

This article was downloaded by: [Hesse, Brian]

On: 25 August 2010

Access details: Access Details: [subscription number 926280103]

Publisher Routledge

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Journal of Contemporary African Studies

Publication details, including instructions for authors and subscription information:

<http://www.informaworld.com/smpp/title~content=t713429127>

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Online publication date: 25 August 2010

To cite this Article Hesse, Brian J.(2010) 'Where Somalia works', Journal of Contemporary African Studies, 28: 3, 343 — 362

To link to this Article: DOI: 10.1080/02589001.2010.499234

URL: <http://dx.doi.org/10.1080/02589001.2010.499234>

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Where Somalia works

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Somalia is not entirely dysfunctional. Indeed, select parts of the Somali economic, social and political landscape work quite well. Ironically, where the country works best also reflects some of what is most wrong.

Keywords: Somalia; cellular phones; mobile banking; telecommunications; *hawala*; remittances; *hagbed*; microenterprise; Web 2.0; economic development; piracy; Puntland; Somaliland

A mobile mecca

There are a dozen or so mobile phone companies in Somalia.¹ And with 61 mobile phone subscriptions per 1000 people (Alsoswa et al. 2009, 258), mobile phone penetration rates in Somalia far outpace those seen in neighbouring countries. For example, in Djibouti, Eritrea, Ethiopia and Kenya there are, respectively, a mere eight, 14, 26, and 44 mobile phone subscriptions per 1000 residents. Farther afield, not even Egypt or Sudan can beat Somalis; mobile phone subscription rates in each of these countries, in turn, stand at 54 and 24 per 1000 residents (UNCTAD 2009, 96–7).

Needless to say, running a mobile phone business in Somalia is not easy. When electricity is absent, a company must power its cellular base station(s) through its own efforts, often with expensive, imported generators which consume lots of fuel. Maintenance is never-ending as heat, sand and dust take their toll on equipment. Security fences around a cell phone tower might disappear one day only to reappear the next in a distant village as an enclosure for a person's goats. Wiring inside a base station might be stripped, the copper sold to a scrap dealer. Personnel issues range from a lack of human capital stemming from a poor educational system and emigration (meaning engineers have to be trained and/or brought into an area at great expense), to absenteeism resulting from neighbourhood gun battles. Given such realities, what cell phone company would want to operate in such an environment?

Some of the more prominent operators in the Somali mobile phone market are: Golis Telecom; Hormuud; NationLink; Soltelco; Somtel International; Telkom Somalia; and Telesom. These companies have proved adept at rapidly expanding coverage through the use of 'microcellular networks in a box'. A particularly popular supplier of such systems to Somali mobile companies is LGC Wireless, Inc., a US-based subsidiary of ADC Telecommunications. For around US\$100,000 a Somali mobile operator can get a stand-alone, personal-computer-sized 'box' capable of accommodating up to 1000+ cellular subscribers.² Expansions

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require little technical know-how as one box can be plugged into another, versus needing to be hardwired. Still, providing a service is a far cry from profiting from one. As a result, Somali mobile phone companies have some of the most creative business models anywhere.

Consider the system of flat-rate billing which has emerged. For US\$0.30 a minute or less a person can use a local mobile provider's service to call *anywhere on the planet* (Somaliland Press 2010). This practice stems from the reality that the Somali diaspora is scattered to the farthest corners of the globe. A universal, global rate means a customer can call from Somalia to Afghanistan or Zimbabwe for the same rate, at any time; the person knows *exactly* what each minute will cost. At first blush this billing practice might not seem ideal from a company's perspective because margins on most international calls are slim. Still, the flat-billing scheme does make money, through volume. A company with the lowest flat rate tends to get more word-of-mouth references. More word-of-mouth references results in more customers. More customers mean more calls from, say, Mogadishu to Minneapolis, USA. And when Somalis connect, especially with family members, they tend to chat for quite some time.

Somalia's mobile phone companies have business models which take other local factors into account, oftentimes to the benefit of the consumer. Prices do not need to be inflated to generate revenue for advertising on billboards or flyers because so many potential customers are illiterate anyway (hence the importance of finding ways to encourage word-of-mouth recommendations). Likewise, prices do not need to be inflated to cover customs duties and licensing fees; Somalia lacks a central government capable of collecting such things. This said, there are taxes of a kind in Somalia. For example, weapons-laden warlords often demand protection money. But even then, most warlords show restraint in what 'rates' they charge. This is because even the harshest Somali warlord wants to have a working mobile with the best cellular network possible. Charge too much and cellular providers might quit an area – which, incidentally, would be to the detriment of many other vested interests.

With the proliferation of mobile phones in Somalia has come entrepreneurial opportunity. In crowded, open-air markets and around transportation hubs one now finds individuals with multiple mobile phones who buy airtime in bulk and charge a small premium for the cellular-less to make calls. Around them has sprouted a host of other informal enterprises. Self-taught repairmen, equipped with little more than a screwdriver and know-how, rebuild almost any phone. A person with a multi-socket powerstrip recharges customers' phones – or sells modified car batteries and hardware for the same purpose. A person can be hired to type text messages for the illiterate. Yet perhaps the most sophisticated spinoff industry is mobile banking, or 'm-banking'.

Telesom was an early-starter in the m-banking market in Somalia, launching its Zad service in the northwest in 2009. Since then other telecommunication firms have followed suit, most significantly Hormuud Telecom. Hormuud Telecom has the biggest network in central and southern Somalia, meaning its ZAAD m-bank service has the potential to reach more than a million Hormuud Telecom subscribers. Whether one is speaking of Zad or ZAAD et al., all m-bank arrangements follow the same basic pattern. A person wishing to use an m-bank service stops at a 'cash point' – usually a local shop affiliated with a cellular provider – and makes a deposit. A text message confirms the deposit almost instantly, minus a small commission which goes to the shopkeeper. Thereafter, all kinds of goods and services – vegetables in an open-air

market, haircuts or items in a store, tea at a road-side stand – are purchased and provided through the exchange of text messages noting credits to, and debits from, respective m-bank accounts. Furthermore, such m-banking services allow for credit and cash to be transferred over vast distances with relative ease. For example, a person in one part of Somalia might buy a mobile minutes top-up card. Then, instead of topping up his own cell phone, he tops up the phone of a distant ‘cellular associate’ (again, usually a shopkeeper). Since cellular airtime is a type of currency, the associate then converts the airtime minutes into money, takes a commission, and gives cash to a designated recipient.

