The main aim of this paper is to investigate the socio, political and economic dynamics that have occurred in Somaliland in the last decades. Even though this country is still unrecognized by the international community, Somaliland's economy has undertaken an enduring growth, above all in the private entrepreneurial sector. The author argues that religion has had an important role in the Somali cultural and social identification. According to this assumption, the article analyzes the Islamic factor by showing how it has led to the creation of many alternative connections supported by mutual trust and religious solidarity among involved communities. These connections are somehow fulfilling the absence of political legitimacy while progressively substituting conventional routes of intra-national negotiation, like diplomacy. To confirm this tendency, specific arguments are drawn from Somaliland's health sector. The health care system is considered a preferential index to evaluate the level of national development. Above all, the private non-profit sector gives some evidence of the Somali capacity of running competitive private businesses while multiplying simultaneously their resources and suppliers with a consequent increase in autonomy and efficiency. This successful compromise bears the fruits of Somali engagement and can be identified by their inexhaustible adaptability to adverse conditions and their ability to avoid, not deny, the rational rules imposed by external actors and their ostensible, insurmountable interests.
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Health, Islam and Alternative Capitalism. Three possible Key Factors in Developing Somaliland

Daria Zizzola

Introduction

A brief introduction dealing with the Somalia and Somaliland political situation is fundamental. It is from this issue that inexhaustible questions arise about whether and how a nation can exist or not exist [Bayart 1993; Clapham, Herbst, Mills 2006; Herbst 2000; Sorensen 2008].

Historical main streams of research on African post-colonial and nation-building processes were initially oriented in the state as an essential device to overcome the colonial experience. Another major concern was its possible application-exportation in a non-European context. Later on, the perspective changed towards the identification of a reliable way for newly born countries to gain economic improvements apart from government and political institutions [Shaw 1991; Little 2003]. However, concrete observations have confirmed that the great majority of African countries have been unable to reach that scope [Zartman 1995; Chabal, Daloz 1999], stressing on the other hand their predisposition to the sacrifice of civil society and political rights in order to obtain economic advancement [Kibble 2001; Hangmann, Hoehne 2009].

Coming back to Somalia, a core aspect emerges: the need to understand the importance of non-state actors in the dynamics of social representation and wealth production [Hangmann 2005]. Civil society, seldom the business class, has been analyzed in the optic of a viable counterbalance to governmental and political institutions. But, it didn’t always achieve successful results nor did it automatically entail democratic solutions. In Somalia, the line between an almost non-existent formal governance and a detached informal sphere has become blurred and it has been slowly translated into an instrument deployed in the struggle for power and control [Academy for Peace and Development (APD) 2002; Menkhaus 2006]. Conversely, conflict regulation in Somaliland has been dealt with by the proper competence of clan elders since colonial times [Hoehne 2007]. As noted by Marleen Renders [Renders 2007, 442], in the aftermath of a conflict outbreak, the civil society and its committees have started mediating among the concerned stakeholders therefore imposing a sustainable equilibrium of forces. The area seized by those alternative actors gives room for the accumulation of resources by any or all means, barring war and conflict, to many individuals. In this perspective, informal economy can be addressed: for instance, underground businesses have the intrinsic potential to ensure, at least partially, a free competition which is at odds with the monopolization of the regulatory system. So, that system is averted by merchants and entrepreneurs through original tools and alternative channels.

There is a great attention to the impact of, or more often, the absence of political institutions in Somalia and the effects of this lack of centralized management in economic performances. One of this study’s key assumptions is that Somaliland has given birth to an unconventional political situation. Somaliland Republic was proclaimed in 1991 following the collapse of the Syiad Barre dictatorship. It declared its secession from Mogadishu mainly as a reaction to the prolonged persecutions perpetrated by the regime against the Northern populations. Since that time, it has never received recognition by the international community. Under such circumstances Somaliland lives in a certain degree of virtuality which utterly hinders the legitimacy of its political status abroad.

