their main purpose of land grabbing was profiting from land banking, securing donor funding and financial loans (Besteman, 1999; Menkhaus, 1989)⁸⁴.

6.5.5. Political Economy of the Financial System

The financial system of Somalia was comprised of the Central Bank of Somalia (CBS), the Commercial and Saving Bank of Somalia (CSBS) and the Somali Development Bank (SDB). All these banks were publicly owned institutions. The functions of the CBS were mainly to establish monetary policy, issuing currency and acting as a cash resort for the national government. The CBS also enjoyed the power of controlling other banks in the country and supervising gold and foreign monetary reserves. The Somali banking system was operational in the 1980s mainly because of lines of credit from the international financial institutions in order to support the productive sector, particularly agriculture and industry, by providing financial loans. However, the system was grossly misused and, for instance, the money was distributed through the patronage system and once a loan was received by an applicant “they were never expected to repay it” (Coolidge and Rose-Ackerman, 1997).

The SDB’s main function was, given the country’s development programmes and priorities, to provide financial assistance to the enterprises in the productive sector. The main sources of the SDB were foreign currency borrowings from overseas, lending institutions and local currency borrowings from the Somali Government and the CBS (UNIDO, 1988). In the 1980s the bank’s lending system was used by the Government to enrich its allies. The first method was to channel funds to the deeply troubled public enterprise to remain in operation. However, in the second half of the 1980s it was very clear that most of the public enterprises were in a hopeless situation and the main purpose of the loans, in which the expectation of its repayment was virtually zero, were to create economic opportunities for the regime’s loyal elements and their associates. The largest share of such loans was accrued by the politically powerful elements who were involving themselves in the land grabbing activities. Table 6.7 provides information on total loans approved, by region, by the SDB in 1986. The table shows that over 72 percent of the SDB’s loan went to the agricultural sector⁸⁵ and that over half of the agriculture’s share went to the Lower Shabelle region alone. The secret was that Lower Shabelle, due to its rich agricultural land and proximity to the capital, attracted the heaviest concentration of the land grabbing activities and those who expropriated the largest portions of the region’s agricultural lands were some of the most

⁸⁴ Moreover, in the pastoral sector the impact was enormous; declining production, increased land degradation, and conflict and weakened traditional regulations of the land use. See Unruh (1995), Gunn (1987).

⁸⁵ Some International lending institutions specified the loans they gave to be used for agricultural adjustment programmes.

powerful elements in the country⁸⁶. Only a meager share of this loan was actually used to invest in agriculture. Most of it ended up in private foreign accounts or import/export activities as the security environment needed for longtime investment was not there in the late 1980s. And by 1989 the SDB, due to grave erosion of its capital, was on the verge of collapse unable to provide any loans to its clients (Mubarak, 1996).

Table 6.7 Total Loans Approved by SDB by Region, 1986 (Sh.So. 000)

Region	Agriculture	Industry	Services	Total
Benadir		56 271	1 500	57 771
Middle Jubba	5 605			5 605
Lower Jubba	15 076	1 876		16 952
Gedo	8 088			8 088
Hiran	505			505
Eastern	2 456			2 456
North Western	21 054	16 000		37 054
Awdal	1 813			1 813
Sanaag	2 429			2 429
Togdher	3 367	1 500		4 867
Middle Shabelle	36 864			36 864
				107
Lower Shabelle	107 334			334
				281
Total	204 591	75 647	1 500	738

Source: UNIDO (1988)

The CSBS was established to support business activities of private and public enterprises. The bank's main activities were raising funds by collecting deposits from businesses and consumers and receiving loans from the CBS to provide loans to productive enterprises. However, as other organisations in the sector, the CSBS became a victim of the political patronage of the 1980s. Its activities were heavily politicised and its capital promiscuously looted⁸⁷ by the government and bank leaders and their associates. State agencies and some private companies were receiving huge amounts of loans from the bank which later on, if necessary, were written off by the President himself. According to a former Director-General of the CSBS, the bank filed a case of long time due loans to a national court against Impresco, a private company owned by Somali and Italian entrepreneurs. The court decided on the confiscation and selling of heavy machinery in Golweyn, owned by Impresco, for repayment. However, the President intervened by ordering the Court to take back the decision and the

⁸⁶ One was required to present the documents of a land written in their name and which they want to invest. This also formally served as a guarantee for the loan.

⁸⁷ Looting, rather than corruption, may be the right term (Abdirahman, 2000).

CSBS officials to terminate the case. The main reason for this, according to the Director-General, was that one of the owners of the company was the President's brother-in-law (Amiin, 2004).

As Table 6.8 shows, the total credit increased more than ten times in five years, 1984 to 1989. The credits to the private sectors showed the wildest increase, about 14 times in the previous three years. In 1988 international auditors investigating the CSBS stated that 83 percent of the loans issued by the bank were non-performing loans. After that, as the table clarifies⁸⁸, the financial mismanagement reached unimaginable proportion. Even the heads of small branches of the bank, let alone the highest officials of the bank and the national leaders, were issuing huge and unauthorised loans to their clients (Amiin, 2004).

Table 6.8 Total credits 1981 – 1989 (In millions of So.Sh.)

Year	Credits to government	Credits to public enterprises	Credits to Private sector	Total
1981	2 249,60	1 721,40	574,60	4 545,60
1982	2 100,00	1 300,00	1 623,80	5 023,80
1983	1 805,00	1 163,00	2 292,80	5 260,80
1984	4 378,10	1 511,20	3 726,90	9 616,20
1985	5 421,70	2 071,20	4 023,90	11 516,80
1986	6 077,20	3 730,40	4 094,80	13 902,40
1987	14 254,10	6 408,80	13 926,90	34 589,80
1988	20 118,70	11 845,50	19 102,40	51 066,60
1989	14 065,60	28 803,80	56 061,90	98 931,30

Source: Abdirahman (2000)

In fact, the CSBS was actually creating money. In the late 1980s abuses, irregularities and corruption, reached unimaginable proportions. The CSBS, after exhausting its reserves of a legal tender, started issuing uncovered circular checks⁸⁹ on a massive scale. Most of these checks were cashed by the importers at a huge discount, 20-40 percent, who mainly used them for the purchase of foreign exchange in the auction system. This exacerbated the exhaustion of reserves from the central bank which finally led to an acute shortage of banknotes and hard currency in the country. Therefore, as the former Director-General of the CBS accurately argued the "circular checks had proven to be an uncontrollable source of monetary creation by the Commercial and Savings

⁸⁸ No data is available for 1990, but given the situation, the growth rate must have been higher than that of 1989.

⁸⁹ These are banker's drafts originally intended for small payments and, over time, they became a widespread and handy means for payments and settlements of big transactions (Abdirahman, 2000).

Bank of Somalia” (Abdirahman, 2000). Unsurprisingly, by 1989, the SCBS was declared bankrupt (Mubarak, 1996).

