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Middle East Report, No. 223. (Summer, 2002), pp. 2-9.

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Somali woman is rebuffed at al-Barakaat office in Mogadishu after US-based offices were ordered closed by George W. Bush, November 11, 2001. PEDRO UGARTE/AFP

Financing Terrorism or Survival?

Informal Finance and State Collapse in Somalia, and the US War on Terrorism

Khalid M. Medani

George W. Bush's sweeping campaign against Somali money transfer companies—on the grounds that they "finance terror"—is so broad as to defy justification. Millions of Somalis dependent on remittances from relatives abroad are now going without. In addition to exacerbating Somalia's humanitarian crisis, the closure of *hawwalat* threatens to all but destroy Somalia's larger economy, and to upset fragile state-building efforts in the war-torn country.

Armed with a wide range of new legislative powers, in the months following September 11 the Bush administration stepped up action on the "second front" of its war on terrorism. The USA Patriot Act and the International Emergency Economic Powers Act provide Federal officials with the authority to freeze assets of entities and individuals identified as financing terrorist operations. Launched on October 25, 2001, Operation Green Quest has frozen more than $34 million in global assets linked to alleged terrorist organizations and individuals. About 142 nations have blocked $70 million worth of assets within their borders, while 184 have expressed "support" for the American effort to "choke off" sources of terrorist funding.

Included in the Treasury Department's list of entities supporting terrorism are Islamic charitable associations and the largely unregulated money transfer agencies known in Somalia as *sharikat hawwalat*, or money "transfer agencies." In November 2001, the government ordered the closure of the US and international offices of Somalia's largest money transfer agency, al-Barakaat, and seized all of its assets, totaling $43 million.[1] Despite protests to the contrary from Somali nationals and political leaders, the administration insisted that there was a clear connection between the owners of these Somali-owned *hawwalat* and the al-Qaeda network blamed for the attacks in New York and Washington. However, five months after the *hawwalat* were closed, senior US and European officials have openly acknowledged that evidence of al-Barakaat's financial backing for terrorism has not materialized. So far only four criminal prosecutions of al-Barakaat officials have been filed, but none involve charges of aiding terrorists.[2] US Embassy officials in Nairobi, who have been investigating these linkages for years, have also stated that they "know of no evidence" that al-Qaeda is linked to militant groups in Somalia.[3]

The immediate focus of Operation Green Quest appears to be societies like Somalia and Afghanistan which have suffered state disintegration, rather than the formal financial banks and wealthy citizens in the Gulf who have a much longer history of supporting various Islamist groups.[4] US and British officials have warned that al-Qaeda has "tentacles" in many places and have pointed to the likelihood of a future Western-led intervention in Somalia. As one British parliamentarian put it: "the focus of the campaign should be on states that have very little control within their borders, and where a degree of an invasive military response may be appropriate."[5] In reality, however, the wholesale closure of these informal banks could prove counterproductive to the long-term US objective of putting an end to global terrorism. Indeed, rather than "interrupt[ing] the murderers' work," as George W. Bush has put it, shutting down money transfer agencies may lead to the further impoverishment and possible radicalization of average Somalis who rely on these services for their daily survival.

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Bush's sweeping campaign against the *hawwalat* and those who operate them is so broad as to defy justification. In addition to shutting down al-Barakaat, the administration has frozen the US assets of 189 individuals and organizations suspected of supporting terror groups.[6] Equally distressing is the role of the private sector. AT&T and British Telecom's joint venture cut off international services to Somalia's principal telecommunications provider, a subsidiary of al-Barakaat, after the US claimed that it too was suspected of "financing terror." One of the most vital communication links between Somalia and the outside world—making it possible for millions of Somalis to receive remittances from relatives abroad—has been effectively shut down. Since al-Barakaat is also the largest telecommunications provider, its closure has affected all the other *hawwalat* companies, including Dahabshil and Amal, concentrated in northwest and northeast Somalia respectively. In addition to exacerbating the humanitarian crisis, the closure of Somalia's *hawwalat* system threatens to all but destroy Somalia's larger economy, which has been heavily dependent on the inflow of remittances for over three decades. It also threatens to upset the fragile state-building efforts that have brought a modicum of peace and stability to many parts of the country after a decade of internecine clan warfare.

