SOMALIA:

**COUNTERING TERRORISM
IN A FAILED STATE**

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EXECUTIVE SUMMARY AND RECOMMENDATIONS

For the first time since the last UN mission left the country in 1995, there is considerable international interest in Somalia, centred on the possibility that the country may become part of the global war against terrorism. The U.S. government suspects that al-Qaeda may have used Somalia as a staging area or safe haven in the past and remains concerned – though less than in the immediate aftermath of the 11 September 2001 attacks – that it could do so again because of the country's highly fragmented internal security situation.

The U.S. and its allies have already taken some steps to counter the possible use of Somalia by international terrorists, including increased surveillance, the closing down of terrorist-connected financial institutions and the threat of military action. Having high-ranking U.S. officials warn about the threat and possible military response has helped deter the use by fleeing al-Qaeda members of Somali territory as a temporary safe haven. However, while these measures may have kept terrorists from operating out of Somalia in the short-term, it is the instability and power vacuum emerging from the collapse of the Somali state that poses the greatest danger both to the outside world and to Somalis. Strong international engagement to bring peace internally and to reconstruct the failed state is required now if longer-term counter-terrorism objectives are to be achieved.

Left essentially to its own devices over the past seven years, Somalia has seen destructive civil war and lawless banditry give way to more localised,

unpredictable conflicts between smaller clan-based factions and warlord militia groups. Limited local attempts at economic recovery and restoration of the rule of law have been put at risk by the recent escalation between opposing factions backed by regional benefactors. There are great local disparities. The self-declared and unrecognised Republic of Somaliland provides significant governance and security in the Northwest, though its stability is fragile and threatened by recent political developments, including the death in May 2002 of its President, Mohamed Ibrahim Egal. Parts of southern Somalia and the Northeast, including the autonomous region of Puntland, remain embroiled in destabilising armed conflict.

The so-called Transitional National Government, formed in 1999 at the Arta conference in Djibouti sponsored by the regional Intergovernmental Authority on Development (IGAD), is not sufficiently representative and controls little more than part of the capital, Mogadishu. Supported by a loose coalition of Arab and African countries, including Egypt, Libya, Djibouti, Eritrea and a number of Gulf states, and in alliance with militia groups, it is engaged in a tense and occasionally violent stand-off with an opposition coalition, the Ethiopia-backed Somalia Reconciliation and Restoration Council. The polarisation between these two sets of loose alliances is increasing, and a more direct showdown is highly likely in the absence of any serious regional or international effort at conflict prevention.

Islamist organisations have become more prominent in the past decade. The most important, the indigenous al-Itihaad al-Islami, aims to establish an Islamic state in Somalia and in the Somali-inhabited region of eastern Ethiopia (the Ogaden). In the early to mid 1990s, it organised militias in attempts to gain control of several key Somali towns. It committed several acts of terrorism against Ethiopian government targets in 1995. While its goals have focused relatively narrowly on Somalia and Ethiopia, it has had links with international Islamist terrorists in the past, including al-Qaeda. The possibility of continued or renewed ties should be closely monitored.

Despite repeated calamities, there is strong Somali interest in finding a way to stable governance. Virtually all political and civil society leaders interviewed by ICG expressed a firm desire for the international community, particularly the U.S., to reengage to promote reconciliation and reconstruction of the state.

If the international community is to do this, its perspective should be wider than terrorism. Countering that phenomenon is critical, but Somalia is not Afghanistan. Local administrative structures are already in place in many areas of the country. The most worrisome political movement, al-Itihaad, does not control local populations or territory and is not structurally integrated with al-Qaeda as was the Taliban. Indeed, the reason that Somalia appears to be a magnet for some terrorists derives from characteristics as a failed state that make it attractive for hard-to-trace financial transactions and transhipment of goods and personnel. Given its civil conflicts and deep political divisions, no Western military operation – in and of itself – could make Somalia "safe from terrorism". Larger military strikes, which were seriously considered in the few months after 11 September but are not likely at this point, could prove counter-productive by alienating many Somalis and bolstering support for radical Islamist groups.

While continuing to implement discrete measures that target the lifeblood of terrorist operations – such as monitoring remittance companies and assisting in establishment of accountable financial institutions – the international community needs to begin the larger and more difficult process of addressing Somalia's chronic state failure. To achieve both short- and long-term counter-

terrorism objectives, it is necessary for key states outside the region to re-engage politically. Efforts by the regional organisation IGAD to hold a peace conference for all Somali stakeholders risk collapse, with regional divisions and an uncertain agenda leaving even a date for its convening uncertain.

Diplomatic efforts should have two objectives: first, to defuse the immediate tensions (both inside Somalia and among competing regional states) that threaten to draw sections of the country into wider armed conflict; and secondly, to create the broader support structures and favourable conditions for IGAD to help lead a wider reconciliation and reconstruction process.

Subsequent ICG reporting will address in greater detail both the process and the substance of advancing that political reconciliation and reconstruction..

RECOMMENDATIONS

ON FIGHTING TERRORISM

To The U.S. And Other Members Of The International Coalition:

1.   Continue to deny use of Somalia to al-Qaeda or other international terrorists by pursuing tight surveillance of the sea approaches and by monitoring remittance companies and transactions between Somali Islamic groups and the Gulf States.

2.   Assist in establishing formal financial institutions and branches of international banks in Somalia as alternatives to informal money transfer arrangements.

3.   Engage Somaliland and other local, functional Somali authorities in sharing intelligence about extremist organisations.

4.   Calibrate any direct military operations inside the country carefully to the threat, avoiding to the extent possible in particular actions on a large-scale or in densely populated areas where such activity may stimulate a strong backlash that could benefit movements with extremist Islamist agendas.

To Somalia's Neighbours:

5.   Work closely with the international coalition in building the capacity to monitor cross-border movements and shipments of goods, and fully share intelligence with coalition partners.

To the Transitional National Government:

6.   Cooperate in providing information about al-Itihaad and deny its members senior positions in the administration.

ON RESTORING AN EFFECTIVE STATE

To the Intergovernmental Authority on Development (IGAD):

7.   Name a single Special Envoy to lead the peace and reconciliation process, and continue efforts to convene a conference of Somali stakeholders, but with greater emphasis on careful preparation and flexible timetables, as well as increased international backing.

To the Secretary General of the United Nations:

8.   Move rapidly to finalise formation of a "Friends of Somalia" contact group, while ensuring that it has a small core of committed states that can engage in peace-making efforts in Somalia, in particular by supporting the IGAD mediation efforts.

9.   Establish with adequate staff the panel of experts proposed by the Security Council to investigate violations of the arms embargo on Somalia and to lay the groundwork for an enforcement mechanism that would – at a minimum – name and shame violators.

To the U.S. and EU:

10.   Participate actively in the proposed new "Friends" contact group and take the lead in creating a smaller core group of the "Friends" to operationalise efforts to work with IGAD in developing a more substantial, unified mediation structure for the peace and reconciliation process.

11.   Decide between each other who will assume primary responsibility within this core group to carry out shuttle diplomacy, through a senior envoy, in order to:

(a)   determine, with IGAD, the structure, and participation of a agenda comprehensive, IGAD-sponsored peace conference; and

(b)   consult intensively with outside sponsors of the various Somali groups (Ethiopia and others) to develop compromise positions.

12.   Engage the Somali factions to focus them on crucial issues, in particular political decentralisation.

13.   Implement targeted sanctions aimed at freezing personal assets, restricting travel and expelling family members living abroad if individual warlords or other factions block or undermine the unified peace and reconciliation process.

14.   Support UN and NGO efforts to respond to humanitarian needs and support small-scale economic development.

15.   Devise specific programs of institutional support, including capacity building for law enforcement, disarmament and reintegration and constitutional development, that would be implemented if a broader-based Somali government is established.

To Somalia's Neighbours:

16.   Respect the United Nations arms embargo, discontinue financial and military assistance to all sides and encourage them to engage in the peace and reconciliation process.

17.   If individual warlords or other factions block or undermine the peace and reconciliation process, work with the EU and U.S. to implement the targeted sanctions described above.

Nairobi/Brussels, 23 May 2002

SOMALIA:

COMBATING TERRORISM IN A FAILED STATE

I.   INTRODUCTION

Since the last UN peacekeeping forces pulled out in early 1995, Somalia has been largely forgotten – relegated to being one of the world's chief examples of a "failed state" – and assumed to be a land of lawlessness and chronic, criminally opportunistic, conflict. But while there is no functioning, recognised central government, that does not mean Somalia is nowhere governed. Local structures operate in some parts of the country; militias or unrecognised administrations have established themselves in others, and elsewhere Somalis live relatively peaceful lives without benefit of state structures.

The international community has renewed its interest in Somalia because of the threat of terrorism from extremist Islamist groups, al-Qaeda itself or others using the environment of the Somali collapsed state as a safe haven to operate with impunity. Such terrorism has been a threat in Somalia for over a decade and remains so today. Confronting it, however, requires a detailed assessment of the country's recent past and present, as well as a thorough understanding of the regional dynamics.

The expanding, U.S.-led war on terrorism has had a mixed start in Somalia. Proposals, and at times threats, to take specific military actions have created a deterrent to al-Qaeda's use of Somalia as an alternative to Afghanistan.[1]   Nevertheless, the

lack of broader international political engagement has permitted an already unstable situation to deteriorate, thereby creating potential for more violence and lawlessness of the sort that can offer terrorists greater opportunities, as well as deepening poverty.[2]

Tentative progress on governance in many parts of the country is beginning to unravel.   This dangerous process of fragmentation can perhaps be arrested but only if there is a concerted, enhanced diplomatic effort that involves a partnership between the Inter-Governmental Authority on Development (IGAD)[3] and key extra-regional actors, particularly the European Union, the United States and the United Nations.

A number of issues are examined in this report. Internal political developments, regional interests,

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[1] The U.S. view of the threat posed by Somalia as a safe haven for al-Qaeda and other terrorist organisations has

diminished gradually over the eight months since the 11 September attacks. Although more reassured, the U.S. continues actively to gather and assess intelligence and is prepared to respond militarily if evidence of such activity is uncovered.

[2] Much of this was predicted nearly a decade ago by the UN Special Representative in Somalia at the time, Mohamed Sahnoun, in his book, *Somalia: The Missed Opportunities,* United States Institute of Peace, (Washington, 1994).

[3]   IGAD, which superseded the Intergovernmental Authority on Drought and Development, is an East African international organisation whose membership includes Djibouti, Ethiopia, Kenya, Somalia, Sudan, Eritrea and Uganda. It is designed to co-ordinate development in the Horn of Africa and has engaged to organise reconciliation efforts in Somalia. The IGAD Partners Forum is composed of donor governments and organisations from outside the region and is focused on promoting development and supporting conflict resolution.

the extent to which Somalia might be used as a safe haven or staging ground for terrorist organisations, the potential for increased conflict and the existing peace process are all explored. The report suggests that a revitalised peace initiative should focus on reducing regional tensions and building a process to reconstruct the state as the most direct way both to achieve reconciliation and to counter terrorism in Somalia.

A more fundamental issue dealt with in the report is longer-term but no less urgent: how will the international community respond to the crisis of a collapsed, severely dysfunctional state? Such a state is at least a potential safe haven for international criminal and terrorist networks, so dealing with it must be central to any policy that seeks to "drain the swamp" and thus deny terrorists their bases. Yet swamps are not as featureless or identical as they may seem. The application of solutions inappropriate to the specific circumstances can produce and prolong rather than prevent armed conflict and instability, thereby worsening the wider security threat. To date, the collective response to the situation in Somalia, incremental rather than comprehensive, has not sought to reduce the political divisions that in the long run will leave Somalia more vulnerable to penetration by terrorist organisations.

Somalia has taught bitter lessons before, notably during the humanitarian intervention the U.S. led in 1992. Now, as then, it is neither an easy place to understand nor one that exists in isolation. The counter-terrorism imperatives provide a door through which longer-term international re-engagement in peace, reconciliation and state reconstruction – all geared to the special requirements of the country and the region – should take place. If not, the likely escalation by Somali factions and regional states of the internal conflict and the opportunities this will provide for outsiders with extremist agendas to exploit may well hold further unpleasant surprises.[4]

II. POLITICAL AND ECONOMIC TRENDS

Somalia remains a collapsed state but not an entirely anarchic one. Its political and economic conditions are dramatically different today than in the early 1990s, when state failure translated into chronic and destructive civil war, predatory banditry, famine, warlord fiefdoms and general lawlessness. Today's Somalia is less prone to widespread and protracted armed conflicts, and there are pockets of stability and modest economic recovery. Most of its seven million inhabitants now enjoy at least rudimentary law and order under a wide range of local and regional political structures, both formal and informal. This progress is very fragile, however, and developments this year are ominous, as polarisation grows between the two major coalitions in the country and threatens to erupt in a major showdown.

A. 1995 TO 1999

In 1996, after multiple failed peace conferences aimed at building a central government, donors and neighbouring states coalesced around the notion of encouraging formation of regional administrations to serve as "building blocks" for eventual national reconciliation and state-building.[5] This was to allow a government to be formed, eventually, by negotiations between functioning regional authorities, not simply armed factions. The new emphasis helped to solidify Somaliland and catalyse establishment of Puntland and the Rahanweyn Resistance Army's administration of the Bay and Bakool regions in the South. However, efforts in most of the rest of Somalia – such as the Banaadir Authority near Mogadishu and Hiranland north of the capital – were short-lived or stillborn.[6]

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[4] One Western diplomat charged, "No one in the international community with weight is talking about the critical tasks of nation building, of helping to start the political process, of new forms of development aid relevant to this situation, and of countering Islamist influences on the ground in Somalia". ICG interview, 23 February 2001.