The CBS was also on the verge of collapse in late 1980s. However, the CBS survived, due to extensive printing⁹⁰ of new Somali shilling notes and borrowings from foreign institutions, until it was finally pillaged by the highest officials of the Somali government in January 1991. Table 6.9 illustrates the money supply, the currency in circulation and demand deposits⁹¹, in Somalia between 1981 and 1989. The table shows that in five years the money supply increased phenomenally from So.Sh. 5.0 billion in 1984 to So.Sh. 139.9 billion in 1989. The proportion of the problem could be simply detected by comparing the money supply changes of the first half of the decade with that of the last half. According to Abdirahman (2000) “it is worth noting that, only in one year 1989, money supply increased by a staggering amount of [So.Sh. 94.4 billion] ... When one considers that this explosive trend continued also in 1990, for which data are not available, one understands how far things got out of hand”. The consequences of this reckless printing of money notes and issuing checks rendered the CBS into a complete inability to print more notes, not because of its negative impact on the economy but, because of the hyperinflation the face value of almost all money notes was less than the cost of printing the notes themselves. The Director-General of the CBS believes that by government leaders pursuing their private interests created money at will which became the root of the financial crisis in Somalia, and the collapse of the financial system played a key role in contributing to the collapse of the state in Somalia (Abdirahman, 2000).

Table 6.9, Money supply 1981 – 1989 (In millions of So.Sh.)

Year	Currency in Circulation	Demand Deposits	Total
1981	1 890,9	1 783,2	3 674,1
1982	1 455,7	2 652,7	4 108,4
1983	1 355,5	2 953,8	4 309,3
1984	1 900,0	3 130,0	5 030,0
1985	3 787,4	5 986,7	9 774,1
1986	5 208,5	6 935,1	12 143,6
1987	12 326,9	17 718,9	30 045,8
1988	21 033,3	24 403,0	45 436,3
1989	70 900,0	68 961,8	139 861,8

Source: Abdirahman (2000)

⁹⁰ Printing new money was the military government’s economic lifeboat in the last years of its rule.

⁹¹ Demand deposits consisted of current accounts and circular checks.

6.5.6. Political Economy of Foreign Aid and Refugees

We saw in Chapter 5 that Somalia was in a privileged position as far as its share of foreign aid was concerned. It received the highest, as a percent of GNP, official development assistance in the world and the second highest aid per capita in Africa. In addition to the development aid, emergency aid became very significant in the country. From 1978, after the war, a large number of refugees arrived in Somalia. This attracted the eyes of the donor communities which poured a substantial amount of aid into the country and aid became “the biggest national industry” (Besteman, 1999). However, this relatively abundant aid transferred to the military government in Somalia in the 1980s made the survival of the great majority of Somalis woefully more difficult. It indeed became a notorious industry for the ruling elite and Barre used it to buy internal allies on the one hand and to empower his army to intimidate, harass or eliminate opponents on the other (Coolidge and Rose-Ackerman, 1997).

Thus in the period under consideration it was apparent that the foreign aid was negatively correlated with social welfare. Emphasising the socioeconomic impact of the aid, Rawson stated that “development programs became channels for winning that struggle for power and perquisites, rather than investment in Somalia’s welfare and economic future ... from the Central Bank, the Commercial Bank, and the Ministry of Finance, counterpart currencies flowed into private hands” (Rawson, 1994).

One of the main factors that contributed to Barre’s siphoning off of the aid was that donors were, from the late 1970s and throughout the 1980s, inspired by primarily political, rather than economic, motives. As we saw in Chapter 5, in the early 1970s the Soviets, through their development assistance, sought to transform the socioeconomic development of the society. However, according to Menkhaus by the late 1970s donors, both Western and Arab states, poured a substantial amount of foreign aid into Somalia mainly to wean Barre’s regime from the Soviet camp. Speaking about a donor financed project in Southern Somalia, Menkhaus argued that since political motives were the main determinants for the project approval by the donors, the normal process of transparency and accountability were simply muffled for political reasons. And he rightly mentioned this behaviour of the donors gave an opportunity to the government leaders to fashion the projects “in directions which suited their own personal interests, to the detriment of the local populace, and to the great frustration of expatriate and Somali management attempting to implement project development” (Menkhaus, 1989).

Another factor that gave the regime the green light they needed was the fraudulent behaviour of the leaders of the donor countries. Even in the mid-1980s when some of the donors tried to reverse this trend and realised that their direct involvement would not help the situation the problem persisted, though in the beginning some relief was felt. The foreign aid received by Somalia could be classified into two main categories: development aid and refugee aid. The Public Investment Programs (PIP) was the largest type of aid received by Somalia in the late 1980s, Italy being the largest contributor. (UNIDO, 1988). In

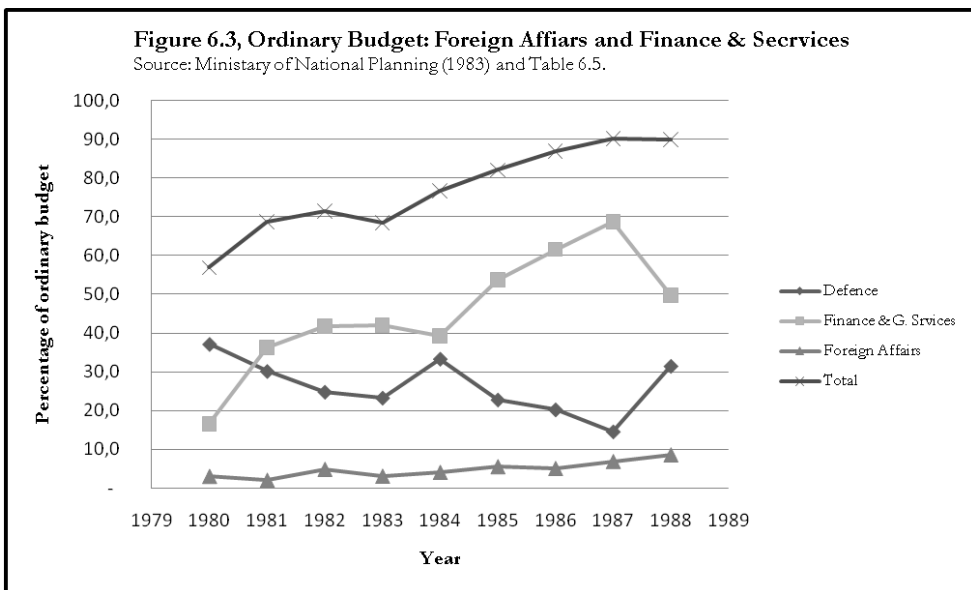
that period Italy supported a number of development projects, including the following: the \$600 million Bardhere Dam, \$250 million Garoe-Bosaso road; over \$40 million hospital in Qoryoley; and a \$95 million urea plant. The total projects sponsored by Italy in the 1980s were 114 projects in which more than a billion dollars were spent. However, the personal relationship and interests between the leaders of the two countries, rather than socioeconomic development of the host society, was said to be the main reason behind this generous donation⁹². Wolfgang Aichtner, in his famous article *The Italian Connection: How Rome Helped Ruin Somalia* wrote “[w]ith few exceptions ... the Italian ventures were absurd and wasteful ... Behind these misbegotten projects lay old-fashioned corruption. The Italian construction and engineering companies who were awarded lucrative contracts for the projects provided kickbacks to the political class in Rome and local politicians ... The corrupt relationship between the Italians and Barre, which began in 1978, flourished after 1983 when Craxi became prime minister. The Socialists flooded Somalia with millions of dollars in aid. ... On the Somali side, all the money was allegedly handled by Barre's eldest son, 48-year-old Colonel Hassan Mohammed Siad, who had an apartment in the Hotel Raphael in Rome -- the same hotel where Craxi had his permanent residence in the Italian capital. During these years, many members of the Barre family ... acquired property and bank accounts in Switzerland. On the Italian side, the list of beneficiaries reads like a who's who of major construction, engineering and communications firms” (Aichtner, 1993).

