Generating Power:

Electricity provision and state formation in Somaliland

Emma Lochery

St Edmund Hall

Thesis submitted in partial fulfilment of the requirements for the degree of DPhil in Politics in the Department of Politics and International Relations at the University of Oxford

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Abstract

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The dissertation uses the lens of electricity provision to examine processes of state formation in Somaliland, an unrecognized, self-declared independent state in the northwest of the former Somali Republic. The dissertation focuses on Hargeisa, the capital city at the heart of Somaliland's state-building project. After the collapse of the Somali state in 1991, private companies arose from the ruins of Hargeisa and turned the lights back on, navigating a fragmented post-war landscape by mobilizing local connections and transnational ties. However, being dependent on the political settlement that engendered the peace necessary for business, emerging private power providers were tied into a state-building project. The dissertation analyses the resulting tensions at the heart of this project, by examining the struggle to define the role, extents and limits of an emerging state in an interconnected world.

Based on interviews in Somaliland and a survey of news media and grey literature, the dissertation has three aims. First, it provides a view into how social order and service provision persist after the collapse of the state. Secondly, it investigates how patterns of provision emerging in the absence of the state shape subsequent processes of state formation. Finally, it discusses how patterns of provision affect the interaction of state-building and market-making. In order to fulfil these aims, the dissertation examines how people invest in the project of building a state, both materially and discursively. The chapters present a narrative history of the electricity sector, explaining the attempts of both private companies and the government to claim sovereignty over the market and shape statehood in their own interests. The struggles shaping Somaliland's economic order reveal the contemporary significance of transnational connections, interconnected systems of capital flows, and the rise of corporate business actors. At the same time, they underline the abiding power of social structure, local identities, and historical memory.

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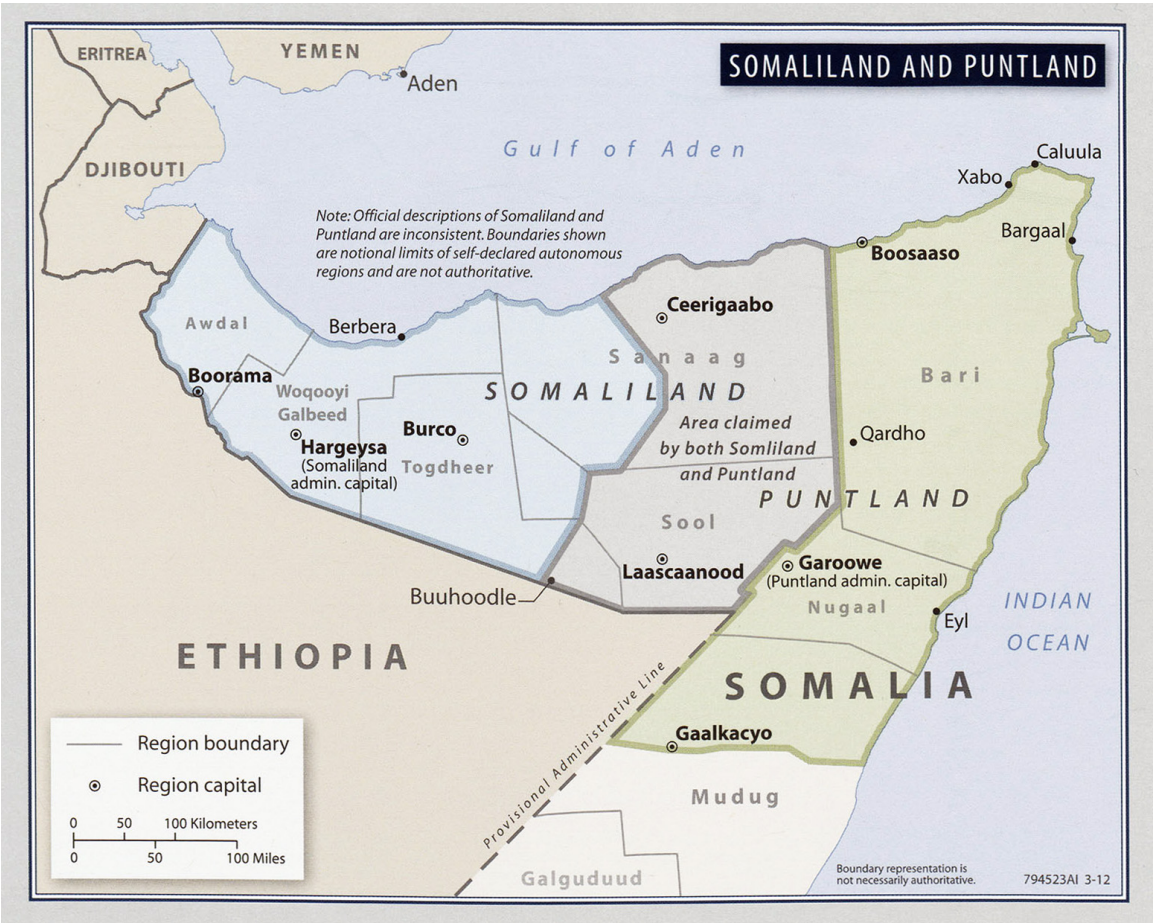
Acronyms

ADO	Agricultural Development Agency
ADRA	Adventist Development and Relief Agency
AFIS	*L'Amministrazione fiduciaria italiana della Somalia*
APD	Academy for Peace and Development
CEO	Chief Executive Officer
DAI	Development Alternatives International
DANIDA	Danish International Development Agency
DFID	Department for International Development
EU	European Union
ENEE	*Ente Nazionale Energia Elettrica*
GED	German Emergency Doctors
HELP	Hargeisa Electric Lighting and Power
ICU	Islamic Courts Union
IDA	International Development Association
IGAD	Intergovernmental Authority on Development
kW	kilowatt
kWh	kilowatt hour
kVA	kilovolt-ampere
LESCO	Las Anod Electricity Supply Company/Leading Energy Solutions Company
NGO	non-governmental organisation
MW	megawatt
MWh	megawatt hour
OECD	Organisation for Economic Co-operation and Development
PEG	Partnership for Economic Growth
PPP	public-private partnership
SAIS	Societ*à* Agricola Italo-Somala
SDF	Somaliland Development Fund
SEA	Somaliland Electricity Agency
SEIS	*Società Elettrica Italo-Somala*
SLCCAI	Somaliland Chamber of Commerce, Industry and Agriculture
SNAI	*Società Nazionale per 1'Agricoltura e l'Industria*
SNM	Somali National Movement
SORADI	Social Research & Development Institute
SORRA	Somali Relief and Rehabilitation Association
UN	United Nations
UNDOS	United Nations Development Office for Somalia
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UNHCR	Office of the United Nations High Commissioner for Refugees
WSLF	Western Somali Liberation Front

Map of Somalia, showing the location of the self-declared Republic of Somaliland in the north-west.

Courtesy of the Nations Online Project
(http://www.nationsonline.org)



Map of Somaliland showing contested border region with Puntland.

Courtesy of the University of Texas Libraries,
The University of Texas at Austin

Map of Hargeisa

Courtesy of UN Habitat, 2014.

Introduction

A Question of Power

Saeed was sitting in the main office of a company in north-western Hargeisa that had been started by his uncle a couple of years after the war had ended. His phone kept ringing with news of a delivery that had arrived at the airport in the port city of Berbera. The noise of a large diesel generator echoed close by. In the next room, customers were arriving to pay their electricity bills at the counter, yelling to be heard over the engine. Afgal Power was a classic example of the electricity providers that developed over the first two decades of Somaliland's post-war history: companies originally started by businessmen who, after the collapse of the Somali state and the declaration of Somaliland's independence in 1991, returned to ruins of their home city from the refugee camps in Ethiopia and for their own purposes, installed a diesel generator to light their properties or run small businesses. Saeed's uncle, Abdirahman Farah Sugal, had imported wood and cement from Dubai – people were rebuilding the city and needed construction materials. At first, Abdirahman had bought electricity from another businessman just down the road, but after that man encountered financial difficulties, he sold the business to Abdirahman. Alongside his construction materials business, Abdirahman became the supplier of electricity to the neighbourhood. By 2014 his

son was chairman of the company and was leading an effort to integrate all the electricity grids in northern Hargeisa.[1]

The history of Afgal Power resembled that of many other electricity companies in Hargeisa, each serving between a few hundred and 10,000 customers. As they explained their journey from small, informal businesses supplying electricity to neighbours to formal, growing enterprises with thousands of clients, Somaliland's electricity businesspeople placed themselves right at the centre of Somaliland's history of reconstruction. They emphasised that they were businesses – and must make a profit to survive – but at the same time underlined their contribution to the wider society, to the public. They framed themselves as public service providers.

However, they were not the only ones to claim this title. Just south of the riverbed that cuts Hargeisa in half, sat the Somaliland Electricity Agency, a government-run parastatal operating out of the same site where the British had originally built a small power station in the 1940s. The Somaliland government agency entered the market for electricity in 2002, using money borrowed from a Somali businessman in Djibouti. A former employee of the pre-war Somali state-owned power company *Ente Nazionale Energia Elettrica* (ENEE) renovated the remaining generators and rebuilt a distribution grid, promising to raise revenue and boost economic growth.

[1] Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013; Interview # 16/ Saeed Mire/Afgal Power Company Employee/Hargeisa/9 July 2012.

Engineers involved in the project explained that the private sector 'cannot go alone' as they are always after profit and not to be trusted to provide electricity services for a fair price. The government assigned itself the duty to regulate the market by providing power at a lower price. As an aspiring state, it asserted its responsibility to protect the public interest.[2]

Herein lies the tension I explore in this dissertation: in the wake of the collapse of the Somali state in 1991, processes of state formation in Somaliland have been characterised by a plurality of claims to fulfil public functions previously claimed by the pre-war state. In exploring this tension, I ask three key questions: after state collapse, who claimed responsibility to provide for the public and why? Secondly, what consequences did those patterns of provision have for subsequent processes of state formation? Finally, how did they affect the intertwining of state-building and market-making? These questions sit at the heart of ongoing debates about the reconfiguration of public authority and sovereignty across Africa in the post-Cold War era. By analysing conflicting projects to generate power, I deconstruct a struggle to define the role, extents and limits of the state in an interconnected world.

[2] Interview # 52/Director of Planning, Somaliland Ministry of Public Works/Hargeisa/19 November 2012; Interview # 54/Engineer, Somaliland Electricity Agency/Hargeisa/21 November 2012.

The political dynamics I explore in this thesis demonstrate how processes of state formation in Somaliland since 1991 turn multiple common assumptions about statehood in Africa upside down. Jackson and Rosberg's assertion, for example, that African states persist due to juridical sovereignty but lack empirical or sociological sovereignty does little to explain the persistence of Somaliland as a coherent and relatively peaceful political unit since the mid-1990s and the increasing tendency of external actors to refer to the polity as if it were a state.[3] Despite the fact that the Somaliland government has not been granted what Jackson terms 'negative'[4] or juridical sovereignty, it has worked to build its international legitimacy 'on local foundations of empirical statehood.'[5]

The local foundations of aspirational statehood in Somaliland present further challenges to academic understandings of statehood in Africa. Dominant theories about a sense of public obligation in African societies have located it outside the state, arguing for a morality grounded more in ethnic or religious identities.[6] The

[3] Robert H. Jackson and Carl G. Rosberg, 'Why Africa's Weak States Persist: The empirical and the juridical in statehood', *World Politics* 35,1 (1982).

[4] Jackson uses Isaiah Berlin's idea of negative and positive liberty and transfers it into the realm of sovereignty. Negative sovereignty, he argues, is a 'formal-legal condition' that designates 'freedom from outside interference'. See Robert H. Jackson, *Quasi-States: Sovereignty, international relations and the Third World* (Cambridge University Press, Cambridge, 1990), p. 27.

[5] Robert H. Jackson, 'Negative Sovereignty in Sub-Saharan Africa', *Review of International Studies* 12,04 (1986), p. 258.

[6] Peter P. Ekeh, 'Colonialism and the Two Publics in Africa: A theoretical statement', *Comparative Studies in Society and History* 17,01 (1975); Eghosa E. Osaghae, 'Colonialism and Civil Society in Africa: The perspective of Ekeh's two publics', *Voluntas: International Journal of Voluntary and*

state, meanwhile, has been characterized as weak, corrupt, and 'privatised', swamped by an 'economy of affection'.[7] The state has been explained as a site for private interests to get what they want, not a place for arguments about the nature of the collective interest. In this logic, public services, despite being a duty of the state, end up degenerating or only benefiting those with the right political and personal connections.[8]

Yet the battle to delineate and define the public interest lies at the heart of Somaliland politics and its process of state-building. Claiming the right to speak and act on behalf of another individual or collectivity is the essential political act, and the principal players in the story I tell in this dissertation all claim this right. They assign themselves responsibilities vis-à-vis their fellow citizens in order to justify their control over resources, space, and relations of exchange. Businessmen

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Nonprofit Organizations 17,3 (2006); Jean-Pierre Olivier de Sardan, 'A Moral Economy of Corruption in Africa?', *Journal of Modern African Studies* 37,01 (1999).

[7] Jean-François Bayart, Stephen Ellis, and Béatrice Hibou, *The Criminalization of the State in Africa* (James Currey, Oxford, 1999); William Reno, *Warlord Politics and African States* (Lynne Rienner Publishers, London, 1998); Göran Hydén, *No Shortcuts to Progress: African development management in perspective* (University of California Press, Berkeley and Los Angeles, 1983). For a recent critical overview of this literature, see: Thandika Mkandawire, 'Neopatrimonialism and the Political Economy of Economic Performance in Africa: Critical reflections', *World Politics* 67,3 (2015).

[8] Patrick Chabal and Jean-Pascal Daloz, *Africa Works: Disorder as political instrument*, (James Currey, Oxford, 1999); Michael Bratton and Nicolas Van de Walle, 'Neopatrimonial Regimes and Political Transitions in Africa', *World Politics* 46,04 (1994), pp. 458-459.

and government officials enter into 'the play of rights and claims' through which domination is legitimized and institutionalised.[9]

Through examining this 'play of rights and claims', I observe how blurred lines between public responsibilities and private rights became the focus of intense political struggle.[10] Locked in mutual interdependence, electricity companies and government actors compete to control access to capital and set the rules for investment and competition in Somaliland's market for power. They explain the process of reconstruction by deploying specific discourses, 'selective biographies'[11] of Somaliland that emphasise particular patterns of obligation, commitment and social debt. Through these discursive arguments and specific strategies of investment, provision, and redistribution, they strive to demonstrate that they are building a sustainable future for Somaliland. In so doing, they negotiate and contest the configuration of public authority and the nature of Somaliland's emerging state and market.

In this introductory chapter, I outline the principal arguments of this dissertation. The chapter is structured in four sections. In the first section, I explain the context,

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[9] Achille Mbembe, *On the Postcolony* (University of California Press, Berkeley, 2001), p.94. For a similar discussion, see John Lonsdale, 'States and Social Processes in Africa: A historiographical survey', *African Studies Review* 24, 2/3 (1981), pp. 159-160.

[10] Christian Lund, 'Twilight Institutions: An introduction', *Development and Change* 37,4 (2006), p. 673, fn. 1.

[11] Ekeh, 'Two Publics', p. 98.

scope, and limits of the case study. In the second section, I discuss competing approaches to understanding state formation and market-making after state collapse. I trace how a focus on liberal state-building and then hybrid political orders developed out of attempts to describe and explain the reconfiguration of statehood across the African continent in the post-Cold War era. Then, I shift to explain why, in contrast to these literatures, I embrace a focus on contingent process, drawing on economic sociology. I root my analysis in the growing field of 'real governance' that emerged as a response to literature on state failure.

In the third section, I synthesise my analysis of state formation and market-making in Somaliland. I introduce the question of how different actors sought to 'bring the state back in', both as a goal-oriented organisation and an idea. I examine these efforts through two specific struggles in Hargeisa's electricity sector: first, competition amongst local companies and second, the contested interaction between the local and the global. Finally, in the fourth section, I explain the methodology used in the thesis before providing an overview of subsequent chapters.

Power Supply: A lens into state formation

Somaliland remains an unrecognised, self-declared independent state in the northwest of the former Somali Republic. An unusual political entity, Somaliland's trajectory of state formation has been shaped by a specific set of structural

constraints that have limited the government's access to finance and enhanced the importance of the local business community, tying trajectories of state formation and market-making in an especially tight embrace. However, beyond these specificities, Somaliland is a valuable example of state formation in a neoliberal era. Its emerging systems of governance provide an insight into the changing nature of states and their interactions with both domestic and international capital. The struggles shaping Somaliland's economic order reveal the contemporary significance of transnational connections, interconnected systems of capital flows, and the rise of corporate business actors. At the same time, they underline the abiding power of systems of social organisation, local identities, and historical memory.

To explore this process of state formation, the dissertation takes as its case study the electricity sector in Hargeisa, the capital city sitting at the heart of Somaliland's state-building project, between the years 1991 and 2014. After the collapse of the Somali state in 1991, small private companies like Afgal Power arose from the rubble of Hargeisa and turned the lights back on, navigating the fragmented post-war landscape by mobilizing local connections and transnational ties. However, dependent on the political settlement that engendered the peace necessary for business, emerging private power providers were also tied into an encompassing

public project of building a state.[12] They emphasised their private businesses were contributing to this project, lighting the city in the absence of state capacity, and demanded protection from government intervention or foreign competition.

Meanwhile, however, the nascent Somaliland government attempted to broadcast its power in the market, entering as a producer and working to regulate private providers. It sought to access external capital to support its state-building project and constitute the economy as an object of regulation attractive to foreign investment capital. In response, local businesses generated resonant discourses about the importance of the public sphere as a place of interdependence, obligation, and patriotism. Determined to protect what they had built, they sought to present themselves as patriotic capital in order to position themselves in a global economy. The ensuing debates between the government and local capital provide a lens onto the moral arguments that underpin the constitution of public authority and the protection of private wealth in an emerging state.

I use the power sector as a lens to explain the contingent, iterative nature of state formation and market-making because of electricity's 'varying identity as essential infrastructure, public good or tradable commodity.'[13] Because of the amount of

[12] Sarah Phillips, 'Political Settlements and State Formation: The case of Somaliland' (Research Paper 23, Developmental Leadership Program, University of Sydney, 2013).

[13] Kate B. Showers, 'Electrifying Africa: An environmental history with policy implications', *Geografiska Annaler: Series B, Human Geography* 93,3 (2011): 206.

capital required, the grid-like distribution systems, and the centrality of electricity for modern and especially urban life, the development of power systems has historically provoked questions about the divisions between private business and public service, market and state. These divisions have shifted over time: in many contexts, electricity provision began as a private business before becoming reimagined as a public good to be provided, or at least regulated, by governments. Electricity sector reform around the world during the twentieth century often enrolled non-state actors in state-building projects, tethering private business to government-led modernisation projects.[14] Today the global electricity sector is marked by a growing number of hybrid arrangements driven by the imperatives of both public and private finance.[15] Contestation, negotiations and conflicts continue over how best to power countries the world over.

Of course, as technological systems, power systems involve particular dynamics, limits and constraints determined by the physical properties of electricity. At the same time, as Thomas Hughes argued, despite the importance of certain basic technical components in all electrical systems, there were variations between the

[14] William J. Hausman, Peter Hertner, and Mira Wilkins, *Global Electrification: Multinational enterprise and international finance in the history of light and power, 1878–2007* (Cambridge University Press, Cambridge, 2008); Robert Millward, 'Business and Government in Electricity Network Integration in Western Europe, c. 1900-1950', *Business History* 48,4 (2006); Thomas P. Hughes, *Networks of Power: Electrification in western society, 1880–1930* (Johns Hopkins University Press, Baltimore, 1983).

[15] Anton Eberhard and Maria Shkaratan, 'Powering Africa: Meeting the financing and reform challenges', *Energy Policy* 42 (2012).

systems that developed.[16] There was 'nothing inevitable' about the voltage levels or the ownership, management and regulation of systems.[17] As Mark Granovetter and Patrick McGuire explain in their analysis of the early days of the electricity industry in America, for example, outcomes 'typically attributed to economic and technical rationality, individual achievement and omniscience' may turn out to be 'socially constructed by the mobilization of resources and influence through social networks.'[18] In this dissertation, I analyse how in Somaliland, resources and influence have been mobilised, and how this has affected who provides power, and how.

In exploring the process of delineation, the dissertation takes Somaliland's capital as a case study, with occasional references to other cities for purposes of comparison. Electricity is overwhelmingly an urban business in Somaliland, and the rapidly growing city of Hargeisa is the largest and most complex market. Because Hargeisa is the seat of the self-declared independent Somaliland government, the history of the electricity sector in Hargeisa also has a direct link with central government power – a relationship that reveals interesting patterns of both state building and efforts to limit and contain the state.

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[16] Hughes, *Networks of Power*, p. 2.

[17] David L. Morton, Jr., 'Reviewing the History of Electric Power and Electrification', *Endeavour* 26,2 (2002), p. 60.

[18] Mark Granovetter and Patrick McGuire, 'The Making of an Industry: Electricity in the United States', *The Sociological Review* 46,S1 (1998), p. 167.

Nonetheless, there are limits to what events in one urban centre can reveal about a state-building process. Hargeisa is a specific geographical space with its own history of social struggle and collaboration; the dynamics I discuss cannot be generalized to all of Somaliland. I highlight this in the dissertation, explaining how the specificity of patterns of fragmentation and competition in the market are grounded in the history of the city. Moreover, as I discuss particularly in the final chapter of the dissertation, struggles over regulation, commercialisation, and investment in the electricity sector in other parts of Somaliland throw light on different aspects of efforts to make and limit the state. Again, in the chapters, I am careful to delineate general trends that affect patterns of state formation across Somaliland from dynamics specific to the capital city.

State-Building and Market-Making: Competing approaches

At the broadest level, this thesis analyses the interaction between processes of market-making and state-building. By exploring a business sector in the wake of the collapse of the Somali state in 1991, the chapters that follow provide a view into the complexity of processes of state formation. I argue that the importance of contingency, multiplicity and negotiation so central to intertwined processes of state formation and market-making destabilises popular models used to understand the dynamics of state collapse and state-building.[19] These tend to focus on

[19] Mbembe, *On the Postcolony*, p. 77.

institutional *outcomes* and rely on theories of social action that are either under-socialised – based on the assumption of atomistic, self-interested actors – or over-socialized, in which action is determined by the social category to which an actor belongs.[20]

Two bodies of literature in particular have dominated analysis of politics in Somalia, Somaliland, and other cases of state collapse and reconstruction since the early 1990s. The first, the liberal peace literature, grew out of concerns about state failure and state collapse across the African continent. Observers argued that state collapse left ungoverned, violent spaces demanding international intervention and efforts to rebuild and strengthen state institutions. The second, a literature on hybrid political orders, developed in part as a response to externally-driven state-building agendas. It focuses on the resilience of local orders and argued that successful state formation emerged from a mix of the traditional and the modern.

In the rest of this section, I briefly outline both bodies of literature. I first explain their roots in attempts to conceptualise dramatic political changes occurring around the end of the Cold War before explaining their principal arguments. I then examine their shortcomings and explore an alternative approach to analysing processes of political change. I root my thesis in recent work on 'empirical

[20] Mark Granovetter, 'Economic Action and Social Structure: The problem of embeddedness', *American Journal of Sociology* 91,3 (1985).

statehood' that examines how public authority and political sovereignty has been reconfigured during recent processes of state collapse and state formation.

1. 'Altered States'

Somalia has been a paradigmatic case in the literature on statehood in Africa, particularly work on state failure and post-conflict governance since the end of the Cold War. The downfall of Siad Barre in 1991 and the subsequent collapse of the Somali state occurred amidst a period of intense political change across much of the African continent. After years of externally-driven efforts to 'roll back' the state, observers argued that in many places the state did indeed seem to be in retreat, though not in the way imagined by advocates of the neoliberal Washington Consensus.[21] It seemed rather than that many states had been hollowed out while others might 'wither away'.[22]

A range of authors expressed concern that many African states were providing ever fewer services while a plethora of non-state organisations performed what formerly had been state functions. Using Ghana as an example of one of these 'altered states', Kwame Anthony Appiah explained: 'Chiefs and elders have organized the maintenance of "public" roads; business organizations and other private groups

[21] Shahar Hameiri, *Regulating Statehood: State Building and the Transformation of the Global Order* (Palgrave Macmillan, Basingstoke, 2010), pp. 74-75.

[22] Mbembe, *On the Postcolony*, p. 75.

have provided food for "state" schools; citizens groups have bought and imported medical equipment for "government" hospitals.'[23] Commentators discussed the range of 'intermediary organisations' such as market associations, rural credit unions, religious institutions, and hometown associations providing infrastructure and social welfare services in place of governments.[24]

Aside from a generalised retreat of states in many parts of the continent, in some contexts, dwindling superpower support for client states catalysed processes of governmental and regime collapse.[25] Authors warned of a rising phenomenon of state failure in areas where state authority – most often operationalized by the monopoly on the legitimate use of violence – had collapsed.[26] State failure and state collapse were linked to long-term, structural dynamics: analysts argued that the 'vast proliferation of nation-states, especially in Africa and Asia, since the end of World

[23] Kwame Anthony Appiah, *In My Father's House: Africa in the philosophy of culture* (Oxford University Press, Oxford, 1992), pp. 170-171.

[24] Joel D. Barkan, Michael L. McNulty, and M. A. O. Ayeni, "'Hometown" Voluntary Associations, Local Development, and the Emergence of Civil Society in Western Nigeria', *Journal of Modern African Studies* 29,03 (1991); Michael Bratton, 'Beyond the State: Civil society and associational life in Africa', *World Politics* 41,03 (1989).

[25] Christopher Clapham, 'The Challenge to the State in a Globalized World', *Development and Change* 33,5 (2002); Aristide R. Zolberg, 'The Specter of Anarchy: African States Verging on Dissolution', *Dissent* 39,3 (1992); Ali A. Mazrui, 'The Blood of Experience: The failed state and political collapse in Africa', *World Policy Journal* 12,1 (1995); Mohammed Ayoob, 'State-Making, State-Breaking and State Failure: Explaining the Roots of "Third World" Insecurity' in Luc Van de Goor, Kumar Rupesinghe, and Paul Sciarone (eds), *Between Development and Destruction: An enquiry into the causes of conflict in post-colonial states* (Macmillan, London, 1996), 80-81.

[26] I. William Zartman, 'Introduction: Posing the problem of state collapse' in I. William Zartman (ed.), *Collapsed States: The disintegration and restoration of legitimate authority* (Lynne Rienner Publishers, London, 1995); Gerald B. Helman and Steven R. Ratner, 'Saving Failed States', *Foreign Policy* 89 (1992/1993).

War II' had only survived because of a life support system for the new states involving 'hefty infusions of aid from their former colonial masters as well as from the two superpowers.'[27] According to this view, African states were weak and fragile 'quasi-states' that existed because of their juridical rather than empirical sovereignty.[28]

In another thread in the literature, state failure and collapse were explained in terms of an emerging global trend: the erosion of state power and territorially defined sovereignty due to economic globalisation.[29] Theorists discussed the rise of 'new war' – intrastate conflict in which non-state combatants played a major role,[30] while state failure was linked to discussions about the spread of transnational criminal networks.[31] Observers argued that corruption and misrule undermined many African states, leaving them compromised or collusive and unable to provide basic

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[27] Helman and Ratner, 'Saving Failed States', pp. 3-4; Robert H. Dorff, 'Democratization and Failed States: The challenge of ungovernability', *Parameters*, 26,2 (1996); Jeffrey Herbst wrote about these deeper dynamics of state failure in Africa, but was also a rare critical voice against resuscitating failed states: see: Jeffrey Herbst, 'Responding to State Failure in Africa', *International Security* 21,3 (1996).

[28] Robert H. Jackson, *Quasi-states* ; Jackson and Rosberg, 'Why Africa's Weak States Persist'.

[29] Susan Strange, *The Retreat of the State : the diffusion of power in the world economy* (Cambridge University Press, Cambridge, 1996); Kaldor, *New and old wars : organized violence in a global era*, 4.

[30] Mary Kaldor, *New and Old Wars: Organized violence in a global era* (Polity Press, Cambridge, 1999).

[31] H. Richard Friman, and Peter Andreas (eds), *The Illicit Global Economy and State Power* (Rowman & Littlefield, Lanham, MD/Oxford, 1999); Dietrich Jung (ed.), *Shadow Globalization, Ethnic Conflicts and New Wars: A political economy of intra-state war* (Routledge, London, 2003); Peter Andreas, 'Illicit International Political Economy: The clandestine side of globalization', Review of International Political Economy 11,3 (2004).

security to their citizens.[32] A much-cited body of literature focused on the 'criminalisation of the state'[33] in Africa and the manipulation of juridical sovereignty by political elites for their own private benefit.[34] This work focused on the blurring of the lines between what was legal and illegal, state and non-state, and formal and informal, arguing that elites used 'dirty tricks' for personal or factional benefit.[35]

2. Building the Liberal Peace

Academic analysis of politics in post-1991 Somalia was overwhelmingly captured by the failed state paradigm; Somalia was cited as an example of 'the extreme disintegration of public authority and the metamorphosis of societies into a battlefield of all against all.'[36] Descriptions of violent anarchy, clan warfare, and armed militias stealing food aid dominated, obscuring the political dimensions of

[32] Louise I. Shelley, 'Transnational Organized Crime: The new authoritarianism,' in H. Richard Friman and Peter Andreas (eds), *The Illicit Global Economy and State Power* (Rowman & Littlefield, Lanham, MD/Oxford, 1999), p. 26.

[33] Bayart, Ellis, and Hibou, *Criminalization of the State*.

[34] Reno, *Warlord Politics*; also Mbembe, pp. 78-79.

[35] Béatrice Hibou, 'The "Social Capital" of the State as an Agent of Deception: Or the ruses of economic intelligence' in Jean-François Bayart, Stephen Ellis, and Béatrice Hibou, *The Criminalization of the State in Africa* (James Currey, Oxford, 1999), pp. 75, 70.