On one hand m-banking services like what Telesom and Hormuud Telecom offer seem to work against consumers because customers have to pay transactional fees, plus they incur costs when they use their mobiles (airtime and texts messages cost money). Yet consider the alternatives. In areas with few or no banking services individuals have to spend time and resources travelling to a town with such services, hide money in homes and itinerant camps (for example, up to one-third of Somaliland’s residents are nomadic), get money through the conversion of ‘in-kind savings’ (say through the buying, selling or swapping of livestock, a somewhat illiquid transaction, since oftentimes what is desired is the monetary equivalent of only part of an animal, not the whole animal), or carry lump sums on their person. Each of these options has its own costs, inconveniences and risks associated with them, especially in an insecure environment. This last point was underscored in a March 2010 *Reuters* story entitled ‘Mobile transfers save money and lives in Somalia’. A featured shopkeeper is quoted as saying: ‘Nowadays, I am able to send up to US\$3000 from my phone to people in other regions without the person next to me knowing. It is good for our safety since we live in very violent times and can lose all our money to militias’ (Abdi 2010). In this light, m-banking can be considered the best bargain available in many instances.

The business of trust

In many ways mobile banking is a logical extension of some of the most durable, efficient and successful of Somali business practices: those associated with *hawala* and *hagbed*. The former deals with transferring money. The latter deals with the provision of microcredit.

In a basic, traditional Somali *hawala* arrangement, a person wishing to send a remittance from, say, Toronto, Canada to Mogadishu, Somalia approaches a *hawala* agent in Toronto and gives the agent a lump sum of cash. After accepting the cash and taking a commission (typically around 5%), the agent then deposits the balance in a local bank account. At this point the agent contacts an associate on the ground in Somalia informing him of the deposit amount, who it is for, and any other important details, such as whether the money is to be delivered or collected; in the past such information was conveyed via fax or phone, but today is usually done by e-mail or instant messaging. Alas, when a person in Mogadishu tries to collect the money, he or she must prove his or her identity; for example, the would-be recipient might face detailed inquiries about his or her kinship relations or clan lineage. Only after the individual has answered all questions to the satisfaction of the Mogadishu *hawala* agent is the money then handed over.

It should be stressed that in the *hawala* transaction described above no money is physically moved between or amongst agents. This allows for a relatively quick turnaround from when a transaction is started to when it is completed. Sometimes the whole process might take only a matter of hours, but more likely a day. What makes the system work is the running tally *hawala* agents keep detailing how much one agent owes another, with debts to be settled at a later date. Trust is paramount. As Maryam Razavy notes in her article ‘Hawala: An underground haven for terrorists or social phenomenon’: ‘. . . The trust that exists between dealers . . . acts to secure any debts and allows the debt to stand without legal means of reclamation. An implicit guarantee exists on payments, because the ostracism resulting from broken trust results in . . . “economic suicide” for the *hawala* agent’ (Razavy 2005, 286).

In a traditional Somali *hagbed* arrangement, a group of 10 to 20 individuals, usually women, create their own micro-lending organisation. Members are typically drawn from the same clan or sub-clan, live in the same town or area, and/or work together. Each person pays daily or weekly contributions into a pool, contributions being commensurate to the size of respective incomes. The resulting ‘trust fund’ can then be tapped for start-up capital for a small business, or provide a line of credit to an existing microenterprise. Social ties, peer screening of who gets into the *hagbed* and consistent monitoring of how the money is being used – what might appear to some as ‘gossiping’ – minimise the chance for moral hazard, namely that a borrower might use the capital for a reckless business pursuit.

Other dynamics of note in a Somali *hagbed* include Islamic moral strictures and the sharing of individual efforts and abilities. While many Somalis (and Muslims generally) believe it is religiously forbidden to be paid interest for loans, *musharaka* or *qard al-hassan* agreements are acceptable. *Musharaka* in Arabic means ‘to share’; in a *hagbed* context this means *all profits* or *all losses* are shared equitably amongst *all individuals* in the group. *Qard al-hassan* is a loan without profit, but requires the borrower to repay all principal in the hope that he or she might include a ‘token of appreciation’. Such paid ‘appreciation’ is at the borrower’s absolute discretion, not obligation (thus making it different from charging interest, or *riba*), and likewise is to be shared equitably amongst *all members* of the *hagbed*.³

Since every *hagbed* member loses when a borrower stumbles, or benefits when a borrower prospers, individuals are more likely to contribute individual labour and aptitudes to an enterprise. For example, most of the women in a Somali *hagbed* might be illiterate. But one or two might not be, and therefore prove willing to help with keeping business accounts, drafting contracts, typing e-mails, or sending text messages. In turn, the literate *hagbed* members might not be good at marketing or selling. Yet some of the illiterate members might excel in these areas, and prove eager to take on this side of a business. Or a woman might be unable to tend to her *hagbed*-jumpstarted business due to family obligations, say the birth of a child. In this case another woman might prove obliging and cover for the new mother until she returns. In all of these scenarios the *hagbed* provides ways and opportunities for entrepreneurs and small businesses to overcome challenges, of which there are many in Somalia. The basic idea is analogous to the ease with which a single twig can be snapped, but a bundle of twigs proves much harder to break. So it is with a traditional Somali *hagbed*.

With the long history of *hawala* and *hagbed* arrangements in Somali communities, it is perhaps unsurprising that some Somali companies have looked to establish and build their own versions of each – with twenty-first century twists.

Cashing in on connections, literally and virtually

Dahabshiil is but one of about 20 money transfer companies operating in Somalia, but it is the most established and largest. In 2010 the company celebrated its fortieth anniversary. It claims to be the biggest private-sector employer in Somalia, with 2000+ workers in 220 offices scattered throughout the country (Dahabshiil Group 2010). Because of its history and extensive network, international organisations in Somalia as varied as the United Nations, World Health Organisation, World Bank, Oxfam, and Save the Children have relied on Dahabshiil to provide payment services for staff, contractors and local programmes. In fact, Álvaro Rodríguez, the UN Development Programme's Somalia Director was quoted as saying money transfer companies generally, and Dahabshiil especially, provide 'the only safe and efficient option to transfer funds to projects benefiting the most vulnerable people of Somalia. Their service is fast and efficient' (Saltmarsh 2009).

Dahabshiil's entrepreneurial patriarch is Mohamed Said Duale, the company's founder and chairman. His son, Abdirashid Duale, is the company's chief executive. Telling introductions to both individuals, and their Somali business empire, can be found in two different articles. As Tristan McConnell reports in *The Times* (UK) of her meeting with the elder Duale, Mohammed Said:

The dusty, potholed streets of Hargeysa in Somaliland are filled with battered cars and ambling pedestrians. The tangled birds' nests of wires that cling to every telegraph pole are testament to a boom in telephony, informal stalls line the roads, selling imported goods and Ethiopia-grown khat, a plant chewed as a stimulant – and behind bricks of local currency sit the money changers.