Another factor that exacerbated the problem further was the selection of the projects to be implemented in Somalia. It was clear that the Somali government was undertaking projects simply because there was a donor with funding without any consideration about its relevance on the socioeconomic development of the society. Worse yet, in some cases the feasibility of the projects was not important. The urea plant mentioned above, illustrates the gravity of the problem. The project was not feasible in any way - neither economic nor technical. And the plant operated only for three years mainly with the help of millions of dollars from Italy. UNIDO (1988) mentioned a host of constraints the project was confronting and within a few years, according to analysts, the sole option available for the Government was to get rid of the whole project. Thus one could conclude that the economic rent that a given project may potentially generate for the top officials was more important than its feasibility let alone its contribution to the well-being of the host society.

As we saw in the previous chapter, the regime in Mogadishu accepted the implementation of the economic reform programmes encouraged by the international institutions. It did so simply to generate revenues. However, it was clear that Barre was not happy with these programmes. Then the government formulated a proper means of escape to avoid potentially threatening outcomes incorporated in the reform programmes.

⁹² As the table shows, most of this aid was in a grant form rather than as a loan, which improved the ratio of grants to loans in the 1980s (80/20) compared to the 1970s ratio (57/43). See UN (1991).

For illustration purpose let us consider some of the main strategies used by the government to avoid these restrictions. One of the main reform elements was to reduce fiscal deficit, particularly the defense spending. To pretend that it was actually committed to the policy the government reduced the share of the budget allocated to the defense in the mid-1980s. However, as Figure 6.3 illustrate, enormous amounts of money was put under the Minister of Finance's control. Almost the total sum reduced from the defense category was brought under the finance and general services category which was, most probably, used for defense purposes. Other evidence supports this conclusion. In the expenditure budget of 1990, for instance, about 62 percent of the non-salary expense was appropriated into the category of the so called "other work". The Somali government termed these funds as contingency expenses but according to the World Bank these funds were, most probably, used to complement the defense budget. In addition, the government channelled much of its defense spending through public enterprises so as to become invisible in the officially reported budget outlays and thus to disappear from the eyes of the oversight bodies. The state-owned pasta factory, for instance, ordered a huge quantity of wheat and the amount beyond its requirements was resold to the army at a substantially low price "providing a hidden subsidy to the military in the form of a loss to a government owned enterprise" (Ekstrom, 1993).



Other central objectives of the reform programme were to liberalise trade and to alter key relative prices, and in particular the real exchange rate. Nonetheless, high government officials and their associates were the main beneficiaries of this process as they were commonly awarded with the letters of credit known as LCs which were necessary for the import/export business. The LC was also an important prerequisite for receiving foreign currency, which was distributed

through government controlled auctions or a two-tier exchange rate⁹³, required for importing food stuffs and other necessary commodities. Thus, government ministers, such as Mohamed Sh. Osman, and the regime's devoted allies, such as Abdi Hosh, absolutely dominated the sector.

Privatisation of state-owned enterprises was another policy required in the reform programme. The regime used the privatisation process to reward clients and pay opponents. The production performance of ITOP improved from mid-1984 and according to UNIDO (1988) the factory, provided that a financially favourable environment for the private sector was in place, had a potential to attract the private sector, which was not the case for many state owned enterprises. Nevertheless, the factory was given to an influential political figure, after a long-term detention. According to the former manager of the factory, the transfer was like a gift (Aden, 2008). Other enterprises, such as Hotel Taleex, were given to government leaders or members of their families.

Regarding the refugee issue, after the defeat of the Somali army in the Ogaden, hundreds of thousands of war affected people sought refuge in Somalia. In the very beginning the Somali government received the refugees warmly in a brotherly way and supported them with the limited resources it had and appealed for help from the United Nations High Commissioner for Refugees (UNHCR) and donor countries. Nevertheless, the regime realised that refugee aid from the international community is a notorious industry with the prospective of political rent. To exploit enough rents from the refugee aid the regime inflated the number of refugee population. With the logic that an increased refugee count generates more aid and more aid breeds more rent, the regime unilaterally set the total number of refugees as 1.3 million, while according to other stakeholders the estimate was between 300,000 and 600,000. The military government either completely rejected or sabotaged the process of coming up with a reliable figure of the refugee population⁹⁴. And according to one commentator "word of the estimate incensed the Government of President Mohammed Siad Barre" and later on, the United Nations decided on a planning figure of 650,000 (Cowell, 1981).

In addition, the regime preferred to maintain the status quo as far as the future of the refugees was concerned. The government, to avert the number of refugees to decrease, systematically discouraged any attempt to repatriate the refugees to their homeland. The government also in many occasions rejected the idea of resettling the refugees in Somalia. (Frederick 1988)

⁹³ In the dual exchange rate, a fixed rate was set for the import of food and other sensitive commodities.

⁹⁴ After a long dispute about the size of the population of refugees, the UNHCR decided to resolve the question by undertaking an aerial photographic survey. The government rejected the approach due to, according to the Government, national security concerns. Then the UNHCR decided to carry out a census method throughout the refugee camps in the country. However, although the government previously argued that the census is an appropriate method for resolving the argument, Somali officials intervened by mobilising members of the refugees to show up in counting stations on more than one occasion. Some of the refugees, allegedly, passed the lines up to fifteen times (Frederick, 1988).

The main method for the government to generate rents from the refugee aid was the diversion of the food aid. In the beginning of the refugee aid three national organisations and the U.N's World Food Program took the responsibility of distributing the relief supplies. As I noted earlier the ADC and ENC as national agencies were responsible for the nationwide distribution of locally produced and imported foodstuffs intended for the ordinary population and, in the refugee aid distribution, they were criticised for treating the relief supplies as their ordinary commercial stocks. Remember that these organisations were instruments of predation for the military regime (Frederick, 1988). So many refugee supplies ended up in the local markets or the military stores and "relief goods are diverted away from refugees and the visitor can see American wheat, stacked for sale in tin-roofed stores" (Cowell, 1981).

Militarisation of refugees is another strategy utilised by the military regime in the 1980s. As early as 1982, the Somali Government, compelled by a lack of military personnel to prosecute its war, was accused of mobilising refugees to fight for the host country (The Globe and Mail, 1982). In the late 1980s the number of refugees drafted into the Somalia army was said to be as many as 50,000 refugees from camps in Somalia. The government, it was also argued, had used vehicles and supplies sent by foreign donors (The Economist, 1989). It is worth mentioning that the Somali National Army in the 1980s was fighting against Somali armed opposition groups.

The main factor that was generating Barre's incentive to exploit the refugee issue was the known position of the US. In order to avoid confrontation with the Mogadishu regime Washington, the main donor of refugee aid, was reluctant to put meaningful pressure on Barre's regime. So once more, an overriding strategic interest undermined developmental goals (Frederick, 1988).