Despite its illegitimate position at a diplomatic level, an inside perspective shows many interesting elements. Local leaders and clan elders have been able to create durable institutions following the Western democratic patterns through their amalgam with traditional figures of detaining authority [Gundel 2006; Hoehne 2007]. A bi-cameral division with a presidential executive was established and the parliament split into two branches: the Lower House and the Upper House, corresponding to the House of Elders (Golaha Giurtida). The so called beel system [WSP 2005, 71-86], allowing clan representation in the parliament, has been used since 2001 when a democratic referendum turned the direction toward a multi-party system of government.

Michael Walls and Steven Kibble [Walls, Kibble 2010, 31-56] tell us that Somaliland does meet some of the principal requisites of a nation-state:

1. It has an organized political leadership;

2. It has a given population and the capacity to provide some kinds of services;
3. It has a territorial area where it can impose its control (not always successfully);

4. It has an entity that views itself as capable of entering into relations with sovereign states;

5. It is an entity that seeks full constitutional independence and international recognition of that sovereignty but is unable to achieve it.

Moreover they argue that post-war reconstruction has hastened the process of urbanization, leading to pressure on both infrastructure and the environment. In the process, tensions over the ownership and management of resources have heightened, resulting in localized instances of conflict [Walls, Kibble 2010, 41] which are consequently handled by traditional leaders.

**Alternative capitalism**

In the same way, the influence of globalization over Somaliland rehabilitation and the development process has to be evaluated. During the last years, the structures of the local economy that are employed by Somalilanders have been keenly modified by foreign interferences and reliance. The intense financing and penetration of management frames from abroad have redefined the relationship between internal and external actors. Economy has been developed along with an underground network of entrepreneurship. It keeps on working, sometimes even thriving, apart from the official government that is still not reliable enough to guarantee the private revenues’ protection or the rights of entrepreneurs themselves. In the absence of an effective apparatus, the regular economic institutions that monitor the financial activities through an accountable banking system *hawilaat*, (money transfer agencies importing remittances from the diaspora), are referral channels [Horst 2004; Lindley 2007]. They are essentially rooted in an informal ground which awards a prime value to personal ties and mutual trust, one of its peculiar attributes.

Roland Marchal depicts some hallmarks of the economic relations by describing the inner and outer sides of the balance: depending mostly on a sort of compulsory foreign assistance, Somaliland learned to please donors and investors just to have access to resources; its financial system is quite rudimentary, there are no banks but almost exclusively money transfer companies (*hawilaat*); there is no foreign financial attraction apart from funds allocated with humanitarian purposes [Marchal 2000]. Ten years after, this statement is still valid.

For Peter Little, Somalia is a trade based economy which has always been external and market oriented [Little 2003]. William Reno points out, especially in the Northern region, that linkages binding local merchants with international networks through commercial routes were protected and contracted with incentives even during colonial times [Reno 2000]. Later on, political marginalization from central power, which was concentrated in the capital, ensured the Northern area by establishing a clan-based credit system from which the figures of *abbans* originated. They were respected individuals who guaranteed the safe passage of traders and their caravans through their sub-clan areas, remaining outside Barre’s political grip. This commercial exclusion from governmental patronage translated into a range of autonomous economic channels. This relationship of commerce, customary authority, and local administration represents a hybrid re-traditionalization of power in that it recovers some of the flexibilities and practices of customary authority figures to adjudicate disputes and distribute resources [Reno 2003, 33].

Nowadays, it is evident that Somaliland strategy is multifaceted in relations to the resources it profits by. There are mainly two kinds. Many funds are supplied by the diaspora and the Somali communities abroad. They then become suitable for small and medium investments or they feed huge flows of money that finance great companies which detains the monopoly of production (the telecommunications sector is the most representative case). The other kind pertains to financial aid and humanitarian assistance. These are the key businesses. Now, by looking at capitals belonging to primarily Islamic organizations, notwithstanding their still sharp impenetrability to scholars and analysts, they appear to be mingling charitable initiative and a concrete development strategy involving the Somali business class and the local community contributions. This procedure leads to the opening of more informal channels run out of the regular network. The direct consequences are complications which further aggravate the government’s capacity to control private money circulation without a suitable set of consolidated monitoring tools.