[5] For an assessment of the building block approach in Somalia, see Matt Bryden, "New Hope for Somalia? The Building Block Approach", *Review of African Political Economy* vol. 26, no. 79, March 1999, pp. 134-40. See also an important document which laid the foundation for donor thinking on decentralised political structures in Somalia, *A Study of Decentralised Political Structures for Somalia: A Menu of Options,* London School of Economics (London, August 1995).

[6] For close analysis of the issue of land as a central aspect of the war in southern Somalia, see Catherine Besteman and Lee Cassanelli, eds, *The Struggle for Land in Southern Somalia: The War Behind the War* (Boulder, 1996).

Political groups in Mogadishu, recognising the gains they stand to reap from establishing a central government in the capital, have consistently rejected the building block approach.

North-South differences are particularly stark. The self-declared and unrecognised secessionist state of Somaliland[7] is modest in size and capacity but has provided a peaceful and lawful environment, won support of most local clan leaders and the general public, and made respectable gains in economic development despite a crippling health-related ban on Somali livestock imports imposed by Gulf states.[8]

The general peace that until recently prevailed in the Northeast culminated in an attempt to establish the regional state of Puntland[9] in 1998 that, unlike Somaliland, did not have secessionist ambitions. However, Puntland never really evolved into a functional administration.

By contrast, the South has witnessed more localised efforts to re-establish rule of law. Governance and dispute management are reinforced by the authority of clan elders and customary clan law or *xeer*.[10] In some places, city-states have developed their own administrations, based on a triangular alliance of clan elders, businessmen, and local sharia courts. In other areas, militias and factions claim jurisdiction over regional fiefdoms that they may or may not actually administer. Parts of the South – especially Kismayo, the Juba Valley and much of the Shabelle River Valley – are still plagued by chronic lawlessness.

Another trend since 1994 has been a shift in power distribution. Many of the previously dominant warlords and political factions have seen their influence diminish as the business class has become an independent political force.[11] In the main commercial cities of Mogadishu and Hargeysa, a few dozen of the wealthiest merchants and entrepreneurs now have considerable influence and, in some instances, are the most powerful political bloc. In Mogadishu in 1999, leading businessmen outflanked militia leaders from their own clans by refusing to pay them taxes, instead buying directly the backing of individual militia fighters.[12] This allowed them to finance their own security forces and judiciary, the management of which they subcontracted out to local sharia courts.

That same circle of businessmen also backed the conference in Arta, Djibouti, that produced the Transitional National Government, discussed in the next section. Many view the business community as the power behind the throne in Mogadishu and, to a lesser extent, Somaliland. Even in smaller cities and towns, leading businessmen are now capable of acting independently of militia leaders.[13] This was clearly not the case in the early 1990s.

Political affiliation along factional lines has greatly diminished since the mid-1990s; most factions are virtually defunct, and political identity and representation now centres more explicitly on clan lines. Ironically, the withdrawal of the international community may have played a part in reducing the power of the faction and militia leaders. In the past, large aid flows provided warlords with funds, and international mediation efforts gave them

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[7] See the map att Appendix A.

[8] Mohamed Ibrahim Egal was elected by a council of elders as president of the breakaway republic in 1993 and again in 1996 as a culmination of bottom-up peace and reconciliation efforts. A 31 May 2001 referendum on the constitution of Somaliland, which proclaimed independence from Somalia, was endorsed by 97 per cent of voters. Egal died in May 2002 (see below).

[9] See the map at Appendix A.

[10] Discussion of the "radical localization" of Somali politics is found in Ken Menkhaus and John Prendergast, "Prospects for Governance and Economic Survival in Post-Intervention Somalia", *CSIS Africa Notes* no. 172 (May 1995).

[11] Many prominent businessmen in Mogadishu began to make their fortunes in the war economy of the early 1990s by dealing in diverted food aid, weapons, and scrap metal. In that period they were closely bound to faction leaders and were not in a position to take autonomous actions. The enormous UN presence in Mogadishu in 1993-94 produced windfall profits for top businessmen via rent, procurement, money exchange services, and transport contracts. By the mid-1990s they began to shift into more "legitimate" and sustainable businesses such as import-export, hotels, money transfer companies, and telecommunications.

[12] Most militiamen will work for whomever pays them, and have little loyalty to leaders.

[13] See Roland Marchal, *The Post Civil War Somali Business Class*, EC Somalia Unit (Nairobi, September 1996); Marchal, "The Private Sector: Its Role in Governance?" Unpublished paper, 2001; Mark Bradbury, Roland Marchal and Ken Menkhaus, *Somalia Human Development Report 2001,* UNDP (Nairobi, December 2001), especially the chapter on the private sector.

political legitimacy. In the absence of external recognition and resources, warlords have seen their influence dim, including Hussein Aidid and General Morgan, who are now totally dependent on Ethiopia.

A few notable exceptions include Musa Suudi Yalahow and Mohamed Qanyare Afrah, both based in Mogadishu, and Colonel Mohamed Hassan Nur Shatigaduud, the head of the Rahanweyn Resistance Army in the Bay and Bakool regions. Qanyare Afrah has skilfully built up independent sources of revenue to attract and maintain his militia, and for some time received substantial payoffs from the Transitional National Government. Both Musa Suudi Yalahow and Hassan Nur Shatigaduud rely heavily on Ethiopia but also enjoy significant support from their clans and run quasi-administrations in the areas they control.[14]

Armed conflict has also trended toward greater fragmentation and localisation since 1995. The broad coalitions and battles of 1991-92 have been replaced by contained and sporadic clashes, mainly within rather than between clans.[15] Larger sub-clans in strategic areas like Mogadishu and Kismayo such as the Habar Gidir, Abgal and Marehan, which in the past maintained political cohesion, have been consumed by internal feuds. This extraordinary level of clan fragmentation has rendered the security situation more unpredictable in many parts of the country. However, clashes are much more contained, shorter and less bloody, in part because elders are better able to mediate disputes within clans, and also because Somalis at home and in the diaspora are reluctant to support the warring militia structures of the early 1990s.

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[14] Recent reports suggest that internal divisions within the Rahanweyn clan's leadership has weakened Shatigaduud's authority. Likewise, the recent defection of militia commander Omar "Finish" to the Transitional National Government has weakened Musa Suudi's authority.

[15] Two major exceptions have been the armed clashes in Baidoa in 1996, when the Ethiopian-backed Rahanweyn Resistance Army (RRA) drove the occupying Somali National Alliance (SNA) of General Aidid out of its home region; and the interfactional clashes throughout the Juba Valley, recently exacerbated by increased tensions between Ethiopia and the Transitional National Government. For more on patterns of conflict since 1995, see Ken Menkhaus, "Somalia Situation Analysis", United Nations High Commission for Refugees Centre for Documentation and Research (Geneva, October 2000).

Economically, the main ports (Berbera and Bosaaso in the North, Mogadishu in the South) have developed into important hubs for transit trade into the profitable markets of Kenya and Ethiopia. This has produced new commercial opportunities along several trade corridors and encouraged trans-regional partnerships. Remittances sent back to Somalia by the large diaspora have become the primary source of hard currency. Both business and remittance activities have generated demand for telecommunication and money transfer companies with international partners, and these are now among the country's most dynamic enterprises.

The rise of Islamist political activism is a subject of intense scrutiny, and considerable misunderstanding, in the wake of the 11 September 2001 attacks in the U.S. Islam is a more important political and social factor in Somalia today than in the pre-intervention era. Most of the functioning local courts are sharia. Many of the schools in the South are run by the Islamic charity al-Islah.

In most instances, the sharia courts are manifestations of little more than local efforts to establish rule of law in a collapsed state, drawing on the source known best in the community. They are usually not part of a broader political agenda. Likewise, Islamic aid agencies dependent on international funding that have developed in Somalia are generally more socially than politically oriented. The Islamic schools are not comparable to the madrassas of Pakistan, which have become recruiting sites for radical Islamists. But given the dearth of secular education, the limited economic opportunities available to Somali youth, and global tensions, the organisations are vulnerable to penetration by those with more radical Islamist agendas.

Some Islamist social outreach movements may already be Trojan horses but it is very difficult to determine whether an Islamic NGO or social movement is being used as cover for a terrorist network, is a front for political Islam or is a legitimate outreach program. Some Somali Islamists are genuinely committed to religious, social and political reform; others are merely opportunists who see the various Islamist groups as a convenient source for political and financial patronage. Some of that patronage – access to credit from private interests in the Gulf, for

instance – may have originated with individuals and organisations now under investigation for supporting al-Qaeda. Whether Somali Islamists knew this – or understood the consequences of such support – is unknown.

International, and especially U.S., interest in Somali Islamist groups has mostly concentrated on the home-grown group al-Itihaad al-Islami (al-Itihaad). It is at least militant and fundamentalist, and since 1991 has evolved into a significant political force in some parts of the country, including in Puntland, the Gedo region and Mogadishu. Al-Itihaad tried to gain control over major towns in the early 1990s. This made the group a fixed target for its enemies, however, and it was forced to relinquish its strongholds.[16]

The U.S. government believes that a relationship between al-Itihaad and al-Qaeda was cemented in 1993, when supporters of Osama bin Laden provided training, organisational and logistical support to al-Itihaad forces in order to counter the American military presence in Somalia. Bin Laden himself later tried to take some credit for the Mogadishu street battles that culminated in the deaths of eighteen U.S. Marines on the night of 3-4 October 1993, but there is little hard evidence to suggest that his network played more than a peripheral role in those events. In turn, al-Itihaad forces may have been a part of that fighting but they were not the dominant element.

Ethiopia drove al-Itihaad out of Luuq, not far from the Ethiopian border, in 1996 following several terrorist attacks inside Ethiopia for which al-Itihaad claimed responsibility. Documents captured during Ethiopian incursions at that time were alleged to prove al-Itihaad's links to al-Qaeda cells in the Horn and the Gulf.

The development of al-Itihaad in Somalia over the past several years is contentious. Some observers assert that it is discredited and a "spent force". They argue that the group never recovered from the Ethiopian offensive in 1996 and lost credibility in Mogadishu when it scrambled for positions in the Transitional National Government – seeking like any other faction to secure its "piece of the pie". Others insist that the group remains a strong

political force that seeks to expand its influence indirectly and gradually to avoid undue attention. This interpretation notes the growing influence of Gulf Arab charities and the impact of the large Somali diaspora in the Gulf States. There is no conclusive evidence for either view, however.

The influence of Islamist groups aside, by 1999, political and economic trends in Somalia appeared promising. Parts of the country were recovering economically and generating significant commercial opportunities. Transit trade, remittances and livestock exports were strong, and improved security and rule of law in many areas encouraged domestic investments in fixed asset businesses such as pasta and bottled water factories and triggered a boom in new home construction.

B.   THE CURRENT DYNAMIC

The latest report from United Nations Secretary General Kofi Annan, however, describes Somalia as one of the most dangerous environments in which the UN operates; the peace process as "incomplete" and "stymied"; and regional neighbours as divided over the way forward. UN plans for a peace-building mission have been indefinitely postponed.[17]

This bleak prognosis represents a rapid decline in fortune. The establishment of the Transitional National Government in August 2000 had appeared at the time to be a significant development. The optimism with which it was greeted in many quarters, however, has largely evaporated as it has failed to widen its support or deliver public services in its limited areas of control.

The Transitional National Government remains plagued by fundamental problems. It was formed on the basis of a very incomplete peace process. While more broadly representative than past national reconciliation efforts, it lacked important

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[16] Somali clans and factions drove them out of Bosaaso, Kismayo and other locations in the first half of the 1990s.

[17] "Report of the Secretary-General on the situation in Somalia" *(S/2002/189)*. United Nations Security Council (New York, 21 February 2002). However, the Security Council subsequently urged the Secretary General to establish a peace-building mission which would undertake community-based programing, disarmament and reintegration of militia, quick impact projects to improve security, and AIDS education. IRIN, 3 April 2002.

constituencies – including Somaliland and Puntland, the Rahanweyn Resistance Army, and five or six major militia and faction leaders.

Of all Somalia's major clans, only the Hawiye was virtually united in its support. Others were divided or hostile. Opposition groups refuse to recognise the Transitional National Government's claim to be the sole legitimate national authority and dismiss it as the "Arta faction". It is unlikely to be able to extend its authority into much of the country, and it has not been recognised by either the United States or the European Union although it has diplomatic relations with many Arab states and has assumed Somalia's seat in the UN, the Organisation of African Unity, The Organisation of the Islamic Conference, IGAD, and the Arab League.[18]

Indeed, the Transitional National Government controls only half of Mogadishu and a few areas in the interior. Even in Mogadishu most day-to-day governance is at the neighbourhood level by informal systems of policing and clan-based sharia courts. Establishment of the Transitional National Government did not improve security in the capital. Instead, banditry worsened and armed clashes increased throughout the South. The security on main commercial arteries that Mogadishu businessmen achieved through the sharia court militia in 1999 has largely been lost.[19] The capital's main seaport and airport remain closed.

The Transitional National Government runs the risk of becoming irrelevant and losing its remaining credibility. It faces a crisis of legitimacy even among its own supporters because of infighting, corruption, and the scandal of its business backers' involvement with counterfeit shillings that have sparked hyperinflation.[20]

The Transitional National Government was also cast into turmoil after it reconstituted itself following the dissolution of the cabinet by the parliament in October 2001. Prime Minister Hassan Abshir Farah announced a new cabinet in February 2002, but it represents little change. The only concession has been the reservation of four ministerial posts for opposition leaders. This appears to be in direct contravention of an agreement reached in Kenya in January with a number of factions that was to pave the way for a more broadly representative government. In any event, there is little real value in creating additional posts in a cabinet that already exceeds 80 ministers, ministers of state and deputy ministers. Two rounds of fighting have broken out in the capital since the Kenyan conference.

