

Social Order without the State:

The Case of Somalia

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Abstract

Somalia provides social scientists with an interesting natural experiment to test the conditions under which order can be provided in a decentralized setting. We find that the northern regions of Somalia have maintained peace, while the southern area, especially around the capital Mogadishu, remains strife-torn. We offer three hypotheses to explain this difference: 1) the availability of rents to the warlords and the impossibility of sharing them; 2) the ability of warlords to externalize the costs of their operations onto civilian populations; 3) the differential effects of the colonial legacy on traditional institutions in north and south.

Introduction

Over the past fifteen to twenty years political scientists have debated the extent to which cooperation can arise spontaneously in decentralized settings. Following findings in game theory² that cooperation can arise spontaneously among players in the iterated Prisoner's Dilemma game and experimental evidence from the social and natural sciences that such cooperation often arises, political scientists sought to apply the new thinking to political problems. Ostrom (1990) found that decentralized cooperation for the provision of public goods was possible in the absence of the state and without privatization of those goods. Taylor (1987) argued that the new findings lead to the conclusion that the state is unnecessary even for the provision of social order. Milgrom, North, and Weingast (1990) discovered that the evolution of a merchant law solved Prisoner's Dilemma problems between buyers and sellers at medieval fairs. Greif (1998) found that the contractual *podesteria* system in late medieval Italy provided order by restraining violent competition among top families. On the other hand, Evans (1997) argues that the coercive power of the state is necessary to complement the voluntary cooperation found in civil society because there are some goods and services that voluntary cooperation can never provide. With respect to the provision of social order, economic models have shown that under anarchy agents will choose to allocate resources to the unproductive activities of expropriation and protection; the implication is that a monopoly on force might remove uncertainty over the system of property rights.³

Somalia provides an interesting natural experiment to test theories of decentralized cooperation. Somalia has been without a central government since 1991, and different outcomes with regard to security and economic production have held in different parts of the country. It is regarded as ethnically and religiously homogeneous, so that different outcomes cannot be attributed to different economic and political cultures. We decided to look at Somalia, therefore, to discover what conditions lead to order or disorder in a stateless system.⁴ It is surprising that social scientists have not paid much attention to the case of Somalia given its interesting circumstances.

Kanazawa and Friedman (1999) do use the case of Somalia to argue that social order is impossible without the state: precisely because of the possibility of cooperation in small groups, order for an entire society requires state action. Otherwise, segmented groups will mobilize to struggle over resources. The internal cohesion of small groups allows them to fight each other more effectively. Their argument echoes that of Hardin (1995), who argues that individuals organize into groups in order to compete for scarce resources, a competition that can result in violent chaos for society as a whole.⁵

Kanazawa and Friedman's argument ignores the possibility of a federative social order among smaller groups or a more formal arrangement such as consociationalism. Furthermore, their brief analysis of the Somali situation ignores the variety of outcomes that have held in different parts of the country and uses outdated data. Because some areas of Somalia have in fact solved the problem of social order without the state, while others have not, Somalia is a case which can shed light on the theoretical problem of the conditions that make decentralized cooperation more likely.

We find that it is useful to divide Somalia into three sections for the purposes of analysis. The northwest, former British Somaliland, is held by the self-proclaimed Republic of Somaliland, formed by the leadership of the Somali National Movement. This area has enjoyed long periods of peace, and the local economy is booming. The northeast region, which goes by the name of Puntland, is held by the Somali Salvation Democratic Front, which has proclaimed an autonomous (but not independent) State of Puntland. Puntland has not been as peaceful as Somaliland, but it has been stable enough to support an economic boom and increases in living standards. Southern Somalia includes the capital of the former nation, Mogadishu, and the lush agricultural lands between the Jubba and

Shabeelle Rivers. It is this area that has been wracked by civil war and repeatedly threatened with famine. Kanazawa and Friedman's examples of social disorder come wholly from southern Somalia, which is controlled by numerous "warlords" vying for control over a future Somali state.

Some of the major factions include the Somali National Alliance led by Hussein Aideed, son of the late Mohamed Farah Aideed, nemesis of the United Nations; the Somali Salvation Alliance led by Ali Mahdi, the Aideeds' arch-rival; the Somali Patriotic Movement led by Siad Hersi Morgan, son-in-law to the late dictator Siad Barre; and the Rahanweyn Resistance Army, defending the lands of the traditionally disadvantaged Rahanweyn clans. The SNA holds south Mogadishu and, in alliance with smaller factions, substantial tracts in southern and central Somalia. The SSA controls north Mogadishu and maintains friendly relations with the SPM and SSDF. The SPM, which recently lost the important port city of Kismayo to the SNA, occupies the far south of Somalia. The RRA is headquartered in southwest Somalia and is attempting to take back farms in the Jubba Valley stolen from their original owners.