For advanced reflections, it is useful to quote Anna Lindley when she assumes that a critical environment can produce opportunities for adaptive actors and uphold the importance of its social ties for the development of economic infrastructure while in absence of an efficient administration [Lindley 2009]. This is the case of
Central and, in part, Eastern Somalia, namely the autonomous State of Puntland. But regarding Somaliland, where regulatory environment and market size permits, there has been a growing professionalization and the expansion of larger enterprises. This escalating growth of companies has been vertiginously rapid, unplanned, and often based on swift accumulation of capitals with little long term strategic vision.

An effect of this commercial explosion in the informal sector is the mounting race for resources and the establishment of a climate of real competition. This guarantees a sort of natural selection of the strongest businesses ensuing the immediate exclusion of the weakest. One further implication displays a double output: the hard economic contest involving big and little entrepreneurs have stimulated a flourishing economic sector, but also the very simultaneous exclusion of faint elements that nourish the creation of extended trading networks managed by oligopolies or monopolies from regular-governmental control.

The state of things just described gives a clear definition of the potentials and risks facing Somalilanders and the “business class”. As many scholars have pointed out, presently there are no immediate connections forcibly binding economic development to political institutions [Bryden 2003a; 2003b; 2004; Jhazbhay 2003; De Waal 2007]. Somaliland is one of the most emblematic examples of this rule. Where governmental bodies are historically unreliable to the population who is the first victim of political mismanagement (since colonial time up to the post-independence era), it is not surprising that traditional social and economic patterns have found alternative ways to bring forth wealth and progress. Nevertheless, despite the indisputable evidence that emerges from this peculiar context, many other elements are at stake.

Islam

A great influence on this very fragile context is carried by the Islamic factor. Somaliland is an Islamic country ruled by the Islamic Law, Shari’a, in the Sunni Shafi’ite School. It is easy to notice that kinship ties and religion go together warding a syncretic socio-cultural environment. One hypothesis evaluated here is that religious networks have yielded in Somaliland what traditional politics and bureaucracy have not been able to achieve: international legitimacy and a good degree of reliability. The integration in the Islamic network has given Somaliland free access to political and financial support that has been recently converted into humanitarian assistance. Islamic intra- and inter-regional cooperation seems a relatively new phenomenon. It was born from the ashes of the community-based associations founded during the colonial period and has developed in the 1960s/1970s into modern urban charities and local voluntary development organizations [Ghandour 2002; Habib 2004; Salih 2002]. They began to expand rapidly, finally creating a consolidated web of assistance entailings a substantial amount of religious and political implications.

The major sources of Islamic charity are Zakat (Islamic alms) and Awqaf (charitable endowments). These wealth redistribution agents are different from each other: while the first is compulsory, the second is completely voluntary. They can assume many faces. This versatility encourages their usefulness in the dynamics of poverty alleviation and justifies its strong role as a vehicle for national and international charitable operations. However, there are many problems concerning their transparency which has worsened since September 11, 2001. The 9/11 date has been a watershed in the communication capacity between Western countries and the Muslim world. Many linkages tied to Islamic charitable institutions have become harshly over-monitored by American investigation authorities for national security thus creating a simultaneous association process linking Islamic relief organizations with alleged international terrorism promoters. Worsening the whole panorama, John Benthall stresses that the majority of Islamic charities regard accountability as merely a courtesy owed to donors; most have not adopted the kind of procedures common in the West [Benthall 2003, 43]. Islamic charities seem not inclined to share their financial data. This implies the scarce capacity of researchers to address organizations’ activity and impact in the recipient countries.

In Central and Southern Somalia, Islam has followed an evolution toward the establishment of a range of fragmented and isolated enclaves. Often consisting of a fundamentalist matrix, they have scattered along the paths of conflict and they have become instrumental to the mechanisms of the striking forces that contend for business and power. Somaliland’s case seems different. Marleen Renders has recently worked on the Islamic aspect and its implications in Somaliland. She has highlighted how the position of religious figures in this area has completely changed from the one they had played during colonial times (in fact they were excluded from political activities with the exception of the involvement of akils in the colonial administration). Now wadaad, religious men, are almost independent from the central government and use multiple financial sources, belonging for the great part to Muslim charitable funds. Whereas the old wadaad were dependent on handouts from their clansmen, the new religious men (sheikhs) are economically autonomous, cultivating all kinds of business connections separately.
from their lineage. Despite their apparent re-integration as a new kind of wadaad in the age-old interaction between Somali Islam and the clan system, their economic independence and power constitute a crucial change and may make for a fundamentally altered political dynamic in the future [Renders 2007, 24-25].