[36] Jennifer Milliken and Keith Krause, 'State Failure, State Collapse, and State Reconstruction: Concepts, Lessons and Strategies', *Development and change* 33,5 (2002), p. 754.

ongoing conflicts and the varying trajectories of governance across the former state's territory.[37]

However, depictions of state failure and collapse did more than obscure political dynamics: they were also instrumental in conceptualising territorial spaces as relevant to the technologies of international governance.[38] Over the course of the 1990s and early 2000s, there was the emergence of what I term here the 'liberal peace' literature. Authors argued that state failure and state collapse necessitated efforts to rebuild better functioning states, reassert order, and thereby re-establish the divide between public service and private profit-seeking. Externally-supported and externally-driven state-building was justified by the need to avoid the dangers

[37] Roland Marchal, 'Warlordism and Terrorism: How to obscure an already confusing crisis? The case of Somalia', *International Affairs* 83,6 (2007), p. 1093; Tobias Hagmann and Markus V. Hoehne, 'Failures of the State Failure Debate: Evidence from the Somali territories', *Journal of International Development* 21,1 (2009).

[38] Mark R. Duffield, *Development, Security and Unending War: Governing the world of peoples* (Polity, Cambridge, 2007), p. 159; Charles T. Call, 'The Fallacy of the 'Failed State', *Third World Quarterly* 29,8 (2008); Tobias Hagmann and Didier Péclard, 'Negotiating Statehood: Dynamics of power and domination in Africa', *Development and Change* 41,4 (2010), p. 541.

of failed states,[39] and the desire 'to transform the dysfunctional and war-affected societies … into cooperative, representative and, especially, stable entities.'[40]

Building on the literature on state failure I described above, the liberal peace literature conceptualizes the social terrain after state collapse as a *tabula rasa*, a chaotic space no longer ordered by the institutions of a functioning state.[41] Following this logic, state reconstruction is represented as 'a new form of social contracting',[42] demonstrating the tenacity of 'Hobbesian assumptions about the need for a Leviathan' to avoid strife, insecurity and disorder.[43] However, the new social contract was to follow a specific script: state building was conceptualized as the effort to construct the right kind of institutions in order to enable free markets and democratic development, the two lynchpins of the liberal peace.[44] The focus

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[39] Zartman, 'Introduction'; Helman and Ratner, 'Saving Failed States'; Robert I. Rotberg, 'Failed States in a World of Terror', *Foreign Affairs* 81,4 (2002); Rotberg, Robert I. (ed.), *When States Fail: Causes and Consequences* (Princeton: Princeton UP, 2004); Francis Fukuyama, 'The Imperative of State-Building', *Journal of Democracy* 15,2 (2004); Simon Chesterman, Michael Ignatieff, and Ramesh Chandra Thakur (eds), *Making States Work: State failure and the crisis of governance* (United Nations University Press, New York, 2005).

[40] Mark R. Duffield, *Global Governance and the New Wars : The Merging of Development and Security* (Zed Books, London, 2001), p. 11.

[41] Dorff, 'Democratization and Failed States'.

[42] Denis M. Tull and Pierre Englebert, 'Postconflict Reconstruction in Africa: Flawed ideas about failed states', *International Security* 32,4 (2008), p. 118.

[43] Hagmann and Hoehne, 'State Failure Debate', p. 45; see also David K. Leonard and Mohamed S. Samantar, 'What Does the Somali Experience Teach Us about the Social Contract and the State?', *Development and Change* 42,2 (2011), p. 560.

[44] For an example of this argument see Ashraf Ghani and Clare Lockhart, *Fixing Failed States: A framework for rebuilding a fractured world* (Oxford University Press, Oxford, 2009); Hameiri, *Regulating Statehood*, pp. 15, 53.

was on bringing to life Max Weber's ideal-type states: bureaucratic, autonomous governments with a monopoly over the legitimate use of force.[45]

During the 2000s, literature on externally-driven state-building began to focus more explicitly on issues of state legitimacy. However, this was still grounded in both social contract theory and a concern with installing a certain kind of state in order to ensure stability and order.[46] A 2009 OECD report emphasised, for example, that international engagement with state-building should be 'understood as support for the state-society contract and its gradual institutionalization.'[47] Research focused on how state legitimacy arises from being a 'good' state, a state that fulfils 'core functions' including providing services and creating an enabling environment for business. [48] Accordingly, donor support to improve service provision has been justified not just by the benefits of meeting basic needs but by pointing to the

[45] Max Weber, 'Politics as a Vocation' in Hans H. Gerth and C. Wright Mills (trans. and eds) *From Max Weber: Essays in Sociology* (Macmillian, New York, [1919] 1946), pp. 77-128.

[46] Tom De Herdt, Kristof Titeca, and Inge Wagemakers, 'Make Schools, Not War? Donors' rewriting of the social contract in the DRC', *Development Policy Review* 30,6 (2012), p. 682; Dominik Zaum, 'Beyond the "Liberal Peace"', *Global Governance* 18 (2012), p. 127; Derick W. Brinkerhoff, Anna Wetterberg, and Stephen Dunn, 'Service Delivery and Legitimacy in Fragile and Conflict-Affected States: Evidence from water services in Iraq', *Public Management Review* 14,2 (2012), p. 274; Claire Mcloughlin, 'When Does Service Delivery Improve the Legitimacy of a Fragile or Conflict-Affected State?', *Governance* 28,3 (2014), p. 4.

[47] OECD, 'Concepts and Dilemmas of State Building in Fragile Situations: From fragility to resilience', *OECD Journal on Development* 20, 9,3 (2009), p. 65-66. See also OECD, *Supporting Statebuilding in Situations of Conflict and Fragility: Policy guidance* (DAC Guidelines and Reference Series, OECD Publishing, Paris, 2011), p. 11.

[48] Brinkerhoff et al, 'Service delivery', p 276.

benefits improved service provision might have for state legitimacy and thus, stability and order.[49]

Although this literature on liberal state-building at least signalled the continuing importance of statehood in contemporary politics,[50] it falls short when it comes to understanding political processes. For one, because of the focus on institutional design, the role of agency is not clearly defined in this literature. Because of the thesis that institutions will deliver the desired outcomes through their impact on behavioural patterns, actors are depicted as atomized, rational, self-interested actors responding to institutional incentives.[51] Socio-political interaction is stripped of other social content, and the position of individuals in other sets of social relations is ignored. As a result, when analysing a situation of state collapse, this literature tends to provide an under-socialised account of social action, with individuals depicted as 'the unfortunate denizens of the state of nature, overwhelmed by the disorder consequent to their atomization.' Then, when the literature discusses what

[49] Stuart Gordon, 'Health, Conflict, Stability and Statebuilding: A house built on sand?', *Journal of Intervention and Statebuilding* 7,1 (2013).

[50] Hagmann and Hoehne, 'State Failure Debate', p. 43.

[51] Phillips, 'Political Settlements', p. 18. As Phillips points out, in his analysis of state failure, Robert Bates does prioritise agency but still does not go beyond a self-interested rational actor. See: Robert Bates, Avner Greif, and Smita Singh, 'Organizing Violence', *Journal of Conflict Resolution* 46,5 (2002); Robert H. Bates, *When Things Fell Apart*: *State failure in late-century Africa* (Cambridge University Press, Cambridge, 2008).

state-building should bring, it provides an over-socialised account of social action in which behaviour is guided by internalized rules set by the social contract.[52]

Because of the focus on the need to create externally-defined appropriate structures in contexts of state collapse, the 'liberal peace' literature severely inhibits analysis of why patterned social interaction such as market exchange or provision of basic services remains after state collapse[53] – as well as the dynamics of the conflict that led to the process of state collapse itself. Moreover, the literature constrains our understanding of processes of state formation and market-making that emerge from the political struggles and interaction that continue after state collapse.[54]

3. *Hybrid Political Orders*

The responses to the weaknesses in the failed state and liberal peace literature have been numerous and diverse, with a range of authors criticizing the focus on ideal-type Weberian states.[55] However, a rapidly expanding body of literature frequently

[52] Here I draw on Granovetter's comments on the modeling of social action. Granovetter, 'The problem of embeddedness', pp. 484-485.

[53] Timothy Raeymaekers, Ken Menkhaus, and Koen Vlassenroot, 'State and Non-State Regulation in African Protracted Crises: Governance without government', *Afrika Focus* 21,2 (2008); Hagmann and Péclard, 'Negotiating Statehood'; Peter D. Little, *Somalia: Economy without state* (International African Institute/James Currey, Oxford, 2003).

[54] Hagmann and Hoehne, 'State Failure Debate'; Renders, Marleen, *Consider Somaliland: State Building with traditional elders* (Brill, Leiden, 2012).

[55] Milliken and Krause, 'State Failure', pp. 754-755; Marina Ottaway, 'Rebuilding State Institutions in Collapsed States', *Development and Change* 33,5 (2002); Englebert and Tull, 'Postconflict Reconstruction'; Raeymaekers et al, 'Governance without government'; Hagmann and Péclard,

used to explain Somaliland's process of state formation has cohered around the idea of the importance of understanding hybridity in state formation processes – the involvement of both 'traditional' and 'modern' institutions. 'Hybrid political orders' have been promoted as the answer to creating legitimate systems of state governance.[56] Vernon Boege and his colleagues for example argue: 'The success of peacebuilding and "state-building" in Somaliland was to a large extent due to the involvement of traditional actors and customary institutions rooted in traditional clan-based Somali society.' [57] Iqbal Jhazbhay meanwhile states: 'Somaliland illustrates the efficacy of internally-driven, culturally rooted, "bottom-up" approaches to post-war nation-building […] reconciling indigenous cultures and traditions and modernity.'[58]

In the view of Boege and his co-authors, the process of recovering from war in Somaliland should be seen as a mix of the modern and the traditional, two different

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'Negotiating statehood'; Volker Boege, Anne Brown, Kevin Clements, and Anna Nolan, 'Building Peace and Political Community in Hybrid Political Orders', *International Peacekeeping* 16,5 (2009). Also see the collection of articles in: Martina Fischer and Beatrix Schmelzle, 'Building Peace in the Absence of States: Challenging the Discourse on State Failure' (Berlin: Berghof Research Centre, 2009).

[56] Maren Kraushaar and Daniel Lambach, 'Hybrid Political Orders: The added value of a new concept' (Occasional Papers Series, Australian Centre for Peace and Conflict Studies, University of Queensland, Brisbane, 2009); Boege et al, 'Building Peace'. I focus here specifically on literature on hybrid political orders, not the much wider literature on hybridity. For a lengthly literature review, see: Hoffman, Kasper and Tom Kirk, 'Public Authority and the Provision of Public Goods in Conflict-Affected and Transitioning Regions' (Paper 7, Justice and Security Research Programme, LSE, London, 2013), pp. 17-25.

[57] Boege et al, 'Building Peace', p. 599.

[58] Iqbal Jhazbhay, *Somaliland: An African Struggle for Nationhood and International Recognition* (South African Institute of International Affairs, Johannesburg, 2009), p. 19.

institutional fields with their own rationalities.[59] While this literature deserves credit for arguing that the social terrain after state collapse is still shaped by institutional systems and legacies of former systems of governance, it veers towards an over-socialised model of social action in which people adhere to 'a script written for them by the particular intersection of social categories that they happen to occupy.'[60] This is particularly the case when authors discuss political legitimacy as if it arises simply because of the involvement of traditional actors' inclusion in modern political structures.[61]

Indeed, although the declared goal of much of the literature on hybrid political orders is to move beyond a 'dichotomous depiction' of the 'formal state' on the one hand and informal, customary or traditional institutions on the other, many authors then explain political orders as 'a blend of the two spheres', maintaining the same division they seek to dissolve.[62] As a result of its continued use of categories of actors as the main variable to explain political behaviour and political outcomes, this literature can provide only limited insights into processes of institutional change and innovation. Its ability to explain the adjustment of rules and roles

[59] Tobias Hagmann, 'Hybrid Governance: The pure politics of Africa go crazy!' (Paper presented at 'Unravelling Public Authority: Paths of Hybrid Governance in Africa', LSE/University of Antwerp, London, December 6-7 2013), p. 3.

[60] Granovetter, 'The problem of embeddedness', p. 487.

[61] Kate Meagher, 'The Strength of Weak States? Non-state security forces and hybrid governance in Africa', *Development and Change* 43,5 (2012), p. 1081.

[62] Kraushaar and Lambach, 'Hybrid Political Orders', p. 5.

involved in processes of state-building and market-making is significantly constrained.

For instance, arguing that clan elders were rooted in 'traditional' society but also involved in institutional innovation provokes the 'paradox of embedded agency': if actors are embedded in and have their incentives and identities shaped by a specific institutional field, how and why do they 'envision new practices' and work with other actors to reform that field?[63] If the authority of elders is firmly grounded in the traditional system, how and why are they able and willing to step outside it and oversee its integration into a different, 'modern' political system? The questions are similar when it comes to analysing the role of 'traditional governance' in business. How is it that ostensibly traditional institutions bend into new shapes to underpin shareholder companies and contracts linking local businesspeople to diasporic capital?

4. Multiplicity, Contingency, and Power

In this dissertation, I argue that explaining the institutional shifts involved in political transitions requires moving away from conceptions of both disordered terrains of atomistic actors and homologous social fields that determine patterns of

[63] Garud, Raghu, Cynthia Hardy, and Steve Maguire, 'Institutional Entrepreneurship as Embedded Agency: An introduction to the special issue', *Organization Studies* 28,7 (2007), p. 961.

action. While agency is 'collective in both its sources and its mode of exercise'[64], it cannot be reduced to the strategy of an individual representing the interests of a specific institutional system.[65] Analysis must embrace 'a far more multiple, contingent, and fractured conception of society – and of structure.'[66]

In this thesis, I argue that the ability of a range of actors in Somaliland – elders, police, government officials, businesspeople – to construct and protect the peace was shaped by context but did not emerge from roles prescribed by 'traditional' or 'modern' systems. As I demonstrate in the chapters of this thesis, individuals experienced, navigated and shaped multiple, overlapping institutional structures with different logics. These institutions were both structures and 'agential constructs'.[67] On one hand, agency matters a great deal: people had to decide and negotiate how and whether rules could be transposed to new situations and argue about how resources should be mobilized. However, this contingency and negotiation did not make these institutions any less important for people. This was an 'authoritative process' – some individuals had more 'authoritative resources' at

[64] William H. Sewell, Jr., 'A Theory of Structure: Duality, agency, and transformation', *American Journal of Sociology* 98,1 (1992), p. 21.

[65] Hagmann and Péclard, 'Negotiating statehood', p. 547. They argue that '…categorising actors according to functional attributes does not explain the means and logic of action by which these actors become involved in shaping political authority.'

[66] Sewell, 'Theory of Structure', p. 16.

[67] Phillips, 'Political Settlements'.

their disposal due to their access to capital, professional skill and expertise, eloquence and oratorical ability, and position in family and kin networks.[68]

As social historian William Sewell argues, the interaction of varying institutional logics is often unpredictable. Patterns of accumulation can shift, and over time, the legitimacy of power relations and institutional logics can be reinforced or destabilized in unforeseeable ways.[69] In my case study, I seek to examine the specific and contingent history of interaction, conflict, and deliberation that shaped the reputation of specific actors, their access to and control over resources, and the legitimacy of distinct narratives of reconciliation and state-building.[70] I emphasise that the political processes I examine are inherently relational and contingent, bound up in competing ideologies of the meaning and value of statehood in the contemporary world, and at once intensely local and thoroughly globally connected.

Thus, while I engage with the concerns that drove the literature on state collapse and state formation that I addressed above, I focus on analysing process rather than evaluating outcomes, examining the 'struggles to construct orders and the

[68] Frances Cleaver, 'Reinventing Institutions: Bricolage and the social embeddedness of natural resource management', *The European Journal of Development Research* 14,2 (2002), p. 19.

[69] Sewell, 'Theory of Structure', pp. 16, 18.

[70] Mustafa Emirbayer and Ann Mische, 'What is Agency?', *American Journal of Sociology* 103,4 (1998), p. 1001; Hagmann and Péclard, 'Negotiating statehood', p. 547.

actions that undo them'.[71] Moreover, by focusing on these struggles over the contours of political order, I emphasise how social categories are themselves 'modes of creating and controlling'[72] – and must be analysed as such. To enable my analysis of process, I build on two distinct literatures: first, work on network analysis from economic sociology and second, research focusing on patterns of 'empirical statehood' across the African continent.

5. *Analysing Social Action: Lessons from economic sociology*

In order to analyse the intertwined processes of state formation and market-making, I draw on literature from economic sociology to model social action, which emphasises the importance of both social context and rational interests.[73] This literature has well-known roots: sociologists writing in the early twentieth century laid a foundation for questioning 'the assumption of "atomized" decision-making' used by neoclassical economists.[74]

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[71] Sally Falk Moore, 'Explaining the Present: Theoretical dilemmas in processual ethnography', *American ethnologist* 14,4 (1987), p. 735.

[72] Susanne Hoeber Rudolph, 'The Imperialism of Categories: Situating knowledge in a globalizing world', *Perspectives on Politics* 3,01 (2005), p. 6.

[73] Richard Swedberg, 'New Economic Sociology: What has been accomplished, what is ahead?', *Acta Sociologica* 40,2 (1997); Mark S. Granovetter and Richard Swedberg (eds), *The Sociology of Economic Life*, Vol. 3 (Westview Press, Boulder, CO, 2001).

[74] Swedburg, 'New Economic Sociology', p. 162; Jens Beckert, 'The Social Order of Markets', *Theory and Society* 38,3 (2009), p. 246.

Max Weber, for example, pointed out the role religious ethics play in shaping commerce, investment, and accumulation – a dynamic important for Somaliland's process of market-making and state-building.[75] Emile Durkheim meanwhile emphasized the importance of non-contractual elements of contracts – generalized societal agreements on the nature of contracts and the importance to abide by them.[76] His work provokes questions about what institutional and societal resources people rely on as they rebuild their livelihoods after conflict and state collapse. Then, in the middle of the twentieth century, building on previous attempts to explain the social underpinnings of economic action, Karl Polanyi's work also took aim at the figure of the 'self-interested, maximizing agent', emphasising the socially constructed nature of economic institutions and the mutual constitution of state power and contemporary capitalist markets.[77]

Later, in the mid-1980s, Granovetter argued for the importance of interpersonal networks to the outcomes of business practices, pushing back against both 'under-socialised' models of social action common to neoclassical economics and 'over-socialized' models of social action in which people's logics of action arise wholly

[75] Max Weber, *The Protestant Ethic and the Spirit of Capitalism: And other writings*, Trans. Peter Baehr and Gordon C. Wells (Penguin, London, 2002 [1903]).

[76] Émile Durkheim, *The Division of Labor in Society*, trans. George Simpson (Free Press, New York, 1933 [1893]). For a discussion see: Neil Fligstein and Luke Dauter, 'The Sociology of Markets', *Annual Review of Sociology* 33 (2007), p.6.9 fn 3; Viviana A. Zelizer, 'Beyond the Polemics on the Market: Establishing a theoretical and empirical agenda', *Sociological Forum* 3,4 (1988), p. 615.

[77] Karl Polanyi, *The Great Transformation: The political and economic origins of our time* (Beacon Press, Boston, 2001 [1944]).

from societal attributes.[78] His analysis recognized the rationality of actors as well as the importance of social structure.[79] Actors were embedded in social structure and reflected on their position within those relations to guide the way they mobilised connections.

In the thesis, I use Granovetter's terminology of strong and weak ties as a heuristic concept to map the relations connecting businesspeople to their local communities and other stakeholders across the city and beyond. A strong tie represents a relationship between two people that is reinforced by a range of indirect connections and embedded in a dense matrix of relationships; meanwhile, a weak tie represents a link between two people that do not share the same group of friends and relations. Weak ties can serve as bridging bonds between two more tightly knit groups and thus have a 'cohesive power';[80] however, taking advantage of weak ties requires sufficient capital and resources.[81]

[78] Granovetter, 'The problem of embeddedness', p. 487.

[79] Swedburg, 'New Economic Sociology', p. 162.

[80] Mark Granovetter, 'The Strength of Weak Ties', *American Journal of Sociology* 78,6 (1973); Mark Granovetter, 'The Strength of Weak Ties: A network theory revisited', *Sociological Theory* 1,1 (1983).

[81] Kate Meagher, *Identity Economics: Social networks & the informal economy in Africa* (Boydell & Brewer, Woodbridge, 2010), p. 94.

Following Granovetter, I recognize that mapping patterns of the relations affecting social action provides a static analysis of a system at a single moment in time.[82] It neglects change in those ties, the content of those ties, as well as the dynamics of the wider social fabric in which they are embedded. Thus, beyond mapping the ties, I examine the content and properties of networks themselves.[83] As Gernot Grabher and David Stark argue, examining the 'legacies, linkages and localities' of networks provides a useful rubric for examining networks – a framework Kate Meagher has applied to her study of economic networks in West Africa to great effect.[84]

In terms of linkages, I look at how networks are organized and how they cross but also engage in creating categorical boundaries between private and public, state and market, local and global. Looking at legacies, I examine how different networks have been shaped by history and how this links to trajectories of state formation and market-making.[85] Finally, to consider the importance of locality, I analyse how

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[82] Granovetter, 'A network theory revisited', p 229; for a critique of Granovetter's structuralism see Zelizer, 'Beyond the Polemics', pp. 628-629.

[83] Gernot Grabher and David Stark, 'Organizing Diversity: Evolutionary theory, network analysis, and post-socialism' in Grabher, Gernot and Stark, David (eds), Restructuring Networks in Post-Socialism: Legacies, linkages, and localities (Oxford University Press, Oxford, 1997), p. 13.

[84] Gernot Grabher and David Stark (eds), Restructuring Networks in Post-Socialism: Legacies, linkages, and localities (Oxford University Press, Oxford, 1997); Kate Meagher, 'Social Capital or Analytical Liability? Social networks and African informal economies', *Global Networks* 5,3 (2005); Kate Meagher, 'Social Capital, Social Liabilities, and Political Capital: Social networks and informal manufacturing in Nigeria', *African Affairs* 105,421 (2006).

[85] Grabher and Stark make a similar argument about the importance of technocratic expertise in Eastern Europe after the fall of state socialism. Grabher and Stark,' Organizing Diversity', p. 9.

networks interlink and overlap in a single urban space. Following Grabher and Stark, I emphasise that localities are 'sites of interdependence.'[86] In the post-war context I examine, a 'mutually understood vulnerability'[87] to any new outbreak of conflict enhanced the sense of interdependence even in the face of opposing interests. I discuss how actors negotiated rebuilding a shared space and the kind of narratives they used to explain, encourage, and display commitment to cooperative action.[88]

6. *Reconsidering Statehood*

In addition to my focus on linkages, legacies, and localities, I build on a body of literature examining patterns of 'real governance' and 'empirical statehood' across Africa. This literature developed in response to the failed state paradigm and literature on liberal states that I outlined above and focused on disaggregating conceptions of state and society.[89] It draws on broader trends in political science to examine 'governance' – focusing 'not only on the state and its institutions but also

[86] Grabher and Stark,' Organizing Diversity', p. 17.

[87] Dominic Burbidge, 'Trust Creation in the Informal Economy: The case of plastic bag sellers of Mwanza, Tanzania', *African Sociological Review/Revue Africaine de Sociologie* 17,1 (2013).

[88] Grabher and Stark,' Organizing Diversity', p. 20.

[89] On real governance see: Jean-Pierre Olivier de Sardan, 'Researching the Practical Norms of Real Governance in Africa' (Discussion Paper 5, Africa, Power, and Politics Programme, Overseas Development Institute, London, 2008). Regarding the need to consider empirical statehood, see: Tobias Hagmann and Didier Péclard, *Negotiating Statehood : Dynamics of Power and Domination in Africa* (Wiley-Blackwell, Oxford, 2011).

on the creation of rule and order in social practices.'[90] Drawing on the work of theorists such as Michel Foucault, Philip Abrams, Akhil Gupta, Timothy Mitchell, and Joel Migdal, analysts focusing on empirical statehood adopt the view that both government institutions as well as ideas of statehood are embedded in society, and must be analysed through a focus on historical process.[91]

The literature has two main foci, both concerned with the reworking of postcolonial statehood. First, Jean-Paul Olivier de Sardan, Thomas Bierschenk and others describe the post-colonial 'state at work' at the local level,[92] examining the intertwining of different modes of governance and the range of actors involved in providing public goods.[93] These studies embrace the re-emergence of a 'sociology of governance', investigating:

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[90] Mark Bevir, *A Theory of Governance* (University of California Press, Berkeley, 2013), p. 1.

[91] Michel Foucault, 'Governmentality' in Graham Burchell, Colin Gordon, and Peter Miller (eds), *The Foucault Effect: Studies in Governmentality* (Chicago, University of Chicago Press, Chicago, 1991); Philip Abrams, 'Notes on the Difficulty of Studying the State', *Journal of Historical Sociology* 1,1 (1988[1977]); Akhil Gupta, 'Blurred boundaries: The discourse of corruption, the culture of politics, and the imagined state', *American Ethnologist* 22,2 (1995); Timothy Mitchell, 'The Limits of the State: Beyond statist approaches and their critics', *The American Political Science Review* 85,1 (1991); Joel Migdal, *State in Society: Studying how states and societies transform and constitute one another* (Cambridge University Press, Cambridge, 2001). For a recent overview of this literature in relation to African statehood, see: Brian Dill, *Fixing the African state: Recognition, politics, and community-based development in Tanzania* (Palgrave Macmillan, London, 2013), 17-22.

[92] Thomas Bierschenk and Jean-Pierre Olivier de Sardan (eds), *States at Work: Dynamics of African bureaucracies* (Brill, Leiden, 2014).. Their approach and focus on everyday bureaucratic practices shares much with Akhil Gupta's work: Akhil Gupta, *Red tape: Bureaucracy, structural violence, and poverty in India* (Duke University Press, Durham NC, 2012).

[93] Thomas Bierschenk and Jean-Pierre Olivier de Sardan, 'Local Powers and a Distant State in Rural Central African Republic', *The Journal of Modern African Studies* 35,3 (1997); Jean-Pierre Olivier

> an emergent pattern or order of a social system, arising out of complex negotiations and exchanges between 'intermediate' social actors, groups, forces, organizations, public and semi-public institutions in which state organizations are only one — and not necessarily the most significant — amongst many others seeking to steer or manage these relations.[94]

Their approach reflects concerns with understanding statehood in the age of neoliberalism characterised by the promotion of 'strategies that purport to disperse power relations' formerly concentrated in state institutions – strategies such as privatization, moving service provision in the arena of the market, and restricting government budgetary allocations.[95]

Secondly, and most relevant for the post-state collapse Somalia, the empirical statehood literature also examines new processes of state formation in areas where state authority has been violently contested by armed groups. Similar to the literature on hybrid political orders, a range of authors dispute the idea that state collapse and war could create a *tabula rasa or* an ungovernable space devoid of order, sentiments of public obligation, or social organization.[96] They focus instead on

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de Sardan, 'The Eight Modes of Local Governance in West Africa', *IDS Bulletin* 42,2 (2011). For a survey of different relationships, see: Richard Batley and Claire Mcloughlin, 'Engagement with Non-State Service Providers in Fragile States: Reconciling state-building and service delivery', *Development Policy Review* 28,2 (2010).

[94] Nikolas Rose, *Powers of Freedom: Reframing political thought* (Cambridge University Press, Cambridge, 1999), p. 21, quoted in Timothy Raeymaekers, 'Protection for Sale: War and the transformation of regulation on the Congo–Ugandan border', *Development and Change* 41,4 (2010), p. 583.

[95] Rose, *Powers of Freedom,* p. 16.

[96] Volker Boege, Anne Brown, Kevin Clements, and Anne Nolan, 'Undressing the Emperor: A reply to our discussants' in Martina Fischer and Beatrix Schmelzle (eds), *Building Peace in the Absence of States: Challenging the discourse on state failure* (Handbook Dialogue Series No. 8, Berghof Research

what lies beyond state collapse[97] and ask 'how we should visualise and handle the connections between state collapse and the larger processes of social change.'[98] Others argue that scholarship should be considering 'the strengths of the societies in question, acknowledging their resilience and encouraging indigenous creative responses to the problems and strengthening their own capacities for endurance.'[99]

However, unlike the literature on hybrid political orders, this literature focuses more clearly on the processes that underlie the emergence of new 'systems of profit and power',[100] tracing efforts to transform 'coercion or power (*Macht*) into domination (*Herrschaft*)'.[101] Timothy Raeymaekers, for instance, employs the work of Charles Tilly to understand the formation of 'proto-states' in the eastern Democratic Republic of Congo, examining how armed groups have used violence to gain control of territory, bargained with local economic actors to establish a

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Center, Berlin, 2009), p. 89; Kevin P. Clements, Volker Boege, Anne Brown, Wendy Foley, and Anna Nolan, 'State Building Reconsidered: The role of hybridity in the formation of political order', *Political Science* 59,1 (2007), p. 53.

[97] Martin Doornbos, 'Researching African Statehood Dynamics: Negotiability and its limits', *Development and Change* 41,4 (2010), p. 749.

[98] Timothy Raeymaekers, 'Collapse or Order? Questioning state collapse in Africa' (Households in Conflict Network (HiCN), University of Sussex, 2005), p. 4.

[99] Clements et al., 'State Building Reconsidered', p. 48. For a similar argument on Somalia, see Ken Menkhaus, 'Somalia: Political order in a stateless society', *Current History* 97,619 (1998), p. 220.

[100] Jutta Bakonyi, 'Authority and Administration Beyond the State: Local governance in southern Somalia, 1995–2006', *Journal of Eastern African Studies* 7,2 (2013), quoting David Keen, 'Organised Chaos: Not the new world we ordered', *The World Today* 52,1 (1996), p. 14.

[101] Hagmann and Péclard, 'Negotiating statehood', p. 543; Kristof Titeca and Tom De Herdt, 'Real Governance Beyond the "Failed State" in the Democratic Republic of Congo (DRC)', *African Affairs* 110,439 (2011), p 217.

basic taxation system in the place of unpredictable predation, and provided a limited number of public goods in collaboration with other local actors.[102] Though the trajectory of Somaliland's state formation differs from the cases described by Raeymaekers, I also focus on how patterns of violent conflict have reconfigured political sovereignty and patterns of service delivery.