6.6. The Death of the Post-Colonial State in Somalia

After the SNM moved to Ethiopia and started its military operations in 1982, the Northern part of the country was like a war zone and the government's control of these regions was not an easy one from that time on. However, after Barre's automobile crash in 1986, the SNM intensified its activities and the SSDF resumed its operations after sometime of internal unrest. Officers from the *Hawiye* clan-family with their supporters also increasingly infiltrated into these opposition factions from 1986 onwards. The two organisations were conducting joint operations, particularly in the central regions (AC, Sep. 1986).

As it was weakened, partially by Barre's inability and internal power struggle and partially by the US reduction of its financial, political⁹⁵ and military support, the regime was unable to maintain its hegemony even in the capital, and civil unrest started there. In August 1987, for the first time in the history of

⁹⁵ Following Washington's renewed position, Mogadishu's relation with other donor countries and international financial organizations became uneasy one. In May for in May 1987, for instance, published a report criticizing to the Somali government's aid projects. (Simon 1995)

the military regime, public demonstrations against the government's behaviour, especially economic mismanagement, engulfed Mogadishu (Simon, 1995).

A series of secret meetings that had taken place since the mid-1980s subsequently led Barre to reach an agreement with the Ethiopian leader, Mengistu Haile Mariam in March 1988. The latter agreed to terminate his support for the SNM, including the end of the SNM's presence in Ethiopia. The regime presumed that this may lead to the SNM dissolving. However, the SNM carried out an all-out military offensive, which was suicidal in nature but successful, against the regime in the main towns of the North, and thereafter it secured its own zone in the North-Western parts of the country. After that the civil unrest escalated in the South as well. The USC and SPM were established. Unlike the factions that came into existence in the early 1980s, these organisations, particularly the USC, generated favourable attention from the high ranking figures within the Government. The main reason was that everyone believed that the regime's days were numbered and one had to identify his interest with the forthcoming government. Some government leaders, including senior army generals, started to conduct activities advancing the cause of the faction groups in order to show their sympathy to the latter.

Following Washington's renewed position, Mogadishu's relations with other donor countries and international financial organisations became uneasy. In May 1987, for instance, the World Bank published a report criticising to the Somali government's behaviour towards the aid projects. In early 1988 the IMF declared that Somalia is ineligible for IMF's financial loans and Western countries, including Italy, one of the main financial sources for the regime in 1980, responded by halting their aid to Somalia. The United Nations High Commissioner for Refugees followed the suit by announcing a phasing-out of its refugee assistance (Simon, 1995). Formally, in 1989, Washington terminated its aid to Somalia and in 1990 disclosed that the regime in Mogadishu defaulted on loan repayments and, therefore, was ineligible to receive any further US aid. Economic hardship of the decade deepened. As a result of the dried up external support coinciding with the devastating civil war that now engulfed most of the country, the economy deteriorated rapidly in 1989 and 1990, where the formal economy completely collapsed.

The Roman Catholic Bishop of Mogadishu, Salvatore Colombo, was assassinated on 9 July 1989. In response the Government detained three prominent Imams on 13 July and the next day, after the Friday prayer, violent anti-government riots broke out in Mogadishu in which, according to *Africa Confidential*, resulted in about 400 deaths and over 2000 injuries. During the next weekend, the regime massacred 47 civilians on one of Mogadishu's beaches. The regime was also challenged in Mogadishu in a nonviolent manner and sometimes through its institutions. At a celebration for the National Congress for Workers held in the National Theater, Abdi Muhumid Amin, expressing the unhappiness of the labour force, performed his famous song "Anigu Muufaan Rabaa, Muufo Macaan Baan Rabaa, Maraqaan aan ku Dhuuqaan Rabaa – I demand bread, the delicious bread, I demand sauce to eat it with". Barre who was also present at the celebration took the microphone and

angrily blamed Amin for asking for what his government could not afford anymore⁹⁶. In early 1990 *Ogaal* a paper owned by the ruling SRSP started publishing articles against the regime's behaviour. At that time, Mogadishu joined the rest of the country. For instance in May 1990 an open letter, known as the Manifesto, signed by over hundred influential political figures, religious leaders, businessmen, traditional leaders and intellectuals was forwarded to Barre. The paper, after critically reviewing the dangerous situation of the country, proposed a National Reconciliation and Salvation Conference. The Manifesto alienated the regime further and opposition factions interpreted the move as a political opportunity⁹⁷. The regime responded by detaining some 40 members of the document signatories but soon released them all.

Since the summer of 1989 Mogadishu became the home for violence and insecurity that already had devastated the rest of the country. The regime in its death-throes tried to correct some of its mistakes and announced several measures for reform. However, that was not well received by the opposition factions who regarded that call as cosmetic. By late December 1990 full scale civil war devastated most parts of Mogadishu. Barre departed from Mogadishu in mid-January 1991 and his departure marked the end of the post-colonial state in Somalia. The SNM stabilised the North-Western part of the country and latter on, in May 1991, the region declared its independence from the rest of Somalia. In the Capital and the south the faction groups, led by the USC, failed to achieve anything more than the destruction of Barre's ailing regime. The endless civil war that followed his departure resulted in many hoping for Barre's return. Abshir Ba'adle had the following to say:

Waa loo Darsadey Daalinkii Dacayda Weynaaye

Ka daroo dibidhal baan aragnay iyo furuqyo daacuune,

Duqii doona ducana ugu dara waad na dubateene

“We feel demeaned for the rule of the hyena looking racketeer

What we are witnessing is much worse than his rule...

Find the old-man (Barre) and complement his rule with blessings”

6.7. Conclusion

As we have seen in the previous chapter, the military regime went into a dilemma after departure of the Soviets and the failed Ogaden endeavour. Soon after the Ogaden War longtime dormant contenders started to challenge the regime. Armed groups were setup. However, Barre solved the dilemma by imposing a patrimonial system of governance and by bringing Washington onto his side. His main tasks during this period were to defend his rule from the

⁹⁶ Jama (2008).

⁹⁷ Some members of the Manifest group were supporters of the opposition factions.

warring opposition factions and to provide economic incentives for his supporters. He mobilised all national resources, and reorganised national institutions to meet that end. To generate enough resources for the two tasks he provided military bases for the US Rapid Deployment Task Forces. The American administration, unlike the Soviets, was a reluctant principal. It limited its task to using the strategic bases in Somalia and preventing the regime from falling. Barre's relationship with the US also facilitated a somewhat more cordial relationship with the other Western countries and international organisations such as the United Nations, World Bank and IMF. So, until 1986, the United States and its allies provided military and economic assistance that enabled the regime to survive and consequently the regime provided the US the chance to safeguard its interests in the region. The situation here resembles the condition presented in Figure 1.4. The regime as an agent defended Washington's interests in the region. This was so because all opposition factions were hosted by socialist Ethiopia and mainly supported by Soviet allies, thus making clear the direction these factions would take had they succeeded in assuming power in Somalia. US, on the other hand, as principal rewarded its agent economic and assistance needed for his survival.