The problems in Mogadishu have been compounded by failure to pay troops for several months. President Salad reportedly received U.S.$2.5 million from Libya in February 2002, the first of several payments to be specifically earmarked for the security forces.[21] However, only a few actually received salaries, leading to unrest within the ranks – including brief mutinies by the Presidential Guard and the Banaadir police force in February.[22] Most of the Libyan contribution is unaccounted for, exposing the president to wide criticism,[23] and reportedly jeopardising continued Libyan aid. The president warned his forces that their future wages would depend on their ability to secure Mogadishu's main port and airport as sources of revenue, raising the possibility of an imminent confrontation with opposing factions inside the city.[24]

The Transitional National Government also faces the daunting problem of Ethiopian opposition.

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[18] The Transitional National Government's status within IGAD is now unclear since some member states (e.g. Ethiopia) question its claim to Somalia's seat.

[19] This development has called into question the degree of influence the commercial sector has in maintaining stability in the Mogadishu area.

[20] Some analysts argue that this and other incidents demonstrate that the Transitional National Government is little more than a thinly-veiled business cartel that supports the interests of a group of wealthy merchants who use it as a more legitimate form of protection than were the militias. See Andre le Sage, "Somalia: Sovereign Disguise

for a Mogadishu Mafia", *Review of African Political Economy,* forthcoming.

[21] Libya has periodically injected itself into Somali affairs, with relatively small but timely aid to the Transitional National Government. In 1998 it did the same for the ill-fated Benadir Regional Authority.

[22] ICG interviews, 21 February 2002.

[23] BBC interview with former Transitional National Government Prime Minister Ali Khalif Galaydh, 25 February 2002.

[24] In late April 2002, when businessmen close to the Transitional National Government announced plans to re-open the port and airport, factions of the Somali Reconciliation and Restoration Council warned against any unilateral moves. See IRIN, 24 April 2002.

Ethiopia views it as a stalking horse for Arab and Islamic domination of the Horn of Africa, and also accuses it of being a front for al-Qaeda. Given its military strength and ability to fund militia groups, Ethiopia effectively exercises veto power over political developments inside Somalia. Unless the Transitional National Government can establish a working relationship with Addis Ababa, it is difficult to see how it can succeed.

American planning for possible anti-terrorist actions in Somalia has also increased political tensions. Accusations that the Transitional National Government is a front for radical Islamists have led to concerns about American attacks and heightened tensions between that authority and the Somali Reconciliation and Restoration Council. Ethiopia has been funnelling arms and money to the latter, raising the possibility of renewed fighting on a much larger scale than the region has seen in a decade.

The political stakes were raised further in early April 2002 when the Rahanweyn Resistance Army[25] established a regional administration in Bay and Bakool regions, which it calls the State of South-western Somalia. The effect of the creation of this regional administration on the Somali Reconciliation and Restoration Council is uncertain, as Baidoa is the headquarters of the Council, and some Council members may be appointed to the cabinet of the new regional administration.[26] However, some Council members publicly denounced the move and accused its architects of trying to undermine the peace efforts of IGAD.

Tensions are also rising elsewhere. Somaliland, in the North, faces a new situation due to the death in early May 2002 of President Mohamed Ibrahim Egal. The May 2001 constitution had paved the way for replacement of clan-based political arrangements by multiparty electoral democracy. However, Egal's attempts to consolidate his own power by manipulating the process were threatening to provoke a backlash, and there was a risk that the elections scheduled to take place before February 2003 would be perceived as illegitimate and so render Somaliland largely ungovernable.

Egal's sudden death has dramatically altered the landscape, providing contenders for leadership a more level playing field. The transition will be a critical test for embryonic government institutions and political parties.[27] The commercial elite will be especially keen to manage the transition peacefully. Ethiopia will provide a further stabilising influence and has already warned important local constituencies that infighting will not be tolerated.[28]

The change is unlikely to affect Somaliland's views about rejoining the South. If anything, the new leaders may feel less secure and thus even less inclined than Egal was to risk a political dialogue. Nevertheless, the transition will test all concerned. Southern leaders could build some good will by demonstrating respect for Somaliland's stability. If they seek to exploit the situation for their own purposes, however, they will drive Somaliland further away.

In the Northeast, Puntland is in the midst of its worst crisis in a decade, with the administration no longer functioning and violent clashes threatening to escalate into large-scale conflict. In 2001, Colonel Abdullahi Yusuf's attempt to prolong his rule was assailed as unconstitutional[29] and triggered a split that culminated in armed clashes and a brief military intervention by Ethiopia.

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[25] The Rahanweyn Resistance Army is the dominant political/military group in the Bay and Bakool region of south-central Somalia, the epicentre of the 1991-1992 famine.

[26] See IRIN, 2 April 2002.

[27] Vice President Dahir Riyale Kahin became acting president and will hold that position for the remainder of the term (less than one year), according to the constitution. He is from a minority clan, the Gadabursi , and will likely be a figurehead while real authority is exercised by powerful ministers. There is a very small possibility that he could be replaced by the military in a "state of emergency" to restore the presidency to the majority Isaaq. More likely is that unresolved inter-clan disputes over succession, inherited from the May 2001 referendum on the constitution, could surface, especially if the formal succession mechanism involves a transfer of power to another sub-clan besides Egal's Isaaq Habr Awal. If his sub-clan tries to keep control of the presidency, and if that contravenes the constitutional succession, a crisis could emerge.

[28] ICG interviews, May 2002.

[29] Opposition figures and aspiring presidential candidates called the move illegal and unconstitutional, while Abdullahi Yusuf continued to insist that the parliament's decision to extend his term conformed with the Puntland charter.

Although regional traditional elders elected Abdullahi Yusuf's chief rival, Jama Ali Jama, to a three-year presidential term in November 2001, neither they nor Ethiopia have succeeded in mediating a solution between the two leaders.[30] Without a negotiated agreement, the region has become further embroiled in turmoil. Abdullahi Yusuf captured the port city of Bosaaso in early May 2002, leaving the regional capital Garoowe without a functioning administration.[31]

There have been multiple economic shocks. The livestock export ban placed by the Gulf States (due to a deadly outbreak of Rift Valley fever in Saudi Arabia) has deprived Somalia of one of its most important sources of hard currency. This has been especially hard on pastoral populations, but has also meant significant reduction in tax revenues for local governments. A prolonged drought in 2001 in parts of northern and southern Somalia led to crop failures and severe rural distress. Importation of millions of dollars worth of counterfeit Somali shillings by leading Mogadishu businessmen in spring 2001 created hyperinflation, severely depleting the savings and purchasing power of households. Finally, the U.S. government's move in October 2001 to freeze the assets of the leading Somali money transfer and telecom company, al-Barakaat, on grounds that it was a conduit for al-Qaeda financial transactions, has slowed the flow of remittances and damaged business confidence. Collectively, these factors have spawned Somalia's worst economic crisis in many years, and UN agencies are warning of a potential large-scale humanitarian crisis.[32]

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[30] Traditional elders attempted unsuccessfully to broker an accord between Abdullahi and Jama on numerous occasions in 2001 and 2002. Ethiopia's efforts at mediation in late April 2002 were also unfruitful, as the two leaders refused to meet face-to-face in Addis Ababa. IRIN, 1 May 2002.
[31] IRIN, 9 May 2002; 13 May 2002.
[32] "Humanitarian Situation in Southern Somalia on the Edge, Warns WFP", *Reliefweb,* 28 December 2001 (available on-line at www.reliefweb.org); Andre Le Sage and Nisar Majid, "The Livelihoods Gap: Responding to the Economic Dynamics of Vulnerability in Somalia", *Disasters,* vol. 26, no. 1 (2002), pp. 10-27.

III. THE REGIONAL PICTURE

Regional politics and security concerns continue to play themselves out – often violently – within Somalia. Regional tensions have often been essentially replicated by political cleavages inside the country and the tendency of regional powers to use local militias to advance their goals. While it is tempting to portray some of these tensions as a "clash of civilisations" between a highland, Christian Ethiopian leadership and a lowland, Muslim bloc that combines Somalis, Arabs and other ethnic groups, reality is more complex. Somalia's relationship with Ethiopia is very uneven, with some areas reviling their neighbour and others looking to it for support. The roles of the Arab states are diverse, while those of Djibouti, Kenya and Eritrea do not fit easily into an Ethiopian-Arab dispute. The ill-defined but burgeoning role of Islamic non-state actors is increasingly important.

A. HISTORICAL BACKGROUND

The Somali peninsula lies on an historical fault line between Arab (principally Egyptian) and Ethiopian spheres of influence in the Horn of Africa. Ethiopian-Egyptian competition in Somalia subsided during the early 1990s but re-emerged during the 1996 Sodere peace process, which was organised and hosted by the Addis Ababa government. As the Sodere process threatened to produce a new Somali government, Egypt invited the key participants to a parallel conference in Cairo and effectively aborted the initiative. The Cairo conference subsequently failed, leaving Somalia as divided as ever.

Following the formation of the Transitional National Government in August 2000, Egypt and Ethiopia once again found themselves on opposite sides. While the new body quickly took over Somalia's seat in the UN, was admitted to the Arab League, the Organisation of the Islamic Conference and IGAD, and gained recognition from Arab states, Ethiopia soon began to back its rivals. In March 2001, Ethiopia engineered the formation of the Somali Reconciliation and Restoration Council, an alliance of southern faction leaders which sought, unconvincingly, to portray itself as an alternative government.

B. EGYPT AND THE ARAB STATES

In very general terms, the Arab League has maintained a unified position on Somalia despite natural differences between its members. Arab policy affirms Somali territorial integrity and the development of a strong central government capable of holding its own vis-à-vis Ethiopia. Since 1991, Arab engagement has, therefore, tilted towards those factions most strongly represented in the capital while antagonising leaders in other parts of the country.

The most important actor in this group is Egypt, which has an active relationship with Somalia in support of the Transitional National Government. Its interests in the country stand in contrast to a much more passive set of Arab actors, who have little interest in Somalia as a bloc. Egypt and Djibouti have worked together to undergird the Transitional National Government and counter Ethiopian influence in Somalia.

Egypt and Sudan both perceive a strong, unified Somali state as an essential counterweight to Ethiopian influence in the Horn. Cairo's concerns are conditioned primarily by the perennial dispute with Ethiopia over the waters of the Nile, while Khartoum seeks Ethiopia's non-interference in its long-running civil war. The Gulf States – notably Saudi Arabia, Yemen, Qatar and the United Arab Emirates (UAE) – have historical commercial ties with Somalia and have remained politically engaged, albeit at a greater distance. Saudi Arabia, Qatar and the UAE have provided funds to Islamic NGOs for humanitarian and social welfare programs throughout the Somali crisis. Libya has had sporadic involvement in Somali affairs, mainly because of Gaddafi's personal familiarity with numerous Somali leaders since the 1970s and his apparent desire to recast his country as a regional power broker.

Arab states had given the Transitional National Government approximately U.S.$25 million in grants through February 2002.[33] The security forces were initially paid, armed and equipped with a grant from Saudi Arabia, supplemented by

smaller contributions from Qatar, UAE, Yemen and Libya. These funds were exhausted by February 2002 since which time, as noted above, Libya has provided some additional assistance.

C. ETHIOPIA

Though its determined opposition to the Transitional National Government has contributed to a perception that it desires neither a unified nor a stable Somalia, Ethiopia remains central to any lasting peace agreement. It has had a multifaceted involvement over the past decade. During the early years of the crisis, Ethiopia welcomed hundreds of thousands of Somali refugees, and later offered many the opportunity to obtain Ethiopian citizenship and travel documents. Between 1996 and 1999, Ethiopia provided political and diplomatic support to the stable areas of Somaliland and Puntland, while helping the Rahanweyn Resistance Army to terminate a long and brutal occupation of its territory by the Habar Gidir militia. In 1999, Ethiopia's "bottom-up, peace dividend approach"[34] received the endorsement of the IGAD Partners Forum – including Egypt – becoming for a time the defining structure for international assistance to Somalia and casting it as a regional peacemaker. Since 2001, however, its belligerence has begun to make it look increasingly like a spoiler.

Ethiopia's most immediate concern in Somalia is its own national security. Southern Somalia has long served as a base for armed groups opposed to the Ethiopian government, including the Ogaden National Liberation Front, the Oromo Liberation Front, and, recently, al-Itihaad. The cross-border activities of these groups provoked an Ethiopian military intervention in Somalia in 1996, after al-Itihaad was implicated in terrorist acts in Addis Ababa and Dire Dawa. Since 2001, Ethiopia has requested that the Transitional National Government deny these groups permission to operate and has demonstrated it will police Somali territory unilaterally, mainly along the southern border.

Egypt's active engagement in Somalia is a source of some ambivalence in Addis Ababa. Cairo's emphasis on a strong central Somali government

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[33] Donald G. McNeil Jr., "A New Scrutiny of Somalia as the Old Anarchy Reigns", *The New York Times,* 10 February 2002. This figures does not include Libyan contributions since February 2002.

[34] Widely known as the "building blocks" approach.

and its support for the Transitional National Government are unwelcome but its animosity towards Islamic radicalism is comforting since Ethiopia has its own concerns about Islamist political influence in Somalia. Ethiopia accuses members of the Transitional National Government of membership in al-Itihaad, al-Islah and other Islamist organisations and has sought an American green light to disrupt or destroy what it describes as a terrorist threat. In the Ethiopian view, external Islamist sources provide Somali organisations with significant resources for social services and commercial investment as part of a broader agenda to lay the foundation for an Islamic state. Ethiopia does not have the financial resources to engage in Somalia in the same way, but it does have troops and arms with which it is prepared to counter the Islamists.