In addition, Raeymaekers draws attention to the way the proto-states he describes have crystallised around patterns of transborder and transnational trade, connecting work on state formation with work on informal economic networks in Africa.[103] Until recently, the informal economy tended to be analysed either as a 'weapon of the weak', a site of economic survival and political resistance, or a 'weapon of the strong', a terrain used by political elites for personal profit.[104] However, more recent approaches have embraced a more nuanced approach, examining the legacies of pre-colonial business practices and commercial institutions and how these have interacted with processes of state formation.[105] Somalia features

[102] See Raeymaekers' description of the RCD-ML (*Rassemblement Congolais pour la Democratie-Mouvement de Liberation*) in North Kivu. Timothy Raeymaekers, 'Post-War Conflict and the Market for Protection: The challenges to Congo's hybrid peace', *International Peacekeeping* 20,5 (2013), p. 611. He draws on Tilly's work on state formation. Charles Tilly, 'War Making and State Making as Organized Crime', in Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol (eds), *Bringing the State Back In* (Cambridge University Press, Cambridge, 1985); Charles Tilly, *Coercion, Capital and European States, AD 990-1990* (Blackwell Publishers, Malden, MA, 1990).

[103] Raeymaekers, 'Protection for Sale', p. 583.

[104] Kristof Titeca, 'Tycoons and Contraband: Informal cross-border trade in West Nile, north-western Uganda', *Journal of Eastern African Studies* 6,1 (2012).

[105] Titeca, 'Tycoons and Contraband'; Meagher, *Identity Economics*, p. 22-23.

frequently in this literature, especially since Peter Little highlighted the continued resilience of livestock business in Somalia's post-1991 'economy without state'.[106]

Indeed, recent research across the Somali territories has pushed back images of anarchy to examine how 'radically localized' political arrangements have intertwined with commerce and trade networks that are 'more regional and international than ever.' [107] They have documented the persistence of local, interregional and transborder trade and commerce,[108] the development of sophisticated systems of transnational money transfer and telecommunications, [109] as well as localised patterns of provision of 'public goods' such as security, water, and electric power.[110] They explain how systems of service provision are embedded in local configurations of interdependent actors, 'emerging from and being structured by

[106] Peter D. Little, *Somalia: Economy without state* (International African Institute/James Currey, Oxford, 2003).

[107] Menkhaus, 'Political order in a stateless society', p. 223; Peter D. Little, 'Reflections on Somalia, or How to Conclude an Inconclusive Story', *Bildhaan* 3 (2003), p. 66.

[108] Farah Abdulsamed, 'Somali Investment in Kenya', (Briefing Paper, Chatham House, London, 2011).

[109] Ismail I. Ahmed, 'Remittances and Their Economic Impact in Post-war Somaliland', *Disasters* 24,4 (2000); Cindy Horst, *Transnational Nomads: How Somalis cope with refugee life in the Dadaab Camps of Kenya* (Berghahn Books, Oxford, 2006); Anna Lindley, *The Early Morning Phonecall: Somali refugees' remittances* (Berghahn Books, Oxford, 2010).

[110] Ken Menkhaus, 'Governance without Government in Somalia: Spoilers, state building, and the politics of coping', *International Security* 31,3 (2006); Hagmann and Hoehne, 'State Failure Debate'.

(everyday) practical social activities.'[111] Ken Menkhaus discusses fragmented 'governance without government' arrangements:

> Somalia…is at the forefront of a poorly understood trend – the rise of informal systems of adaptation, security, and governance in response to the prolonged absence of a central government. This development is being driven by the evolving role of coalitions of business groups, traditional authorities, and civic groups in promoting more 'organic' forms of public order and rule of law.[112]

These observations of negotiated local orders and systems of service provision across the Somali territories have emphasised a central argument of this thesis – that there are 'multiple possible paths towards creating effective public authority.'[113] Instead of following a pre-designed pattern of state formation, plurality and contingency mean that 'novel arrangements and unexpected outcomes'[114] can emerge. Defying clear-cut distinctions, institutions operate 'where ideological registers and political practices are composite and often contradictory' and actors' capacity to exercise public authority waxes and wanes.[115] In my case study, I build on these conclusions to ask what happens to these arrangements as a state-building

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[111] Jutta Bakonyi, 'Moral Economies of Mass Violence: Somalia 1988–1991', *Civil Wars* 11,4 (2009), p. 436; Bakonyi, 'Authority and Administration', drawing on Norbert Elias, *Involvement and Detachment* (Basil Blackwell, Oxford, 1987).

[112] Menkhaus, 'Governance without Government', p. 74.

[113] Sue Unsworth, 'An Upside Down View of Governance' (Centre for the Future State, Institute of Development Studies, Brighton, 2010), p 8.

[114] *Ibid.*

[115] Lund, 'An introduction', pp. 673, 676, 679.

project proceeds. To explain how, I now turn to an overview of my exploration of Somaliland's process of state formation and market-making, drawing out the main threads of my argument about the reconfiguration of the power to provide in Somaliland since 1991.

Analysing State Formation: A Case Study

1. 'Bringing the State Back in'

In the early chapters of this thesis, I echo the conclusions of the literature on real governance and explain how localised systems of service provision across the Somali territories emerged out of people's responses to immediate needs in the post-war era. As they returned to Hargeisa from the refugee camps in the early 1990s, people needed to make money, communicate with family and friends, and rebuild their city. The roots of Hargeisa's post-war electricity system were planted as people used available resources to rebuild micro-grids, run diesel generators and extend wires to their neighbours.

During the 1990s in Hargeisa, the lines between private and public efforts to reconstruct the city blurred as reconfigured forms of public authority emerged. Whereas Somalia's pre-1991 government had followed the trend of many post-colonial African governments in prioritizing state sovereignty and national security and worked to maintain a monopoly on providing for the public and outlawing and

persecuting competing claims,[116] after state collapse, different sets of actors staked a claim to provide for the public and act in the public interest. Private businesses sought to take part in the shared project to maintain peace and security by serving their communities and lighting shared spaces. They developed a niche in which they were localised service providers, claiming what had formerly been a sovereign function of the state.

However, while I build on literature that celebrates resilience and 'creative responses' in the face of conflict and state collapse,[117] my thesis focuses on the politics of what happened next, as the rebuilding continued. Hargeisa was not just part of a mosaic of localized governance arrangements: it was a city at the centre of a state-building project, a project to unify economic and political space. The private power companies I describe found themselves not just embedded in local neighbourhood communities or even transnational networks of trade and finance but an encompassing project of state-building. Although the institutions making up the Somaliland government were initially designed to represent the importance of clan as a system of social organization, Somaliland's state-building project aimed to extend the central government's power over a specific territory and build

[116] Bratton, 'Beyond the State', p. 412.

[117] Clements et al., 'State Building Reconsidered', p. 48. For a similar argument on Somalia, see Menkhaus, 'Political order in a stateless society', p. 220.

hierarchical bureaucracies to govern that territory.[118] This state-building project would have to navigate the plurality of claims to provide for the public that characterized the post-war political landscape.

Using the electricity sector as my lens, I investigate the state-building project by examining how the state was 'brought back in'. I do so first by using an analytical lens grounded in claims of the political science literature of the mid to late 1980s, when a 'paradigmatic reorientation' centred on 'bringing the state back in' to explanations of political change. Theda Skocpol called for comparative-historical research examining states both as goal-oriented organisations and as institutional configurations that impacted wider patterns of political and social action.[119] I draw on this analytical perspective on statehood to analyse Somaliland's process of state formation, while also emphasizing the historically situated and contingent nature of statehood and the need to locate state organisations both vis-à-vis domestic constituencies and internationally.[120]

Following Skocpol's advice, I examine the construction of the Somaliland

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[118] Dominik Balthasar, *State-Making in Somalia and Somaliland: Understanding war, nationalism and state trajectories as processes of institutional and socio-cognitive standardization* (PhD Dissertation, LSE, 2012); Marleen Renders, *Consider Somaliland: State Building with traditional elders* (Brill, Leiden, 2012).

[119] Theda Skocpol, 'Introduction' in Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol (eds), *Bringing the State Back In* (Cambridge University Press, Cambridge, 1985), p. 4.

[120] Skocpol emphasizes this in her opening essay, 'Introduction', see p. 9 in particular. An emphasis on studying the state in society has also been a central element of opponents of Skocpol: see Migdal, *State in Society*. Regarding the importance of historicity in understanding statehood in Africa, see Jean-François Bayart, *The State in Africa: The politics of the belly* (Polity, Cambridge, 2009 [1993]).

government as a goal-oriented organization aspiring to internationally recognized statehood. I focus on the executive branch of government – the president, national-level ministries and independent agencies under control of the president. The executive was the best-resourced branch of government in Somaliland from the mid-1990s onwards, and the president increasingly positioned himself at the centre of national-level politics, working to make clan-based networks channels of representation and patronage within the aspiring state structure rather than loci of formal authority in their own right.[121] Examining the actions of the executive vis-à-vis the electricity sector, I explain how the government, in aspiring to sovereign statehood, justified increasing its power through claims to represent and act on behalf of the public interest. Domestically, the government represented itself as the embodiment of the collective interest in order to support its quest to control crucial pieces of national infrastructure, build institutions representing all clan groupings, and finally, shape Somaliland into a unified market space. At the same time, the government projected its claims internationally, claiming sovereignty on behalf of Somaliland's people and thus arguing for access to donor aid and international investment.[122]

However, as the head of an unrecognized state working to reconstitute a civil

[121] Renders, *Consider Somaliland,* pp. 146-147; Marleen Renders, and Ulf Terlinden, 'Negotiating Statehood in a Hybrid Political Order: The case of Somaliland', *Development and Change* 41,4 (2010), p. 733.

[122] Phillips, 'Political Settlements', p. 26; Rebecca Richards, *Challenging the Ideal? Traditional Governance and the Modern State in Somaliland* (PhD Dissertation, University of Bristol, 2009).

service with a budget under US$30 million during the 1990s,[123] Somaliland's President was not by any stretch of the imagination 'dynamically autonomous'.[124] The central government in Hargeisa had very limited control over the means of violence and had to negotiate with other political elite to increase demobilization, take control of heavy weaponry, and establish a standing army and police forces.[125] To be sure, the fragmented post-war terrain contained remnants of the former state: physical spaces, material infrastructure, and professional identities, skills and expertise. However, these fragments could not be automatically relaunched and restarted. The new government of Somaliland was embedded in a situation shaped by very different access to and control of resources, a terrain shaped by intertwined histories of state collapse, decentralised rebellion, and an ongoing process of migration and diasporisation. It struggled to rally resources to enforce its policies or reorient relationships of exchange and investment.

As a result, the government depended on alliances with a range of social forces, most especially businesspeople. In particular, the second president entered into a symbiotic relationship with a group of import-export tycoons based in Djibouti who loaned the Somaliland government six million dollars to be paid back through

[123] Ken Menkhaus, 'Vicious Circles and the Security Development Nexus in Somalia', *Conflict, Security & Development* 4,2 (2004), p. 160.

[124] Scokpol, 'Introduction', p. 10.

[125] Dominik Balthasar, 'Somaliland's Best Kept Secret: Shrewd politics and war projects as means of state-making', *Journal of Eastern African Studies* 7,2 (2013).

exemptions on customs tax.[126] In a country relatively poor in natural resources, the most lucrative business opportunity available was using the territory as a conduit for trade and commerce flowing through to Ethiopia, at the time emerging from civil war itself. Business elites' interests aligned with those of the central government and encouraged an alliance focused on navigating political fragmentation to unify economic space.

2. Statehood as Idea

To understand the contestation within the project to build a state, however, I move beyond Skocpol's intent and focus on the importance of statehood as 'an ideological thing'.[127] As recent scholarship has recognised, ideas and ideals of statehood are essential elements of the political struggles involved in state formation,[128] especially in an era of a highly interconnected international state system based around the norm of juridical sovereignty.[129] When the Somaliland government made its claim to statehood, it proclaimed its intentions to represent

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[126] See Phillips, 'Political Settlements', p. 6; Interview # 90/Adan Da'ud Egal ('Weli')/Director of Planning and Statistics, Somaliland Ministry of Finance/Hargeisa/27 May 2013.

[127] Abrams, 'Notes on the Difficulty', p. 68.

[128] Abrams, 'Notes on the Difficulty'; Gupta, 'Blurred boundaries'; Timothy Mitchell, 'Society, Economy, and the State Effect' in George Steinmetz (ed.), *State/Culture: Formation after the Cultural Turn* (Cornell University Press, Ithaca, 1999); Vu Tuong, 'Studying the State through State Formation', *World politics* 62,01 (2010).

[129] George M. Thomas and John W. Meyer, 'The Expansion of the State', *Annual Review of Sociology* 10 (1984).

and act in the common interest of its people. However, it also made the more striking claim that having a state was in the interest of Somalilanders. The government argued that becoming an internationally recognized state would provide benefits in terms of foreign investment, donor aid, and economic growth and development.[130] Those involved in building the state thus projected a narrative of 'cohesion, purpose, independence, common interest and morality…'[131] amidst a highly fragmented post-war terrain.

As I explained above, Somaliland's state-builders were all too aware of the weakness of the Hargeisa-based government. The 'mythicized abstraction'[132] of a self-proclaimed independent state did little to hide the shortfalls of a nascent government struggling to raise basic revenue, pay demobilized soldiers, and control important infrastructure. While grounded in the history of the struggle against the previous Mogadishu-based regime, Somaliland's state-building project was profoundly future-oriented: early state-builders emphasized that their new country was in a state of becoming, a stage of transition from a 'congregation of clans' to a 'new state of nationhood'.[133] They recognized that a range of actors contributed to

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[130] Richards, *Challenging the Ideal?*; Christopher Clapham, Holger Hansen, Jeffrey Herbst, J. Peter Pham, Patrick Mazimhaka, Susan Schulman, Greg Mills, 'African Game Changer? The Consequences of Somaliland's International (Non) Recognition', (Discussion Paper 2011/05, Brenthurst Foundation, 2011).

[131] Abrams, 'Notes on the Difficulty', p. 68.

[132] Foucault, 'Governmentality', p. 103.

[133] Egal gave a public address on August 30 1999: 'We could only be accepted as a member by the world community if we move to a new state of nationhood…The international community does

the state-building project, blurring the lines between public and private, state and non-state as in the negotiated orders I described above. While it made the state-building project feasible, this blurring would be a site of tension and debate as the state-building project continued. Developments in the electricity sector explain why.

Private businesses selling power recognized their dependence on the peace settlement that had launched the state-building project. Because of the capital they sunk into the city, they were vulnerable to conflict. As a result, while they had low expectations for a government that seemed barely able to steer Somaliland away from war and towards reconstruction, they still engaged in building the peace and by extension, the state. On one hand, their engagement was practical – enabling the expansion of commercial activities by making power more accessible, lighting public spaces for free, and improving the security of the town at night.

However, private businesses also used the language of statehood to engage, negotiate and contest the state-building project. To understand their engagement, I draw on Christian Lund and Sally Falk Moore's work on the micro-politics of public authority in local arenas. Lund adapts Skocpol's statist slogan to explain how a range of institutions besides the government seek to 'bring the state back in'. Lund emphasises that by deploying the language of the state, 'other institutions

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not recognize congregations of clans, each remaining separately independent.' APD, 'A Self-Portrait of Somaliland: Rebuilding from the ruins' (Somaliland Centre for Peace and Development, War-torn Societies Project**,** Hargeysa, 1999), p. 22.

strut in borrowed plumes', legitimizing their authority by referring to the state while simultaneously challenging government authority.[134] Lund's analysis explains how the language of statehood can act as a unifying framework for a range of non-state actors involved in filling in for the retreat of the state. Kristof Titeca and Tom De Herdt make a similar argument in their analysis of the educational sector in the Democratic Republic of Congo, tracing how plural systems of provision are debated and negotiated using the language of statehood, state responsibilities, and state shortcomings.[135]

Taking the case of Hargeisa, I demonstrate how, in reaction to the government's interventions in the electricity market, companies deployed the language of statehood to their advantage as they worked to 'bring the state back in'. They referenced idealized ideas of statehood in which the government would provide services necessary for economic growth and development – and then compared that ideal to the reality they faced in Somaliland where private companies were filling in for the government's lack of resources, staff, and technical capacity. In doing so, companies clearly defined themselves as private enterprises, and drew a line between business and government. However, they then demonstrated how they reached over that line to fill in for the shortcomings of the government, emphasizing their patriotic dedication to their local communities and Somaliland as

[134] Lund, 'An introduction', p. 677.

[135] Titeca and De Herdt, 'Real Governance Beyond'.

a whole. They argued that in response to their commitment to rebuilding, the state should protect them, not displace them.

Their behaviour supports Timothy Mitchell's argument that the lines between state and non-state, public and private are 'drawn internally' and are central to the construction of both state power and capitalist profit.[136] However, this drawing of the lines is not just a matter of 'disciplinary methods of power' as Mitchell claims:[137] it is a highly conflictual process. As Marleen Renders and Ulf Terlinden have argued for the case of Somaliland, the divides between categories of political and economic action 'have been key instruments in the struggle for power and control … the very substance of negotiation, competition and conflict.'[138] Entering into this struggle, companies sought to reshape Somaliland's statehood in their interests by defining the limits of legitimate political and economic action. To explain how, I focus on two areas of conflict in Hargeisa's power sector: the regulation of competition between local companies and the mediation between the local and global.

[136] Mitchell, 'The Limits of the State', pp. 78, 90.

[137] *Ibid*, p. 93, drawing on Michel Foucault, *Discipline and Punish: The Birth of the Prison* (Pantheon, New York, 1977).

[138] Renders and Terlinden, 'Negotiating Statehood', p. 726.

1. Local Competition

Early on in the market, electricity companies constructed arguments about the legitimacy of different forms of investment, seeking to defend their position as early arrivals to the market by controlling the entry of new capital. In the beginning, they could rely on claims to supply a niche defended with the help of lineage elders, reflecting the importance of the patrilineal clan system as a system of social organisation in the post-war era. The market reflected the fragmented political terrain and limited ability of the central government to advance its goal of building a united market space. However, as the state-building project advanced and the threat of foreign capital heightened, companies realised the shortcomings of a fragmented market. Competition was expensive and inefficient – and left them vulnerable. The government became impatient with companies, while customers complained of the power 'mafia'.[139]

To solve problems of competition and coordination in the market, companies sought to mobilise the conditions of their social embeddedness, relying on both local and transnational ties. To explain the matrix of relationships in which electricity companies were enmeshed, I categorise company's relations using

[139] Yusuf M. Hasan, 'Somaliland: National electricity managers lose control', *Somaliland Sun*, 27 September 2012.

Granovetter's distinction between strong and weak ties. I map how companies mobilized 'strong ties' based on close lineage connections, which could provide a 'pre-contractual element'[140] to business agreements. However, I also show that they relied on a range of weak ties that connected them to other businesspeople.

To lobby the government and resist the threat of foreign investment, power companies invested in their weak ties and organised a cartel-like association. However, while the cartel allowed them to share information and present a common front vis-à-vis the new Somaliland government, the weak bonds between the members of the cartel limited their cooperation and willingness to invest in projects together. Without an ability to merge their grids and investments, companies remained vulnerable.

To overcome the challenges of competition, businesspeople had to reconfigure the system of ownership, investment, and profit dominating the electricity market. They worked to absorb sets of weak ties within single companies, creating shareholder companies that 'socialized capital',[141] tying investments not just to a single business family but to a wide social base. Shareholding companies still relied on transnational, strong lineage-based ties to draw in diaspora investment; however, they used this capital not to push other companies out of the market but to offer

[140] John Lie, 'Sociology of markets', *Annual Review of Sociology* 23 (1997), p. 349.

[141] William G. Roy, *Socializing Capital: The rise of the large industrial corporation in America* (Princeton University Press, Princeton, 1999).

them a share of the merged business. They could then invest in exponentially multiplying their ability to generate power.

In embracing shareholding structures, businesspeople invested in a partnership of power that tied investment in electricity provision into the project of post-war reconstruction. This asserted companies' identity as 'patriotic capitalists'[142] and underlined the continual intertwining of processes of state formation and market-making. It emphasizes the importance of the factors I discussed in my overview above: the importance of historical legacies, specific networks, but also the embeddedness of business in Hargeisa as a site characterised by interdependence.

2. Threats and Opportunities of the Global

Tensions in the electricity market arose from the opportunities and threats presented by global economic forces. While electricity companies were local players, geared towards providing power to thousands of people around them, they also relied on transborder trade and transnational ties to the diaspora for capital. However, as they invested more in their grids, they rapidly realized their vulnerability in the face of global economic forces. They sought ways to protect their investments from the entry of foreign investors with more capital and more advanced technology, from the possibility of donor or diaspora money flowing to a

[142] Dinah Rajak, *In Good Company: An anatomy of corporate social responsibility* (Stanford University Press, Stanford, 2011).

potential competitor, and from the whims of the international market for fuel. They turned towards the government to demand this protection, once again mobilizing a discourse that emphasized their identities as private business dependent on their own revenue streams but simultaneously underlined all that they had contributed to rebuilding their city and their country. Their narrative was both capitalist and patriotic.

As Dinah Rajak argues for the case of South Africa, narratives of 'patriotic capitalism' paint business as a moral, patriotic duty. Of course, while Rajak's analysis is geared towards understanding multinational mining companies attempting to protect themselves against the claims of the communities where they are working, the businesses I examine in this thesis were working to defend their market against the threat of being displaced by foreign investment. Nevertheless, in both cases, companies' mobilization of a discourse of patriotic capitalism demonstrates how, despite the 'retreat of the state' in the face of globalized capital flows in the late twentieth century,[143] the idea of statehood and national belonging remain crucial to economic organization.[144] In Hargeisa, power companies appealed to the specific nature of statehood as a source of delimited, territorialized

[143] Susan Strange, *Retreat of the State*.

[144] Vivien A. Schmidt, 'Putting the Political Back into Political Economy by Bringing the State Back in Yet Again', *World Politics* 61,03 (2009); Ben Clift and Cornelia Woll, 'Economic Patriotism: Reinventing control over open markets', *Journal of European Public Policy* 19,3 (2012), p. 319.

power.[145] They leveraged the fact that the project of building a state in Somaliland was an inherently territorial project dependent on revenues that came from gatekeeping and mediating trans-border flows. While cautious of increasing the government's power, companies demanded that the government mediate global flows in a way that suited their interests and maintained their own access to capital.

However, the government of Somaliland itself was reaching out to the global, seeking to lessen its dependence on internal social forces. By shifting some of its dependency onto foreign sources of capital and expertise, the government aspired to become more sovereign vis-à-vis other internal actors and organisations, adopting a strategy of 'extraversion' as described by Jean-François Bayart. However, in doing so, the Somaliland government emphasised the creation of a legal structure – a '*pays légal*' – not as a façade to distract donors but as a way to institutionalise its own power, both vis-à-vis donors reluctant to recognise its state-ness and vis-à-vis internal actors anxious to limit the power of the government.[146]

In the power sector, the government worked to attract external support first to assist in its own production of power and when that failed, to create codified legal regulations for the power sector in Somaliland. I examine both attempts of the government to reshape the power sector in depth because they bring out the

[145] Michael Mann, 'The Autonomous Power of the State: Its origins, mechanisms and results', *European Journal of Sociology* 25,2 (1984), p. 208.

[146] Bayart, *The State in Africa*, p. xvii.

tensions between private companies and the government. The government had to walk a fine line, attempting to balance its attempts to attract outside capital and expertise with its dependence on the local private sector. Indeed, when confronted with the government's attempts to mobilise external capital to exert its power in the market, private power companies resisted the 'extraversion'[147] of Somaliland's statehood project. Determined to protect what they had built, they emphasised their contributions to peace and organised to ensure that they were the ones who continued to power the city and guide new capital into the market.

Methodology: Process and Pitfalls

To understand the struggles of businesspeople to assert their place in the new political order of Somaliland, I relied on a range of sources. I triangulated between them to construct a narrative history of the electricity sector, focusing on the different moments of tension amongst companies and between companies and the government.

First, I relied on the growing literature on the political history of the self-declared independent Republic of Somaliland in the 1990s and 2000s, as well as the dynamics of the conflict between the Somali National Movement and the Siad Barre regime in the 1980s. These include a range of articles about the process of

[147] Bayart, *The State in Africa*, p. xvii.

state-building and peace negotiation produced by the Hargeisa-based Academy for Peace and Development and the Nairobi-based Rift Valley Institute.

To construct a more specific narrative history of the electricity sector, I relied heavily on interviews I carried out in Hargeisa. I also carried out an ongoing review of newspaper articles, Somaliland government documents, as well as grey literature from international agencies and non-governmental organisations based in Hargeisa. I review each category of source in turn.

1. Interviews

I began my research in London and Nairobi, where I met contacts originally from Somaliland who were familiar with the business community in Hargeisa. They helped me map out the major business sectors and provided me with valuable contacts to use when I arrived in Somaliland. Once in Somaliland, I carried out the majority of my interviews in Hargeisa over the course of three research visits in July 2012, October to December 2012, and April to June 2013. During my third visit, I spent three days in Berbera carrying out interviews with people familiar with the workings of the port as well as the city's electricity and water systems.

Over the course of my three research trips to Hargeisa, I worked with three research assistants, two of whom had previously worked with Somaliland research organisations, the Academy for Peace and Development (APD) and the Social

Research and Development Institute (SORADI). My assistants helped me negotiate access and diversify my networks. They worked as translators when interviews were carried out in Somali; my basic Somali helped me introduce myself and gain a sense of the topic of conversation. However, even when interviews were in English, my assistants helped me gain a deeper interpretation of events, explaining how interviewees' narratives fit into wider discourses and histories.

During my first trip to Hargeisa, I interviewed businesspeople across different sectors, adopting a life history approach. I used the 'snowball-method' to identify additional contacts, asking interviewees to suggest other people I should interview. Most interviews lasted around 30 minutes to an hour. I used an interview template that covered basic biographical information and then inquired how people found themselves in business, the challenges they faced investing in Somaliland, and their participation in local associations. As I began to narrow my focus to the electricity sector, I adopted my interview template and interviewed owners and managers of electricity companies specifically about the history of their power companies. I include this template in Appendix A. Alongside this template, I asked other open-ended questions; my research assistants added their own queries to the conversation.

I interviewed representatives of thirteen power companies in Hargeisa. In each case I spoke to either an owner of the company or a manager in charge of day-to-day operations; in four cases, I interviewed multiple representatives of the companies. I

also interviewed representatives of multiple central government ministries and agencies, the municipality, as well as representatives from donor agencies and non-governmental organisations (NGOs) involved in the sector. A full list of the interviews I carried out is contained in Appendix B.

Interviewing electricity providers came with challenges. Power company offices were not always the most conducive places to carry out interviews, with the roar of a generator echoing in the background or customers discussing bill payments in the next room. In addition, as a politics student with little technical background, from time to time I had to prove my understanding of the power sector, especially if I was interviewing a manager focused on the technical aspects of the enterprise.

Moreover, companies often did not want to discuss specific details about their customer numbers. I was carrying out my interviews during a period of intense competition and change in the sector, with companies jostling to maintain their position and uncomfortable with revealing the size of their market share. As a general principle, I did not ask directly about profit margins or revenues, although this topic did come up in some interviews. By not asking about the details of the company's accounts, I gained more room in asking about the history of the company and the political and social dynamics in which they were embedded, which was more important for my research questions.

Most managers and company owners were happy for me to use their names and the names of their companies in my thesis, but in some cases did not want me to share the number of customers they had. I have used company names when I was given permission and when I explain the history of the company. In other cases and when discussing customer numbers or other commercial information, I have anonymised my interviews. Finally, for interviews with government officials and other individuals, I have followed the wishes of the interviewees, erring on the side of caution in some cases when they were discussing more sensitive political issues.

2. Print Media Sources

There is an active press in Somaliland in both Somali and English, and online newspaper articles are a useful way of tracking events in Hargeisa.[148] However, quality varies; some stories are simply copied with little alteration from other websites or media outlets. Moreover, newspapers are heavily dependent on contributions from the private sector, political parties and other actors who often pay journalists to run certain stories – support not acknowledged in the publications themselves.[149] Using media reports thus required attention to bias.

[148] Markus V. Hoehne, 'Newspapers in Hargeysa: freedom of speech in post-conflict Somaliland', *Africa Spectrum* 43,1 (2008).

[149] Nicole Stremlau, 'Hostages of Peace: The politics of radio liberalization in Somaliland', *Journal of Eastern African Studies* 7,2 (2013), p. 250.

As the electricity sector kept on changing after I had finished my last visit to Hargeisa, I relied on newspaper articles to understand events, especially for the ceremonies celebrating the mergers of electricity companies, events concerning the government electricity agency, or the outcome of the business grant competitions I explain in chapter 7. At times, when no other sources were available, I pulled quotes from these articles, both articles published in English as well as articles translated from Somali into English by either a Somali researcher or one of my research assistants in Hargeisa. I gathered as many articles as I could about every event and compared their accounts with each other, as well as triangulating them with information from my contacts in Hargeisa. As is evident in the chapters, when I use the newspaper articles, I use them mainly to trace the main discourses presented at each event rather than the nature of negotiations behind the event.

To complement current media sources, I also carried out a search on LexisNexis to build up an archive of international and Somaliland-based news reports from the 1990s and 2000s. I triangulated these articles with the historical narratives I gathered from my interviews in order to construct a timeline for the power sector.

3. Grey Literature and Personal Archives

In Hargeisa, challenges of memory and data storage are not just problems for researchers but an integral part of the policy-making terrain in a city that was

mostly destroyed by war in the late 1980s.[150] Though some municipal archives remain in the city, the archives I accessed in Hargeisa were personal archives, kept by people who had decided to safeguard records either through personal interest or because of the position they held in the government.

I was fortunate in the case of the electricity sector that the USAID-funded project to establish codified regulation that I discuss in chapter 6 was heavily documented, with quarterly updates from the implementing agency to USAID, business surveys, and other reports available online, as I indicate in the footnotes of relevant chapters. I was also given copies of minutes, presentations, and reports from the meetings I discuss, which allowed me to triangulate with my interviews and other sources.