It is a long way from Western Union's pristine headquarters in Colorado or Moneygram's in Minnesota, but not quite a different world. Here, in a perhaps unlikely northwestern corner of Somalia, is the home of a multimillion-dollar financial services company. One, indeed, that almost single-handedly keeps the East African country afloat.

Dahabshiil's office in Hargeysa has the relaxed charm of many a family-run African business. As I arrived, Mohamed Saïd Duale, Dahabshiil's founder and chairman, shuffled by in his sandals, a length of printed material wrapped around his waist and a short, traditional walking stick tucked under his arm. He made his way to a private office on the roof, where he sat cross-legged on the floor in front of a computer.

His company began as a small, informal organisation, helping Somalis to get money to their relatives in refugee camps in Ethiopia, charging a commission as it did so. Now it is an economic linchpin, connecting the wealthy Somali diaspora with the impoverished population at home (McConnell 2009).

Similarly, a journalist for *Sheeko Magazine* (2008) recounts his meeting with the younger Duale, Abdirashid:

I had never met Mr Duale before ... I was expecting to meet an elderly man in a conservative suit, and with an even more conservative attitude. You can imagine my surprise to be greeted by a friendly young man wearing a casual shirt and trousers. He led me into his plush and comfortable (London) office ... I immediately seized the opportunity to grill him on questions many of you would like to know: namely how does it feel to be a CEO of a global company and of the jet set lifestyle that comes with it? He laughed out loud, and simply confirmed that 'it feels good', but Abdirashid, as he

insisted I call him, was also quick to stress that nothing was handed to him on a plate, that he had to work hard and prove that he was more than capable of taking the lead role (from his father, Mohamed Said).

Dahabshiil is a name that has gained fame and respect among Somalis both at home and in the diaspora. The money transfer and banking business of the family-owned company was started in the aftermath of the civil war in Somalia to enable Somali migrants abroad to send money back home, and in the process, earned the family a sizeable fortune. The company was set up by Mohamed Said Duale and like so many other successful businesses set up by entrepreneurs, such as Sir Alan Sugar and Sir Richard Branson, started from not much at all. Dahabshiil has been in business since the early 1970s and has since grown to be one of the largest and most established money transfer companies to have ever emerged from the Horn. Today it has an extensive worldwide network that stretches from North America, Western Europe, to East and West Africa.

The breadth of Dahabshiil's international operations – outside of Somalia the company has 1000+ branches in 44 countries (Dahabshiil Group 2010) – reflects the Somali diaspora itself. In Africa large Somali populations are found in Ethiopia, Kenya and Djibouti. In the Middle East significant Somali communities are found in Yemen and the United Arab Emirates, and smaller ones in Saudi Arabia, other Gulf States and Egypt. In Europe, the United Kingdom hosts the largest number of Somalis, while the Netherlands, Norway, Denmark, Sweden and Finland, too, have sizable communities. And in North America one can find substantial Somali communities in the United States and Canada, especially around Minneapolis and Toronto. In total more than one million Somalis live outside Somalia, or stated another way, about 14% of all Somalis live abroad (UNDP 2009). From abroad the Somali diaspora is estimated to send home between US\$750 million and US\$1 billion annually (Lewis 2008, 134; Maimbo 2006, 20), with Dahabshiil handling some two-thirds of the annual flow (McConnell 2009).

Volume is key to Dahabshiil's profitability in the remittance market, as is evident in a World Bank-published study entitled 'Remittances and economic development in Somalia' (Maimbo 2006, 24–6). In the study a sampling was taken of 1206 transactions at a London Dahabshiil branch in June 2004. Ninety per cent of those sending money to Somalia sent less than US\$200 at a time. Thirty-one per cent of senders remitted no more than US\$100 at a time. And while nearly one in two individuals sent money to two different recipients per visit to the Dahabshiil branch, such small amounts hardly resulted in a lucrative payoff since Dahabshiil charged the industry commission average of about a 5% per transaction. Still, 5% of, say, US\$600 million in remittance traffic can result in a hefty profit.

Other results from the study indicate that most often remitted money was meant to help family and clan members with basic needs, from paying rent and school fees, to purchasing food and water, to buying charcoal for cooking. The authors also pointed out that 92% of all money transfers sampled were sent to urban residents in Somalia because, in the authors' words, 'rural people are more self sufficient', meaning many have no rent obligations or opportunity to go to school (thus ruling out fees), can better sustain themselves due to their likely ownership of livestock, and under normal circumstances, have access to 'free' firewood and water (Maimbo 2006, 24–6). In all likelihood other historical reasons are equally valid as to why so many remittances ended up in urban hands; for example, urban areas are more likely than

rural areas to have the previously-necessary remittance-related infrastructure (such as telephone, fax and e-mail connections). With m-banking, however, remittances are beginning to flow more easily to rural areas, too. Dahabshiil naturally sees opportunity in this on a scale about which most other companies in Somalia can only dream. As noted on the company's Facebook site, Dahabshiil wants to expand its own m-banking services 'to all Somali-speaking areas from Djibouti to Kenya', and more broadly, anywhere with cellular coverage or a good internet connection (Facebook Dahabshiil 2010). Two indications that such ambition is more than corporate hyperbole came in November 2009 and March 2010.

In November 2009 Dahabshiil launched Somalia's first-ever debit card system. Remitters can now send cash more quickly and easily, via a secure website, to an account linked to an encrypted card replete with PIN number and signature authorisations. Remittance recipients, through their 'plastic', can likewise use the secure website, to monitor account balances, the receipt of funds and to opt for SMS alerts. Though cardholders on the receiving end of remittances can use their cards only in select locations in the northwest of Somalia at present (InsideSomalia.org 2009) soon they should be able to use them much more widely. This is because in March 2010 Dahabshiil founded a Hargeisa-based subsidiary company, Somtel International. At a public ceremony marking the launch of the start-up – which included the giving away of free cell phones – its managing director, Hirsi Hassan, stressed that Somtel 'will offer customers a high-speed internet service and cheaper domestic and international phone rates', all through the deployment of the latest in wireless technologies. Such technologies, of course, will be aimed at melding seamlessly with Dahabshiil's debit card system (SomalilandPress.com 2010).