Indeed, Ethiopia undoubtedly reserves the right to intervene in Somalia with or without U.S. approval. In a recent interview, its ambassador to the United Nations, Abdulmejid Hussein, underscored his authorities' determination to counter Islamist influence in the region: "If you allow these people to infiltrate Somalia, our multicultural, multi-religious and multiethnic country will pay a price…If the Somalis don't solve their problems, then we will do it for them...We won't wait forever".[35] However, Ethiopia's actions and rhetoric have also galvanised a growing international lobby eager to limit its military intervention.

D. DJIBOUTI

Although a member of the Arab League, Djibouti's policy is the product of sometimes contradictory elements. Ethnic and historical ties (its population is roughly half Somali and its head of state, President Ismail Omar Guelle, is an ethnic Somali born in Ethiopia) place Djibouti under a special obligation to show leadership on Somali affairs. The Arta conference was the third attempt since 1991 to broker a Somali peace on Djibouti's soil. The government's vigorous leadership of that conference left it little choice but to recognise and support the Transitional National Government. The intensity of the relationship also reportedly reflects the close personal friendship between President

Guelle and President Abdiqassim, as well as the complex financial and commercial linkages between their supporters.

Djibouti appears to have used the Arta process and the establishment of the Transitional National Government as checks on the emergence of Somaliland. Another major consideration for Djibouti is its symbiotic commercial relationship with Ethiopia. Economic dependence on transit trade obliges it to maintain a working relationship with its southern neighbour. On the other hand, Ethiopia's almost exclusive dependence on Djibouti's port since closure of the Eritrean port, Assab, places it under a similar obligation.

Djibouti appears to have tested the limits of this relationship by its solidarity with the Transitional National Government. Its foreign ministry has charged that recent Ethiopian statements on Somalia "seriously damage the prospects for peace" and "... constitute a serious act of interference, which poses a threat to regional stability".[36]

E. ERITREA

Eritrea has little if any bilateral interest in Somali affairs but has become increasingly engaged as a consequence of its frontier dispute with Ethiopia. During the 1998-2000 war, Eritrea provided support to Ogaden National Liberation Front and Oromo Liberation Front elements in Somalia affiliated with the faction leader Hussein Mohamed Farah Aidid. This was predictably matched by Ethiopian assistance to Aidid's rivals. Since the formal cessation of hostilities, Eritrea has avoided direct intervention in Somali affairs and has instead challenged Ethiopia's policy within IGAD. However, in December 2001 Ethiopia accused Eritrea of aiding anti-Ethiopian rebels inside Somalia. In February 2002, Eritrea recognised the Transitional National Government and sent an ambassador to Mogadishu, possibly signalling re-engagement on the Somali scene. Eritrea's involvement is unlikely to be of great significance in the near future, however, in view of its domestic difficulties. Nevertheless, given the fragile state of Ethiopian-Eritrean relations, support for the

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[35] IRIN, 26 February 2002.

[36] Ibid.

Transitional National Government might well be taken by Addis Ababa as a provocation.

F.   KENYA

The Somali crisis has created a massive influx of refugees and spurred a significant increase in cross border arms flows and the availability of illegal firearms in Kenya. Nairobi has emerged as the unchallenged regional hub of international relief operations. The North-eastern Province, inhabited by ethnic Somalis and historically unstable, has been especially vulnerable to events across the border. Refugees have settled in large numbers along the frontier, as well as in Nairobi, Mombasa and other urban centres.

Although the Kenyan government has routinely overstated the responsibility of Somalis for the country's deteriorating economic and security situation, the protracted crisis in Somalia does represent a legitimate security concern. Kenya's political interest has naturally focused on southern Somalia. However, unlike other regional powers, Kenya's preoccupation with Somalia's stability has not led it to align itself with any group in that country, and it has declined to take sides in the confrontation between Ethiopia and supporters of the Transitional National Government. Indeed, Kenya is the lead country within IGAD in pursuing peace.

Kenya has also been directly affected by al-Qaeda terror. The bombing of the U.S. Embassy in Nairobi caused roughly 5,000 casualties, the vast majority Kenyans. Alleged Somali links with the team that carried out that operation and an extensive al-Itihaad presence within the local Somali community mean that Kenya also maintains a keen interest in international counter-terrorism efforts.

IV.   ISLAMISM AND TERRORISM

This chapter examines the activity of radical Islamist groups inside Somalia as well as of Islamic charities and religious movements, some of which are alleged to have questionable foreign links.

A number of factors make Somalia quite vulnerable as a haven for terrorist groups:

❑   the weakness or, in most cases, total absence of the regulatory, legal, physical, intelligence and other infrastructure needed to take effective counter-terrorism measures;

❑   political and economic disenfranchisement of large segments of the population; and

❑   the ease with which terrorists can move through unmonitored airports and across unguarded borders and coastlines.

Somalia is one of the world's most severe cases of state failure, without a recognised and functional central government for a dozen years. As is increasingly clear across Africa, dysfunctional or collapsed states are often the venue of choice for illicit networks – whether in gems and minerals, arms, narcotics or money laundering. Now that the international community is cracking down on financial channels used by international terrorists, there is growing evidence that their networks are using such grey trade areas to fuel operations.

As policymakers consider opening a new counter-terrorism front in Somalia, however, it is critical that the generic designation of "failed state" be examined for the unique characteristics of the individual case. As has already been described, Somalia is not simply a lawless land peopled by warlords and terrorist allies. Somalis have fashioned a range of governance systems – some effective, and some destructive – and creatively revitalised many local economies. The strategy for meeting the symbiotic challenges of state reconstruction and counter-terrorism in Somalia should reflect at its core the fundamental lesson of the failed U.S. and UN interventions of the 1990s: without an adequate underlying political and economic concept, no amount of military might or technology will prevail.

The terrorist threat posed by Somalia has usually been articulated in general and often confusing terms. More careful distinctions should be made. "State sponsorship", for example, is not a concern where there is no functioning central government.

Several other areas, however, are more relevant. First is the ability of international Islamist extremists to use the country as an operational base for attacks against Western countries. The 1998 embassy bombings in Nairobi and Dar es Salaam were directed and carried out by Osama bin Laden's network and aimed at the U.S. There is credible speculation that Somalia was a transit point for some individuals and material. Much attention has also been given to the use of Somalia as a convenient platform for concealing terrorist financial transactions as discussed in more detail below.

The role, scope, and nature of Islamic movements in Somalia have come under increasing scrutiny since 11 September, based on fears that radical Islamists may be using Somalia as a safe haven. These concerns have been difficult to assess. The many Islamist groups and activities inside Somalia are not well-known to outsiders, and security risks have rendered much of the South off-limits to analysts. A wide range of Islamic groups and movements operate in Somalia, most of which pose no threat either domestically or to outside states. It is important to highlight the role of one Islamist group, however, al-Itihaad, which is of greatest concern in the war on terrorism.

Al-Itihaad has been designated a terrorist organisation by the U.S. government, though only after 11 September 2001 and mainly on the basis of its involvement in two bombings and one assassination attempt against officials of the Ethiopian government in the mid-1990s. It is essentially a home-grown organisation, but some links with al-Qaeda have existed in the past. The significance and scope of these links are unknown, and remain the subjects of intense intelligence efforts by the U.S. and its coalition partners. Al-Itihaad's domestic agenda has to date been no more violent than that of many other Somali factions. Its ideology, which assumes the triumph of religious over national identity and so rejects the legitimacy of any other state than an Islamic caliphate, is not itself a recipe for terrorism. Nevertheless, it does create a natural empathy for alliances with like-minded foreign groups, some of which may not shy from violence, including terror.

The biggest immediate challenge to the international community and, indeed, to Africa, is to prevent linkages between indigenous groups such as al-Itihaad and terrorist organisations such as al-Qaeda with a global reach, while at the same time laying the groundwork to address the underlying conditions causing state failure. In the short term, this might entail limited military operations, or other specific actions aimed at capturing individuals and restricting the operations of specific organisations. But over time, it must also include strategies fashioned to cope with the underlying reasons why Somalia remains vulnerable to terrorism.

A.   ISLAMIC CHARITIES AND RELIGIOUS MOVEMENTS

Islamic charities, mainly based in and financed from Saudi Arabia and other states in the Gulf, contribute in a significant way to valued social services inside Somalia. But as with the activities of non-profit organisations elsewhere in the world, they can also contribute to political tensions and are susceptible to misuse by radical movements. Beyond their humanitarian value, the activities of Islamic organisations help to strengthen social, economic and political linkages between Somalia and the Arab states, and have thus become a growing concern for Ethiopia. Numerous Islamic NGOs have been active in Somalia since the early 1990s, providing humanitarian relief and essential social services. But many also proselytise, build mosques, distribute religious tracts, train religious leaders and promote Arab-Islamic curricula in schools. A few describe themselves as social and religious welfare organisations while engaging in political activism and advocating Somalia's transformation into an Islamic state.

The principal Islamic non-state actors in Somalia are generally united in their belief that the current crisis is a product of entrenched moral corruption in society, and that the solution lies in the adoption of a purer, more authentic form of Islam.[37] Many

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[37] Roland Marchal, "Islamic Political Dynamics in the Somali Civil War", paper delivered to the "Islam in Africa: A Global, Cultural, and Historical Perspective"

are also guided by the Islamic principle of *tawhid*, which makes no distinction between religion, society and politics.[38]

One such movement is al-Islah, a Saudi-funded outreach program which supports and runs numerous Islamic schools, health posts and community centres in Somalia. It is comprised mainly of young professional men who have worked or studied in the Gulf States or Egypt, who are appalled at the violence, clannism and corruption of contemporary Somalia, and who believe a strict Islamic state is the solution to their country's chronic problems. Al-Islah is considered by many to be a relatively progressive Islamic movement, one that promotes women's rights and does not embrace armed struggle.[39] Yet al-Islah's long-term political agenda – preparing Somali society for an eventual Islamic state – is inherently radical.[40] The fact that al-Islah's charter also calls for an Islamic state in Somali-inhabited regions of neighbouring countries has earned it Ethiopia's enduring hostility and conviction that it is a threat to national security.

Another religious movement with aims that extend to the political realm is the Pakistani-based Tabliiq organisation. In Somalia, it has acquired the reputation of an apolitical movement whose members propagate the call to Islam or *da'wa* by becoming itinerant missionaries. This arrangement permits Somalis to travel abroad and foreigners to enter Somalia. There is little doubt that radical

Islamist groups have in the past used Tabliiq to send Somali recruits to training schools in Pakistan and Afghanistan. Conceivably, some foreigners with membership in radical movements may use Tabliiq as a vehicle for travel to Somalia. Such suspicions are underscored by Tabliiq's more radical profile elsewhere in the region (notably Uganda) and in Pakistan itself, although it is unclear to what extent the organisation's various national chapters share a common political philosophy.

B.   FOREIGN FUNDING

What is clear is the growing importance of these movements to the politics of Somalia and the region. Both al-Itihaad and al-Islah are present throughout Somalia, but their political influence is especially visible in the Transitional National Government. Approximately one quarter of the 245 members of its parliament are linked to al-Islah.[41] Older, more established Somali Islamic associations, including the diverse Sufi orders, have generally resisted the progress of these new and foreign sects, which some have described as a form of cultural and religious imperialism.[42] Against such entrenched opposition, movements like al-Islah and al-Itihaad owe their rapid growth since 1990 less to genuine popularity than access to substantial external funding.

A significant proportion of the funding for Islamic organisations in Somalia comes in the form of contributions from private backers in Saudi Arabia and other Gulf states. Al-Itihaad and al-Islah also organise their own fund-raising efforts among the European and North American Somali diaspora. More uncertain is the degree to which they might benefit from the activities of less politicised Islamic NGOs and foundations. For example, Saudi-based charitable foundations like the Muslim World League (*Rabita al-Islam*) and al-Haramain, which actively support social and religious programs throughout Somalia, share al-Itihaad's commitment to the propagation of Wahhabi beliefs, the dominant form of Islam in Saudi Arabia. The U.S. recently determined that al-Haramain has financial ties to al-Qaeda and al-

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conference, Binghamton University, UK, 19-21 April 2001.

[38] Tawhid is the principle in Islam which says that Allah (God) is one and unified – that He is "the Creator, Sustainer, and Master of the universe and all that exists in it". Some Muslims thus conclude that religion should be the guiding force behind the state. G.W. Choudhury, Islam and the Contemporary World (London, 1980).

[39] Andre Le Sage, "Prospects for Al-Itihaad and Islamist Radicalism in Somalia", *Review of African Political Economy* vol. 27, no. 89, September 2001.

[40] Al-Islah's political vision borrows from the Muslim Brotherhood (*Ikhwaan Muslimiin*) movement that has powerful chapters in Egypt, Jordan and numerous other parts of the Arab world. The Muslim Brotherhood is a generally non-violent and selectively modernising Islamist movement, although its various chapters have at times been suspected of linkages with more radical groups. Its membership, which includes many professionals and students, emphasises the reformation/revival (Islah) of Islam to meet the challenges of the modern world. See, for example, John Esposito, *Islam and Politics,* Syracuse University Press (Syracuse, 1991).[

[41] Al-Itihaad's influence in the parliament is more difficult to quantify but is discussed below.

[42]   Paul Salopek, "Somali religious schools make U.S. uneasy", *Chicago Tribune*, 24 February 2002.

Itihaad and moved quickly to block its assets.[43] It is not clear whether al-Itihaad obtains funding from other such sources. It has, however, aligned itself with international Islamic institutions that are respected throughout the Islamic world, and these ties are an important source of its legitimacy inside Somalia.

While the expanding political influence of these organisations is to a large extent the product of Arab ideological and financial penetration in Somalia, the kinds of financial flows that are involved are very difficult to detect and assess. They remain the subject of investigation by the U.S. and its counter-terrorism partners.