At first glance the explanation of differing levels of social order would seem to correlate directly with the extent to which a clan or militia has been able to maintain a monopoly of force over a given territory. Somaliland has a functioning national government and has been mostly peaceful; Puntland is largely controlled by the SSDF but also hosts competitors, especially in Islamic groups, and has been somewhat less peaceful; and southern Somalia, without any established government, remains a basket case. Appearances can deceive, however. In fact, the militia of the Republic of Somaliland does not attempt to enforce internal order but only to protect against external aggressors, such as Islamic militias, the SSDF (which claims two sultanates in eastern Somaliland), and the Ethiopian government. It obtains its only revenues from small import tariffs and seignorage from a partially enforced monopoly on currency.⁶ When the national government has attempted to coerce armed domestic opposition into acquiescence, it has failed. What distinguishes Somaliland and Puntland from southern Somalia, we argue, is the lack of substantial rents in the former two regions to encourage violent competition. What distinguishes Somaliland from Puntland is that in Somaliland the clan elders still function much more to resolve disputes within and between clans (a system aptly described as "kritarchy," governance by judges).⁷

We, in turn, try to explain these differences among regions with three classes of observations: the indivisibility of the object of competition among the warlords in the south, the ability of competitors to externalize the costs of their competition, and the colonial legacy. With regard to the first, the collapse of social order in southern Somalia was due not to a withdrawal of the state but to fierce competition for control over foreign aid and control of future state institutions. Foreign aid, weapons stockpiles from the old regime, and the geopolitical importance of controlling the capital city combined to center conflict in southern Somalia, in much the same way as natural resources have prolonged conflicts in Sierra Leone, Angola, and the former Zaire.⁸ Second, competing warlords in southern Somalia were able to externalize a substantial proportion of their costs onto local populations.⁹ We argue in this context that it was not merely the accessibility of weapons that promoted conflict, but the inequality of weaponry distribution. Finally, the Italian colonial administration was less conducive than the British to the maintenance of traditional conflict resolution institutions. Part of the reason was that the Italian mandate administration (1950-1961) had as its primary purpose the establishment of national governmental institutions, which remained underdeveloped in British Somaliland upon independence. We use journalistic accounts, other academic studies, and interview evidence to test our hypotheses.

The Somali Civil War: Historical Background¹⁰

Before the colonial period the Somali people lacked a state; they were organized as tribes and solved their disputes through a kind of common law system broadly similar to those found in Celtic and Germanic tribes outside the Roman Empire prior to the feudal period. This common law system operated on the basis of Islamic law (*qanoon*) and a political-legal contract among tribes and sub-tribes (*heer*), enforced through the judgments of clan elders.¹¹ Those who refused to accept the judgments of the clan elders became outlaws. It is thus unfair to characterize traditional Somali society as fractious and divisive, as some outsiders have. To the “natural law” obligations of *heer* were superadded special obligations to provide refuge and support to members of one's clan and family. These obligations were not supposed to supersede the natural obligations one had toward persons in general; yet this feature of clan identity was later to become, through the manipulations of dictator Barre and the warlords that followed him, an instrument of tyranny, mistrust, and divisiveness.

On July 1, 1960 the nation of Somalia was formed from the union of British Somaliland and the Italian trust territory of southern Somalia. The new government was dominated by the Somali Youth League (SYL), the pro-independence movement. The atmosphere of the time was nationalistic, and the mood of both national leaders and intellectuals was that traditional tribal structures must be abolished as destructive to national unity, and that the Somali state should govern all Somalis, even those outside its current boundaries. Thus, their hope was that the French Territory of the Afars and Issas (later Djibouti), the Ogaden region of Ethiopia, and the Northern Frontier District of Kenya would be brought eventually into the nation of Somalia.

Despite the appearance of solidarity, however, there were significant differences between the regions of Somalia. British Somaliland, the area that would later become the Republic of Somaliland during the civil war, had left the traditional tribal structures relatively intact compared to Italian Somaliland. During the 1920s and 1930s Fascist policy in the latter region was to create centralized governance structures while eliminating native legal forms that could serve as competition to the colonial power. After World War II, the new Italian government was given trusteeship of its former colony under the auspices of the UN and took a similar, centralist approach to nation-building. The difference between Italian and British administrations in Somalia is partly captured in the following statistic: in the mid-1950s there were more than 5,000 administrative officials in Italian Somaliland, but no more than 300 in British Somaliland (Tripodi 1999, 75). The British ruled northern Somaliland indirectly, allowing traditional institutions to provide local services (Adam 1997, 107). The north was more skeptical of a unitary state than the south, and indeed the 1961 constitution proclaiming a unitary state was rejected in the north but passed by a large margin in the south.

The young democracy rapidly deteriorated into a mechanism for competitive rent-seeking and corruption. Somalia became effectively a one-party state, as “opposition” politicians moved to join the dominant SYL after each election. The last democratic administration (1967-1969, wherein Mohamed Haji Ibrahim Egal, the current leader of Somaliland, was Prime Minister) was marked by open theft from the treasury, electoral fraud, and violence.¹² Most Somalis therefore welcomed the assassination of the president and the military takeover that followed in late 1969.

From 1969 to 1991 Somalia was a dictatorship, governed by Siad Barre through the Supreme Revolutionary Council (SRC).¹³ Somalia aligned itself with the Soviet Union in return for substantial military assistance and became increasingly repressive. Despite the atmosphere of fear and intimidation that had developed by the mid-1970s, many Somalis supported the government, especially because it promised to unite all Somalis in Kenya, Ethiopia, and Djibouti in a Greater Somalia. In keeping with this objective, in 1977 Somali troops invaded

the majority-Somali Ogaden region of Ethiopia. The Soviet Union withdrew its support from Somalia and backed Ethiopia in the war (Somalia would become a client state of the U.S. in the 1980s and a major recipient of IMF loans). After initial successes, Somali forces were defeated and forced to retreat in 1978. After this point intellectuals and other elites became increasingly embittered toward the regime.

