State collapse and post-conflict development in Africa: the case of Somalia (1960-2001)
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Chapter Five
Private Pursuit and Bankruptcy of the State (1960-1980)

"The only available milk camel was the state" (Ali Galaydh)

"We Somalis were not at all worried about the economic aspect of independence. We were anxious to get hold of the reins of power, taking everything else for granted" (Mohamed Omar)

5.1. Introduction

This chapter extends the discussion in chapter three. It explains further how the constraints in the material environment condemned the post-colonial state of Somalia to subsist on foreign aid and also exacerbated the negative tendency towards private pursuit that eventually bankrupted the state. As I already noted in chapter three, during the colonial period, the subsistence pastoral and agricultural production was integrated into the international markets for the benefit of export. Yet the traditional organisation of the economy and its low rate of productivity was neither improved nor upgraded. Thus, the problem of the endemic structural poverty of the economy in the country and the grinding material deprivation that this gave rise to was not resolved.

In 1960, the Somali people attained political independence in a country that had few domestic economic prospects to sustain itself, or, to be a more precise, a new country that dismally lacked a productive domestic economy to meet the costs of running a modern centralised government. Consequently, the sovereign state of Somalia had to rely heavily on foreign subsidies and grants to cover the deficits of its annual budget, the balance of payments and the financing of its development expenditures. Nonetheless, the overseas assistance was just enough for sustenance but was not enough to resolve the crisis of sustained accumulation that the political elite perennially endured. Eventually, the state and its scant foreign aid assistance became a focus for fierce competition between the political elite and this chase for private spoils derailed the agenda for a collective national project.

In this chapter, I shall first deal with the post-colonial political economy of Somalia, which roughly speaking consisted of meagre domestic revenue and massive foreign aid. I will also describe here how the poverty of the domestic resources, coupled with the failure to improve production in the traditional sectors of the economy, retarded the indigenous development in the country. This will then be followed by an examination of how the politics of private pursuit waged by the political elite drained the coffers of the state. Finally, a short conclusion is presented that ties together the themes discussed in the main body of the chapter.
5.2. The Post – Colonial Political Economy

As I discussed in chapter three, the traditional pre-colonial economy of Somalia was mainly subsistence pastoral production, limited agriculture and some mixed simple agriculture (farming and animal husbandry). This is due to the constraints of the carrying capacity of the natural environment of which the land suitable for cultivation is very limited. As a whole, the traditional domestic economy of Somalia cannot generate a surplus and that makes sustained accumulation impossible. It is in fact a meagre production, fit only for the most basic form of livelihood. The imposition of the colonial state economy during the colonial period somewhat widened the margin of the resource base of the traditional economy by means of international trade, export and revenue collection. Despite this, the domestic sources of revenue generated from the traditional economy were not enough even to cover the annual budgets of the colonial governments in the country. The rest of the cost had to be footed by their respective metropoles or the mother countries.

The scarce resources in the country also became of great concern when the United Nations was preparing Somalia for its political independence in the 1950s. During that time the United Nations, worried about the future economic prospects in the country, sent a special technical assistance team to Somalia. The team was instructed to assess the nature of the economic problems in the country and suggest ways for tackling them. After the mission, the economic report that the special technical team compiled was so disappointing that most of the delegates in the General Assembly doubted the viability of granting real statehood for Somalia (Karp 1960). The report made evident that because of the dearth of exploitable resources in the country, the post-colonial state of Somalia could not sponsor its economic development. Thus, a solution had to be found if Somalia was to survive as a fully-fledged modern state. The solution that the special technical team recommended in the report was planning - as if planning could resolve the constraints in the material environment and the economic poverty in the country!

5.3. The Domestic Source of Revenue

Somalia is a land with limited natural resources. Somalia is also one of the world’s poorest countries and a least developed country as measured in terms of per capita Gross National Product. At the time of independence in 1960, the Gross National Product of the country was

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94 For example, of all the 637,000 square kilometres of the country only 53 percent of the land is suited for livestock keeping, 8.2 percent is suited for cultivation and the remaining 34 percent of the land is mostly rocky and worthless desert of sand dunes and low scrub, suited for nothing (US, Department of Commerce, 1965). And because of the acute scarcity of the natural resources, Somalia was one of the "two of the world’s less promising deserts which Mussolini had decreed should blossom with at least an imported rose". The other country was Eritrea, which was also under Italian colonial rule. See further, The First to be Freed: The Record of British Military Administration in Eritrea and Somalia 1941-1943; Issued by the Ministry of Information (London: His Majesty’s Stationary Office, 1944).

95 The United Nations mission which visited East Africa in 1951 recommended that in Somalia “developmental resources are scarce; hence planning is all the more important” (U.N. Doc. T/1033, p.20.). At the time the planning model was viewed among the Third World political leaders to be the best strategy for a rapid economic development as the experience of the Soviet Union testified (Hobsbawn 1994:344-371).
put at $56 million, while the per capita income was estimated to be around $50. Since independence, the economic growth of Somalia has failed to keep pace with the rise in population. In the first decade of independence, the average annual growth was only 1.3%, far below the average population growth figures of 2.6% (Mubarak 1996:11). The reason for this poor development was the negligence of the large traditional sectors of the economy, such as livestock and peasant farming. Instead, limited modern sectors, mainly of banana plantations and a few industrial establishments became the only domestic sources of revenue. However, the economic wealth that these modern sectors have generated was very limited and was largely appropriated by a few indigenous trading and urbanised class and expatriate entrepreneurs. In the 1960s, to consider the traditional sectors of the economy, livestock production supported about two-thirds of the Somali population, while agriculture was a source of livelihood to another 15-20 per cent of the population. Yet, the Somali government failed to improve the productive capacity of these traditional sectors, which are indeed the backbone of the economy of Somalia. In other words, the new Somali political elite continued a similar economic policy pursued earlier by the colonial Administrations that neglected to invest and develop viable internal resources in the country. The notion behind the negligence of the traditional sectors of the economy, particularly the animal husbandry was that they were seen as an outmoded form of economic existence. And after the independence, this negative perception is what made the two successive civilian governments of Somalia allocate few resources to develop these rural-based sectors. For example, during 1963 to 1968 industry was allocated approximately 33 percent more investment than agriculture, fisheries, forestry, animal husbandry and irrigation combined. To put this in concrete figures, while industry received 214 million Somali shillings from the development

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97 For example, the industrial sector, which was only 1% of the Gross Domestic Product (GDP) was largely in the hands of Italian entrepreneurs and was dominated by Italian firms (Ahmed Samatar 1988:63).

98 Even a very recent study estimates that the traditional subsistence sector provides the livelihood for about 80 percent of the population, and accounts for nearly 95 percent of export earnings and 65 percent of the GDP (Damoei 1997). In 1990 the population of Somalia was estimated for about 8 million of which 60 percent are still nomads - the highest percentage of any country in Africa and in the world.