C.   AL-QAEDA

Concern about al-Qaeda bases has dominated Western media coverage of Somalia but there is little evidence that al-Qaeda members have a presence in Somalia today. This was a more realistic worry prior to 1997, when al-Itihaad held the town of Luuq and was also active in the coastal settlement of Ras Kiamboni. There is some evidence to suggest non-Somali al-Qaeda members then visited the areas and were involved with at least one training facility. But since al-Itihaad no longer operates discrete bases or camps, any such operation would be difficult to keep secret.[44]

However, because Somalia remains a collapsed state with a long coastline, the international community remains understandably concerned that it may serve as a safe haven for al-Qaeda members fleeing Afghanistan and other locations. In theory, those al-Qaeda members would use Somalia to hide undetected, either in crowded urban centres or remote rural areas. U.S. Secretary of State Colin Powell charged in December 2001 that "some bin Laden followers are holed up [in Somalia], taking advantage of the absence of a functioning government".[45] This concern has led to patrols and interdictions by U.S. and European naval vessels

off the Somali coast in what may be the largest such maritime operation since World War II.[46]

Given the poor alternatives that fleeing al-Qaeda members face, Somalia and Pakistan will remain two of the more appealing places in which to take refuge. However, a U.S. official involved in Somalia policy said, "We're still at a very early stage of gathering intelligence. We still don't know who is operating there. There is no sound target and no evidence yet of al-Qaeda members operating in Somalia in any concerted way".[47]

Though, as noted, Somalia is not an especially hospitable site for a fixed base of operations for al-Qaeda, it is an excellent location for short-term transhipment and transit operations by all sorts of international criminal and terrorist groups. Its natural beach ports and long coast allow easy and undetected smuggling of people and materiel which can then be moved overland on track roads into Kenya or Ethiopia. Its innumerable dirt landing strips also allow access by small aircraft. Local partners in such short-term operations are easily contracted for the right price, and need not share any ideological affiliation. Al-Qaeda and other groups have used Somalia for this purpose in the past and will likely continue to do so. American policies to improve border patrols in Kenya are intended to address this security threat and should be explored with regard to Ethiopia as well. However, there are few anti-terrorist policy options that appear likely to prevent it entirely, which is why it must be attractive to al-Qaeda.

Much attention has also been given to Somalia's role in facilitating al-Qaeda finances. Fast-growing telecom and money transfer companies are a critical part of the country's growing dependence on remittances. These companies rely on a global network of agents to enable diaspora members to transfer money to relatives informally and businessmen to place orders in Dubai and elsewhere. Given the absence of banks, such informal mechanisms are the only option Somalis have to transfer cash. Since individuals usually do not have accounts with these *hawilaad* companies, however, they are easily misused by criminal

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[43] The U.S. charges were directed only at the Somalia and Kosovo branches of al-Haramain, not at the parent body, which has close ties to the Saudi government.

[44] Al-Itihaad lost Luuq in 1996 and fully abandoned Ras Kiamboni shortly after the events of 11 September 2001.

[45] Alan Sipress and Peter Slevin, "Powell Wary of Iraq Moves", *Washington Post*, 21 December 2001.

[46] Marc Lacey, "Hunting for Elusive Terrorists Off Somalia's Coast", *The New York Times*, 2 April 2002.

[47] ICG interview, 29 April 2002.

elements seeking to move cash without leaving a paper trail.[48]

The U.S. government justified its move to freeze the assets of the largest Somali remittance and telecom company, al-Barakaat, on grounds that al-Qaeda was using it this way.[49] Unfortunately, it is difficult for any financial institution – formal or informal – to prevent criminal elements from abusing its services, and Somalia's remittance companies will remain chronically vulnerable to this charge.

No criminal charges related to terrorism have yet been filed against al-Barakaat though a senior U.S. official has told ICG that evidence will be forthcoming soon.[50] Since Al-Barakaat is Somalia's largest employer, the asset freeze has had a devastating economic effect in the form of layoffs, loss of savings and disruption of commercial activity.[51] Most of the al-Barakaat network has gone underground, making transactions even more difficult to monitor, primarily because of inadequate international control in money transfers.[52]

Some have also charged that several of Somalia's top companies – in sectors such as remittances, import-export and telecommunications – are fronts for al-Qaeda's business empire. (This was another

charge levelled at al-Barakaat.) Businesses may either have secured loans from al-Qaeda (in which case the profit-sharing arrangements would have been intended to generate revenue for al-Qaeda) or be owned directly by al-Qaeda and fronted by Somali business partners. However, there is little available evidence with which to assess this concern.

The fact that Somalia's financial and commercial capital is now Dubai, which is known to have been a hub of activities for al-Qaeda, has fuelled worries about where some Somali businessmen secured their financing and what obligations they may have to those backers. At the same time, this concern is easy to overstate. Though the remittance sector in particular is profitable, Somalia is an extremely weak economy and presumably does not offer especially good returns on investments. To the extent that this threat exists, it almost surely constitutes a minor aspect of the al-Qaeda business portfolio.

To date, Somali nationals do not appear to have been prominent in al-Qaeda-directed terrorist attacks. Still, it is possible that a small number of Somalis have been trained abroad and moved back into the country as sleepers. This would be exceedingly difficult to monitor. The American indictment brought against bin Laden and his associates for the 1998 embassy bombings claims that al-Qaeda members did provide military training to Somali groups opposed to the U.S. military intervention in Somalia.[53] Because there are presently few external targets of any consequence inside Somalia, however (no embassies exist there at present, for instance, and the international aid presence is modest), a sleeper placed inside Somalia would have to travel at least to neighbouring Kenya and Ethiopia to carry out a major terrorist mission.

D.   AL-ITIHAAD

The indigenous Somali Islamist group al-Itihaad is the subject of considerable discussion as a possible terrorist threat. While the extent to which al-Itihaad is significantly associated with al-Qaeda is uncertain, two points are clear: it is not simply a

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[48] *Hawilaad* (sometimes referred to as *hawala*) is a system of transferring money on the basis of word of mouth and personal trust, rather than paper receipts and bank statements, that is commonly used in the Middle East, Africa and South Asia. Such companies have come under increasing scrutiny since 11 September. Christopher Cooper, "Money Network tied to Terrorism Survives Assault", *Wall Street Journal,* 22 April 2002.

[49] The U.S. Secretary of the Treasury described al-Barakaat as "a principal source of funding, intelligence and money transfers for Osama bin Laden". See U.S. Department of the Treasury press release, 7 November 2001. The charges have been denied by al-Barakaat and were greeted with surprise by the leadership of the Transitional National Government, which has been heavily dependent on al-Barakaat for its own financial dealings. For analysis of the freezing of al-Barakaat assets, see Roland Marchal, "The Outcomes of U.S. Decision on al-Barakaat", unpublished paper for the European Commission, January 2002.

[50] ICG interview, 29 April 2002.

[51] Tim Golden, "A Nation Challenged", *The New York Times,* 13 April 2002.

[52] Christopher Cooper, "Money Network tied to Terrorism Survives Assault", *Wall Street Journal,* 22 April 2002.

[53] Ted Dagne, "Africa and the War on Terrorism", Congressional Research Service Report for Congress, 17 January 2002, p. 11.

local subsidiary, and there have been some direct links, at least in the past. These two realities lead to a wide range of policy conclusions, from al-Itihaad posing a major danger for regional security to it being a relatively innocent factor against which a Western move would primarily complicate the search for political reconciliation in Somalia.

Al-Itihaad has an overt political agenda and, like many political actors in the country, a demonstrated penchant for violence. Although its leadership is known to include prominent commercial and political figures throughout Somalia, the membership tends to be discreet, even clandestine, making it difficult to assess the organisation's size and composition. The core membership probably numbers in the hundreds rather than the thousands but many more Somalis have a loose association with it or are generally sympathetic. The concept of "affiliation" is fluid in Somalia, however, frequently utterly pragmatic and thus reversible. Nevertheless, given its high level of organisation, countrywide membership and financial resources, al-Itihaad enjoys obvious advantages over many other political organisations in the country.[54]

It is not possible to put a firm date on al-Itihaad's inception or give its leader a name or face. Its roots date from the mid-1970s when the strongman of that time, Siyaad Barre, introduced new "Family Laws" that provoked an outcry from conservative Muslims. Barre cracked down on outspoken clerics and executed a number of them, driving supporters underground or into exile. Al-Itihaad emerged as an organised force in 1991, immediately following the collapse of the Barre regime, when it took control of the port of Bosaaso and established training camps in several parts of the country.
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Al-Itihaad propagates a puritanical, traditionalist (*Salafi*) version of the Islamic faith, a brand of

Wahhabism. Since this is the theology of Saudi Arabia, most Somalis view it as an ideological import rather than indigenous.[55] Of greater concern to many Somalis, however, is al-Itihaad's essentially political agenda, which envisions the establishment of an Islamic state in Somalia.[56]

Having suffered great losses in the early 1990's by attempting to gain and hold territory, al-Itihaad has more recently concentrated on integration into local communities and decentralisation of the movement within – rather than across – clan lines. The group is also trying to prepare Somalia for eventual Islamic rule by working in education, local judiciaries and the media. Members of the group's militia reportedly comprised the bulk of the security forces for Islamic courts that gained prominence in the mid-1990s, especially in Mogadishu.[57] Al-Itihaad is at the same time building financial sustainability through the recruitment of businessmen and placement of its members in commerce. In practice, al-Itihaad's "chapters" vary significantly by region, with some appearing more moderate and others much more radical.

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[54] A number of local sheikhs and commanders have occasionally come into prominence within al-Itihaad: Sheikh
Mohamed in Gedo, Sheikh Ga'ame in Puntland, Sheikh Ali Warsame in Somaliland; Hassan Dahir Aweys – a former military commander in Puntland and Chairman of the Islamic Courts in Mogadishu; and, Hassan Turki – a former military commander in Lower Juba. Other key figures are rumoured to include Sheikh Omar Faruuq, a Mogadishu-based cleric alleged to have known bin Laden; and Ibrahim Disuqi, allegedly a former associate of Sudan's Hassan al-Turabi.

[55] For a detailed history of Islamist movements in Somalia since 1990, see Roland Marchal, "Islamic Political Dynamics in the Somali Civil War", paper op. cit. A more obscure and possibly more radical Islamic movement that is sometimes mistakenly linked to al-Itihaad because they share a Wahhabi world view is Takfir wal Hijra. It was an offshoot of the Egyptian Muslim Brotherhood, formed by a small group of militants who had suffered imprisonment and torture during President Sadat's crackdown on their original movement. Following the group's assassination of a former member of the Egyptian cabinet, it was forced underground and into exile. Its adherents typically live in small, family-like communes and shun all contact with broader society, which they believe to be corrupt, in an attempt to reproduce the lifestyle of the Prophet Mohammed and his followers. In Europe, members of Takfir wal Hijra have recently been accused of links with al-Qaeda and planning terrorist acts.
[56] The precise nature of that Islamic state is difficult to identify since al-Itihaad is secretive about its mission and aims. During its brief control of Gedo in the mid 1990s, and its visible presence in Boosaaso, Burco and Marka, it showed a marked tendency towards strict control of both public and private life: no music or smoking, requirements for men to wear beards and for women to be totally covered, leadership by a small, self-selected group, etc.
[57] Ted Dagne, "Africa and the War on Terrorism", Congressional Research Service Report for Congress, 17 January 2002, p. 10. This report also notes the allegation that these militia have been integrated into the Transitional National Government's security forces.

Al-Itihaad embraces a primarily domestic agenda, not a global one. The important partial exception relates to Ethiopia, against which the organisation has used violence to pursue a nationalist objective: the transfer to Somalia of the Ogaden region, where many ethnic Somalis live.

Of greatest interest to most of the international community is the frequent charge that al-Itihaad is, in effect, a local branch of al-Qaeda. That the bin Laden organisation had contact with members of the Somali organisation in the past is unquestionable. What is more difficult to establish, and what is obviously most important for determining the nature of the threat al-Itihaad may present today and whether it can be considered a legitimate, if difficult, part of the country's politics is the significance and durability of those associations. The links do not appear substantial at the present time, though a few individuals may have close connections. There is some evidence to suggest, however, that al-Qaeda had ties with the movement in Luuq from 1991 to 1996, and again in the coastal lower Jubba region (Ras Kiamboni) in 1997, as al-Qaeda was preparing to attack the U.S. Embassy in Nairobi.[58] Testimony in a U.S. court case alleged that al-Qaeda provided military training for al-Itihaad members in 1991-2.[59]

Al-Itihaad has also definitely been linked in the past to Arab alumni of the jihad against the Soviet occupation of Afghanistan who are members of various external extremist groups, but it cannot be said with any certainty that these were or are also members of al-Qaeda.

Complicating the effort to locate al-Itihaad at its proper place on the Somali political spectrum and to assess its influence is the fact that in the post-11 September environment, politicians throughout the country have been accusing almost any political rival of links with it and other Islamist organisations. This is done to subject them to international condemnation. In a series of ICG interviews, a number of faction leaders accused their political or military rivals of Islamist ties. Even ostensible allies within the Somali Reconciliation and Restoration Council accused each other of such linkages. The obvious self-interest in many of these charges reduces their credibility. Given that many of the groups are allied to Ethiopia and spend considerable time in Addis Ababa, however, these politically motivated and self-serving exposés must increase Ethiopian anxiety levels.[60]

Al-Itihaad is publicly committed to achieving an Islamic Somali state in Ethiopia's Ogaden region, as well as in all of Somalia itself. In pursuit of these goals, it was implicated in the mid 1990s in two hotel bombings inside Ethiopia and an assassination attempt against an Ethiopian minister. Those acts earned it designation as a terrorist organisation by the U.S. government after 11 September 2001 and are cited by Ethiopia as justification for pursuing al-Itihaad into Somalia and eliminating it, independent of the al-Qaeda issue.