More broadly, online archives of unilateral and multilateral donors were an important source. For the period before state collapse in 1991, the most accessible documents are in United Nations (UN) and World Bank archives; they offer a one-sided but detailed account of donor involvement in infrastructure development in Somalia. For the period after 1991, grey literature by NGOs and donor agencies were helpful; in some cases my interviewees told me about them or gave me a copy. I also actively searched the internet, contacted consultants involved in the studies, and found online archives often put together by Somalis in the diaspora.

[150] Tobias Hagmann discusses the effects of the destruction of government documentation: 'Reclaiming the City: Land conflict dynamics in post-war Hargeisa' (Lecture, 'Violent Conflicts over Land in Contemporary Africa', Nordiska Afrikainstitutet, Uppsala, 22 January 2014).

These reports by a range of UN and donor agencies from 1991 onwards helped me track the reconstruction of infrastructure across the Somali territories. However, many of the accounts of service provision focused on snapshots, on one-off examples of a municipality or a public-private partnership providing piped water, without explaining the political struggles surrounding these vignettes. They did not provide much longitudinal analysis to understand what made this service delivery possible, what challenges it encountered, and how sustainable it proved to be.

Indeed, it was much easier to trace histories of successful rather than failed attempts to create or revive institutions. For instance, it was not so difficult to unearth histories of how the Somaliland Electricity Agency was created by the Somaliland government – during my time in Hargeisa, I was able to visit the agency and interview the chief engineer, as well as people at the Ministry of Public Works. I was also directed to the engineer who had managed the reconstruction and who was still an important player in the sector. However, it was more challenging to learn about the previous attempts to rebuild the powerhouse in Hargeisa.

On one hand, information was scarce: it was through a search through old editions of the *Indian Ocean Newsletter* that I uncovered an attempt by the United Nations Development Office for Somalia (UNDOS) to organize capital to rehabilitate the electricity system, evidence of which was also scattered through reports linked to UN agencies. On the other hand, at times information was recycled in a misleading fashion. Publications relying on brief journalistic accounts for instance cited the

government's success in contracting foreign companies to rebuild Hargeisa's powerhouse without mentioning that the deal collapsed almost immediately afterwards.[151]

My attempts to trace the history of failures raised a more general concern: the recycling of unreliable information in respected and sometimes peer-reviewed sources is one consequence of the way in which the written documentation and analysis of Somali realities has often been displaced from the territories itself.[152] Claims about recent events in Somalia can have successful virtual lives in print and online even when contradicted by realities on the ground. These contradictions raised my awareness of the need to triangulate amongst my interviews, media reports, grey literature and available academic work.

Outline of the Thesis

The thesis is organized into seven chapters and a conclusion. Together, the chapters guide the reader through my argument by examining the iterative processes of state formation and market-making through the lens of Hargeisa's electricity sector.

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[151] Henry Srebrnik, 'Can Clans form Nations: Somaliland in the making' in Tozun Bahcheli, Barry Bartmann, and Henry Srebrnik (eds), *De Facto States : The Quest for Sovereignty* (Taylor and Francis, London, 2004), p. 222; UNCTAD (United Nations Conference on Trade and Development), 'FDI Profile: Somalia', (UNCTAD, Geneva, 2006).

[152] Marchal, 'Warlordism and Terrorism'.

In chapter 1, I focus on electricity provision in the Republic of Somalia prior to 1991. I demonstrate how the Mogadishu-based government claimed responsibility for service provision and embraced the path of state-led modernisation. I then explain the rebellion that led to the fall of the Siad Barre regime and the subsequent victory of the SNM in what became self-declared independent Somaliland. I argue that the conflict between the people of the north-western region and the government needs to be understood as a war over the nature and limits of the state. Initial protest reasserted the power of non-state organisations to provide for their communities, while the rebellion itself morphed into a mass, decentralised movement. These two trends shaped reconstruction and the nature of the emerging state.

In chapter 2, I recount the beginning of the story of state formation in Somaliland, a process characterized by embeddedness and a plurality of plausible claims to provide for the public. I focus on how private electricity companies embedded in their local neighbourhoods were tied into a wider project of reconstructing the city of Hargeisa. Electricity companies emphasized that they, as private enterprises, were fulfilling public functions in the absence of a state, a contribution to the shared project of rebuilding. By doing so, companies brought the idea of a state into processes of reconstruction but simultaneously asserted the limits of state power. This material and discursive tactic set the stage for the development of a state fundamentally shaped by its interaction with private capital.

In chapter 3, I explain the effort of the Somaliland government to enter the market for electricity as a business to compete with and thereby regulate private providers. Despite the difficulties the government encountered in attempting to undercut private providers, the entrance of the government into the market had a lasting effect, framing power provision as a public service and a target of both government intervention and private investment.

In chapter 4, I examine how private electricity companies navigated and mobilized the conditions of their embeddedness to defend themselves in uncertain post-war terrain. Companies initially depended on strong lineage-based ties to consolidate and defend their market share. However, they also mobilised weak ties to form a business association as a platform to lobby the government to stay out of the market while protecting them from global economic forces. Companies emphasised their need for a state, but continued to work to shape Somaliland's nascent statehood to their advantage.

In chapter 5, I focus on the partnerships of power that sustain Somaliland's state formation process. I explain how by embedding local political dynamics within their corporate structures and transcending zonal arrangements, companies have increased their ability to ally with the government and increase their importance as political actors. Taking the case of Kaah Electric Power and Lighting Company, a new electricity company built on a system of shareholder investment, I explain the rise of big business in Somaliland.

In chapter 6, I focus on a struggle over the nature of Somaliland's economic order provoked by donor projects to create legal regulations for the electricity sector. The government and companies each hoped the legislation would protect their interests: companies adopted donor language about the efficiency of the private sector and the value of market development while the government underlined its commitment to good governance and rule of law. However, when legislation threatened to allow foreign competition, domestic electricity companies emphasised their historical contributions and reminded the government of the partnerships of power that have energized Somaliland's attempt at statehood.

In Chapter 7, I broaden my lens to examine the response of companies in both Hargeisa and the eastern city of Las Anod to donor-run business grant competitions. I explain how companies worked to prevent globalized capital flows from 'splintering' the ownership and management of urban infrastructure.[153] They sought to promote an idea of the market as embedded in a historical remaking of their city, whose governance should be underpinned not purely by the values of global competition but in view of proven commitment to local communities.

In the conclusion, I return to the questions I asked at the beginning of this introduction, examining my argument in light of the evidence I present in the seven

[153] Stephen Graham and Simon Marvin, *Splintering Urbanism: Networked infrastructures, technological mobilities and the urban condition* (Routledge, London, 2001).

chapters. I reflect on the implications of my case study for the wider literature on state formation and market-making, arguing for a focus on ongoing struggles to delineate and define the public interest.

Chapter 1

Roots and Limits: Pre-war grids in Somalia

Electricity grids in the Republic of Somalia were initially a legacy of the colonial occupation of the Somali territories. Limited government provision in urban areas in the north and predominantly private systems in the south corresponded to the development plans of British and Italian colonial elites respectively. In the first half of this chapter, I explore these legacies and the subsequent history of power after the independence of Somalia in 1960. After the coup of 1969, the new military government in Mogadishu took over power provision, seeking to centralise control over grids. However, despite the new regime's promise to take responsibility for service provision, plans for state-led modernisation and development gradually fell apart. Amidst increasing political fragmentation, the state resorted to ruling through violent repression.

In the second half of the chapter, I turn to focus on the rise of protest against the Mogadishu-based government in the north-west of Somalia. I argue that the conflict between the people of the north-western region and the government needs to be

understood as a war over the nature and limits of the state.[1] Initial protest reasserted the right of locally grounded, non-state organisations to provide for their communities, while the struggle of the Somali National Movement (SNM) against the regime morphed into a mass movement dependent on decentralized systems of resource mobilisation. As I explain in future chapters, these two trends shaped reconstruction in Somaliland and the nature of the emerging post-war polity.

Colonial Beginnings

The Republic of Somalia's fragmented electricity system was limited to government offices, wealthy urban residents and companies with their own grids. These networks and connections were rooted in patterns of colonial activity – and colonial elites' ideas of the usefulness of their respective territories. For the British, the Somaliland Protectorate was part of '*Afrique inutile*'.[2] They initially signed trade agreements with clans living along the northern Somali coast over the course of the nineteenth century.[3] When they announced the creation of the Somaliland Protectorate in 1887, they intended for it to be a coastal colony: their principal interest was maintaining

[1] Cf. Roland Marchal, 'A Survey of Mogadishu's Economy' (European Commission/Somalia Unit, Nairobi, 2002), p. 16.

[2] William Reno, *Warlord Politics and African States* (Lynne Rienner Publishers, London, 1998), p. 35.

[3] Ioan M. Lewis, *A Modern History of the Somali: Nation and state in the Horn of Africa* (James Currey, Oxford, 2002), pp. 40-46; Jama Mohamed, *Constructing Colonial Hegemony in the Somaliland Protectorate*, 1941-1960 (PhD Dissertation, University of Toronto, 1996), p. 63.

control over trade routes and securing meat for Aden.[4] However, from 1899 until 1920, the British faced a rebellion led by Sayyid Muhammed Abdulla Hassan, which over time became a war pitting clans and religious orders in the Protectorate against each other.[5]

After defeating the Sayyid with both land forces and air raids, the British Protectorate administration began to build a more intrusive infrastructure in the 1920s, creating administrative centres linked by dirt roads in Berbera, Hargeisa, Zeila, Burco, and Erigavo. District commissioners were posted to each centre, responsible for monitoring political activity; meanwhile a system of courts run by titled clan elders – known by the Arabic title '*aqil*' – was established.[6] The British began to make plans to provide services such as health centres and schools, but they made slow progress, encountering especially strong resistance to any suggestions that the services be financed through direct taxes.[7] The Protectorate administration continued to have a

[4] Samatar, Abdi Ismail, *The State and Rural Transformation in Northern Somalia, 1884-1986* (University of Wisconsin Press, London, 1989), p. 31; for details on limited British investment in the Somaliland Protectorate, see: Ioan M. Lewis, *A Pastoral Democracy: A study of pastoralism and politics among the northern Somali of the Horn of Africa* (International African Institute/James Currey, Oxford, 1999 [1961]), p. 28.

[5] Although initially defeated by Anglo-Ethiopian forces in 1904, the Sayyid rebuilt his forces and continued his campaign a few years later. The British announced a coastal concentration policy, armed members of the Isaaq clan family and left them to fend for themselves against the raids of the Sayyid and followers, many of whom were members of the Dhulbahante clan. Although the British re-occupied the main towns in the interior by 1913, it was not until after the end of World War I in 1920 that the British finally defeated the Sayyid. The history of the conflict has been written about in more detail elsewhere: See Lewis, *Modern History*, pp. 75-83; Samatar, *State and Rural Transformation*, pp. 36-39; and Jama, *Constructing Colonial Hegemony*, pp. 64-82.

[6] Samatar, *State and Rural Transformation*, pp. 47-48.

[7] Jama, *Constructing Colonial Hegemony*, pp. 93-96, also pp. 266-267 for information about resistance to efforts to establish direct taxation in the 1920s.

very small budget (£213,139 in 1937)[8] and British plans, minimal as they may have been, were interrupted by World War II and the Italian occupation in 1940-1941.

After World War II, British involvement in the protectorate's affairs intensified.[9] In particular, attention to 'colonial development and welfare' in Somaliland reinforced trends of urban growth and the rise of a new elite, a 'social coalition of civil servants and merchants'.[10] In 1941, Hargeisa became the capital of British Somaliland, and soon afterwards the Protectorate authorities installed the town's first electrical generation and distribution system to supply the colonial offices in the Sha'ab area.[11] In the post-war era, towns grew as centres of commerce and land prices rose as traders and 'men who earned their money abroad' in Aden or England, bid for plots.[12] During the 1950s, the British administration invested more in the

[8] Lewis, *Modern History*, p104.

[9] Marleen Renders, *Consider Somaliland: State Building with traditional elders* (Brill, Leiden, 2012), p. 39; Wartorn Societies Project (WSP), *Rebuilding Somaliland – Issues and Possibilities* (The Red Sea Press, Asmara/Lawrenceville, NJ, 2005), pp. 7-8.

[10] Samatar, *State and Rural Transformation*, pp. 64, 71-72; Charles L.Geshekter, 'Anti-Colonialism and Class Formation: the Eastern Horn of Africa before 1950', *International Journal of African Historical Studies* 18,1 (1985); Jama, *Constructing Colonial Hegemony*, p. 263. For an overview of the Colonial Development and Welfare Acts from 1929 onwards, see David J. Morgan, 'Colonial Development; A factual survey of the origins and history of British aid to developing countries', *British Aid 5* (Overseas Development Institute, London, 1964).

[11] Republic of Somaliland, Ministry of National Planning and Development, 'National Development Plan (2012-2016)' (Hargeisa, Somaliland: Ponte Invisibile, 2011), p. 161.

[12] Jama, *Constructing Colonial Hegemony*, p. 306, citing: 'Price of Land in Hargeisa,' War Somali Sidihii. no.23, (21 November 1953).

infrastructure of the main towns of Hargeisa, Berbera and Burco; in Hargeisa, they expanded the electricity grid to central parts of the town.[13]

By contrast, the southern Somali regions were central to Italian imperial aspirations. Determined to profit from the territory, they established plantations and, to a lesser extent, invested in industry;[14] in the 1930s, the Italian Fascist period, the Italian government aimed to establish a 'lucrative settler colony'.[15] From the beginning, the electricity supply in *Somalia Italiana* was designed around the needs of private Italian companies, and, in contrast to the north, was almost entirely in private hands. In Mogadishu, electric power was first provided to Italian colonial offices and neighbourhoods in 1923 from a plant built by the Italian businessman Cosmo De Vincenzi.[16] Together with the private company *Societá Agricola Italo-Somala* (SAIS) that operated in the Shabelle region, this provided two-thirds of the total electricity produced every year.[17] World War II led to a pause in the development of the city's infrastructure; during their occupation of the city, the British dismantled, sold off,

[13] Republic of Somaliland, 'National Development Plan', p. 161; Jama, *Constructing Colonial Hegemony*, p. 304.

[14] See for example David D. Laitin and Said S. Samatar, *Somalia: Nation in search of a state* (Westview Press, Boulder, CO, 1987), p. 59; Lewis, *Modern History*, pp. 86-100.

[15] Besteman, Catherine, *Unraveling Somalia: Race, Violence, and the Legacy of Slavery* (University of Pennsylvania Press, Philadelphia, 1999), p. 182.

[16] Silvio Labbate, *Energia made in Italy* (ARACNE, Rome, 2012), p. 18; Umberto Triulzi, 'L'Italia e l'economia Somala dal 1950 ad oggi,' *Africa* (Rome) 27,1 (1972), p. 634.

[17] Umberto Triulzi, 'L'Italia e l'economia Somala dal 1950 ad oggi,' *Africa* (Rome) 26,4 (1971).

and exported most Italian industrial materials and equipment.[18] However, after the war, the Italian-run UN trusteeship administration AFIS (*L'Amministrazione fiduciaria italiana della Somalia*) created the concession company *Società Elettrica Italo-Somala* (SEIS) to provide power to Mogadishu.[19]

Independence did not immediately bring much change to colonial-era grids. As was the case across much of the African continent, colonialism left Somalia with infrastructural systems that were limited, fragmented and oriented to outside interests.[20] In Hargeisa, the British handed over the power station to the Somali staff;[21] electricity in the north of Somalia was henceforth produced and distributed by the government's Public Works Department.[22] In Mogadishu meanwhile, SEIS continued to generate and provide power for the capital city.[23] Elsewhere in the south, electricity was predominantly produced for agricultural and industrial concerns – the majority of which at the time were still wholly or partially Italian-owned.[24] Large

[18] William Daniel Puzo, *Mogadishu, Somalia: Geographic assets of its evolution, population, functions, and morphology* (PhD Dissertation, University of California, 1972), pp. 77-88.

[19] Marchal, 'Survey of Mogadishu's Economy', p. 54.

[20] For an overview, see Kate B. Showers, 'Electrifying Africa: An environmental history with policy implications', *Geografiska Annaler: Series B, Human Geography* 93,3 (2011), pp. 198-199.

[21] Republic of Somaliland, 'National Development Plan', p. 161.

[22] IBRD/IDA, 'The Economy of Somalia' (IBRD/IDA, Washington DC, 1964), p. 16.

[23] In 1965, the generation capacity of SEIS reached 4,100 kW. See IBRD/IDA, 'Current Economic Position and Prospects of Somalia' (Africa series, Report No. AF 64, IBRD/IDA, Washington, DC, 1967), p. 16.

companies like some of the biggest banana producers and the *Società Nazionale per l'Agricoltura e l'Industria* (SNAI), which operated a sugar mill at Jowhar, produced their own power;[25] some sold surplus power to communities around them.[26]

All electric power was produced with diesel generators, and rates in the late 1960s were relatively high; in Mogadishu they were about Sh.So. 0.80 (US$0.11) per kilowatt hour (kWh) for domestic consumers and Sh.So 0.60 (US$0.08) per kWh for industrial users.[27] It is difficult to find statistics disaggregated by region beyond data specifically for Mogadishu, and discrepancies between available reports are common. However, available sources estimate that by 1963, some electric power was provided in at least ten and up to 25 towns in Somalia, with an estimated total generating capacity of 7 megawatts (MW) and an annual production of 15,000 megawatt hours (MWh). Capacity increased in 1968 to 12.4 MW.[28]

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[24] Pestalooza estimates that about 70% of all agriculture and industry were owned by Italians. See Luigi Pestalooza, *The Somalian Revolution*, trans. Peter Gendening (Editions Afrique Asie Amérique Latine, Paris, 1974), p. 74.

[25] IBRD, 'Economy of Somalia', p. 16; Pestalooza reports that around the time of nationalisation, total production of electricity equalled 26,003 MWH and 'was distributed thus: 17,208 M.W.H. for Benadir, 698 for Upper Juba, 458 for Lower Juba, 121 for Migiurtania, 133 for Mudugh, 163 for Hiran, 6,113 for the North West and 1,109 for the North East.' Pestalooza, *Somalian Revolution*, p. 299, fn 3.

[26] IBRD/IDA, 'Economic Development Prospects in Somalia' (IBRD/IDA, Washington DC, 1971), Table 8.2.

[27] Converted using 1967 rates of 1 SoSH = US$0.14. See IBRD/IDA, 'Current Economic Position and Prospects of Somalia, October 2, 1967', p. 16.

[28] IBRD/IDA, 'Economic Development Prospects', Table 8.2.

Nationalisation: Bringing the state to the people

When the military led by Siad Barre came to power in the 1969 coup, the new government took control of electricity production and distribution, part of a nationalisation campaign targeting outside interests. First, in May 1970, the partially Italian-owned power company SEIS was taken over by the state along with the SNAI agricultural enterprise, foreign banks and insurance companies. Subsequently, in April 1973, Law Number 34 created a state-owned corporation, *Ente Nazionale Energia Elettrica* (ENEE), under the Ministry of Public Works to own and manage the electricity system in Mogadishu and plan the development of electricity systems throughout the country.[29]

Nationalisation was common across the African continent from the 1960s to the mid-1970s. Seizures of companies focused on those held by former colonial powers as well as strategic sectors such as extraction and utilities,[30] signalling a growing belief amongst political elites in the decades after independence that the 'political kingdom' was not sufficient – the economic kingdom also needed to be in reach.[31] However,

[29] World Bank, 'Somalia: Power rehabilitation and Energy Project' (Staff Appraisal Report, World Bank, 1987), p. 15.

[30] Stephen J. Kobrin, 'Foreign Enterprise and Forced Divestment in LDCs', *International Organization* 34,01 (1980); Stephen J. Kobrin, 'Expropriation as an attempt to control foreign firms in LDCs: Trends from 1960 to 1979', *International Studies Quarterly* 28,3 (1984).

[31] Leslie L. Rood, 'Nationalisation and Indigenisation in Africa', *The Journal of Modern African Studies* 14,03 (1976); (2000): pp. 380-389; Adeoye Akinsanya, 'Host Governments' Responses to Foreign Economic Control: The experiences of selected African countries', *International and Comparative Law Quarterly* 30,04 (1981).

unlike the nationalisation of mining companies and other large private enterprises, early analysts generally deemed nationalisation of utility companies normal, expected and unworthy of examination.[32]

Indeed, from the 1930s until the late 1970s, as William Hausman *et al* demonstrate, there was a worldwide trend of 'domestification' of electrification, with foreign investors being forced out and governments playing an increasingly important role in provision and regulation. [33] After World War II in particular, governments increasingly financed, constructed and operated infrastructural networks – seen as natural monopolies with high initial costs but decreasing marginal costs. The 'modern infrastructural ideal' held sway: infrastructure networks provided coherence to social relations and served as 'the structural underpinnings of the public realm.' [34] Infrastructure networks were to be designed to 'deliver broadly similar, essential, services to (virtually) everyone at similar cost across cities and regions….'[35]

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[32] Rood, 'Nationalisation and Indigenisation', pp. 431, 436; see also Ernest J. Wilson, 'Strategies of State Control of the Economy: Nationalization and indigenization in Africa', *Comparative Politics* 22,4 (1990), p. 411.

[33] William J. Hausman, Peter Hertner, and Mira Wilkins, *Global electrification: Multinational enterprise and international finance in the history of light and power, 1878–2007* (Cambridge University Press, Cambridge, 2008).

[34] Stephen Graham and Simon Marvin, *Splintering Urbanism: Networked infrastructures, technological mobilities and the urban condition* (Routledge, London, 2001), p. 43, citing Perry, D. (1995), 'Introduction'. In D. Perry (1995), Building the Public City: The Politics, Governance and Finance of Public Infrastructure, London: Sage, 1–20.: 1 Perry is quoting a public official in New York City.

[35] Graham and Marvin, *Splintering Urbanism,* p. 8.

Patterns of investment and management of infrastructure in Europe affected developments in colonial territories. From the 1930s, a few colonial governments across Africa began to invest in connecting urban areas with mining areas – a response to new technology, a drive to establish hydropower systems, and, after WWII, plans to invest in manufacturing and processing of natural resources.[36] Post-colonial independent African governments adopted many of these plans to upgrade electricity infrastructure and invest in hydropower in a race to move from what one analyst called 'an elementary…market-oriented pattern' to 'the integrated generation-supply pattern of more developed economies.'[37]

Moreover, in places where foreign investment remained after independence, governments soon stepped in to claim ownership. From the 1940s across the post-colonial world – beginning with India, Algeria, and Egypt and countries across Latin America, nationalization of utilities was an element of state-building and nation-building agendas, both discursively and materially.[38] Governments worked to substantiate their proclamations of independent statehood 'into national unity, into effective authority, into an orderly State.'[39] The expansion of the electricity service,

[36] Showers, 'Electrifying Africa', pp. 198-199.

[37] E. S. Simpson, 'Electricity Production in Nigeria', *Economic Geography* 45,3 (1969), pp. 253-254.

[38] See Hausman *et al*, *Global electrification*.

[39] Aristide R. Zolberg, *Creating Political Order: The party-states of West Africa* (Rand McNally, Chicago, 1966), p. 65, cited in Jean-François Bayart, *The State in Africa: The politics of the belly* (Polity, Cambridge, 2009 [1993]), p. 247.

the use of a unified tariff structure, and the creation of the nationalized companies represented a way to take the state to the people.[40]

In Somalia, nationalisation was a way of claiming back key economic sectors from a former colonial power, part of a wider effort to use the state to drive forward modernization and development.[41] A year after the 1969 coup, Siad Barre adopted the ideology of 'scientific socialism'[42] and 'eagerly initiated a "crash programme of nation-building"'.[43] Siad Barre defined socialism 'simply': 'a system in which the state takes primary responsibility for the political, social and economic development of the nation.'[44] The new regime worked to project official values of coming together (*wadajir*), self-reliance (*is ku kalsoonaan*), and self-help (*iskaa wax u qabso*), while

[40] Katarina Uherova Hasbani, 'Electricity Sector Reform in Lebanon: Political consensus in waiting' (Working Paper No. 124, Stanford Center on Democracy, Development, and The Rule of Law, Stanford, CA, 2011), p. 6; Hausman *et al*, *Global electrification*, 239-243.

[41] John Markakis, 'Radical Military Regimes in the Horn of Africa', *The Journal of Communist Studies and Transition Politics*, 1,3-4 (1985); Roland Marchal, 'The Post Civil War Somali Business Class' (European Commission/ Somalia Unit, Nairobi, 1996), p. 22.

[42] Lewis, *Modern History*, p. 209.

[43] Dominik Balthasar, 'From Hybridity to Standardization: Rethinking state-making in contexts of fragility', *Journal of Intervention and Statebuilding* 9,1 (2015), p. 13, citing Abdi Sheikh-Abdi, 'Somali Nationalism: Its origins and future', *Journal of Modern African Studies* 15,4 (1977), p. 662.

[44] cf. Markakis 1985: 23-24

denouncing tribalism or clanism.[45] The regime projected the ideal of an 'integral state' with hegemonic control over 'social and economic vectors of accumulation'.[46]

However, with most of Somalia's population dependent on pastoralism and to a lesser extent, subsistence agriculture, neither of which generated much public revenue, the regime was – to paraphrase Abdi and Ahmed I. Samatar – 'Janus-faced', proclaiming its autonomy but dependent on outside aid.[47] After Somalia signed a Treaty of Friendship and Cooperation with Soviet Union in 1974, most of this support had to come from 'the socialist world' – the Soviet Union, China and to a lesser extent, Eastern Europe.[48] Indeed, early on under the socialist regime, the government began to plan to draw investment into large-scale energy projects: in the early 1970s, Pestalooza described plans to use Soviet and Chinese aid to build a system of hydroelectric dams on the Juba River.[49] Nevertheless, aid into the sector

[45] Lewis, *Modern History*, p. 209; Basil Davidson, 'Somalia in 1975: Some notes and impressions', *Issue: A Journal of Opinion* 5,1 (1975).

[46] Crawford Young, 'Zaire: The shattered illusion of the integral state', *The Journal of Modern African Studies* 32,02 (1994), p. 249.

[47] Abdi Ismail Samatar and Ahmed I. Samatar, 'The Material Roots of the Suspended African State: Arguments from Somalia', *The Journal of Modern African Studies* 25,4 (1987), p. 674; Marchal, 'Post Civil War', p. 22.

[48] Ahmed Ismail Samatar, 'Self-Reliance Betrayed: Somali foreign policy, 1969-1980,' *Canadian Journal of African Studies/La Revue canadienne des études africaines* 21,2 (1987), pp. 207, 210-211.

[49] Pestalooza, *Somalian Revolution*, p. 164.

remained relatively limited in the 1970s, and only one small hydroelectric dam was built by the Chinese at Fanoole on the Juba River by 1982.[50]

A Fragmented Grid

The lack of investment and the sheer scope of the challenges facing the military government meant that infrastructure remained fragmented and under-funded: despite nationalisation, the electricity system was far from an integrated grid. Even though industrial companies such as Somalitex, the textile factory, and Fanoole Rice Project were owned and operated by the government, they produced power mainly for themselves, and were not connected to ENEE's wider systems.[51] Meanwhile, despite the creation of the national electricity parastatal, it was not until 1981 when ENEE's mandate was expanded to include the ownership and operation of regional electricity operations, including those in the cities of the north-west.[52] Most of the

[50] 'Chinese-aided Project Succeeds in Damming Somali River', Xinhua General News Service, 7 March, 1982.

[51] By the mid-1980s, these major 'self-producers' included the sugar industry, the textile factory Somalitex (with 2.4 MW installed capacity), the urea plant (with 6 MW of installed capacity), and the Fanoole Rice Project (with 5.8MW installed capacity). UNDP/World Bank, 'Somalia: Issues and options in the energy sector' (Joint UNDP/World Bank Energy Sector Assessment Program, Report Number 5796-SO, World Bank and UNDP, 1985), p. 9.

[52] World Bank, 'Power rehabilitation' (Staff Appraisal Report), p. 15.

expansion efforts in the 1970s focused on southern Somalia and more specifically, Mogadishu,[53] the only city with any interconnection between producing plants.

Even in Mogadishu, by 1984 there were only about 36,000 residential connections to the ENEE system, a number that rose to 40,000 in 1986, about 30% of the city. The system mainly provided for wealthier residents, and average consumption per residence was high – the largest amounts of electricity were consumed by the air conditioners of government employees, wealthy private businessmen and expatriates.[54] The lines of ENEE's grid increasingly traced the patronage networks surrounding the regime, from donor residences and offices to well-connected government officials and merchants able to access import licenses and other lucrative opportunities.

The grid of patronage networks that developed during the latter period of the Siad Barre regime was overwhelmingly funded by foreign donors. Somalia was the largest per capita beneficiary of foreign aid in Africa for most of the 1970s and 80s, and for the last decade of Siad Barre's rule, aid provided 75% of the regime's resources.[55] After the Somali regime fell out with the Soviet Union during the Ogaden War (1977-

[53] Ahmed Ismail Samatar, *Socialist Somalia: Rhetoric or Reality?* (Zed Books, London, 1988), p. 104. From 1975 to 1983, for example, generation in Mogadishu increased at about 15% per annum. See: UNDP/World Bank, 'Issues and options', p. 9.

[54] Average consumption was about 150 kWh/month in 1984. UNDP/World Bank, 'Issues and options', p. 22; World Bank, 'Power rehabilitation' (Staff Appraisal Report), p. 10.

[55] Mark Bradbury, *Becoming Somaliland* (Progressio/James Currey, London/Oxford, 2008), p. 42.

1978), Western donors stepped up their engagement. In the 1980s Western and particularly American donors began to focus on the energy and electric power sector. The World Bank carried out an energy assessment in the first years of the decade, and in 1984, USAID's regional Energy Initiatives for Africa funded an Energy Advisor for Somalia, who sat in the Ministry of Planning in Mogadishu.[56] A series of studies was carried out by consultants from the United States and the United Kingdom, and both the Danish and Finnish aid branches invested in the potential for wind energy. Donors declared their interest in improving energy planning to combat chronic fuel shortages, poor electricity supply, as well as deforestation and a high dependence on wood and charcoal for energy.[57]

Study after study came to the same conclusion: infrastructure was old and insufficient and the government institutions which managed it heavily indebted. While by 1985, there was an estimated 110 to 120MW of generation capacity installed across Somalia, including both ENEE's system and other 'self-providers' such as the major factories, a UNDP/World Bank report suggested that only half of this was actually reliable. Losses were estimated at 25% of generation in Mogadishu and higher in the regional cities, costing up to US$1.5 million in fuel costs alone.[58] Moreover, the government frequently used ENEE's services without paying, robbing its own system – a pattern

[56] Somalia Energy Advisor, 'Final Report to the Somali Democratic Republic' (Energy Initiatives for Africa and USAID, Washington DC, 1986), p. 5.