99 They continued this policy even against the warning of a study done by the World Bank in 1957. The study of the World Bank affirmed the dismal economic prospects in the country because of the fragility of the ecology. It then recommended that more must be done to improve the traditional sectors of the economy, particularly animal husbandry since it is the most vibrant sector of the national economy. For instance, the study of the World Bank emphasizes the need to improve the organisation of range management, breeding practices, veterinary health of the livestock and also to put forward mechanisms that facilitate the commercialisation and the export of the herds to overseas markets. Furthermore, the study advised the government to improve transport, communications, and services in rural areas.

100 According to Simons, “Pastoralism was portrayed as a mode of production that was vital to Somalia’s economy and foreign exchange, but one that was not yet modern enough” (Simons 1995:106). This negative view on the rural sector of the economy reflects the prescriptions of modernisation theory, which very much informed the planner of the national development programmes in the government. For a critical examination, see Gerald Braun, “The Somali Development Concept in Crisis: Pastoralism as a Strategy for Survival”, Northeast African Studies, 11, no.3 (1989): 1-12.

101 Although 80 percent of the Somali people are engaged in either nomadic or agricultural life and only about 20 percent are urban residents, most of the benefits obtained under the civilian regime(s) went to the cities. The nomads were virtually ignored. They received little economic aid, and the government invested few resources in attempting to exert its authority in the bush or to put an end to clan warfare” (Laitin and Said Samatar 1987:85).
budget, the rural sectors combined were allocated 142 million shs. During the early 1970s, this urban-biased economic policy of the civilian governments was reversed when the military regime of Said Barre came to power. Nonetheless, the government expenditure allocated for the rural subsistence sector of the economy had only increased from 3 percent in 1963 to 14 percent in 1986. Since independence in 1960 both the limited natural resources and the poor capacity for economic policy analysis have been the challenges that largely constrained the new Somali state to achieve a viable economic development. The problem of economic development was further worsened by a critical shortage of educated personnel in the country. At independence, Somalia inherited an extremely rudimentary educational system and with the exception of a very small elite class, most of the population was illiterate. Historically speaking, most of the traditional rural Somalis had a very conservative attitude towards secular education. Thus, education beyond the traditional Islamic (Quranic) schools was an aspect which most Somalis had no experience with before the colonial era. This was the foremost reason why during the early colonial periods Somalis scorned secular education and harshly opposed the establishment of missionary schools in the country. Nevertheless, since the colonial occupation, the little secular education that existed in the country was elitist both in conception and development. During the first decade after independence, school enrolments and the number of students have substantially increased but this was nowhere close to meeting the scarcity of trained personnel and the public demand.

Another problem, which retarded the development of the economy in the country, was the acute lack of indigenous skilled manpower. This is how Omar lamented: “Lack of educated and skilled personnel made us dependent on foreign expertise for the daily running of the

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102 See further the Economic Commission for Africa, Summaries of Economic Data, Somali, Addis Ababa, compiled January 1975, M75-168, 6th year/no.9.


105 In 1960 the population of Somalia was estimated to be 2.5 million of which the literacy rate was between 4% and 8% (Ahmed Samatar 1988).


107 Not even very long ago most Somali elders and especially the religious leaders entertained the idea that foreign education posed a threat to their religion, culture and identity. It was their duty therefore to guard the young generation against what they considered to be an “instrument of Christianisation”. As Omar argued, it was because of this intense local resistance that Somalis have been latecomers to education as compared with certain other Africans in the continent (Omar 1992). In addition to this, there were also colonial reasons, which retarded the development of secular education in Somalia. For instance, of all Italian colonies in Africa, Somalia received the least financial aid for education. For this, with respect to Italian Somalia, see further Robert Hess (1966); and with respect to British Somaliland, consult further A. Castagno (1959).

108 The Somali education system was largely elitist in conception if we consider it along the line already argued by W. A. Lewis. According to Lewis, certain kinds of education such as technical training constitute a form of social investment, while other kinds, such as studies in fine arts, are simply a form of consumption (Lewis 1955:183-84). The education in Somalia by and large was predominantly in social arts and pursued primarily as a ticket to employment in the public sector.

109 See further, the Statistical Trends, Ministry of Education, Mogadishu, Somalia (1968). Since 1972 when Somali was adopted as a national script and was introduced as a medium of instruction into the educational system, students and school enrolments have rapidly increased (Bulhan 1980:34).
administration and economic sectors." (Omar 1992:65). In 1975 the population of Somalia was estimated to be about 3.2 million of which the total labour force was about 1.24 million. However, of this number, about 80 percent was engaged in the subsistence traditional sectors of the economy such as livestock husbandry and agriculture, while only 7 percent is employed in the industrial sector and 13 percent in the services sectors. As Geshekter noted, "Somalia never developed an ample number of competent, disciplined cadres with the administrative training and technical strength necessary to manage development projects. The inability of the government to provide minimal national services undermined political stability" (Geshekter 1997:78).

5.4. The Role of Foreign Aid on Public Finances

As Somalia progressed from a colonial to a post-colonial state, foreign aid became the main source for development projects and the largest revenue for the national economy. According to Geshekter "Italian and British colonialism integrated Somalis into the world economy and installed government systems whose operations largely depended on external aid, not internally generated revenue" (Geshekter 1993:19). The reason was that the country never had sufficient domestic revenue to finance its economic development. Karp indicates how the material poverty in the country was the main cause for this deprivation, which perpetuated the acute dependence of Somalia on foreign beneficence in order to exist as a state (Karp 1960). And as Karp shows in Table I, the domestic sources of revenue including tax have always been a minuscule part of government fiscal resources to finance its recurrent budget. Omar also noted that in the late 1950s Italy, which was the administering authority of southern Somalia under the United Nations Trusteeship, had to pay the annual budget needed to run the country due to the shortage of domestic sources of revenue (Omar 1992). At the time, Italy paid for the Administration, salaries for civil servants and armed forces, territorial budget balancing and financed limited infrastructure. This brief account already gives a picture of how even the daily running of the new state of Somalia would not have been possible without the availability of generous foreign aid. For instance, from 950 to 1955, Italy provided an annual subsidy of over £ 3 million to Somalia (Lewis 1988:142). This external assistance was further increased in the subsequent years because of the persistent deficit in the government ordinary budget. Nonetheless, most of the foreign financial aid was not invested in

Livestock husbandry as has been scientifically and practically proved is the most suitable production for exploiting the semiarid ecology like this in Somalia. See further David Western, "The environment and ecology of pastoralists in arid savannas", Development and Change 13, no.2 (April 1982).