In order to maintain his hold on power during the 1980s Barre exploited clan differences. The regime favored the clans of Barre's relatives, the Marehan, Ogaden, and Dulbahante¹⁴ (Issa-Salwe 1994, 61). Clan identity became a basis for mobilization for conflict over state resources. Clans viewed as recalcitrant were severely punished. The Majerteen were the first to suffer the dictator's wrath after an abortive coup in 1978 led by one of that clan (Issa-Salwe 1994, 66-68). In response to reprisals against the Majerteen, the Somali Salvation Front was formed in northeast Somalia. The Issaq people also suffered notoriously under the dictatorship. To address their grievances the Issaq formed in 1981 the Somali National Movement (SNM), which would later form the backbone of the Republic of Somaliland government. The SNM became the focus of armed resistance to the state in the late 1980s, and the regime spared nothing in an attempt to eliminate the threat, the most infamous incident being the total razing of the northern capital of Hargeisa and the strafing of civilian refugees. As Barre's hold on power weakened throughout the 1980s he attempted more brazenly to incite one clan against another. The tactic failed to postpone his fall for more than a few years, but it created indelible passions and suspicions that would rend the country apart after the inevitable collapse.¹⁵

A Brief History of the Somali Civil War

The end finally came in January 1991. The regime had become increasingly isolated, ultimately losing all authority outside the capital of Mogadishu. The Hawiye clan, strategically situated around the Mogadishu area, had organized into the United Somali Congress (USC), two of whose leaders were Ali Mahdi and Mohamed Farah Aideed. After a month of street fighting Barre fled the presidential palace on January 27 and ultimately found his way to Kenya. Without consulting other resistance groups, the civilian leadership of the USC declared hotel owner Ali Mahdi interim president of Somalia (Ahmed Samatar 1994, 121). The military wing of the USC protested and proclaimed USC chairman Mohamed Farah Aideed president. The other resistance movements sensed a Hawiye power-grab and declined to endorse either candidate. Competing factions of the USC jostled for position militarily, attempting to seize what they could of Mogadishu.

Whereas Mogadishu quickly became the scene of violent chaos, the north remained relatively stable. The SNM attempted on some occasions to suppress opposition to its dominance in the area, but after quick failures were forced to accommodate non-Issaq communities. In the south violence began to spread, as supporters of Mahdi and Aideed sought to control economically strategic areas, such as ports and fertile farmland. Enjoying military superiority over the traditionally disadvantaged and despised farmers of the Jubba Valley the militias seized their land without much resistance. The chaos in the breadbasket of Somalia would be chiefly responsible for the famine that occurred in 1992.

The problem in the south was not so much widespread access to modern weaponry as an inequality of access. Farmers and long-time urban residents were not generally active in the resistance movements and thus were outgunned and unable to defend themselves when the regime fell (Cassanelli 1996, 14-15). Furthermore, the Rahanweyn farmers of the Jubba Valley had been prohibited from attaining high rank in the army, so that there were no trained military leaders among them (Mukhtar 1996, 550-51).

In 1992 Somalia broke into the rest of the world's consciousness with the

acute famine that killed approximately 300,000 people in southern Somalia. The warlords violently disrupted agricultural activity in the area by stealing farms and food and looting traveling merchants. Looting was the method of survival for the warlords, since their men engaged in no productive activity, and local farmers were not armed well enough to resist.¹⁶ The resulting catastrophe was to be the impetus for the ill-fated humanitarian mission from the UN.

At the same time, warfare broke out in previously peaceful Somaliland (Omaar 1993, 45-48). In January 1992 hostilities erupted in Burao between the militias of the Habr Yunis and the Habr Jelo, resolved only by the intervention of local elders. The elders were also instrumental in negotiating an end to a miniature war that engulfed Berbera in March 1992. Previously strong, economic activity virtually ceased during this period, until a peace agreement was secured in October. The government of Somaliland lost much credibility from its failure to resolve the conflict, and the elders had won additional respect for their role. As a result, the government of Somaliland has remained weak and unimportant to the daily lives of most Somalilanders. Security and dispute resolution are provided at the local level by elders.

The UN mission to Somalia (UNOSOM) was an abject failure in both the humanitarian mission and the state-building attempt that followed. UN officials claim to have saved 1.5 million lives with the humanitarian intervention, but this figure is an exaggeration, since the UN contributed to and in many respects exacerbated the situation in southern Somalia. First, free food aid hurt the very people that were starving, since most of them were food producers in the Jubba Valley. It would have been better to buy food from native sources (De Waal 1993, 28). Second, aid shipments were frequently diverted to the warlords themselves. The UN accepted these losses as a necessary cost of providing relief to others, but in fact the aid helped the warlords maintain a fighting force. Without access to food and other amenities, young Somali men would have sought remunerative employment in other, productive occupations. Finally, the UN actually encouraged the warlords to continue their lethal competition by maintaining the fiction of a unified Somali state and by its willingness to negotiate with whatever faction appeared to be strongest at any given time (thus encouraging a lethal jockeying for position among the factions). Foreign national governments are also guilty on this score. These arguments will be defended further, but first it is necessary to give an account of the historical facts of the UN mission in Somalia.