[57] *Ibid.*

[58] UNDP/World Bank, 'Issues and options', pp. 55, 60.

common across other economic sectors by the late 1980s.[59] By 1986, the government owed ENEE ShSo 273 million (US$2,275,000).[60] Statistics from 1987 suggested '[g]overnment agencies and municipalities, which account for 75% of total sales, owe the equivalent of 14 months of sales; private consumers, which account for 25% of total sales, owe the equivalent of 9 months of sales.'[61]

By 1987, ENEE's installed capacity in Mogadishu and the 'regional centres' of Hargeisa, Berbera, Burco, Baidoa, and Kismayo was as represented in Table 1. In Mogadishu, power was supplied from Centrale, where one engine ran on diesel and another on heavy fuel oil, and Jezira, where there was both a diesel station dating from the late 1970s running on heavy fuel oil, and a steam turbine built with Kuwaiti and other Arab aid in 1985. The system suffered crippling problems with distribution losses, circuit tripping, and power cuts. Auxiliary generators were not available because they had been cannibalised for spare parts, and the distribution system

[59] For example, see Abdulqadir Arif Qassim, 'The Collapse of the Somali Banking System' in Abdi M. Kusow (ed.), *Putting the Cart before the Horse: Contested nationalism and the crisis of the nation-state in Somalia* (Red Sea Press, Trenton, NJ, 2004).

[60] Using a January 1987 exchange rate of US$1 = SoSh 120. Bechtel National, Inc., 'System Rehabilitation Assessment and Management Audit of the Ente Nazionale Energia Elettrica (ENEE)' Mogadishu, Somalia' (Summary Report prepared for USAID, Washington, D.C. 1986), p. 23.

[61] World Bank, 'Power rehabilitation' (Staff Appraisal Report), p.18. Statistics vary, but the conclusion is the same. Marchal ('Post Civil War', p. 32) states: 'Government activities consumed 48% of the electricity produced by the National Electric Authority (ENEE) in 1988. 75% of the billings for this service was not paid.' In the early 1980s, major customers remained unmetered, including large government bodies such as Radio Mogadishu and the Port Authority. UNDP/World Bank, 'Issues and options', p. 60.

Table 1. ENEE's Installed Generating Capacity as of 31 March 1987

Adapted from World Bank, 'Somalia: Power rehabilitation and Energy Project' (Staff Appraisal Report, Report No. 6834-SO, World Bank, Washington DC, 1987), Annex 2.1.

Location	Fuel Type	No. of Units & Nameplate Rating (kW)	Commissioning Date	Available Capacity (kW)	Description of Equipment
Mogadishu					
Gezira Diesel Station	Heavy fuel oil	5 x 5,732	1978 (3), 1979, 1980	2 x 4,000	
Gezira Steam Station	Heavy fuel oil	1 x 16,500	1985	0	Due to be recommissioned in April 1987 under warranty.
Centrale Diesel Station	Diesel	4 x 960	1959 (2), 1963, 1964	2 x 500	Two sets cannabilised and retired
Centrale Diesel Station	Heavy fuel oil (running on diesel)	4 x 2,160	1968, 1974, 1975, 1977	1 x 1,000	Converted in 1983 to run HFO but running on automotive diesel fuel due to failed auxiliaries.
Hargeisa					
Hargeisa Diesel Station	Diesel	1 x 1,000 1 x 400 1 x 800	1984 N/A 1972	0 200 400	When fuel is available, power station generates only from 17:30 to 05:30 every night.
Berbera					
Berbera Diesel Station	Diesel	1 x 1,000 1 x 900 2 x 450	1984 1982 1963	1, 050	When fuel is available, power station generates only from 18:00 to 02:00 every night.
Burco					
Burco Diesel Station	Diesel	2 x 1,000 1 x 450 1 x 80 1 x 150	N/A 1981 1977 1981	90	When fuel is available, power station generates only from 18:00 to 01:00 every night.
Baidoa					
Baidoa Diesel Station	Diesel	2 x 700	1988	N/A	This plant was due to be built in 1988 financed by Finnish aid funds
Kismayo					
Kismayo Diesel Station	Diesel	2 x 1,000	1988	N/A	This plant was due to be built in 1988 financed by Finnish aid funds

meanwhile – by then over 40 years old – was becoming dangerous for both staff and customers.[62]

During the 1980s, the country was reeling from the effects of the Somali defeat by the Ethiopians in the Ogaden, and the regime's support base slowly constricted along clan lines to a favoured minority. As Anna Simons argued: 'just as the government was going about the business of subverting nationalism, the economy was being treated very much as a national entity by donors, who flooded government coffers with funds.'[63] While donor projects may have been designed in the spirit of powering an economy to support economic growth in Somalia, projects were being implemented in a context shaped by political and economic fragmentation. The state was increasingly viewed as a source of private profit, and aid projects were dogged by high levels of corruption, theft, and speculation. Apart from the high levels of theft and embezzlement of state funds common in state agencies in the 1980s, responsibilities and capabilities were highly fragmented amongst different ministries and agencies. Creating multiple state institutions to deal with energy exploited donors' interest in the sector while authority on pricing and investment decisions remained at the presidential level.[64]

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[62] World Bank, 'Power rehabilitation' (Staff Appraisal Report), p. 58.

[63] Anna Simons, *Networks of Dissolution: Somalia Undone* (Westview Press, Boulder, CO, 1995), p. 52.

[64] UNDP/World Bank, 'Issues and options', p. 4

Perhaps the most powerful evidence of the effect of the flood of donor funds was the revived dream of a large hydropower dam. Following the switch from Soviet to Western support, the World Bank had taken up the idea of a dam at Bardheere, about 350 km from Mogadishu. The project would have been Somalia's largest public investment project ever: the powerhouse was to have a capacity of about 105 MW and cost over US$300 million.[65] In response to donor interest in the project, the government created a specifically designed Ministry of Juba Valley Development in 1982.[66]

The proposed construction of the dam led to huge speculation and land grabbing by politically connected elites.[67] However, by 1987, the earliest feasible completion date was 1994, assessments were still continuing, and major issues remained concerning financing arrangements and discussing riparian rights with Ethiopia.[68] There were also concerns about whether ENEE's system would be able to handle the large amount of supply that would be created by the dam. In the end, the project was suspended in 1989. The World Bank suspended Somalia's withdrawal rights on March 1991 due to civil war, and projects were closed out a few years after the civil

[65] World Bank, 'Power rehabilitation' (Staff Appraisal Report), pp. 2-3; UNDP/World Bank, 'Issues and options', p. 110.

[66] Lee V. Cassanelli, 'Explaining the Somali Crisis' in Catherine L. Besteman and Lee V. Cassanelli (eds), *The Struggle for Land in Southern Somalia: The War Behind the War* (Haan, London, 2000), p. 19.

[67] *Ibid*, Catherine Besteman, *Unraveling Somalia: Race, Violence, and the Legacy of Slavery* (University of Pennsylvania Press, Philadelphia, 1999), pp. 212-13.

[68] World Bank, 'Power rehabilitation' (Staff Appraisal Report), p. 3.

war had begun. One project completion report notes with surprise however the continued determination of government institutions to plan the next World Bank-funded project: 'In an unusual initiative, even after civil war broke out, representatives of GOS [Government of Somalia] and ENEE travelled to IDA headquarters to propose the details of this next operation.'[69] Even as the government breathed its last gasps, state institutions were seeking outside capital to sustain their existence.

Disconnections, Domination, and Dissent

Amidst the trend of general decline, people worked to find ways to fill in for the vast gaps in the state's provision of services. In the last few years before the state collapsed, though there was no other official commercial electricity provider, the sound of back-up generators echoed in wealthy neighbourhoods. In areas less surveilled by the state, there were also informal providers selling small amounts of power.[70] The sensory impressions of dark streets and neighbourhood generators were daily reminders of what the state had claimed responsibility to provide as well as its failure to meet these responsibilities.

[69] The IDA, the International Development Association, is an international financial institution that forms part of the World Bank Group and lends to the world's poorest countries. World Bank, 'Somalia: Power rehabilitation and Energy Project (Credit 1850-SO)' (Project Completion Report, Report No. 12467, World Bank, Washington DC, 1993), p. 9.

[70] Interview # 91/Mohamed Hassan Ibrahim/Researcher and Civil Servant/Hargeisa/28 May 2013; Marchal, 'Survey of Mogadishu's Economy', p. 8.

At times, it seemed the state was simply punishing the population. As Anna Simons pointed out in her account of the city of Mogadishu in the last months before the fall of the Barre regime, while technical reports by donors and consultants might list technical explanations for power failures, for the residents of Somali cities, these did not provide clear reasons for the state's failure to light their streets and homes.[71] Simons recounts the explanations for power failures circulating in the city – simple rumours of technical malfunctions and fuel thefts, or politically imbued explanations that 'the government ordered the electricity shut off so that people could not congregate at night' or 'the electricity was deliberately stopped on Wednesday afternoons because this is when the BBC broadcast its Somali report.'[72]

Accurate or not, these rumours were a societal response to the government's embrace of violent domination as a way to impose its will. After its bruising defeat in the Ogaden War, the government found its ability to marshal societal commitment crumble amidst the rise of rebel movements in different parts of the country. As a result, '[i]deological attempts at nation building—through literacy, ritual, and socialist

[71] Anna Simons, 'Rumor: The beginning of the end' in Carolyn Nordstrom and Antonius C. G. M. Robben (eds), F*ieldwork under Fire: Contemporary studies of violence and survival* (University of California Press, London, 1995), p. 53.

[72] *Ibid*, p. 52.

training—gave way to military repression.'[73] As resistance after the Ogaden War first coagulated in the northern regions of Somalia, they suffered most.

The gap between the capital city and regional cities like Hargeisa had long been growing: as bad as services were in Mogadishu, it received the lion's share of aid and investment. Even before the military regime, political and economic centralisation led people in northern Somalia 'to label the government "*Cawaro*" ("one eyed")' and complain '*Nalka Xamar baa la nooga soo daara*' – '[In the rest of the country] even the electric light has to be switched on from Mogadishu.'[74] The Ogaden War and the slow unravelling of the state that followed only deepened these patterns of inequality and disconnection.

By the 1980s, donor reports described infrastructural networks in Hargeisa and other cities across Somalia as 'isolated regional systems' in comparison to the capital.[75] Outside of Mogadishu, public electricity was supplied in about 40 towns via small diesel engines, but many were not functioning or only supplied power during the day.[76] While in 1974, reports had indicated that power was supplied 24 hours a day in

[73] Catherine Besteman, 'Violent Politics and the Politics of Violence: The dissolution of the Somali nation-state', *American Ethnologist* 23,3 (1996), p. 589.

[74] Cabdiraxmaan Jimcaale, 'Consolidation and Decentralization of Government Institutions Programme' in Wartorn Societies Project (WSP) Somalia, *Rebuilding Somaliland: Issues and Possibilities* (Red Sea Press, Lawrenceville, NJ, 2005), pp. 55-56.

[75] UNDP/World Bank, 'Issues and options', p. 9.

[76] World Bank, 'Power rehabilitation' (Staff Appraisal Report), p. 10.

Hargeisa and Kismayo as well as in Mogadishu,[77] by 1987 Mogadishu was the only city that at least on paper regularly received 24 hours of power.[78] Solving problems outside Mogadishu was most definitely not a priority for ENEE: an 1986 assessment and audit of ENEE by USAID consultants found it 'difficult to ascertain the nature of the organization of the Regional and Districts Department' that was designed to liaise between the main ENEE office in Mogadishu and the operating companies in the regions and districts.[79] Ordering spare parts and securing access to fuel was difficult enough in the capital; outside the capital, the government was even more unreliable and unresponsive.

A Self-Help Project in Hargeisa: 'The wind before the rain'

The history of infrastructural development in Hargeisa in particular demonstrates the insecure and aggressive policy of the state towards any potential threat, military or otherwise. In the 1980s, like much of the rest of Somalia, power was a luxury limited to government offices and wealthy families while everyone else had a light or two or managed with candlelight or kerosene.[80] There had been some investment in the

[77] Commission of the European Communities, 'Conditions for the Setting up of Industrial Undertakings: Somalia' (Directorate-General of Development and Cooperation, Trade and Development Division, Commission of the European Communities, 1974), p. 55.

[78] World Bank, 'Power rehabilitation' (Staff Appraisal Report), p. 10, 46.

[79] Bechtel National, 'System Rehabilitation', p. 3-49.

[80] Interview # 54/Engineer, Somaliland Electricity Agency/Hargeisa/21 November 2012; Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

power infrastructure: in 1976 a newer and bigger generator was installed in Hargeisa's power plant.[81] However, especially after the city suffered Ethiopian air bombardments during the Ogaden War,[82] even for those that could afford it, electricity was another increasingly unavailable and inefficient government service.

Accounts from people who returned to Hargeisa after the war paint a picture far worse than even the most critical donor reports,[83] flatly describing a city without electrical power. One image in particular comes through in narratives of life in the city – the lack of lighting in medical facilities; young professionals returning to the city were particularly outraged by power outages forcing women to give birth by torchlight.[84] Beginning with the hospital, these returnees soon sought to improve the infrastructure of the city – a watershed effort that would provoke the wrath of the regime in Mogadishu.

Indeed, the story of the Hargeisa Group, or *Uffo*[85], as it came to be known, has been described as a principal catalyst in the struggle against the Siad Barre regime.[86] The

[81] Republic of Somaliland, 'National Development Plan', p. 161.

[82] Renders, *Consider Somaliland*, p. 61.

[83] The Hargeisa power station only generated at night when there was sufficient fuel available. World Bank, 'Power rehabilitation' (Staff Appraisal Report), p. 10, 46.

[84] See for example, the account of Eid Ali Ahmed in Abbie Wightwick 'Wales has been a Refuge to a Persecuted Patriot', *Western Mail* [Cardiff], 6 August 2001.

[85] As I explain below, this is a Somali word which means 'the wind before the rain'.

[86] Bradbury, *Becoming Somaliland*; Renders, *Consider Somaliland*; John Drysdale, *Whatever Happened to Somalia?* (Haan Associates, London, 1994), p. 136.

story reveals not just the low quality of public services under Siad Barre – especially in the north-west of Somalia, but the unwillingness of the government to let anyone else fill the void left by their inaction and corruption. The self-help movement mobilized people to improve their own city, organized the business community to fundraise and plan projects, and worked with international agencies. This local organization and coordination was antithetical to the government's model of control and centralized development.

The young professionals organizing the self-help project had similar urban and educated backgrounds. In their late twenties and thirties, they had completed their secondary and in many cases university education either in Somalia itself – often at institutions like the very well-known Sheikh Secondary School dating from the British colonial era[87] – or abroad in Aden, London, or Poland. They had worked as teachers, bankers, businessmen, doctors and civil servants.[88] Some of them had returned to Hargeisa from abroad while others had been transferred from other parts of the country. Dr Aden Yusuf Abokor, for example, had been born in Hargeisa, grew up in Aden and studied medicine at university in Poland, before returning to Somalia and

[87] For a description of the importance of Sheik Secondary School in the history of Somaliland, see: Sarah Phillips, 'Political Settlements and State Formation: The case of Somaliland' (Research Paper 23, Developmental Leadership Program, University of Sydney, 2013).

[88] For profiles of the members of the group, see Jama Musse Jama, *A Note on My Teachers' Group: News report of an injustice* (RedSea-Online/Ponte Invisibile, Hargeisa/Pisa, 2003), pp. 243-248.

working as a doctor in Mogadishu.[89] In 1980 he was transferred and became the director of the Hargeisa Group Hospital.[90]

The problems at the public hospital in Hargeisa catalysed the formation of the group. According to Dr Aden, 'the laboratory was hardly functioning due to lack of chemicals and equipment; the blood bank and the Emergency and Out-patient departments were closed….'; patients were expected to bring their own mattresses, sheets and pillows.[91] The group volunteered to clear up the grounds and drainage system of the hospital, and built a relationship with German Emergency Doctors (GED), an organization set up to help Ogaden refugees in camps around Hargeisa. GED provided beds, mattresses, surgical equipment, drugs, a new electric generator, and other equipment, which improved the condition of the hospital – as well as arranging for a doctor and nurse to work at the hospital, and later, others to volunteer.[92]

The self-help group reached out to the community in other ways – arranging sporting events and providing assistance to Mother and Child Health Centres, the Hargeisa

[89] Richard Bennet and Michael Woldemariam, 'Interview with Adan Yusuf Abakor', 25 October 2010 (Oral history Program, *Innovations for Successful Societies*, Princeton University, 2010), p. 1.

[90] Jama, *My Teachers' Group*, pp. 19-20. Jama's book provides the most detailed written account of the group and I draw on it extensively in this section.

[91] Ibid, p. 20.

[92] Ibid, p. 22.

Nursing School, and the Clerical Trading Centre.[93] They sought the support of esteemed people in Hargeisa; a committee of six businesspeople and 'community leaders' was formed to assess the needs of the self-help group and lead the fundraising efforts for additional wards and a laboratory. Their efforts inspired other projects: teachers involved with the group provided free evening lessons and more broadly, '[t]he idea of community-based projects was to be extended to the other malfunctioning public services'.[94] A widening effort to fill in for the state in the urban space of Hargeisa was underway.

The self-help group did not initially attempt to confront the government – as Jama Musse Jama explains:

> It was first instituted that the Committee of the Businessmen should operate under the administration of the Governor's office and that they should operate with the local authorities. Whenever they finished a project, according to Dr. Aden, 'they used to invite the Governor or his representative to give his 'blessings' on behalf of the President.'[95]

At first, the regional government seemed unsure how to react: the government's ideology of Scientific Socialism was supposed to include self-help as an important goal of the 'revolution'. However, the administration was suspicious of the evening

[93] Ibid, p. 23.

[94] Ibid, 23.

[95] Ibid, 24.

meetings the Hargeisa Group used to plan their activities.[96] Moreover, as Dr Aden explained, the Hargeisa Group was *mobilizing* people in response to the government's failures to provide important services.[97] In the eyes of the regime, development projects involving international actors were something that happened through state channels – not something organized autonomously on a community level. Indeed, not only did the central government request that GED move its activities to Mogadishu – they refused – but President Siad Barre sent elders to Hargeisa in order to meet with community leaders.[98] As the community leaders nominated the Hargeisa group to represent them, the delegation from Mogadishu were 'forced to listen to the people's grievances, presented by professionals who had facts and figures at hand and could demonstrate the unequal development between the north and the south of the country.'[99]

At the same time as self-help activities were developing in Hargeisa, however, members of the clan family that dominated the central areas of north-western Somalia, the Isaaq, were organizing in the diaspora. Activists in London were forming increasingly overtly political associations, which ended up being rooted in the Isaaq clan family, despite some activists' efforts to broaden membership. Soon after, Isaaq

[96] Bradbury, *Becoming Somaliland*, p. 56.

[97] Richard Bennet and Michael Woldemariam, 'Adan Yusuf Abakor', p. 1.

[98] Bradbury, *Becoming Somaliland*, p. 56.

[99] These are the words of Adan Yusuf Abokor, cited in Bradbury, *Becoming Somaliland*, pp. 56-57.

activists representing opposition cells in Saudi Arabia came to London to create the Somali National Movement (SNM) as a united movement, which was finally launched at a public meeting in London in April 1981. From June to December 1981, they produced a magazine, *Somalia Uncensored* – before the movement moved to base itself in Ethiopia the following year.[100]

At the time, it was unclear how the SNM would evolve. One of the members of the Hargeisa Group, Mohamed Barood Ali explained: 'We sympathized with the SNM, but we didn't know what they wanted to do. People had doubts about them. Maybe they would just write letters from Jedda and London.'[101] Members of the Hargeisa Group meanwhile moved towards secret political activism inside Somalia. Two members wrote about discrimination against northern people in a newsletter called *Uffo*, a Somali word which means 'the wind before the rain', and which gave the group its popular nickname. Leaflets mentioning *Ragga u Dhashay Magalada* ('men born of the city') also circulated for a few months in Hargeisa.[102]

The government response was not long in coming. Between November 1981 and January 1982, the state serially arrested members of the self-help group. Detainees were beaten, interrogated and tortured and in February were charged with treason,

[100] Ioan M.Lewis, *Blood and Bone: The call of kinship in Somali society* (Red Sea Press, Lawrenceville, NJ, 1994), pp. 193-209

[101] Matt Bryden, 'Fiercely Independent', *Africa Report* 39,6 (1994), p. 37.

[102] Bradbury, *Becoming Somaliland*, p. 57.

which carried a mandatory death sentence.[103] On February 20th, the morning the trial was due to begin, students gathered in front of the regional courthouse. Conflict soon broke out between the students and the soldiers guarding the court; in response to the guns of government soldiers, students threw stones – giving the uprising the name by which it is still known, the *Dhagax Tuur* ('stone-throwing') protest.[104] The violence spread to Burco and went on for several days and nights. Hundreds of students were arrested and at least five were killed.[105]

The trial was held a week later, and while none of the defendants were sentenced to death, most of them were sentenced to many years in prison – two to life imprisonment and 18 to prison terms of varying length.[106] Although the National Security Court was a military institution over whose decisions Siad Barre had the final say with no appeals permitted, the riots most probably saved the defendants from the death penalty: 'the regime was terrified of the possible consequences…Hargeisa was still in turmoil and only the slightest excuse was needed to spark off further riots.'[107]

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[103] Jama, *My Teachers' Group*, p. 46.

[104] Jama, *My Teachers' Group*, pp. 40-42, 75-76. This is also the name of a monument in Mogadishu which marks a protest against the Italian reoccupation of Somalia.

[105] Africa Watch, *Somalia: A Government at War with Its Own People*, An Africa Watch Report (Africa Watch, London, 1990), p. 97; Bradbury, *Becoming Somaliland*, p. 57; Renders, *Consider Somaliland*, pp. 62-63.

[106] Jama, *My Teachers' Group*, p. 53.

[107] Mohamed Barood Ali is quoted in Jama, *My Teachers' Group*, p. 74.

Aid Flows until the End

Despite the repression in the north-west, as I described above, Western support continued to flow to Siad Barre.[108] As Anna Simons argues, because the Soviets had mainly supplied equipment for large industrial projects and state farms rather than foreign exchange, the 'aid avalanche' that resulted during the 1980s was a new element in Somali political space.[109] The aid contributed to the fracturing and repressive practices of the state while sustaining its efforts to co-opt allies and rally and empower clan militias.[110] Sometimes support for militarization was direct: as Alex De Waal and Rae McGrath pointed out, 'Between 1982 and 1989, Siad Barre received $550 million worth of arms from the United States, most of it without payment.'[111] However, non-military aid also funded the battle of the state to survive protest and resistance.

Refugee aid in particular had boomed after the Ogaden War, and a separate government agency, the National Refugee Commission, had been created to manage

[108] Italy provided 39% of all bilateral aid from 1979 to 1991, the US and European Community provided 17% each, and Germany provided 11.5%. John Sommer, 'Hope Restored?: Humanitarian aid in Somalia 1990-1994' (Refugee Policy Group/Center for Policy Analysis and Research on Refugee Issues, Washington, DC, 1994), p. 50.

[109] Simons, *Networks Of Dissolution,* p. 52.

[110] Sidney Waldron and Naima A. Hasci, 'Somali Refugees in the Horn of Africa: State of the art literature review' (Studies on Emergencies and Disaster Relief, Refugee Studies Programme, Queen Elizabeth House, University of Oxford and Nordiska Afrikainstitutet, 1995), p. 53.

[111] Alex De Waal and Rae McGrath, 'Violent Deeds Live On: Landmines in Somalia and Somaliland' (African Rights and Mines Advisory Group, London, 1993), p. 15, cited in Waldron and Naima A. Hasci, 'Somali Refugees', p. 62.

the aid. Already high refugee numbers were inflated, and great quantities of the food aid diverted and sold in the private market.[112] The refugee aid had particularly serious ramifications for northern Somalia, which had suffered from Ethiopian bombardments during the war and had to host large numbers of refugees in the aftermath of the conflict.[113]

As Mark Bradbury reports, many Isaaq resented having to host large numbers of Ogaden and Oromo refugees while the state profited from refugee aid. When the Somali army armed and recruited refugees and used the previously Ogaden-based Western Somali Liberation Front (WSLF) as a security force in the north, these sentiments only intensified. Isaaq military officers formed a militia, nominally part of the WSLF, but meant to protect Isaaq from the WSLF. Soon after, in 1980, Siad Barre declared a state of emergency in the north, using the refugee crisis as justification, and placed the north-west region under military rule.[114] The government disbanded the Isaaq militia, transferred Isaaq officers south, and armed militia from other northern clans.[115]

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[112] For one account, see: Jama Mohamed Ghalib, *The Cost of Dictatorship: The Somali experience* (L. Barber Press, New York, 1995), 141.

[113] Waldron and Naima A. Hasci, 'Somali Refugees'; Renders, *Consider Somaliland*, p. 61.

[114] Renders, *Consider Somaliland*, p. 61.

[115] This account follows that provided by Bradbury, *Becoming Somaliland*, pp. 54-55.

Following the launch of the Somali National Movement and the protests following the arrests of the members of Uffo, the militarization of the north-west continued unabated, with a new state of emergency declared in early 1982.[116] That same year, the SNM moved to Ethiopia, organising recruiting missions and guerrilla attacks into Somalia.[117] Although there was still significant distrust of the SNM across north-western Somalia, government blamed both rural and urban populations for supporting the rebels. The regime's tactics became increasingly punitive in the mid-1980s, as arbitrary detention, restrictions on commerce and travel, and killings and assassinations became commonplace.[118]

Indeed, even as government faced serious challenges to their control of the northern region and meted out violent punishment, aid funded government projects in the region. In the mid-1980s, a grant from the UK's Overseas Development Association totalling about £1.8 million had funded new generators and rehabilitation work for the power stations in Hargeisa, Berbera, and Burco.[119] By the late 1980s the Danish government's international development agency, DANIDA, was also investing in the improvement of electrical systems in Berbera, Qardho, Erigavo, and Bossaso. DANIDA were especially interested in supplying electricity for some frozen fish

[116] Renders, *Consider Somaliland*, p. 63.

[117] Lewis, *Blood and Bone*, p. 198.

[118] Africa Watch, *A Government at War with Its Own People.*

[119] UNDP/World Bank, 'Issues and options', p. 57.

plants they wanted to build as part of multi-donor fishing projects. According to the then country manager of the DANIDA project, there had been hopes that aid for improving Hargeisa's power system would arrive from Kuwait, the EC, USAID or similar source.[120] However, while the DANIDA project was ongoing in Berbera and Bossaso, Hargeisa was under emergency rule and on the verge of total war.

The War

The turning point in the conflict between the government and the SNM came in 1988. Siad Barre and Ethiopian leader Mengistu Haile Mariam signed a treaty declaring they would not support rebel groups fighting to topple the other's government. The SNM could no longer shelter in Ethiopia, and as a result the movement decided to invade north-western Somalia in May 1988. The invasion led to the death of thousands of men, but they managed to capture positions held by the Somali National Army.[121]

As reports of the Somali National Movement's attack on Burco on May 27, 1988 reached Hargeisa, the Somali military worked to prevent the SNM capturing the city and made the city increasingly uninhabitable, cutting the electricity and water lines.[122]

[120] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

[121] Renders, *Consider Somaliland*, p. 78.

[122] Africa Watch, *A Government at War with Its Own People*, p. 132

However, on May 31st, the SNM captured much of Hargeisa, holding on to it until mid-July.[123] In response, the Somali military used artillery and aerial bombardments to take back control of the city: Hargeisa was reduced to rubble as the Somali government planes took off from the airport and turned round to bombard the city. Leaving the cities did not offer relief: government planes strafed and killed people fleeting to rural areas and the border with Ethiopia.[124] Over 400,000 people from Somaliland took refuge in camps across the Ethiopian border.[125]

Following the Somali army's recapture of Hargeisa, the regional military commander, General Said Hirsi 'Morgan', launched a violent program of retribution and 'pacification'. Somali government forces lay hundreds of thousands of mines – 'in part to protect strategic infrastructure and military sites'[126] and as part of a wider a campaign of 'terror mining':

> Many streets, markets, public buildings, clinics and open spaces (such as football pitches) were mined. Most of the approaches to the town were mined. Mines were placed inside houses; either in the courtyards or inside the dwellings themselves, to deter people from returning to their homes.[127]

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[123] Waldron and Naima A. Hasci, 'Somali Refugees', p. 53.

[124] Patrick S. Gilkes, 'Two Wasted Years: The Republic of Somaliland 1991-1993' (Save the Children Fund, London, 1993), p. 7.

[125] Bradbury, *Becoming Somaliland*, p. 62.

[126] Waldron and Naima A. Hasci, 'Somali Refugees', p. 62.

[127] *Ibid*, drawing on De Waal and McGrath, 'Violent Deeds', p. 19.

As researchers increasingly point to the livelihood systems that can survive state collapse, it is crucial to take cognisance of the force of the destruction that was visited upon cities like Hargeisa and Burco. The final stage of state collapse involved severe political repression, violent rebellion, and finally aerial bombardment that forced most of the urban population to flee to rural areas or refugee camps in Ethiopia. The city of Hargeisa became a skeleton of its former self as the civil war spread across Somalia.

Though the rebellion had been built principally by urban elites, the wholesale destruction of Hargeisa and Burco and the ongoing assault by the government on civilians served to transform the Somali National Movement into a 'broader popular Isaaq movement'.[128] The SNM had already called on elders to mediate between factions competing for the chairmanship of the SNM in the mid-1980s and discussed ways to formally integrate elders into its governing structures.[129] However, especially after 1988, the dispersed militia within north-western Somalia became dependent on clan elders for logistical support and fundraising.[130] Fighting units were constructed as sub-clan units:

[128] Renders, *Consider Somaliland*, p. 73.