As Lewis noted, "while local revenue, derived as in the past principally from import and export dues with little help from direct taxation, rose from just over £1 million in 1950 to double that figure in 1956, expenditure, although decreasing from £7 million in the first year to £5 million five years later, continued to remain far in excess of receipts. By 1956 there was still a considerable and persistent adverse balance of payments, and the
development projects that would have benefited the whole economy of the country in the long run. The Italian trusteeship authority did undertake some low-cost development projects in the country, but they were so minimally implemented that they did not in anyway help to alter the structure of the economy in the country. As a result, the structure of the economy in Somalia remained more or less unchanged even after the ten years of the United Nations trusteeship authority ended in 1960. Among other reasons it was suggested that the very short time span of the Italian trusteeship Administration in the country was indeed the cause of the problem. In fact, the limited time frame, domestic resource constraints and to a lesser extent the uncertainties about external finance have in conjunction prevented the undertaking of comprehensive development projects in the country that would have required a long-term investment strategy. According to Karp, “during the period of trusteeship Somalia has received a considerable amount of capital aid, but this aid, though in many ways beneficial, has not modified the country’s economic structure. Nor was it intended to. Nor was it indeed possible to carry out such a tremendously difficult task within the short space of ten years. As an experiment in the feasibility of meeting nationalist aspirations in dependent areas by setting time limits for independence, trusteeship in Somalia must therefore be adjudged a failure” (Karp 1960:171).

general economic picture was such as to lead the World Bank mission which visited the territory in 1957 to conclude that exceptional financial assistance might be required for as many as twenty years after independence” (Lewis 1988:143-144).

114 As Karp explained, “the major difficulty was therefore the time element, and this difficulty can be traced directly to the United Nations decision to set a deadline for the independence of Somalia” (Karp 1960:139).
Table 1

Government expenditures and revenues in Somalia
(in millions of US$)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>5.1</td>
<td>5.7</td>
<td>5.9</td>
<td>5.8</td>
<td>2.5</td>
<td>2.7</td>
<td>2.9</td>
</tr>
<tr>
<td>Economic services</td>
<td>1.0</td>
<td>0.9</td>
<td>0.8</td>
<td>0.8</td>
<td>1.6</td>
<td>1.9</td>
<td>2.0</td>
</tr>
<tr>
<td>Social services</td>
<td>0.9</td>
<td>0.9</td>
<td>1.1</td>
<td>1.1</td>
<td>2.6</td>
<td>2.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Security</td>
<td>9.5</td>
<td>5.0</td>
<td>4.0</td>
<td>3.3</td>
<td>5.0</td>
<td>5.0</td>
<td>4.3</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>0.4</td>
<td>0.4</td>
<td>0.2</td>
<td>0.4</td>
<td>0.8</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Ordinary total</td>
<td>16.9</td>
<td>12.9</td>
<td>12.1</td>
<td>11.4</td>
<td>12.5</td>
<td>13.2</td>
<td>12.6</td>
</tr>
<tr>
<td>Extraordinary</td>
<td>1.4</td>
<td>1.3</td>
<td>0.8</td>
<td>0.9</td>
<td>1.5</td>
<td>1.7</td>
<td>1.5</td>
</tr>
<tr>
<td>Grand total</td>
<td>18.3</td>
<td>14.2</td>
<td>12.8</td>
<td>12.3</td>
<td>14.0</td>
<td>14.9</td>
<td>14.1</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td>0.2</td>
<td>0.3</td>
<td>0.3</td>
<td>0.6</td>
<td>0.4</td>
<td>0.6</td>
<td>0.7</td>
</tr>
<tr>
<td>Property taxes</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>0.1</td>
<td>0.1</td>
<td>--</td>
</tr>
<tr>
<td>Community taxes</td>
<td>2.5</td>
<td>2.5</td>
<td>2.1</td>
<td>2.3</td>
<td>3.1</td>
<td>3.2</td>
<td>3.9</td>
</tr>
<tr>
<td>Government taxes and community revenues</td>
<td>1.9</td>
<td>1.9</td>
<td>1.7</td>
<td>1.8</td>
<td>1.9</td>
<td>2.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>0.2</td>
<td>0.1</td>
<td>0.2</td>
<td>0.5</td>
<td>0.3</td>
<td>0.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Sub-total</td>
<td>4.8</td>
<td>4.8</td>
<td>4.3</td>
<td>5.2</td>
<td>5.8</td>
<td>6.8</td>
<td>6.9</td>
</tr>
<tr>
<td>Italian government Subsidies</td>
<td>13.5</td>
<td>9.4</td>
<td>8.5</td>
<td>7.1</td>
<td>8.2</td>
<td>8.7</td>
<td>7.2</td>
</tr>
<tr>
<td>Total</td>
<td>18.3</td>
<td>14.2</td>
<td>12.8</td>
<td>12.3</td>
<td>14.0</td>
<td>14.9</td>
<td>14.1</td>
</tr>
</tbody>
</table>

Source: Adapted from Mark Karp. 1960: 147.

Because of the precarious structure of the domestic economy in the country even after independence the Somali government did not succeed in lessening the financial dependence on foreign patrons. Before independence, the country received most of its foreign aid from Britain and Italy, the two traditional colonial powers of Somalia. However, since the 1960s, the Soviet Union and the United State became the chief financial patrons to Somalia, surpassing its former colonial powers by more than 30 percent (Mehmet 1971:37). The superpower interests in Somalia developed because of the strategic location of the country, which is adjacent to the Indian Ocean and the Red Sea. During the Cold War era, this geopolitical importance made Somalia a theatre for superpower rivalry. Each superpower aspiring to have access to this strategic value provided Somalia with lavish economic assistance. In this respect, Somalia attracted superpower’s attention which was out of proportion not because of its natural resources but because of its strategic domination for the

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115 “Turning to bilateral aid, the most striking fact is that the U.S.A. and the U.S.S.R. are the main donors. This fact underpins considerable cold-war rivalry reflecting the strategic importance of Somalia facing the Indian Ocean and dominating the entrance into the Red Sea” (Mehmet 1971:38).
entrance into the Suez Canal that could facilitate the easy access to the oil rich states in the gulf.

The smart strategy that the Somali government adopted at the time was to play the two superpowers against one another while at the same time refraining from adhering either to socialism or capitalism. This approach helped the Somali government procure more and more international aid. In the next chapter this subject will be further discussed. For the moment it suffices to say that Somalia received the highest amount of foreign aid per capita compared with other countries in sub-Saharan Africa. For instance, in the 1960s, Somalia received $90 per capita in foreign economic assistance, which was twice the average for sub-Saharan countries. Yet a large share of this foreign aid was consumed as lavish salaries for the military and government officials.

More strikingly, in 1976 it was estimated that approximately 72,000 Somalis, out of a paid work force of 167,000, worked mostly in the government departments as office workers and received government salaries (Nelson 1982:174). The educated Somalis have always preferred jobs in the civil service to any other employment field as they offered huge salaries, higher social status and better future prospects. For instance, in the 1950s as the few educated Somalis opted for administrative positions rather than teaching posts, because of the wide disparity in salaries, the development and the enlargement of secondary education in the country was extremely curtailed (Castagnol 1959). In other words, private gain instead of public responsibility by the educated class has greatly hampered educational progress in the country even at this early stage. During this period, the UN Visiting Mission to Somalia warned the government that the salaries of the civil servants were too exorbitant for the budget of the country and the unnecessary expansion of the civil service sector must and should be avoided (UN Mission 1957:9-10). Yet since independence, "Somalia was to become a striking example in Africa of the automatic admission of each new wave of graduates into an ever-expanding bureaucracy" (Doornbos 1993:112). It is therefore no wonder as some scholars asserted that the most important change that takes place in the first nine years of independence in Somalia is the increase in public employment, estimated at 47 percent (Laitin and Samatar 1987). Unfortunately, the enormous growth in public employment placed a heavy burden on the meagre economy of the country. Paying lavish salaries to the government staff was not a sensible policy as it wasted the meagre national budget for private appropriation. It was also a demonstration of the prevailing private pursuit culture among the Somali political elite. With the agenda of the national economic development, private interest has been overriding that of the public good. It is for this reason therefore that the limited national resources were not wisely invested in productive domestic means but privately siphoned off. Furthermore, this private oriented political behaviour of the educated elite explains their disinterest in engaging in purposeful national policies.