UN emergency relief teams began arriving in Somalia in March 1992, but for the months that followed the NGOs were much more active in the country than was the UN (Sahnoun 1997, 308-09). UN aid fell far short of official targets; moreover, UN operations were centered almost exclusively on Mogadishu (Sahnoun 1997, 310). The concentration of aid in Mogadishu actually exacerbated violent competition in that area (Farah and Lewis 1997, 323). The reason the UN gave for its delay was the security situation. Although some peacekeepers were deployed during 1992, it was not until the U.S. announced in November that it would be sending a large contingent that Somalia saw a significant UN military presence.

Before U.S. troops arrived in Somalia, President Bush's envoy Robert Oakley bargained with Aideed and Ali Mahdi, obtaining their support for the operation. The warlords took this mission as a legitimization of their authority (Issa-Salwe 1994, 97). The UN and the nations surrounding Somalia were to continue the strategy of bargaining with the warlords in the numerous peace conferences that would follow. A conference in Addis Ababa in March 1993 created a Transitional National Council whose leadership would be dominated by representatives of the warlords (Ahmed Samatar 1994, 127). As famine conditions lifted during the spring of 1993, the UN's main task became the disarming of the warlords in keeping with the provisions of the Addis Ababa peace agreement.

Things went awry on June 5, 1993 when 23 Pakistani UN soldiers were

ambushed and killed in an area controlled by General Aideed.¹⁷ The UN declared Aideed responsible and attacked his stronghold, killing hundreds of civilians and galvanizing the Somali opposition to the UN presence. The battle in Mogadishu reached a climax in October when eighteen U.S. soldiers were killed, and the body of one was dragged through the streets of the city by enraged Somalis. The U.S. then announced that it was giving up the attempt to capture Aideed and that it would be withdrawing its forces from Somalia by March 31, 1994.¹⁸ Meanwhile, in Somaliland President Egal accused the UN of trying to undermine the new nation and asked them to depart completely—a charge that was probably of some merit given the UN's repeated insistence that Somalia should be unified under one government (Ahmed Samatar 1994, 128; Samatar 1997, 30-31). Indeed, there have been credible accusations that the UN has funded minority groups in Somaliland opposing secession (Bryden 1994, 40-42).

After the U.S. announcement the U.N. continued to encourage a power-sharing solution to the conflict between Ali Mahdi and Aideed. They met several times in Ethiopia and Kenya, but no solution could be reached.¹⁹ However, clan elders from the clans of Aideed and Mahdi did sign a peace accord between the clans, bypassing the leaders of the political factions.²⁰ Fighting among the factions continued all the same in Mogadishu and in the important southern port town of Kismayo. Finally, on March 24, just before the withdrawal of the U.S. and European contingents, Aideed and Mahdi pledged to form a "government of national reconciliation" at a meeting in Nairobi.²¹ The promised meeting at which the details would be worked out never occurred, and fighting returned to Mogadishu, despite the efforts of clan elders to resolve the differences among the clans involved.²²

Somaliland saw some more violence in late 1994 as President Egal attempted to dislodge an anti-government militia that controlled the Hargeisa airport. The militia was supported by Aideed and others insisting on the illegality of Somaliland's secession but had virtually no support in Somaliland, even among members of their own clans.²³ Egal's forces were largely victorious over this militia by January 1995, but remaining conflicts around the country had to be resolved by negotiation.²⁴

UN forces left Somalia on March 3, 1995. The violence continued but did not escalate, and in fact some regions of southern Somalia began to experiment with ways of restoring order to their communities. Tribunals enforcing Islamic law (*sharia*) began to spring up in northern Mogadishu, controlled by Ali Mahdi, and in the Bay area occupied by the Rahanweyn clan.²⁵

In an attempt to secure international legitimation of his claim to the presidency, Aideed held an "election" in late 1995 and after being elected by his militia, established a "government" budget and a panel of ministers. Aideed then attempted, unsuccessfully, to disarm civilians in the area of Mogadishu under his control.²⁶ Aideed claimed that he had received recognition from the Libyan government.²⁷ Needless to say, the struggle between Aideed's SNA and Ali Mahdi's SSA continued, with key flashpoints including the southern port of Kismayo and the interior town of Baidoa, formerly occupied by Rahanweyn clan members.