Lest critics say Dahabshiil is solely about growth in pursuit of profit and little else, the Duales do make a point to stress that no less than 5% of all company earnings get donated to charity (Trustfull 2010; McConnell 2009; Sheeko Magazine 2008). This presents a unique opportunity for Dahabshiil especially, and other Somali enterprises more broadly, to establish synergy between profit-making and charitable activities, to build on *hawala* and *hagbed* dynamics, and to use emerging technologies – all to promote the greater good in Somalia. This thought is touched upon in the November/December 2009 issue of *Foreign Affairs* where author Bronwyn Bruton suggests that the power of remittances and microfinance in Somalia could be bolstered through a matching scheme. 'For example', Bruton writes, 'a member of the (Somali) diaspora could be convinced to contribute US\$5 of every US\$200 he would normally send to his family back to a community-development fund instead, and that amount would then be matched, dollar for dollar, by the international community'. The goal, he notes, would be for Somali community leaders 'to provide Somali youths with alternatives to employment with militias', and in so doing, begin to put Somalia as a whole on a trajectory towards peace and stability. Put another way, the objective would turn two decades' worth of stymied United Nations' efforts in Somalia on its head, emphasising the promotion of development above all else in order to drive peace building and community betterment, rather than the promotion of governance above all else in the hopes of realising either or both. Through the use of Web 2.0 technologies⁴, often seen on sites like <http://www.Kiva.org> (a microfinancing, non-profit organisation focused on development, incidentally), all parties concerned in grassroots development activities

could monitor solicitations, contributions and disbursements in a transparent, accountable way (Bruton 2009).

If much of the above sounds far-fetched, particularly web-oriented ideas and services, it cannot be stressed enough how much 'Somalia' thrives in the virtual realm. In the words of Dahabshiil's CEO, Abdirashid Duale: 'The majority of Somalian people in rural areas do not have access to the internet. If, however, they should need to, they are able to do so by simply contacting a relation in town. Even the smallest towns now have internet access' (Trustfull 2010). Abdelkarim Hassan echoes this sentiment in the online publication *The African Executive* when he writes: 'The average Somali *maryoolay*⁵ of today is glued to the internet to get his news and information from a plethora of Somali news sources'. Even the Somali poet Mohamed Hirad has commented on Somalis' obsession with the web in a poem – posted online, of course – where he observes '*Mareegaha xad dhaafka ah, Xasaraddoodu badantahay*'. Loosely translated: 'Mushrooming they are, these (Somali) websites'. Indeed, when a person does a Google search for 'Somalia websites', the search engine returns 2,280,000 results. When a person does a Google search for 'Somali webpages', there are 10,200,000 results.

Some might say Somalis are so drawn to a virtual world because their country is such a failed mess in the real one. Such a view conflates a lack of effective central governance in Mogadishu with a perceived absence of Somali governance anywhere else. In reality, Somalis today are realising a degree of successful governance, in Somaliland and Puntland.

Somaliland: An oasis of (relatively) good governance

In the northwest, some three million Somalis out of an estimated total national population of between 6.8 to eight million declared unilateral independence in May 1991. In the intervening years the citizens of Somaliland have had two presidential elections (in 1997 and 2003), a constitutional referendum (in 2001), a peaceful, constitutional transfer of power upon the unexpected death of a president (in 2002), district council elections (also in 2002), and House of Representatives elections (in 2005). International observers have sometimes deemed these elections to be flawed – mostly because about one-third to half of Somaliland's population is nomadic, and as much as 80% of the electorate is illiterate in places, all of which poses inherent electoral challenges – while confirming there was little evidence of intimidation or fraud.

Additionally, Somaliland's advocates can point to a host of other national achievements, including a government which has: overseen the demobilisation of rival militias, cleared mines and repatriated refugees; facilitated the rebuilding of infrastructure, including functioning clinics, hospitals, schools, universities, power plants, roads and ports (the port at Berbera holds the prospect of being a major export/import point for large, landlocked Ethiopia next door); taken a reasonably hands-off attitude toward business, resulting in private investment and a corresponding growth in entrepreneurial activity (for example, Dahabshiil bases its Somalia-related money transfer operations in Hargeisa, the capital of Somaliland, and Dahabshiil's subsidiary, Somtel International, is entirely based in Hargeisa – see the previous 'Cashing in' subsection of this article); established a central bank and a relatively stable currency, the Somaliland shilling; and, most critically, managed to

keep Somaliland mostly at peace with itself for over a decade. With regard to this last feat, much of it can be attributed to the Somaliland government's ability to move politics away from parochial clannism; one measure of this is evident in the fact that Somaliland's first directly-elected president, Dahir Rayaale Kahin, comes from the minority Dir clan, whereas 80% of Somaliland's citizens are from the Isaaq clan.

All of the above has taken place without formal recognition. Indeed, from the United Nations down through its member states, including those in the African Union and the Arab League to the besieged Transitional Federal Government of Somalia in Mogadishu, the official line is that the territorial integrity of a number-seven-shaped Somalia is inviolable and indivisible. *The Economist* newspaper (2010) pointed out the absurdity of this view:

A German thinker, Max Weber, defined statehood as 'the monopoly of the legitimate use of violence'. That may be a practical approach but it doesn't end the confusion. Chaotic Somalia spectacularly fails to meet this criterion, yet still counts as a sovereign state. Yet its northern bit, Somaliland, has met this standard with increasing impressiveness since it declared independence in 1991. It has a currency, car registrations and even biometric passports. But only private firms such as DHL, a courier company, link it to the outside world. International postal service requires membership of the Universal Postal Union, which for non-members of the UN need approval by at least two-thirds of that body's members. The African Union refuses to recognise Somaliland's independence because it dislikes changing any African borders.⁶ Outsiders hold back until African countries change their minds.

A number of reasons can be attributed to why Somalis in the Republic of Somaliland have been able to build a modest, working state, irrespective of prevailing international views.

First, the actions of the dictator General Siyaad Barre – the last Somali to come closest to exercising sovereignty over all of Somalia – helped forge a sense of Somaliland nationalism. After the Barre regime's ill-fated invasion of the Ogaden in 1977/78, more than one million ethnic Somalis fled Ethiopia and entered 'Somalia'. About half settled in the north, stretching local resources and services. In the hopes of quelling disquiet amongst the refugees, the Mogadishu-based Barre regime doled out aid, jobs and land to the new arrivals. It also armed them, with the hope they might return to 'liberate' the Ogaden. Instead, the new arrivals used their arms on local northerners to take even more aid, jobs and land. In response, the Somali National Movement (SNM) was formed with the declared aim of overthrowing Barre's dictatorship. The resulting civil war culminated in the levelling of the north, especially Somaliland's capital, Hargeisa. No less than 40,000 Somalilanders were killed and 500,000 made refugees. Though tragic, the war united most of Somaliland's citizens against a common enemy and created a collective narrative.

Second, there is Somaliland nationalists' experience with the international community. When the Barre regime fell in 1991, subsequent international interventions did not include Somaliland. To repeat: even now no country on the planet formally recognises the Republic. Consequently, Somaliland does not qualify for any bilateral help that requires such formal recognition – that is much foreign aid and most international loans. This has forced the government of Somaliland, with help from the Somali diaspora, to become largely self-reliant. That their efforts have produced the tangible progress noted earlier – a working state with a generally

growing economy next door to the ‘Somalia’ most foreigners think of – is a source of unifying, national pride.