117 According to Omar "regarding the aid received by Somalia, there was an attitude of easy-come easy-go. No one cared to invest such funds in production. Government just relaxed and consumed these funds" (Omar 1992:69).

118 In the 1960s, the Somali poet Ali Ilmi Afyonare perplexed the large number of the Somali clerks in the government departments who were doing nothing except chatting and sipping tea in their offices. He captured the situation in a poem: "Dawlad wada karrani ah duniyada ma joogtee". [There is no government in the world that is solely composed of clerks].

119 At the time, salaries for the civil servants accounted for about one-half of all ordinary civil expenditure because of the sharp increases in salaries. See further, The Economy of the Trust Territory of Somaliland (1957:54)
goals and also their short term spoils politics that have been a salient figure of Somalia since independence. In the subsequent pages I shall discuss in detail how the private appropriation of the national resources by the Somali political elite increased further in the decades after independence.

As mentioned earlier, since the country lacked sufficient natural resources for economic development, planning was suggested to be the best solution to the underdevelopment problem of Somalia. Furthermore, during the 1960s, planning was a fashionable economic method in many African countries. As a result, the government of Somalia undertook its first Five Year Plan for the national economy between 1963-1967. However, putting in place a development plan in a country with limited domestic resources of revenue was no minor challenge. Fortunately, the government obtained generous foreign assistance and external grants to finance its development projects. For example, according to Ozay Mehmet between 1963-69, about 85 per cent of Somalia’s total development expenditure was externally financed. Table 2 indicates the number of foreign donors who assisted in the economic development of Somalia during that period. Mehmet writes that, “this is a rare case of dependence on foreign financing among the less developed countries, where typically foreign resources account for only about 10 per cent of total investment expenditure.... Thus, Somali development in the 1960s presents a unique example of development with foreign aid” (Mehmet 1971:31-47). Nonetheless, despite this generous foreign assistance, little progress was made in the development of the economy in the first decade of independence. One can perhaps argue that the problem of the stagnation of the economy was not in any case a lack of foreign assistance. The explanations offered for the dismal success of development projects in Somalia include: poor absorptive capacity of the domestic economy, lack of explicitly stated priorities, shortage of skilled manpower in crucial occupations and fragile human resource base, domestic political squabbles and the allocation of a relatively high proportion of the recurrent budget to military build-up.120 It is even demonstrated that the standard of living on average declined much lower at the close of the decade than at its beginning.121

120 See the report prepared by the African Studies Centre, Somalia: A Social and Institutional Profile, (University of Boston, March 1983).

121 For example, the estimates given in the World Bank Atlas indicate that the GNP per capita of Somalia declined at an average rate of 1.6% annually between 1961-1967.
Table 2.

Sources of Development Finance, 1963-9

<table>
<thead>
<tr>
<th>Source</th>
<th>So.Sh.000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Somali</td>
<td>283,531</td>
<td>14.9</td>
</tr>
<tr>
<td>Foreign</td>
<td>1,691,528</td>
<td>85.1</td>
</tr>
<tr>
<td>U.S.S.R</td>
<td>388,928</td>
<td>20.4</td>
</tr>
<tr>
<td>U.S.A</td>
<td>326,489</td>
<td>17.2</td>
</tr>
<tr>
<td>E.E.C</td>
<td>245,108</td>
<td>12.9</td>
</tr>
<tr>
<td>World Bank</td>
<td>219,427</td>
<td>11.5</td>
</tr>
<tr>
<td>U.N.</td>
<td>143,567</td>
<td>7.5</td>
</tr>
<tr>
<td>F.R. Germany</td>
<td>122,951</td>
<td>6.5</td>
</tr>
<tr>
<td>Italy</td>
<td>71,339</td>
<td>3.7</td>
</tr>
<tr>
<td>China</td>
<td>39,220</td>
<td>2.1</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>14,561</td>
<td>0.8</td>
</tr>
<tr>
<td>Others</td>
<td>47,938</td>
<td>2.5</td>
</tr>
<tr>
<td>Total</td>
<td>1,903,059</td>
<td>100.0</td>
</tr>
</tbody>
</table>


After the military regime of Siad Barre came to power in 1969, a socialist-oriented development plan was put forward. The government adopted what is called scientific socialism as its ideology for economic and social development. The declared objective of the socialist government was to engineer a society based on justice and equality, and the development ideology of the regime was a greater self-reliance, which aimed to achieve economic independence. However, in spite of the rhetoric of the regime asserting that scientific socialism was the guiding principle for its economic development, mixed economy was the policy strategy adopted by the government. Furthermore, despite the declared slogans of self-reliance that the regime promulgated, the high dependence of the country on foreign grants was not reduced due to the meagre domestic sources of revenue. In fact, the important role of the foreign aid as the mainstay of the national economy has continued and even increased manifold. The Soviet Union and the countries of the Eastern bloc were the chief financial patrons of the socialist military regime in Somalia at the time. Table 3 shows how the foreign funds have been the major sources of the development projects in the country between 1963-1982.

122 The President of the military government of Somalia declared at the time that, “We have chosen scientific socialism because it is the only way for the rapid transformation of the country into a developed and economically advanced country” (Mohamed Said Barre, My Country and My People, Mogadishu, 1974), speech he made on October 20, 1970.

123 For example, foreign aid grants and loans increased substantially from an average of $64 million per annum in 1970-1975 to a peak annual level of $411 million in 1986. For more, see United Nations, Somalia: Country Presentation (1990). However, Adam (1998) estimated that from 1961 onwards, 14 percent of the total national budget had been allocated to the build up of the military forces and since this period the heavy expenditure in the defence (see chapter 6) had been on increase.
Table 3
Proportion of Development Funds from local versus Foreign Sources, 1963-1982

<table>
<thead>
<tr>
<th>Development plan period*</th>
<th>Local revenues (millions)</th>
<th>% of total</th>
<th>Foreign revenues (millions)</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963-1967**</td>
<td>0</td>
<td>0</td>
<td>1,400.0</td>
<td>100.0</td>
</tr>
<tr>
<td>1971-1973</td>
<td>118.9</td>
<td>16.2</td>
<td>615.0</td>
<td>83.8</td>
</tr>
<tr>
<td>1974-1978</td>
<td>1,260.3</td>
<td>32.6</td>
<td>2,602.9</td>
<td>67.4</td>
</tr>
<tr>
<td>1982-1986</td>
<td>3,199.0</td>
<td>20.0</td>
<td>13,050.0</td>
<td>80.0</td>
</tr>
</tbody>
</table>

Sources: Abdi Samatar. 1989:121.