The significance of al-Itihaad's actions inside Ethiopia is a matter of debate. For many, they represent compelling evidence of the threat the organisation poses to that state and justify the belated U.S. decision to label al-Itihaad a terrorist organisation. Others argue that al-Itihaad's resort to terror inside Ethiopia was more a reflection of Somali irredentism than Islamic radicalism and that parts of the organisation strongly disagreed with what was done.

Some al-Itihaad spokesmen in Somalia insist that theirs is a non-violent movement with a focus strictly on Somali politics. While it is possible that the organisation is not monolithic, it would be naïve to accept that claim at face value. In the chaos of the early 1990s, al-Itihaad attempted to overthrow a regional authority.[61] It has at least

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[58] Additional evidence of al-Itihaad's relationship with al-Qaeda may have come to light during investigations into the recent killing of U.S. journalist Daniel Pearl, according to Paul Watson and Sidhartha Barua, "Pakistani may be linked to U.S. deaths in Somalian battle", *Los Angeles Times,* 26 February 2002.
[59] Tim Golden, "A Nation Challenged", *The New York Times,* 13 April 2002.

[60] ICG interviews, February 2002.
[61] In mid 1992, al-Itihaad attacked a meeting of senior leaders from the Somali Salvation Democratic Front, taking roughly 40 hostages and announcing the establishment of an Islamic government for the Northeast. Colonel Abdillahi Yusuf and other senior officers of the Front broke off their campaign against General Aidid in the Mudug region to quash the rebellion. Several hundred al-Itihaad fighters were killed and the movement was expelled from the Northeast.

been implicated in terrorist acts in the mid 1990s, and it continues to conduct an armed insurgency against Ethiopia.[62]

Half of Ethiopia's population is Muslim, and the country's internal security situation is tenuous. Any movement – foreign or domestic – that seeks to politicise Islamic identity within its territory will be viewed by the government in Addis Ababa as extremely dangerous. It is unlikely, therefore, that Ethiopia will deviate from its judgement that al-Itihaad poses a threat to national security and that co-existence with it is impossible. That implies a long-term conflict with the potential to destabilise both sides of the border.

Beyond the international terrorism and irredentism issues, there is concern about al-Itihaad's strictly political activities inside Somalia. The organisation seeks to infiltrate and indirectly control political bodies in furtherance of its goal of establishing an Islamist caliphate. By integrating into local administrations and gaining control of key posts such as the judiciary, al-Itihaad hopes to build political power and control while not making itself too visible a target. In fact, this, rather than the attacks in the Ogaden, is Ethiopia's chief long-term worry, and the basis of its accusation against the Transitional National Government, which it considers excessively influenced by al-Itihaad.

Al-Itihaad is certainly making the attempt. About a dozen MPs in the transitional parliament are currently publicly affiliated with it.[i] The Transitional National Government's first security committee in Mogadishu included several known al-Itihaad members. The editor of the official government newspaper, *Dalka*, is a very influential Islamist figure who has been a key member of both al-Islah and al-Itihaad but now functions as an "independent".

Overall, al-Itihaad has not had the level of success some alarmist analyses have presumed, but regional states and the wider international community as well should put pressure on the

Transitional National Government to limit its influence and activities, if only because otherwise there is little prospect of any cooperation with Ethiopia. The methods for applying such pressure include withholding diplomatic recognition or other signs of legitimacy, and withholding or limiting badly needed economic and technical assistance.

Thus far, while the Transitional National Government has worked to minimise the visible profile of al-Itihaad after the events of 11 September, it continues to benefit from informal linkages with the organisation's supporters. It has not taken any action against the known al-Itihaad figures in Mogadishu, such as Hassan Dahir Aweys before he disappeared, or even called individuals in for questioning. Even if it did muster the political will, it is probably too weak to take on al-Itihaad in a direct confrontation but key tests of its willingness to cooperate should be whether it shares credible information and intelligence it possesses on al-Itihaad and denies senior posts to members of the organisation.

If the Transitional National Government fails to meet these minimum standards, the international community should make clear that in its view the Mogadishu enterprise should not have a significant role in negotiation of any national reconciliation agreement. It should also explore such measures as removal of the Transitional National Government's seat in the UN, OAU, and IGAD and, possibly, targeted sanctions against its leadership.[63]

That appears to be about the limit of action that would be justified against al-Itihaad as an organisation on the basis of available information. Extreme scenarios such as use of the Ethiopian-backed Somali Reconciliation and Restoration Council as a "Northern Alliance" type proxy to topple the Transitional National Government[64]

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[62] The level of violence in Ethiopia's Ogaden region has subsided somewhat since the mid-1990s due to a stronger Ethiopian military presence. But Al-Itihaad continues to conduct small-scale raids against both military and civilian targets, although it is not always possible to distinguish between its operations and those of other insurgents.

[63] The Transitional National Government has declared that it has no links with al-Itihaad or with al-Qaeda or any other terrorist groups and that no terrorist groups are active in Somalia. Al-Itihaad has also been visible in the political life of Puntland, exercising influence within the judicial system through well-placed supporters, and lobbying at the July 2001 Garowe conference for the nomination of Jama Ali Jama to replace its old foe, Colonel Yusuf, as president.

[64] This was a scenario under serious consideration in November-December 2001, when U.S. military officers visited Baidoa to look into the Council as a potential ally.

seem neither justified by the evidence of threat nor wise in terms of anticipated implications for Somali stability.

Finally, and distinct from the issue of a formal al-Itihaad relationship with al-Qaeda, there is the question of what to do about individual members of al-Itihaad who have had or now have links to the bin Laden international terrorist network. If these individual Somalis are indeed "big fish" in or closely affiliated with al-Qaeda, they should be apprehended. Because local authorities are so weak, it is unlikely they can be relied upon to do the job. But use of U.S. troops to snatch a Somali in his home area is high-risk; it may draw fierce armed response from his clansmen. Some degree of cooperation with local authorities to track down and apprehend such individuals would help reduce the likely reaction inside Somalia, but the exact calculation of risk and benefit needs to be made on a case by case basis with reference to information beyond that available to ICG.[65]

E. ENHANCING COUNTER-TERRORISM

Short-term policies for eliminating terrorist threats in Somalia should also seek to avoid increasing long-term threats. Actions that alienate broad segments of the population and push them toward radical groups will be counterproductive. Attempts to use local allies as military proxies will likely produce more conflict and setbacks for Somalia's slow process of political reconciliation and reconstruction, as was the case in the U.S.-led Operation Restore Hope in 1992-3.

The international community has the capacity to shape events through incentives and disincentives. It should use both to encourage key segments of Somali society to cooperate in eliminating any al-Qaeda or similar external extremist Islamist movements in the country and limiting the influence of suspect indigenous groups such as al-Itihaad. Since the collapse of the state, Somalis have demonstrated a marked preference for secular, Muslim leadership. The majority are opposed to the abuse of religion as a vehicle for violence and political opportunism. Most are willing to co-operate with international efforts to fight terrorism.

Where they exist, functional Somali authorities should be encouraged to collaborate with international partners on more specific counter-terrorism activities such as intelligence sharing. For example, the Somaliland administration monitors airports and main border crossings and has a relatively well-developed police force, but lacks both information on specific terrorist suspects who may enter its territory or the means to keep close check on the activities of al-Itihaad. Limited, but well structured cooperation with such authorities could help to augment the deterrence of al-Qaeda, enhance the confidence of moderate Somali leaders, and provide valuable intelligence to the U.S. and international law enforcement agencies.

Somali society as a whole is profoundly pragmatic and adept at cost-benefit analysis of external relationships. If cooperation with radical Islamists promises short-term benefits such as access to credit, trade networks, education and security, then Somalis will be inclined to associate with them for those reasons alone. The moment that relationship carries more costs than benefits, most Somalis will distance themselves. To date, the international community – particularly the U.S. – has emphasised imposing heavy costs on groups linked to al-Qaeda. It should also use incentives for cooperation. Among these are access to credit; facilitation of commercial partnerships outside Somalia; access to external markets and information about the market; and support to key export sectors such as livestock and chilled meats.

Additional financial measures would also be helpful over time to build a framework for preventing the further penetration of Somalia by international terrorist organisations. The U.S. and its partners should:

❑ seek greater regulatory control over and transparency of financial transactions between Saudi Arabia and the Gulf States and Islamic organisations in Somalia;

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[65] General Tommy Franks, senior U.S. commander in the war on terrorism, said in March 2002 (see next reference) that the threat of terrorism is a "serious concern" in Somalia, and he would not rule out the possibility of military intervention: "We have known of links to al-Qaeda in and through Somalia for a considerable period of time. Locations and specifics is something that I cannot go into…. [W]e are concerned about the situation in Somalia and we will not take off the table the possibility of action against countries of concern". IRIN, 19 March 2002.

❑ monitor the activities of Somali remittance companies and develop, as far as possible, greater regulation of their activities; and

❑ assist in the establishment of formal financial institutions and branches of international banks as alternatives to informal money transfer arrangements and as encouragement for greater trade and investment.

More international investment in social services would help to meet a yawning need for education and health care, while reducing the influence of al-Itihaad and similar groups, and their backers, who have stepped in since the collapse of the state to provide these services.

The vast majority of Somalis seek only the return of peace and government to their country, not war with the U.S. and its allies. Nevertheless, many today, whatever their affiliation or beliefs, feel intimidated by and angry about U.S. statements on the war on terrorism. If nothing else, U.S. public diplomacy needs to make it clear that "Somalia" as a whole is not a target.

V. SCENARIOS OF INTENSIFIED CONFLICT

Despite the intense media attention given to Islamic radicalism in Somalia, probably the greatest immediate security threat emanating from the country continues to be the spill-over of banditry, gunrunning, refugees and lawlessness into neighbouring Ethiopia and Kenya. Ethiopia has never fully controlled the Ogaden region. Its efforts to do so have not been made easier by a decade of state collapse on the Somali side of the border.

Kenya's security predicament is palpably worse. Its government has lost control of most of the Somali-inhabited territory north of the Tana River; Somali bandits roam across parts of Kenya and even into northern Tanzania on cattle and carjacking raids; Somali-populated refugee camps in Dadaab and Kakuma are sources of chronic tensions with host communities, occasionally leading to armed incidents. The Somali-inhabited neighbourhood of Eastleigh in Nairobi is virtually beyond the control of the Kenyan police and is a haven for illicit activities including gun smuggling. Should the general security situation in Kenya deteriorate as presidential elections approach in December 2002, these spill-over problems from Somalia have the potential to exacerbate communal violence.

If U.S.-led counter-terror efforts in Somalia remain limited to visible deterrence, intelligence-gathering and aerial and naval surveillance, there is no reason to expect major impact on the Somali scene. If in the presently unlikely event that military operations are extended to Somalia and handled clumsily, however, they are likely to fuel further instability. One scenario involves a U.S. Special Forces operation (either unilateral or in conjunction with Ethiopian forces[66]) to snatch or

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[66] General Franks indicated that liaison elements of the Ethiopian military and others in East Africa are being invited to Tampa, Florida (U.S. Central Command headquarters), to deepen counter-terrorism cooperation and training. IRIN, 19 March 2002. Meanwhile, Ethiopia has ramped up its domestic anti-terrorism efforts, convicting eight Somalis of murder who were accused of belonging to al-Itihaad. They were alleged to have been connected with the deaths of 36 people in attacks during the latter half of the 1990s in Addis Ababa.

attack individual terrorist suspects inside Somalia. While this type of operation has risks, as noted above, it would likely be a contained and limited armed incident, the justification of which would depend upon the profile of the person or persons targeted.[67]

If the operations are conducted in remote rural areas, they would probably have a minimal destabilising impact. If they occur in crowded urban centres such as Mogadishu, they run a high risk of triggering spontaneous fire-fights and high casualty rates, even though numerous Somali authorities told ICG that they have invited or would invite U.S. forces to use Somaliland, Baidoa, or Mogadishu as bases for counter-terrorism actions.[68]

The war on terrorism has changed the environment in which smouldering Transitional National Government-Somali Reconciliation and Restoration Council tensions are playing themselves out. Until 11 September, they were divided essentially over local political prerogatives and Ethiopian security concerns. Since then, their stand-off has been transformed into a high stakes international security concern.

Ethiopia is likely to increase its military support to the Somali Reconciliation and Restoration Council to compensate it for defeats and defections since the beginning of the year. The Transitional National Government has escalated its support of opposing militias and its anti-Ethiopian rhetoric. This trend has already produced new hostilities in the Juba Valley, Mogadishu, the Northeast and the Gedo region and could easily lead to full-scale civil war.

Mogadishu in particular is a tinderbox waiting for a match to be thrown. The latest round of fighting between Muse Sude Yalahow and his pro-Transitional National Government rival, Omar Finish, in February 2002, left dozens dead and wounded in only two days. Growing pressure within the Transitional National Government to demonstrate its authority by expanding its control over the entire city, combined with the tensions generated by the war on terrorism, make renewed

fighting in the capital a worrisome possibility. A sustained Transitional National Government attack would almost guarantee an Ethiopian/Somali Reconciliation and Restoration Council response, that would widen the conflict to very dangerous levels. The defection of Mohamed Qanyare,[69] arguably one of the most powerful men in Mogadishu, from the Transitional National Government is another ominous development, as it further fragments the situation in the capital.

