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**Somaliland's Investment in Peace: Analysing
the Diaspora's Economic Engagement in
Peace Building**

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1. Introduction

Since 1991 the people of Somaliland have successfully established a peaceful and relatively stable state and community. They have managed a process of reconciliation, demobilized the local militias, restored law and order, and held three rounds of peaceful elections. Much of the urban infrastructure and basic social services destroyed during the war (1988-1991) have been re-established. Peace and stability allowed normal patterns of trade and other economic activities to resume, and thousands of refugees came back from neighbouring countries.

However, despite being the most stable polity within the territory of the former Somali Republic, Somaliland has not been recognized internationally as a state, and thus it has not received the kind of international support given to many other post-conflict countries. In the early 1990s few international organizations were willing to support internal reconciliation, establish security through disarmament, demobilization and reintegration, or promote democratization and development. Instead, peace building has been achieved by Somalis themselves, supported in part by the Somaliland diaspora,¹ which has sent remittances, undertaken business and social investment, and helped to re-establish or rehabilitate basic services.

The case of Somaliland illustrates the growing importance and influence of trans-national political, economic and social engagement of non-state actors in peace and state building. It also highlights the need for increased research on the role and potential contribution of non-state actors, such as trans-national diaspora, in overcoming conflict. In light of the absence of formal international engagement and the relative weakness of its state institutions, Somaliland serves as an important case study to show the role, magnitude and nature of diaspora engagement in processes of post-conflict rebuilding.

In order to put into context the diaspora's involvement in Somaliland's peace building process and the specific case study here, it is important to first understand what the Somaliland peacemaking initiatives and processes entailed. Then the most prevalent local understandings of the terms 'peace building' and 'sustainable peace' and the reality of 'peace work' must each be explored.

To capture exactly how the diaspora's engagement in their home country contributes to peace is challenging. We tackled this by interviewing in Hargeisa two groups of people, those from the diaspora involved in their homeland and the general public in the country. From the first group we gained information about individual biographies and experiences, as well as their descriptions, explanations and interpretations of the impact of their engagement. The second group provided local perceptions about diaspora involvement in Somaliland and information about the process of transmitting ideas and behavior from the diaspora to local people.

Prior to the research, key actors involved in these initiatives and local informants who were closely following these activities were identified. Semi structured interviews with these

¹ As discussed later, the diaspora has not always played a positive role in Somaliland's rebuilding process. During the civil conflicts of 1992 and 1994-96, they provided funds and other support for 'their' clan militias.

individuals encourage these interviewees to relate their personal accounts of the past and present diaspora initiatives. This analysis is based upon the interviews with twelve people (six from the diaspora and six residents in Somaliland) and discussions with two focus groups of residents. The six diaspora members all have some economic and social engagement in Somaliland and their involvements began between 1991 and 2004. The two focus group discussions were held for women's groups and the youth². Fifteen women participated in the first focus group discussion, and sixteen young men and women in the second one. All the interviews were done in Hargeisa, the capital city. The narrative spells out how exactly diaspora engagement contributed to peace building and helped bring about non-violent conflict transformation. The study explores both the perspectives of diaspora and local people, and whether the diaspora have influenced the attitudes and the behavior of the locals, generating knowledge and skills transfer, contributed to an image of 'peace' and 'normality', and addressed political marginalization.

The researchers faced a number of challenges. The first one was capturing change over time. Since the research is focused on diaspora engagements that started some years ago, a 'historical' overview was important in order to understand what had changed through the implementation of the project. But it was a challenge to understand how these initiatives were perceived when they started.

The other challenge is measuring the impact of a particular diaspora engagement. This kind of long-term perspective may be relevant in order to assess the impact of a particular diaspora engagement in a given setting. Yet, what are the indicators for assessing the impact of the diaspora in the local context? Some social influences, for example, may be fluctuating and difficult to grasp. Also economic and political changes are not always so obvious. Again the personal accounts and perceptions of these interviewees were utilized to analyze how these ranges of non-violent activities are contributing peace and to create conditions (equal development, integration) that mitigates an outbreak of violence.

2. Somaliland's peace building processes³

2.1 Cessation of hostilities and restoration of relationships

All major peace initiatives in Somaliland took place between 1990 and 1997, in the form of inter-clan conferences and meetings at the local and national level (*Shir-beeleed*). One study has identified about 39 such conferences and meetings (APD and Interpeace 2008: 13). These peace efforts dealt with a range of issues during the different phases of peace and state building processes which included cessation of hostilities, restoring relations and reconciliation among different clans, and establishing state institutions.

With the breakdown of all formal structures in the country due to the civil war, the responsibility for peace-making fell upon the traditional leaders (*Guurti*) of the various clans (SCPD and WSP 1999: 19). Consequently, their traditional conflict resolution and peace-

² These two groups were targeted since they are absent from the formal structures of the country. Participants of the youth group were between the ages of 20 to 27.

³ For more detail, see APD and Interpeace 2008.

making skills and mechanisms became critical to the success of these conferences and meetings. These peace initiatives all shared a number of key characteristics: “they were funded largely or wholly by Somaliland communities themselves, including those in the diaspora; they involved the voluntary participation of the key figures from each of the clans affected; and decisions were taken by broad consensus amongst delegates” (APD and Interpeace 2008: 13).

Shortly after the Somali National Movement (SNM)⁴ forces won control of much of the north in the aftermath of the overthrow of the military regime, a series of localised peace meetings were held between the victorious Isaaq-led SNM and non-Isaaq clans, which were associated with the previous regime. The focus of these peace efforts was to stop hostilities (*xabad joogin*), promote reconciliation (*Dibu-beshiisiin*), and restore old relationships, particularly marital relations (*Xidid*), since the clans inter-married before the conflict. Though the reconciliation process began before the collapse of the Barre regime, a series of peace initiatives after the collapse served as the basis for the Berbera conference in February 1991 to establish a formal cease-fire. Finally, the Burao National Inter-clan conference in April/May produced the declaration of the Somaliland Republic on 18 May 1991 and the creation of the first post-conflict government.

2.2 Disarmament, demobilisation and state building

The 1993 Borame National Reconciliation Conference produced the second Somaliland Administration led by President Mohamed Ibrahim Egal.⁵ Unlike his predecessor, Egal was able to achieve partial disarmament and demobilisation (*bubka-digis iyo abaabul ka saaris*) in the west of the country and the removal of road check points, thus reducing banditry and improving the security situation, particularly west of Hargeisa, where the government enjoyed some support (Bradbury 1997). Progress was made in terms of state-building, as the newly elected Egal administration was able to establish functioning government institutions in the west as well. The progress in establishing an administration has triggered other rebuilding (*dibu-dhis*) processes such as social and economic reconstruction. The resumption of livestock export to Saudi Arabia, remittances from the diaspora, and limited support from the UN agencies and the international NGOs have facilitated economic recovery and social restoration.

The Hargeisa National Conference of 1997 turned out to be the last major reconciliation and political re-building initiative, as the country has since remained relatively stable.⁶ The conference facilitated the re-election of President Egal for a five-year term, enabling the continuation of disarmament and demobilisation efforts in the east. This was achieved by absorbing many members of wartime militia units (*Qarameyn*) into the newly formed national army and civilian police force. In similar fashion, government institutions were re-established in the east with the exception of eastern Sanaag and Sool regions, which remain a point of dispute between Somaliland and Puntland.

The support of the diaspora was also crucial to the progress made in the rebuilding process. The improved peace and stability in Somaliland in the west, and to a lesser extent the east, encouraged the engagement of the diaspora in the reconstruction process. The financial and

⁴ This is not a new phenomenon, SNM was founded by diaspora, and the diaspora more broadly politically and economically contributed to the weakening of the Barre government and the Somali state.

⁵ For more detail, see Bradbury 1997.

⁶ For more detail, see *Jimcaale* 2002, pp. 29-43.

material contributions from the diaspora have helped to initiate or sustain important local projects that partially restored basic social services, and the funds received by relatives allowed them to rehabilitate or re-build their homes and businesses. Others made vital economic investment in service industries such as the *Maan-Soor* Hotel which helped instil in the local people a sense of confidence and self-esteem and served as source of hope and aspiration.

Brief timeline of key events from 1981 onwards:

1983	Somali National Movement (SNM) was founded
1988	SNM forces attacked cities of Hargeisa and Burco triggering the onset of full-scale civil war in the northwest
Jan 1991	President Siyad Barre abandoned Mogadishu and SNM forces captured the northwest
May 1991	The Republic of Somaliland's independence was announced in Burco
Jan 1992	Factionalized fighting within the SNM erupted in Burco and spread to Berbera and Hargeisa
Oct 1992	Sheekh peace conference between warring SNM factions was held, leading a ceasefire agreement
1993	Borama conference was held and President Cigaal was elected for two years
1993-1996	President Cigaal was able to restore some order in the west part of the country and established government institutions
May 1994	Construction of the Maansoor Hotel began
Nov 1994	Fighting erupted in Hargeisa between the government and clan-based opposition and spread to Burco
Aug 1996	The Maansoor Hotel officially opened in Hargeisa
Oct 1996	The Hargeisa National Conference began
Feb 1997	The Hargeisa National Conference concluded, President Cigaal was reelected for five years and the 1994-1996 hostility came to an end.
1997-2000	Somaliland enjoyed its longest period of uninterrupted peace and progress in establishing government institutions in the east of the country
2000	The construction of the Ambassador Hotel began
May 2001	The constitutional referendum was held and the constitution was endorsed
Sept 2001	Political associations were established to compete in the local council elections
May 2002	President Cigaal died and Vice-President Daahir R. Kaahin was sworn in as president
June 2002	The Ambassador Hotel was officially opened
Dec 2002	Local elections were held
April 2003	Presidential elections were held
Sept 2005	The elections for the House of Representatives were conducted
June 2010	After five postponements and three controversial extensions of the mandate of the president, the second presidential elections were completed peacefully.

The diaspora's role in Somaliland's peace building was not always a positive one. During the civil conflicts of 1992 and 1994-96, the Somaliland diaspora provided financial and other material support for "their" respective clan militias. Various networks and ad hoc bodies were established to mobilise the diaspora's support and to funnel these contributions to purchase weapons and other supplies. Some of them came home to provide leadership and physical assistance to the war effort on the ground. In addition to that, they generated propaganda to promote the conflict, thereby making it difficult for those on the ground to compromise in order to bring the conflict to an end. However, other returnees helped by creating clan-based civil society groups to deal with the humanitarian and social side of the conflict.

The 1994-95 conflict devastated and made uninhabitable most of the city of Burco and part of the city of Hargeisa. In spite of some negative influences, the diaspora's contribution played a critical role in stabilising the country. Somaliland's diaspora provided the funds and other support to their close relatives to return to these places and subsequently to rebuild their lives. The diaspora, in collaboration with local administrations and communities, helped restore basic services such as the Burao hospital and Edna Hospital (SCPD and WSP 1999: 78), but these contributions were not sufficient to offset the marked disparities that existed within Somaliland. The imbalances between the centre and the periphery, between the west and the east, between urban and rural areas continue.

2.3 Democratisation and structural changes

Somaliland's democratisation process, which moved the country from clan-based governance to multi-party western style, began with the constitutional referendum in 2001 and paved the way for the first elections in more than 30 years. Local elections were held in December 2002, followed by a presidential election in April 2003. Later the elections of the House of Representatives were held in September 2005. After several postponements, the presidential elections were held in June 26, 2010. The diaspora has played an active role in the democratisation process, particularly during elections.⁷ The Somaliland Forum, a Somaliland diaspora organisation, was able to finance the only international observers for the constitutional referendum.⁸ They were also instrumental in the establishment of political parties as one of the chairmen of the three national political parties is from the Somaliland diaspora in Finland. During the presidential elections Kulmiye, the main opposition political party, received hundreds of thousands of dollars from supporters in the diaspora to finance its election campaigns and to stay in contention with the ruling party Udub, which was using public funds and assets (ICG 2003: 22). In 2005, during the legislature elections, most of the candidates were campaigning on financial support from the diaspora. A considerable number of the candidates were also from the diaspora living abroad (Progressio 2005: 10). In non-election periods as well, the opposition political parties owe their preservation to the support of these groups.

As Somaliland has increasingly experienced peace and stability, the contributions of the diaspora to peace building have taken on new dimensions. Members of the Somaliland diaspora have increased their economic investment in their respective geographic areas. The private investments of the diaspora have helped in the construction of luxury hotels, residential buildings, and light industries throughout the country, particularly in the city of Hargeisa. These economic investments have in turn attracted a host of other physical infrastructures in their respective areas thus mitigating the perceived disparity between Hargeisa and the rest of the country to a certain extent. One such diaspora investment is the establishment of the Ambassador Hotel, which is discussed below.

⁷ For detailed information on the role diaspora in the electoral process, see SORADI et al. 2008.

⁸ For more information on this group, see www.somalilandforum.com.

3. Local understanding of key concepts

3.1 Diaspora (*Qurbajoog*)

The Somali name of the diaspora is '*Qurbajoog*'. Linguistically, for most people in Somaliland the word '*Qurbajoog*' implies Somalilanders living outside Somaliland. However, in terms of considerations and perceptions, returnees from the western countries are known as *Qurbajoog*, whereas those from other countries in the Middle East and Africa are described by the countries they came from. As long as one maintains his/her relationship with the host country or has a foreign passport he/she is considered *Qurbajoog*, regardless of the number of years that person stays in the home country.

The word *Qurbajoog* has been widely used since the late 1990s, reflecting the growing influence and engagement of the diaspora in Somaliland. Furthermore, there is an increased reference to the diaspora in literature on Somalis and there was a need for an equivalent Somali term.

3.2 Peace building (*Nabad disid*)

For proper understanding of the peace building processes in Somaliland, it is critical to understand how the local community perceives peace building. To do so, we shall examine what '*nabad disid*' a literal translation of the term peace-building, and '*nabad waarta*' a rough translation of sustainable peace, symbolize for the people of Somaliland. Even when peace is the ultimate goal, efforts undertaken to promote peace building do not necessarily reap positive results.

In order to get a glimpse of the local understanding of the meaning of these terms, 12 persons were interviewed and two focus group discussions were held. Those interviewed included elders, members of the diaspora, local politicians, government officials, and people engaged in development work. The two focus group discussions were held for women's groups and youth as noted above.

The responses were quite similar and reflected the prevailing local context as well as the political, economic and social realities that the country has experienced. The Somaliland people were subjected to several cycles of violent conflicts in the 1980s and 1990s. For the people who have lived or grown up in the midst of war, peace and security become matters of paramount importance. Many saw peace building as a long process aimed to overcome violent conflict within Somaliland. "*Peace building is overcoming conflict to feel the breeze of peace and it requires a step by step approach...when you want to the lay foundation of peace you have to overcome conflict*", said one female focus group participant⁹.

In the Somali context of conflict management, all negotiations take place in a traditional *shir* (meeting) generally held under a *geed* (a large tree). The tree has become a traditional symbol for resolving conflicts and making peace, after clan elders have met under the shade of a tree for centuries. Most peacemaking efforts in Somaliland were facilitated by the *Guurti* utilising their traditional peacemaking mechanisms. For some respondents, peace building is a synonym to meeting under the tree: "*Peace building is convening under the tree, because when the*

⁹ Women's focus group discussion, April 2009.

elders convene to build peace they do their best to safeguard the peace efforts by exchanging girls [brides]”, a diaspora business woman remarked.¹⁰

Some express the local understanding and desire for peace through Somali proverbs, which hold much wisdom and moral weight and are powerful tools of persuasion (ICD 1996: 20). A senior Somaliland politician cited these proverbs to highlight the negative and positive perceptions associated with conflict and peace respectively:

“Conflict is dark (hell) – on the other hand peace is more sweet and peace is facilitated by delegation/intercession. They [Somalis] compare this to drought which is dark (hell); on the other hand prosperity is more sweet and prosperity is facilitated by the availability of pasture.”

“Traditionally, the worst is when we are in drought and conflict. The worst of time for Somalis is when they are in drought and conflict and the best of time for them is when there is peace and milk.”

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Somaliland in 1991 was a scene of overwhelming physical devastation and displaced people. The gradual return of peace and stability allowed the rebuilding of dwellings and businesses so that much of the urban infrastructure and the basic social services have been re-established. Normal patterns of trade and other economic activities have also resumed, while thousands of refugees in neighbouring countries have returned. These achievements have made Somalilanders everywhere recognize the importance of peace and security as a precondition to economic and social development. Some respondents echoed this very sentiment: *“when there is peace, then you have development”*, said the owner of the Ambassador Hotel.¹²

Somaliland’s prior experience of civil strife suggests that many conflicts were based on deliberate mobilization of perceived or real clan-based political and economic grievances.¹³ However, the conflict mitigation and containment mechanisms employed also originated in Somali tradition and clan. These various inter-clan conferences (*shir-beeleed*) served incrementally to redress clan grievances and to move the peace building process forward. The conferences served as national forums or processes in which clan power sharing and representation were constantly being re-negotiated and transitional legal frameworks and structures were being adopted. For example, the Borame conferences produced the Peace and National Charters, and the formalisation of the *Guurti* into the political system by creating the House of Elders, whose specific role is to safe-guard peace and uphold the *xeer* (customary law) among clans. At the Hargeisa Conference the provisional constitution was ratified and some of the clan grievances were addressed by increasing their representation in the two Houses of Parliament (WSP and SCPD 1999: 21). These national meetings have become a symbol for Somaliland’s peace building process, to the extent that they are permanent fixtures in peoples’ minds. They now relate to them when asked about peace in Somaliland. Many interviewees and participants in the two focus groups acknowledged that peace building is how Somaliland was stabilised through a series of *shir-beeleed*. An official from the Ministry of Finance, describing peace building, said, *“It is the process that led to the creation of Somaliland starting with the Sheikh conference known as Tomjiiq, and then Borame.”*¹⁴

¹⁰ Amina Farah Arshe, diaspora businesswoman and the chairperson of Somaliland Non-state Actors Forum. Interview, March 2009.