The Human Cost

One of the most troubling misconceptions about the *hawwalat* is that, in Bush's words, "such operations exist as a sideline within unrelated businesses, such as a grocery store or a jewelry store."[7] In Somalia, the *hawwalat* are anything but a sideshow. Not only have these agencies and the cash they send secured countless livelihoods, they have played a major role in political and economic developments for three decades. Labor has long been Somalia's principal export, and remittances from Somalis working abroad are the most important source of foreign exchange. As early as 1981, national account figures estimated that remittances, most of which escaped state control, equaled almost two fifths of the country's gross national product.[8]

The recent ban on transfers is keeping between $400 million and $1 billion out of Somalia's economy. Moreover, according to the UN, the closures come at a time when Somalia's second income earner, the livestock sector, is losing an estimated $300 million to $400 million as a result of a ban by its major importer, Saudi Arabia. Coupled with a recent drought, the US decision to freeze funds in Somalia's network of remittances is leading to a wide-scale humanitarian disaster. The UN representative for humanitarian affairs for Somalia warned that "Somalia is on the precipice of total collapse."[9]

The average Somali household is composed of eight members. As daily household income is less than 39 cents, transfers from family members living abroad are crucial for the survival of millions of Somalis. Approximately 40 percent of all Somali urban households rely on such funds (see figure 1). The benefit of these remittance flows accrues to the vast majority, albeit not all, of Somalia's sub-clans. Among the Isaak—the clan which has historically supplied the majority of migrant workers—none of the four sub-clans has less than 18 percent of its households receiving remittances from abroad. Thirty-one percent of the Haber Awal sub-clan's families count on transfers (see figure 2).

Remittances are usually a supplementary source of income. Typically, in addition to receiving assistance from relatives, Somali families have more than one member involved in informal economic activities. Nevertheless, Somalis rely heavily on support from overseas relatives sent through the *hawwalat* system, perhaps more than any other labor-exporting people. This is clearly evident when one considers the proportion of remittances vis-à-vis other sources of income (see figure 3).