Barre was severely injured in a car accident in 1986 and this raised the issue of who would succeed the ailing dictator and created mounting tension and wiped out the cohesion among the loyal groups of Barre supporters. This coincided with the decreased tension over the Cold War. And, thus, Somalia started to lose its geopolitical value. Washington, like its allies, withdrew its assistance from the regime and opposition factions intensified their struggle and the regime collapsed. The role of Somali society, as principal, broke down after the Ogaden defeat and has never recovered since. Washington's abandonment marked, once again, the failure of the principalship of the US to Barre. However, unlike the departure of the Soviet Union, there was no superpower interested in salvaging the regime. The military regime collapsed and the post-colonial state in Somalia collapsed as well.

7 CONCLUSION

The state is needed by many. Citizens of a given polity need it because it is expected to deliver political and public goods, i.e., security, law and order, social and economic infrastructure. The political elite of a given society needs the state because it generates for them economic and political opportunities. Other countries, poor regional neighbours and distant sole superpowers alike, need the state of a given society because the state is the main vehicle for other countries to secure their security, and political and economic interests in the country in question.

When the state of a given country collapses the consequences for the citizens, leaders, and international community could be very severe. Insecurity and hunger are obvious consequences for citizens of the collapsed state. Leaders of the collapsed state not only lose their economic and political opportunities but may also end up in misfortune. Mental disorder and public humiliation⁹⁸ is a common problem for many Somali leaders who escaped to the West. In today's increasingly interconnected world, a collapsed state does not threaten the security and interests of its neighbours alone but may pose an acute risk to geographically distant and powerful nations. The U.S. National Security Strategy of 2002 concluded that "America is now threatened less by conquering states than we are by failing ones".

Since the fall of the Berlin Wall the world has witnessed an unprecedented frequency of the phenomenon of state failure and chaos that has resulted from the disappearance of state institutions. Africa has accounted for an unfair share of the failed states and this has led to some, such as Robert Bates (2008), to conclude that "in late-century Africa, things fell apart". The five top countries in the State Failure Index this year (2009) were from Africa and Somalia claimed "the No. 1 slot" on the index for a second year in a row (Foreign Policy, July/Aug 2009).

Somalia is commonly viewed as a symbol of the failed state because in this unfortunate country the political mayhem coupled with the post-colonial state in Africa has been exceptionally and deeply entrenched. Somalia has been characterised as a unique case for complete collapse (Rothberg, 2002). A recent report, after bringing up the problems associated with state failure and that it needed to be addressed, noted that "no place seems to accentuate these worries and validate the solution more than Somalia, the epitome of the failed state and the insecurity that state failure brings" (Haldén, 2008). Conceivably, Somali would have been viewed a particular cause for concern for all those interested in the issue of state failure. However, the case of Somalia never attracted the attention it deserved from the relevant actor and much less attention has been paid to the case in academic debates and research.

⁹⁸ His new neighbour on some occasions may be his former driver or body guard and the later may be doing well socially and economically.

The main purpose of this research is to contribute to a better understanding of the sources, processes, patterns, and actors of state failure, state collapse and civil conflict. It does so by first providing a theoretical framework and then analysing, with the logic of the theory, the root causes of the state collapse in Somalia – the sole case of total collapse in our time.

This research departs from the assumption that the presence of the structural factors, economic i.e. poverty and inequality, and (other) non-economic factors, do not automatically drive violent clashes among the groups in a given polity. Human motivation is assumed to play a central role in any conflict situation. Previous studies that dealt with the human motives of civil war and state failure could be grouped into two main categories: *stateless approaches* and *predation theories*. The influential analyses of Collier and Hoeffler, cited in Chapter 1, belong to the first group. The essence of statehood is missing from these analyses. In the theory of economics, the state is either considered as a social contract where the state is understood as an agent of the society as citizens or as an instrument of exploitation for the elite where the state is viewed as an agent of particular groups in the society. Neither society as citizens nor the state as a political entity is given any meaningful consideration in these analyses. Collier through his greed theory concentrated his attention on rebellion from some small groups in the society that tend to gain from the lawlessness and social disorder, “although societies as a whole suffer economically from civil war, some small identifiable groups do well out of it. They thus have an interest in the initiation, perpetuation, and renewal of conflict” (Collier, 2000). Therefore, the presence of certain economic conditions in society – large natural resources, high proportion of young men, and little education – generate a risk of civil war and state failure. The role of the state as a provider of public goods such as security or as a predator that generates violence or security for its own interest is often missing from the analyses.

The shadow state theory initiated by William Reno, noted earlier, is the leading version of the predation theories in conflict and state failure analyses, particularly in Africa. This line of analysis departs from the assumption that the state in Africa is predatory by nature. In other words, based on the ‘*Quasi States*’ notion of Robert Jackson, these theories assume that post-colonial states in Africa where failed in nature and its leaders were like racketeers rather than state leaders. Therefore, there are no analyses on the patterns that made the state predatory. Furthermore, here the role of society as citizens is missing. Political leaders are sole players of a one-sided game where there is no bargaining power and retaliation from society. In other words, the country and its resources are like a teashop owned by the political leaders. My argument here is not to deny that political leaders, as far as national interests of their countries are concerned, behaved like owners of a teashop. On the contrary, these analyses make us understand to a great extent the essence of post-colonial governance problems in Africa. My point is that it is useful to consider the circumstances that provide these leaders such gigantic opportunities for transforming the whole ownership of society into something like that owned by a single person or group of individuals, before one considers the way they behaved after they assumed power. The throne was not in their hands when

they born. Many of them were born and grew up in humbling circumstances. The political power they assumed is in one way or another delegated to them by their societies. Mohammed Siyad Barre, like Mobutu Sese Seko of the Congo, did not make himself the Army Chief of Staff before he had overthrown the elected regime. It was mainly through the established formal institutions in society that in one way or another, made the delegation of such power legitimate. Through these institutions Barre was appointed the Army Chief of Staff. As the highest ranking officer in the national army the main purpose of the delegation was to provide national security and prevent external aggressions. But in order to fulfill such a huge task the most able institution of violence in the society was brought under his command. The great danger of delegation in any situation is that those to whom power is delegated may abuse the power they receive and it is up to those who delegated their power to make sure that their agents are effectively checked. The predation theories of conflict put their emphasis on the way political leaders behave after they assume power. Missing from the analysis, is that the process of assuming power is taken as given and as such this is why society as delegator did not effectively control those to which it delegated.

In his Cairo speech, of June 2009, President Barak Obama stated that “in the middle of the Cold War, the United States played a role in the overthrow of a democratically-elected Iranian government.” Many instances of the great powers’ involvement in the regime change in Africa’s failed states are well-known. President Eisenhower’s authorisation of the assassination of the democratically elected prime minister of the Congo, Patrice Lumumba, in 1960 and the supporting of his subordinate, Mobutu, to assume and maintain power is now well documented.