¹¹ Ali Ahmed Essa (Guray) SNM veteran and Somaliland politician. Interview, March 2009.

¹² Khader Ali Hussein, owner of the Ambassador Hotel. Interview, April 2009.

¹³ For in depth detail of some clan grievances in 1994-1997 war see Bradbury 1997.

¹⁴ Weli Dawud, Ministry of Finance. Interview, April 2009.

A similar view was articulated by a young man in the focus group discussions. He stated *"in these meetings it was agreed to build the peace in order to create a power sharing government."*¹⁵

A woman in the women's focus group discussion expressed the same view in a more elaborate way:

*"What is needed when someone wants to build peace is that the warring factions have to come to the table; the process of peace building starts from that point... for that, inter-clan conferences were held. The Burao conference was convened. There president [government] was established, all Somaliland clans participated and bylaws and clauses were adopted. This was followed by the Borame conference, where a president was elected and [Guurti] the elders were established. After that a constitution was endorsed. So far what is holding the peace is this small document, which has some deficiencies. That is how peace was built. Even now the process of peace building has not stopped and it is still continuing."*¹⁶

As well as being the most visible and difficult peace building tasks, disarmament and demobilisation were the most important because of their immediate effect on the country's security and stability. After the Borame Conference, President Egal, with the help of the *Guurti* and some clan commanders, was able to disarm and demobilise some of the clan militia. President Egal organised public ceremonies at the Hargeisa football stadium for the clan militia to transfer their heavy arms and weapons to government control. Business people agreed to contribute food to the government as payment to the demobilised militia in the interest of keeping the roads safe and facilitating the free movement of goods and people. This significantly improved the security situation and it was a concrete step in the peace building process, which many can attest to.

During the focus group discussions with youth, one participant recalled: *"When we were in the peace building process, each clan brought its militia to the big stadium as part of the demobilisation initiatives...it was the elders who convinced all clans to transfer their clan militia and arms to the government in order to get someone responsible for the security and the arms"*.¹⁷

The consequences of conflict go much deeper than physical devastation, loss of life, and displacement. War has left behind individual and collective trauma, and undermined peoples' confidence in themselves. While little concrete data is available, psychosocial trauma is reported anecdotally to be widespread. Though most people in the country have experienced some degree of psychological trauma, only one participant in the youth focus group discussion has referred to that issue as a peace building concern: *"Law enforcement forces need to be established and all security institutions as well, at the same time we have to treat the people psychologically as peace building is not something physical like other constructions"*.¹⁸

Drawing from the experiences of Somaliland's peacemaking and reconciliation efforts, another theme frequently mentioned in these discussions was the factors that facilitate successful conflict transformation. Conflict transformation means to change the positions, perceptions, attitude and behaviour of people in conflict through non-violent means (ICD:

¹⁵ Youth focus group discussion on March 2009.

¹⁶ Women focus group discussion, April 2009.

¹⁷ Youth focus group discussion, March 2009.

¹⁸ Ibid.

1996: 41). Though approaches to peace building differ, the bottom up approach has worked for Somaliland while top-down approach has failed so far to produce security and stability in the south of Somalia.

The relative success of Somaliland's approach or experiment with peace, state building, and democracy provides insights for international practitioners and policy makers working in Somalia and other countries emerging from war. A lengthy, self-financed and locally driven inter-clan reconciliation process throughout the 1990s, leading to a power-sharing form of government, provided an important base for Somaliland's enduring political stability and for the reconstruction and development of the region.

4. Factors that contributed to the success of reconciliation in Somaliland

4.1 The conditions for successful reconciliation

The following are some of the views expressed by the respondents regarding the factors that contributed to the success of the reconciliation process in the Somaliland context.

The first one emphasizes the importance of traditional means of conflict resolution to the reconciliation process. In the words of one of Somaliland's intellectuals:

*"In our tradition, when people convene for peace making and peace is accepted, in the process of arbitration – whether it is between clans, two people, or two groups – both sides gain some things. Our justices is not about what side is wrong or what side is right but rather it is a win-win situation or mutual benefits for both sides....In the case that one side feels like it is the loser and the other side believes it is the winner, it would be hard to implement the agreement unless you had a strong government....Our society is capable of implementing a peace agreement that is acceptable to both sides for the best of their interests."*¹⁹

The desire of the warring factions to have peace is very important because it would be difficult to impose peace upon them. The owner of the Hadhwanaag restaurant in Hargeisa, who joined the U.S. forces in operation Restore Hope to Somalia in 1992, said:

*"We cannot import peace. It has to come from within. We realised when we came to Somalia that the people were not interested in reconciliation and had decided to continue with the conflict. So if the reconciliation is not something internal, no one from outside can force peace or reconciliation upon them."*²⁰

The chairperson of a leading women's umbrella organization in Somaliland spoke in similar terms: *"People's desire for peace is the foundation for peace building. If people are not interested in the peace process it won't work."*²¹ She also stresses the need for a venue to have dialogue and for the participants to be willing to make compromises and concessions.²²

¹⁹ Mohamed Osman Fadal, President of Social Research and Development Institute (SORADI). Interview, April 2009.

²⁰ Hassan Ahmed Hussein. The Owner of Hadhwanaag Restaurant. Interview, April 2009.

²¹ Suad Ibrahim, former Chairperson Nagaad Women's Umbrella Organisation. Interview, April 2009.

²² Ibid.

Besides making concessions, a participant in the youth focus group discussion added that one important element of reconciliation is abstaining from revenge. The fact that people in Somaliland refrained from retributions against each other facilitated the quick reconciliation between Isaaq and non-Isaaq clans.

Much of the success of Somaliland's peace building is attributed to the long deliberation process and demonstrated patience, which provided time for issues to be meticulously discussed. As the managing director of Telesom explained: *"Peace building is not an easy job. It requires time, it requires vision/thinking, it requires consultations, it requires money, it requires knowledge/wisdom and it requires so many things."*²³

4.2 Pillars of sustainable peace

As opposed to the peace building or *"nabad disid"* which is described above, when respondents were asked about sustainable peace – *"nabad waarto"* – they agreed that the prevailing peace in Somaliland could not be classified as sustainable peace, which is what the people of Somaliland are still striving for.

One young man in the focus group discussion described sustainable peace as a long-term process. He defined sustainable peace this way: *"Not pre-paid peace (one time use peace) where the country is peaceful for five years and then conflict happens."* Another respondent characterised sustainable peace as a phase of peace building where there is some kind of political transformation and conflicts are resolved in a peaceful manner.²⁴ For the rest of the interviewees, sustainable peace, *"nabad waarto"*, is often about economic issues, particularly dealing with the existing high unemployment due to the absence of viable economic development.

Though Somaliland remains relatively stable, the country has largely failed to make notable progress on other fronts that are critical to a sustainable peace. There is no major economic development and the provision of basic services such as health and education is either rudimentary or nonexistent. Unemployment is an acute problem in Hargeisa and other urban centres. For many people, economic development is the key to sustainable peace in Somaliland.

The managing director of Telesom, a leading provider of mobile communication, remarked: *"First sustainable peace has to do with the country's socio-economic and political conditions. In fact, social economics and the political system will influence and affect the sustainability of peace. So, first people must make their daily living or money and gain employment. It is also important that people have access to education. Those who do not have either jobs or schools have to live on hopes that something better is on the horizon."*²⁵

A similar view was also expressed by the owner of the Hadhwanaag restaurant: *"Somaliland has had peace for 18 years. But along with peace there must be prosperity and there is no prosperity. We know that unemployment is sky-rocketing. If it continues that way and if there are no plans for the country to*

²³ Abdikarim Mohamed Id, Managing director of Telesom. Interview, March 2009.

²⁴ Youth focus group discussion, March 2009.

²⁵ Abdikarim Mohamed Id. Interview, March 2009.

engage or employ the youth, these young men who for the last five years were being tolerant and respecting the current peace may get desperate tomorrow and in desperation may resort to anything.”²⁶

For some respondents sustainable peace is concerns about lack of justice, equality, good governance and democracy as defined by the locals. This seems to reflect the legacy of prolonged dictatorial rule, civil wars, and the absence of viable economic development.

Since 2002, Somaliland has held three elections in an effort to move the country from a clan-based political system to a constitution-based multi-party democracy. This transition has proved to be highly challenging, threatening to undermine the stability of Somaliland. There are growing concerns over the current political system in Somaliland, which is not on the path to evolve into a stable constitutional system based on the rights of citizens. The most immediate concern is the government’s failure to hold elections in time, which were due to take place in 2007 and 2008. In the eyes of the public, the political system is drifting towards authoritarian and centralized rule. Though the balance and separation of powers between the three branches of government is clearly stipulated in the constitution, in practice the judiciary and legislature are unable to provide tangible checks and balances on the executive within the new political system. Similarly, there are concerns over the growing disparity between urban centres and rural areas, and between the eastern and western regions. This state of affairs is reinforcing the images of the legacy of long dictatorial rule.

A participant in the women focus group discussions summed up the concerns raised by many people:

“When we want to get sustainable peace, we have to have justice (equity): Justice means that all people should be equal. Equal access to national resources, fair distribution of land and equal opportunity for jobs. Otherwise there will be inequality and we will go back to conflict. So to make it sustainable there must be justice and equality.”²⁷

Despite making progress in the formal democratisation process, deep social transformation that fosters a democratic culture remains an uphill struggle. The concern is whether Somaliland has the critical mass and the institutions in place to promote peaceful means of resolving conflicts and peaceful transfer of power through regular elections. This matter was raised by a politician and SNM veteran:

“In addition to justice is knowledge, which means people’s political consciousness must grow and develop and be able to resolve their differences in non violent approach.... good governance has to be a democratic system in which men of religion and men of war are treated equally. Where people are elected in a democratic manner there is no abuse of power.”²⁸

4.3 Diaspora and peace building at home

Since 1998, peace has been deepening in a gradual manner and there has been considerable effort on the part of the people to hold on to this hard-won peace, avoiding anything that

²⁶ Hassan Ahmed Hussein. Interview, April 2009.

²⁷ Women’s focus group discussion, April 2009.

²⁸ Ali Ahmed Essa (Guray). Interview, March, 2009.

would endanger it. Occasional violent clan confrontations²⁹ in the rural areas and structural ones in the urban setting remain challenges to Somaliland peace and stability.

The clan confrontations are resolved through mediation by traditional elders, since the law enforcement institutions and regional and local authorities are ill-equipped to manage these conflicts. In rural Somaliland the security forces lack adequate resources for even basic operational needs. Many stations lack means of transport and communication to maintain order in case of emergency.

Traditional mediation involves the dispatching of carefully selected elders to the conflict zone, which requires resources. These resources are not readily available, so regional and local authorities and civic leaders solicit funds and other support for such peace missions from the community, particularly from business people, local NGOs and individuals from the diaspora.

The other general threats to peace are related to structural deficiencies or lack of development, which are long-term peace building challenges. The people of Somaliland are struggling to establish formal institutions and to make sufficient progress in all spheres of development – social, economic, and governance – thereby making the existing peace an informal one. Moreover, there has not been notable societal transformation that would allow the emergence of socio-political pluralism. Most importantly, a strong economy that would have offset some of these structural shortcomings is lacking.

Most of the ongoing developments are attributed to the private and informal sectors and other non-state actors, since public resources are limited and often mismanaged. The private sector is assuming this critical role in a very challenging environment. Some of these challenges are the absence of meaningful international assistance to spearhead development and a lack of foreign investment and formal financial institutions to provide credit and insurances. The ban on livestock exports to Saudi Arabia, which had been the backbone of Somaliland economy and a main provider of foreign currency, and lack of human resources and infrastructure are also critical issues.

The financial and social contributions and material support of the Somaliland diaspora and their high level of engagement in Somaliland is partly stimulating the ongoing development in the country and is crucial for sustaining peace. Their engagement comes in the form of monetary and social remittances, tourism, and economic and social investments. Remittances provide the much-needed hard currency for trade, support the livelihood of many households, allow some households to establish small businesses, and finance the ongoing construction boom in the country. Thousands from members of the diaspora come to Somaliland on the summer holidays, generating revenue through demands for services and goods and contributing through social transfer. The most effective aspect of their engagement is economic and social investment. These business investments in trade, telecommunications, luxury hotels and light industries have led to modest job creation and have attracted a host of other infrastructures. As for the social investments, numerous members of the diaspora are either setting up or are actively engaged in local NGOs, medical and educational facilities, and political parties that are positively contributing to the social and political development of the country.

²⁹ These clan clashes happen inside and outside Somaliland particularly the Somali region of Ethiopia. The nature and spread of the clan system means that conflicts inside Ethiopia have security implications for and in Somaliland.

5. Analysing diaspora's engagement in peace building

5.1 Background

Diaspora groups around the world play an important, albeit sometimes controversial role in conflict in their home countries. The view in the literature on the role of diaspora in conflict in their home countries is divided. One dominant viewpoint holds that diaspora prolong conflicts through economic and political support without the same risks run by locals on the ground. Other literature highlights how diaspora groups play a role in conflict resolution (Pirkkalainen and Abdile 2009).

Somaliland's diaspora, as described in the previous sections, contributes in multiple ways to reconstruction and development in Somaliland. However, what is less clear is how these engagements – sending remittances, constructing schools, social assistance – are contributing to peace. An analysis about the contributions and how they relate to peace first requires a general conceptualisation of the term 'peace building'.

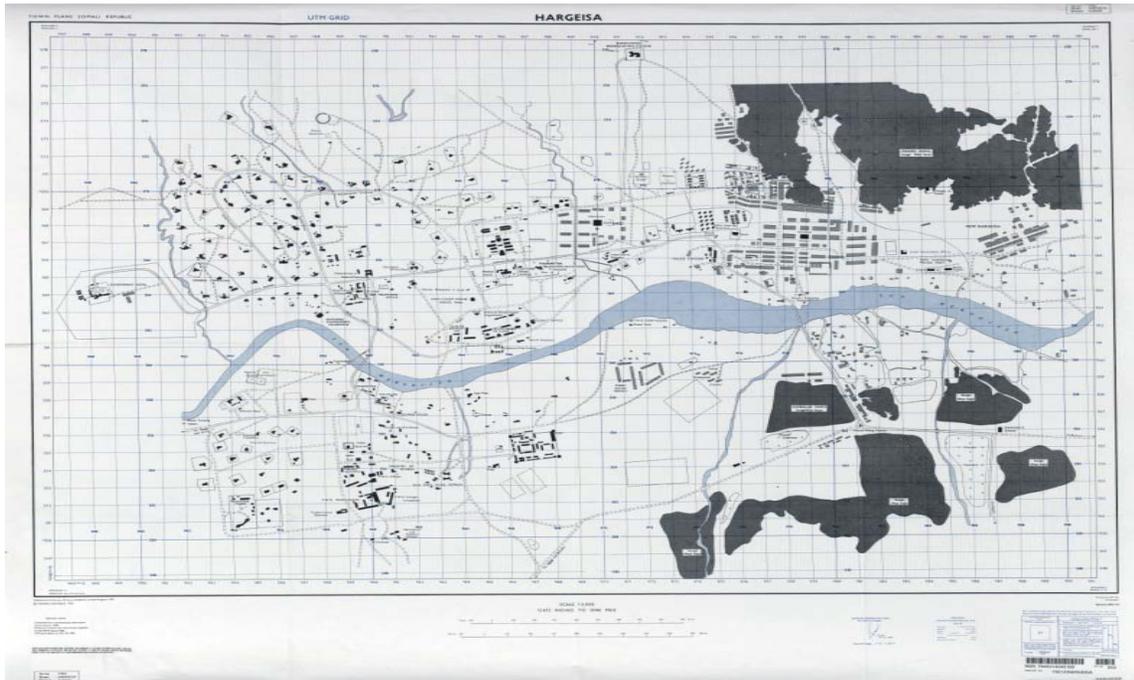
Here the definition of peace building is non-violent efforts to bring about positive conflict transformation, which can change or transform the violent relationship between conflicting parties into something constructive rather than destructive (ICD 1996: 41). This would demand a range of non-violent initiatives during the different phases of a violent conflict.

With the growing interest on how diaspora groups can contribute to peace, the following case studies analyse in which ways the Somali diaspora's economic and social engagement have contributed to non-violent, positive conflict transformation – that is changing or influencing people's positions, perceptions, attitudes and behaviour about the conflict.

The study examines some of the diaspora's economic engagements in Somaliland, particularly focusing on two huge hotel complexes built in Hargeisa, the capital of Somaliland, during the past 15 years. The study looks first at the diaspora's perspective on these investments: how they were conceived, their motivations to invest such huge sums of money, their major concerns, and the kind of obstacles they have overcome. Then the study looks at the local perspective on these investments at the outset and after completion. The second part of the study discusses the impact of these hotel investments and other diaspora investments on Somaliland's post-conflict peace building process from both the local and diaspora perspectives, and highlights the possibilities and restrictions of diaspora investment in Somaliland. Finally, it examines the local perception about diaspora engagement in Somaliland and its influence within the society.

Hargeisa is the capital city of Somaliland. The city and its surrounding is dominated by particular Isaaq clans - mainly the CiSacad Muuse of Habar Awal and Cidagale of Garhajis and Arap, though various clans live in the city. It is divided by a dry riverbed which generally serves as a line of demarcation for clan settlements. The Habar Awal of Sacad Muuse is predominant in the north and north-west (*daan*) banks of the river bed, Garhajis of Cidagale reside in the south and south-east sides, and Arap are mainly in the south side of the river. An enduring rivalry between the (*daanaba*) banks, which has led each side to develop its own stereotypes of the other, greatly influences the city's politics, economics and stability.