Mohamed Farah Aideed died of gunshot wounds on August 1, 1996, but his son Hussein Mohamed Aideed immediately took up his father's mantle and vowed to fight on.²⁸ Meanwhile, the SNA introduced *sharia* into south Mogadishu in an attempt to appeal to Islamist factions and to supporters in Libya, Sudan, and Malaysia. (It was not, at least at first, demanded by local residents.) Another power-sharing peace agreement, arranged at Sodere, came and went without much effect.²⁹

The Current Situation

A peace conference largely bypassing the warlords was finally organized this year in Djibouti. As of this writing it is unclear what the outcome will be, but it will apparently involve a new national government, and for that reason Somaliland has boycotted the conference.³⁰ Although the conferees appear finally to have forsaken the doomed concept of power-sharing among the warlords, they have not forsaken the old Somali irredentism that advocated a unitary state for all Somalis in defiance of Somali history and culture.³¹

At the same time, Somalia has been progressing without a national government. Somaliland and Puntland have enjoyed relative stability for a long while. Businessmen and civil society organizations have taken up roles usually borne by the state. For example, Somaliland now has two private (nonprofit) universities, five telephone companies, and seven airlines,³² a private for-profit road is being constructed in Somaliland with foreign investment money,³³ Puntland has contracted to a local private security company to stop piracy in its waters³⁴ and has one subsidized private university,³⁵ businessmen ignore the Somaliland currency and use either old Somali shillings (which have retained their value since the dissolution of the old central bank) or dollars, and in both north and south private generators sell electricity.³⁶

The Republic of Somaliland, despite its lack of international recognition, has maintained its de facto sovereignty and, more importantly, an attention to establishing the rule of law in its territory. Somaliland's constitution provides for a House of Elders as a second legislative branch in the national government and for the radical decentralization of most government activities, thus institutionalizing the native form of public goods provision in the governmental structure.³⁷ Somaliland's constitution provides a pointed contrast to those of many other African nations, who have adopted cookie-cutter constitutions based on the legal systems of the former colonial power. The State of Puntland, created in 1998, has begun to restore order throughout its territory but has adopted a less decentralist approach: for example, internal law enforcement is the duty of the state government.³⁸

The security situation has begun to improve even in Mogadishu. Islamic courts enforcing *sharia* have made the streets much safer,³⁹ and neighborhood watch arrangements have been effective at deterring attacks on homes—especially since just about every household now owns high-powered weapons (Menkhaus and Prendergast 1995, 25). *Sharia* has a reputation for harshness among Westerners, especially due to incidents in Nigeria, Sudan, and Indonesia in which it has been used as a tool of Muslim domination over Christians. In Somalia, however, almost everyone is Muslim and *sharia* therefore enjoys virtually universal consent. It is interesting to note that the warlords themselves seem to be the only ones uncomfortable about the new arrangements, denying their “legal power.”⁴⁰ The reason is probably that the curtailment of banditry has reduced the wages of young men in the employ of warlords. Without the ability to live off the civilian populace, the warrior's life becomes less attractive.

The objective economic data available for Somalia indicate a surprising prosperity. Counting just trade with Somalia's major trade partners (as judged from these countries' returns), exports increased 47% in dollar terms between 1993 and 1997, and imports increased 121% from 1993 to 1997, indicating a growth in Somali wealth.⁴¹ The Somaliland port of Berbera generates about \$100 million in exports annually, equivalent to about 115% of total merchandise exports earnings during the 1980-89 period (Mubarak 1997, 2032). Puntland's major port Bossaso is also booming, though problems with piracy for some time directed trade toward Somaliland. At the same time, overseas development assistance to Somalia has fallen dramatically, from \$890.5 million in grants in 1993 to \$116.1 million in 1997.

Focusing on data from the southern region gives us a less sanguine picture (and by the same token, looking at northern data gives a more sanguine one). Production of sorghum has more than halved, production of maize has fallen, while sugarcane production has been stable, and banana production has actually increased.⁴² These figures undoubtedly reflect the differential ability of small-scale Rahanweyn farmers, devoted to staple food production, and banana plantations, run by large international firms who are able and willing to hire large numbers of gunmen, to defend themselves from expropriation during the civil war. Nevertheless, even southern Somalia enjoys a resilient informal financial sector, and the port of Merca has boomed during periods of peace (Mubarak 1997, 2030-33). Southern businessmen are beginning to flourish, even though they have to spend up to thirty per cent of profits on security.⁴³ As Mubarak puts it, “it appears that the Somali economy has suffered more from the violence of the civil war and recurrent droughts than from the collapse of state institutions” (1997, 2028). He agrees, however, that different communities in Somalia have solved their problems of peace and security better than others (2036). We have put forward several hypotheses as to what those factors are that have caused some communities to succeed more than others, and we now test those hypotheses in light of the evidence just related.

Hypotheses

Our thesis was that three factors account for differing levels of social order in the various regions of Somalia: the indivisibility of the objects of the warlords’ competition, the ability of warlords to externalize the costs of their operations, and the colonial legacy.

It is clear from our survey of the evidence that the ultimate goal of the warlords headquartered in Mogadishu is seizure of the state apparatus and the securing of economic rents through its discretionary use.⁴⁴ Historical experience—the competitive rent-seeking of the Somali Republic and the open kleptocracy of the Barre dictatorship—has taught the Somalis that government is primarily a tool of economic gain for those in power.⁴⁵ It is for this reason that fighting in Mogadishu has been so fierce: control over the capital is essential to establish a credible claim to the entire country’s government. The warlords have extended their depredations to other areas of southern Somalia to the extent that control of these areas yields resources that can be used in the battle over Mogadishu. Thus, Aideed’s forces have time and again threatened and captured the major port of Kismayo, with its lucrative trade. The farmlands of the Rahanweyn have been expropriated to pay off soldiers in the warlords’ armies. Control of strategic roads, air strips, and harbors has been hotly contested.⁴⁶

On the other hand, the resistance groups occupying northern Somalia have made no such claim to the apparatus of national government—indeed, their distance from Mogadishu precludes any serious attempt to make good on such a claim. Thus, the peaceful and booming Somaliland has declared it wants nothing to do with Mogadishu and has seceded. The northeastern region of Puntland maintains the fiction of a united Somalia, but the majority SSDF makes no claims to power in that putative national government and has its hands full merely trying to defend its territory from Aideed’s SNA.