In the light of these considerations, it’s likely that the effects Islam has exerted and exerts over the socio economic context have had a really strong effect in the shaping of a peculiar development strategy. It is appropriated to reckon the very essential meaning of the cultural linkages tying communities inland and abroad. The implications, in the absence of whatever political legitimacy exists, could furnish a vital outlet for the local economy. The argument stated here confirms the evidence that Muslim channels have achieved what the leading task of economic facilitators could not achieve through the traditional political and diplomatic ways.. (questa affermazione risulta valida anche per il sud ma i suoi effetti positivi, soprattutto in assenza di riconoscimento politico, e non è questo il caso del sud, e la sua incisività sono particolarmente evidenti al nord). Moreover, their importance, which is growing, seems to be overcome only by the diaspora’s financial revenues (not to mention the Western function of capital suppliers that is predominant). In mentioning briefly the role of diaspora and its connections with Islam, major studies [particularly Hammond, Awad, Dagane et. al. 2011, but also Lindley 2009] reveal that diaspora’s collected funds are spent to tackle many sectors: humanitarian assistance as well as development assistance.

These studies underline how often mosques are involved in sending remittance through organized donations, just to convey a relevant supply of resources to their community of origin. Nothing more is said by Hammond et. al. about this mixture of diaspora and Islamic deeds. Quoting Valeria Saggiomo; although the use and collection methods of Islamic charitable funds are recently being studied in many Muslim communities, there is as of yet no specific research available on Somalia. Different attempts have been made in the field of education while the health field is still unexplored. Islamic charities in Somalia mainly rely on three different funding channels: private donations, public donations, and funds that are raised by user fees for social service provision [Saggiomo, 2011, 56]. This way it seems evident how remittance transfers comply with the needs of Islamic charities and their financial patterns. However all aspects concerning the frame of funds collection and displacement among Islamic charities still need a thorough and systematic investigation.

Health

Health policies can be appointed as a parameter to gauge government efficiency and is definitely among the leading catalysts of funds and resources from private investors and governmental institutions (most of them deriving usually from multilateral donors, United Nations first). The public health sector in Somaliland has endured a sharp rehabilitation phase in the last twenty years with limited meaningful results. Currently, the state is living in a condition of chronic dependence on foreign assistance. The services provided are generally of poor quality and not competitive with the recently emerged private sector. Private care, with its clinics and pharmacies mushrooming, operates without any kind of central control. There is a third typology which has to be quoted: it is the private non-profit category which combines public and private financial sources by delivering good quality services through an efficient, cheap and sustainable policy.

The prolonged dictatorship and the following civil war, which is still going on in Central and Southern Somalia, shredded what remained of the feeble health service network established during the Siyaad Barre era [Qayad 2007]. The reconstruction phase, endorsed in 1991 by the newly proclaimed Republic of Somaliland 3, tried to fill the gap in the provision of basic medical assistance. This has been done with a huge amount of resources supplied by the foreign community, generally in the shape of humanitarian aid. Even though the virtual state suffered the difficulties connected with its illegitimate political condition, which also has prevented it from benefiting from the possibility to ask for heavy bilateral financial support, humanitarian cooperation overcame the numerous obstacles and is covering the most urgent necessities of the country.

The complexity of the issue is very concerning and this paper is clearly not sufficient to satisfy the criteria which requires the exposition of a detailed analysis of the entire health sector. Anyhow, focused observations shed light on the stratification of multiple forces pressing for improvement but disbanded because of the lack of communication [Zizzola 2009; 2011]. Besides, there are different levels of functionality: on the one side there is a huge need of support which is furnished by many external donors following agendas determined by default. On the other side there is a very weak governmental apparatus which is not able to impose its local priorities because of the status of its chronic reliance on external aid.