Figure 1. Map of Hargeisa (World Food programme-Somalia: 2007)



The 1994-1996 civil wars between *Cigaal's* government and an opposition mainly from the Garxajis clan ended without either side able to claim a decisive victory. However, the human and economic costs of the war were felt most deeply in opposition areas (including southern Hargeisa and west of Burao), where most people were displaced and existing homes and infrastructures were demolished. The area where the Ambassador Hotel is found today “*did not exist in 1998; it was very little, when you drove from the bridge up to the airport there were few houses left on the south side and even the reconstruction of private houses was at the very early stage.*”³⁰

The conflict also weakened the economic position of the Garxajis, as they were unable to engage in any meaningful trading activities and thus lost their dominance in the livestock trade. The former Deputy Speaker of the House of Representatives recalled that “*the Garxajis were prominent in livestock export, which was their economic base. This was disrupted by the war.*” Historically, the Garxajis were prominent in government civil service (Bradbury 1997: 27), but this too was lost in the aftermath of the conflict. According to the director of a research institution in Hargeisa, upon reconciliation, the Garxajis sought to regain their position in the civil service.

In contrast, the areas in the north and west of Hargeisa prospered under Egal and from the two years of war. There was consensus among observers that reconstruction, which was stronger in the side (*daanta*) of Sacad Muuse, even accelerated under Egal’s leadership. Meanwhile, whereas the Sacad Muuse exhibited confidence in the peace, the other side had not been brought on board yet. “*In 1996-1997 it was clear the north was more prosperous, and since the*

³⁰ Terlinden, Ulf. Interview, March 2009.

government institutions were located there, people from the north and the west were strongly encouraged to invest as they were supporters of the government”, said a senior officer in one international NGO.³¹

Similarly, in the economic sphere the Habar Awel of the Sacad Muse clan expanded its domination. Habar Awel businessmen based in Djibouti were able to monopolize the import and export trade in Somaliland during the conflict. In return, they supported Egal’s administration financially, providing food for the army and police and the government with a loan of USD seven million (which was to be repaid through tax exemptions) and financed the printing of Somaliland’s new currency, the Somaliland Shilling (Bradbury 1997: 27).

With the Garxajis in opposition, the state apparatus came under the control of their rivals, the Habar Awel. According to the former chairperson of one leading women’s network, *“when the war broke out and people [the opposition side] fled, those who remained behind [the north side] took everything that was there, including job opportunities and economic resources; everything was filled by them and it became difficult for returning people to get positions”*.³² Though the involvement of international agencies in the rebuilding process was limited, those agencies present in Somaliland were located in the north side of the city. During the conflict their rehabilitation efforts were concentrated in the west of the country for security reasons. That was another notable disparity, which had a long-term impact on post-war recovery and wealth distribution. The existing economic and social imbalances in 'opposition' areas have made the recovery process much longer.

5.2 Establishment of the Maansoor Hotel

Hargeisa in 1991 was utterly devastated, with only ten percent of structures still intact and less than one percent of its pre-war population still living there (SCPD 1999: 47). Now it is a rebuilt and rapidly growing city of close to half a million people. The construction of the Maansoor Hotel complex, which occupies an area of 48,000 square meters, is a powerful symbol of this rebuilding and expansion. The hotel’s establishment on the city’s periphery attracted much other building that has changed the physical landscape in that part of the city. Like Somaliland’s rebuilding process³³, the construction of the Maansoor Hotel took place in various phases, since its conception in 1991. Whenever the roots of peace and stability in Somaliland have grown deeper, the hotel has grown both physically and business-wise, and in the process it has encouraged other members of the diaspora to invest in the country.

The Maansoor Hotel was created by Abdiqadir Hashi Elmi, now a retired petroleum engineer who started his schooling in Hargeisa and then continued his education across the Red Sea in the then British colony of Aden, in what is now Yemen. There he earned a scholarship from British Petroleum (BP) to attend London for postgraduate study, where he got his engineering degree. After graduating he worked for BP in Aden and then moved to Kuwait in 1967, still in the service of BP. Mr. Hashi stayed in Kuwait until his retirement in 2006. His first investment in the home country was made in 1960 in a place called Arabsiyo, west of Hargeisa. However, the project did not succeed since he was often absent. He also had small investments in Mogadishu between the period between 1970-1978, but these were washed out with the Somali conflict.

³¹ Harun Yousuf, Action Aid. Interview, March 2009.

³² Suad Ibrahim. Interview, April 2009.

³³ See e.g. APD and Interpeace 2008, p. 13.

Mr. Hashi lived all of his adult life outside the conflict ridden Somali regions, but he was not a stranger to war. He remained behind with his family in Kuwait when the Iraqi forces invaded the country in 1990. They lived under the brutal occupation of Iraqi forces for eight months. He and his family took a risk and harboured some Kuwaitis and westerners in their residential complex. The Iraqis subsequently became suspicious, forcing him to go underground until the country was freed.

He was inspired to establish a hotel in Hargeisa by listening to the BBC Somali service, the main source of information from Somalia since the collapse of the Barre regime: *"I heard on the radio that there were people who came from Djibouti by airplane in the morning and then returned back to Djibouti the same evening. Then I said to myself: this is a place where there is real need. Then I decided to deal with this particular need. I did not do it to earn money; I just did it to deal with this need."*³⁴

Investing one's life savings in a conflict zone raises some concerns, but Mr. Hashi was not worried – in part because he had never expected to receive his pension³⁵ after the liberation of Kuwait and it was this unexpected gift that made the project possible: *"Markaa Ceel dbexdii ayay kasoo baxday ceel dheer ayay kasoo baxday haday noqoto [It –the money – was rescued from the middle of a deep well, so what if it goes back to the well]."*³⁶

Once he had made up his mind, the challenge of realising his idea was daunting. He could not communicate directly with Hargeisa – only through Djibouti, which was not easy. International telephone lines in Kuwait were limited, making it difficult to get through, and when he was lucky enough to connect, he often failed to reach the right person. Conveying his idea to his relatives on the ground took almost two months, and making them understand the size and type of land he was interested in took another two months.

After the land was secured in early 1992 and the blueprint of the site was sent to a Filipino architect based in Kuwait, the construction preparations began. When construction actually commenced in May 1994, the process faced serious challenges. One constraint was the very limited availability of construction materials and equipment, as there were no major construction material stores in Hargeisa. Mr. Hashi explained:

*"There were no major construction material stores. I hired a young man who had a store in Dubai as my agent. I went to Dubai and bought the yellow book that contains all major companies in the construction business. I went through it and once I made the choice I instructed my agent to go there telling him what to buy and how much. Then the material was shipped. For each nail we needed, we used to buy four of them because if one got ruined there was no place to get its replacement. Similarly, if you needed a six meter pipe you had to purchase a longer one just in case. There was no welding service at that time, so for our first water tank we had to weld it in Dubai and ship it. Imagine the space it would occupy on the dhow [wooden boat]. The people in Berbera had difficulties unloading it, we had difficulties in transporting it to Hargeisa and had the same difficulties mounting it at the Hotel."*³⁷

³⁴ Abiqadir Hashi Elmi, the owner of the Mansoor Hotel. Interview, March 2009.

³⁵ Mr. Hashi did receive his pension when Kuwait was liberated.

³⁶ Ibid.

³⁷ Ibid.

The other serious challenge was transferring the money to Hargeisa in a secure and speedy manner, since there were no viable remittance companies then: *“The way we sent the money to purchase the land was by sending the money to someone in Dubai who had come for business. You had no choice but to give him the money and tell him to purchase the necessary goods and keep the profit. I just wanted to make sure that money reached its destination. You just had to gamble not knowing whether it was going to make profit or loss. Fortunately all of them made profits and delivered the money.”* There were also times he used the banks to send money: *“I sent the money to Djibouti through New York city. It took almost four months to reach Hargeisa”*.³⁸ The most interesting instance took place during the 1994-5 wars when the Berbera road was insecure: *“One day I found a man in Kuwait going to Hargeisa through Berbera and I asked him to carry 60 thousand US dollars cash. I wrote a letter for him saying that I have no claim to the money, in case the money was robbed. The man succeeded in saving the money and brought it home.”*³⁹

The hotel project faced other hurdles. In the middle of construction the allocated funds ran out: *“When the construction was underway and the foundation was done, I was told that the money that I had sent was finished. I was not a businessman; I worked on a salary basis. Fortunately I was still working and used to send my monthly savings to them each month.”*⁴⁰

In this way, hotel construction went on in stages even during the civil war of 1994-1996. They managed to build 12 rooms roofed with corrugated iron sheets and one dining hall, and on August 30th, 1996, the hotel officially opened for business. Hargeisa was just emerging from conflict and business was slow. Most potential customers were expatriates who went to guest houses run by international NGOs and other expatriates who wanted to stay in the hotel often had no cash, only credit cards. Mr. Hashi had to improvise:

*“What happened was that the expatriates began making their own businesses, as each international NGO made its own guest house, so for few months the place was inactive. For those who wanted to stay they would ask if we take credit cards. Our response was that such things do not exist in this country, but we have what we call a gentlemen’s agreement. Since you’ve come to the country, you can stay, eat and leave. However, I work in Kuwait, this is my bank account number, just deposit your charges there, and if you fail to do so we wish you all best and you are not liable for anything.”*⁴¹

Since 1996, the hotel has slowly expanded, mainly financed from the hotel’s earnings. Twelve more rooms were added and as the construction phase of the hotel in Hargeisa was coming to an end, expansion to other cities began. Now Maansoor is operational in Berbera and in the process of building a hotel in Burco

5.3 Maansoor’s contribution to peace

The relationship between the construction of the Maansoor Hotel and the peace in Somaliland is a complex one. The hotel was conceived and constructed in a period of lawlessness and civil war, and became operational when the conflict was coming to an end. The Maansoor Hotel investment is quite unusual, as it was a long term and costly investment that happened in the midst of violent conflict in a high risk area - circumstances in which an

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Ibid.

individual would normally avoid making long term business investments even in his home country. In contrast to most Somalilanders abroad, who were funding the warring factions, this individual played a positive economic role in his home country in a time of conflict.

The location of the investment also was vital. Though Hargeisa was a conflict zone, the construction site was never in danger and stood away from the war front. Secondly, the facility was on the *Daanta* (side of) *Habar Awel-Sacad Muuse*, where Hashi's clansmen were predominant. In a Somali context, such facilities and other clan interests would not be harmed or threatened in the name of the clan by the clan militia or armed groups regardless of their backgrounds and socio-economic status. However, if such property was in another clan's territory – such as the side of *Garbajis-Cidagale* – it would have been an obvious target for them to attack.

Maansoor Hotel's contribution to peace was part of a non-violent conflict transformation that affected the attitudes and to a certain extent the behaviour of the population of Hargeisa, reflected by the proposed names for the hotel. In an unusual move, a public competition to name the new facility was held. This was probably a smart move on the part of the owners to gauge public sentiments and to invoke the feeling of public ownership of the hotel, a symbol of something built 'for you'. According to the owner, about 600 contestants put forward various names. The proposed names overwhelmingly linked the establishment of the hotel to the realization of peace. Some of the name finalists were *Nageeye*, *Reer Soor* and *Hiiliye*.⁴²

Nageeye means to settle down, as when people in state of uncertainty find something that makes them overcome this uncertainty and settle down. *Reer Soor* means 'people feeder', and carries a wider meaning such as boasting public confidence and public reassurance. *Hiiliye* aptly combines the meanings of these words: supporter, advocate and champion, as when someone extends his hand in time of dire need; many people saw the construction of the hotel as something lending a hand to the peace and to the people struggling for normalcy in a time when no one was there. Another interesting name was *Asture*, which was proposed by the government, particularly from the late President Egal. *Asture* means covering or unexposed, implying that the hotel could conceal the lack of government infrastructure by sheltering guests.

According to the proprietor, none of the finalists' names were found appropriate, though they were rewarded for their efforts as promised. As the ceremony was about to conclude, a member from the panel was shown the design of the whole proposed complex, showing also future expansion. Mesmerized by the sketch of the place he uttered the words “*kaani waa maan-soor [this is a mind-feeder]*”, and thus the hotel was named.⁴³

The construction of the hotel had other implications. The land value in its vicinity increased dramatically. The price of a plot⁴⁴ in the hotel area in 1991 was USD 500 when the site was bought for the hotel. Once the hotel was built and became operational, the area became prime real estate costing thousands of dollars; as of 2009, a plot costs around USD 20,000.

⁴² Ibid.

⁴³ Ibid.

⁴⁴ The official size of a plot is 80 x 60 m², but in reality it varies and can range from 24 x 24m², 80 x 80m².

Secondly, it encouraged others, particularly those from the diaspora, to build high value residential buildings in the area.

This physical transformation has had far-reaching impact on many Somalilanders regardless of clan or regional affiliation. The physical changes have been an inspiration for many of those who witnessed or come in contact with the estate, providing a shared sense of hope. For them, it was hard to decipher whether the hotel has brought peace or if it was peace that enabled the hotel's birth. In any case, the hotel was a positive and visible example for other communities to replicate, since it was an internal achievement orchestrated by a fellow Somalilander rather than an international actor. And indeed the city of Hargeisa has gradually witnessed physical changes, with each community continuing to invest and build up its respective side of the city. A young man described this shared sentiment: *“By building the Maansoor Hotel in the 1996 post-conflict period, Mr. Hasbi encouraged many people to invest. Furthermore, the Maansoor served as a place to reconcile those in conflict.”*⁴⁵ It also became space for developing social capital and networking by social interaction between Somalilanders of all clans and NGOs and international guests exchanging ideas on development, conflict resolution, and rebuilding of the region, as well as hosting meetings and conferences.

5.4 Emergence of the Ambassador Hotel

Soon after the 1996-1997 Hargeisa conference concluded, the reconstruction and rehabilitation process began to resume in the south side of the city. The opposition was accommodated politically in the Parliament and at the ministerial level of government, and attempts were made to address public sector employment disparities, although this proved difficult as it involved removing people who were already employed. As noted by former chairperson of one leading women's network, : *“in terms of politics, the opposition might have been accommodated, but in terms of employment there were no meaningful accommodations”*.⁴⁶

Despite the great economic hardships it suffered, the south side made an astounding economic recovery, orchestrated by young entrepreneurs who mobilised their resources. The former deputy house speaker recalled: *“it looked like they [the people from the south side] hadn't lost the spirit of entrepreneurship, as an emerging younger generation began to invest in telecommunications and airlines”*.⁴⁷ But the pace and the magnitude of this early recovery process was not comparable to the one on the north side of the city and was not yet sufficient to lessen the growing disparity between the sides.

That changed in 1999 when a multi-million dollar hotel investment that was the first of its kind triggered unprecedented development in the southern part of Somaliland's capital city. This modern hotel complex was the brainchild of a member of the Somaliland diaspora who had lived in Britain for more than 20 years. Khader Ali Hussein, who is in his late forties, grew up in Mogadishu where he finished his schooling before leaving for the UK.

Mr. Khader had a strong background in the service industry. One of his uncles had a big hotel in Burao before the Somali civil wars. In Mogadishu, his family was in the catering

⁴⁵ Youth focus group discussion, March 2009.

⁴⁶ Suad Ibrahim. Interview, April 2009.

⁴⁷ Abdiqadir Ismail Jirde, former First Deputy of the House of Representatives and now Udub MP in the House of Representatives. Interview, March 2009.

business and had a small company serving expatriates. He remained involved in the hospitality industry in one way or another in the diaspora. His strong background in this sector influenced his decision to invest: *“When I came to the country I realized it was growing and this sector which I was interested in was at a starting point, pioneered by people like Abdiqadir Omer Hashi [the owner of Maansoor hotel], and I felt it needed to be strengthened.”*⁴⁸

Mr. Khader explained his motivations for constructing the hotel as follows:

“First I realized the high unemployment rate in the country so creating employment for the locals was one motivation. My intention was never to make any money. Secondly, I believed that creating this kind facility promoted the status of the country and would be an added value.” Several factors weighed into his choice of location: *“First when I decided to build it, I had in mind the east part of the city, but I researched before I started the construction and consulted with many people. The place where the hotel stands now had no construction and was far away from the city. However, I recognized as diaspora the benefits associated with a hotel located near the airport. So I realized this place needed a hotel. People were quite surprised with me but I had the vision that the city would expand. There were economic disparities in many places in the city, so naturally this side needed to have some development... Security was a main issue, and really at the time I came the country was in post-conflict recovery. I did not see any threat but it required some courage to make such an investment.”*⁴⁹

Another concern was getting the professional people who could run the hotel. This remains a major challenge.

The size of the investment and the choice of site triggered widespread public speculation. Most people saw it as a doomed project which was the message conveyed to Mr. Khader: *“Ninety percent of the people raised concerns and were discouraging me, saying this place is empty and you will not get anything out of it especially with such huge money. But I considered them people with short vision.”*⁵⁰

The doubters pointed to concerns about security or economic viability. Muse Ali Farur, a renowned expert on Somali culture, saw the endeavour as a futile exercise and told Mr. Khader so when they first met:

“I came to the place in a time they were surveying the site for him, and I asked them what he would do with it. They said a hotel would be built here by this man (Khadar). How much did he pay? They said he paid above \$20,000. I was shocked about this amount, which was only the initial investment. I came here to buy four plots in this location and I paid a total of \$1,600; \$400 for each plot. He paid the same amount [for each plot]. I went to the young man, and I asked him what his name was. He said Khadar. When he told me about himself, I realized that I knew his father. Then asked him what he was going to construct. His response was that he was going to construct an International Hotel similar to Maansoor... Couldn't you find [people from your clan] who are in need? I asked. He said with a laugh what do you mean? I said you are a lunatic man who is throwing his money around ... Then I came back to the site the next day with two gentlemen from

⁴⁸ Khader Ali Hussein, the owner of Ambassador Hotel. Interview, April 2009.