The indivisibility of the goal of competitive strife in the south, control over the state, means that traditional power-sharing is not a viable solution. It has been tried, many times, and has always failed. This repeated failure might seem a puzzle, in light of successful power-sharing in divided societies from South Africa⁴⁷ to El Salvador⁴⁸ to the Netherlands,⁴⁹ and theoretical findings that power-sharing in the basic coercive institutions of the state can be utility-maximizing for both parties to a conflict (Wantchekon and Neeman 2000).

The trouble is that power-sharing as traditionally conceived is designed to reduce economic rents to zero, by preventing the possibility of one group's exploitation by another. Economic rents can be extracted through the political process only at the expense of someone's welfare. Power-sharing sets up checks and balances; it institutionalizes limited government. Limited government means limited exploitation and limited rents.⁵⁰ When it is precisely the prospect of positive rents that excites competitors to strife, a solution requiring all rents to be foregone is unlikely to appear attractive to any party. A rough, informal analysis of payoffs under anarchy and power-sharing demonstrates when the latter will not work.

Let us say that there are two groups in society, which struggle over resources. If both groups are equally matched and neither can gain an advantage, the rents to each are $-c < 0$, reflecting the costs of warfare. If one group unilaterally gives up the fight, the other can secure rents of $d > c$, while the party taken advantage of is left with rents of $-d$. Under power-sharing respected by both sides, rents are zero. It is easy to see that this situation is a Prisoner's Dilemma. No one side has an incentive to respect any power-sharing agreement whatever the other side does. Prisoner's Dilemmas can, of course, be overcome, perhaps with outside interference to enforce an agreement. That solution is precisely what was tried with the United Nations' disarmament of the warlords, and it failed miserably. One reason is that c was very low for the warlords: they faced very low internal costs of warfare, because they were able to exploit both the urban population of Mogadishu and the surrounding rural populations. As c approaches zero, a power-sharing arrangement becomes undesirable under any circumstances.⁵¹ Warfare is at least as good as power-sharing for a warlord facing nil c , and might very well end up much better (if d can be secured).

The ability of the warlords to externalize the costs of their conflict therefore plays a major role in our thesis. The evidence shows that the urban population of Mogadishu and the largely Rahanweyn rural populations of the Jubba Valley were poorly armed and trained and therefore unable to defend themselves. Urban civilians were caught in the line of fire in Mogadishu's bloody battles and found themselves subjected to "checkpoints" that were really shakedowns and to random looting. Rural populations found themselves dispossessed, their farms and merchandise stolen. There was no one to produce food, and there was no incentive to produce any, for it was all regularly expropriated. It is little wonder that famine resulted.

On the other hand, in northern Somalia the dominant resistance armies have much less asymmetric coercive power. The army of Somaliland is composed of contingents from the various tribes and sultanates. If the government were to try to use the army against any particular tribe or sultanate, its soldiers would turn against the government, and the majority of the army would probably desert, as they would have nothing to gain from the fight.⁵² After some brief conflicts in 1992 and 1994 the government of Somaliland has settled down to an accommodating position toward minority groups and has encouraged the role of tribal elders in conflict resolution. In the State of Puntland the SSDF has nominal control, but its army numbers no more than 2,000 and real responsibility again resides in the tribal elders, who, however, have less experience than those in Somaliland due to their suppression under Italian governance. When Puntland has been forced to address security issues, such as piracy off its coast, the SSDF has contracted out to local firms. In northern Somalia in general, individual ownership of heavy firearms is widespread, indeed universal,⁵³ but paradoxically, public use and display of such weapons is much less than in the south, because they are not needed. In the south guns are a part of the scenery, but until recently access to weapons and training was highly unequally distributed. Contrary to those who argue that a monopoly on force is always necessary for the maintenance of social

order, the experience of Somalia indicates the opposite may be true: equal dispersion of force can protect the rights of the otherwise disadvantaged.

Finally, the colonial legacy is important and perhaps explains the observed differences between Somaliland and Puntland. Puntland and southern Somalia were both part of the Italian Somaliland colony and were later under an Italian administration of a UN mandate, while Somaliland was a British colony until union with the south in 1960. Somali historians report that the British ruled much more indirectly than did the Italians and left traditional structures such as the elders and the *heer* system more intact. We have seen that the elders and the *heer* system according to which they adjudicate, far from being responsible for fractious tendencies in Somali society, were what inculcated universal social norms in Somali societies before colonialism and provided them public goods such as security without the state.⁵⁴ These traditional methods of adjudication apparently still work rather well in Somaliland and are responsible for the high degree of internal order enjoyed there. They remained rather less intact in Puntland but have still provided a great degree of security. Traditional adjudication has operated only intermittently in the most strife-torn areas of southern Somalia, yet even here *heer* and Islamic *sharia* are used to punish lawbreakers when practicable. Traditional Somali institutions are still poorly understood, however, and their study remains an area for deeper research than we have been able to undertake.