This is the background. Most of the time, public services are not able to provide patients with basic treatments and research interest has switched to the examination of private facilities. The research underlined a shadow
environment, not easy to approach. It is still left in the dark, the insurmountable difficulties owing to the inadequacy of research instruments and environmental obstacles.

A third level of services has been reasonably accessible to research investigation: it is the private-non-profit sector. The following description indicates the common features this sector shares with the public and the private ones. Private entrepreneurship and real autonomy are fundamental instruments to the execution of projects directly managed and monitored by local implementers. This aspect merges with public support and a differentiated fund-raising using preferential humanitarian channels. Patients are requested to give a contribution for the treatments delivered on the base of their economic possibilities. Medical therapies, when not affordable to patients, are covered by the state. The financial assistance comes from international organizations reflecting, where possible, the direct demand of senior managers or the clinics’ directors.

This paper illustrates the case study of a non-profit hospital founded and managed by a Somali non-profit organization, Al-Manhal Charitable Organization. This medical facility receives funds and donations from a various range of partners. This hybrid form of assistance, enforcing the clinic’s sustainability, highlights the local actors’ ability to relate with governmental institutions for essential tutelage on Western secular organizations for fund raising, but in the mean time demonstrates unquestionably how they are able to gather resources even through alternative channels: Islamic charities, diaspora remittances with their referral money transfer agencies, and private sponsorship by local firms.

The hospital’s name is Manhal Speciality Hospital and was opened in 2006 in the capital Hargeysa. It was established thanks to a private venture of Somali scholars who forgathered within Al-Manhal Charitable Organization in Mogadishu in 1994. The group worked hard to improve Somali living conditions and to underpin the peace-building effort. As it can be seen, this is a crucial instance of the stabilization and emancipation path endorsed by Somaliland during the last twenty years.

The hospital staff started its activity specializing in ophthalmology services inside the Hargeysa General Hospital, taking care of the ophthalmology ward. When they broke away from the central medical facility to found their own clinic, it soon became extremely evident how patients required various needs to be covered: among them, the most urgent, were child and maternal healthcare and basic medical treatments. Today, the hardest challenge to the hospital remains reproductive healthcare and blindness prevention control.

The great majority of public facilities survive with a shortage of trained medical staff, drugs and equipment, and so is consequently compelled to deliver medium to low quality services, even though for free. Meanwhile, Manhal Speciality Hospital uses a different policy to manage its resources. By supporting the national health plans in an attempt to cooperate with the Ministry of Health and Labor and other international agencies for the realization of the national health policy, it contributes to the ministerial effort to cultivate alternative financing modalities. This has been done by developing a health care delivery network financed with cost-recovery strategies and community involvement based on the following principles.

- Meeting the health care needs at affordable costs for those who can support themselves.

- Subsidizing those fellow community members who cannot fully afford services.

- Alleviating those who can never afford healthcare by the exemption of service charges through fund raising for the exempted costs.

- Improving equitable access of essential health care to all communities through camping services, especially remote locations.

The cost recovery budget is sustained by many international actors: World Health Organization, Global Foundation, Help Patient Fund (Kuwait), Red Crescent (U.A.E.), International Islamic Charity Organization, UNICEF, Kuwait Zakaat Fund, Red Crescent (Qatar), Arab Doctors Union, Sheik Eid bin Muhammed Al Thani-Qatar, Islamic Welfare Organization (Kingdom of Bahrain). Western humanitarian agencies are committed to the hospital funding as are Islamic charities, though often in a fitful way.

Moreover, it is interesting to note the composition of the Hospital Board of Trustees at its opening: it was comprised of twelve members. Among them, the Mufti of Somaliland, Shekh Mohamed Shekh Omer Dirir, the manager of Telesom, one of the major telecommunication companies, Abdul-Karim Mohamed Eid, the vice-
Minister of Ministry of Health and Labor, Ahmed Ali Shire, a member of the parliament, Farhan Mohamed Ali, the manager of Candle Light, a non-profit Somali organization, Ahmed Ibrahim Awale, one of the managers of Dahabshil Company, the principal remittances agency in Somaliland, Hassan Abdi Awad, the manager of Uneico Construction Company, Engr. Abdul-Qadir Liman, and so on.