Then there is the way Somalis in the Republic of Somaliland have framed their government, particularly with regard to clan considerations.

In January 1993 a ‘grand conference of reconciliation’ was opened in Borama. Clans, subclans and sub-subclans sent 150 elders to serve as their delegates. What emerged four months later, and what 97% of voters approved of in a 2001 constitutional referendum, was a system which fuses Western-style institutions of government with traditional forms of Somali social and political organisation. Roughly speaking, Somaliland’s government has a US-style president and a British-style, bicameral parliament. The constitution affirms separation of powers, and lays out checks and balances. For example, the upper house may refer legislation back to the lower house only once (or vice versa), but if the House of Elders does so with a two-thirds vote, the House of Representatives must then pass the bill with a two-thirds vote of its own – after which the president may veto the bill anyway. Or each house may pass a bill with a two-thirds vote of members, in which case the president cannot refer the bill back to parliament, and failing to get his signature, the bill becomes law after 21 days.

As for other mechanics of Somaliland governance, the president is directly elected for a maximum of two five-year terms, and is expected to draft legislation, set budgets, manage national security, and, with parliamentary approval, appoint cabinet ministers and senior officers of state. The 82 members of the lower House of Representatives, originally apportioned on a clan basis but now directly elected by popular vote, serve five-year terms. Representatives are collectively given the power to: initiate, amend, reject or approve legislation from the president’s Council of Ministers; propose votes of no confidence in the Council of Ministers; approve or reject ministerial appointments and the national budget; and impeach the president. A unique feature of Somaliland’s parliament is that members of the House of Representatives must belong to one of no more than three political parties. That is to say, in an effort to encourage alliance-building across clan lines in a broader, more nationalistic way, the constitution affirms that Somaliland is to be a multiparty democracy but caps the number of political parties allowed in parliament at three. To become an accredited parliamentary party, a party must get at least 20% of the vote in no less than four of Somaliland’s six regions during a general election.⁷ Furthermore, the constitution expressly prohibits any political party from being based on regionalism or clannism.

Perhaps the most exceptional feature of Somaliland’s government, at least in Africa, is its upper legislative house, the House of Elders, or *Guurti*. All ‘communities’ in Somaliland – a constitutional euphemism for the various clans, subclans and sub-subclans found in the Republic – are guaranteed one seat. Of the 82 seats available, the president appoints five elders ‘on the basis of their special significance to the nation’, and communities fill the rest in their traditional ways (for example, through *shir* councils). The 82 elders, in turn, are given constitutional authority to serve as a check on the Somaliland president and the House of Representatives. They are to do this by reviewing all legislation (no bill can become a law without the House of Elders’ approval), by returning any questionable legislation when necessary to the lower House or Council of Ministers, and by introducing their own bills on religion, culture and security.

It is easy to laud Somaliland's system of government and resulting governance, especially in a regional context. Freedom House, for example, in July 2009 gave Somaliland a '5' rating in terms of political rights, and a '4' rating in terms of civil liberties (1 is the 'most-free rating'; 7 is the 'least free rating'). By contrast, Somalia received the lowest rating in both categories (that is, '7' ratings), and Somaliland's other immediate neighbours, Ethiopia, Djibouti and Yemen, only mustered '5' ratings across the board. This said, Somaliland's system of government and resulting governance is not without fault or concern. The political rights rating of '5' the Republic earned in 2009 was lower than the '4' it earned from Freedom House a year earlier, in 2008. Freedom House officials were most concerned with the Somaliland government's 'extension of the president's term and the postponement of the presidential election' (Freedom House 2009). The president and election to which they were referring are, respectively, Dahir Rayaale Kahin and the originally-scheduled 2008 contest.

Dahir Rayaale Kahin was vice-president under his predecessor, President Mohamed Ibrahim Egal, who died suddenly in hospital in May 2002. Having first assumed the presidency through peaceful constitutional succession, President Rayaale duly ran for the presidency in scheduled direct elections in April 2003. Out of half a million ballots cast, Rayaale won by a margin of less than 100 votes, a tally the runner-up nevertheless accepted in his concession speech. That same year, the constitutionally-mandated six-year terms of members of the House of Elders were to expire, too. In the wake of such a close, hotly-contested election, Somaliland's parliament allowed President Rayaale to extend the Elders' terms by presidential decree to May 2006.

Between 2003 and 2006, President Rayaale began to face significant opposition from members of the House of Representatives. For example, when it became apparent he was intent on running for president again in the scheduled 2008 elections, some representatives tried to use the Somaliland constitution to raise doubts about the legality of his candidacy. In particular they pointed to Article 88 which says 'No person may hold the office of President for more than twice'. Though President Rayaale had assumed the presidency on the death of President Egal, this still counted as a first term, they argued. His re-election in 2003, then, was for a second term, which should have made him ineligible to run again in 2008. Whether President Rayaale thought such claims were or were not a legitimate threat to his candidacy and presidency, his subsequent actions only raised the ire of opponents more.

In May 2006 President Rayaale again extended the House of Elders' terms by presidential decree, for four more years, but did so unilaterally. The House of Elders duly voted to extend its mandate, essentially aligning itself with the president and thus sidelining the House of Representatives. In March 2008, then, the president issued decrees which declared 13 Somaliland regions where there had only been six, and 16 additional districts to an already existing 41. Members of the House of Representatives cried foul, saying it was a blatant attempt to gerrymander future polls in the president's favour. The House of Elders again seemed to align itself with the president through its silence on the issue, only to complete what appeared to be a quid pro quo: the Elders voted in April 2008, again in March 2009, and yet again in September 2009 to postpone presidential elections, thereby extending President Rayaale's term in office. Their ability to do so was derived from Article 83,

Subsection 5 of the constitution which says: 'If on the expiry of the term of office of the President and the Vice-President, it is not possible, because of security considerations, to hold the election of the President and the Vice-President, the House of Elders shall extend their term of office whilst taking into consideration the period in which the problems can be overcome and the election can be held'. The Elders justified their actions by noting logistical problems in the voter registration process, jihadist threats, and unrest in Somaliland's eastern regions where Darod clansmen, a minority in the Republic, have regional majorities (which is why, in part, Darod-dominated Puntland, Somaliland's eastern neighbour, lays claim to Somaliland's eastern regions).