* In 1963-1967 there was no tangible local revenue hence 100 percent of the country’s development budget was externally funded.

** No data is found for 1968-1970 and 1979-1981.

The socialist regime of Somalia put forward the first development plan between 1971 and 1973; and the subsequent plan between 1974-1978. As Table 3 illustrates, during the period of 1974-1978 the increase of local revenue to (32.6 percent) was impressive but was not sustained.

Nonetheless, this was the time when the socialist military regime was trying to maximize and tap local resources in order to realise concretely the project of its self-reliance agenda. During that period, the military government initiated a crash economic development programme projected to increase domestic food production to a level that could achieve sustained self-sufficiency in the country. With this objective in mind, the military regime allocated more development funds to the rural sector, as shown in Table 4. Yet, with respect to the pastoral sector, most of the development expenditure was not used to improve the basic organisation of the livestock production but was mainly spent on facilitating its marketing infrastructure (Abdi Samatar 1989). All in all, the government expenditure on the pastoral sector increased only marginally, from 3 percent in 1963 to 14 percent in 1986 (Abdi Samatar 1992:109). In the final analysis, the experiment of this socialist-oriented development policy hardly achieved the required domestic economic growth and its success was considered to be very dismal, as was demonstrated:

“in terms of economic output, there was only a marginal difference between Somalia under the socialist regime and under the previous civilian regime. It would therefore be wrong to conclude that scientific socialism led Somalia out of economic poverty.... Somalia remained an economically poor state that exported animals to Arabia and bananas to Europe” (Laitin and Said Samatar 1987:118-119).124

124 Reading the documents of the economic development in both the civilian and military governments in Somalia. I have not come across any constructive debates in the parliament and in the cabinet or coherent policy strategies in relation to the allocation of the meagre national resources for desirable and purposeful development projects. Two reasons have been proffered for the failure of the Somali government to improve and exploit the rural economy both pastoral and peasant agricultural production in the country. Abdi Samatar critically explains this dilemma as: “(1) the availability of foreign aid to lubricate the state’s development machinery and (2) the state’s ability, because of its colonial origin, to extract resources from the rural sector without intervening in agricultural production” (Abdi Samatar 1989:148).
Table 4. Proportion of Development Funds for Agriculture and Livestock, 1963-1986

<table>
<thead>
<tr>
<th>Development Plan period</th>
<th>Agriculture</th>
<th>Livestock</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>So.Sh*</td>
<td>% of total</td>
</tr>
<tr>
<td>Pre-coup</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1963-67</td>
<td>250.0</td>
<td>17.8</td>
</tr>
<tr>
<td>1968-70</td>
<td>53.0</td>
<td>7.7</td>
</tr>
<tr>
<td>Post-coup</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971-73</td>
<td>146.6</td>
<td>14.7</td>
</tr>
<tr>
<td>1974-78</td>
<td>1,124.5</td>
<td>29.1</td>
</tr>
<tr>
<td>1982-86</td>
<td>4,782.8</td>
<td>29.1</td>
</tr>
</tbody>
</table>

Sources: Abdi Samatar. 1989: 121.

* Millions of Somali shillings.

It was also during this period that the macroeconomic imbalances, a perpetual problem in the national economy, did increase after independence. Furthermore, foreign debt figures gradually increased from 24% GDP in 1970 to 111% of GDP in 1980. Somaliland accumulated the highest debt to GNP ratios in the continent, which was estimated into a debt per capita figure of more than $350 (Lyons and Samatar 1995:17). The debt that the nation incurred has been huge in terms of percentage compared with a GNP per capita of less than $175.

By the mid-1970s, because of two occurrences, the national development programme of the socialist military regime in Somalia encountered an acute crisis, which reversed whatever marginal progress had been made in the decade earlier. The crisis developed both as a result of natural calamity and as a consequence of a man-made historical blunder. In 1974-75, Somalia was struck by one of the worst droughts in its recent history. The drought was so severe that it affected about two-thirds of the population in the country, damaged the harvest and decimated millions of herds. This disastrous drought heavily contributed to the fall in gross domestic product and exacerbated the already critical economic condition in the country. The government was forced to react swiftly to the calamity of the drought and most of the development funds and planning resources were diverted to help the destitute pastoral nomads, disrupting the course of development planning. Moreover, because of the environmental degradation and the declining resource base in the rural areas, many destitute nomads were forced to migrate to the towns in search of livelihood and demanded government employment that hardly existed. According to the World Bank, World Development Report (1988) in 1985, 34 percent of the Somali population lived in towns. This in fact means that Somalia has a higher proportion of urban

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126 See further “Africa’s Debt profile: 1989”, African Recovery, vol.4 (October-December 1990). The total debt of Somalia was calculated to be about 2,137 billion dollars, which the country largely owed to multilateral creditors and foreign governments. In 1989 the debt service payments of the country exceeded more than 124 percent of export earnings.
people as compared with Ghana or Nigeria and even much higher than its neighbours, Ethiopia and Kenya (Wisner 1994:54).  

The man-made occurrence, which led the development programme of the socialist military regime to further disarray, was the futile conflict of the Somali government with Ethiopia over the Ogaden region in 1977-78. The Ogaden war resulted in the terrible defeat of the Somali national army by the Ethiopian forces. Furthermore, the lion’s share of the scarce resources of the national economy, were wasted on the preparation of the war effort, which drained the coffers of the state and caused an acute fiscal crisis in the country (Ahmed Samatar 1988). Worse still, the political tensions that the war has raised resulted in a diplomatic row, which gravely strained the cordial relations between Somalia and its socialist allies, the Soviet Union and the countries in Eastern Europe. Consequently, the Soviet Union, which was the major source of military, technical and financial assistance to Somalia withdrew and that resulted in the termination of broad-scale development aid.

However, while practically the economy of the country collapsed, the spending of the government sharply increased partly because of higher wages in the public sector employment and partly in response to a massive influx of refugees as the consequence of the war. For instance, after the war more than a million refugees, mostly ethnic Somalis from Ethiopia entered Somalia. The refugees composed of ethnic Somalis, Oromos and other minority ethnic groups inhabiting the eastern part of Ethiopia were the direct victims of the war. The battles had displaced many of them, destroyed their habitat and also their local economy and this terrible condition forced them to flee to Somalia. According to estimates recorded by the United Nations High Commission for Refugees (UNCHR) and the US Census Bureau the population of Somalia swelled in 1978 and 1979 by 11.2% and 19.5% respectively because of the consequence of the war (Jamal 1988). The burden of the refugee influx on Somalia was so heavy that at the time it was viewed internationally as an unprecedented predicament in a country like Somalia which was not well-endowed with natural resources and had a poorly-developed economic structure. The high number of the refugees made Somalia a host to the largest refugee population in Africa, which the country had no capacity to cope with (see chapter 7). Indeed, the demands of the refugee population imposed a further burden on the narrowing meagre resources of the government and severely strained the country that was already suffering from acute fiscal crisis. Eventually, the government lost control over the national economy and that then gave rise to a situation in which corruption and glaring private pursuit became the order of the day.