Furthermore, In the literature on state failure, the superpowers’ suspension of their support playing a major factor in this failure, and foreign aid and its effect of letting incumbent leaders enrich themselves and further ignore people’s demands are also noted. However, the role of foreign powers in conflict and state failure deserves deeper attention. As the above passage reveals, foreign countries, superpowers during the Cold War for instance, played a direct role in the process of power appropriation in these societies. Furthermore, foreign powers not only supported their allies to maintain power but also were asking the regimes in question to perform certain tasks that might be detrimental to the interests of their societies. Sometimes these tasks have strong implications on state failure. Therefore, foreign powers’ involvement in the conflict needs to be genuinely addressed. Rothberg (2002) rightly noted that “destructive decisions by individual leaders have almost always paved the way to state failure” but it is equally true that some of the deadliest and most destructive decisions originated in Washington, Moscow, and other big capitals of the world.

This research, unlike the existing literature on the political economy of conflict, departs from the social contract approach. Therefore, the state-society relationship is analysed from the so-called principal-agent perspective. The main argument here is that, people delegate their power to make political

decisions to state authorities. However, by manipulating the informational advantage the state, as agent, possesses over the ordinary citizens, a given state leader may turn the whole process to his advantage at the expense of the society at large. To mitigate this problem, that of agency loss, citizens should be prepared to incur further cost, agency cost. James Madison long ago recognised the problem stating that “ambition must be made to counteract ambition. The interest of the man must be connected with the constitutional rights of the place. It may be a reflection on human nature, that such devices should be necessary to control the abuses of government. But what is government itself, but the greatest of all reflections on human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary” (Madison, 1788). Therefore, people as principals are required to be able to make sure that their leaders are doing the right job. In other words they must keep their political leaders accountable. In the democratic system formal political institutions, i.e. election, separation, are mainly devised to do the job. In a non-democratic format too there are some means for constraining the behaviour of the leaders, such as revolutionary threats. The main argument here is that if society fails to keep their leaders under effective check there is no guarantee that their leaders are in offices for the advancement of the peace and prosperity of society. Thus, the role and ability of the society is fundamental for the direction the conflict over state control leads the country in general and the economy in particular.

In a situation where citizens are unable to control their leaders the political leaders will choose actions that are beneficial to them even if these actions undermine the welfare of the citizens. In incidents where leaders pursue actions that are detrimental to the interest of the society in question the leaders are predators rather than agents of their citizens. There might be situations where citizens of a given polity are unable to keep their state leaders under control but the leaders still behave in accordance with the interests of the society. However, here other factors are replacing society to provide the required incentives for the state to behave properly. Therefore, this research utilises predation theory, as well as the social contract approach.

A fundamental query for development economics as a discipline is to find an answer to why some countries achieve notable economic success while others are relatively unsuccessful. One approach emphasises that the conflict over control of the state is the critical factor that is responsible for the success and strong economic performance of some countries and the relative failure or even absolute decline of others. The argument is that the relative bargaining power of rulers and society is essential in these results. The critical point here is who determines the process of power appropriation and political survival: Is it the society as citizens or sub-groups in the society who have the final say in this respect? Therefore, the social contract approach of state failure is in line with the wider subject matter of development economics. Factors that hinder or enhance relative bargaining power of the citizens in its relation with the rulers are mainly responsible for why some countries are rich while others remain poor and why some states are strong while others failed or even collapsed.

Another advantage of this approach is that the roles of both the society and foreign power could be brought into the analyses. A primary question in this context is: Why do societies fail to keep their leaders under control? To answer that question, the incentives available for each of the actors in the process needed to be investigated. However, it is vital to pay careful attention to the institutions that determine incentives and constrain the behaviours of these actors. It is so, simply because actors respond to the incentives provided for them and incentives are determined by the existing institutions.

This research considered three main informal institutions that determined the behaviour of the actors that took part in the decay of the post-colonial state in Somalia. These institutions were bad because they created incentives for predators. These institutions rendered society in a very weak position in the state-society relationship, where society became unable to mobilise any mechanism, legal and extralegal, to control its leaders. The first of these informal institutions is political tribalism that Somalia experienced throughout its history as a modern state. The politicisation of the clan factor took its final and mature form during the colonial period. Since then Somalis suffered a severe collective action problem, and became a deeply divided society.

The Cold War is another informal institution in this analysis. During the Cold War, African and Asian countries witnessed fierce competition for influence by the United States and the Soviet Union. Based on how friendly or hostile local political actors were to its own interests, each superpower developed its own criteria for the Third World governments and movements. Undesired regimes and groups were considered minority groups illegitimately imposing or intending to impose its will on the majority, while friendly regimes and groups were by default the legitimate forces representing the will of the majority of the people in the concerned country. The attitude of the political leadership was considered the main determinant of a nation's way of life in Africa. Given the state-society relationship the superpowers realised that the best strategy to bring African nations on board was to help sympathetic political leaders. So leadership change and survival became an important issue in the superpowers' involvement in these countries. Both sides were deeply involved in the internal affairs of these nations by influencing leadership changes and survival, and policy making-processes. By creating state dependence on foreign power, the Cold War generated or encouraged conditions which were unfavourable to the political and economic developments in these countries i.e. *personal rule*, *neo-patrimonial leadership*, and *divide-and-rule system*. This weakened society's bargaining power and, thus, its ability to control the behaviour of the elite. Furthermore, each of the Cold War contenders encouraged policies and actions which might be seen as strategic in its struggle, but had locally disastrous impacts. Due to its geopolitical attraction, post-colonial Somalia became a major hotspot of conflict between the Soviet Union and The United States. To win this geopolitical struggle, both the US and the Soviet Union not only poured substantial amounts of financial and military aid into Somalia, which became another source of survival for political leaders, but participated in regime changes and encouraged nationally disastrous policies and actions, such as the formation of the SRSP and the Ogaden War.

Rather than strengthening formal political institutions, Somali political leaders, as elsewhere in Africa, employed informal methods for power appropriation and political survival. They employed a patrimonial system of leadership and, if necessary, coercion. Together these two instruments form a divide-and-rule strategy which enables leaders to maintain power while at the same time pursuing policies costly to their societies. To remove an incompetent ruler from power, people need to cooperate and overcome their collective action problems. General Mohamed Siyad Barre, to remain in power, bribed segments of society and selectively punished potential opponents and related groups. However, social fragility was a precondition for this strategy to succeed. In Somalia the politicised clan differences provided the opportunity for ambitious, political entrepreneurs.

However, for leaders to carry out their divide-and-rule strategy an enormous amount of resources are required; financial and military, for which the tax revenues from the impoverished citizens is not sufficient. Alternatively, African leaders exploited the natural resources of their countries and in addition cultivated strategic alliances with the Cold War rivals, the superpowers. For leaders of countries with limited resource endowment, such as Somalia, foreign assistance was extremely important. Unpopular leaders established strategic relationships with the US or USSR to defend their rule. In short, the road to influence and power on the one hand depended upon the ability of the elite to mobilise mass support where tribalism was a ready instrument to capitalise on and the availability of a superpower patron for political, economic and military support was in some cases easily available among the 'cold warriors'.