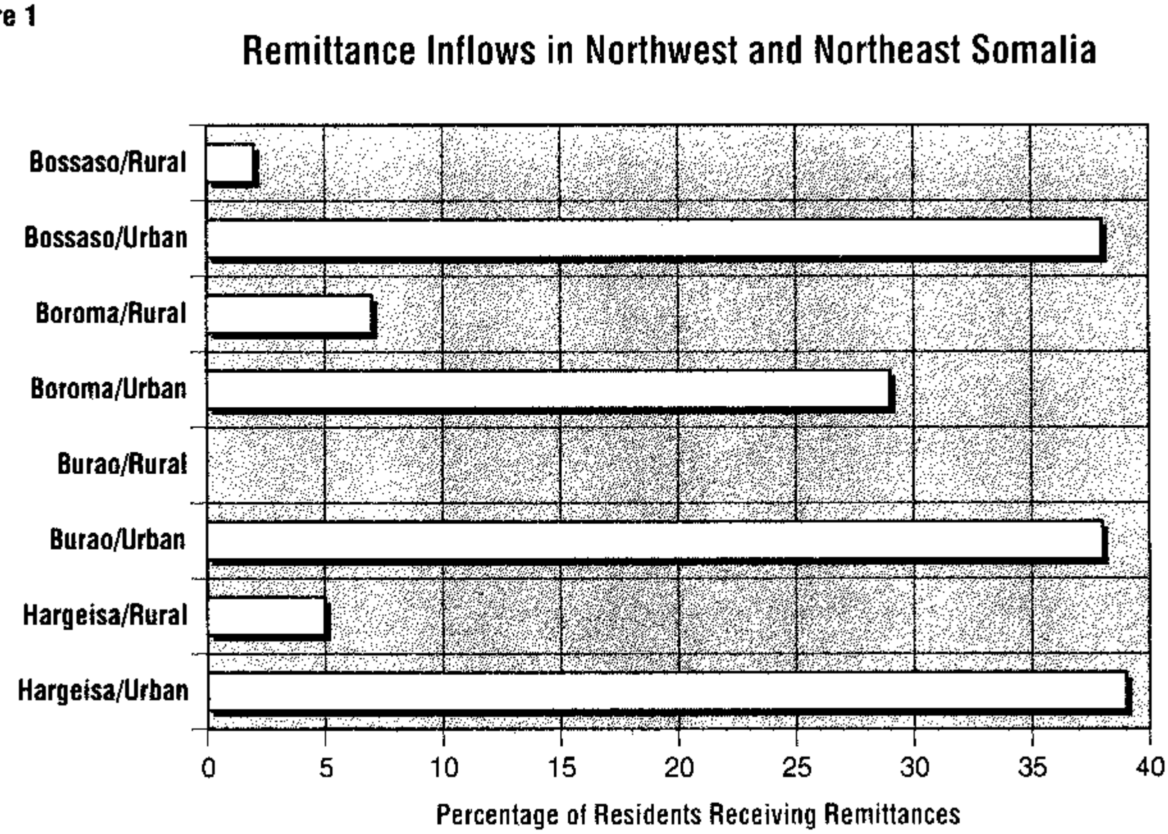
Family networks are the principal reason why Somalis have been able to secure their livelihoods under harsh economic conditions. Moreover, following the collapse of the Somali state every "family" unit has come to encompass three or more interdependent households. In addition to assisting poorer urban relatives, a large proportion of urban residents support rural kin on a regular basis. While only two to five percent of rural Somalis receive remittances directly from overseas, Somalia's nomadic population still depends on these capital inflows. In northern Somalia, for example, 46 percent of urban households support relations in pastoralist areas with monthly contributions in the range of $10 to $100 a month; of these 46 percent, as many as 40 percent are households which depend on remittances from relatives living abroad. Consequently, the link between labor migration, urban households and the larger rural population is a crucial and distinctive element in Somalia's economy.[10]

Most *hawwalat* transfers represent meager amounts. In 2000, over 80 percent of all transfers sent through the largest three agencies were no more than an average of $100 a month per household. There is clearly no connection between the vast majority of these transfers and the larger funds associated with terrorist operations.

Financing Islamism or Clanism?

There is definitely a connection between the "hidden" economy of remittance inflows and the ascendancy of some Islamist groups in labor-exporting countries such as Sudan, Egypt and Algeria. Over the last three decades, insti-

Figure 1



Source: Khalid Medani, *Survey on Internal Migration and Remittance Inflows in Northwest and Northeast Somalia* (UNCU, March 2000).