127 The large migration of the Somalis into the urban centers was also coupled with the rapid and explosive increase of the population as a whole from 2.5 million in 1960 to 7.5 million in mid-1990 (The Economist Intelligence Unit, 1991-1992:35).

128 The death toll of the Somali military in the war was estimated to be around 25,000, which was an awesome figure for the Somali army, which in total numbered 37,000 on the eve of the Ogaden war. The death toll and the decimation of the Somali army was also an awesome figure for a population numbered about four million (Sivard 1982:15).

129 How the departure of the Soviet Union further worsened the economic crisis in the country, see Norman Miller, "The Other Somalia; Part II: Foreign Aid and Local Politics", Horn of Africa, vol. 5, no.3 (1981b).

130 According to a World Bank document, “ in the second half of the 1970s, the government’s finances deteriorated rapidly, mainly because of the expenditure resulting from the border conflict with Ethiopia, the cost of maintaining a large number of refugees, and a growing wage bill associated with a rapid increase in public sector employment” (The World Bank, 1989:2)
Several factors are suggested to be the causes of the malaise of the national economy and the dependence of the country on foreign assistance (even to meet its annual budget). Scholars like the brothers Abdi and Ahmed Samatar contend that it is the neglect of the subsistence traditional sectors (livestock pastoralism and peasant agriculture) which form the backbone of the national economy that stagnates the economic development in the country. As I explained above, the military regime attempted to improve the economic viability of the rural sectors especially agriculture but even that development policy did not fundamentally transform the basic structures of the rural sectors. By contrast, Mubarak argues that it is the erratic government economic policy in the urban sector (for more than two decades) that has undermined the development of the economy in the country. Others like Said Samatar and David Laitin advance the view that the economic malaise in the country is not per se due to the lack of natural resources but is also the consequence of cultural, social and political circumstances. I will argue that all the suggested factors have in conjunction contributed to the dismal development of the economy in the country. On top of these arguments however, the policy of the foreign aid to Somalia within the environment of the Cold War politics is also a factor which we should not dismiss lightly. The easy availability of the foreign aid which underwrites a large portion of the ordinary budget in the country has indeed played a major role in perpetuating the stagnation of the domestic economy. Furthermore, the reliance on the foreign aid which the Somali political elite took for granted had a devastating effect as it gave them false development hopes and prevented them from seriously addressing the difficult task of reorganising and restructuring the domestic economy. Thus, with a long-term economic plan and development strategy in the country, the provision of the lavish foreign aid to Somalia was a plague rather than a blessing. Aid given policy created aid dependence and the economic, social and political consequences in Somalia were in this respect detrimental. The rest of the chapter discusses the background, social base and policy strategies of the Somali political elite who presided over this precarious and foreign aid cushioned national economy over the past three decades.

5.5. The Post – Colonial “State Class”

To get a better picture, the background and the social base of the political elite in Somalia that directed and executed the political economy after independence needs to be explained. The contemporary modern political elite of Somalia was originally composed of clerical cadres and auxiliary colonial employees, soldiers, paid clan chiefs, jurists for native customary laws, petty traders and merchants. The colonial state paid salaries to those who were directly employed in the Administration while others like livestock traders and merchants in the towns have indirectly benefited the colonial economy. The educational level of the Somalis who served mostly in the lowest ranks of the colonial Administration was extremely poor. Their educational level was elementary and the colonial authority did not permit them to gain thorough professional experience or to be given promotion in the administration even in the late 1950s (Castagno 1959:367). In this respect, their early formation was humble in origin as they were recruited to serve subordinate junior office-hands under colonial officials. Thus, the genesis of the post-colonial political elite in Somalia, which eventually crystallised as merchants, intelligentsia and petty bourgeoisie, was indeed colonial since they emerged as the result of the colonial state restructuring of the Somali society.

Nonetheless, as the de-colonisation process was nearly coming to its end, members largely drawn from the clerical employees in the colonial Administration, merchants and traders
gradually rose to a new social group. In 1960 this new social group took over the power of the state when the Somalis assumed the highest political and bureaucratic positions in the national government. Internally, however, as their diverse background indicates, they remained loose congeries and a bunch of individuals with contradictory political agendas and parochial interests. This difference has been the decisive factor which weakened their elite unity. To put it simply, the problem was how a livestock trader, a merchant in the town and petty bureaucrat in the colonial state could overcome their internal diversity and mould a solid elite cohesion within a short period of time. As a new social group, this was the challenge that the Somali political elite confronted immediately after independence. “The Somali elite, which consisted of merchants, bureaucrats, and politicians was an unstable social stratum. The brevity of its collective social experience, and the shallowness of its material basis both as individuals and as a group, heightened individual vulnerability and intense intra-group rivalry” (Abdi Samatar 1997:698). Eventually, although they did not succeed in resolving their internal incoherence, they nevertheless managed to co-exist as a group who are mainly interested in serving their respective private pursuits. One concrete example that every analysis of the economy of Somalia has made apparent since 1950 is the lavish and disproportionate salaries that the Somali civil servants allocated to themselves, imposing a substantial drain on the limited national budget. “Somalis seldom implemented the investment or spending patterns advocated by their overlords or modern day development advisors” (Gesheker 1993: 7).

The other problem that the Somali political elite faced immediately after independence was how to blend and integrate the different colonial state traditions, structures, administrative practices, rules and procedures, as well as the preferential arrangements for civil servants in relation to benefits. This predicament however was not of their own making but was bequeathed to them by the departing colonial state Administrations. Northern Somalia was under British colonial rule while southern Somalia was ruled by Italy; thus the country had inherited different colonial languages, bureaucratic procedures and cultural attitudes and heritages, daunting gulfs which could be not easily bridged.

The Somali leadership had to make these different colonial bureaucratic structures into one national Administration owned by the Somalis. This integration task was no minor feat as it resulted in considerable political strain between British- and –Italian trained Somali civil servants. “Once political independence and partial reunification were achieved, Somalis began to squabble among themselves. Regional sub-cultures, aggravated by social class competition, festered over the next twenty years to eventually produce domestic conflicts as lethal as those anywhere in the world” (Gesheker 1997:72). Ultimately, the Somali leaders succeeded in integrating the two administration systems but at great cost as the discontent and

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11 Accordin to I.M. Lewis, “British exclusivenes s and empiricism, the accent on quality rather than quantity in educational and social advancement, attachment to British conceptions of justice and ideals of administrative conduct, and the strict separation of politics from administration, all contrasted in northern eyes with the apparently less rigorous standards of political and public service morality in the south and with the involute Italian bureaucratic tradition (Lewis 1988:169). For a further discussion on this issue, see I. M. Lewis, A Modern History of Somalia: Nation and State in the Horn of Africa (1988).
the haggling of the amalgamation process between the northern and the southern Somalis exposed the shaky power base of the new state.\footnote{The reason as Ahmed Samatar explained was that “there was very little understanding, particularly on the part of the new leadership and regimes, of the complexities of domestic reconstitution, let alone the difficulties inherent in profitably engaging a bi-polar international system. Within a few years, the glow of independence began to dim. In fact, as early as 1961, signs of regional discontent appeared when a group of mutinous junior military officers from the North took over major towns in SomaliLand. In the same year, in a referendum, a majority of the Northerners voted against the constitution which was designed to become the basis of the new polity” (Ahmed Samatar 1998:20).}