Potentially explosive tensions also exist in the Lower Shabelle and Middle Shabelle, Bay and Bakool, Hiran and Mudug regions. In Gedo Region, fighting between sub-clan militias allied with and supported by the Transitional National Government and the Somali Reconciliation and Restoration Council has erupted in a number of locations along the Ethiopian and Kenyan borders. "The warlords see the opportunity to become more serious predators again", noted a Somali civil society leader.[70] Another Somali analyst saw the danger in slightly different terms: "It is the interest of both the Transitional National Government and the Somali Reconciliation and Restoration Council to start a war, as this would spark additional aid from the Arab world and from Ethiopia, and further entrench them as the main actors in a highly militarised environment".[71]

The rivalry between Ethiopia and the Transitional National Government is also an important factor in the deteriorating security situation in Puntland. Ethiopia has thrown its weight decisively behind Colonel Yusuf in the dispute over control of that administration, enabling him to capture Garoowe, and in May 2002, the port city of Bosaaso. This was done in part because his rival, Jama Ali Jama, is closely associated with the Transitional National Government; in part because of the visible role of some al-Itihaad figures in nominating Jama; and in part because of allegations that Jama's campaign was financed by influential Islamists figures from the Gulf. Puntland elders have been unable to unite to broker a peace, and the community as a whole appears split. Unless solutions acceptable to Ethiopia's security interests in Puntland are found, continued conflict in this divided region is probably inevitable.

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[67] BBC, "U.S. Watches Somali al-Qaeda Links", 17 March 2002.
[68] ICG interviews, February 2002.

[69] Qanyare is the leading Murosade businessman and controls a large, non-aligned militia.
[70] ICG interview in Somalia, 19 February 2002.
[71] ICG interview in Somalia, 21 February 2002.

Fighting might also be intensified as regional and international players try to alter the balance of power on the ground prior to another round of talks. The Transitional National Government hopes that by demonstrating more military control of Mogadishu and its environs it will obtain greater international recognition as Somalia's legitimate government. Its allies have been providing arms, ammunition and materiel, while President Abdiqassim has ordered his troops to prepare to capture Mogadishu port and airport. Ethiopia would like to see the Somali Reconciliation and Restoration Council score victories to discredit the Transitional National Government and so force it to abandon claims to national leadership and accept equal status with other factions. Addis Ababa has reportedly stepped up training of militia in preparation for a possible offensive.

If the Somali Reconciliation and Restoration Council gets enough support from Ethiopia, it could likely gain the upper hand in Mogadishu, leading to the collapse of what little administration exists in the capital without providing a viable alternative. Armed clan militias would then move in to fill the vacuum, making a new round of fighting a virtual certainty. Regional and international actors would no doubt assist their respective clients but would probably find it difficult to intervene in a meaningful way.

If Ethiopia senses that the U.S. will not act against the Transitional National Government, it may move on its own, using the expanded war on terrorism as justification. Ethiopia has so far sought to avoid international censure by playing down its military involvement in Somalia and would presumably prefer to pursue its aims through Somali proxies. However, the military mediocrity of those proxies and their lack of political cohesion or effective leadership may eventually persuade Addis Ababa to intervene more forcefully to eliminate what it perceives as a strategic threat.

Such direct Ethiopian involvement would create a more polarised international context, possibly provoking Arab states to respond with much more military aid to the Transitional National Government. It would also probably unite diverse Somali political and military forces behind the Transitional National Government leading to a protracted confrontation with long-term implications for the Somali-Ethiopian relationship and the stability of the region.

Not all these scenarios will come to pass, of course, but they are all realistic, and recent Somali history demonstrates that the likelihood is high that some will soon be reality unless the international community moves more energetically to interject a different kind of dynamic.

VI.   A FRESH APPROACH TO STATE RECONSTRUCTION

A.   KICKSTARTING DIPLOMACY

IGAD currently has the mandate for peace and reconciliation in Somalia, and at its last summit in January 2002, its members agreed that a troika of Kenya, Ethiopia and Djibouti should move the peace process forward by convening a broad-based conference in Kenya during the spring. The original target for this conference was mid-April, but delays and disagreements have left the dates up in the air, and the process is suspended pending the resolution of these internal conflicts. In mid-May, the three "front-line states", Ethiopia, Kenya and Djibouti, agreed to attempt to hold the conference at some point in June 2002, and the EU has indicated that it will pay for the conference. Given the lack of preparations and continuing internal and regional divisions, however, one analyst of Somali affairs concluded, "This is an accident waiting to happen".[72] Indeed, Djibouti diplomats have indicated that the three states failed when they met on 19 and 20 May to agree on anything to move the conference forward because they were "unable to speak with one voice" about its objectives.[73]

Absent external support and leverage, the conference will likely fall victim to regional competition through proxies, recalcitrant Somali factions, an inability or unwillingness of the Transitional National Government to "complete the Arta process" by reconciling with other elements and creating broader based institutions – and lack of meaningful preparation by the IGAD mediators.

Although the Somali Reconciliation and Restoration Council has announced its intention to attend the next round of IGAD peace talks in Nairobi, President Abdiqassim of the Transitional National Government informed ICG that he wants to focus peace efforts on dialogue between his administration and those of Somaliland and Puntland.[74] Since Puntland lacks united leadership, and Somaliland refuses to talk until a functional government is established in the South, prospects for such a dialogue, much less a meaningful negotiation, appear dim.

While IGAD has the acknowledged lead in peace-making efforts, it needs support from the wider international community to be truly effective.[75] The immediate objective of an enhanced initiative must be clear: to reduce tensions between the various Somali and regional factions by initiating a broader-based political dialogue born of an inclusive process involving the Transitional National Government, other administrations, political factions, traditional elders and civil society representatives. This will serve the fundamental long-term goal of laying the groundwork for reconstruction of the state in Somalia. It should lead, in a first phase, to establishment of a representative authority for at least the southern part of the country. The prospect that Ethiopia could be brought to play a constructive role would be greatly increased if the Transitional National Government were pressed to sever its ties to al-Itihaad as part of this process. While the end goal of the negotiations would be a broad-based functional administration for the entire country, the immediate emphasis must be on the reconciliation process itself. This would allow Somali leaders finally to focus on the crucial but long avoided issues of governance and decentralisation.

A new diplomatic effort must be framed, however, by sound principles, an astute reading of internal Somali politics, and realistic goals. Ill-informed initiatives – of which there is a long history in Somalia – can actually worsen security, not improve it.

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[72] Correspondence with ICG, 15 May 2002.
[73] IRIN, "Technical Committee Talks Fail", 22 May 2002. Mohamed-Siad Dualeh, a senior official of the Djibouti foreign ministry who participated in the meeting said "The main reason is differences over major political issues". An unnamed analyst was reported as saying "Kenya will have to make clear its position on Somalia. Kenya has to assume its role as chairman of the technical committee and reconcile the Ethiopia and Djibouti positions".

[74] ICG interview in Mogadishu, 20 February 2002.
[75] The issue of enhancing IGAD is a major one in both the Sudanese and Somali peace processes. It must be resolved once and for all in the near future or the fig leaf of tepid international support for these regional efforts will need to be replaced with a different model of engagement. On the peace process in Sudan, see ICG Africa Reports No. 39, *God, Oil and Country: Changing the Logic of War in Sudan*, 28 January 2002, and No.42, *Capturing the Moment: Sudan's Peace Process Hangs in the Balance*, 3 April 2002.

The point of departure for the new initiative should be to recognise the different nature of the interests that drive it from those that lay behind the U.S. intervention in 1992. The rationale for sustained effort today is concrete national security interests, not only for the U.S. but also for its allies in the war on terrorism. In contrast, it was humanitarian concern that stimulated Operation Restore Hope a decade ago, which aimed only to feed starving Somalis and not to address the underlying reasons for their suffering.

Tragically, but not surprisingly, neither the U.S. nor the UN was willing or able to sustain the ambitious nation-building strategy that would have been necessary to prevent Somalia from becoming what it has, predictably, become. As 11 September made clear, however, the U.S. and Europe are vulnerable to threats emanating from failed states like Somalia. With trends pointing toward its even greater fragmentation, Somalia presents an environment where extremism can flourish. As such, it is both possible and necessary today to articulate clear national security interests in helping Somalia achieve stability.

At this juncture, the EU appears a bit more forward leaning diplomatically than the U.S. Washington has said it would support serious IGAD efforts but, as one U.S. official candidly commented:

> In the long run, the way to drain the swamp [of terrorists] is basic education, rule of law and basic human needs. At this point, the response is piecemeal. If a serious threat of terrorist support is uncovered, we would respond robustly. But if no threat is discovered, no one will give a damn about Somalia.[76]

Engagement in a Somali peace process entails massive challenges. Progress is unlikely to be either steady or quick. Creating a viable state out of an institutional vacuum will take years, but action now can prevent threats from becoming painful reality.

B.   DIPLOMACY WITH THE SOMALIS

IGAD had hoped to launch its broad-based conference in April 2002 but the three governments it tapped to lead – Ethiopia, Djibouti and Kenya – convened as a technical committee for the first time only at the beginning of that month. No serious preparations had been made, no negotiating strategy had been developed, and no invitations had been extended to Somali groups. If the conference is to be pursued seriously, it will need to be further delayed so that proper groundwork can be done. Perhaps most ominously, the first effort at pre-conference shuttle diplomacy was hampered by the non-participation of Djibouti, which claimed that the committee was not yet ready. Somali interlocutors were concerned that divisions among the IGAD mediators would undercut conflict resolution efforts.[77]

The IGAD technical committee contemplates a conference of up to 150 participants, including Transitional National Government and Somali Reconstruction and Restoration Council representatives. The Somaliland administration has indicated it will not take part but has welcomed the IGAD efforts. The urgent priority is for IGAD for the first time to provide a forum for real negotiation. This requires a structure that is credible to the Somali participants for whom the single greatest deficiency has been the absence of actors from outside the region who would bring with their presence both a degree of neutrality and a promise of power to make a difference on the ground

All Somali political and civil society leaders interviewed by ICG expressed a strong desire for international community, particularly U.S., reengagement in the peace and reconciliation process. A leader of a Somali professional association concluded: "What is lacking is clear to everyone: a strong presence of the international community in peacemaking".[78] A civil society leader warned more specifically: "If the U.S. does not involve itself more directly in the IGAD efforts, the process has no chance of working".[79]

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[76] ICG interview, 29 April 2002.

[77] See IRIN, 19 April 2002.
[78] ICG interview in Somalia, 20 February 2002.
[79] ICG interview in Somalia, 19 February 2002.

This argues for reforming the IGAD initiative from a purely regional one into a partnership that includes key outside states and institutions. The U.S. and the EU – the latter the largest donor of reconstruction and development assistance – are the essential outside powers that need to engage in this partnership to give it credibility. Those two should decide which will lead their supportive efforts. In light of Washington's leading role in any military aspects of a comprehensive approach to Somali issues, however, it might be reasonable for the EU to step slightly forward on the diplomatic front.

The UN Secretary General has proposed a "Friends of Somalia" contact group[80] to buttress diplomatic efforts. The Security Council indicated its agreement, and initial efforts are underway to organise such a body. However, early indications are that the "Friends" group will be too large and too unwieldy to make a serious contribution to actual diplomatic efforts. To make this idea one that can have a positive impact on the ground, the U.S. and EU should take the lead in forging a small core from the larger "Friends" group. Such a more compact body could operationalise effective and broader international engagement in support of peace efforts in Somalia, but only if it:

❑ has a limited and exclusive membership, including the active participation of the U.S. and EU, does not appear to Somalis to be business as usual[81] and does not replicate the already existing, widely representative IGAD Partners Forum subcommittee on Somalia or the Somalia Aid Coordinating Body (the main donor consortium on Somalia);

❑ is focused on specific objectives, most importantly the revitalisation of a serious peace initiative which builds on IGAD, and the narrowing of differences between competing regional states that are fuelling conflict in Somalia;

❑ names a high level U.S. or EU diplomat to represent it (and the wider "Friends" group) to partner with IGAD in the day-to-day effort to revitalise the latter's peace process;[82] and most importantly

❑ receives high level backing from the UN Security Council and key governments as the mechanism through which serious international engagement will occur.

To make the partnership most effective operationally, IGAD should agree to be represented by a senior special envoy from Kenya (the member of its technical committee with the most neutral approach to Somali disputes), who should then work closely on a day-to-day basis with the core group's envoy to revitalise IGAD's efforts and develop more international leverage in support of the process. Discussions would have to be held first at a high level to persuade IGAD heads of state to adopt this model.

A UN envoy who is given the prestige of designation as the personal representative of the Secretary General, Kofi Annan, could usefully supplement the IGAD and core group envoys by directly supporting mediation efforts and providing another link to the Security Council.[83] This would supplement the UN's existing capacity on the ground in Nairobi, led by the head of the UN Political Office for Somalia, William Tubman.

Rather than rushing to hold an ill-prepared reconciliation conference, however, IGAD should work with the core group to build a solid foundation. The new mediating structure would need to take into account the importance of fostering debate within Somali communities, and not shoot for a quick fix solution that, because it lacked popular support, would not be implemented. Any agreements should include specific implementation modalities and responsibilities, so there is clear accountability.

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[80] Report to the UN Security Council of the Secretary General on the Situation in Somalia, 21 February 2002, paragraph 67.
[81] If the parties perceive this to be yet another New York-based talk shop of every government and international organisation interested in Somalia, they will rightly dismiss the effort as not serious.

[82] Almost all Somalis interviewed by ICG felt that the former colonial countries, Italy and the UK, should not provide envoys or otherwise lead the diplomatic process
[83] Mohamed Sahnoun, currently Special Advisor for UN Secretary General Kofi Annan, might be a logical candidate for such a position given his extensive experience with Somalia.

The first step along this path should be shuttle consultations – undertaken jointly by the proposed IGAD and core group envoys – aimed at settling on participation and agenda, and building on the previous mission of the IGAD technical committee. The mission could serve a complementary function of reducing tensions between the Transitional National Government and the Somali Reconciliation and Restoration Council.