A word of caution is in order. My argument is not that this particular set of informal institutions, tribalism or ethnicity, patrimonial style of leadership and the Cold War, were responsible for the misery of all nations. On the contrary, every society has its specific factors that limit its bargaining power against its rulers. My point is that in every society there is an "institutional matrix that defines the incentive structure of the society" and in societies that failed the dominant institutions are bad. A special feature of these bad institutions is that they weaken the society and make it unable to keep its leaders under effective check. Institutions with this quality are to some extent responsible for states to fail and collapse. Furthermore, the same institutions may have different attributes in different societies/times. Policies generated by the Cold War struggle, for instance, positively influenced socioeconomic achievements of the military government of Somalia in the early 1970s.

Therefore, before we look at the destructive policies and action of leaders and other players in the failed states, it is very useful to understand the existing institutions in the society in question and the incentive structure these institutions generate.

7.1. Somalia failed and Botswana prospered

While Somalia is considered as a prime example of a collapsed state in the other side of Africa's development spectrum there is Botswana, the greatest economic success story in the continent. Here, for comparative perspective, the case of Botswana is briefly considered. For about four decades Botswana achieved the position the World's fastest growing economy and became "the only mainland African state to have retained an unbroken record of liberal democracy since independence." (Thomson, 2000) However, when the British left in 1965 it was one of the poorest countries in the world, i.e. this land locked Southern African had per capita GNP less than US\$100 dollars, there were only 12 kilometers of paved road, 22 university graduates and 100 from secondary school. Why did Botswana prosper? And why has Botswana been so successful? These are now familiar research questions for political economists.

As Acemoglu et al. (2003) noted, there is almost complete consensus that Botswana's economic success was due to good policies. As a common perception in Africa is that good economics is often bad politics, this generates another question: why did Botswana pursue good economic policies? Answering that question these authors emphasize that Botswana was able to adopt sound policies because it was the interest of the country's political elites. Therefore, the political elite, in contrast to their African counterparts, rather than undermining formal institutions of governance, established good formal institutions, particularly the institutions of property rights. And they did so because "they inherited a set of institutional prerequisites that ensured that they would keep their political power by pursuing good policies and placed restrictions on infighting among themselves over political rents."

Main institutions that Botswana inherited were good because they constrained the behaviour of the political elite. Like Somalia, in pre-colonial Botswana there were considerable incentive schemes for the political elite to be responsible. Traditionally, the role and power of the chief were profoundly restricted. According to Leith (2005), "to persuade the tribal members to accept the chief's leadership for the common good an implicit bargain between the chief and his people emerged. The chief provided leadership, but the people required accountability." A prominent anthropological account describing the role of the chief in the tribal society in Botswana noted that the chief "was expected to watch over the interests of his subjects, and keep informed of tribal affairs generally; he therefore spent much time daily at his kgotla (council place), where anybody could approach him directly with news, petitions, and complaints ... If his own conduct was unsatisfactory, he could be warned or reprimanded by his advisers or at public assemblies; if he ruled despotically or repeatedly neglected his duties, the people would begin to desert him, or a more popular relative would try to oust him by force." (quoted in Leith, 2005)

Fortunately, unlike Somalia, these institutions were not reversed during the colonial administration in Botswana. The British Administration was very modest and the continuity of traditional modes of leadership and accountability were preserved. Both the Colonial Authorities and the chiefs were pleased by

this minimalist arrangement. The main duty for the Colonial Authority was to protect the territory from external aggression and the chiefs were to govern internally “in their own fashion” (Leith, 2005). Another important result of this limited nature of the British administration was that, unlike other African countries, indirect rule was not introduced in Botswana, and therefore, there were no political elite with substantial power representing the British Empire. (Acemoglu et al., 2003) In other words, the pre-colonial social contract between the leaders and the society was conserved during the colonial rule. That social contract was the foundations of the post-colonial governance in Botswana. And it is obvious that Botswana’s economic success and the evolution of its good governance, to great extent, is a result of the continuation of these traditional social institutions. (Leith, 2005, Acemoglu et al., 2003)

In addition, as noted earlier, in Somalia the social fragility created by the divide-and-rule strategy employed by the colonial authorities was a precondition for the patrimonial method used by the post-colonial Somali leaders to maintain power while simultaneously pursuing policies costly to their society. In Botswana colonial rule never employed a divide-and-rule strategy. Most probably that method was not required since the relationship between indigenous society with their leadership and the colonial administration was relatively harmonious and consequently this allowed the persistence of the culture of intertribal negotiations for dispute resolutions and cooperation (Leith, 2005). Furthermore, post-colonial political elites in Botswana not only kept away from employing divide-and-rule strategy but also have studiously avoided exacerbating existing social fragility (Acemoglu et al., 2003).

Finally, it is obvious that the strategic competition between the United States and the Soviet Union during the Cold War had no interference in the internal affairs of Botswana and thus not obstructed latter’s political and economic development . Botswana remained pro-Western since its independence and its relationship with Moscow was insignificant.

In sum, Botswana's exceptional success is explained in the first instance by the economic policies that it pursued and these policies were fashioned by its post-colonial leadership. On the one hand it was post-colonial leaders’ interest to pursue these pro-development policies and on the other hand efficient leadership accountability was in place. “The advent of Independence in 1966 did not halt the evolution of Botswana's politics and institutions; rather, with the Constitution having set the "rules of the game," the political contest and the institutional arrangements defining and constraining government now worked within a new framework, albeit one that was in keeping with Tswana traditions.” (Leith, 2003)

The post-colonial Somali state, since its inception in 1960, was to achieve two main goals: the socio-political unification of Somali peoples inhabiting the Horn of Africa and socio-economic development. But neither of these goals were secured by the civilian regimes that ruled Somalia between 1960-69. Post-colonial Somali leaders rather than encouraging the formal institutions formulated other strategies for survival. Scores of corruption and economic

mismanagement, and tribal manipulation by the political leaders were common during the civilian rule. This unwise power struggle undermined the government's performance in all sectors since the formation of the republic.

Somali society, although a democratic system of governance is formally structured in Somalia, failed to utilise the basic instrumental objective of the institutions of accountability, i.e. elections. Therefore, since there is no effective system of accountability, the Somali electorate was unable to control their leaders. Far worse, due to ethnic cleavages among the Somalis, they simply became victims for political manipulations by the political elites. Prior to 1967, in Somalia, the political struggle was mainly between Somali groups and coalitions. However, since 1967, the superpowers played a crucial role in determining the winning coalition among Somali groups. Washington, with the intention of reversing the Somalia's increasing tendencies towards Moscow, involved itself in the Somalia's election and policy making processes in 1967. This involvement in the internal politics and leadership change worsened the situation by contributing to the total erosion of Somali democracy, and enabled a small group to monopolise political power and to install patrimonial rule in the country. Consequently, the institutions of accountability were brought under the Prime Minister's control. The ruling party was the first victim of the subordination, the parliament lost its role as an instrument of accountability, and the Supreme Court was put under the control of an ally advocate. As political institutions of democratic check and balances were undermined by the state leaders, a system of personal rule established itself in Somalia, where almost every state institution was abused.

After losing the election in June 1967 President Osman accepted the defeat and gave up power in accordance with the formal political institution and became the first African head of state to hand over power to a democratically elected successor. But sadly in that election democracy was just on the surface, and beneath it Washington's long arm was influencing the emerging winning coalition. Although there were many deficiencies in the governance system in Somalia, institutions were not completely toothless and there were some reformers, including Osman himself, in the political process. After the 1967 election, and America's intervention, reformers were undermined and formal institutions vanished. The Somali state was at the verge of collapse in 1969, and for most of the Somalis and many well informed non-Somalis the military intervention, no matter what the intention was of those involved, was perceived as an act of salvaging the nation.