Even if the presidential elections controversy is resolved – and at the time of writing, the Somaliland government's website, <http://www.somalilandgov.com/>, was boldly proclaiming 'Somaliland election commission preparing for presidential election' – some might see ominous signs for Somaliland's future: that members of the House of Elders are not above self-serving politics, and Somaliland's much-lauded constitution can, perhaps, be bent to an aspiring despot's wishes. Such thoughts should be tempered. For all the high drama, Somaliland's politicians continue to opt for words and legalistic manoeuvres over bullets and militias, and their rhetoric is arguably no more shrill than what is heard in, say, today's United States Congress or British House of Commons. Most important to the average person in the northwest, the Somaliland system of governance continues to work well enough to deliver some of what many Somalis elsewhere lack almost entirely: personal security, economic stability, and basic infrastructure, including the aforementioned functioning clinics, hospitals, schools, universities, power plants, roads and ports. And should the international community ever allow it, the Somaliland government just might be allowed to deliver the mail one day, too.

Puntland: Political promise in the wake of piracy

In the northeast of Somalia (east of Somaliland), another experiment in Somali governance has been sustained since 1998. It was then that some 1.5 million Somalis declared their own autonomous 'Puntland State of Somalia'. Subsequently, Puntland representatives wrote and adopted a charter which has allowed for the election of four different presidents, the most recent having been sworn in in January 2009. More recently, in June 2009, the Puntland government proposed a new constitution, to better institutionalise Puntlanders' developing sense of the social contract between their government and its citizens.

Against this backdrop of relative political progress lies clan considerations. Puntland, rightly or wrongly, is sometimes called a 'Darod project'. While the Darod are a majority in Puntland, Darod clan members occupy space far beyond Puntland's claimed borders. Various Darod subclans and sub-subclans stretch from the northeast of Somalia, south and west into the Ogaden, then south and west again through southwest Somalia into Kenya, with a small pocket near Mogadishu. Theoretically, such a wide clan dispersal means the Darod have an interest in bringing governance to much of Somalia, not just to the northeastern part of it. In reality, the Darod are far from one mind. Some want Puntland to be an autonomous part of a federal Somalia that works. Others want Puntland to begin angling for secession and eventual independence. Still others could care less, as long

as they can continue to use Puntland as a base for trafficking drugs, weapons and people, for kidnapping and counterfeiting – and as the wider world has learned of late – as a place for piracy. That there is not wider consensus reflects the way the Puntland experiment has evolved.

Puntland's creation is associated closely with the Somali Salvation Democratic Front (SSDF) and the blessing of Darod clan elders, sometimes collectively called *Isimo*. The SSDF had originally been founded as a Darod-clan guerrilla movement bent on unseating the Barre regime in Mogadishu. In the years after Barre's fall, it evolved into an organisation advocating a 'decentralised route to unity' for Somalis. In other words, the SSDF's leadership pushed an idea which said any efforts to recreate a centralised Somali state from the top down were destined to fail. Instead, it would be prudent to let smaller autonomous Somali states emerge first, and after that, begin a process of putting Somalia back together again. Though nationalistic on the surface, in reality the SSDF leadership's idea was mostly clan-serving. An autonomous Puntland in the northeast of Somalia was a sure-thing for the Darod (and specifically, the Mijerteyn subclan). Should a working Somalia never materialise, at least the Darod would have their own territory and powerbase. However, if a unified Somalia did one day re-emerge, it would likely be under a framework the SSDF leadership thought they could exploit to their individual, and clan's, advantage. After much SSDF arm twisting, and even more discussion, Darod clan elders likewise seemed convinced.

The Darod elders' collective blessing of the Puntland project came on 5 May 1998. Months of discussions culminated in their 'Garowe Declaration' – a declaration formally proclaiming Puntland as an autonomous state with Garowe as its capital, but also as a state without secessionist ambitions from Mogadishu. In quick order then the elders filled a 66-member unicameral Puntland parliament, taking special care to apportion seats to all sub-clan interests. They also selected the SSDF's leader, Abdullahi Yusuf Ahmed, as a caretaker president for three years, during which time he was charged with negotiating and implementing a Puntland constitution. Finally, in lieu of a constitution, the elders ratified the SSDF leadership's 'Puntland Charter'.

Generally, the Puntland Charter failed to institutionalise consensual-style politics. Though there had been talks of making the parliament bicameral, with an upper house for elders similar to the Somaliland model, and with similar powers, this never came to pass. SSDF officials convinced elders that they could better intervene in politics if they were not 'restricted' to Charter-defined limits. Besides, some SSDF leaders argued, the elders were really the ones who ran parliament anyway. The Charter had created a 'tradition-based system' where clan elders, not common voters, elected parliament's 66 sitting members.

Of greater consequence was the Puntland Charter's failure to create mechanisms to check presidential excesses. Yes, the Charter did appear to give a nod to checks and balances; for example, it gave Puntland's parliament the power to approve or reject the president's proposed ministerial nominees, to ratify or reject agreements and negotiations to achieve a federal order in Somalia, and to impeach the president with a two-thirds vote. But the Charter also gave the president the power to dismiss parliament by fiat. Further, it gave the president the power to declare a state of emergency – which includes the ability to suspend parliament – with no limits on how long or under what circumstances such a declaration could be imposed. In other

words, the Charter all but ensured that the legislative branch was to tread carefully. If not, its members might be out of a job, or worse. Elders, too, had to take care. Beyond the Charter vaguely supporting ‘alternative dispute resolution’, they had no legally-bestowed powers. Their power within government, such as it was, was to show itself indirectly through their handpicked parliamentarians.

In their defence, Puntland Somalis were not unaware that their Charter could open the door to autocracy. The SSDF, after all, had been founded to fight a dictatorship. But at Puntland’s founding, there was less fear of an autocrat and more that the state would be stillborn. Better then to empower a head of state so he could make the case that Puntland should, and would, exist. Ironically, having vested so much power in the office of the presidency, the ‘Puntland project’ over a decade on came dangerously close to collapsing because of its early occupants.

When the first president of Puntland, Abdullahi Yusuf Ahmed, saw his caretaker term officially expire on 30 June 2001, approximately three years after the elders at Garowe had made him president, he refused to step down. Lacking a constitution (Yusuf had failed to bring one into force, despite this being his primary mandate three years earlier), Darod clan elders turned to the Puntland Charter. As required, they provided a list of presidential candidates to parliament. Parliament, as required, then voted. Their decision was to make General Jama Ali Jama the second president of Puntland. In response Yusuf unleashed his security forces, the Darawish, and the Puntland Intelligence Service (PIS). Two years later, Yusuf was able to battle, literally, his way back into the presidency. An inter-Darod peace treaty followed, and ensconced in office once again, Yusuf consolidated power. On his command dissidents were locked up, the media heavily restricted and the parliament and judiciary quieted. He also turned inward, to his sub-subclan, the Omar Mahamoud, on whom he showered patronage. When Yusuf finally exited the Puntland presidency in 2004, he left for a bigger stage, to become president of the Transitional *Federal* Government of Somalia (now besieged in Mogadishu). As the Puntland Charter required, Darod clan elders once again provided a list of presidential candidates, and once again parliament voted – but this time for a Yusuf ally, General Adde Muse Hersi. Making a Yusuf ally the third president of Puntland was viewed as the best way to ensure peace, because though Yusuf had left Puntland’s political spotlight, he was still capable of making his presence felt. For their part, Yusuf and Muse interpreted parliament’s move as an abdication of trying to balance and check presidential power. In such an environment, presidential excesses and patronage increased, at the expense of the rest of the state and average citizens. In the words of an International Crisis Group policy briefing entitled ‘Somalia: The trouble with Puntland’:

By 2005, corruption in Puntland had permeated every tier of government and become almost a way of life. Its impact on business was particularly devastating. Traders applying for licences to import food, fuel and consumer goods had to pay large bribes. Fishing licences and mineral exploration rights were sold to well-connected firms without open tenders. Livestock export licences went to those able to pay the highest bribes or with powerful, often clan connections. Food, transport and basic goods and services became much more expensive, as traders passed on the costs of doing business. Poverty and malnutrition increased, and ill-advised state interventions made matters worse, including the printing of new banknotes that flooded the money market and created hyper-inflation. These developments, aggravated by severe drought, pushed

Puntland into a lengthy humanitarian emergency. Crime and corruption soon spiralled out of control. The environment was ideal for criminal syndicates involved in arms smuggling, piracy, human trafficking, kidnapping and counterfeiting (International Crisis Group 2009, 6).

It has been said 'In the end, dictators, however unpopular, despotic and incompetent, rarely fall because they have too many enemies. They fall because they have too few friends' (The Economist 2009). When scheduled presidential elections came due in January 2009, President Muse had lost the friendship of Yusuf and many others. The rift had come when Muse unilaterally signed a deal with Consort Private, Ltd. offering the company exclusive oil exploration rights in Puntland. Yusuf, as president of the Transitional *Federal* Government of Somalia, had said it was actually he who had sole authority to sign such deals. Perhaps bolstered by the breaking of the Yusuf-Muse alliance, and in spite of Yusuf's presence in parliament as 'an observer', the Puntland parliament voted to make Abdirahman Farole the fourth president of their state, the first non-military man to assume the office.

At first glance, President Farole's election seemed to be more of the same in that Farole had previously served as Finance Minister under Yusuf, and had then been Planning and International Cooperation Minister under Muse. Yet Farole had severed ties with Yusuf and Muse years earlier. In fact, Muse had fired Farole after Farole had voiced his criticism of the unilateral nature of the Consort Private, Ltd. oil deal. Perhaps alluding to such autocratic presidential actions – and the corresponding collapse in rule-of-law – Farole promised in his victory speech to replace the Puntland Charter with a Puntland Constitution. In June 2009, Puntland's parliament ratified nearly all 141 articles of a proposed constitution, setting the stage for a popular referendum.

The contrasts between the Puntland Charter and proposed Puntland Constitution are marked. Should the proposed constitution come into effect, the unicameral legislative branch, consisting of a 66 directly-elected representatives serving four-year terms, will see its power enhanced. By contrast, the Puntland president, who is to be elected by the parliament to a maximum of two four-year terms, will see his power constrained. For example, under the proposed constitution, no longer will the president have the power to dismiss parliament, and it is parliament which will retain the power to approve or suspend any presidential declarations of emergency.

As for other aspects of Puntland governance explained in the proposed constitution, it affirms that Puntland is to be a multiparty state, but with no more than a maximum of three legalised political parties. Just as in Somaliland, the logic in having a maximum of three parties is that it will necessitate broad alliances, and in so doing, help Puntland get past parochial clannism. In this vein, the constitution institutionalises aspects of clannism so as to mitigate it. That is to say, the proposed constitution 'recognises and assures the existence and the responsibilities of the Traditional Leaders of the society (*Isimo*)'. It then makes traditional leaders part of the judicial branch of government. But the proposed constitution goes on to say that traditional leaders' rulings apply only if no other resolution can be found 'within the Constitution and Constitutional laws' – that is, anywhere else in the legislative, executive and/or judicial branches – and that they are forbidden from participating in political and religious organisations. The text of the proposed constitution sounds

almost kind when it explains the reason behind this last point. It is not to neutralise clan elders politically. Rather, it is ‘to safeguard the dignity and neutrality of the Traditional Leaders’.

With regard to the prickly subject of how Garowe is to relate to Mogadishu, there are mixed signals. The proposed constitution confirms that ‘The Puntland State of Somalia’ is to be part of a ‘Somali Federal State’. By the same token, the proposed constitution says Puntland is an ‘*independent* integral part of Somalia’, and as such, *it is Puntland* which controls its immigration affairs, defence, foreign relations and ‘other required issues’ – at least until negotiations between ‘the Federal Government of Somalia and the Regional State of Puntland’ can take place. Yet the proposed constitution fails to lay out criteria as to when or under what circumstances negotiations must take place. Such ambiguity in the document is matched only by the uncertainty surrounding when, or if, the constitution will actually face a Puntland plebiscite. It also means that until a different political order materialises than what the Puntland Charter allows for, piracy might continue to emanate from the autonomous Somali state.

In any given year nearly 20,000 ships pass close to Puntland’s northern and northeastern shores, through the Gulf of Aden. In addition to carrying goods between Asia, Europe and the Americas, these ships also carry about 7% of the world’s oil production. This makes tempting hunting waters. The International Maritime Bureau’s Piracy Reporting Centre notes that Somali pirate attacks – most originating from Puntland – increased by 200% between 2007 and 2008. This was followed by a further 95% rise in attacks in 2009 when compared to 2008. Of the 217 vessels in 2009 Somali pirates attacked, 47 ships were successfully hijacked, a Somali pirate success rate of about 22%. For their efforts, Somali pirates managed to squeeze concerned parties for an estimated US\$82 million in ransom payments in 2009 – and still there were 12 vessels and 263 crew members being held at year’s end (UN Security Council Somalia Monitoring Group 2010, 35–6). For perspective, the 2009 annual budget *for all of Puntland* was a mere US\$17.6 million (AllAfrica.com 2009).

Mentioning pirates, money and the Puntland government in one paragraph is not a non sequitur. In March 2009, the office of UN Secretary-General Ban Ki-Moon released a report that showed evidence of ‘complicity by members of the Somali region of Puntland administration in piracy activities’. In March 2010, the UN Security Council Somalia Monitoring Group likewise came to a similar conclusion in a report of its own. Neither report gave full measure to the underlying dynamics. For example, it was commonplace for former President Yusuf to receive a budget from parliament with detailed allocation instructions. Yusuf would take the money, ignore parliament’s instructions and instead direct monies to his patronage network. In 2007, when parliament demanded a budgetary audit from then-President Muse, Yusuf’s elected successor, ostensibly to see the nature of his patronage network, Muse’s response was to dismiss parliament and to govern by decree, presumably so he could continue to dispense funds much like his predecessor. Such shenanigans year after year meant less and less state money for local administration, local development and local law enforcement. From this came easy pickings for illicit syndicates which traffic drugs, arms and people, and yes, hijack ships.