[129] Renders, *Consider Somaliland*, pp. 75-76.

[130] Renders, *Consider Somaliland*, pp. 72-3, 79; Jutta Bakonyi, 'Moral Economies of Mass Violence: Somalia 1988–1991', *Civil Wars* 11,4 (2009); Dominik Balthasar, *State-Making in Somalia and Somaliland: Understanding war, nationalism and state trajectories as processes of institutional and socio-cognitive standardization* (PhD Dissertation, LSE, 2012), p. 141; Ibrahim Maygaag Samatar, 'Light at the End of the Tunnel:

> They took the name of sub-clans because they got a lot of supporters from that sub-clan, young people fighting, and the position where they were actually – because as you know, even in Ethiopia, part of the Somali region and inside here, every part is settled by certain subclans...[131]

In 1989, the role of clan elders within the political organisation of the SNM was formalized with the creation of the *guurti* or 'Council of Elders' as an advisory council to the SNM's Central Committee. The *guurti* was then introduced into the SNM's constitution in 1990.[132]

Thus, in the late 1980s, the SNM became 'a political organisation, running a people's war'.[133] As I argue in subsequent chapters, the decentralization of authority and control over both resources and social organization was to have profound consequences for processes of state formation following the war. For one, the SNM did not have the capacity to govern on its own: its internal power struggles and competition between individual clan-based militia groups led to bitter wars over control of military, political, and economic resources. However, at the same time, the

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Some reflections on the struggle of the Somali National Movement', in Hussein Adam and Richard Ford (eds), *Mending Rips in the Sky: Options for Somali communities in the 21st century* (Red Sea Press, Lawrenceville, NJ, 1997), p. 43.

[131] Richard Bennet and Michael Woldemariam, 'Adan Yusuf Abakor', p. 5. These words are those of Adan Yusuf Abakor.

[132] Renders, *Consider Somaliland*, p. 81.

[133] Gilkes, Two Wasted Years, p. 22, cited in Bradbury, *Becoming Somaliland*, p. 70.

influential position of the elders meant they were able to work to negotiate ceasefires and peace agreements that laid the foundation for state-building.[134]

Reoccupying Hargeisa

Already in late 1990, before the collapse of the Siad Barre regime, as the SNM captured more territory, meetings between representatives of different clans had already begun to design agreements to prevent the spread of conflict, particularly in the east between the Dhulbahante and two major Isaaq clans, the Habar Je'lo and Habar Yonis. These initiatives revealed a will to peace and to avoid the further spread of civil war, but also demonstrated the fractures within the SNM movement amongst the different Isaaq clans.[135]

In January 1991, however, the SNM was somewhat caught by surprise when Siad Barre fled the presidential palace in Mogadishu – the descent into civil war amongst the competing factions in the south left the SNM in charge of the territory it had captured in the north-west.[136] The SNM entered the ruined city of Hargeisa at the beginning of February 1991: '…the town was empty, empty….all houses destroyed,

[134] For a thorough overview of this process, see Ahmed Yusuf Farah and Ioan M. Lewis, 'Somalia: The Roots of Reconciliation – Peace making endeavours of contemporary lineage leaders: A survey of grassroots peace conferences in "Somaliland"' (ActionAid, London, 1993); Interpeace/APD, 'Peace in Somaliland: An indigenous approach to state-building', (The Search for Peace: Somali Program, Interpeace/APD, Hargeisa, 2008); Renders, *Consider Somaliland.*

[135] Interpeace/APD, 'Peace in Somaliland', pp. 16, 30-33.

[136] Renders, *Consider Somaliland*, p. 84.

mines everywhere, trees grown up in every road, no electricity, no water, no social services, nothing…'.[137] People began to flow back to the city a couple days later, first from the rural areas, and then later the refugee camps in Ethiopia. Some people returned straight to their old properties while others 'had to rush for houses', often laying claim to the abandoned government houses in the Sha'ab area in the middle of town. While people seizing the ruins of a private house ran the risk that the owner would return and dispute their claim to the property, government houses were considered 'no man's place' available for the taking.[138]

Meanwhile, the reconciliation process continued, with the Dhulbahante and Warsengeli clan families in the east and the Gadabursi in the west.[139] In mid February 1991, the SNM organized a meeting – *Shirka Walaalaynta Beelaha Waqooyiga* ('Brotherhood Meeting of Northern Clans') – amongst the clans of the north-west in Berbera, to emphasise the already begun process of interclan reconciliation and prepare for a bigger conference in Burco on the process of building a state. In the meantime, SNM would be responsible for the administration of the country, but militias remained under the control of the clans.[140]

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[137] Interview # 99/Abdirahman Yusuf Duale ('Boobe')/Hargeisa/31 May 2013.

[138] *Ibid*; see also APD, 'Contested Urban Land: Approaching Land Management and Land-based Conflicts in Urban Somaliland' (Local Capacities for Peace: Land-based Conflict Project, APD, Hargeisa, 2010), p. 20-21.

[139] Interpeace/APD, 'Peace in Somaliland', p. 18.

[140] *Ibid*, p. 34

The larger conference in Burco – known in Somali as the *Shirweynaha Walaalaynta Beelaha Waqooyiga* ('Grand Brotherhood Conference of Northern Clans') ran from 27 April 27 to 4 June 1991, funded by donations from diaspora and local people.[141] The conference was attended by a wide range of people: politicians, diaspora, businesspeople, poets, women, religious men as well as both titled and untitled elders from the main clans of Somaliland.[142] It opened with an elders' meeting: they adopted seven resolutions including one recommending that 'the North [of Somalia] would proceed separately from the South'.[143] The Central Committee of the SNM then met to consider the resolutions. They had not planned to declare independence ahead of time; the SNM constitution declared that Somalia's territorial integrity should be preserved.[144] Several among the SNM elite had interests in securing positions in any

[141] *Ibid*, pp. 38, 39.

[142] *Ibid*, 'Peace in Somaliland', p. 34.

[143] The seven resolutions were as follows (as quoted in *Ibid*, p. 35):

1. That the North would proceed separately from the South;
2. That Sharia law would be adopted;
3. That the security of the North would be ensured;
4. That a government would be established in the North as quickly as possible;
5. That local and national government positions and national constituencies would be distributed justly amongst the northern clans; and
6. The issue of peace in Sanaag would be pursued by a special committee.
7. The SNM veterans would be a priority in the recruitment of jobs.

[144] Daniel Compagnon, 'The Somali Opposition Fronts: Some comments and questions', *Horn of Africa* 13,1-2 (1990), cited in Renders, *Consider Somaliland*, p. 92.

future Mogadishu government; others worried about whether the region would be economically viable if international recognition was not forthcoming.[145]

However, growing popular demand and chaotic events in southern Somalia led the committee to endorse the call for independence and on May 18 1991, the then Chair of the SNM Abdirahman Ahmed Ali 'Tuur' declared the restoration of sovereignty to the northern regions. The meeting later determined the name of the new country: *Jamhuuriyadda Soomaaliland* – the Republic of Somaliland.[146] The meeting also determined the shape of the proposed government – delegates decided to endorse a presidential system with a Council of Ministers as the executive branch while the SNM's Central Committee along with representatives from the non-Isaaq clans would become the parliament.[147] SNM Chairman Abdirahman Ahmed Ali 'Tuur' became the President.

Abdirahman Tuur appointed a government at the beginning of June 1991 made up of 17 ministers and four deputy ministers.[148] However, developing a government from a highly decentralized rebel group was not going to be easy.[149] The SNM was not

[145] John Drysdale, 'Somaliland 1991: Report and Reference' (Global-Stats Ltd, Hove, 1991), pp. 80-81.

[146] Balthasar, *State-Making,* pp. 152-154; Interpeace/APD, 'Peace in Somaliland', pp. 36-38; Bradbury, *Becoming Somaliland*, p. 82; Drysdale, *Whatever Happened*, pp. 139-140.

[147] Interpeace/APD, 'Peace in Somaliland', p. 38.

[148] Drysdale, 'Somaliland 1991', p. 46.

[149] Bradbury, *Becoming Somaliland*, p. 85; Gilkes, 'Two Wasted Years'.

organized in the same way as either of the main rebel movements in northern Ethiopia for example – the Tigray People's Liberation Front and the Eritrean People Liberation Front. The latter had sanctuaries in the territory they had won from government control and developed 'a sophisticated apparatus and a kind of state in miniature'.[150] By contrast, the SNM by 1991 was a popular movement in which individual militia leaders had substantial power. Power bases were based on a negotiation between clan elders, militia leaders, politicians, and other individuals.[151]

Thus, even after the declaration of independence at Burco in May 1991, Somaliland remained a highly fragmented place. At the time, the authority of the SNM government did not extend much beyond Hargeisa, and even there, their authority depended on specific militias controlled by members of the government.[152] After sundown Hargeisa remained a ghost town, too dangerous to move around alone: 'Everywhere people were firing, firing, firing and the night you couldn't hear any firing then you think that there is something wrong.'[153]

In Somaliland's capital city, the SNM government reclaimed central office buildings that had survived the bombardment, but conditions remained basic. Accounts from

[150] Daniel Compagnon, 'Somali Armed Movements: The interplay of political entrepreneurship and clan-based factions' in Christopher Clapham, *African Guerrillas* (Indiana University Press, Bloomington, 1999), p 77.

[151] Gilkes, 'Two Wasted Years'.

[152] Balthasar, *State-Making*, p. 155; Gilkes, 'Two Wasted Years'.

[153] Interview # 99/Abdirahman Yusuf Duale ('Boobe')/Hargeisa/31 May 2013.

visiting journalists describe how some cabinet ministers lived with the first President of Somaliland Abdirahman 'Tuur', 'bunking on the floor in sleeping bags brought from their guerrilla campaign in the bush.'[154] Indeed, while remnants of the former state institutions affected early patterns of reoccupying the city, inherited objects and practices did not in themselves determine what happened next. As Jonny Steinberg has argued, continuity is constructed and contingent: 'old instruments generally survive only when agents in the present find a use for them.'[155] In post-war Somaliland, old instruments might have had a use but the problem was finding resources to restore and run them. The state electricity system was a prime example.

While the war during the 1980s left the distribution system in ruins – the poles had been damaged by artillery and shells and most of the wires had been stolen so the copper could be sold in Yemen and the Gulf countries – it did not seriously damage the Hargeisa electricity plant and the generators themselves. The plant had been protected during the conflict by Somali government forces and as one of the few remaining infrastructural assets of the city, was guarded once the SNM captured Hargeisa in early 1991.[156]

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[154] Didrikke Schanche, 'Northern Somalia Determined to go it Alone', *The Associated Press,* 8 December, 1991. See also Jean-Pierre Campagne, 'Peace amid the Ruins in Breakaway Somaliland', *Agence France Presse*, 15 November, 1991.

[155] Jonny Steinberg, 'Policing, State Power, and the Transition from Apartheid to Democracy: A new perspective', *African Affairs* 113,451 (2014), p. 191.

[156] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

A principal player in the effort to preserve the power plant was Engineer Abdi Ali Barkhad, an electrical engineer trained at Bahir Dar University in Ethiopia in the late 1970s and a former employee of the Somali government's electricity agency. Before war had broken out in Hargeisa, he had been the manager of the DANIDA project in northern Somalia but because of the violence, left for Ethiopia and worked for the UNHCR serving Somali refugees in the camps. In 1991, he returned to Hargeisa with the SNM and used a food for work program to organise returning employees of the electricity agency to preserve the remaining power stations:

> The SNM said that, by radio, everybody, he should go to his place, if he's engineer, if he's something, he [has] to go to his place, his work, so I went. I came to Hargeisa, and I located some workers, and I was giving food for work, also Berbera and Burco, I saved all the power stations….

Abdi Ali Barkhad was subsequently appointed as the first Director General of the Ministry of Public Works of the SNM government from 1992, a position he held under Egal's presidency as well until 1997. His account demonstrates how people sought out former places of work, squatting in the compounds, hoping for work, or looking to rebuild what they had had before the war:

> …all the ex-electricians who were working in this power station, they don't know another home, because they [were] seeking a job in the future. They [had] to come here. They were sleeping in the power station offices. All the

> workers were inside, so everybody was having a gun and…was looking [after] the security…[157]

The former electricity agency staff ensured the security of the plant for posterity, despite the loss of the distribution system. Generators are valuable assets in themselves, so one reason for capturing them was preserving that value for the SNM rather than other forces who might loot or use them for private benefit. However, by preserving the generating equipment, SNM and former agency employees also embraced the promise of a rebuilt Hargeisa, a future where the lights of the city would once again be turned back on.

The driving idea of a rebuilt city would be a very powerful one in the 1990s – as I discuss in the next chapter. However, in the immediate aftermath of the violence of war, there was deep uncertainty about the future governance of Somaliland. Although the fledgling Somaliland government would try to breathe life back into some of the relics of the former regime, they often found that the state-driven ways of managing resources and infrastructure were no longer as relevant in the new political and economic dispensation. Indeed, while the Hargeisa power plant remained secure but inactive, a new system of power provision would take root, a system driven by small-

[157] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013. This pattern was common to other government institutions. The 1999 report 'A Self-Portrait of Somaliland' quotes one mayor in the 1990s explaining how many former civil servants returned to claim the posts they had held previous to 1991: 'Virtually everybody from our region who held a position in the local governments of the collapsed regime has now become a paid employee of our local government, even though the level of required public employees is only a small percentage of what it was in the past. We can not refuse anyone.' APD, 'A Self-Portrait of Somaliland: Rebuilding from the ruins' (Somaliland Centre for Peace and Development, War-torn Societies Project**,** Hargeysa, 1999), p. 40.

scale entrepreneurs rooted in their local neighbourhoods. It is to the development of this system that I turn in chapter 2.

Conclusion

In this chapter, I provided an overview of the history of electricity production and distribution in Somalia since the installation of the first grids by the British and Italian colonial regimes. I emphasised how post-1970, the Somali government claimed the exclusive right to provide public services. However, their high modernist plans were undermined by war and dissent, and the military regime resorted to violently repressing those challenging its policies. Over the course of the 1980s, protest in Hargeisa escalated to mass rebellion across the north-west of Somalia.

The rest of the thesis examines what happened as people continued to return to Hargeisa and rebuild the city from 1991 onwards. I focus on how the decentralisation of authority and responsibility to provide during the war affected the post-war terrain of service provision. In the 1990s, Somaliland's statehood would be fundamentally shaped not by a dependence on foreign donors but by its relationship with private capital held by Somalis in the region and beyond.

Chapter 2

Rebuilding as Encompassing Project

Amidst the ruins of post-war Hargeisa that I described in the last chapter, private provision of electricity began to appear. These new power providers were rooted in local communities and regulated by the social relations that underpinned their business. Their emergence demonstrates the veracity of ideas of 'governance without government' and 'economy without state'[1] that helped push academic analysis of politics in Somalia beyond a focus on state failure. Politics, commerce, and a sense of 'public' obligation continued to exist after the collapse of the state.

However, to understand subsequent processes of state formation in Somaliland, I move beyond a focus on the functionality of post-war systems of provisioning and focus on the contested politics of rebuilding a city amidst a state-building project. New electricity companies in Hargeisa were embedded in a fragmented political terrain marked by a diffusion of a responsibility away from the nascent government. At the same time, they were part of an encompassing project of building the peace

[1] Peter D. Little, *Somalia: Economy without state* (International African Institute/James Currey, Oxford, 2003); Ken Menkhaus, 'Governance without Government in Somalia: Spoilers, state building, and the politics of coping', *International Security* 31,3 (2006).

and by extension, the state of Somaliland. As private companies navigated tensions arising from their need to both support and limit the emerging state, they also began to manoeuvre themselves as public service providers. Companies worked to 'bring the state back in'[2] – at times promoting the idea of a state – but simultaneously highlighting the weakness and dependence of the government on their services. Through this discursive strategy, they sought to bolster their own position within the new political dispensation.

I begin the chapter by explaining the relaunching of the state-building project in 1993 after conflict consumed the first SNM government. I then explain the history of the first post-war electricity providers in Hargeisa, locating them in the dynamics of politics in the 1990s. Next, I focus on the wider terrain of service provision, before returning to examine the relationship between companies and the nascent Somaliland government in the second half of the 1990s. I conclude by arguing that the way companies framed their public contributions and responsibilities was part of a wider strategy to shape Somaliland's statehood in their interests, setting the stage for the struggle for power over the market analysed in subsequent chapters.

[2] Christian Lund, 'Twilight Institutions: Public authority and local politics in Africa', *Development and Change* 37,4 (2006), p. 688, quoting from Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol (eds), *Bringing the State Back In* (Cambridge University Press, Cambridge, 1985).

In Somaliland, as I explained in Chapter 1, the erosion of state authority and the structure of the SNM rebellion after 1988 led to a diffusion of power and authority to sub-clan units led by elders.[3] Responsibility for providing manpower, capital, and supplies for the SNM was spread across Isaaq sub-clans in what was then north-western Somalia as well as in the diaspora. Importantly, then, while the SNM worked to cultivate a sense of a collective project during its fight against Siad Barre, its structure and practice emphasised clan-based representation and, in the late 1980s, dispersed responsibility for finance, manpower, and conflict resolution.

This dispersion of authority within the movement and the empowerment of clan elders were further reinforced by the political conflicts of the early 1990s. The interim government set up by the SNM that I described in chapter one was incapacitated by internal conflicts from 1991 to 1993. Different factions were deeply divided over control of security forces, questions of political representation, and management of important economic infrastructure.[4] Conflict broke out in January 1992 when the government attempted to take control of heavy weapons in the town of Burco and then in Berbera when the government-aligned forces tried to seize control of Berbera

[3] Marleen Renders, *Consider Somaliland: State Building with traditional elders* (Brill, Leiden, 2012); Dominik Balthasar, *State-Making in Somalia and Somaliland: Understanding war, nationalism and state trajectories as processes of institutional and socio-cognitive standardization* (PhD Dissertation, LSE, 2012).

[4] For a detailed account, see: Patrick S. Gilkes, 'Two Wasted Years: The Republic of Somaliland 1991-1993' (Save the Children Fund, London, 1993).

port.[5] While conflict did not reach Hargeisa itself, at one point anti-government troops from Berbera stopped only thirty kilometres from the capital. Hargeisa itself contained a high number of separate militias, attached to at least four clans, making security rather fragile.[6]

In the aftermath of the outbreak of conflict, the state-building project was relaunched by delegations of high-level elders who patiently brought the warring parties to the negotiating table.[7] An agreement at the 1992 Sheikh Conference emphasised that important pieces of infrastructure found throughout Somaliland such as 'the port, fuel depots, airport, government factories, roads, etc.' were 'public properties' and 'their access should not be denied to the people of "Somaliland".' The management and control of these assets was to be 'the responsibility of the central authority.'[8] By breaking through the impasse over control of infrastructural assets, the Sheikh Conference paved the way for re-establishing the Somaliland government at the Borama Conference of 1993.[9] Nonetheless, it also re-affirmed the decentralisation of power and responsibility. Control over militias and security was to remain in the

[5] Mark Bradbury, *Becoming Somaliland* (Progressio/James Currey, London/Oxford, 2008), pp. 89-90.

[6] Gilkes 'Two Wasted Years', pp. 16-17.

[7] Renders, *Consider Somaliland*, p. 97.

[8] The agreement is quoted in Ahmed Yusuf Farah and Ioan M. Lewis, 'Somalia: The Roots of Reconciliation – Peace making endeavours of contemporary lineage leaders: A survey of grassroots peace conferences in "Somaliland"' (ActionAid, London, 1993), p. 54; Renders, *Consider Somaliland*, p. 98; Bradbury, *Becoming Somaliland*, p. 97.

[9] Renders, *Consider Somaliland*, p. 98.

hands of clan elders,[10] and sub-clan units had to take responsibility for the actions of individuals inside their territory,[11]

Indeed, at the subsequent *Shirweynaha Guurtida Beelaha Soomaaliland* – the Conference of Elders of the Communities of Somaliland held in the western town of Borama, one hundred and fifty elders from across Somaliland served as the voting delegates. Financed mainly by local communities, the conference lasted five months and designed the shape of the Somaliland's political community for the years to come. The delegates first agreed upon a national 'social contract': the Somaliland Communities Security and Peace Charter (*Axdiga Nabadgalyada ee Beelaha Soomaaliland)*, which affirmed elders' control over security and establishing judicial structures based on both civil law and mediation on *xeer*, rules and norms negotiated amongst clan groups.[12] They then voted on a Transitional National Charter that reaffirmed Somaliland's sovereignty and designed government structures until a constitution could be passed. Somaliland was to be governed by an executive president as well a

[10] Ahmed Yusuf Farah and Lewis, 'Roots of Reconciliation', pp. 16, 47; Interpeace/APD, 'Peace in Somaliland: An indigenous approach to state-building', (The Search for Peace: Somali Program, Interpeace/APD, Hargeisa, 2008), p. 48.

[11] Interpeace/APD, 'Peace in Somaliland', pp. 47-48; Michael Walls refers to the principle as the 'Collective Clan Responsibility: The principle that each clan should take responsibility for the actions of individuals within that clan's territory, represents the pragmatic application of a much broader principle of responsibility, and as such is categorised as a rule-in-use arising from conscious deliberation.' Michael Walls, *State Formation in Somaliland: Bringing Deliberation to Institutionalism* (PhD Dissertation, Development Planning Unit, UCL, London, 2011), pp. 182-183.

[12] I discuss *xeer*, often referred to as Somali 'customary law', more fully in chapter 4. For a brief overview, see Joakim Gundel and Ahmed A. Omar Dharbaxo, 'The Predicament of the "Oday": The role of traditional structures in security, rights, law and development in Somalia' (Danish Refugee Council & Novib/Oxfam, Nairobi, 2006).

bicameral parliament made up of a lower House of Representatives (*Golaha Wakiilada*) selected by clan groupings and an upper House of Elders (*Golaha Guurtida).* The delegates selected former statesman Mohamed Ibrahim Egal as President while appointments to the two houses were proportioned amongst the different clans.[13]

While decentralised authority in the hands of elders made the state-building process possible by allowing for local-level peace negotiations to occur, there was also tension between the decentralisation of responsibility and the renegotiated state-building project. The newly selected President Egal used 'collusive business deals' with a group of seven Isaaq businessmen based in Djibouti – all except one from the Sacad Muuse/Habar Awal sub-clan – to allow him to build the state from 1993, in a process that 'tethered the commanding heights of the economy to his own state-building project.'[14] Egal promised that if these businesspeople moved their business to Berbera, they would have access to Somaliland's market, enabling them to dominate the trade to Ethiopia, an economy opening up to commerce and investment in the early 1990s after the fall of the Derg. The businessmen loaned him six million dollars, to be paid back by the government of Somaliland in tax breaks on imports and exports.

[13] This account draws on Bradbury, *Becoming Somaliland*, pp. 98-99.

[14] Sarah Phillips, 'Political Settlements and State Formation: The case of Somaliland' (Research Paper 23, Developmental Leadership Program, University of Sydney, 2013), p. 6; Interview # 90/Adan Da'ud Egal ('Weli')/Director of Planning and Statistics, Somaliland Ministry of Finance/Hargeisa/27 May 2013. Estimates of the amount and the number of businesspeople involved differ. I rely on my interviews with 'Weli' Da'ud Egal, who served in Somaliland's Ministry of Finance from 1996 until he passed away in June 2015.

Egal's move strengthened the government's position, but also set the stage for ongoing tension between decentralised processes of peace-building and investment on the one hand and the effort to build a centralised state on the other. In the rest of the chapter I trace how the process of rebuilding and the beginnings of urban service provision were embedded within this tension. I begin with focusing on how power providers emerged amidst the return of trade and commerce in 1991 before turning to examine their relationship with the nascent government.

Repowering the City

Trade and commerce had returned rapidly to Hargeisa in 1991. According to John Drysdale, the emirate of Sharjah provided a gift of fuel in March, which helped restart commerce and allowed the transportation of livestock by lorry to Berbera ready for export.[15] By the end of year, the centre of Hargeisa was 'a clamor of open-air commerce' where second hand clothing, tea and other food products, kitchen utensils, and cheap imports from the Gulf were for sale.[16] Building supplies – cement, beams

[15] The Berbera Oil Terminal, a tank farm used to store different fuels, was relatively undamaged in 1991, although one-third of the tanks were leaking. John Drysdale reported that 3,325,000 litres of diesel oil along with 1,600,000 litres of petrol, engine oil and brake-fluid was supplied. The 'Petroleum Manager' of the SNM administration reported that 10% of the fuell was for the administration, 25% for the military, 50% was kept as a reserve, and 15% would be sold to the public. See John Drysdale, 'Somaliland 1991: Report and Reference' (Global-Stats Ltd, Hove, 1991), p. 61. Others also imported fuel in small amounts from Ethiopia. The owner of the bigger power companies supplying northern Hargeisa during my fieldwork began his business as a young man importing small amounts of fuel from Ethiopia. Interview # 31/ Branch Manager of Power Company/Hargeisa/24 October 2012.

[16] Mark Abley, Defying the Wounds of War', *The Ottawa Citizen*, 22 December, 1991. See also Jean-Pierre Campagne, 'Peace amid the Ruins in Breakaway Somaliland', *Agence France Presse*, 15 November,

and corrugated iron sheets – were also imported, meeting the demand of people reroofing and repairing their houses. International agencies paid for and imported several hundred thousand dollars' worth of construction materials.[17] People visiting or returning to Hargeisa by air or boat from the Gulf would bring goods with them to sell, and networks of traders re-emerged to import needed supplies.[18]

These circuits of migration and trade built on long-existing patterns as well as adaptations due to the struggle against the regime in Mogadishu. Many Isaaq families had historic connections to Yemen and the Gulf states: Isaaq traders had long dominated the livestock export trade with Saudi Arabia[19] and a large proportion of labour migrants to the Gulf came from the north.[20] Before the war, Isaaq businesspeople had built up importation businesses that served as money transfer companies, taking labourers' wages to buy goods in the Gulf and then using the proceeds of sales back in northern Somalia to deliver the money to labourers' families. Apart from links with the Gulf, Northern Somalia was also directly connected to the Ethiopian hinterland around Dire Dawa and Harar as well as Djibouti, a crucial

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1991; Didrikke Schanche, 'Northern Somalia Determined to go it Alone', *The Associated Press,* 8 December, 1991.

[17] Mark Abley, 'Defying'.

[18] Interview # 7/Abdirahman Mohamed Nuur/Chairman of Al-Nuur Furniture/Hargeisa/4 July 2012.

[19] Bradbury, *Becoming Somaliland*, p. 58.

[20] Ismail I. Ahmed, 'Remittances and Their Economic Impact in Post-war Somaliland', *Disasters* 24,4 (2000), p. 382.

entrepôt for evading taxes and smuggling goods.[21] Even after 1991, links to the refugee camps in Ethiopia remained strong as many people, unsure what would be waiting for them in Hargeisa,[22] 'continued to "invest" in the camp' while maintaining their ties with those already in the city.[23]

The first electricity systems emerged amidst this early rebuilding as people returning to the city brought small diesel generators with them. As the then SNM Secretary for Information, Abdirahman Yusuf Duale ('Boobe') remembered, after the return to Hargeisa, 'people started first bringing personal generators…for the businesses, where you could find cold water, coca cola, beverages.' Two cousins running Afgal, one of the larger private power companies in the northern half of Hargeisa in 2012, recounted the history of their family's company and the way businesspeople had to step into the gaps left by the collapse of the state. As I mentioned in the introduction to the thesis, one cousin's father, Abdirahman Farah Sugal, had started a business importing construction materials in the early 1990s, using money he had managed to save from before the war, as well as his pre-existing connections with Dubai. He loaned money to an individual supplying a small amount of electricity nearby from a

[21] Roland Marchal, 'The Post Civil War Somali Business Class' (European Commission/Somalia Unit, Nairobi, 1996), pp. 69-74.

[22] As one current businessman explained: '…I was still afraid to come back to home because I was asking [myself] what your profession will be?' Interview # 7/Abdirahman Mohamed Nuur/Chairman of Al-Nuur Furniture Hargeisa/4 July 2012.

[23] Luca Ciabarri, 'Productivity of Refugee Camps: Social and political dynamics from the Somaliland-Ethiopia border (1988–2001)', *Afrika Spectrum* 43,1 (2008), p. 81.

small diesel generator, but when that businessman continued to suffer financial and technical difficulties, the father stepped in to buy out the electricity supplier. He needed to light the family's properties at night, a great help to the armed guards working to protect their goods. With the high demand for power in the area, the system quickly expanded to include two other sites providing power to nearby houses from diesel generators: 'First we started with our own store and then our own houses, then the houses near to us and then the whole neighbourhood. And the people started coming back from Ethiopia and settling back to their houses - and then it just grew like that'.[24] Over twenty years later, the power company supplied power to thousands of customers.

Although private provision after the war spread in a very different political context, it grew out of previous experience. During the 1980s especially, people who needed power for their businesses or residences had grown used to providing it for themselves due to the unreliability of the state-run ENEE system. Moreover, in some areas of Somalia such as the northeast and some coastal areas where there was less state presence and thus not as much government control of commercial activities, informal suppliers had already begun to appear.[25] Some people also procured generators and began to produce power for themselves and others in the refugee

[24] Interview # 16/Saeed Mire/Afgal Power Company Employee/Hargeisa/9 July 2012; Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013.

[25] Interview # 91/Mohamed Hassan Ibrahim/Researcher and Civil Servant/Hargeisa/28 May 2013.

camps.[26] As Luca Ciabarri has emphasised, the refugee camps in Ethiopia were not simply temporary spaces of shelter but over the years became places of political, economic, and social production, integrated into the markets of the region.[27] As I discuss in chapter 5, some of those who became commercial electricity providers in the south of the city first started providing electricity in Camp Abokor and Daror in eastern Ethiopia.[28]

Thus, in Hargeisa in the 1990s, a highly fragmented makeshift system of provision developed, based upon small, limited grids supplied by diesel engines – an inefficient but common way of generating electricity when there are no reliable alternatives. Micro-grids supplied by diesel generators are not unusual in response to limited grid coverage or the poor performance of public utilities. They are especially common in post-war settings such as rural areas of Cambodia during the 1990s; in 2000 a study estimated that small-scale providers owned half of the country's generating capacity.[29] In urban areas normally more connected to nationally provided systems, micro-grid

[26] Interview # 91/Mohamed Hassan Ibrahim/Researcher and Civil Servant/Hargeisa/28 May 2013; Interview # 53/Manager of Kaah Power and Lighting Company/Hargeisa/20 November 2012.