The causal argument appears rather tidy, perhaps too much so. It might seem to leave little hope for most of southern Somalia, which seems irreversibly plagued with conflict over resources, power inequalities, and the derangement of traditional social structures. Yet it is not so. Some of these aspects of life in southern Somalia are already being alleviated, with the successes of the Rahanweyn Resistance Army and the new Islamic courts in Mogadishu. In the end, however, peace will never return to southern Somalia until the goal of the warlords' conflict is taken away forever: if there is no national state apparatus or foreign-aid rents to take over.

Conclusion

In this paper, we study the natural experiment of state building in Somalia. We explain why the northern regions of Somalia have maintained peace, while the southern area, especially around the capital Mogadishu, remains strife-torn. Our explanations focus on the availability of rents to the warlords, the ability of warlords to externalize the costs of their operations onto civilian populations and the differential effects of the colonial legacy on traditional institutions in north and south.

The fact that social order could be created in Northern Somalia without outside interference represents an important departure from the historical experience of most African countries where state has been created from the top by colonial powers. The Somaliland experience clearly contradicts Tilly's prediction that political order is impossible in Africa without foreign intervention. If the ongoing peace negotiations in Djibouti by Southern Somali warlords were to succeed, the miracle of a peaceful, reunified and even democratic Somalia is clearly within reach.

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Notes

¹ The authors thank Bill Foltz for helpful comments. The paper is a preliminary attempt to analyze the ongoing process of state building in Somalia. We hope it provides a useful background and starting point for a more theoretical investigation of the process of state building in Somalia.

² See for example Axelrod 1984 and Kreps, Milgrom, Roberts, and Wilson 1982.

³ Or would the competition merely be displaced to the political realm in the form of rent-seeking? On the economics of anarchy see Skaperdas 1992, Hirshleifer 1995, and Greif, Bates, and Singh 2000.

⁴ "Stateless" is not to be understood in the case of Somalia as the lack of any investment in violence, as Greif, Bates, and Singh (2000) use the term, but simply as the lack of a nation-state that attempts to maintain a monopoly in the enforcement of internal order.

⁵ See Hardin (1995, 166-68) for his application of the argument to Somalia.

⁶ The Somaliland Constitution states that local districts shall be responsible for policies regarding "health, education up to elementary/intermediate school level, livestock husbandry, internal security, water, electricity, communications,

etc.” (English translation on the World Wide Web at <http://www.somalilandforum.com/Revised-Constitution-Segment2.htm>).

⁷ The Republic of Somaliland resembles a “bottom-up” functional confederation similar to Switzerland and the Netherlands at their foundations, while the State of Puntland resembles much more a territory formed out of a top-down “conquest center” (see Rokkan 1975, 578-79 and Tilly 1990, 30).

⁸ Collier and Hoeffler (1998) find that natural resource endowments help to predict the outbreak and duration of civil wars. Weapons caches in Mogadishu, ports and airports, and the prospect of diplomatic recognition as legitimate leader of Somalia are all similar to natural resources in that, at least in the short run, they are valuable resources but are not produced—they must be captured.

⁹ Margaret Levi’s (1988, 38) model of state-building is helpful here. Rulers are able to extract more as their relative bargaining power increases and the transactions costs of extraction decrease, and they have incentives to extract more immediately as their discount rates rise. The warlords had significant bargaining power relative to civilian populations (and thus were able to expropriate them) but not relative to each other (and thus a monopolist did not arise). However, the incentives to strike quickly in an attempt to become the monopolist were strong, and so discount rates were low: immediate gains mattered more.

¹⁰ Some overviews of the history of Somalia with particular attention to the causes of civil war include Issa-Salwe 1994, Tripodi 1999, Ahmed Samatar 1994, and Mubarak 1996, which are the principal sources for the information that follows.

¹¹ See Ahmed Samatar (1994, 109-11), Issa-Salwe (1994, 3), and Afrax 1994, 234-39. Heer sets the terms for membership in a clan entity; members must adhere to certain rules, especially governing disputes with members of other clans (e-mail interview with Nur Bahal, August 8, 2000).

¹² For a summary of this period see Ahmed Samatar (1994, 113-15).

¹³ For a summary of this period see Ahmed Samatar (1994, 115-20).

¹⁴ All of these clans were subclans of the Darood lineage (Mukhtar 1997, 54). After Barre’s overthrow, the Daroods were endangered by retaliation from other clan lineages.

¹⁵ Abdi Samatar (1992), among others, has exploded the idea that traditional Somali society, with its tribal divisions, was responsible for the chaos and violence following the state’s collapse. It was the availability of rents during the national period, combined with the weakening of the traditional law, that made clan identity the basis for competitive strife. Disorder also heightened the importance of clan and family identities as sources of refuge and assistance.

¹⁶ De Waal 1993, 28. See also Little 1996 regarding the large role of conflict over the livestock trade in southern Somalia in warlords’ strategy.

¹⁷ “Making Monkeys of the UN,” *The Economist*, July 10, 1993, 60.