The IGAD mediators and their international supporters must give very careful consideration to determining the Somali political actors and groupings who will take part in the conference. Without clear and appropriate criteria, diplomatic efforts run a strong risk of triggering further fragmentation. Consideration of participation beyond the Transitional National Government, the Somali Reconciliation and Restoration Council and Somaliland should be on a case-by-case basis and with sensitivity to the fact that for some Somali politicians, disputes over representation will be more important than the process of reconciliation itself. The best way to negotiate the right balance between clan, faction, and civil society leaders will be through extended shuttle diplomacy that is inclusive and transparent.

These initial shuttle consultations inside Somalia may well be time-consuming since wildly conflicting aims and expectations surround the conference. Even its objective is unclear. Is it merely to increase the number of parliamentarians and ministers and re-open the process of appointing them, or is it to create, again, new institutions? How might Puntland participate in view of its divided leadership and Somaliland be brought into the process? Shuttle diplomacy could begin to craft constructive ways forward and address in advance the expectations of likely participants. For example, the Transitional National Government wants legitimisation and recognition of its leadership in exchange for widening participation, although greater international recognition will likely not be possible if al-Itihaad members remain in the government.

Civil society organisations desire a place at the table, as they had at the Arta conference but feel they lost in the implementation phase of the agreement reached there. Warlords and militia leaders want to minimise the role of the Transitional National Government and, more broadly, have expectations summed up by a major Mogadishu faction leader:

> If we could liken a broader-based government to a piece of meat, the lions need to have their fill before the others: the cats, the birds, the hyenas. We will need to satisfy the lions first. Later we can move to democratic processes, and then the people can choose whether or not to elect the lions.[84]

C. THE IMPORTANCE OF A REGIONAL APPROACH

The best diplomacy in the world, if limited only to internal Somali matters, will not succeed because of the deep differences within the region over objectives in that country. Therefore, representatives of the core members within the wider "Friends" group – again led by the U.S. and EU – should undertake a concerted diplomatic effort to bridge gaps among key regional states. This is critical with Ethiopia and Djibouti, which must pull in the same direction if the mediating process is to succeed.[85] Other key targets must be Egypt and the Gulf States (including Saudi Arabia). The cash transfers of which the latter are the sources could become major positive leverage if deployed within an implementation framework.[86] Djibouti could be helpful by stating publicly that the Transitional National Government has not worked as envisioned, and that further effort is needed to build into it the broad-based authority that was envisioned by the Arta conference.

D. INCENTIVES AND LEVERAGE

While diplomatic mediation is important, political and economic leverage will also be required to give traction to the IGAD efforts. The proposed core group will be key in generating such leverage. If certain parties or individuals seek to undermine the negotiating process or the implementation of an agreement, it will be necessary to apply pressure to keep them engaged. "The chief problem is getting the warlords to participate constructively in peace

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[84] ICG interview in Somalia, 18 February 2002.
[85] Any interactions with Ethiopia should include discussions about how to enhance the government's capacity to control its borders.
[86] As could the lifting of the livestock import ban.

efforts", said one civil society leader. "We need them to participate, but only the international community has the leverage to convince them".[87] The Somali Reconciliation and Restoration Council has announced its intent to participate in the next round of IGAD talks, but getting the faction leaders to show up is only a small part of the battle: holding them to the implementation of agreements has proven even more difficult in the past than persuading them to come to the table or put their names to a document.

The most effective leverage may be targeted sanctions against recalcitrant or divisive individuals or members of groups. These sanctions would consist of an assets freeze and travel restrictions. The families of many Somali political and military leaders live outside the country, sometimes benefiting from state welfare services, while the children attend Western schools and universities. Targeted sanctions against those who undermine political progress should, therefore, also cover families. Having Kenya, Ethiopia and Djibouti on board for this strategy would make it much more effective.

The failure of previous diplomatic efforts to address arms availability in the country has severely hampered peace and reconciliation efforts. The arms embargo the UN Security Council imposed on Somalia in 1992 is widely ignored. Construction of an enforcement mechanism would give the peace process important additional leverage. The first step should be for the UN Secretary General to implement the Security Council's proposal to establish a Panel of Experts to investigate violations of the arms embargo and measures necessary to enhance enforcement and compliance.[88] There should be a concerted effort at the UN to establish the capacity to collect information and publicly name governments that violate the embargo, as was done in the UNITA/Angola case.

Positive incentives are also important. The international community could design specific programs of institutional support that would be implemented once a satisfactory broader-based and functional government is created through an inclusive reconciliation process. These could include capacity building for law enforcement, border control and customs, education, governance, and planning for – yet again – disarmament, demobilisation and reintegration.

Aggressive public diplomacy can enhance leverage. Selective statements, preferably multilateral, about the importance of participation in the upcoming process and implementation of any outcome will have a direct bearing on Somali calculations. The UN Security Council and joint EU-U.S. statements on political matters and IGAD Partners Forum pronouncements on aid should both underscore incentives and make clear that there would be repercussions for obstructing peace.

E. RETHINKING THE PROCESS

A successful peace initiative will require far more than just getting the diplomatic tactics right.[89] Somalia's prolonged crisis of state failure calls for more imaginative, unconventional approaches to reconciliation and state building. The challenge is to restore the institutions of government without plunging the country back into full-scale war.

Past Somali peace initiatives have encouraged the perception of central government as a "cake" – a source of revenue to enrich those with access to it. Somali political actors have thus devoted all their energies to the carefully negotiated dividing up of positions in a government by clan rather than address the main substantive issues related to actual administration of the country and reconciliation. Progress is likely to begin only when much of the "cake" is taken out of the central government, via political decentralisation that leaves only core, minimal functions and budgets for Mogadishu.

Too many external mediation efforts in the past have been based on wishful thinking. Efforts at state building and reconciliation in Somalia need to be informed by a new realism about what is and is not possible at this time. As a point of departure, the international community should work with,

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[87] ICG interview in Somalia, 19 February 2002.
[88] United Nations Security Council Resolution 1407, 3 May 2002.

[89] A provocative discussion of issues and options for a future Somali peace process is contained in the unpublished paper, "An Undiscovered Option: A Way Forward for Somalia?" War-torn Societies Project-International (Geneva, February 2002).

rather than against, the flow of Somali political and economic developments. This will require getting Somali political actors to focus on substantive issues like the extent of political decentralisation appropriate for the country, or key reconciliation issues like return of stolen or occupied property (carefully avoided to date) and the sensitive topic of human rights abuses over the past decade and more of conflict.[90]

Recognition of legitimate political actors must be based on their demonstrated capacity actually to govern the communities and territories they claim to represent. An empirical yardstick for legitimacy is essential to rid the country's political process of warlords and political opportunists whose sole interest is appropriating anticipated resources from a central state. Warlords with no relevance beyond a degree of "name recognition" or an external sponsor should be marginalised or excluded altogether. On this score, the Transitional National Government needs to be reassessed for what it is, not what it claims to be. It is a regional authority controlling pockets of the greater Mogadishu area, not a national government.

Economic realities in the country make clear that a future central authority will necessarily have extremely modest revenues. The sooner state-building goals reflect this the better. Efforts to rebuild regional government and, ultimately, a national state must presume that the end product will be a minimalist central government, performing only the most essential tasks and leaving all other functions to local authorities or the private sector. Peace processes that solely focus on cementing reconciliation by creating bloated and unsustainable parliaments and cabinets are counterproductive, unrealistic and unsustainable.

The ideas on reconciliation and state building sketched in outline form here will be addressed in more detail in subsequent ICG reporting on Somalia.

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[90] A UN special investigator for human rights who recently visited Somalia, Ghanim Alnajjar, reported a deterioration in the human rights environment and concluded that most political actors want to address past human rights abuses. Lisa Schlein, "UN Investigator accuses International Community of neglecting Somalia", VOA News, 19 April 2002.

VII. CONCLUSION

Somalia is a threat to international peace and security because of its potential as a terrorist breeding ground and safe haven. However, it is the instability resulting from the failure of the Somali state itself that poses the greatest danger both to the outside world and to Somalis themselves. The current Somali "government" with the widest international recognition controls little more than half of the capital, Mogadishu, and is simply unable to combat terrorism in a meaningful way. It cannot police its borders, provide viable political or economic alternatives to radical groups, or even gather meaningful intelligence. If left in such a dismal condition, Somalia will incubate or at least offer shelter to extremist elements that can operate unchallenged and undetected. Action to reconstruct the state is needed now, or Somalia will remain a danger for many years to come.

The protagonists in the Somali conflict have long been at an impasse, unable to gain a decisive political or military advantage. The intervention of regional powers has deepened the deadlock, not resolved it, while escalating the violence. Current peace initiatives hold little promise of a breakthrough: the Arta process that established the Transitional National Government has clearly run out of steam and can no longer realistically be considered the basis for a wider political settlement. The IGAD process – if left to its own devices – also seems unlikely to make significant progress.

Stalemate is in the interests of neither Somalis nor international security. Whatever course the U.S. and its allies choose in the war on terrorism, serious diplomatic and political leverage will have to be brought to bear if Somalia is to cross the threshold from failed state to frail state and resume its place as a responsible member of the international community. However, a fresh approach is clearly required.

In order to achieve both its short-term and long-term counter-terrorism objectives, it is imperative that the international community reengage politically in the complex and difficult process of state reconstruction in Somalia. A functioning state, capable of cooperating in counter-terrorism efforts and able to support political and economic

development, would be the most effective bulwark against terrorism. This requires, in the first instance, more direct international involvement in and greater support for efforts at peace and reconciliation, principally through what must be a greatly enhanced IGAD initiative.
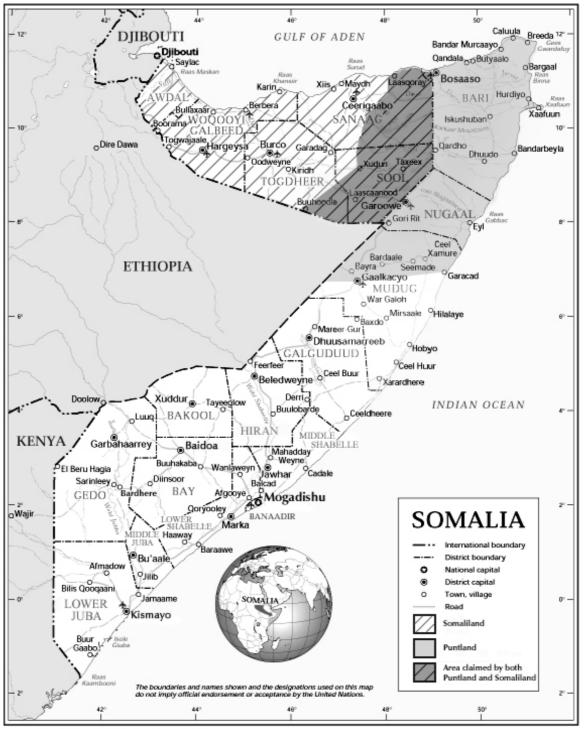
It is critical that Somalis and their international partners move quickly to construct substantive alternatives to the vacuum and to foreign-funded Islamist agendas through the reconstruction of a viable state, with a functional national administration that can provide security, deliver services, facilitate economic opportunities and resolve disputes before they escalate to violence.

The twin imperatives of fighting terrorism and reconstructing the state are intimately linked. Military threats, increased intelligence gathering and perhaps limited, targeted military operations to seize certain individuals may all have their place and in the short run deter terrorists from using Somalia as a haven. But such a strategy is unsustainable if it is not linked with a process aimed ultimately at reconciliation and good governance.

Nairobi/Brussels, 23 May 2002

APPENDIX A

MAP OF SOMALIA

APPENDIX B

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (ICG) is a private, multinational organisation committed to strengthening the capacity of the international community to anticipate, understand and act to prevent and contain conflict.

ICG's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, ICG produces regular analytical reports containing practical recommendations targeted at key international decision-takers.

ICG's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made generally available at the same time via the organisation's Internet site, *www.crisisweb.org*. ICG works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

 The ICG Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring ICG reports and recommendations to the attention of senior policy-makers around the world. ICG is chaired by former Finnish President Martti Ahtisaari; and its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

ICG's international headquarters are at Brussels, with advocacy offices in Washington DC, New York and Paris and a media liaison office in London. The organisation currently operates eleven field offices with analysts working in nearly 30 crisis-affected countries and territories and across four continents.

In *Africa*, those locations include Burundi, Rwanda, the Democratic Republic of Congo, Sierra Leone-Liberia-Guinea, Somalia, Sudan and Zimbabwe; in *Asia*, Indonesia, Myanmar, Kyrgyzstan, Tajikistan, Uzbekistan, Pakistan and Afghanistan; in *Europe*, Albania, Bosnia, Kosovo, Macedonia, Montenegro and Serbia; in the *Middle East* Algeria and the whole region from Egypt to Iran; and in *Latin America*, Colombia.

ICG raises funds from governments, charitable foundations, companies and individual donors. The following governments currently provide funding: Australia, Canada, Denmark, Finland, France, Germany, Ireland, Luxembourg, the Netherlands, Norway, the Republic of China (Taiwan), Sweden, Switzerland and the United Kingdom.

Foundation and private sector donors include The Ansary Foundation, The Atlantic Philanthropies, Bill and Melinda Gates Foundation, Carnegie Corporation of New York, Charles Stewart Mott Foundation, Ford Foundation, John D. and Catherine T. MacArthur Foundation, John Merck Fund, Open Society Institute, Ploughshares Fund, Ruben and Elisabeth Rausing Trust, Sasakawa Peace Foundation, and William and Flora Hewlett Foundation.

May 2002

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APPENDIX D

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