In October 1969, through a military coup d'état, Barre overthrew the elected government. By assuming power, the military regime abrogated Somalia's formal democratic rule, nullified the parliamentary system of governance, and undermined civil liberties. For its survival the regime successfully brought Moscow to its side, eliminated political opponents and established authoritarian rule. The Soviets, on the other hand, to build a socialist society decided to help reform Somali society and thus supported the development aspects of the country. In that respect Moscow's objectives coincided with the interest of the Somalis as citizens. Therefore the regime was mainly to pursue a single task

which was socio-economic development. In addition, the regime sought to improve the welfare of society. Furthermore, the regime mobilised the society to rally behind it through the vision of restoring people's dignity, guiding them to their true Somali characteristics and creating a nationalism of oneness. As a response to the failure of the civilian governments, Somalis welcomed the military coup and the vast majority of the society voluntarily supported the regime.

As a result, significant socio-economic development was accomplished during the first five years of the regime's rule. Many sectors of the economy significantly improved. In the livestock sector, the most important sector in the Somali economy, the export earning of the sector increased dramatically. The manufacturing sector was negligible in 1969, but by the early 1970s about 20 percent of the country's exports were manufactured goods. In the communications and transportation sector significant work was carried out. In the social sector, two main targets of the regime were to liquidate illiteracy and to create a written form of the Somali language. The latter was achieved in 1972 and in the same year Somali became the sole official language in the country. In the following year, a successful literacy campaign was undertaken in the urban centers. Furthermore, total school enrolment dramatically increased from less than 50 thousand in 1971 to about 220 thousand pupils in 1975. Other notable developmental programmes were also carried out during this period. In light of this, the military rule, in its first phase, could be characterised *as an agent of its citizens*. To a great extent the coincidence of interests between the Soviet Union and Somali society and the society's support for the regime was responsible for these achievements.

In the 1970s the Soviets, unhappy with the regime's performance on the reform process, took two measures that alienated its interests from that of the Somalis. Firstly, Moscow put great pressure on the regime to establish a vanguard socialist party. That made Barre worry for his future because his power base would be weakened if an ideal Marxist party was established and in response he started several countermeasures in order to survive. In short, rather than establishing a vanguard Marxist-Leninist party he formed a party of his own.

Secondly, Moscow decided to dramatically increase its presence in Somalia and to do so it shifted its focus from social reform to the Greater Somalia issue and therefore encouraged the war between Somalia and Ethiopia. However, it soon ceased supporting the war between Somalia and Ethiopia because a pro-Soviet military junta took the power in Ethiopia. This further aggravated its relations with the military leadership in Somalia. The United States took the opportunity and started wooing Barre's regime from the Soviet camp. To do so Washington replaced Moscow by encouraging war between Somalia and Ethiopia. Somali leaders believed that Washington was offering a more rewarding alternative, expelled the Soviets from Somalia and abrogated the relationship treaty with the Soviet Union. Consequently Somalia and Ethiopia clashed in a battle, with Somalia being badly defeated.

The regime's abandonment of socio-economic development and the defeat in the war marked the end of the social contract between the regime and society. Somalis as citizens realised that the government failed to achieve either of the two main goals: socio-economic development and unification. Soon after the Ogaden War and the Soviet departure, longtime dormant contenders started to challenge the regime. Unsuccessful military coupes were staged and armed opposition groups were setup.

Barre, on the other hand, decided to survive at any cost and formed a patrimonial network for control. He employed the well-known divide-and-rule policy based on clan manipulation. By doing so Barre abandoned his interest with Somalis as citizens and relied on particular client groups and in short, the military regime became an instrument of a ruling elite. To maintain his power and carry out his policies Barre sought to bring Washington to his side. Economic predation and social antagonism was the order of the day.

The American administration, unlike the Soviets, was not concerned about the socioeconomic wellbeing of the societies. It limited its task, by using the strategic bases in Somalia, and preventing the regime from falling. Using its good offices it also facilitated a friendly relationship between the regime and the other Western countries and international organisations such as the United Nations, World Bank and IMF. Until 1986, the United States and its allies provided military and economic assistance that enabled the regime to survive and the regime provided the US military bases it needed to safeguard its interest in the region.

The rise of Gorbachev and the introduction of *glasnost* and *perestroika* marked the beginning of the end of the Cold War with decreased tension between the two superpowers. Consequently, Somalia started to lose its geopolitical value. Washington, like its allies, withdrew its assistance from the regime. Coincidentally, Barre was severely injured in a car accident in 1986 and this raised the issue of who would succeed the ailing dictator, and created mounting tension and wiped out the cohesion among loyal groups of Barre. In addition, opposition factions intensified their struggle. The role of Somali society, as principal, broke down after the Ogaden defeat and never recovered. Washington's abandonment marked, like the previous departure by the Soviets, the failure of the principalship of the US to Barre. However, unlike the departure of the Soviet Union, in this period there was no superpower interested in salvaging the regime. The military regime collapsed and the post-colonial state in Somalia collapsed as well.

In short, due to the incentive structure generated by the informal institutions, the formal state institutions fell apart. The formal economy and its institutions were among those that collapsed rapidly. Here the way the players acted, in interaction with the prevailing institutions, led to the deterioration of the economy and the income bases of the players. This unfortunate outcome led players to further their economic predation, which again weakened the income opportunities available to all, and led the players to further intensify their predation, and so on. Hence, a kind of vicious circle emerged; for instance, state

leaders pursued bad economic policies. In order to enrich themselves, Somali leaders provided economic opportunities for their clients, and/or financed the war against opposition groups by employing destructive strategies that led to the deterioration of the economy. This in turn weakened the income bases for both the elite and the ordinary citizens as state employers, farmers, entrepreneurs, etc. The state leaders then had to find new objects and strategies for predation. On their part, the ordinary employers, soldiers, farmers, etc. followed suit by delving deeper into corruption and other economic mismanagement or by leaving their professional occupations. These further weakened the economy and consequently generated more predation, and so on. This process persisted until the formal economy collapsed completely.

Political tribalism or ethnic politics extends the tenure of the incumbent if employed by the incumbent leaders and increases the probability of gaining office if used by the opposition. In this sense clan politics rewards pro-failure/antidevelopment policies and actions, but gives no reward for pro-development behaviour. However, it increases the probability of conflict if simultaneously used by the incumbent and opposition. In this sense clan politics provides incentives for state collapse. However, presence of ethnic/clan fragility in the societies made ethnic/clan politics attractive for ambitious political entrepreneurs. Informal rules or norms of struggle during the Cold War led the superpowers to reward pro-failure/antidevelopment policies and actions in Africa and Asia. *States fail and collapse because of the destructive policies and actions of their leaders. Leaders pursue destructive decisions simply because they are responding to pro-failure incentives and constraints offered by a set of dominant (in)formal institutions. These institutions are pro-failure/antidevelopment institutions because they provide the highest payoffs to the destructive policies and actions by political leaders.*

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