⁴⁹ Ibid.

⁵⁰ Ibid.

[his clan] and I told them to seize this lunatic man who is throwing away his money on this useless place. This was how it looked to me."⁵¹

A woman interviewed expressed similar concerns:

"People from my neighbourhood told me that a big hotel was being built in that place near the airport. I was able to go to the place and check it. In fact many people from the [south side] were happy with it because they saw it as something that would balance the existing disparity in the city. But I was different and I was not happy. My concern was that there was no security and the man was investing such a huge sum of money..... what could guarantee that it would be a secure place? Secondly my worries were whether he could make a return on this huge investment because there was an extreme disparity [between the sides]. Maansoor Hotel was already dominating the market, and every activity was being held in Maansoor Hotel. So this man wouldn't be able to get any customers... I believed that this man would not get anything from his two million dollar investment."⁵²

One of the early supporters of the project was Haji Abdi Waraabe, a prominent Garxajis-Idagaale leader known for his advocacy for peace. He realised the importance of such an investment for Hargeisa, particularly for the south side:

"I heard that the foundation of a big hotel was being set in that location and people were protesting. I decided to get involved without knowing the owner personally though I knew his clan. I offered my advice to those who were raising their objections to set the foundation of the big hotel by saying that if the man is making a huge investment in this place it is an honour and a fame to you, it will be beneficial to you, and it will encourage others so leave him alone [welcome him]. Then during the construction process the owner came to me. There I offered my recommendations telling him that he was doing something positive by spending a huge sum of money and I asked how much he had invested. His response I think was two million. I asked him if he could invest more and buy the surrounding areas for future expansion. Now the land was cheaper and not in demand, but once the hotel opened the land would become expensive, so buy surrounding land."⁵³

The construction process of The Ambassador Hotel, which began in 2000, was strikingly different from that of the Maansoor. The latter was built in a gradual manner and took over a decade to complete, with some portions put together by foreigners. The Ambassador was done in a non-stop manner over three years and built by a private local construction company. It was built in a time when Somaliland's service sector experienced rapid growth due to the prospects of peace, the subsequent return of many of the diaspora, and an influx of remittances from the members of the diaspora who remained abroad. At this time, livestock exports to Saudi Arabia, which had been affected by the conflict, also resumed. That growth led to the establishment of credible private construction companies, reliable telecommunications, airline businesses and financial transfer (*xawaalado*) companies. The availability of such services combined with the owner's wealth facilitated the rapid construction of The Ambassador Hotel, a luxury that Maansoor Hotel did not enjoy in its early days of construction.

⁵¹ Muse Ali Farur. Interview, December 2008.

⁵² Suad Ibrahim. Interview, April 2009.

⁵³ Haji Abdi Waraabe, Garxajis-Idagaale leader. Interview, December 2008.

On 26th June, 2002, the new hotel, which was situated on the top of a hill overlooking the city of Hargeisa from the south side, was opened. This date coincided with the commemoration of the forty-second anniversary of Somaliland's independence from the British. The new facility was inaugurated by the President of Somaliland Mr. Dahir Rayale Kahin and other foreign dignitaries including the British Ambassador to Ethiopia at that time, which was an indication of the importance of this endeavour for Somaliland's development.

5.5 Contribution of the Ambassador Hotel to peace

The Hargeisa Conference that concluded in February 1997 had put in place the basic ingredients of reconciliation between the central government and the opposition 'Garxajis' that created the necessary preconditions to make such investments. At the same time, it contributed to long-term peace-building efforts promoting social, economic and political transformations to such an extent that the peace building process was irreversible.

The Ambassador Hotel has turned out to be one of the economic institutions that played a critical role in consolidating the peace-building process of Somaliland by building upon the peace agreements reached in 1997. Establishing the hotel on the south side of the river has brought some stability to Somaliland, particularly to the capital city of Hargeisa. The hotel transformed a conflict-ridden zone that had been on the periphery of the city's settled area. During the hotel's opening ceremony, a prominent Hargey's elder Haji Abdi Waraabe summed up its importance for the stability of Somaliland and particularly Hargeisa: *"Now Maansoor Hotel at the north side of Hargeisa, which was the only international hotel in Somaliland, has found a companion. If you load a camel and it is overloaded to one side, then that leads to imbalance. It appears that people have confidence in that side [north-side] which led to disparity. So this hotel [Ambassador] will bring about balance that is good for Hargeisa."*⁵⁴

In a recent interview, Haji Abdi Waraabe explained the hotel's role in Hargeisa: *"It has great importance for peace; beside its aesthetic value it has promoted settlement, the peace, solidarity, and the honour of the country. It has also promoted the interaction between the locals and expatriates."*⁵⁵

Another elder from the south side talked about the impact of the Ambassador Hotel on the city's historical divide in this way: *"Historically [when the city was created] we [Garxajis-cidagaale and Arap] were nominal inhabitants of Hargeisa, and used the land as a water source point [well] which we claimed. The other side [Habar Awal-Sacdd Muuse] owned the buildings and got the most of its advantages though we shared nominally the ownership of the city. Today, not only do we share the city with them but we also get our share in terms of resources, if not more."*⁵⁶

Mr. Khader himself said that people are now applauding him for what he did: *"The changes are visible and one can say now the area around The Ambassador is one of the most developed parts of the country."* In terms of its impact on peace, he said: *"Historically in Hargeisa, such economic institutions were missing in this area [south of the city]. Because of that other people thought we had no major investments/wealth in the city [no stakes]. The Hotel somewhat addressed this notion and encouraged*

⁵⁴ See *Jamburiya* newspaper, June 26, 2003.

⁵⁵ Haji Abdi Waraabe. Interview, December 2008.

⁵⁶ Muse Ali Farur. Interview, December 2008.

*others to make investments. Consequently it has been developing since then and I can say that it has generated economic and political transformations.*⁵⁷

This sentiment is widely shared. For example, all interviewees and some focus group participants noted that the Ambassador Hotel had positive impacts on peace. In the youth focus group discussion half of the 16 participants mentioned Ambassador Hotel when asked to list the three diaspora economic investments that had the greatest impacts on Hargeisa. Only three participants mentioned Hotel Maansoor, possibly because it was built when they were children.⁵⁸

While the Ambassador Hotel was being built on the south side, some people north of the river were sceptical about investment in that area and thought the hotel should be built on their side. But when they saw how it transformed the other side of city and what that meant for peace in Somaliland, they saw it as an appropriate investment in the appropriate place and at the appropriate time. *"In fact there were times people in our area [north] were saying 'why didn't he build it here?'"* But the hotel played an important role in peace building, admitted an official in the Minister of Finance.⁵⁹

These sentiments were echoed by senior politicians from the north side:

*"It was the post conflict period and that side [south] was still less prosperous than this area [north]. People were not even interested in the real estate where he [Mr. Khader] built the hotel. But he made the investment in the appropriate place and constructed it at the right time... Among ourselves [In the North side] when we talk about the people in the south we say they would not do anything [to risk the peace] as they have built as much as we have built and even better. So we all have stake in the peace. Because if one group is deprived and does not do any reconstruction, while the other side builds high rises and beautiful structures, peace would not be co-protected by all sides. So Ambassador Hotel played a great role [in the peace building process]. A role which is far greater than that of Maansoor Hotel."*⁶⁰

The balance achieved by the Ambassador Hotel has positively affected the previously existing disparity between the sides of the capital city of Hargeisa, facilitating a degree of wealth distribution and generating a sense of ease and goodwill in the city. The advent of this new facility instantly promoted the physical transformation of the southern part of the city. Besides expensive residential homes, these new facilities include hotels, guesthouses, supermarkets, private medical services, power supplies, and even now tarmac roads being built in that neighbourhood – things that did not exist before 1998. In post-conflict Somaliland, land has become a major economic resource particularly in urban areas, where land values are relatively high. The construction boom in the south that was triggered by the hotel's construction has increased the land value in the area dramatically. Some of the city's previously least valued property is now among the city's most expensive real estate - seen by many as a redistribution of wealth.

⁵⁷ Khader Ali Hussein. Interview, April 2009.

⁵⁸ Youth focus group discussion, March 2009.

⁵⁹ Weli Dawud. Interview, April 2009.

⁶⁰ Abdiqadir Ismail Jirde. Interview, March 2009.

Mr. Muse Ali Farur, the Somali expert who had severely criticized the hotel's construction, has changed his mind about the project: *"How things have changed. Since construction of the hotel was completed, the \$400 plot turned into a \$4000 one. The hotel has turned into something that brought to life the whole side [south], which was dead. The man that was to me the other day a lunatic and failed to get people to stop him, today is to me the most valuable person."*⁶¹

These sentiments were echoed by many interviewees. In the words of a Somaliland politician: *"I myself felt that security and the remote location [Ambassador] area with the traces of the war still lingering would be a concern, but it has contributed in a very big way to the whole area [in the south]. I too own land in that area and it was a good investment. When I bought it I paid \$2,000 and now it is worth much more than that."*⁶²

A woman in a local NGO also noted the contribution of the hotel to the area:

*"My perception changed after the hotel had been open and working for one year. I realised it could compete in getting its share of the market.... Many people were encouraged to construct big buildings in the area turning it into the most expensive real estate in Hargeisa. In the Star area [one km. north of the Hotel] one plot is \$20,000. I remember in 1998 when I was told to pay \$200 for a plot in the [current] Ambassador area, I said 'no thank you I am not enticed to buy a place which is the home of the hyenas.' Last year [2008] when I went there to check the prices for a plot I was told \$20,000; with a discount it may go down to \$16,000 but I could not afford it [though I was interested in the place], because it is a superb place with special value that is being built and in the future it will be even more beautiful."*⁶³

The rebalancing of wealth created by the Ambassador has also increased confidence among the people in the south side of the city. Some rich individuals from the Ambassador area, who used to prefer to own properties in the north, are opting to have their assets in the south. In fact many of them are selling their previous property in the north to acquire property on the south side. A property owner in the Ambassador area says: *"Actually there were people from the south side who had properties on the north side. These people believed that the south was an insecure area that would never develop. So, the hotel and other investments have completely changed that perception."*⁶⁴

Similarly, other Somalilanders began to acquire land, properties and other possessions, an indication that these people now have confidence in the south thereby investing in the city in equal manner. A politician in north side of the city admitted that non-Hargeisa clans now invest in the south side too: *"The north side is the one which is losing now. Before the north side was the one that was being built. After the civil war [1994-1996] 90% of their [south side people's] investments in the north side were moved to the south side. Now both sides are being built. For example people from the east side of Burao used to have a hundred percent of their investments on the north side. Now they found opportunities on the south side and they are investing in the east and south sides of the city and that trend will strengthen."*⁶⁵

⁶¹ Muse Ali Farur. Interview, December 2008.

⁶² Abdiqadir Ismail Jirde. Interview, March 2009.

⁶³ Suad Ibrahim Abdi. Interview, April 2009.

⁶⁴ Harun Yousuf. Interview, March 2009.

⁶⁵ Ali Ahmed Essa (Guray). Interview, March 2009.

The Ambassador Hotel and the subsequent investments in the area have created an opportunity for the south to gain access to the presence of international agencies. Once the hotel was established most of the international agencies made concerted efforts to divide their activities equally between the two major hotels. For instance, UNICEF has established a policy in that regard.⁶⁶ Due to its proximity to the airport, foreign diplomats preferred to stay in the Ambassador Hotel for security reasons and Jendayi Frazer, the US Assistant Secretary for African Affairs in a brief visit to Somaliland opted to meet the President of Somaliland and other officials in the hotel due to security concerns.

Furthermore, the hotel and other investments have also facilitated the shift of some of the international organisations to the south dismantling a long-time taboo. This development was engineered by the owner of the hotel. With the help of others, he was successfully able to establish infrastructure in the vicinity of the hotel, creating an environment that was appealing to the international agencies, particularly the UN. In 2005, the first UN agencies moved to the Ambassador's neighbourhood and since then the trickling of the international agencies to the Ambassador area has continued. The three suicide bombings in Hargeisa on October 28th, 2008 turned the hotel and its surroundings into the hub of the UN and other international agencies. They selected it because of its proximity to the airport, thereby giving the Ambassador Hotel a well-defined edge over its competitors.

These developments have rehabilitated the reputation of the Hargeisa airport by changing it from a conflict-ridden area to a peaceful one. A senior official in an international NGO described these changes of perception:

*"The Hargeisa airport has had a bad reputation since 1988 for its role in previous conflicts. 'People were saying that airplanes were flown from there [Hargeisa airport] to kill the people, and that artillery shells were used to fire from the airport hill. That's how it was psychologically seen ... now all these things [the bad reputation] have been removed by creating a renewed perception that the Airport is not a dangerous but rather a secure place, promoting development.'"*⁶⁷

Politically this hotel investment has raised the stakes of the Garxajis in the political process. This huge investment created a new perception about the Garxajis,⁶⁸ as explained again by a senior officer in an international organisation:

*"Politically many of the people in the south side of Hargeisa, due to the legacy of the internal conflict, considered or believed that they had no stake in this place in which they were overpowered or ganged up on. But after the reconciliation and the subsequent investment that triggered other development in the airport area, peoples' previous perceptions that they [Garxajis] were anti Somaliland or federalist have slowly changed. Similarly the people from the south feel that they are now being treated in equal manner"*⁶⁹.

Another unusual political transformation it generated was when the owner of the hotel decided to compete in the 2005 Parliament elections as a candidate from Hargeisa. His candidacy from Hargeisa challenged the existing political arrangement. The way the

⁶⁶ Suad Ibrahim Abdi. Interview, April 2009.

⁶⁷ Harun Yousuf. Interview, March 2009.

⁶⁸ In the 1994-6 war they were accused of seeking federation with the South. For more details see Bradbury 1997.

⁶⁹ Harun Yousuf. Interview, March 2009.

legislative seats were distributed implied that that each candidate could only contest in the region where his or her sub-clan belonged, not where he or she resided. Secondly, none of the three national political parties were ready to nominate candidates outside their clan constituency, fearing not getting votes for their own party and pressure on them from the indigenous clans not to nominate outside candidates. Nominating outside candidates would of course upset the indigenous sub-clans, who feared that the non-indigenous clans would pick up extra seats in non-indigenous region, while also potentially winning seats in their home regions.

Despite all of these challenges Mr. Khader was nominated by the Ucid party, one of the three national political parties to compete in Hargeisa, instead of running in his home region (Togdheer) east of Hargeisa region. His candidacy was exceptional because he was forced to campaign in areas outside his home region, whereas other candidates' electioneering activities tended to focus on their own sub-clan enclaves. Many people were surprised over his Hargeisa candidacy and even more so when he received the highest vote in Hargeisa, above nine thousand votes. This political development was considered a major step to widen the political participation towards inclusive politics.

The candidacy of Mr. Khader and his success in winning the seat in Hargeisa generated diverse public opinion and were inspirational for many people. Some of those who supported his move found him motivating. A young woman participant found his move inspirational:

*"When he decided to run in Hargeisa I was completely surprised, because he was not from Hargeisa clans. And when he won it meant that a person could succeed in place where because of his/her name and position [contribution], which is what really counts... He made us recognise that one can seek votes through ideology and principle and that there are two ways in which a candidate can get elected: One is to appeal to his clan by urging them to vote for him; the other is by saying this is my ideology, vote for me."*⁷⁰

Members of the diaspora welcomed Mr. Khader's candidacy. *"He won the largest vote in Somaliland. This was a success for Somaliland democracy. It is a role model for those want to make [Hargeisa] the capital city for all Somalilanders."*⁷¹ One of the Hargeisa politicians saw it as challenge to the prevailing notions: *"It is something official that he won the most votes in Hargeisa, because many people [clans] believed no one could compete with them in Hargeisa and he proved otherwise."*⁷²

In principle, the opponents were not against his candidacy. But in this particular occasion they saw it as being unfair to the clans of Hargeisa regions.⁷³ A Hargeisa MP explained the situation: *"40 percent of the electorates [based on the previous elections: local and president] were from Hargeisa region... so we [Hargeisa MPs] wanted 25 seats for Hargeisa. So our feelings were since Hargeisa was given only 20 seats, outsiders shouldn't be allowed to compete because it is unfair to the indigenous clans [since it would cut into their shares]. But if it's more than 20 seats for Hargeisa, then outsiders could compete."*⁷⁴ Similar views

⁷⁰ Youth focus group discussion, March 2009.

⁷¹ Mohamed Osman Fadal. Interview, April 2009.

⁷² Ali Ahmed Essa (Guray). Interview, March 2009.

⁷³The distribution of legislative seats (82 seats between six regions) was very contested and divisive. Since there was no reliable census it was difficult to allocate the seats as the clans of each region were claiming that they had the largest population. The only way to resolve the issue was through political negotiation, which resulted in Hargeisa getting 20 seats.

⁷⁴ Abdiqadir Ismail Jirde. Interview, March 2009.

were expressed by one woman: *"I became angry [when he won the seat]. I was angry because the party that nominated him was not his party and the city that he was nominated from was not his city. He denied the chances of the indigenous candidates to get nominated from the party and at the same time he took their votes. To me, I saw him as someone who robbed others by using his personal wealth and influential position."*⁷⁵

5.6 The link between the diaspora investments and peace-building

Besides these two major investments, members of the diaspora were responsible for a host of other economic engagements in the country. In general, these economic activities have helped to underpin the peace and stability that has largely prevailed in the territory since 1998. Economic investments have influenced the attitudes and behaviours of both the diaspora and locals, by redistributing resources, especially in urban centres, and by creating 'peace constituents' willing to speak for the peace.