It is strikingly evident that the heterogeneous composition of the Board of Trustees reflects the alternative solutions implemented by the Al-Manhal Charitable Organization. They succeeded in differentiating the provenance of revenues so ensuring the clinic’s financial viability; the board members belonged to all the segments of society. This measure allowed them to pursue the benefit of preventing the chronic dependence on foreign aid, which, on the contrary, has constantly been besieging the public sector. In the mean time, they have arranged an operating mechanism which involves local institutions and it simultaneously allows the control of quality levels proving their ethic of honesty and transparency. Even though this enterprise seems to not be completely satisfying, autonomous, or respectful to the higher level standards set in the Western world, the distance separating this clinic to its corresponding local public counterparts is quite noticeable.

In spite of the difficulties that the country and this single hospital are trying to cope with, it is impossible to deny the success Manhal Speciality Hospital has been able to achieve since its opening. Statistics and data have been deeply examined by the author even if they are not reported here in details. According to its original aim, the article attempts to give a good exemplification through a single case-study of what has been observed in the broader context of the whole Somaliland. There are always fewer barriers in the community involvement in social development and the collective deployment of resources with the shared purpose of equal improvement. Therefore, mixed assets are suitable to the enhancement of local capacities because they upgrade individual awareness. They strengthen endogenous pledges for growth and they employ their engagement responding to external challenges in a very original way, built upon the real needs of Somalilanders.

**Conclusion**

Looking at the different realities that compose contemporary Somalia, we can observe multiple political and economic issues concerning whether a nation can exist or not. Considering the world systematic evolution toward a global economy and its constrains, the least developed countries, Somalia for instance, is trying to create its separate way, looking for growth and socio-political improvement. This is done by using both conventional and unconventional tools mixed with new economic perspectives rarely rooted and promoted by or through the Islamic religious community.

The goal of this paper is to give some preliminary observations on the unique capacity of Somalilanders to react to the challenges imposed by the outer world by looking at three key-factors and their mutual interaction. Thereby, this article proposes a concrete sample of enterprise which combines health, Islamic and Western charity, and economic sustainability through wide fundraising and humanitarian assistance. Thus, it considers some of the mechanisms which rule the parallel economic way-out which are newly adapted and performed by Somali people in extremely difficult contexts.

Though this analysis is a preliminary assessment of the strategic relation binding diverse factors into a communal dynamic of profit sharing and technical exchange, which are experienced in order to achieve development and economic benefits, a distinct research pathway seems marked. Hence, it could be used as a suggestion to see the unconventional linkages that are growing stronger among agents tied to each other albeit detached and isolated. A good possibility would be the one to test the effectiveness of combining economic advancement with the protection of vulnerable subjects handing over old tactics of capital accumulation while restoring a web of shared values. Only time will prove the strength of those values. Even if those principles are highly profit oriented, they could cut the edge of a consolidated praxis of financial rule and wealth enhancement or they could be instrumental to a new pattern of power acquisition through the preservation of social inequalities and rights violations in a more durable and sustainable way. The task of demonstrating which tendency will prevail over the other belongs to further commitment.

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Notes

1 These requisites meet the criteria of the 1933 Montevideo Convention of the Rights and Duties of States.

2 *Akil* is an Arabic borrowing word which roots mean “wise”, “intelligent”. During the Egyptian domination of the Somali coast the role of *Akils* (chiefs) was established to represent the community through official delegates. In the colonial period they were appointed by the British administration as salaried headmen who were chosen for their ability to relate with the colonial bureaucratic system [Lewis 1999, 200].

3 Here it is made a particular reference to the five years reform plan introduced by the government of Mohamed Ibrahim Egal in 1999.

4 Cost-recovery strategy has been inspired by the Bamako Initiative officially signed in 1987. This approach has been intensively exploited also by Islamic organizations whose great priority in the humanitarian action is the achievement of a complete sustainability and economic independence from aid delivery of the targeted subjects. Actually this pattern of management is subject to a critical review by international concerned agents.