With respect to a policy agenda, the new Somali political class “did not articulate a clear road map for achieving any development agenda” (Abdi Samatar 2001:110). Also, there was no clearly articulated collective national project and a lasting consensus on the fundamental issue of governance and social organisation. Moreover, the Somali political elite was lacking in commitment and conscious determination to confront the formidable task of constructing a stable political order and a viable domestic economy in the country. Furthermore, they had no competent administrative and organisational capacity, which according to their day-to-day handling of their work seemed insurmountable. Consequently, the combination of all these liabilities to a large extent incapacitated the political elite of Somalia in the pursuance of constructive economic development and meaningful social change. Cox explains this form of authority or a state class as a “political structure that tries more or less successfully to monopolize the capacity for exercising political force within the national territory but has not acquired either a firm social basis of consent or the administrative capacity to formulate and apply effective economic policies” (Cox 1987:218). Cox classifies the kind of state they lead as a ‘protostate’ that is capable only for predation and nothing else.\footnote{According to Cox “the protostate can extract tribute but lacks the capability or incentive to reshape society, and society is neither strong enough nor coherent enough either to manage itself or to fashion a state in its own image” (ibid: 231). Furthermore, this kind of state lacks internal pacification while the state class has no ability to initiate social reforms and create political institutions imbued with a sense of national unity.}

In this study, the new Somali political elite is understood to be the post-colonial state class that lives off the control over the state. As Elsenhans notes,

> “Unlike the capitalists, this state class does not appropriate surplus product on the strength of its competitiveness on the market, but through the instruments of state economic policy.... I shall refer to this class as the ‘State-class’ because it uses its control over the state apparatus to appropriate the mass of the surplus product and decides in which form it will be employed within the framework of political conflict” (Elsenhans 1991:78).

This notion of state class fits well with the new political elite of Somalia because of their grinding material poverty and the underdevelopment of domestic resources, which made the revenues accruing to the state the only means of accumulation. Generally speaking, the Somali political elite can be described as instrumental leadership rather than societal leadership. According to Abucar,

> “The instrumental leader sees leadership as a means to an end. He often uses his position to further the interests of his family, clan or clique.... The social leader, on the other hand, sees power and influence as a means to solve human problems” (Abucar, 1995:6).
The writings of both dominant schools of Somali studies have lengthily recorded the instrumentalist politics that the Somali political elite practised since the independence 1960 (Lewis 1972, Samatar 1989). The traditionalist scholars of Somali studies writing on the politics of the civilian governments of Somalia during the first decade after independence have implicitly noted the instrumentalist leadership of the Somali elite. Their literature indicated that the major preoccupation of the political elite was how to gain access to or control the state power and apportion seats in its higher echelons. And this tendency towards instrumentalist leadership or private pursuit according to this school was prevalent even when the state was at its embryonic stage. I.M. Lewis, the doyen of the traditionalist writers, who frequently observed the debates of the elected members in the parliament during the civilian administration in the early years after the independence, confirmed how the perpetuation of this spoils politics mentality frustrated the nation-wide collective project. According to Lewis, the elected members in the parliament hardly discussed any issues of national importance be it social agenda or economic development because of their preoccupation with the politics of private pursuit. As Lewis notes,

"The democratic parliamentary process which had seemed to combine so well with traditional Somali 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. On the contrary, it had been turned into a sordid marketplace where deputies traded their votes for personal rewards with scant regard for the interests of their constituents" (Lewis 1972:399).

The transformationist scholars of Somali studies discuss explicitly and more powerfully the prevalence of the politics of private pursuit that had been the hallmark of the Somali political elite since Somalia achieved statehood in 1960. The literature of this school repeatedly use the word "competition" to denote how the politics of private pursuit and the contest among the political elite for the control of state power, as well as its resources and opportunities, gradually but progressively undermined the political stability in the country. The writers of this school also stress that one of the defining characteristics in the dynamics of Somalia during the civilian regime is that of the politics of private pursuit. Since the 1980s, the scholars of this school have been boldly criticising in their countless publications (Ahmed Samatar 1988,1989,1993; Abdi Samatar 1989,1992a,1992b) the private pursuit of the political elite, which gave precedence to the parochial personal interests over the public agenda. According to these scholars, the Somali political elite whether they are early nationalists leaders who inherited the new-born state from the colonial rulers or the military commanders who succeeded them, their primary concern has been how to gain personal benefits. As Ahmed Samatar writes,

"These leaders of the independence movements construed the enterprise as a rare chance to win a personally profitable place in the new structures (particularly the state) and only secondarily as an opportunity to construct new public institutions worthy of the great challenges ahead. Each segment of what was to become the power bloc (mostly traders, artisans, bureaucrats and literate-religious elements) was less concerned with the heavy structural and developmental questions facing Somalia and more preoccupied with gaining personal advantage" (Ahmed Samatar 1995:12).

And Abdi Samatar, while linking the economic poverty of the political elite with the politics of private pursuit they ceaselessly engage in, notes that:

“In the absence of nonpublic sources of accumulation, state revenues, including foreign assistance, became the bone of contention. This meant that those who had access to the appropriate offices could reward themselves and their clients. The competition for profitable state offices unleashed a deadly race among the petite bourgeoisie” (Abdi Samatar 1989:110).

The persistence of the politics of private pursuit in the Somali public life is what eventually destroyed the democratic establishment, ended the civilian administration and let the military take over the power of the state in the country.

For instance, in the last civilian elections of 1969, each Somali lineage had formed its own political party. The proliferation of the political parties had created an unprecedented situation in which more than sixty parties nominated more than 1,000 candidates to compete only for 123 seats. This wild competition for party seats indeed placed a high premium on private pursuit and put an end the purported democratic politics in Somalia. Private pursuit and its effect on the bankruptcy of the state continued during the military regime. In the early years of the military regime, it was the collective national agenda that prevailed over the politics of private pursuit openly practised by the civilian power-holders preceded. However, after the debacle of the Ogaden war in 1978 when the regime lost its support from the Eastern bloc, notably the Soviet Union (which was by then the chief financial patrons), and faced both an economic and political crisis because of pitfalls of the war, private pursuit had escalated. And this time the race for private pursuit was much more lethal than that waged earlier by the power-holders of the former civil regime. First, it gave rise to cut-throat competition among the political elite in the higher echelons of the government. Second, the political elite, particularly the ruling military juntas were not restrained from using any means at hand, including bullets in order to misappropriate the resources of the state. Consequently, this chase for private pursuit increasingly drained the coffers of the state on a grand scale. Eventually, the dwindling national economy became the private kitchen of the President and his cohorts. At this time the President surrounded himself cronies with who were dependent on his favour. Furthermore, the President appropriated everything: the purse, the power to appoint someone, promote and also demote. It was therefore the time when the patronage system in Somalia peaked. For example, the marginalised and the impoverished urban dwellers use to joke that Siad Barre considered the state and the national economy as “parts of his tea shop” (Compagnon 1992:9). In fact, since the late 1970s, it was this prevailing

137 According to Davidson, “By 1969, with clientelism run riot, Somalis had achieved no fewer than 62 parliamentary parties (read: groups for dividing up the spoils of power) for an electorate far smaller than Somalia’s 3 million people; and such was the uproar and corruption that a military coup d’état was carried out in 1969 without a shot being fired” (Davidson 1992:220-221). For a wider discussion with respect to spoils politics in Africa, see further Basil Davidson, “Africa: The Politics of Failure” The Socialist Register (1992): 212-225.