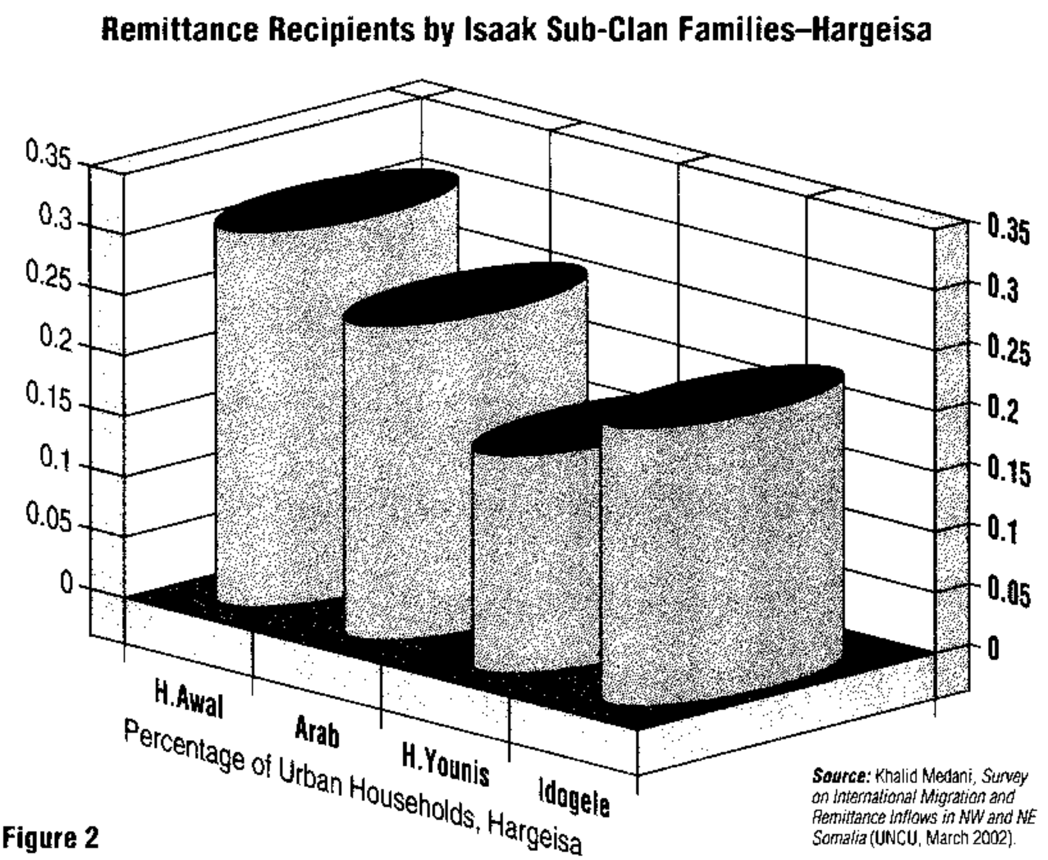
Somali militiaman in Mogadishu.

MARTIN ADLER/PANOS PICTURES

tutions such as the Faisal Islamic Bank, based in Saudi Arabia but with branches in many parts of the Islamic world, have been instrumental in promoting the financial profile of Islamists throughout the Muslim world. Osama bin Laden opened several accounts in these banks, including in a number of Sudanese banks while he was residing in that country. Branches of the Faisal Islamic Bank and Baraka have been an important source of financing for the Islamic fundamentalists in Sudan for almost three decades. In Egypt, the Islamic Management Companies, which attracted large deposits from Egyptian workers abroad in the 1980s, helped raise the political profile of Islamic groups by funding a host of Islamic welfare associations and small-scale businesses. These developments coincided with the oil price hikes and the boom in labor migration to the Gulf. Doubtless this connection is part of the reason why US officials have focused their attention on the *hawwalat* system, with some analysts going so far as to refer to informal transfers as part of an "Islamic banking war."

In Somalia, however, the *hawwalat* have assumed a quite different role. Rather than facilitating the rise of an Islamist coalition encouraged by state elites during the boom period, as in Sudan and Egypt, remittance inflows have played a large part in the disintegration of the Somali state, and reinforced the importance of the household and the clan as the most important social and political institution in Somali life.

The *hawwalat* system in Somalia is neither a "pre-capitalist" artifact, nor a peculiarly Islamic phenomenon. It is, above all, a modern institution resulting from the disintegration of state and formal institutions, and the impact of internationalization on Somalia's economy. Nor is the *hawwalat* system synonymous with money laundering, as the new US legislation implies. Informal transfers are legitimate financial transfers similar to other international capital flows generally accepted as an inherent part of globalization. In Somalia the *hawwalat* system finances the bulk of imports into the country, provides legitimate profits for those engaged in transferring these funds and makes resources available for investments throughout the country. The first Somali agency, Dahabshil, was formed in the late 1970s, prior to the civil war. It developed first in the refugee camps in Ethiopia and was quickly extended to the interior of northwest Somalia. At that time, Dahabshil was estab-



Source: Khalid Medani, *Survey on International Migration and Remittance Inflows in NW and NE Somalia* (UNCU, March 2002).