[27] Ciabarri, 'Productivity of Refugee Camps'; Marchal, Post Civil War, pp. 60, 71-72.

[28] Interview # 53/Manager of Kaah Power and Lighting Company/Hargeisa/20 November 2012; for more information on the camps, see: Guido Ambroso, 'Pastoral Society and Transnational Refugees: Population movements in Somaliland and eastern Ethiopia' (Working Paper No. 65, New Issues in Refugees Research, UNHCR, Geneva, 2002).

[29] Mukami Kariuki and Jordan Schwartz, 'Small-Scale Private Service Providers of Water Supply and Electricity – A review of incidence, structure, pricing and operating characteristics' (World Bank Working Paper WPS3727, Washington, DC, 2005), p. 10.

arrangements have also appeared where public power systems have been destroyed and urban space damaged and divided by conflict. During the long civil war in Lebanon, residents of Beirut developed neighbourhoods as self-sufficient units, generating electricity for themselves.[30]

In Somaliland, equipment was mainly second-hand – even when businesspeople bought 'new' generators in Dubai, they had no way of verifying that they were not in truth old, refurbished machines. As distribution networks were not planned but rather grew line by line, they ended up being rather messy – residents approached companies for power supply, and companies would 'just drag the line and drop it.'[31] There were no transformers and lines ran right from the generators to the customers, resulting in high levels of power loss. Unearthed connections were the norm and unprotected wires were liable to fall or be knocked down by a passing truck, an especially serious problem during the rainy season – some residents referred to the electrical wires above their heads as '*minada sarae*', 'the [land]mine above'.[32]

The early patterns of private provision of basic services in Hargeisa resonate with developments across the Somali territories. The long-term absence of central

[30] Caroline Nagel, 'Reconstructing Space, Re-creating Memory: Sectarian politics and urban development in post-war Beirut', *Political Geography* 21,5 (2002); Maha Yahya, *Forbidden Spaces Invisible Barriers: Housing in Beirut* (PhD Dissertation, Architectural Association, London, 1994).

[31] Interview #65/Manager of Dahabshiil Electricity Section/Hargeisa/24 April 2013.

[32] Personal communication with researcher Hussein Samater, Hargeisa, 25 October 2012.

government institutions in South-Central Somalia and the weak capacity of authorities in Somaliland and Puntland meant that from the 1990s, private companies became the major source of power in most areas. The nature of electricity is one important explanatory variable for the expansion of these micro-grids: power cannot be easily stored, so it is a logical step to distribute surplus power to others around the generation plant. From distributing to neighbours, micro grids grew and consolidated. Private companies expanded to serve neighbourhoods in Mogadishu and other large cities or the entirety of small towns like Las Anod, frequently in addition to their principal business – which from the late 1990s was very often telecommunications.[33]

These private companies formed part of a fragmented pattern of provision, one result of a radical process of localisation and decentralisation of security arrangements and service provision in the 1990s[34] when authority previously invested in state structures was diffused more widely through societal networks structured around clan groupings. Ken Menkhaus has described how services were provided at the municipal or urban neighbourhood level in the early 1990s, governed by 'informal, overlapping polities loosely held by clan elders and others.' By the second half of the 1990s, he argues, service provision was embedded in more institutionalized polities, with services managed by 'coalition[s] of clan elders, intellectuals, businesspeople, and Muslim

[33] Roland Marchal, 'A Survey of Mogadishu's Economy' (European Commission/Somalia Unit, Nairobi, 2002), p. 54.

[34] Tobias Hagmann, 'From state collapse to duty-free shop: Somalia's path to modernity', *African Affairs* 104,416 (2005), p. 534.

clergy'.[35] These vignettes of functioning local governance are an effective counter to the literature on failed states, which has painted places like Somalia as 'ungovernable spaces' vulnerable to crime and degradation.[36] Similarly, work such as Peter Little's ethnography of the livestock trade in southern Somalia demonstrates that the collapse of the state did not lead to a complete unravelling of social order. He emphasizes that commerce in particular continued, underwritten by kinship and other social relations.[37] This research on the Somali territories forms part of a wider literature that has taken a more ethnographic approach to the study of governance and statehood, a body of work that from the 1980s onwards deconstructed the image of the elevated, autonomous state.[38] As I discussed in the introduction to the thesis, more attention was paid to governance at a local level[39] and the 'multiplicity of the institutional

[35] Menkhaus, 'Governance without Government', p. 85.

[36] Robert H. Dorff, 'Democratization and Failed States: The challenge of ungovernability', *Parameters*, 26,2 (1996); I. William Zartman, 'Introduction: Posing the problem of state collapse' in I. William Zartman (ed.), *Collapsed States: The disintegration and restoration of legitimate authority* (Lynne Rienner Publishers, London, 1995); Robert I. Rotberg, 'Failed States in a World of Terror', *Foreign Affairs* 81,4 (2002), pp. 127-141.

[37] Little, *Economy without state.*

[38] See Akhil Gupta, 'Blurred boundaries: the discourse of corruption, the culture of politics, and the imagined state', *American Ethnologist* 22,2 (1995), p. 376.

[39] Koen Vlassenroot and Timothy Raeymaekers, 'New Political Order in the DR Congo? The transformation of regulation', *Afrika Focus* 21,2 (2008), p. 50. Thomas Bierschenk and Jean-Pierre Olivier De Sardan, 'Local Powers and a Distant State in Rural Central African Republic', *The Journal of Modern African Studies* 35,3 (1997).

landscape' in Africa's post-Cold War era.[40]

However, while this push back against the literature on the failed state has been important for focusing attention on the empirical realities of governance – 'real governance'[41] – there remains a need for more work examining the politics surrounding new patterns of service provision and the development of local systems of power and authority. As Kate Meagher et al have argued, examining governance through a functionalist lens 'risks blurring the line between coping strategies and socially accepted practices.'[42] The blind spot of functionalist approaches is of particular concern in cases where service provision is explained as being embedded in 'traditional' political orders or 'the societal structures on the ground.'[43] As Meagher points out, local embeddedness should not be a proxy for legitimacy but rather a

[40] Timothy Raeymaekers, Ken Menkhaus, and Koen Vlassenroot, 'State and Non-State Regulation in African Protracted Crises: Governance without government', *Afrika Focus* 21,2 (2008), p. 9. See also Lund, 'Twilight Institutions'.

[41] Jean-Pierre Olivier de Sardan, 'Researching the Practical Norms of Real Governance in Africa' (Discussion Paper 5, Africa, Power, and Politics Programme, Overseas Development Institute, London, 2008); Kristof Titeca and Tom De Herdt, 'Real Governance Beyond the "Failed State" in the Democratic Republic of Congo (DRC)', *African Affairs* 110,439 (2011), p. 3.

[42] Kate Meagher, Tom De Herdt, and Kristof Titeca, 'Unravelling Public Authority: Paths of hybrid governance in Africa' (Research Brief #10, IS Academy Human Security in Fragile States, London, 2014), p. 2. See also Kate Meagher, 'The Strength of Weak States? Non-state security forces and hybrid governance in Africa', *Development and Change* 43,5 (2012), pp. 1073-1101. For an example of a 'functionalist approach', see on the advice to focus on 'function rather than form' in: Sue Unsworth, 'An Upside Down View of Governance' (Centre for the Future State, Institute of Development Studies, Brighton, 2010), p 10.

[43] Volker Boege, Anne Brown, Kevin Clements, and Anne Nolan, 'On Hybrid Political Orders and Emerging States: What is failing – states in the Global South or research and politics in the West?' in Martina Fischer and Beatrix Schmelzle (eds), *Building Peace in the Absence of States: Challenging the discourse on state failure* (Handbook Dialogue Series No. 8, Berghof Research Centre, Berlin, 2008), p. 31. Cited in Meagher, 'Strength of Weak States', p. 1080.

reminder to analyse 'the institutional history and economic and political pressures shaping particular non-state orders.'[44] Analysis must unpick the material and discursive strategies actors use to legitimise new practices of service provision and investigate how these strategies reinforce or destabilize the distribution of power and wealth.

Thus, beyond pointing out the existence of 'functional failed states' in the Somali territories where 'businesses and nonprofits provide fee-based social services and utilities ranging from electricity to piped water to wireless phone service',[45] it is important to unpick the political dynamics in which these patterns of service provision are embedded. This includes examining how the 'informal, overlapping polities'[46] that have played such an important role in the Somali territories post-1991 are both embedded in state-building projects and connected to transnational circuits of business and finance. It also means examining if and how the actors involved in service provision framed their actions as public service, how they worked to legitimate this framing, and how this affected the future trajectories of state formation and market-making. In the sections that follow, I investigate these questions, locating Hargeisa's emerging electric power systems in wider efforts to rebuild the city. In particular, I examine how their operators were confronted with a

[44] Meagher, 'Strength of Weak States', p. 1081.

[45] Ken Menkhaus, 2014, 'State Failure, State-Building, and Prospects for a "Functional Failed State" in Somalia', *The ANNALS of the American Academy of Political and Social Science*, 656,1 (2014), p. 163.

[46] Menkhaus, 'Governance without Government', p. 85.

range of obligations to others while trying to secure their own position within the emerging order.

Diffused Responsibilities

In Somaliland in the early 1990s, both formal and practical norms of responsibility to provide were structured in local constituencies where people knew each other or, at the very least, could place each other in a shared lineage structure. This diffusion of authority impacted the position of small businesspeople in Hargeisa in the 1990s and, thereby, the development of private providers in the electricity sector.

As others have argued, lineage connections were the most important networks for local, small-scale businesspeople across the Somali regions in the 1990s.[47] After state collapse, and as war continued in southern Somalia, people 'went home' to their clan areas and had to establish ways of making a living there, even if previously they had worked in Mogadishu or other parts of Somalia. Lineage connections determined neighbourhood-specific settlement patterns, both in the camps in Ethiopia and then later when people returned to Hargeisa.[48] Clan networks also often determined access to capital – businesspeople frequently mobilised connections to relatives in

[47] As I discuss in Chapter 5, the situation is different for larger-scale businesspeople with more access to capital and bank accounts in stable states.

[48] Ambroso, 'Pastoral Society'; Mohamed Hassan Ibrahim, 'Somaliland's Investment in Peace: Analysing the diaspora's economic engagement in peace building' (Working Paper 4, DIASPEACE, Jyväskylä, Finland, 2010).

Dubai, Djibouti, or in the UK for financial or logistical support.[49]

While out to make profit, businesspeople were therefore members of social networks that influenced the perceived legitimacy of profit and the need to share and redistribute wealth and income. As Mark Granovetter pointed out, social relations are often a necessary condition for the trust that enables economic transactions – and the importance of these relations is heightened when conflict has damaged any 'generalized morality' or third party enforcement mechanism that may have previously helped facilitate economic exchange.[50] Understanding the specific way that new electricity businesses were embedded in local communities helps explain why the relationships that drove the initial development of the electricity companies were consistently described in my interviews as more social than commercial and why people referred to a sense of rebuilding livelihoods and the need to share with relatives and neighbours. It also explains why some companies first began to provide electricity for free, before commercialising the relationship when they realised how viable and in demand commercial power provision was – and when they needed capital to expand their systems.

Even in 2013, most companies still provided power free or at a discount to a number of poor families living around them, with some explaining that many of these families

[49] Anna Lindley, *The Early Morning Phonecall: Somali refugees' remittances* (Berghahn Books, Oxford, 2010).

[50] Mark Granovetter, 'Economic Action and Social Structure: The problem of embeddedness', *American Journal of Sociology* 91,3 (1985), pp. 489-491.

were clan relatives. One manager, for instance, explained that his company regularly supplied 50 low-income households for free and allowed others to delay paying their electricity bills:

> … we been working in this country for so long, and we know the situation of this country, so when those kinds of things happen, we don't put people under too much pressure. You know there are a lot of houses that now we provide free electric just for charity, because we know they cannot afford it. And there are a lot of people … maybe somebody was supporting them from overseas so this month [they] didn't get that much of cash or he just send them small amount so they cannot give you this month, so they will be like wait, I am not having money now. Once I receive…I will send it. So we let them go, we don't cut them off. But the important thing, I always ask customers to always come and say I have problem, I cannot pay.[51]

Some companies also gave a discount to people disturbed by the noise of the generators running next to their houses.[52] The developing market for electricity was thus embedded in a social milieu that required companies to share their wealth and pay for externalities – costs their businesses inflicted on neighbours around them. At a very local level, people were negotiating the limits of the market for electricity, and commodification of relationships was resisted to a certain extent. Business was regulated by personal ties and the social norms arising from those ties.

Companies I interviewed in 2012 and 2013 also used kinship relations to thwart theft by customers, especially by visitors who come to Hargeisa to escape the summer heat

[51] Interview # 31/Branch Manager of Power Company/Hargeisa/24 October 2012.

[52] Interview # 16/Saeed Mire/Afgal Power Company Employee/Hargeisa/9 July 2012.

in Djibouti. Apart from requiring a deposit – one company in 2013 said they asked for $20 to $50 – companies often required a new customer to bring somebody from the local community 'who knows them', normally closely related in terms of lineage, as a guarantor,[53] a common practice for creating accountability also used in hiring processes. Thus while, as I discuss in chapter 4, companies over time developed relationships amongst themselves to prevent theft, companies simultaneously mobilized societal networks as a means of ensuring honesty and trust – and failing that, to try and retrieve their money. When customers didn't pay, companies often gave a two-month warning period before they cut off a customer. However, there was often negotiation, either directly with the customer or using local elders, highlighting how companies relied on their ability to navigate local social relations – helping to create a barrier to market entry, especially for outside investors. [54]

The early history of electricity providers demonstrates how social relations predate, regulate, and facilitate the market[55] – which is important to understanding the basic

[53] Interview #65/Manager of Dahabshiil Electricity Section/Hargeisa/24 April 2013.

[54] I draw on all my interviews with power companies here, especially: Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013; Interview #65/Manager of Dahabshiil Electricity Section/Hargeisa/24 April 2013; Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013; Interview # 31/Branch Manager of Power Company/Hargeisa/24 October 2012; Interview # 55/Engineer and Consultant/Somaliland Electric Power/Hargeisa/21 November 2012.

[55] Émile Durkheim, *The Division of Labor in Society*, trans. George Simpson (Free Press, New York, 1933 [1893]); Arjun Appadurai (ed.), *The Social Life of Things: Commodities in Cultural Perspective* (Cambridge University Press, New York, 1986); Viviana Zelizer, 'Culture and Consumption', in Neil J. Smelser and Richard Swedberg (eds), *The Handbook of Economic Sociology*, 2nd edn (Russell Sage

fabric of the 'governance without government' that has underpinned local service provision during statelessness across the Somali regions. As I discuss in the next section and analyse in more depth in forthcoming chapters, in the case of Somaliland, the development of these companies has continued alongside processes of state formation. Hargeisa's electricity sector provides a case study of what happens as systems move from a situation akin to 'governance without government', where private actors provide in the absence of state presence or capability, to 'governance with government', when a state wants to and does intervene in systems of service provision. Understanding this transition is important for considering service provision, local governance and state-building projects in different parts of Somalia and beyond.[56]

'To build a whole country': Providing for the public

One of the first entrepreneurs in Somaliland's electric power sector was Shariff Batuun, who in 2007 was also chosen as a *suldaan* – a titled elder – of his subclan.[57]

Found./Princeton University Press, New York, 2005); Frederick F. Wherry, *The Culture of Markets* (Polity, Cambridge, 2012), p. 99.

[56] Similar questions are highlighted in a 2013 report on the challenges facing local councils in Syria where there were 'competing service providing groups, including Islamists and armed groups'. The report questions how local-level initiatives to provide services will be linked to umbrella groups claiming overarching sovereignty over wider regions or Syria more broadly and emphasizes that functionality must be analysed alongside questions of representation. Menapolis, 'Local Councils in Syria: A sovereignty crisis in liberated areas' (Menapolis, Istanbul, 2013).

[57] Terms for titled elders differ from area to area; many Isaaq clans use the title of *suldan*. Other titles include *garaad*, *ugaas*, and *boqor*. See Markus V. Hoehne, 'Traditional Authorities in Northern Somalia:

He originally trained as a mechanic after an accident during a nomadic childhood took him to Hargeisa for medical treatment, and he later ran a small business in Berbera.[58] After the war, from 1991, he used a reconditioned generator to supply electricity to his house in Berbera as well as some of his neighbours.[59] In 1993, as Egal was elected as president at the Borama conference, Shariff Batuun also began to supply electricity in Hargeisa using an engine he set up near the National Theatre in the centre of the town. It is around this time that accounts by visiting journalists begin to mention an electrical grid operating in Hargeisa: journalist Julie Flint explains how local businessmen used two bulldozer engines to run a small grid that also supplied police stations, courts, mosques, ministries and the main streets for free.[60] Shariff Batuun's younger brother emphasised the all-encompassing sense of the early 1990s in Hargeisa – the need to start from scratch: 'our president told us we are sitting on the ground, and we want everyone who has something to build a whole country.' He explained that when the company began, they had customers from

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Transformation of positions and powers' (Working Paper No. 82, Max Planck Institute for Social Anthropology, Halle/Saale, 2006), p. 17, fn 37.

[58] Interview # 82/Sidiiq Shariff Batuun/Somaliland Electric Company/Hargeisa/15 May 2013.

[59] USAID Somalia, 'Somaliland: Harnessing Solar Power', (USAID Somalia, Nairobi, 2005).

[60] Julie Flint, 'Somaliland Fights a Lonely Battle', *The Guardian* [London], 15 October, 1993.

different clans and employed people from all over Somaliland – 'from Las Anod to Zeila'.[61]

As electricity companies organically developed, using available resources and in response to daily needs, they did not just embed themselves in lineage ties. Companies emphasised their position within the wider project of rebuilding the city, mobilising a patriotic discourse as a base for explaining their commercial operations. As the description of Egal's call to action suggests, private initiatives to provide power were embedded in a wider project of rebuilding the city – the capital, after all, of the aspiring state of Somaliland. This 'encompassing'[62] collective project affected the way businesspeople in the electricity sector commodified their service, managed competition, and legitimised their market share.

The encompassing project was greater than simply the sum of different clan groups, and lineage relations were not the only social relations that shaped and guided the process of reconstruction. As I mentioned in chapter one in my description of how the SNM occupied the Hargeisa powerhouse, people also mobilised friendships built during their schooling or career before the war while looking for ways to rebuild their lives after the war. Many networks of trust had been forged in pre-war experiences –

[61] Interview # 83/Abdiweli Ina Batuun/ Somaliland Electric Company/Hargeisa/16 May 2013. Las Anod is in the far east of Somaliland, Zeila in the northwest corner.

[62] James Ferguson and Akhil Gupta, 'Spatializing States: Toward an ethnography of neoliberal governmentality', *American Ethnologist* 29,4 (2002).

attending secondary school together at Sheekh or Amoud [63] or working in government ministries or NGOs for instance; others knew each other because of experiences during the war. As Sarah Phillips has argued, these 'pre-existing networks of trust' connected, across clan lines, urban elites who had the resources and the experience to drive forward different projects to rebuild and rehabilitate areas of the city.[64] Even as structures of authority were being contested, negotiated and reshaped, there remained room for improvisation and creation of different institutions to provide services.

For example, members of the Hargeisa Group I discussed in the previous chapter continued to work together during and after the war. The same individuals, once released from prison by Siad Barre in 1989, travelled to Ethiopia and in 1990 formed the Somali Relief and Rehabilitation Association (SORRA). Upon their return to Hargeisa in 1991, they continued the work they had attempted ten years earlier, mobilising their international connections to solicit funds from international non-governmental organisations (NGOs). They removed lorry loads of rubbish from the

[63] Phillips writes: 'One graduate even referred to the networks that have emerged from the school as functioning "like a secondary tribe" because of the level of trust that was built by the shared experience of being a student at Sheekh.' Phillips, 'Political Settlements', p. 70.

[64] *Ibid*, pp. 41, 58.

streets of Hargeisa and built public toilets and showers in the centre of town, amongst other activities.[65]

Similarly, the rehabilitation of the government-owned Hargeisa Hospital in 1992-1994 was organised by a network of elites that cut across clan divisions and included volunteers, doctors and businessmen. Noreen Michael Mariano explained how she and nine other men and women established the Committee of Concerned Somalis in 1992 with the aim of reducing the high rates of maternal mortality plaguing the city. When she visited Hargeisa Hospital with a friend, they realised that apart from the main hospital wards, 'the doctors' room and the nurses' room, the storage area for medicines, the kitchen, the administrative offices, were occupied by homeless people.' They eventually counted 53 families living in the hospital grounds. Meanwhile, people were using or selling the drugs left at the hospital, and untrained doctors were treating patients. In response, Noreen and her friend organised a team of 18 including four volunteers from the Committee of Concerned Somalis, three doctors and 11 businessmen. Soon known as the Hargeisa Hospital Group, they organised the resettlement of the people living in the hospital and a selection process for medical staff. With President Egal's permission they then ran the hospital for four months,

[65] Ahmed A. Daar, 'Capacity Building in the Republic of Somaliland: SORRA and other local NGOs', in M. A. Salih and Lennart Wohlgemuth (eds), *Crisis Management and the Politics of Reconciliation in Somalia: Statements from the Uppsala Forum, 17-19 January 1994* (Nordiska Afrikainstitutet, Uppsala, 1994), pp. 95-96.

paying salaries through donations from Somali businesses and the international NGO Caritas.[66]

As this story illustrates, the post-war return to Hargeisa was an 'open moment'[67] that opened up space for committees of professional elites, businesspeople and diaspora returnees to re-establish hospitals, schools, and other essential services. While they did not claim to represent clans, the presence of people from different parts of the city meant that sub-clans were represented in projects, giving them wider legitimacy – and emphasising the fact that despite the diffusion of authority and responsibility to smaller societal units, there were cross-cutting networks that framed a collective project of rebuilding a shared space.[68] As Lund has explained, open moments do not refer to moments where everything is possible, but rather moments when there is more possibility for various actors to 'exploit the indeterminacies of the situation, and even generate indeterminacies, to reinterpret or redefine rules or relationships.'[69] As they worked to rebuild the city, individuals could navigate the uncertainties of the

[66] This is adapted from 'Testimony 7: Noreen Michael Mariano: The rehabilitation of Hargeisa Group Hospital' in Judith Gardner and Judy El-Bushra (eds), *Somalia – The Untold Story: The war through the eyes of Somali women* (Pluto Press, London, 2004), pp 209-215. I also learned of the Hargeisa Hospital Group in an interview with Abdirahman Yusuf Duale 'Boobe', who was also part of the committee that managed the rehabilitation of the hospital. Unfortunately some of their work was soon undone by the outbreak of the civil war in August 1994. Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

[67] Christian Lund, 'Struggles for Land and Political Power: On the politicization of land tenure and disputes in Niger', *Journal of Legal Pluralism and Unofficial Law* 30, 40 (1998).

[68] Phillips, 'Political Settlements'. See also Lindley, *Early Morning Phonecall*, p. 85.

[69] Lund, 'Struggles for Land', p. 2. Lund builds on the work of Sally Falk Moore who refers to processes of 'situational adjustment'. See: Sally Falk Moore, *Law as Process* (Routledge and Kegan Paul, London, 1978).

post-war space, mobilising relations of trust that were not necessarily embedded in broad social structures of kinship or in the structure of militia groups but which had arisen from urban-based institutions dating from before the war, networks of educated elites, as well as individual experiences during the war.[70] This highlights the contingency of post-war reconstruction and the hugely important role of individuals in supporting the return of public goods. The 'collectively held nature' of institutions like the hospital was renewed and reinforced by groups of people enacting on behalf not of themselves or their clan grouping but in the name of a wider public – highlighting a belief in the existence of 'responsibilities that come with "living within a shared social space".'[71]

Indeed, the 1990s in Hargeisa were an open moment in a second way. As Egal's call to action demonstrates, the early 1990s across Somaliland allowed for a reconfiguration not just of who was providing services but of who could openly claim to provide for the public. In chapter one, I explained how despite the Siad Barre regime's revolutionary call to self-help, Siad Barre did not condone people independently mobilising a community to organise services in place of the state, an effort which risked being brutally repressed, particularly if it involved foreign actors

[70] Phillips, 'Political Settlements', p. 73.

[71] James Ferguson, 'Structures of responsibility', *Ethnography* 13,4 (2012), p. 562. See also Abdi Ismail Samatar, 'Somali Reconstruction and Local Initiative: Amoud University', *World Development* 29,4 (2001).

such as NGOs.[72] Before 1991, the responsibility for providing services and constructing infrastructure was claimed by the state in Mogadishu, even if it did not fulfil this claim. It was very risky to cloak private actions as 'public' or claim to do something on behalf of a community. The collapse of the state and the civil wars reconfigured that. After the war and the return to Hargeisa, a much wider range of organisations were able to act in the name of public without being sanctioned by the government. Egal, for example, blessed the rehabilitation of the hospital in 1994. Meanwhile, people who had served in the SNM committee and subsequent governments openly participated in the community projects I described above, signalling that these projects were treated as legitimate initiatives by the government.[73]

However, the government's blessing of reconfigured systems of public provisioning in the post-war era contained a latent tension. In the early years of reconstruction, the government acknowledged the devolution of public responsibility that had occurred because of the rebellion and the war. At the same time, it also acknowledged that these were *state* functions that were being carried out by other actors. As I have noted

[72] See Chapter 1 for an explanation of the Hargeisa Group, a self-help group operating in Hargeisa in 1980-1981. This was particularly the case in Hargeisa: as Renders argues, it was only because the military regime 'had not kept such close a watch' on Awdal, the northwestern Somali region bordering Ethiopia, that local NGOs such as that founded by Borama businessman Abdi Mohammed Muuse 'Guus' emerged to lead local efforts to reconstruct Borama's airstrip in 1988 and support social services in the region. Renders, *Consider Somaliland*, p. 113.

[73] For example, one of the members of the Hargeisa Hospital Group in the early 1990s was Abdirahman Yusuf Duale ('Boobe'), former SNM Secretary of Information. Another was Mohamed Hashi Elmi, future mayor of Hargeisa from 1995 and Minister of Finance from 2010-2012. Others I interviewed who had been involved in the rehabilitation of public spaces or institutions emphasized that they stayed out of politics – but their families were well-known in Hargeisa and previous generations in their families had been active in politics in the 1960s for example.

above, the diffusion of responsibility away from state institutions was expressed through a societal mantra of 'do what you can' in the years immediately following the war. However, the ethic of self-help did not only grow out of the experience of rebellion, war, refugee camps and the return; it was actively cultivated by the SNM and later, encouraged by the Somaliland government. The endorsement of this mantra provided a way to tie fragmented rebuilding efforts together. It legitimised a variety of self-help schemes and made them part of a collective project, tied together by often very personal ties which could later provide a foundation for institutional development. However, as will become clear in future chapters, by tying private provision to the encompassing project of rebuilding, the government set the stage for its attempts to reclaim some responsibility for service provision in years to come.

The organisation of security in Hargeisa reveals this discursive strategy. In the early 1990s, peace was fragile and even in Hargeisa, remaining SNM militia as well as groups formed during the post-war insecurity had yet to be integrated into national security forces.[74] While after the 1993 Borama conference, the government spent much time and effort designing demobilisation programs,[75] efforts to build and maintain peace during this period were highly decentralised, with responsibility for preventing and mediating conflict diffused through society.

[74] Balthasar, *State-Making*, pp. 155-156

[75] Dominik Balthasar, 'Somaliland's Best Kept Secret: Shrewd politics and war projects as means of state-making', *Journal of Eastern African Studies* 7,2 (2013), pp. 224-225.

A story related to one of my interviewees illustrates the surprise of some returnees about the new diffused responsibility to provide in early 1990s Hargeisa:

> …one day when they came to Hargeisa, the SNM guys called everyone and they said, 'listen guys, you are the police now. You are the police, you are responsible as a community, you are responsible for your security.
>
> So one guy, he said, 'What you talking about man? If you can't provide security, what are you?'
>
> …[the SNM] guy was saying we don't have the institutions…but right now… you are the institution, you can provide security as a community responsibility, but [the other guy] couldn't conceive that a government has no police…they were disappointed…[76]

The declaration 'you are the institution' recalls AbdouMaliq Simone's notion of 'people as infrastructure.'[77] Simone uses the idea of people as infrastructure to encapsulate 'a specific economy of perception and collaborative practice', pointing to the 'incessantly flexible, mobile, and provisional intersections of residents that operate without clearly delineated notions of how the city is to be inhabited and used.'[78] In Hargeisa, however, the idea of 'people as infrastructure' does not apply just to 'residents seemingly marginalized from and immiserated by urban life'[79], but rather was the base for the wholesale reconstruction of the city. The central government called on people returning to the city to provide its infrastructure, both

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[76] Interview # 91/Mohamed Hassan Ibrahim/Researcher and Civil Servant/Hargeisa/28 May 2013.

[77] AbdouMaliq Simone, 'People as Infrastructure: Intersecting fragments in Johannesburg', *Public Culture* 16,3 (2004).

[78] *Ibid*, pp. 407-408.

[79] *Ibid*, p. 407.

literally in terms of rebuilding, but also in terms of cooperating and lending their energies to the project of keeping the peace.

Of course, the government's call was for the most part reaffirming what people were already doing – I am not claiming that people providing security or generating power for their neighbours were solely motivated by the directions of the leaders of a fracturing SNM. Rather, members of the aspiring government endorsed the efforts of people returning to the city, claiming and protecting their property, and returning to their former workplaces to try and rebuild. The large literature on 'hybrid security systems' in settings such as the Niger Delta[80] and eastern DR Congo[81] makes it clear that is not unusual for non-state actors to take on the role of providing services for their community. However, as Bruce Baker argues, whether government actors collaborate with and sanction this diffusion of responsibility matters a great deal for trajectories of state formation.[82] These processes of collaboration and sanctioning affect the way these self-help projects fit into the state and how their institutions and their connections to the state might develop in the future, especially if the state gains access to more resources.