While members of the diaspora living abroad tend to take radical and extreme positions in decision making and in times of conflict, those who have returned from abroad and invested in Somaliland are generally more moderate as their investments link them to the country and its people. Peace protects their properties; conflict endangers them. One female diaspora investor said: *"When one makes an investment naturally this person will protect it. They will work hard to sustain peace. Those who own properties would be very cautious about taking arms."*⁷⁶ Such members of the diaspora are more likely to promote actions that lead to peace and resolution than others.

One high profile conflict in 2007 around the Ethiopian town of Daror near the Somaliland border, had repercussions in Hargeisa. The conflict was between rival sub-clans within the Garxajis, who dominated the south side of Hargeisa, and thus the conflict also threatened the city's security. The owner of the Ambassador Hotel played a critical role in the efforts to contain and end the conflict, because peaceful resolution of the conflict had a direct bearing on his interests and his people. In his own words: *"This conflict concerned me personally. It was like my own cloth burning me. It was an internal conflict between my people so I had to act. I was able to contribute and we succeeded with the help of Allah. I was not the only one involved; there were many others who contributed."*⁷⁷

An elder from the south side who closely followed the efforts to address the conflict described the role played by the owner of the Ambassador Hotel:

*"I believe that he spent more than a hundred thousand dollars in these efforts. He held several meetings with both sides of the conflict, bringing their respective elders to Hargeisa. Though he did contribute to the resolution of the conflict, the amount of money he spent was much more than what the government spent. He did that because it was an internal conflict and he saw it as his duty to extinguish it. Moreover, if the conflict had continued it would have engulfed Hargeisa [where he has huge investments]. Those who live in houses made of glass would advise people not to throw stones and they, too, would not throw stones. Therefore, he values peace more."*⁷⁸

⁷⁵ Suad Ibrahim Abdi. Interview, April 2009. Mr. Khader was known as a supporter of the ruling party Udub, but he had differences with the President as will be explained below.

⁷⁶ Amina Farah Arhse Interview, March 2009.

⁷⁷ Khader Ali Hussein. Interview, April 2009.

⁷⁸ Muse Ali Farur. Interview, December 2008.

In another incident, an official from the Hargeisa water agency cut off the water supply to the Maansoor Hotel in 1998. According to the owner of Maansoor Hotel, the man cut off the pipes because he had differences with his brother who was once the mayor of Hargeisa. The hotel owner's response was quite unusual. Rather than taking action himself to restore the water or mobilising his clansmen to retaliate, he chose to resolve the issue peacefully. The owner explained how he was able to resolve the issue:

"During the incident there was a large number of journalists residing in the hotel. We went to the house of the man who cut off the water, and told him that these journalists would write about these awful incidents which damage the credibility of the country if he doesn't supply water and that I would take the journalists to the Presidential Palace. The man was swayed, he provided the water through water-tank trucks, and then in the next morning he welded the pipes which he had cut off."⁷⁹

The diaspora's economic engagement in post-conflict society encourages further engagement and investment, which contribute to the peace-building process. Firstly, their activities and presence help to promote a perception of peace and normality for other diaspora members who might have security concerns, encouraging them to join the rebuilding process. In Somaliland, the level of their engagements in the economic sector is expanding. Numerous multi-million dollar facilities are being built, including one very modern detergent factory a leather tannery plant in Burco, a fishing factory in Lasqoray, and a gas plant in Hargeisa. The last mentioned would reduce charcoal production that claims millions of trees each year by providing gas for cooking.

Secondly, some diaspora members actively encourage others to invest back in the home country. They usually start with their relatives and friends before they move to the broader community. Their campaign is to encourage those abroad and to remove any lingering doubts about the security of their home country. That is exactly what the owner of the Ambassador did. In the words of the president of a research institution: *"He [the owner of Ambassador Hotel] is a dynamic person. He would go around and collect money from relatives and friends. Then he would tell them 'just give me some money and I will build whatever you want for you. In that way the surrounding of the hotel was constructed."⁸⁰*

The hotel owner explained how he encouraged others to do the same:

"It is true that I asked others to invest, because it is obligatory to share my experience with others. When I go back and meet the diaspora members I encourage them, telling them to imitate me and invest in our home country. I try to remove the deep concerns that usually occupy their minds, by telling them that nothing happened to my huge investment and that I'm making money. We gain social status and other benefits since we are contributing to our society. I make concerted efforts to encourage them and have had some success as 40 percent or more of those I speak to accept my encouragement."⁸¹

⁷⁹ Khader Ali Hussein. Interview, March 2009.

⁸⁰ Mohamed Osman Fadal. Interview, April 2009.

⁸¹ Khader Ali Hussein. Interview, April 2009.

Members of the diaspora also sponsor other community activities that promote development, providing additional resources to community reconstruction and development projects. Most of them maintain that they are regular contributors to community development projects. Some of their contributions, which are also done for publicity, are covered in the local news media. But the extent of their involvement in these development projects is not known. Other members of the diaspora were instrumental in mobilising the local community to establish basic infrastructure in their respective neighbourhoods. For example, in one neighbourhood in one of the least developed districts in Hargeisa, a diaspora member from Canada created a development committee that forged a partnership between the community and the municipality to build a five-kilometer long asphalt road. The committee is now working on other community projects in partnership with the local officials. His work sparked similar partnership projects between the community and city of Hargeisa to build roads in different neighbourhoods.

The presence of diaspora members in the home country helps to encourage those remaining abroad to get involved in community development activities. Successful diaspora investors are able to promote the diaspora's contribution to local community development because they are viewed as both trustworthy and successful. For example, the owner of Hadhwanaag restaurant in Hargeisa has persuaded many of his colleagues living abroad to channel funds and other contributions through him to improve the community's access to education by building schools and providing financial assistance to students from low income households to attend local universities.

On certain occasions, these facilities help to strengthen relations within the community and sub-clans. This happens when a place serves as a focal point for the community to meet. Such development is seen as community empowerment. One place that provides this sense of empowerment is the Hadhwanaag restaurant. The restaurant owner articulated an observation shared by many analysts: *"It is a place where they [his community] meet, exchange news, and come together."*⁸² In the process they are able to deal with some community development issues in a collective manner.

The country's return to normalcy has generated some level of competition among the Somalilanders abroad to develop their respective regions or clan areas. Sometimes they also cooperate on a regional scale, as they have established such facilities as higher education institutions and general hospitals. However, diaspora constructions are mainly geared towards their respective clan areas. Residential buildings, hotels, supermarkets, restaurants, medical facilities, and other small services are usually built in their clan territories. A large segment of the society sees this phenomenon as something that is positive for peace building and the stability of the country, because it entails some balancing and a kind of resource distribution. A similar view was expressed by a religious figure in Hargeisa:

*"When each sub-clan develops its settlements or districts, its whole community feels that it has a stake. When they really invest in a huge manner in their respective territories, the ordinary person senses it and the sub-clan senses it as well. So each side makes big investments in their districts instilling in the public the desire to co-protect the peace."*⁸³

⁸² Hassan Ahmed Hussein. Interview, April 2009.

⁸³ Sheikh Mohamed Haji Mohamoud. Interview, March 2009.

The phenomenon of *dis deegaankaaga* (build your own community) has become widespread since the collapse of the Somali government in 1991. A backlash from the Somali conflict was one of the causes that facilitated the prevalence of these attitudes, as explained here: “I think it has to do with Mogadishu, because all Somalis invested in Mogadishu and when the civil war broke out all of them lost. This was a good wake up call for all Somalis. So since 1991 it has become customary for Somalis to invest in their own communities. Through experience they learned that if they invest in other areas, they will lose those investments if war breaks out.”

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The other reason that encourages each community to rebuild its respective area is that all Somali sub-clans have their own strong diasporas in the western world. Before the mid-1980s, there was no strong presence of the Somali diaspora in the west; their contribution was limited and was drawn largely from certain sub-clans. A large number of Somalis fleeing the Somali civil war were granted asylum in the west, producing a Somali diaspora of over one million (Nair & Abdulla 1998, quoted in Bradbury 2008: 175). This influx means that all sub-clans have relations with people in the western hemisphere so that to a certain extent all Somalis have access to diaspora resources.

The third factor that urged each diaspora to develop its home community is the weakness of the government. Lack of strong public institutions even in Somaliland has removed the absolute control the previous regime had over development. This has in fact given the diasporas the freedom and latitude to invest in their previously marginalized home areas.

The contribution of the diaspora to the development of their respective home constituencies has helped promote the prevailing peace in Somaliland on one hand, but has also strengthened the sub-clan demarcation, which will pose a challenge to the peace building process in the long run. Increased sub-clan delineation tends to discourage inter-clan interactions and marriages. Consequently, it may hamper the development of shared institutions in government and NGOs and functional administration, something Somaliland is still struggling to establish. So, in the long run the future of Somaliland peace and stability hinges upon striking a more effective balance between clan interests and national interests.

There are, however, signs in the private sector that some diaspora and locals are engaged in cross-clan economic activities, particularly those ventures that require large capital such as telecommunications, factories, and other commercial activities. Those who engage in cross-clan endeavours tend to be religious members of the community, who encourage a unified Islamic identity rather than unique clan identities. Such links facilitate dialogue and interaction among the clans and clan elders, as described by an MP from the Somaliland Parliament:

"You know when one feels something he usually mobilises his clansmen. These joint business ventures based across clans help to prevent such things [people mobilising their clan], because it helps to have dialogue since they [cross-clan share-holders] are constantly in contact with each other, sitting at the same tables...which influences others. For example, in Buroo, which is one of the most divided cities in Somaliland, two sultans from the two sub-clans that tend to have

⁸⁴ Harun Yousuf. Interview, March 2009.

*disagreements became personal friends... This is where frictions have tended to start from. Being [the sultans] in close contact and being together send messages [to the rest]."*⁸⁵

The hotel investments and other diaspora engagements have helped to create a 'constituency of peace' who have a vested interest in maintaining the peace, as they do not want to lose their investments. Whenever there have been political confrontations between the government and the opposition, particularly in the electoral process that threatened the peace and stability of the country, they have privately urged both sides to resolve their differences using dialogue, and have mobilized the elders and influential people to put pressure on both sides. Since many of these political impasses were resolved through private mediation efforts, they have supported these initiatives.

On the part of investors, these efforts to resolve serious political tensions tend to be done on an individual level rather than in a collective manner that would give them a unified voice, something all of them admit. Furthermore, their interventions are reactive, not proactive or pre-emptive. So, the constant political tensions between the government and the opposing political parties and the unwillingness of the investors to form a unified platform that puts direct pressure on indifferent politicians remains a real threat to their investments and to the stability of the country.⁸⁶

From a local perspective, the economic engagements of the diaspora have had a positive impact on the local inhabitants' outlook to the future. They have helped to restore a sense of confidence and self-esteem and granted them hope. A legislative member of the House of Representatives said, describing how such involvements provided aspiration to local communities: *"It is a sign for the locals, when they see people [diasporas] coming from a country that is peaceful, stable and has more opportunities investing here [post-conflict place] it gives hope. As they say to themselves, these guys know something we don't know, so it provides them aspiration."*⁸⁷

More specifically, the diaspora's economic engagement has been a driving engine behind the economic recovery of the country, especially due to the limited aid Somaliland receives from the international community. In the words of one researcher, *"diaspora investment first and foremost has been responsible for economic engagement and job placement. They are behind all the existing small investments in the country that create employment opportunities for many people."*⁸⁸

Some of the locals profited from increased property values in correlation with these investments and demand for land by returnees and others. These economic efforts have facilitated voluntary re-integration and demobilisation of the society in a visible and irrefutable manner. For many, these enhanced economic opportunities have given them vested interest in peace. This point was articulated by a legislative member of the Parliament:

"When the property values go up and business opportunities are created in a place where the locals have properties, that person becomes a stakeholder. The locals were used first as the fire-wood [to

⁸⁵ Abdiqadir Ismail Jide. Interview, March 2009.

⁸⁶ Since 2006 Somaliland's government and the oppositions have been in constant political disputes over the electoral process, which has put the country in serious political crisis and has postponed the elections numerous times.

⁸⁷ Abdiqadir Ismail Jide. Interview, March 2009.

⁸⁸ Mohamed Osman Fadal. Interview, April 2009.

instigate the conflicts] *and would be called upon by anyone who wanted something* [conflict], *but when they see their small land properties becoming US\$ 20,000 or the value of their houses increase or they develop small businesses, they do not heed the call for war and fight.*⁸⁹

5.7 Engagement in controversial activities

Trans-national economic engagements in their country of origin do contribute positively to peace. But there are times when these investors find themselves involved in contentious issues. Local perspectives regarding the political engagement or disengagement of the diaspora differ, but both the political actions and inactions of prominent businesspeople from the diaspora are influential and controversial.

As mentioned earlier, the owner of the Ambassador Hotel, Mr. Khader, has been one of the few business people who got deeply involved in local politics. His involvement began when he was in the UK. A personal friend of his describes Mr. Khader as a dynamic person who strongly campaigned in the UK for Udub, the ruling party, and set up party constituents in many cities and towns in the UK⁹⁰. The hotel owner was very connected to the government as he worked closely with the late president Egal and the current president, Dahir Rayaale. Mr. Khader explained the reasons for his association with the government:

*"I supported the former president and the current one, though I was not a member of the party. I supported them so that the little progress that was made could continue. I saw this as the best way to go forward, though others saw it [his support] differently. I thought [to support] until these things [structures] become something [institutions] to build on."*⁹¹

Though he was closely associated with the ruling party, he was neither a party member nor did he have political ambitions. However, events on the ground obliged him to get involved in the local politics, with the hopes that he could positively influence the business of governance. Mr. Khader articulated how his perspective as a member of the diaspora and also as a Somalilander helped him to see the society in a new way, and realize that he may be able to make a positive difference. In his words:

*"Among the things that compelled me [to get involved politically] was what I learned from living abroad, for example, something that differentiates Somalis from others is their inability to make a distinction between privately owned and publicly owned property. People elsewhere value public property more. Here they only value privately owned property. So I thought, shall I continue to work on my private property or can I make time to work for the public good? Many things were wrong at that time and I thought I could do something about it...People in the business community are cowards, afraid to involve themselves in politics because they think they might lose economically, but as for me I was confident."*⁹²

In 2005, when the time came for Mr. Khader to join a party officially, Udub would not accommodate his political ambition because he was not from Hargeisa. They told him he had to go to Burao if he wanted to run with Udub, but he felt like he was a member of the

⁸⁹ Abdiqadir Ismail Jide. Interview, March 2009.

⁹⁰ Mohamed Osman Fadal. Interview, April 2009.

⁹¹ Khader Ali Hussein. Interview, April 2009.

⁹² Ibid.

Hargeisa community and that his place was in Hargeisa. So he approached the Ucid party for what he says are ideological reasons and they agreed to offer him a seat.

When the 2005 elections were complete, the results awarded 33 seats to Udub, the ruling party, and the remaining 49 seats were divided between Kulmiye and Ucid parties, which earned 28 and 21 seats respectively. The contest for control of the House of Representatives was the next item on the agenda. Before the official election of the House leadership, members of the two opposition parties collaborated in a mutually beneficial agreement to gain full control of the three most coveted positions in the House: Speaker of the House, 1st Deputy, and 2nd Deputy. They came to this arrangement in spite of Udub's constant pressure on both sides to change alliances. Once the agreement among the opposition was verbally agreed upon, the struggle for them to stay true to this agreement ensued. In order to protect Kulmiye and Ucid from government and clan pressures and incentives, Mr. Khader organized all 49 members of the opposition and gathered them at the Ambassador Hotel. He offered them all a complimentary room and board and they agreed not to leave the hotel until the official election of the House leadership. In the meantime, Udub tried to prolong this waiting period, but the opposition resisted and all 49 party members stayed in the hotel for nearly one full month. In the end, the opposition officially won all three seats; Speaker of the House went to the Ucid party and the other two seats to Kulmiye.

Mr. Khader's role in this scheme was controversial. Recounting the event that transpired, one member of the Udub party explained:

"That was absolutely wrong. It was a mistake that happened. We saw that there were three seats. If they made an agreement, they should at least have left us one and chosen two for themselves. They should have given us a choice to take one of the seats. The man's judgment and his wealth do not go together. He found wealth at a young age and was not mature politically. He tried to use his money to show off, but that's not the way to walk."⁹³

Mr. Khader saw the whole episode as a typical power struggle, in which each side wanted to come out on top. So it was a wide-open game for both sides. To him the outcome was a positive development: *"I really consider it as something positive. The only thing that the House members had in mind was to bring together the opposition and to emerge unified in order to challenge the government. I personally loved the notion that three seats [leadership spots] be distributed to the three political parties...however, the ruling party [leadership] only wanted the top one [Speaker of the House]."⁹⁴*

Others thought it was good to finally challenge the president. This was the first time the opposition won against the ruling party, which up until now always got its way. Some also viewed it as a healthy democracy whereby the ruling party runs the executive branch and the opposition controls a chamber of parliament. In practice, it created a divided House that is unable to forge consensus and work as an institution to keep the President in check.

The realities on the ground also challenged Mr. Khader's belief that he could make changes in the political realm as he had done in the development sphere. Right now his political activity appears to be waning. He rarely attends the sessions of the House of

⁹³ Abdiqadir Ismail Jirde. Interview, March 2009.