Figure 2

tion. The remittance agent in the US does not send any money. Instead, both dealers record the transaction and the relative in Somalia receives the money in two or three days.[11] One of the factors that makes the Somali *hawwalat* system different from similar operations elsewhere is that the "address" of the recipient is usually determined by his/her clan or sub-clan affiliation.

The *hawwalat* company must be able to pay cash, usually in hard currency, and make sure to resupply the appropriate bank account in due time. For this reason the brokers involved must trust each other absolutely. As a result, recruitment for decisive positions follows clan lines, with few exceptions. In conventional economic terms, in Somalia, clan networks, far more than religious ties, serve to reduce the costs of contract enforcement in the absence of formal regulatory institutions. The customer too must have confidence that the broker, charged with sending the funds, does not disappear with the cash. Not surprisingly, the customer's choice of transfer agency is largely dependent on which clan operates the company. In the Isaak-dominated northwest, the Isaak-run Dahabshil company enjoys 60 percent of the market. Al-Barakaat, which is primarily operated by the Darod clan, possesses only 15 percent of the market in northwest Somalia, but controls the lion's share of the business, an estimated 90 percent, in southern and central Somalia.[12]

Clearly, Somali Islamists are not the primary beneficiaries of this informal currency trade. Many *hawwalat* agents can be described as religious, and are sympathetic to groups such as al-Ittihad, but in political terms this "Islamist" influence is more apparent in the northeast, where solidarity along clan lines is comparatively weak. In the northwest, al-Ittihad forces generally do not enjoy the support of the local population. Since the onset of civil war, al-Ittihad has chosen to finance the movement, not through the *hawwalat*, but by attempting to control the port econo-

lished to meet the demand of Somali laborers who had migrated to the Gulf and sought to circumvent foreign exchange controls. But with the onset of the civil war in the late 1980s, the *hawwalat* system expanded and has come to represent the only avenue for Somali expatriates to send money to support their families.

While *hawwalat* transfers are not regulated by formal institutions, they are regulated by norms of reciprocity embedded in sub-clan affiliation and familial relations. The Islamist al-Ittihad organization—the main target of the al-Barakaat closures—has never been able to establish a monopoly over the lucrative transfers precisely because of the manner in which Somali clan networks regulate their distribution in ways that defy stylized generalizations.

Social Content of Informal Financial Markets

The *hawwalat* operate very simply. A customer brings money (cash or cashier's check) to an agent and asks that it be sent to a certain person in Somalia. The remittance agent charges a fee, typically between 5 to 10 percent depending on the destination. Costs may go up to 12 to 15 percent for larger amounts. The remittance agent then contacts a local agent in Mogadishu—via radio, satellite phone or fax—and instructs him to give the appropriate amount to the person in quesmies of Bossaso and Merka. In the early 1990s, al-Ittihad forces did manage to monopolize the lucrative import-export trade of Bossaso. Consequently, al-Ittihad (which draws members across clan lines) attempted to impose a new form of "Islamic" rule, but this was short-lived. In 1992, after a bitter armed conflict, the Darod/Majerteen-backed Somali Salvation Democratic Front (SSDF) wrenched control from al-Ittihad forces and has administered the port of Bossaso ever since. Since this defeat, al-Ittihad abandoned the few towns and rural outposts it once controlled, and its activists have since integrated into local communities as teachers, health workers and businessmen. Some members have close links with Islamists in Sudan, primarily in the form of a small number of Sudanese-funded educational scholarships.[13] In recent years, al-Ittihad members have been primarily interested in providing social services, operating local newspapers and attaining employment—not Islamic revolution.

Labor Remittances and "Clan Economies"

During the last two decades of Siad Barre's regime, Somalia's informal economy was flourishing. The formal economy was a shambles as a result of the external capital inflow in the form of labor remittances, a costly war with Ethiopia over the Ogaden in 1977-78 and the decline in foreign aid from the Gulf. As a consequence, the Somali dictator was left with a narrow political base centered on his Marehan sub-clan. In order to attract much-needed revenue from the informal economy, and in a pattern similar to other labor exporters, Barre liberalized the economy and "legalized" the black market economy by introducing what is known as the franco valuta system.