139 For an extensive discussion on how the state has become the private fiefdom of the President and his small entourage, see Daniel Compagnon, “ Political Decay in Somalia: From Personal Rule to Warlordism”, Refuge, vol. 12, 5 (November-December 1992): 8-13.
politics of private pursuit defined and conceptualised as personal and predatory rule\textsuperscript{140} that became the basis for the very survival of the military regime. The final mundane details of the politics of private pursuit and how the misappropriated national resources were squandered on extravagant consumption and luxury consumer goods has been described by Anna Simons.\textsuperscript{141} Thus, further discussion is not necessary here. The only point I would like to re-emphasize before closing the discussion in this section is the apparent link between the instrumentalist leadership of the Somali elite and the perpetuation of the politics of private pursuit which eventually resulted in the bankruptcy of the state.

5.6. Conclusion

Extending the discussion in chapter three, I considered in this chapter the post-colonial political economy of Somalia. I described the constraints of the material environment in the country and the limited domestic source of revenue that could not meet even the bare costs of running a modern state system.\textsuperscript{142} The traditional rural sectors (peasant agriculture and livestock production) cannot or perhaps were not intended to generate sufficient resources to ensure a viable economy in Somalia.\textsuperscript{143} Firstly, the taxable capacity of these traditional sectors of the economy at their present state is not very promising. Secondly, the rural Somali population, especially the wandering pastoral nomads are no willing to pay taxes to meet state expenditures.\textsuperscript{144} It is therefore for these reasons that the governments in the post-colonial Somalia failed to accrue enough tax revenues from these traditional sectors of the economy. Since the colonial state administration was installed in Somalia, the only domestic revenues

\textsuperscript{140} In the literature on the political power and on the state in Africa both notions were extensively discussed. See Robert H. Jackson and Carl G. Rosberg, Personal Rule in Black Africa (1982); and Robert Fattou Jr., Predatory Rule: State and Civil Society in Africa (1992).

\textsuperscript{141} Anna Simons wrote an anthropological dissertation which she later published in book form entitled: Networks of Dissolution: Somalia Undone (1995). Simons did her fieldwork in the country in the final years leading to the collapse of the state. Her dissertation is full of anecdotes and personal narrations, which lack historical grounding.

\textsuperscript{142} I have already stated in chapter three that due to the very low productivity of the pastoral production which is the primary economy in the country the Somali social and political organisation is not able to advance beyond the kinship system. In other words, the domestic economy in Somalia cannot afford to sustain any political structure beyond the clan system.

\textsuperscript{143} As Castagno explains, “one of the most difficult problems facing the Somali government is that of establishing the Territory’s public finances on a sound basis. Ever since the beginning of the Italian colonial administration in 1905, the Territory has been plagued by chronic budgetary deficits. Expenditures always seem to outpace receipts, despite serious efforts by the various administrations to reduce the gap” (Castagno 1959:379). The persistent deficit in the budget is a lasting problem, which in Somalia may never be resolved as long as the indigenous sectors of the economy remained undeveloped.

\textsuperscript{144} “Taxation is an unpopular subject everywhere, but in Somalia, as in probably all underdeveloped countries, there is an extreme reluctance to pay taxes. In part this is explained by the wretched poverty of the majority of people, but another important factor is the low level of general education. Most Somalis, according to two United Nations missions which looked closely into this matter, do not seem to understand that tax revenues are badly needed to pay for essential public services” (Karp 1960:30-31). Even today, the grinding poverty of the majority of Somali population and their dislike of the idea of paying taxes hinder the increase of the bare government revenue. It is still a puzzle how a centralised state system can be reconstituted in Somalia without a systematic and nation-wide taxation.
available were derived from import and export duties. However, these customs duties or indirect taxes were insufficient to sustain a very expensive state administration.

The easy availability of generous foreign aid meant that Somalia had no problems in getting help to sponsor the functioning of the state from its colonial inception until its collapse in 1991. This foreign financial assistance, which Somalia largely received as the Cold War dividend, underwrote a substantial part of the national domestic expenditure for more than three decades but it also created a habit of dependence. The Somali political elite relaxed and did not seriously attempt to improve the rural sectors like that of the livestock, which remains the domestic backbone of the economy. Moreover, the lavish foreign aid was not wisely used to improve the rural sectors of the economy or to invest in new domestic means of accumulation but was substantially spent on purchasing arms, military arsenals and a defence build-up.

Furthermore, the Somali political class who presided over the state were not in a position to make a difference. As I noted earlier in brief, they were a bunch of individuals of humble colonial origins, limited education and world-view who were pursuing contradictory policies and particularistic interests. They were also un-familiar with the intricacies and operations of governance and a modern state system. On top of all these they lacked vision and a constructive economic development agenda and as a result their policy interventions and responses were at best ad-hoc and erratic. However, one thing that the Somali political class attempted to resolve was the accumulation impoverishment they were enduring because of the abject poverty of the domestic economy. In other words, the foreign financial assistance accruing in the coffers of the state became the only valuable source of their private accumulation. And the intensity of the competition of this spoils politics between the state class, created fierce rivalry and hostilities, which eventually derailed the agenda for a collective national public project and bankrupted the state. In short, the constraints of the material environment in the country, the lavish provision of foreign aid and the abject poverty of the Somali state class all in conjuncture have in fact produced a dire situation, which made the chase for private spoils an overriding enterprise.

Theoretically speaking, this discussion in the chapter demonstrates how the negative impulses of the tendencies towards private and public pursuits have bankrupted the state. For stance, while the persistence of the endemic structural poverty of the economy forced the political elite to partially siphon off the very limited national resources for their own private accumulation, the territorial fragmentation of the country by the colonial intervention on the other hand compelled the political leadership to spent the rest of the meagre wealth on purchasing arms in preparation for an irredentist war. Thus, one can observe here how the contradictory impulses of the tendencies towards private and public pursuits in concurrence undermined the economic viability of the state. This analysis therefore is what the continuity and change explanations of the traditionalist and transformationist debates have failed to account. Traditionalist writers do not at all address the economic survival aspect of the tendency towards private pursuit while the transformationist proponents focus only on the chase for private spoils among the political elite at the domestic plane. In this respect, neither of the schools addresses how the externally oriented irredentist mission also contributed to the economic bankruptcy of the state.