⁹⁴ Khader Ali Hussein. Interview, April 2009.

Representatives, perhaps an indication that he is losing his appetite for actively participating in politics. But this was not a surprise to one of his close relatives who was not in favour of Mr. Khader's involvement in politics. He counselled Mr. Khader as follows when he considered running for parliament:

*"I offered my advice [not to run] as we sat together when he wanted to join the opposition. He [Mr. Khader] vehemently refused [to listen to] my objections as he was saying nothing [state institution] was running in a fair manner. He believed that he could make changes but now he has accepted that he could not bring out transformation...Khadar [Mr. Khader] totally gave up, as he completely realized that he could not make any changes."*⁹⁵

On the other hand, people hold different perceptions of Hashi, the owner of Maansoor Hotel, someone who rarely gets involved in the local politics or clan affairs. Local observers believe his lack of engagement in political issues has to do with his tenure in Arabian countries, where foreigners have no role to play in politics and locals enjoy very limited active participation. But the owner of Maansoor had other explanations for his lack of interest in local and clan politics: *"You can see that [our] people are all politicians, and then we complain about the lack of work [production]. So there should be a division of labour, and the right man for the right positions."*⁹⁶

Despite abstaining from politics, Hashi was suspected to be a close ally of Riyaal's government. This suspicion grew stronger when he refused to host the launch of a new controversial political association called Qaran at the Maansoor. Qaran was spearheaded by his brother, and after this event, Hashi started to dissociate with his brother. The authority saw this new political organisation as illegal since the constitution allows only three political parties. But the Qaran leaders argued that it is legal to have new political organisations compete in the local elections as it happened in the last local elections in 2002. The owner of Maansoor explained his reasons for the refusal:

*"It is true that there is a widely spread belief that I am pro-government. People think that we opened the hotel to make money, and that is a mistake. We opened it to build the country. That's where we have disagreement with people and these two different philosophies. Before this incident, there was another one that took place during the late president Egal's term. Some people came to Saeed [his son] and said they were SNM veterans who wanted to organise protests against president Egal and they had to have a ceremony to that effect in the hotel. Then he [Saeed] asked me [whether they could have such event]. I said I am not interested in money and since they are not registered we are not renting the hotel to them...My brother and Gaboose came and told me that they were going to launch a new political party called Qaran and wanted to hold the meeting [in Maansoor]. I asked 'is it registered?' They said 'no.' 'Then please hold it somewhere else.' I would not allow those interested in disorder and chaos to use the hotel. This was my disagreement with my brother. I told him our brotherhood is one thing and the hotel is something else, and people can have differences in opinions."*⁹⁷

The owner was also accused of refusing Kulmiye, the main opposition party, to hold its congress in Maansoor, so the party convened in Ambassador Hotel. In his own words,

⁹⁵ Harun Yusuf. Interview, March 2009.

⁹⁶ Abiqadir Hashi Elmi. Interview, March 2009.

⁹⁷ Ibid.

"In the middle of Kulmiye's meeting at Ambassador, somebody announced that 'Maansoor has refused us'. Then I went to Silaanyo (the president of Kulmiye) and told him he had to apologize [for the statement]. 'Have I ever told you not to come?' I asked. Silaanyo admitted I did not, and told me that someone else in the meeting had said so. I said to him 'But he was one of your leaders, and it's not fair to accuse people unjustly. If someone does not criticize the government, you think they are against you and that is wrong.'"⁹⁸

5.8 Tensions between local and diaspora politics

The locals also raised general concerns that the diaspora community often uses their power and prestige to meddle in clan politics, and influence decision making among elders (such as the Sultans) and government. Their involvement in the internal clan affairs has implications on the clan's political positions and clan appointees to government positions. Concerns arise due to the fact that these people promote their personal interests as businessmen, they are new to the country, they are not always well-informed, do not consult with others; because of their wealth and status they promote whatever causes they choose in order to further their interests. This concern was articulated by one Member of Parliament who asserted: *"I would not like them to get involved in the internal affairs of the clan, but it is tempting since the men [diaspora] are the wealthiest men in the clan and enjoy prominent status that gives them influence. Then they love to sit on the tribal seat, or to have control over the clan elders, to either switch the clan allegiance to a particular party or the government."*⁹⁹

On the other hand, the diasporas who have returned have a different view. According to the owner of Hadhwanaag:

"They [the locals] have no right to tell us that we don't belong here or to stay out of local politics. When we were outside the country, they were asking us to contribute to the rebuilding process. If the country's political system is working well, nobody is going to try to derail that. But if there is some wrongdoing, the people from the diaspora are compelled to act to rectify the situation. Most people don't like the diaspora. They say 'he came yesterday and I have been here. What is he doing here?' This leads to disagreements and conflicts can arise, but as long as you resist that and you stay on course, in the end you come together."¹⁰⁰

Besides influencing the political positions of their clans, some of the business people exert control on the appointment of ministers and other public positions. One high profile case was when diaspora investor succeeded to pressure a known opposition figure from his clan to accept a ministerial position, after selling the idea to the President. The defection of this opposition member to the government side came as a shock to his party, Kulmiye and to many political observers. This unexpected crossover was seen as an attempt by the diaspora people to ally their sub-clan with the government for their business interests, as the majority of their sub-clan was considered supporters of the opposition.

⁹⁸ Ibid.

⁹⁹ Abdiqadir Ismail Jirde. Interview, March 2009

¹⁰⁰ Hassan Ahmed Hussein. Interview, April 2009.

Furthermore, due to their closeness to the government, some of these diaspora personalities were behind the President's nomination of one member of the National Electoral Commission – an independent body that manages the elections in Somaliland. The nominee was seen as putative chairperson and when confirmed, he became the chairperson of the Commission, working closely with the President. To the disappointment of the President and those who recommended him, the chairperson resigned after he failed to live up to the President's expectations. Many found this commissioner and several others to be incompetent and a drag on the stalled electoral process. Nonetheless, when questioned, those involved in this incident did not express discontent with the informal recommendation process as a whole. One individual interviewed stated that he was accused of recommending the chairperson to the National Electoral Commission, but latter regretted the choice. That said, he stood by his decision to make a recommendation in principle.¹⁰¹

Naturally when members of the diaspora return, they feel compelled to get involved. But it is also natural for their involvement to spur negative reactions from some quarters, particularly politicians and opinion makers who have vested interests in keeping things the way they are. The owner of Hanwanaag restaurant, who has been accused of being involved in the internal affairs of his clan, explains the problem:

"The problem is that the personal interests [of local politicians] supersede those of the general public. They [politicians] have their eyes on the seat and for their personal interests they would manipulate the clan. If they don't get what they want then you will not get their support. So I try to separate their personal interests from the clan's interests and they [politicians/opinion makers] see me as someone who is turning people against them... One man who was the minister of one party for over ten years and lost his job, said he left party X and was moving to party Y and insisted that the clan come with him. I believe the clan is bigger than something that can be taken in one's pocket. In response [to this], we went to the place where he [the politician] was making his case and we said 'listen, you have kept these people in this place [ruling party] for the last 15 years, is it you that lost out or is the whole clan disgruntled?' And that is how we illustrate [the difference between personal and clan interests] to the people [clan]."¹⁰²

5.9 The motivation behind trans-national economic engagement

The primary reason for diaspora to invest in post conflict countries is for economic interests. In Somaliland, although many of these investors are working hard to make profits, they claim that they are doing it for the sake of peace or for helping their people. Their altruistic motives are articulated in different ways. The diaspora as a whole – including the owners of both Maansoor and Ambassador hotels – maintain that their investments are for selfless reasons, driven by the desire to contribute to their home country rather than enjoying the comforts of the West. One business woman from the diaspora summed up this feeling:

"What was driving me was to do something for my [home] country to the best of my ability. I could have stayed [abroad] as I had a job and my whole family was there. But I had an instinct, which was compelling me to contribute to my [home] country and to make personal gain from it... the other thing was that people in the diaspora were different. Some said just take my body there [when

¹⁰¹ Ibid.

¹⁰² Hassan Ahmed Hussein. Interview, April 2009.

I die], *some loved to come but had not enough resources [to come] and some were raising kids. So I was among the people who said let's do something to the [home] country. I didn't do it because there were resources, there was money or there were profits.*"¹⁰³

In the post-conflict period, the hardships both the country and its inhabitants face are overwhelming. Some of the diaspora involvements were driven to lessen these sufferings. That is what motivated the managing director of Telesom, one of the leading telecommunication companies in the country. Recalling his return to Somaliland in the mid-1990s, he said:

*"The first things that motivates you when you come here is the overwhelming destitution in the country that compels you to act first. Because of it [impoverishment] you feel a responsibility you have never felt living abroad. So creating employment for at least two people can make a difference though it may not amount to anything in the host country. But here it would make great impact."*¹⁰⁴

The other trans-national people who are engaged in non-economic activities also cited noble reasons for their motivations. They say the driving force behind their homecoming was to carry out social responsibilities and to improve the living conditions of their people. Those who completed their higher education in their home country before the civil war when education was free, returned to repay the community. Emotional attachment to their home country and the feeling that they could be more effective and prominent back home were other reasons mentioned.

However, the local perceptions about diaspora involvement are mixed. Some locals have expressed views similar to those of many diaspora members. They think that the returnees are motivated to get engaged in their country of origin because of their strong ties with their home country. This was articulated by a senior government official: *"Those who went abroad still had their clansmen and families here. It is Somali tradition to remember each other and to help each other, because Somalis have enduring strong family ties. These [blood ties] compel them to return to support the people and at the same time make personal gain."*¹⁰⁵

Unlike the opinion expressed above, most of the local respondents believe that the primary reason for trans-national economic engagement is financial gain, and they see the investors as opportunists who came to the country to make money with calculated risks: *"There were opportunities, because what happened in the country [destruction] gave a window of opportunity"*, said a Somaliland politician¹⁰⁶. Some locals believe members of the diaspora when they say that they returned because they were homesick.

Other reasons that people cited, besides economic ones, were enhancing diaspora's social status and standing, as explained by this Somalilander: *"His status here and his status over there are completely different. Here he is someone that everybody knows. The two men that own the two hotels [Ambassador and Maansoor], they are like the president [in name recognition]. But what would have happened if they had built them in the UK and Kuwait is that they [the hotels] would have been [something ordinary]... not worth a thing. So they did it for status in addition to making profits."*¹⁰⁷

¹⁰³ Amina Farah Arshe. Interview, March 2009.

¹⁰⁴ Abdikarim Mohamed Id. Interview, March 2009.

¹⁰⁵ Awil Mohamed Farah, Director General of the Ministry of Foreign Affairs. Interview, April 2009.

¹⁰⁶ Ali Ahmed Essa (Guray). Interview, March 2009.

¹⁰⁷ Abdiqadir Ismail Jirde. Interview, March 2009.

6. Challenges and opportunities for diaspora economic engagement

6.1 Challenges

Regardless of different perceptions of the motives behind the investments, both the locals and members of the diaspora agree about the existing challenges and opportunities for potential investors in Somaliland. Besides the general concerns about the sustainability of the existing peace, other challenges to diasporic investments in Somaliland include the lack of formal financial institutions and human resources, poor infrastructure, and unstructured government regulation and policies.

6.2 Financial institutions

The expansion of trans-national economic engagements has been constrained by the absence of commercial banks and credit institutions. Investors find it difficult to obtain capital, or to establish lines of credit for business development or survival in difficult times. So investors rely on the diaspora and local funds to initiate new ventures, expand old businesses or stay in business in hard times.

Insurance services are also unavailable within Somaliland, an obstacle that hampers large-scale investment. Members of the Somaliland diaspora are more willing to invest in such a business environment, because they have connections and familiarity with the country and are also compelled to contribute for personal reasons. Such an environment, however, is less friendly to foreigners with no informal ties to the country. The lack of insurance services does, however, restrict the possibilities for economic expansion by the diaspora because of the huge unprotected risks that could be incurred. For example, when a mattress foam factory worth an estimated USD one million was completely burned down, the stakeholders had to provide most of the money to re-establish the facility since it was not insured. Such cautionary tales are not uncommon, yet there is a general sense of inaction and no legal system to uphold potential claims. Somaliland's lack of international recognition as a political entity makes it difficult to have such formal institutions in place.

6.3 Human resources

Lack of skilled human resources is a widespread concern among investors in Somaliland. The Somali war forced many educated Somalis to seek asylum in various countries worldwide. Today, the brain drain resulting from out-migration of skilled personnel is quite evident in Somaliland. The managing director of Telesom highlighted the lack of appropriate personnel: *"One of these constraints includes lack of skilled work force. In fact they are very limited. So you are forced to start everything from scratch, beginning from [recruiting] personnel to training."*¹⁰⁸

In case of a need for skilled technicians and other expertise, the business community is allowed to bring such people to the country. The procedure for bringing in foreign experts is to inform to the relevant ministry justifying the need for such outside specialists. According to a senior official in the Ministry of Foreign Affairs, this practice is not an official law or policy, but the intention is to ensure that this skill is unavailable in the country¹⁰⁹.

¹⁰⁸ Abdikarim Mohamed Id. Interview, March 2009.

¹⁰⁹ Awil Mohamed Farah. Interview, April 2009.

Besides the hefty salaries foreign consultants draw from these investors, there are other expenses the business community incurs. A one-year visa for an expatriate is about USD 150. Some members of the Diaspora raised concern about these charges; particularly small enterprises which may have four or more foreign experts on the ground for a long period¹¹⁰, and would like the government to address this issue. However, people in the government do not think that these charges amount to anything significant¹¹¹.

6.4 Infrastructure

Most of Somaliland's economic infrastructure, which is a key for business and investments to thrive, has been below standards and neglected since the civil war. Moreover, the little infrastructure that Somaliland possesses such as road networks, ports and airports remain dilapidated and underdeveloped. Many investors face problems of access in either importing raw materials and other essential supplies or exporting perishable goods such as fish in a timely, reliable and consistent manner with reasonable cost. In the words of a female entrepreneur: *"I export fish using air transport. They [airline agents] tell me that they have space for half a ton provided I bring it to Berbera [airport]. When I come to the airport they [airline agents] put me on standby. Then they say the aeroplane is full, it can't take 500 kg but instead there is a space for 200 kg. So we have been destroyed by lack of [reliable] transport."*¹¹²

One nearly universal complaint among Somaliland's business community is the unavailability of reliable and sufficient power or energy supplies. Most of the major enterprises and companies use their own power supplies and smaller ones rely on privately owned diesel generators. Only Berbera and Hargeisa have power plants, but they are dilapidated and their capacity is very limited. These concerns of one diaspora investor were shared by many in the business community: *"It is the businessperson who provides infrastructures for his investments. For example, electricity, which is very important, since there are no power-plants from which small industries could purchase their power consumption. It forces the investors to buy a generator."*¹¹³

Another service problem that got the attention of many investors is the absence of effective civil defence, particularly in the area of fire fighting. This concern came to the forefront in 2007 when the aforementioned foam mattress factory on the outskirts of Hargeisa burned to the ground. Though this incident could have served as a wakeup call for the whole country – including the President who visited the site – no steps were taken to address this issue.

6.5 Government policies and regulations

Government policies, regulatory instruments and laws are widely perceived by the business community to be non-existent, weak, or non-applicable. Such a business climate can be risky for potential investors. The currently pending Investment Law, which was passed by the House of Representatives to regulate and guide foreign investors, was blocked by the House of Elders on the ground that it was written in English. Due to this, investment policy has not yet been formalised. Such a business climate can be risky for potential investors, as one such individual expressed: *"The existing laws are not sufficient to arbitrate business conflicts to secure one's investment. Many people who invested money [as a partnership] find that their partners walk away with the money and the government can't do anything about it so it turns into clan affair or domain."*¹¹⁴ A

¹¹⁰ Amina Farah Arshe. Interview, March 2009.

¹¹¹ Weli Dawud. Interview, April 2009.

¹¹² Amina Farah Arshe. Interview, March 2009.

¹¹³ Abdikarim Mohamed Id. Interview, March 2009.

¹¹⁴ Mohamed Osman Fadal. Interview, April 2009.

restaurant owner expressed his frustrations with the absence of regulatory measures: *“There is no regulation, no skill development, no qualified people; you have to train the people. From hygiene to everything you have to supervise it. Truly the government role is missing.”*¹¹⁵

The other issue connected to investments is real estate. Potential investors face difficulties getting land in a clear-cut manner. There is no comprehensive land tenure and the one in force is ambiguous and full of gaps and loopholes. The chaotic legal environment makes investors face all kind of complications from local people who live by the motto *‘Ku qabso ku qadi mayside’* [make a claim and you won’t go away empty handed], and can usually be persuaded to drop their claim by a cash pay-off from the owner (WSP and SCPD 1999).

In terms of the relationship between the government and Somaliland diaspora, a senior official in the government said that the State Minister of Foreign Affairs is the focal point for the diaspora. But it seems that the Ministry does not have the means to offer guidance to the Somaliland diaspora who want to invest in their home country: *“There is no office [governmental one] to guide and assist the diaspora”*, commented one diaspora member¹¹⁶. And as indicated by a senior official in the Ministry of Foreign Affairs, these investors deal directly with relevant ministries of their investments, without the assistance or guidance of the Ministry of Foreign Affairs¹¹⁷.