Under this system the government allowed traders to import goods with their own sources of foreign exchange through the *hawwalat* brokerage system. In essence, the franco valuta system fully circumvented the state in procuring imported goods for Somali consumers—brought by Somali remittance dealers, from money earned by Somali workers' abroad and purchased by workers' relatives at home. Barre took his share by taxing exported goods, particularly livestock. Yet while the franco valuta system was designed to profit the state, it had the effect of institutionalizing the informal economy in Somalia.[14] This was because the informal economy was created by a heavy volume of labor remittances, which eroded the state's extractive and regulatory capacity, while simultaneously facilitating strong local organizations coalescing around clan and kin solidarity.

The implementation of economic liberalization measures in the 1980s bled capital from the already small public sector, speeding up the informalization of the Somali local economy. By the early 1980s, 150,000 to 175,000 Somalis worked in the Gulf, mostly in Saudi Arabia, earning five to six times the average Somali wage. A great part of their earnings (an estimated one third of GDP) was repatriated due to clan and family loyalty and the attractive exchange rates offered by the *hawwalat* dealers. Remitted earnings were invested in livestock production and trade, with the result that the livestock sector boomed from 40 percent of the economy in 1972 to an estimated 70 percent by the end of the decade.[15]

In contrast to other labor-exporting countries, where new middle classes arose due to labor migration, in Somalia the diminution of the formal economy and labor remittances determined a new pattern of clan conflict. Many urbanites were members of trading firms that were increasingly organized

Figure 3 **Main Income Source by Percentage of Population**

Primary Source of Income	Hargeisa, Northwest Somalia		Bossaso, Northeast Somalia	
	Resident Population	Recent In-Migrants	Resident Population	Recent In-Migrants
Remittances	23	5	38	2
Market activities	32	35	26	17
Petty trade	16	19	20	4
Services	29	32	16	77
Begging	-	9	-	-

Market activities include currency exchange, market stalls, tea stalls, qat selling, charcoal and water delivery and meat selling. **Service jobs** include masons, porters, civil servants, waiters, drivers and unskilled laborers. **Petty trade** includes livestock brokers, shops/restaurants, import/export traders and cloth retailers. ***Source:*** Khalid Medani, *Survey on Internal Migration and Remittance Inflows in Northwest and Northeast Somalia* (UNCU, March 2000).

around clans, but most often sub-clans. Most families relied on monies received from family members residing abroad for their livelihood. With the rise of these clan-centered economies, one can trace the pattern of inter-clan warfare.

By the mid-1980s, 93 percent of all capital investment in informal enterprises came from personal savings derived from remittances and loans from relatives and friends. Formal lending from commercial banks was no more than 2.3 percent and credit allocation from government sources was non-existent.[16] Consequently, the scramble for control over foreign exchange led to widening schisms between clans, sub-clans and family households. Meanwhile, Siad Barre pitted one clan against another in his elusive search for legitimacy, financing the patronage system that kept key clans and individuals wedded to participation in government. But with the expansion of the informal economy in the 1990s, the patronage system became irrelevant in Somali politics. Clan networks increasingly served as the main avenue of insulating Somalis from the full impact of market forces resulting from the complete informalization of the economy. The typical wage earner was more likely than not to belong to a trading household and overseas relatives, and few Somalis of any clan could afford to rely on state patronage or the formal economy for their livelihood.

While the income of some clan families increased, those of others decreased. Most notably, while the Isaak clan of the northwest accumulated capital that allowed them to carve out an independent financial base for themselves, at the other end of the scale the Rahenwein, Digil and "Bantus" of the south emerged as losers in the battle for foreign exchange. These clans had little access to remittances or other resources to exercise their "exit" option in the informal realm. In 1992 and 1993 these three clans, located in what came to be known as the "triangle of death," were the biggest victims of the war-induced famine.