Vested interests in piracy are extensive. Beyond the international players involved – financiers from the Gulf and beyond, *hawala* and insurance agents, accountants,

bankers, money launderers, negotiators, shipping magnates, lawyers, translators, and security consultants, among many others – piracy takes many local players. Criminal syndicates hire fishermen for their boats and/or seafaring skills, many unable to make a living any other way due to foreign boats overfishing and dumping toxic wastes in Somalia's lawless waters. On shore, the criminal syndicates recruit, arm and pay unemployed men to conduct raids. Still other men are paid to guard seized property and crews until ransoms are met. Local businessmen and women are paid to provide support services, from provisioning for Western-style meals for captives, to cooking all meals, to doing laundry and fee-for-service sex. Governmental officials and police officers are paid to turn a blind eye to all, are given a cut to pay off superiors, or facilitate all of the above. Even individuals not directly involved get caught up. Men who make enough money from pirate-related activities can then afford to pay dowries for brides, or to buy cars, houses, livestock and other consumer goods and services – which, incidentally, contributes to inflation in some communities and thereby ends up stressing families not plugged into the pirate-driven economy. It is in this context that President Farole told the BBC in June 2009: 'From the international point of view, piracy may be considered the number one issue. But from our point of view, it is a tiny part of the whole Somali problem – a phenomenon prompted by the collapse of the Somali state' (Greste 2009). Yet Puntland's president seems to be of the mind that in addressing the former, he might be able to curry favour to better address the latter.

To this end, early in his tenure President Farole selectively applied 'soft power' to counter some Puntland-based piracy; a limited amnesty was offered to individuals who publicly renounced the business, for example, and Islamic clerics were encouraged to speak with communities about the immorality piracy fosters (such as prostitution and gross consumption). By early 2010, a shift towards the selective application of 'hard power' had taken place, marked by armed government raids into 'pirate enclaves' such as Eyl and Bargal. A presidential decree centralised all police divisions under the authority of a hand-picked police chief, to facilitate command and control during raids, and Puntland police and soldiers were reportedly given pay raises on the realisation that low wages often drove some to work with pirate syndicates out of economic necessity (Garowe Online 2010b, April 12). Offshore, Puntland authorities began to communicate more frequently and closely with the commanders of foreign navies on anti-pirate patrols (Garowe Online 2010a, April 8). Perhaps as a consequence, Somali piracy attacks plummeted from 61 in the first quarter of 2009 to a mere 35 in the first quarter of 2010 (Reuters 2010). Puntland's government, via its website at <http://www.puntland-gov.net/>, touted its own quarterly numbers for the first three months of 2010: that 264 suspected or convicted pirates were 'presently detained in correctional facilities across Puntland'; and those who had been convicted in Puntland's courts had all been given long sentences, ranging from three years to life (Puntland-gov.net 2010c, 2010d).

News headlines posted on the Puntland government's website show a clear dichotomy of tone. Headlines such as 'Puntland government continues anti-piracy campaign' or 'Puntland security score intelligence hat-trick, nab 5 men suspected of masterminding terrorism acts across Somalia' sound dramatic (Puntland-gov.net 2010b, 2010d). 'Puntland technical meeting: Municipal finance and public service delivery' or 'European commission-funded agencies meet Puntland state minister for good governance' sound mundane (Puntland-gov.net 2010a, 2010e). Such headlines

may or may not reflect a Somali government functioning well. But they certainly indicate a Somali government which is working.

What's right, what's wrong

Somalia is not entirely dysfunctional. As has been shown, select parts of the Somali economic, social and political landscape work quite well. Ironically, where the country works best also reflects some of what is most wrong. Telecommunications markets are unfettered in Somalia because, quite often, there is no single governing authority capable of providing law and order. *Hawala* and *hagbed* arrangements are so ubiquitous because there is no formal Somali banking system and, in the absence of opportunity at home, many Somalis are compelled to go abroad, rely on receiving a monthly remittance, and/or must have a line of microcredit just to make ends meet. There are countless Somali websites and Somali web pages because Somalis' myriad schisms translate into a desire for many to impose and defend a categorical clan or religious worldview, often with an uncompromising political agenda. Finally, the Republic of Somaliland and the Puntland State of Somalia exist because of what was claimed in this publication's introduction: that 'Somalia' is a myth – by definition a false belief or an idealised conception. Whether the myth will continue depends on how much weight is given to imagination or fact, the two rarely being far apart in the complicated, difficult Somali context.

Notes

1. The author has previously claimed that 'Somalia' as a unified number-seven-shaped country on the northeastern horn of the African continent is mostly a myth. 'Somalia' most certainly is a contested concept, even amongst Somalis. Both statements can be supported by, at a minimum, the Republic of Somaliland's declaration of independence and subsequent development, and the Puntland State of Somalia's autonomous charter, proposed constitution and actions, per what is described in this article.
2. See <http://www.adc.com/us/en/solutions/wireless/> for more information.
3. A key point in Islamic finance generally is that those with resources are expected to assume most of the risk and to conduct business with a mind to help those needing the resources. By contrast, many Western financial systems are often accused of not caring whether a borrower succeeds or fails – as long as the borrower can make payments in full to the lender. In this light, there is often thought to be a moral imperative lacking in the Western system.
4. The term 'Web 2.0' is synonymous with web applications that facilitate interaction, information sharing and user-centred collaboration and design. Wikipedia.org – a Web 2.0 entity, appropriately enough – lists examples of Web 2.0; these include: 'web-based communities, hosted services, web applications, social-networking sites, video-sharing sites, wikis, blogs, mashups, and folksonomies'. Wikipedia.org's Web 2.0 entry further posts: 'A Web 2.0 site allows its users to interact with each other as contributors to the website's content, in contrast to non-interactive websites where users are limited to the passive viewing of information that is provided to them'. For more information, see http://en.wikipedia.org/wiki/Web_2.0.
5. Literally *maryoolay* refers to traditional Somali clothing. In slang, *maryoolay* can refer to a person lacking intelligence or sophistication.
6. Many African states were products of less-than-organic processes themselves with borders drawn by, say, colonial powers. Some governments of such states fear a fractured Somalia might encourage separatist movements within their own countries.

7. In March 2008, Somaliland President Dahir Rayale Kahin announced by presidential decree the creation of 13 Somaliland regions where there had been only six, and 16 additional districts to an already-existing 41. Under the 2002 Regions and Districts Law, though, such changes cannot come into legal force until approved by both houses of parliament.

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