Given the weakness of government institutions and their susceptibility to clan influence, investors who limit their dealing to formal structures without the knowledge of their clan elders tend to find themselves in trouble. It is crucial for diasporas to involve their clan elders and opinion makers in their investment projects to solicit the support and blessing of the local leadership, otherwise the clan leaders could be more troublesome than the government. An entrepreneur described how he got in trouble with his clan elders when he wanted to establish a restaurant:

*“I started to cut down trees to clean the place and the gate was closed...elders from my clan used to sit and play shax [a Somali game] near the place. They thought that I was a madman from abroad cutting down the tree [since they were not aware of my project] so they went to the Ministry of Agriculture to complain. A truck full of police came to me and took me to the station...I explained to the police at the station what I was doing...then they told me that elders from my relatives informed them about fire burning in the place and [advised me] that I needed to explain that to the elders... because here you belong to certain people [clan] so you have to explain every step you are taking and why you are doing it to remove suspicions and doubts.”*¹¹⁸

There is also widespread concern that the absence of an effective regulatory framework is not good for public well-being. Rivalry in the telecommunications industry has led to the proliferation of parallel service networks that cannot communicate domestically. In many important sectors, there is no enforcement of international safety standards, quality control, consumer protection, or environmental conservation.

6.6 Opportunities

The prevailing peace and stability and the presence of functional basic public institutions provide opportunities for a steady growth in investment in the country. In the words of one

¹¹⁵ Hassan Ahmed Hussein. Interview, April 2009.

¹¹⁶ Ibid.

¹¹⁷ Awil Mohamed Farah. Interview, April 2009.

¹¹⁸ Hassan Ahmed Hussein. Interview, April 2009.

woman from a local NGO, *“The prevailing peace – though it can’t be described as a sustainable one, coupled with the existing institutions – despite their shortfalls – do provide an environment that encourages people to start some business.”*¹¹⁹

Paradoxically, the absence of an effective regulatory environment due the weakness of the public institutions allows potential investors to invest in any sectors they wish. Many Somaliland diaspora members see this as an advantage they have over the neighbouring countries. In the words of the owner of the Ambassador Hotel: *“There are no restrictions, though it is a weakness on the part of the government, but I see it as something positive. Because many countries in the world have strict regulations, for example in Ethiopia certain sectors like communications are forbidden from private investment. Here a person can invest in whatever he/she wants and nothing can stop him/her. I see it as something positive.”*¹²⁰

Another factor often mentioned is the availability of ample business opportunities, since the country is recovering from prolonged and destructive civil war. This point was articulated by a diaspora investor: *“The main thing that encourages them [investors] is the existence of numerous business opportunities.”*¹²¹

The absence of meaningful taxation is another incentive for these people to invest in Somaliland. This happens because of the legacy of mistrust of government, general tax evasion and a lack of proper accounting and auditing. The absence of tax code makes it difficult to collect proper taxes from these businesses, as explained by an official from the Ministry of Finance: *“We do not take any meaningful tax from them [business]. The tax we collect is less than .001 percent from what we are supposed to get from them. There is no tax code in place. For example, we do not treat telecommunication as corporate but we treat them as an export and import business.”*¹²² So it is widely believed that because of weak taxation they make a lot of profits. In the words of one Parliamentarian: *“They [business communities] make a lot of profit since there is no strong government that can weigh on them to pay [proper] taxes.”*¹²³

Though some members of the business community are willing as citizens to pay their dues, taxpayers question the returns to the public in terms of basic social services as a result of paying taxes. Currently most of the businesses do not get any meaningful public services. They even have to supply the physical security for their businesses. Moreover, the collection, management and expenditure of tax revenue without the oversight of local legislature are also questioned.

The facilitation and support investors receive from the government can also provide opportunities to invest in the country. As claimed by officials in the administration, the Somaliland government provides them with free land for both private and public investment. The government also exempts custom duties on their import supplies and equipment¹²⁴.

6.7 Status and influence of the diaspora in the home country

The involvement of the Somaliland diaspora in their homeland is so pervasive and strong that the two are virtually inseparable. Somaliland’s trans-nationals are actively engaged in all

¹¹⁹ Suad Ibrahim Abdi. Interview, April 2009.

¹²⁰ Khader Ali Hussein. Interview, April 2009.

¹²¹ Abdikarim Mohamed Id. Interview, March 2009.

¹²² Weli Dawud. Interview, April 2009.

¹²³ Abdiqadir Isamil Jirde. Interview, March 2009.

¹²⁴ Awil Mohamed Farah. Interview, April 2009.

spheres of social activities in their country of origin, from culture to politics. The deep involvement of the Somaliland diaspora in their home country affects the attitudes of the local inhabitants and the local balance of power. This section first addresses the perception of the expatriates of how the general public sees their contribution and influence, and then examines the local perspective of the inputs of members from the immigrant community in their homeland.

In general the Somaliland diaspora characterise their return as a homecoming. In their view, the general public usually encourages them to come back from the host country. *"We see ourselves as part of the [local] society"*, said the managing director of one leading telecommunication company.¹²⁵

Another diaspora member related his experience upon returning in the early days when the country was just emerging from devastating civil strife: *"I believe there were general appreciations [on the part of the locals] for returning to the home country. The people of Somaliland were constantly encouraging [the diaspora] by saying 'return to the country'...With the exception of a small period which was the first four years when the people were rough...there was some resentment [feeling] to the effect that you [diaspora] enjoyed the comfort of being abroad and now you're coming back here."*¹²⁶

However, the public approval of their return to the homeland does not mean that the local inhabitants have no negative perception about the diaspora. On the contrary, many people have developed their own stereotypes of the diaspora over the years, which have influenced the public attitudes towards those returning from the host countries. A diaspora woman described the type of stereotyping she experienced:

*"In fact people saw me as someone who was carrying a lot of dollars and they interested in getting it [the money]. Their [locals] perception was that the amount of dollars [money] a diaspora is carrying depends on the size [wealth] of the country that person came from...as a woman [investor] dealing with 54 men, for the first two years their [the men's] attitude was 'a woman is going to be in charge of us?' Now they have come terms with that. How they saw me that day and how they see me now is a completely different thing."*¹²⁷

Another common local perception that they face was articulated by another member of the diaspora: *"The majority of the people that come from abroad, the local people considered them [dhaqan celis] people who needed cultural rehabilitation since they lost their [Somali] culture."*¹²⁸

In general the diaspora consider themselves to be very influential people relative to the local inhabitants. Individuals from the diaspora are more affluent or more advantageous than the locals, so they are more likely to dominate in community affairs, particularly in urban centres. But as was found by many Somaliland expatriates, community contribution is not sufficient to be an influential person or win the confidence of the society. It requires more than that and one has to work to earn it.

The owner of one of the biggest restaurants in Hargeisa described what it takes to get accepted: *"When they [locals] see that you sustained your culture and you are adhering to religious teachings, customs and traditional practices and conforming to the prevailing culture more than them, they are not bad in accepting people...And when they see what you are capable of doing they will accept you."*¹²⁹

¹²⁵ Abdikarim Mohamed Id. Interview, March 2009.

¹²⁶ Mohamed Osman Fadal. Interview, April 2009.

¹²⁷ Amina Farah Arshe. Interview, March 2009.

¹²⁸ Hassan Ahmed Hussein. Interview, April 2009.

¹²⁹ Ibid.

In the view of another diaspora investor, those displaying certain virtues would have no trouble in projecting their influences: *“It is going to be linked to the level of their [diaspora] credibility, personality and the integrity they enjoy among the community. So if the majority of the people within the society who wield political, economic and religious [social] influence come from abroad, the locals would bestow upon them a special status and respect.”*¹³⁰

According to the analysis of a diaspora researcher, one has to overcome several local barriers intended to keep outsiders away from the decision-making positions in order to be accepted and to have a voice in the community. He concluded by saying: *“Those who earn the acceptance of the locals are those who have business investments and bring their families to the country. Such thing would make them have stake in the community.”*¹³¹ The issue of having their families and kids in the country is not only important for their social status but also to peace. The presence of their children is likely to discourage them from activities that risk the prevailing peace.

From the perspective of the general public, Somalilanders are particularly appreciative of the role of immigrants of Somaliland diaspora in sustaining the community, its institutions, and the prevailing peace. So, despite their grumbling, they recognize the instrumental role of the diaspora in the country. In the words of a Somaliland politician: *“Truly speaking, we [the locals] survived because of those of us abroad.”*¹³² Another official from the Ministry of Finance explained: *“The returnees from abroad are people from this country. When they return usually they contribute something to the country such as making investments and bringing back knowledge and know-how to share with the locals.”*¹³³

The Somaliland immigrant community’s economic involvement in their homeland has also had some effects on the balance of power within the sub-clans, primarily in two different ways. First, the diaspora investments, along with a host of other factors such as urbanization and education, have changed the clan power structure in terms of *laandbeere* (the largest or longest lineage) and *laangaab* (the smaller or shorter lineage). Traditionally, individuals from the *laandbeere* lineage tend to play a more dominant role in clan affairs than those from *laangaab*, regardless of who is more qualified. Over the years this clan structure has been under pressure from various fronts and has been weakened. Although there is no comprehensive study on this issue, anecdotal evidence suggests that those communities with strong diaspora economic engagement or presence now play a dominant role in their clan affairs, regardless of the clan’s status.

Investments by the diaspora and popular trends of urban migration have been increasingly changing the sub-clans compositions thus disrupting the balance of power between sub-clans in Somaliland’s major cities. Urban centres are usually dominated by particular sub-clans; the dominant sub-clans represent the interests of all their blood related sub-clans in that city. However, with the expansion of cities as a result of diaspora investments from other closely related sub-clans, the influences of predominant ones are challenged. For example in Hargeisa, the interest of Garhajis was represented by the Idagale and Ishaq sub-clans, which are predominant in the city. But that notion is being challenged by their brethren in the sub-clan Habar Yonis due to its growing influences in the city as result of rapid investments of the diaspora. Similarly, the Hussein Abokor of the Sacad Muse sub-clan, the other dominant one in Hargeisa, is facing strong challenges from their blood related

¹³⁰ Abdikarim Mohamed Id. Interview, March 2009.

¹³¹ Moohamed Osman Fadal. Interview, April 2009.

¹³² Ali Ahmed Essa (Guray). Interview, March 2009.

¹³³ Weli Dawud. Interview, April 2009.

sub-clans Jibril Abokor and Essa Musa.¹³⁴ So, there are already low-level frictions between these closely related sub-clans in Hargeisa.

6.8 Transfer of knowledge and skills

In addition to making investments, the involvement of the diaspora facilitates the transfer of skills and knowledge through returning professionals. These professionals are employed in both private and public sectors, in addition to the development sectors, to offer needed expertise and skills. Some of these specialists are passing on their knowledge and skills by establishing professional services such as medical facilities, technical schools, or working with members in the business community and other sectors to introduce new innovations and technologies. One member of the diaspora explained the contributions that returnees provide: *“Those who return usually bring back cash/capital or knowledge, and of the two our people appreciate more the brain [knowledge].”*¹³⁵

Many Somalilanders returning from abroad contributed to the rebuilding process through the establishment of local NGOs. A host of these organizations draw their support from the new sources of capital that the diaspora has brought to the country (Bradbury 2006: 177). Others get funds from their host countries and associated organizations. In the early stages, individual returnees provided much needed capacity building to the emerging local NGOs. Others, particularly women, offered guidance and advice to women’s groups. According to the former chairperson of the leading women’s umbrella organization Nagaad, diaspora women were instrumental in uniting women’s organizations and resolving some of their differences:

*“People [coming from abroad] were two kinds. Some came to offer instructions and guidance to the [local] people by telling them “this is how we did it [over there] and it ought to be done like that. They [diaspora women] provided tips...they have contributed brain [knowledge]. They brought us together [and said to us] ‘talk to each other and come together instead of each of you running around on your own. There were conflicts within some women [organizations] that reached the courts...they were able to resolve these conflict...the result of these women talks was Nagaad Women’s Umbrella [which] was the initiative of women from abroad to unite women’s efforts.”*¹³⁶

The prevailing view is that the most of the diaspora involved in the development sector through local NGOs are in it for self interest, contrary to their own claim that they are in it for altruistic reasons. The former chairperson of Nagaad, who has been involved in Somaliland NGOs for the last fifteen years, raised concerns shared by many observers in the work of local NGOs:

*“There are other kinds of people who came to exploit the existing opportunities. I believe the majority of them came for job opportunities, better income or status – they came for all of that. My reason for this observation is that if they did not come for all of these things their performance/contribution would have been different from the local ones. So I don’t see them contributing something different.”*¹³⁷

There are numerous diaspora members who hold public offices in Somaliland in the hope that they can lend the country some of their expertise. In reality, few of them live up to that

¹³⁴ Usually such closely blood-related sub-clans can challenge each other in certain areas. It would be very unusual for a sub-clan far related or unrelated to a dominant clan to challenge it.

¹³⁵ Mohamed Osman Fadal. Interview, April 2009.

¹³⁶ Suad Ibrahim. Interview, April 2009.

¹³⁷ Ibid.

expectation. So the public considers the most controversial group of all the diaspora to be those who return and get involved in the local politics to hold public office. This group is widely perceived as the least qualified, most insignificant contributors and the biggest troublemakers of the diaspora as a whole. Since they are financially better off than the locals, they are more likely to succeed in getting ahead of other qualified people for these public positions, thus leading to local resentment. A government official was highly critical of this group:

*"This group is among those who failed to make it over there [abroad] and there are many of them in Somaliland...Individuals from this group come to seek public positions then [succeed] to become ministers and officials in the administration. These people are a heavy burden on the public [country], because a person that failed to contribute there [in the host country] I believe cannot contribute here [Somaliland]. They are dropouts kicked out by their spouses and children when they failed to meet their obligations...therefore, these positions should be awarded to the local people, who were educated here and have been contributed to this country for the last 18 years and there are many of them."*¹³⁸

The Somaliland diaspora's active involvement in politics has allowed them to capture about one-third of the seats in the House of Representatives. Some observers have seen the high proportion of MPs from abroad in the House as a positive step because they thought these people would inject new blood to the political system. But there are growing concerns about the performance of these MPs. Except for a few, many of them are no different from the locals in terms of knowledge and initiatives and are frequently outside the country for private reasons, thus undermining the effectiveness of the Lower House. Due to this, people are increasingly questioning the role of the diaspora in politics and governance. One Somaliland politician contrasted the attendance of members of the House, which is largely comprised of diaspora members, to the attendance of sessions of the House of Elders, which consists overwhelmingly of local Somalilanders who have stayed in the country:

*"The group [diaspora] that gets involved in politics is weak. The diaspora was able to enter the Parliament [House of Representatives] in large numbers. Recently in the House of Elders [Guurti] 79 MPs [out of 82 members] were present in one session and the other three had justification for being absent; never in the history [of the House of the Representatives] has that happened and it will never be the case that 70 MPs [from the House] are present [in one session], because they have to maintain two lives and live in two places [here and abroad]."*¹³⁹

The locals found individuals from the group of trans-nationals to be potential spoilers to the prevailing peace and stability. In time of political tension they are among the people from all factions who take radical positions and use inflammatory statements to raise the stakes. What worries many is that these individuals have no stake in the political process as their families are outside the country, so if anything were to happen in the country these diaspora politicians have nothing to lose. An official from the Ministry of Finance explained how influential they are: *"This group [of diaspora] who could not make it over there [in the host country] has strong influences in the political parties, government, in the 'mafrish'¹⁴⁰ and the public at large...and their influences are negative."*¹⁴¹ A veteran MP who worked closely with some of these individuals

¹³⁸ Weli Dawud. Interview, April 2009.

¹³⁹ Ali Ahmed Essa (Guray). Interview, March 2009.

¹⁴⁰ One should not underestimate the effect of the *mafrish*, the regular afternoon qaad chewing session, on Somaliland politics: it is considered one of the main nerve centers that shape political opinions. *Qaad* (*Cathula edulis*) is a stimulant grown in Ethiopia, Kenya, and Yemen, and its green leaves are consumed widely in the Somali-inhabited areas of the Horn of Africa including Somaliland.

¹⁴¹ Weli Dawud. Interview, April 2009.

expressed another critical view of this group: *“There is a group [diaspora] that we refer to as 'nolashe ka dhacay (the people who failed to achieve anything)' and lived on the periphery of that [host] society. When this group comes here [Somaliland], they do not contribute anything but they produce collisions.”*¹⁴²

This view was not confined to the locals, as some members from the diaspora community had the same opinion: *“The public refers to those diaspora who seek political positions with no qualifications...then the public says the persons from abroad that hold government positions or the presidents that appointed them [to positions] are self-interested ones who cannot contribute to the public interests but rather can damage it. That should be given some consideration.”*¹⁴³

6.9 Influence on gender relationships

For many people who leave Somaliland to live abroad, their exposure to other cultures including social values changes their own conceptions of normalcy. When such families return to Somaliland, they contribute to a shift in the local social conduct, which also correlates to an ongoing change in Somali culture. Other factors such as the civil wars in which many men were killed, rapid urbanization, access to education, modernization and proliferation of *qaad* chewing also contribute to shifts in perceptions (Cabdi 2005: 297). Female diaspora's exposure to alternative roles and divisions of labour, coupled with the above mentioned dynamics influence gender relations including marital relations. One young man described his experience with gender norms and adjustments:

*“When a married couple goes to Canada they are exposed to a different culture. Then the wife sees various things that make her feel that she was oppressed [in the homeland]. Due to that the husband needs to make several adjustments in dealing with her. When this couple returns here they influence the people and modify the behaviours of the locals. You will see many men complaining. These people [the diaspora] are injecting the locals with many things [values] without the realization of the locals.”*¹⁴⁴

Another view articulated by a female teacher claims that:

*“They are having greater impact on the treatment of girls, because when a diaspora family with four kids comes to you, you may find all of them [kids] have the same level of education, both girls and boys... when they [the family from diaspora] tell you this girl attends university and the other one is attending college, that has an impact on us.”*¹⁴⁵

The changes in the economic role of women, which represent a significant departure from traditional gender roles, are reducing the traditionally negative view of having daughters. Many women in the diaspora receive equal access to education and employment opportunities. This enables women to get good jobs and help support their families, which traditionally is a male role. Locally, with an increased number of female-headed households women have a tendency to become the principal breadwinners and are responsible for day to

¹⁴² Abdiqador Ismail Jirde. Interview, March 2009.