Fading Era of Abundance

By the mid-1980s, the drop in oil prices and the ensuing recession increased unemployment and reduced the inflow of remittances. The Saudi decision to ban the import of Somali livestock in 1983, because of rinderpest, deepened the resulting economic crisis in Somalia.[17] Eventually, mounting debt forced Barre to accept huge IMF-sponsored devaluations as a way to channel foreign exchange into the central banking system.[18] What was at stake was not political or nationalist issues, but control of the exchange rate, which constituted the core of the clientelist system underpinning the Barre dictatorship. This attempt failed, however, primarily because Barre could no longer compete with the remittance dealers. The *hawwalat* agencies continued to offer better rates and safer delivery, in stark contrast to the extreme weakness of the state's regulatory and financial institutions. Barre resorted to increasing predatory and violent behavior, particularly as opposition, organized around clan families, grew. Barre singled out the Isaak, the most important beneficiaries of the fading era of abundance, for retribution long before their call for cessation in 1991.

Prior to the civil war in 1990, members of the Isaak clan represented more than 50 percent of all Somali migrant workers, partly as a result of their historically close ties to the Gulf and their knowledge of Arabic. The Isaak also benefited greatly from their monopoly over the livestock trade, made possible by their control over the northwestern port of Berbera. A large proportion of the remittances of the Isaak went to supply arms to the rural guerillas who helped overthrow the Barre regime. Delegates of the Isaak-led Somali National Movement (SNM) received somewhere between $14 to $25 million; in 1990, the total remittances transferred to northern Somalia were in the range of $200 to $250 million.[19] In Mogadishu and other southern towns, the government attempted to destroy the financial patrons of the SNM by arresting hundreds of Isaak merchants and professionals.

Subsequently, guerilla warfare spread quickly to the central and southern parts of the country as Hawiye and other clans rebelled, receiving crucial financial and logistical support from the SNM. Eventually, the SNM would aid Gen. Mohamed Aideed's successful ouster of Siad Barre from Mogadishu. By the time Barre's regime fell, several clan-based militia groups had gained effective control of various regions of the country. The Somali state ceased to exist, as reinforced clan identities were asserted in the struggle over territory and increasingly scarce resources. A decade later, no single coalition in civil society has emerged dominant. The current Transitional National Government, led by Abdulqasim Salat Hassan, is extremely weak, controlling only half of the city of Mogadishu.

The Dilemma of State Building

Following the collapse of the Somali state, the *hawwalat* system continues to represent the most important conduit of capital accumulation. Moreover, in addition to ensuring the survival of millions of Somalis, the *hawwalat* have the potential to play a key role in ongoing state building efforts throughout the country. In addition to capital accumulation, a key determinant of state formation is the ability to both encourage and tax private economic activity, in order to consolidate political control and expand the infrastructural reach and power of the state. Achieving some success in this sphere would lead to a reduction in clan-based conflicts, many of which result from efforts by various faction leaders to extract revenue directly from the various ports as a means of gaining political control.

In contrast, in the most stable regions of Somalia, political leaders have managed to gain the trust and cooperation of the Somali businessmen operating the *hawwalat* companies, who have earned windfalls from the lucrative trade in remittances and foreign currency. As a result, state builders, most notably in the northwest and northeast, have established a level of peace and stability and revived the basic institutions of governance. In northern Somalia, government employees collect revenue, salaried and uniformed police keep law and order, courts administer justice and line ministers dispense some limited public services.

In addition to precipitating a humanitarian disaster in Somalia, the war against terrorist finance threatens the fragile peace that has been achieved in many parts of the country. The US needs to attack the truly significant financiers of the terrorism without impoverishing the Somali population further. In Somalia, and no less in Afghanistan, where formal bureaucratic institutions are absent, the *hawwalat* represent the entrepreneurial ingenuity of millions of people. The vast majority of those who use the services of these informal banks have no relationship to terrorism whatsoever. Indeed, they represent the face of courage and resolve under *genuinely* difficult circumstances and, in a troubling irony, stand in stark contrast to the cowardice of the perpetrators of the September 11 attacks. ■

Endnotes

1 Law enforcement officials have shut down al-Barakaat headquarters in Dubai, and its offices in Boston, Minneapolis, Colombus and Seattle, as well as in Mogadishu and Bossaso, in southern and northeast Somalia respectively. They have also closed the Somali International Relief Organization, and Bank al-Taqwa, Ltd. in Nassau, the Bahamas.