¹⁸ Economist Intelligence Unit Country Report Somalia, 4th quarter 1993, 28.

¹⁹ Economist Intelligence Unit Country Report Somalia, 1st quarter 1994, 33-34.

²⁰ *Ibid.*, 34.

²¹ Economist Intelligence Unit Country Report Somalia, 2nd quarter 1994, 33.

²² Economist Intelligence Unit Country Report Somalia, 3rd quarter 1994, 31.

²³ Economist Intelligence Unit Country Report Somalia, 1st quarter 1995, 36-37.

²⁴ Economist Intelligence Unit Country Report Somalia, 2nd quarter 1995, 36-37.

²⁵ *Ibid.*, 34.

²⁶ Economist Intelligence Unit Country Report Somalia, 4th quarter 1995, 35-36.

²⁷ Economist Intelligence Unit Country Report Somalia, 1st quarter 1996, 29-30.

²⁸ Economist Intelligence Unit Country Report Somalia, 3rd quarter 1996, 29-30.

²⁹ Economist Intelligence Unit Country Report Somalia, 1st quarter 1997, 38; 2nd quarter 1997, 29; 3rd quarter 1997, 27.

³⁰ BBC News, Monday June 12, 2000, on the World Wide Web at <http://news6.thdo.bbc.co.uk/hi/english/world/africa/newsid%5F787000/787690.stm>.

³¹ Presumably they are pushing irredentism as a cause that could override clan-based quarrels. We are grateful to Bill Foltz for this point.

³² *The Economist*, August 7, 1999, 35.

³³ See <http://www.awdal.com/> on the World Wide Web.

³⁴ *African Business*, March 17, 2000, 17-19.

³⁵ The East African University in Bossaso was built by both local traders and the Puntland government and will be maintained by donations (source: BBC Monitoring Service, March 2, 2000, 12 AM).

³⁶ Economist Intelligence Unit Country Profile Somalia 1999-2000, 35; http://news.24.com/News24/Finance/Features/0,1466,2-8-133_890971,00.html on the World Wide Web.

³⁷ Somaliland's constitution is available online in English at <http://www.somalilandforum.com/Revised-Constitution.htm> .

³⁸ The Puntland government claims to have hired 7,000 civil servants and police (online open letter: <http://www.puntin.org/politics2000.htm#Puntland> Appeals to the International Community).

³⁹ BBC News Online, March 27, 2000, on the World Wide Web at http://news.bbc.co.uk/low/english/world/from_our_own_correspondent/newsid_692000/692416.stm .

⁴⁰ Ibid.

⁴¹ Figures calculated from data reported in Economist Intelligence Unit Country Profile Somalia 1999-2000, 45.

⁴² Economist Intelligence Unit Country Profile Somalia 1999-2000, 44.

⁴³ Although 30 per cent of profits stacks up well against the corporate income and capital gains taxes in Western countries. Source: News24, http://news.24.com/News24/Finance/Features/0,1466,2-8-133_890971,00.html on the World Wide Web.

⁴⁴ The governments of the world are to blame for exacerbating this conflict by being willing to recognize whoever comes out on top as the "legitimate" leader. *The Economist* expressed this sort of thinking in 1995:

Somalia's trouble is that it may take serious fighting to make the world feel brave enough to care about it again. "What we need is for a clear leader to emerge," says a hotel owner in south Mogadishu. Only then will foreign governments be prepared to send aid to Somalia and help this self-crippled country back to its feet. (September 9, 1995, 48)

⁴⁵ For an argument as to why weak states based on plunder have in recent years degenerated into "warlord states," see Reno 1998.

⁴⁶ As Ahmed Samatar (1994, 126) puts it: "From Kismayo and Baidoa to . . . Galkaayo [all in southern Somalia], numerous clanistic battles have been fought over diminishing resources, territory, and strategic advantage in the event that a semblance of national order is eventually reconstituted."

⁴⁷ See Maphai 1996.

⁴⁸ See O'Shaughnessy and Dodson 1999.

⁴⁹ See Lijphart 1969.

⁵⁰ Power-sharing limits the exercise of power when different groups are given veto power over governmental decisions. Other kinds of power-sharing (for example, the sharing of spoils without institutional safeguards) might be compatible with unlimited expropriation but are also for that reason less stable.

⁵¹ Also, as *d* increases, power-sharing becomes less desirable. It is noteworthy that power-sharing has succeeded where the parties to conflict have been ideological or ethnic groups fearful of depredations from each other (El Salvador, South Africa), not groups organized solely for a struggle over economic resources. Some of the world's most intractable civil conflicts (Sierra Leone, Angola, Zaire, southern Somalia), on the other hand, have involved primarily a struggle over lucrative resources.

⁵² E-mail interview with Somaliland businessman, March 30, 2000.

⁵³ Ibid.

⁵⁴ A possible theoretical implication of the evidence from Somalia is that the distinction between anarchy and the state needs to be rethought. No state has a complete monopoly of force, nor would it be desirable for states to be completely unrestrained. Limited competition in the provision of force, on equal terms—an approximation to the situation in Somaliland—has seemingly outperformed both Siad Barre's near-monopoly of force and the unlimited competition on starkly unequal terms that prevails in much of southern Somalia.