¹⁴³ Mohamed Osman Fadal. Interview, April 2009.

¹⁴⁴ Youth focus group discussion, March 2009.

¹⁴⁵ Women's focus group discussion, April 2009.

day decision (UNICEF 1998, quoted in Cabdi 2005: 280). A young woman described this change as a positive development:

*"Among the impacts the diaspora has on the society is that before, when a family got a baby boy they would celebrate, and in case of a baby girl the father may not welcome that. For instance in our family we have seven girls and one boy. Fortunately, my father was happy to have us all, though many fathers still have the negative attitudes about baby girls. These negative attitudes about girls began to change when females [diaspora] supported the family economically... whereas the male [diaspora] may not bother to call them. That has had profound impact on gender perspective. Now you can see many families striving to provide education to their girls [daughters]."*¹⁴⁶

Another woman added her positive perception of female diaspora contributions: *"In Somaliland families with male diaspora tend to do less well than those with female diaspora, because they [diaspora women] saw there [in the host country] working women that had an impact on them."*¹⁴⁷

Women of the diaspora actively promote girls' education and demand from those they support to give equal access to education to their daughters. A woman in the focus group affirmed that *"Those women abroad encourage us to educate the girls and all the members of the family including the mother...because they [female diaspora] realize the value of education in the host country."*¹⁴⁸

The involvement of female diaspora members in various aspects of public life and their contribution to the larger society also served to change the perceptions on the role of women in society. There are a number of NGOs, such as Dose of Hopes and Candlelight, that are run by Somaliland's expatriates. They were also behind the establishment of many health and higher education facilities. A young man described how these women in the diaspora became role models in public life for many young women: *"When many diaspora women came back – like Edna Adan [by building hospital] and Foosiyo H. Adam [establishing Hargeisa University] – and contributed to the society, this made people educate their girls."*¹⁴⁹ A similar view was expressed by another young woman: *"Some of them became role models for us, as many of them are well educated and hold good positions in the society."*¹⁵⁰

There is also the perception that the engagement of the diaspora led to a shift in social and cultural norms. For example, the controversial traditional practice of female gender mutilation (FGM) also comes under question in the light of diaspora influences.¹⁵¹ A woman in the focus group discussion said: *"They [diaspora] have changed the ways many of us deal with our kids; before some used to perform FGM on their daughters and now many have stopped practicing such things"*.¹⁵²

¹⁴⁶ Youth focus group discussion, March 2009.

¹⁴⁷ Women's focus group discussion, April 2009.

¹⁴⁸ Ibid.

¹⁴⁹ Youth focus group discussion, March 2009.

¹⁵⁰ Ibid.

¹⁵¹ At the same time, there are some diaspora women who come to Somaliland to perform FGM to their daughters.

¹⁵² Women's focus group discussion, April 2009.

6.10 Promoting democratic values

Since members of the diaspora community have had exposure to political systems with high degrees of accountability and transparency and great respect for human rights as compared to Somaliland, when they are engaged in the homeland they are expected to advocate democratic values and behaviours. As noted earlier, Somaliland's expatriates have contributed to Somaliland's remarkable progress in building security and developing institutions of governance. Nevertheless, the role of the diaspora in defending and promoting accountability, transparency, and human rights has been insignificant.

In terms of promoting democratic practises, concerns about a lack of progress in governance reforms or human right violations tend to dominate diaspora's talks and discussions, particularly those in the local NGOs. However, it is not very common to see members of the diaspora engaged in civic organizations that are actively lobbying for direct actions, legislative reforms or who have translated their demands into concrete political action.

The political parties are the other avenue available for those from abroad to practice democratic behaviour. It seems, however, that trans-nationals involved in party activities are unable to introduce reforms in their respective political parties as the existing three political parties fail to meet minimum democratic requirements regarding their internal structures, administrative procedures and finances. Many people are frustrated with efforts on this issue:

*"On this aspect [promoting democracy] we are very disappointed with them [diaspora] and I was saying the other day the three political parties have no internal democracy. Since they [diaspora] are members of these political parties and there is no party that they are not in the leadership... we were expecting them [to spearhead reforms] when they return here as they came from countries with democratic parties...I don't know why they just went silent. They should have spoken in their respective party congress saying 'this not the way to go'."*¹⁵³

Those advocating for political reforms are just paying lip service to the need and importance of democracy. For this reason the call for reform largely depends on one's position in the political spectrum. Those who are in the opposition cry out for political reforms whereas those in the government defend the status quo. Similarly, the leadership of the opposition political parties discourages internal democratic mechanisms that allow others to challenge their leadership. In Somaliland each of the three political parties is controlled by a single individual. The leader of one of the opposition political parties is a Finnish diaspora member who thinks that democracy is not about the changing of leadership, and tries to shut off any of his legitimate challengers though he is interested in replacing the current president through elections.

Several hindrances to the ability of members of the diaspora community to promote accountability, transparency, and respect of human rights in Somaliland have been cited. First, their capacity to advance democratic values in their homeland varies based on their socio-economic positions and how long they stayed in the host country. The less they embody or absorb these democratic beliefs, the more difficulty they have in practicing and preaching these principles when they return to their homeland. Information about the type of people returning from abroad is very limited. However, another local observer critical of those returning from abroad remarked:

¹⁵³ Abdiqadir Ismail Jirde. Interview, March 2009.

"I see no differences between the local inhabitants and those [diaspora] based on the ones I know [met]. I just consider them people who fled the country during the civil war and destruction [it caused]. But they did not come back with mentalities that promote better things [ideas] in organized and effective manner. So their mentalities are not different those of the local people. They are just part of the local agenda as they melt away within the society. I have not heard of anything [work/program/organization] that has been achieved by the diaspora better than those achieved by the locals. The only notable difference between them [diaspora and locals] that I acknowledge is the passport."¹⁵⁴

Among the few civic organizations, networks and academic institutions that advocate either for human rights or good governance some are run by diaspora figures. The problem is that these bodies suffer from lack of transparency, accountability and internal democracy. Attempts to hold some of these figures accountable to their respective stakeholders or to the public generally meet resistance from these individuals. These organizations find themselves in the odd situation that while they accuse the administration of not being transparent, accountable or reform-minded, they themselves are often subject to the same criticisms. A member of the diaspora who is actively engaged in governance issues, admitted the existence of this moral dilemma:

"NGOs are not as transparent as we would like and the people who come from abroad are not transparent, but that is part of the culture [worldwide NGO culture]. They do not practice [democratic values] in the way they are demanding from the government, the political parties and [President] Rayaale. They [NGOs leaders] run the place [organization] without BOD [supervision] and [without following] the regulations and most of them are a one-man-show. NGOs [in the west] are a group show, run by a powerful executive director with little influence from the BOD, and the organization is accepted as long as it delivers its service to the society."¹⁵⁵

Unlike those involved in economic and social activities, there are restrictions on both the locals and the diaspora who are interested in having an active role in human rights and governance issues. Critics of the government's human rights and institutional reform records face constant pressure from various fronts: the government itself, the public, and some members of the diaspora. The Somaliland government regularly engages in harassment and low-level abuses against civic organizations and networks, journalists, opposition figures and others that actively address government human rights abuses or institutional reforms¹⁵⁶. One high profile case involved the government orchestrated dismantling of a very active umbrella organization of independent human rights groups called SHURO-Net¹⁵⁷ (Human Rights Watch 2009: 22). SHURO-Net, whose executive director was a female diaspora member, had become very critical of the government's use of the extra-judicial Security Committees¹⁵⁸ as instruments of detention and other human rights abuses.

The majority in Somaliland, particularly the ordinary people, has to take into consideration the fact that any serious challenge (legitimate or illegitimate) to the government could pose a threat to the prevailing hard-won peace.¹⁵⁹ This has two implications for addressing human

¹⁵⁴ Suad Ibrhaim Abdi. Interview, April 2009.

¹⁵⁵ Mohamed Osman Fadal. Interview, March 2009.

¹⁵⁶ For more details on this issue, see Albin-Lackey 2009.

¹⁵⁷ Abbreviation for the Somaliland Human Rights Organization Network.

¹⁵⁸ Security Committees usurp the role of the courts, but there is no sound legal basis for their existence. The Committees are made up of government officials and security officers, and can detain people without charge for up to 90 days and have the power to sentence people to jail terms up to one year.

¹⁵⁹ For more details on this issue, see Albin-Lackey 2009.

rights abuses. First, many people in the country [diaspora or locals] do not vocalize when their rights have been violated in order to avoid the risk of instability (Human Rights Watch 2009: 15). Furthermore, for those who do speak out, the public pressure or scorn they face usually paints them as 'peace destroyers'. One of the ways that the government and its constituents promote this image is by parading elders, organizations, and ordinary people who vocalize their discontent around the media, condemning and disavowing their actions or work. This prevailing mood in the country has deterred many people from overtly advocating for human rights and institutional reforms.

The Somaliland Forum, which is based outside Somaliland and is comprised of members of the diaspora throughout the world, is among the few diaspora initiatives that criticizes the government's abuse of human rights and violations of the constitution. However, some quarters of the diaspora show little tolerance for those who speak out against these government violations on the pretext that these individuals could damage Somaliland's aspiration for international recognition, which most Somalilanders hold very dear. Many Somaliland expatriates, including human rights advocate Rakkiya Omaar, have shown concern about the government's actions against its critics (African Rights 2003). Through commentaries posted in diaspora websites, these diaspora members assert that the actions of such outspoken individuals have tarnished the image of Somaliland in the eyes of the international community. Such vicious campaigns discourage people from becoming active human rights and reform advocates.

7. Conclusions and recommendations

7.1 Conclusions

Diaspora members have been influencing the issue of peace and conflict in Somaliland through various mechanisms. The diaspora can have either negative or positive effects on peace processes in the home country, but the prevailing literature tends to concentrate on the negative effects, such as their role in perpetuating and funding conflict. There has been insufficient attention given to their positive contributions to peace building. In this study I have presented empirical data on how trans-national economic engagements in the countries of origin have positive impacts on peace building. The analysis illustrates two issues. First, in terms of their role and position in peace building, the engagement of the diaspora in their home country has been very diverse. It is important to differentiate between long distance involvements from making concrete investments in the country of origin. The former type of involvement, which mainly consists of contributing funding to projects and sending remittances, means the diaspora have less direct stake in the peace-building process, so their negative potential to become spoilers outweighs their potential for conflict transformation. Furthermore, though activities such as funding the construction of a school or a health facility and sending money to relatives have positive intentions, the direct contribution of these efforts to peace building and development is contentious (cf. Orjuela 2006: 6).

Second, direct economic and social investments of the diaspora in the homeland give them a direct stake in the issues of peace and conflict. Consequently, their personal roles in economic and social activities have the potential to promote conflict transformation. Having invested their money, knowledge and time in a post-conflict or risky area, the diaspora can

turn into peacemakers for the sake of saving their huge investments. Their investments¹⁶⁰ in and of themselves also have the potential to have direct implications on peace.

The two hotels are two examples of how the diaspora, by making a large investment of their own resources but not necessarily for creating a return on their investment, has built peace or contributed to peace by reducing inequity in Hargeisa between the north and south sides of the city and thus changed the balance of power between the clans represented on each side. In part, this may have been possible because there are so few restrictions on investment in Somaliland.

The other finding of the study that strengthens the above argument is that the locals found individuals returning from abroad, who have neither economic nor social investments in the country to be potential spoilers of the peace and stability. In times of political tension, members of this group of trans-nationals often take hard-line and uncompromising positions, since they have less of a stake in the political process as their families are out of the country.

Whether diaspora economic contributions play a stabilizing role in a post-conflict situation depends on the type and the location of investment and the existence of political agreement that addresses the grievances that are at the root of armed conflict. Some of the economic initiatives, such as the Ambassador Hotel, which attracted new construction developments, were located in marginalized areas and thus balanced the development pattern in the city of Hargeisa. This provided the people of these areas with a stake in maintaining peace.

Despite the strong influences of individual members of the diaspora, their collective contribution to Somaliland society is not as significant as one might expect. Because the Somaliland diaspora is not homogeneous but rather divided along lineage lines, it undermines its own ability to become a powerful unified constituent in the country. Each group has found itself absorbed by the existing clan structures.

The Somaliland diaspora played a significant role as investors in the reconstruction process at a time when Somaliland is unattractive to foreign investors. As this case study suggests, their motivations in homeland investment share some similarities with other diasporas worldwide (Gillespie et al. 1999: 631). First, there is the perception that they have an ethnic (clan) advantage in the homeland market. As indicated, most of them claim to have altruistic, non-profit motives. Additionally, *“perception of business impediment: Diaspora members believe that they can better cope with poor physical, financial and legal infrastructures and less government regulations.”*¹⁶¹

In light of the absence of formal international engagement and recognition, Somaliland's case study demonstrates the growing importance of non-state actors in peace making and state building. The trans-national social, political and economic support has played a key role in creating, re-constructing and sustaining Somaliland as an independent polity. This high level of transnational interaction between Somaliland and its diaspora has crucial influences on the type of state that is evolving, as many observers are already characterizing it as a 'trans-national state' with many of its citizens in the diaspora and much of its economy

¹⁶⁰ Building expensive residential house with the intention to rent to international organizations is considered an investment. This applies also to setting up private schools, clinics or NGOs infrastructures.

¹⁶¹ Khader Ali Hussein. Interview, April 2009.

externally driven (Bradbury 2008: 177). Indeed, such development has implications on “*the traditional definitions of a state as a sovereign system of government within delimited territory*” (Ibid: 175). Similarly, the diaspora's economic engagements have been instrumental in mitigating internal conflict and contributing to re-building a relatively peaceful state and community. It should be noted that most of this impact has been on infrastructure rather than institutions. Their positive input to the peace-building process poses challenges to international peace-building and development policies in post-conflict countries, which have thus far relied on international or regional organizations and have given little attention to the role of non-state actors such as the diaspora.

Even though the trans-national economic engagements have had positive impacts on peace in Somaliland, their investments have been associated with a number of negative side-effects, including a pursuit of narrow individual interests, disproportionate economic and political influence, a new stratification between rich and poor, and increasing the disparity between rural areas and urban centres – as well as between the eastern and western regions.

The absence of strong government institutions and the removal of the repressive restrictions and controls of the military government after the fall of the Barre regime in 1991 have allowed private investment to flourish in Somaliland. This new-found economic freedom gave many people the space and the opportunity to invest in any economic activities of his/her choice and in the location of his/her preference. One positive aspect of this new development is that people started to make social and economic investments in their previously marginalized home areas. On the other hand, this space and latitude is not available for those who are interested in having an active role in human rights and governance issues.

There is at least some evidence that diaspora members' personal role in economic and social activities can promote the peace-building process in post-conflict countries. This study shows that in a post-conflict situation where government has few resources, businessmen, particularly those from the diaspora, can create peace and security through their investments by balancing interests, by creating jobs and increasing land value, and by giving people a more equal stake in their capital city. In the process they have challenged the prevailing notion that peace and security is something created primarily by the government, by the police and the military.

7.2 Recommendations

The Somali diaspora are actively engaged in processes of economic and political change in Somaliland and influence, directly and indirectly, drivers of conflict and stabilization. They have played a critical role in processes of reconstruction and state-building in Somaliland and will continue to do so. To understand processes of social, economic and political change in the Somali regions it is essential to understand the dynamic relationship of the Somali diaspora to their homeland(s).

The scale of diaspora investment in Somaliland exceeds foreign aid and government resources and has therefore had a greater influence than both either these on the economy, livelihoods, and well-being, the reconstruction of infrastructure and social services and technological development. The economic and social investments by the diaspora give them

a political and economic stake in their homeland, which the Somaliland government, donor governments, and aid organizations need to reflect in their development strategies.

Therefore, we recommend:

1. Supporting and facilitating what Somalis are already doing well should be taken as a starting point for an effective development strategy. However, the diaspora are not homogeneous and their engagement reflects both the experience in their host countries and the socio-political structures and divisions of Somali society. They do not constitute a unified constituency, but reflect the prevalent socio-political and economic divisions within Somali society. Financial investments and development projects funded by the diaspora reflect this, and are consequently *ad hoc*, privatized and localized. The diaspora do not invest in national or public goods. Policies to engage and support the diaspora in reconstruction and development need to be cognizant of this.

2. While the economic influence of the diaspora through remittances and direct investment is clear, the influence of the diaspora on issues and processes of governance and the development of political identities, political systems and ideological agendas is less clear. This aspect would merit further research.

3. The Somali diaspora's investments in development in Somaliland could be made more effective through regulation and by harnessing some of that investment for public goods, while some of the negative impacts could be mitigated. However, donors and aid agencies should be wary of doing damage to a set of relations and a system that has done much to underwrite stabilization in Somaliland for two decades.

4. The contribution of the diaspora has been critical to the re-construction process in Somaliland. Their influence will continue to shape the future development of Somaliland, for better or worse. There is a concern that this high level of trans-national engagement may promote institutions, such as political parties, NGOs, government institutions and other structures that are not rooted in, dependent on, or accountable to the local population. There is a need on the part of the Somaliland government to put in place policies and measures to minimize the negative influences of the diaspora and maximize positive aspects of their involvements. Such measures might include:

- The establishment of a liaison office that guides diaspora engagements;
- Measures that limit the diaspora's political power in terms of contribution to and membership in political parties, as well as in government institutions such as the Parliament and the Cabinet.

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