2 One senior US official said that the incriminating information came from a single source. As he put it: "This is not normally the way we do things. We needed to make a splash. We needed to designate now, and sort it out later." *New York Times*, April 13, 2002.

3 *Reuters*, December 5, 2001.

4 Prior to September 11, Treasury Secretary Paul O'Neill blocked an Organization of European Cooperation and Development (OECD) investigation aimed at limiting the secrecy prerogatives of tax haven jurisdictions such as the United Arab Emirates, where some of the September 11 hijackers' funds originated. Secrecy laws prevent governments from tracing capital outflows. At the time, O'Neill argued that the OECD had "no right to tell sovereign countries what to do about their tax laws and systems." See Sidney Weintraub, "Disrupting the Financing of Terrorism," *The Washington Quarterly* (Winter 2002).

5 *Associated Press*, November 28, 2001.

6 As of January 1, 2002, anyone who wants to operate a money transfer agency in the US must obtain a license from the Department of Commerce. The applicant must show a net worth of $100,000, and pay upwards of $70,000 in licensing and fees—the most expensive application for a non-banking financial institution in the US. *Financial Times*, January 5, 2002.

7 One Treasury Department investigator admitted that the *hawwalat* system is an "alien concept" to US authorities. *Financial Times*, January 17, 2002.

8 Vali Jamal, "Somalia: Understanding an Unconventional Economy," *Development and Change* 19 (April 1988).

9 *Reuters*, December 3, 2001.

10 Somali refugees and displaced persons are far less able to secure livelihoods for their families than their urban counterparts. Only ten percent of refugee and displaced families have the resources to support their rural relatives. The reason for this is twofold: first, the displaced population generally consists of the most socially and politically marginalized of Somalia's clan groupings, and second, only two to five percent receive remittances from overseas relatives.

11 Thus the *hawwalat* are not as "hidden" or "secret" as US officials have suggested. The meticulously detailed, digitized accounts of most *hawwalat* agents could easily be examined by Federal investigators without shutting down the entire operation or imposing exorbitant regulatory fees.

12 At present, no survey on the *hawwalat* trade has been conducted in south and central Somalia, primarily due to the unstable conditions in that part of the country. The above figure is derived from interviews with al-Barakaat and Dahabshil representatives in Hargeisa and Bossaso.

13 Interviews with al-Ittihad members in Gerowe, Puntland, April 2000. Names withheld by request.

14 In 1978, livestock exports amounted to 589 million Somali shillings. Since Barre placed a ten percent tax on livestock exporters, Somali traders based in Saudi Arabia earned profits of $93 million, most of which was recycled back into the informal economy. As one important study noted at the time: the "efforts by the [state] to mobilize resources [were] met by increased reliance on parallel markets, thereby further eroding the economic base of the government and making coercion appear the only viable means of maintaining control." A.A. Aboagye, "The Informal Sector in Mogadishu," *ILO Report on Somalia* (Addis Ababa, 1988), p. 13.

15 David Laitin and Said Samatar, "Somalia in the World Economy," *Review of African Political Economy* 30 (1984).

16 Aboagye, "The Informal Sector in Mogadishu," p. 13.

17 Following the Saudi ban, export earnings from the livestock sector plummeted from $137 million in 1982 to $58 million in 1984.

18 By the late 1980s the overall economic picture for Somalia was grim. Manufacturing output—always small—declined by five percent between 1980 to 1987. Exports decreased by 16.3 percent from 1979 to 1986; and, according to the World Bank, real GNP per person declined at 1.7 percent per year in the 1980s. Cited in Roland Marchal, "The Post-Civil War Business Class," unpublished report prepared for the Commission of the European Communities, September 1996, p. 24.

19 *Africa Confidential*, July 12, 1990.

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