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[80] See the overview in: Meagher, 'Strength of Weak States', pp. 1090-1095. See also: Kate Meagher, 'Hijacking Civil Society: The inside story of the Bakassi Boys vigilante group of South-eastern Nigeria', *Journal of Modern African Studies* 45,1 (2007); Johannes Harnischfeger, 'The Bakassi boys: fighting crime in Nigeria', *The Journal of Modern African Studies* 41,01 (2003).

[81] See the overview provided in Meagher, 'Strength of Weak States', pp. 1084-1090. See also Timothy Raeymaekers, 'Protection for Sale: War and the transformation of regulation on the Congo–Ugandan border', *Development and Change* 41,4 (2010).

[82] Bruce Baker, *Multi-choice Policing in Africa* (Nordiska Afrikainstitutet, Stockholm, 2008), pp. 183-195.

It was in this open moment of the 1990s, then, that electricity provision re-emerged – fragmented, commercialised but oriented to the needs of neighbourhood communities rebuilding after the war. As time progressed, many of the most successful companies tied themselves into the wider, encompassing project of rebuilding the city as a shared space. Even for the most profit-oriented businesspeople, one principal overriding reason for supporting this collective project was a basic, instrumental need for peace. While people expected little from the fledgling state structure and at times blamed it for the continuing violence, they still knew that they were relying on its survival as a set of institutions chosen through hard-won consensus – to the point that some reported a feeling in Somaliland of being 'prisoners of peace', unable to criticise government for fear of causing instability.[83] While businesses stepped in to fill the gap left by the government's lack of capacity, they were dependent on the peace created by the political settlement that had established the government.

By the second half of the 1990s, the demand for peace was especially strong because many of the earliest business initiatives had been destroyed and displaced by the 1994 Airport War. As I explain in more detail in chapter 5, this conflict followed a principal faultline in the city: a dry riverbed that marks a line between the clans who

[83] Menkhaus, 'Governance without Government', p. 93.

have historically settled on the north and north-western side of the city – primarily the Sacad Muuse/Habar Awal – and those that have settled in the south: the Cidagale and the Habar Yonis, together known as the Garhajis, as well as the Carab.[84] In 1994, conflict between government forces and Cidagale militia controlling the airport spiralled into war first in Hargeisa and then in Burco.[85] Many early electricity companies had begun selling power in the centre of the town, which suffered from shelling. Companies run by families from clans generally residing in the north of the city had to begin again, mostly moving to neighbourhoods slightly further north, out of the centre.[86] More seriously, the war displaced people from the southern side of the city and delayed the return of those still in refugee camps. This slowed the development of the southern side of the city, which as I describe in chapter 5 had effects on the development of the electricity supply and other infrastructure in those neighbourhoods.

Indeed, as Luca Ciabarri describes, it was only with the return of peace after the Hargeisa Peace Conference ended in early 1997 that the cities of Hargeisa, Burco and Borama experienced a 'longlasting economic boom'.[87] Returnees from refugee camps

[84] Mohamed, 'Somaliland's Investment', p. 16.

[85] Bradbury, *Becoming Somaliland*, pp. 117-119.

[86] This was the case with Somaliland Electric Company for instance. Interview # 82/Sidiiq Shariff Batuun/Somaliland Electric Company/Hargeisa/15 May 2013.

[87] Luca Ciabarri, 'Trade, Lineages, Inequalities: Twists in the northern Somali path to modernity' in Markus Hoehne and Virginia Luling (eds), *Milk and Peace, Drought and War: Somali culture, society and politics* (Hurst, London, 2010), p. 80.

in Ethiopia as well as from the diaspora returned mainly to cities, leading to high rates of urbanisation. As a prominent businessman in Hargeisa explained, after the civil war in the city, there was 'a demand for peace' which boosted sales of the goods people needed to rebuild and furnish their houses.[88] The demand for goods and services prompted by the post-war reconstruction as well as the income from remittances drove the creation of new businesses selling imported goods and providing telecommunications and transport services.[89] For the more prosperous returnees to Hargeisa, the open border with Ethiopia provided a large regional market while having relatives abroad meant people could receive remittances to help fund their businesses.

Apart from a few surviving pioneers from before the Airport War, many of the most successful and long-lived electricity companies grew out of businesses established during this boom. Businesspeople running hotels and cafes (even a small ice cream factory), fuel stations, and telecommunication and remittance companies all needed generators for their own needs. As happened with the company Afgal Power I described earlier in this chapter, people living near these new businesses asked if they could share their surplus electricity. As demand grew, the companies sold more power, and over time, became formalised electricity companies, registered with the government as private electricity providers.

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[88] Interview/Abdirahman Mohamed Nuur/Chairman of Al-Nuur Furniture/Hargeisa/July 4 2012.

[89] Ciabarri, 'Trade, Lineages', pp. 80-81.

Maintaining peace and security after the civil wars in the early and mid-1990s was thus a priority of the business community. As Somaliland researcher and civil servant Mohamed Hassan explains, ensuring people have access to the benefits of economic growth has been seen by many in Somaliland as a crucial part of ensuring '*nabad waarto'*, a sustainable peace, and preventing the unravelling of the results of peace-building, '*nabad disi'*.[90] Thus, even as investment mainly continued to follow clan lines – along the lines of the philosophy of '*dis deegaankaaga'*, 'building your own community'[91] – these contributions could still be framed as playing a role in the overall peace and security.

In the electricity sector, companies were part of this encompassing project in two ways. First of all, by powering their neighbourhoods, companies were helping to 'build the country': providing electricity enables increased economic activity, powering basic machinery, for example, and enabling commerce to continue after dark. At the same time, electricity companies contributed to the collective project of maintaining peace and security in a more basic way. As a manager explained, lighting the city at night helped people feel safe and protect their property:

> …it takes part of the stability…imagine not being able to provide electricity for one day, what could happen that night? You know what I mean? A lot of

[90] Mohamed, 'Somaliland's Investment', p. 13.

[91] *Ibid*, p. 33.

> shops would be robbed or security would go haywire, you know what I mean? So it takes part in the peace and stability of the country.[92]

Secondly, companies recognised this shared project by taking on 'public' functions explicitly done for the benefit of a wider community – supplying police stations, courts, mosques, mother and child health centres, and some main streets for free.[93] As well as this lighting for public spaces, some companies also argued that their leniency in collecting payments from lower income households was an important service they provide to the wider community:

> So basically, it's like providing community service in a different format, because the government is not here to be able to provide that, so we still have to carry on with that.[94]

Contributing to economic development and providing electricity for those who could not afford it were framed as important contributions to Somaliland as a whole, and actions that helped undergird the all-important political settlement.

Using the Idea of the State

However, despite the successes derived from the evolving partnership between nascent state institutions and private, non-state providers and how much each needed

[92] Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013.

[93] *Ibid.*

[94] *Ibid.*

the other in Hargeisa, the relationship between the two was strained and highly contested. Although some electricity and telecommunication companies provided free services to certain government buildings as a contribution to wider society, for some, free provision to government buildings was also a donation to – as one former telecomm entrepreneur put it – 'to get them [the government] off your back' and avoid problems.[95] While some businesses were of course linked into the state-building project through clan and other personal ties, the challenge facing many businesses was how to support state-building while also limiting or offsetting the powers of the resulting state to tax, take over or distribute licenses, a problematic that, as Menkhaus argues, has also dogged state-building efforts in south-central Somalia.[96]

This challenge was complicated by the fact that states, as they encompass other institutions and demand a say in different aspects of local governance, become receptacles of expectation. In the anecdote about security I included above, as the SNM called for people to take on responsibility for former state functions, SNM representatives were asked: 'If you can't provide security, what are you?' Even as a new political dispensation shaped the way services were provided, there was still a sense that private provision, as developed, was filling in for the state, temporarily substituting for it. As Gunther Schlee has argued for the case of south-central Somalia, despite the way people may 'make arrangements with each other' in the

[95] Interview # 91/Mohamed Hassan Ibrahim/Researcher and Civil Servant/Hargeisa/28 May 2013.

[96] Menkhaus, 'Governance without Government', p. 96.

absence of capable state institutions so that 'a kind of normalcy develops', that does not mean that the status quo is an appealing solution in the long run.[97] In Somaliland meanwhile, the willingness to volunteer and contribute resources to perform formerly 'public' services was at a peak in the years immediately after the war – but did not and could not present a sustainable system of provision.

Within this terrain of shifting expectations and obligations, the behaviour of electricity companies in Hargeisa recalls Christian Lund's argument about the way public authority is configured in local arenas. Building on the work of Sally Falk Moore on local 'micro-politics' in Tanzania, Lund describes how non-state organisations "bring the state back in', but in a vastly different way from that described by Skocpol and others in the mid-1980s.'[98] He describes how non-state organisations set themselves apart from the state, but yet constantly refer to the idea of the state when seeking to legitimise their authority: 'the idea of the state is …

[97] Gunther Schlee, 'Customary law and the Joys of Statelessness: Idealised traditions versus Somali realities', *Journal of Eastern African Studies* 7,2 (2013), pp. 11-12. See a similar argument woven into Neil Carrier and Emma Lochery, 'Missing states? Somali trade networks and the Eastleigh transformation', *Journal of Eastern African Studies* 7.2, (2013).

[98] Lund, 'Twilight Institutions', p. 688. Lund explains that he builds on the work of Sally Folk Moore who described the 'gently subversive purpose' of local organisations in Tanzania. Sally Falk Moore, 'Post-Socialist Micro-Politics: Kilimanjaro 1993', *Africa* 66,4 (1996), p. 601.

effectively propelled by institutions which challenge the state but depend on the idea of it to do so.'[99]

While private companies providing electricity in Hargeisa sought to limit the power of the government to intervene in service provision, businesspeople told me the state did have a role in improving the status quo. The manager of the biggest electricity company in Hargeisa in 2013 for example argued that 'the time has come for the government to concentrate on development.'[100] By referring to the idea of building a state and all the services that the state is supposed to provide, companies could create an ideal against which to contrast the actual performance of the government. They could also then highlight the way they, as *private* companies, were filling in for this under-performance. As I explain in later chapters, as the government increased its access to revenue and began to intervene more directly in markets, private companies continued to deploy this strategy, seeking to defend their market share by both 'vindicating their non-state status'[101] and yet referring to the important role they played in supporting the state-building project.

[99] Christian Lund generally titles these kinds of institutions 'twilight' institutions. Lund, 'Twilight Institutions', p. 689.

[100] Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

[101] Lund, 'Twilight Institutions', p. 688.

Conclusion

In this chapter, I have explained how private companies turned the lights of Hargeisa back on after the war against the regime of Siad Barre. This private power provision built on patterns of informal, illegal commercial provision of electricity before the war and was grounded in transnational networks of trade and finance. On one hand, it was rooted in local neighbourhoods, regulated by and dependent on social relations, especially clan ties. At the same time, this nascent 'economy without state' took place in a city bound together by an encompassing project. Despite all the divisions inherent in Hargeisa, there were important cross-cutting networks mobilised by groups of people to rebuild public facilities and reassert the responsibilities of living within a shared space.

Private electricity companies were situated in this political terrain of decentralised responsibility, but also began to assert their vision of their role in the overall rebuilding of the city. I emphasised in the chapter how they contributed to bringing the idea of the state back in, but began to work to assert the limits to that state's power. As I show in future chapters, their claim to act on behalf of the public while also asserting their non-state, commercial status would be central to their ability to maintain their place in the new socio-economic order of post-war Hargeisa.

Figure 1: An electricity company in northern Hargeisa in 2012. (Emma Lochery)

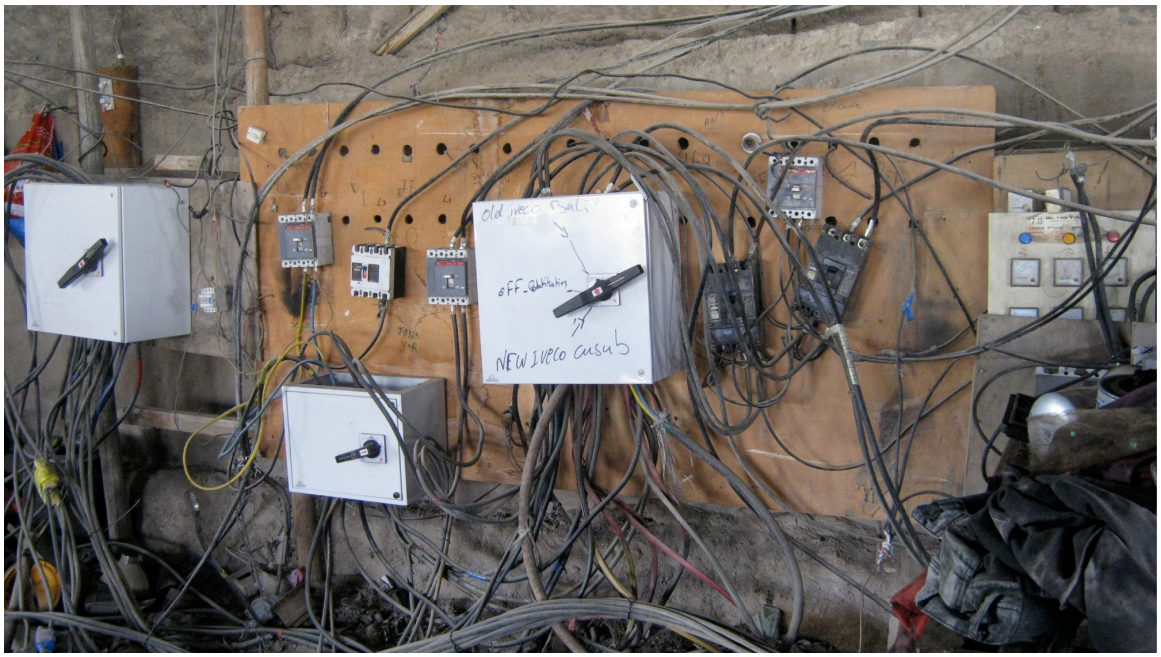

Figure 2: Inside another company's powerhouse in 2012. (Emma Lochery)

Chapter 3

Government Business: Acting in the public interest

In the previous chapter, I explained how during the first decade of Somaliland's reconstruction process, Hargeisa was initially repowered through local, privately owned micro-grids. This represented a sharp break from the history of pre-war electricity networks. The latter had been used to promote the idea of a high modernist post-colonial state, able to 'pull the whole society along in an all-out development drive.'[1] In post-war Somaliland's developing electricity market, it was local private companies rather than the government that were best positioned to claim that they were acting in the public interest. Businesspeople had turned the lights back on in their businesses, surrounding communities, and selected public spaces all while the government-owned Hargeisa powerhouse lay protected, but dormant.

In this chapter, I examine the Somaliland government's initial attempts to bring the state back into the electricity market and contest private companies' claims to act in the public interest. Through a city electrification project initially organised by President Egal, the government entered the market as an electricity producer. The

[1] Martin Doornbos, 'The African state in academic debate: retrospect and prospect', *The Journal of Modern African Studies* 28,02 (1990).

Somaliland Electricity Agency lacked adequate finance and soon lost access to technocratic ability. Nonetheless, amidst the emerging pressures of multiparty politics, the government continued to promote it as a provider of a public service. As I demonstrate in future chapters, the government's discursive efforts to attach electricity to national sovereignty, development, and patriotism would prove important in shaping the future of the market: this framing of power provision would be taken up by a range of players.

On a more general level, the story of the evolving role of the Somaliland Electricity Agency underlines that the role of governments in service provision is highly contextually determined: governments can often be latecomers to systems of service provision.[2] At the same time, however, it reveals how governments work to differentiate themselves from other actors involved in service provision. As it entered the market for electricity, the aspiring Somaliland drew on the remaining legacies of the previous state's infrastructure of generators and power lines, its own alliances

[2] Richard Batley and Claire Mcloughlin, 'Engagement with Non-State Service Providers in Fragile States: Reconciling state-building and service delivery', *Development Policy Review* 28,2 (2010); Giorgio Blundo and Pierre-Yves Le Meur, 'Introduction: An anthropology of everyday governance collective service delivery and subject-making', in Giorgio Blundo and Pierre-Yves Le Meur (eds), *The Governance Of Daily Life In Africa: Ethnographic explorations of public and collective services*, (Brill, Leiden, 2009), p. 14.

with particular factions of capital, and both locally and globally inspired narratives about economic growth and development.[3]

I begin the chapter by examining the motivations behind the quest to claim the electricity sector as an object of government. I briefly trace the Somaliland government's failed attempts to access external capital before explaining how President Egal launched the Somaliland Electricity Agency in the early 2000s. Finally, I turn to examine the agency's position in Somaliland's state-building project, and how this affected the government's ability to exercise power in the market. The chapter covers the principle time span of the thesis, from the 1990s through to early 2015, and thus provides a backdrop for the subsequent chapters' examination of negotiations between private companies and the government over the future of the sector.

Organising Dependency

The Somaliland government was very much a guest in the house it claimed to rule. Unrecognised internationally as a sovereign state, the government was bereft of funding and unattractive to foreign capital as an investment partner – the contrary of William Reno's 'warlord states' or Robert Jackson's 'quasi-states' dependent on the

[3] On the narratives related to infrastructure, see Keller Easterling's outline of three 'ideological stories' told about infrastructure, which, she argues, 'has often been groomed as either an instrument of militarism, liberalism, or universal rationalization'. Keller Easterling, *Extrastatecraft* (Verso Books, London, 2014), p. 19.

resources that flow from formal sovereignty.[4] Instead, the central government set up by the Borama peace conference in 1993 was heavily dependent on a range of locally grounded social forces. It relied on clan elders with power to restrain militias and time and time again requested businesspeople to step in with money to grease the wheels of peace. Diaspora and businesspeople provided capital to pay compensation costs to the families of victims of local conflicts, provide rations to militiamen awaiting integration into the national army, and pay the salaries of prison guards.[5] Skilled manoeuvring by the head of state shaped people's incentives and their perceived self-interest, of course, but people's desire for peace and dedication to the idea of Somaliland cannot be discounted.

However, over time, state actors and in particular the executive worked to regularise, organise, and reduce the state's dependency on other social forces – slowly seeking to institutionalise its power through techniques of record-keeping, bureaucratisation, and legislation.[6] Evidence of this can be seen in the government's financial management practices. President Egal's government began to put together formal

[4] William Reno, *Warlord Politics and African States (Lynne Rienner Publishers, London, 1998)*; Robert H Jackson, *Quasi-States : Sovereignty, International Relations and the Third World* (Cambridge University Press, Cambridge, 1990).

[5] A civil servant I interviewed explained how in the early 1990s, UNOSOM 2 was paying the salaries of police in Hargeisa, but not jail guards. If guards went unpaid, prisoners could easily escape, setting off a cycle of retribution as previous victims sought alternative means of justice. Interview # 90/Adan Da'ud Egal ('Weli')/Director of Planning and Statistics, Somaliland Ministry of Finance/Hargeisa/27 May 2013.

[6] Dominik Balthasar, *State-Making in Somalia and Somaliland: Understanding war, nationalism and state trajectories as processes of institutional and socio-cognitive standardization* (PhD Dissertation, LSE, 2012).

budgets from late 1993,[7] and careful records of the repayment of loans from the Djibouti-based tycoons were made.[8] Moreover, under the watch of then Finance Minister Ahmed Mohamed Mohamoud 'Silanyo', the system through which the government paid back the loans through waiving import and export taxes was phased out in the late 1990s, with the government aiming to pay back future loans in cash.[9] In addition, as I explain in chapter 4, in the early 2000s, the government sought to centralise taxation practices across Somaliland and remove local checkpoints, while also launching a project to establish income tax. Finally, over time, the government worked to claim ownership of Somaliland's development agenda – the first national development plan was launched in 1997.[10]

These efforts at financial management accompanied projects to reoccupy crucial niches of service delivery formerly claimed by the pre-war Somali state – the government mobilised what resources and assistance it could to rebuild water systems,

[7] Interview # 92/Adan Da'ud Egal ('Weli')/Director of Planning and Statistics, Somaliland Ministry of Finance/Hargeisa/29 May 2013.

[8] These records were kept filed at the Ministry of Finance. Interview # 90/Adan Da'ud Egal ('Weli')/Director of Planning and Statistics, Somaliland Ministry of Finance/Hargeisa/27 May 2013.

[9] Ahmed Silanyo, Finance Minister in 1997, appointed a three-man committee that met with the seven businesspeople who had loaned the government money. Before 1997, these businesspeople had been able to apply 100% of their export tax and 50% of their import tax liabilities to the amount they were owed by the government. After 1997, import taxes had to be paid all in tax while 50% of export tax liabilities could be considered debt repayment by the government. By 1999, the debt repayment system was officially ended. Interview # 90/Adan Da'ud Egal ('Weli')/Director of Planning and Statistics, Somaliland Ministry of Finance/Hargeisa/27 May 2013.

[10] Marleen Renders, *Consider Somaliland: State Building with traditional elders* (Brill, Leiden, 2012), pp. 168-169.

rebuild essential bridges, and repair portions of the port and oil depot in Berbera.[11] The degree of contestation the Somaliland government encountered in its efforts to reclaim the prerogative of the state to provide differed according to the context and the service involved.[12] In some cases, such as President Tuur's attempts to reclaim Berbera port in 1992 and President Egal's effort to take control of the Hargeisa airport in 1994, violent conflict resulted. In other cases, such as with many urban water systems, city inhabitants expected and called on the government to be involved.[13] As I demonstrate in this chapter, the electricity sector sat between these two extremes. On one hand, the government could justify its intervention by mobilising the legacy of state provision before the war as well as international norms of government involvement in power generation, distribution and regulation.[14] On

[11] Interview # 97/Adan Da'ud Egal ('Weli')/Director of Planning and Statistics, Somaliland Ministry of Finance/Hargeisa/30 May 2013; Interview # 94/Businessman/Hargeisa/29 May 2013; Interview # 76/Berbera Oil Terminal Consultant/Berbera/6 May 2013.

[12] See Claire Mcloughlin's discussion of how the technical and political aspects of different services gives them varying degrees of public salience: Claire Mcloughlin, 'When Does Service Delivery Improve the Legitimacy of a Fragile or Conflict-Affected State?', *Governance* 28,3 (2014), p. 14.

[13] Zeynab Mohammed Hassan with Noreen Michael Mariano, Shukri Hariir Ismail, and Amina Yusuf, 'Women and Peace-making in Somaliland' in Judith Gardner and Judy El-Bushra (eds), *Somalia – The Untold Story: The war through the eyes of Somali women* (Pluto Press, London, 2004), p. 146.

[14] In the late 1980s, the World Bank still emphasized the monopolist nature of infrastructure and the need for governments to be involved in service provision, even if private sector participation in generation was increased. The Bank introduced a new policy towards the power sector in 1993, stressing the need for commercialization. In sub-Saharan Africa however, they emphasized corporatization – running a state agency as if it were an independent business – rather than shifting ownership to the private sector. A significant government presence has continued in electricity provision across the continent, not just in regulation but also in provision. On the policies of the World Bank and other international organisations, see World Bank, 'Sub-Saharan Africa: From crisis to sustainable growth' (World Bank, Washington DC, 1989), p. 51; Alvaro J. Covarrubias, 'Lending for Electric Power in Sub-Saharan Africa' (World Bank, Washington, DC, 1996); and Vivien Foster & Cecilia Briceño-Garmendia Garmendia (eds.) 'Africa's Infrastructure: A time for transformation' (World Bank Publications, Washington DC, 2010), p. 181. For an overview of dynamics in the sector,

the other hand, as I described in the previous chapter, private providers had already begun to consolidate their presence and invest in the market and stood ready to resist the interventions of the government.

The drive to 'bring the state back in' to the post-war terrain was evident in the electricity sector soon after the end of the Airport War in the late 1990s. President Egal was determined to reshape the electricity market in Hargeisa for three reasons.[15] First, the agency could charge for its services and provide the government with a much-needed revenue stream. Secondly, a government-owned electricity enterprise would provide a cheaper and more stable supply of power for government buildings. At the time, the lack of large-scale electricity provision in post-war Hargeisa meant that government offices either had to generate their own power from small, individual diesel generators or remain dependent on electricity provided by nearby private companies. Both systems of supply were expensive, and left government institutions at the mercy of either poor quality machines or private companies.

However, the third reason went beyond the immediate material needs of the government. Egal and members of his government wanted to play a normative role in

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see Anton Eberhard and Maria Shkaratan, 'Powering Africa: Meeting the financing and reform challenges', *Energy Policy* 42 (2012); and Katharine Nawaal Gratwick and Anton Eberhard, 'Demise of The Standard Model for Power Sector Reform and the Emergence of Hybrid Power Markets', *Energy Policy* 36,10 (2008).

[15] Interview # 52/Director of Planning, Somaliland Ministry of Public Works/Hargeisa/19 November 2012.

the market and 'regulate through participation'[16] – promoting lower prices and greater efficiency.[17] In a context where the government did not have the ability to control prices with a law, they aimed to influence dynamics of the market directly by entering as a business, using a strategy of 'provocative competition'[18]. The government's attempts to bring the state back into the market emphasised that electricity was not just any other good: power provision had a wider social importance beyond the needs of government institutions. First, electricity is a good that is noticed and discussed – the lights of the city at night, the growl of neighbourhood generators, even the ability to have a cold drink on a searingly hot afternoon. Especially in a setting previously destroyed by conflict, electricity is taken as a sign of a more developed, secure urban space, which offers services, a 'modern lifestyle', and the opportunity to build a manufacturing base. Secondly, and more importantly, electricity generation and distribution systems make up an infrastructural base important for households, medical facilities, shared spaces such as streets and markets, as well as all sizes of commercial enterprise – whether people want to light a few bulbs or power complex telecommunications systems. Its availability and its cost are matters of shared, public interest.

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[16] Murat R. Sertel, 'Regulation by Participation', *Journal of Economics* 48,2 (1988).

[17] Richard G. Harris and Elmer G. Wiens, 'Government Enterprise: An instrument for the internal regulation of industry', *Canadian Journal of Economics/Revue canadienne d'Economique*, 13,1 (1980).

[18] Dietrich Rueschemeyer and Peter Evans, 'The State and Economic Transformation: Toward an analysis of the conditions underlying effective intervention' in Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol (eds), *Bringing the State Back In* (Cambridge University Press, Cambridge, 1985), p 57.

As in many other contexts, the connections between electrical infrastructure and "the discursive, material and spatial dimensions of the public realm" make the power sector attractive for government intervention.[19] As historian Thomas Hughes recognized, particularly in moments of great social and political change, governments have often worked to make electricity utilities a legitimate target of government action. He argued that both private and public power utilities in the United States and Western Europe in the early twentieth century had initially worked to maximise their profits and their organisational autonomy. However, with the outbreak of World War I, the military and political elite in many countries argued that 'the cooperative production of energy' was more important than individual utilities' own 'drive for autonomous growth and profit.' Because of the war effort, their views garnered the support of the public.[20] A space thus opened for governments to affect the way electricity provision systems were designed, managed, and financed, pushing electricity utilities to focus on a collective goal of increasing electricity production rather than their own particularistic interests.[21] Events after World War II in Western Europe catalysed further change in patterns electricity provision: power was linked to a notion of the social contract promising access to electric power for all at an

[19] Colin McFarlane and Jonathan Rutherford, 'Political Infrastructures: Governing and experiencing the fabric of the city', *International Journal of Urban and Regional Research* 32,2 (2008), p. 364.

[20] Thomas P. Hughes, *Networks of Power: Electrification in western society, 1880–1930* (Johns Hopkins University Press, Baltimore, 1983), p. 16.

[21] *Ibid*, pp. 15-17.

affordable price.[22]

In the context of Somaliland in the 1990s and 2000s, it was not a war effort but a focus on reconstruction and economic development that drove public narratives on electricity provision. President Egal framed electricity as a crucial part of the infrastructure needed to rebuild Somaliland, arguing, 'Electrification is essential to modern development in this country.'[23] He argued it was too important to leave solely to the private sector, which could not be fully trusted to act in public interest. As an engineer involved in designing the Somaliland Electricity Agency explained: '…if you don't have the mechanism to stabilize the prices, the private sector… always goes up, and they're after profit. So you should have a substitution thing [so] that you can control the prices…'[24] Government set out to tame the forces of private business.

Looking for Capital: False Starts

As I explained in chapter one, the Hargeisa power station remained in government hands. The distribution grid had been destroyed and looted but four generators with a total rated power of just over 2.5 MW remained relatively intact – two required

[22] Stephen Graham and Simon Marvin, *Splintering Urbanism: Networked infrastructures, technological mobilities and the urban condition* (Routledge, London, 2001), p. 8.

[23] 'Somaliland Signs Deals for Restoration Power Plants', *Alexander's Gas and Oil Connections*, April 13, 1998.

[24] Interview # 52/Director of Planning, Somaliland Ministry of Public Works/Hargeisa/19 November 2012.

spare parts from the manufacturer.[25] However, as President Egal began to try and revive the central power station, he faced one big challenge: finance. Somaliland's budget in the late 1990s was tiny – under $30 million a year.[26] Moreover, as an unrecognised state, finding additional capital was not easy.

Somaliland's non-recognised status meant trajectories of reconstruction in Hargeisa diverged from those typical in other post-conflict capitals. By comparison, soon after the end of the second civil war in Liberia, President Ellen Johnson Sirleaf declared during her 2006 inauguration that she would turn some lights back on in Monrovia in the first hundred days of her presidency. A donor group including Ghana, the European Community, the World Bank, and USAID stepped in with an Emergency Power Program worth US$7 million that made it possible for her to keep her promise. Donors then provided another quarter of a million dollars to expand the rehabilitated Liberian Electricity Corporation's system[27] and continued to support Sirleaf's efforts

[25] In a 1991 report on the situation in Somaliland, John Drysdale recorded information he had received through discussions and a written submission from Engineer Abdi Ali Barkhad. The report explains that there are four engines in the Hargeisa power house: one dating from 1969 which would provide 680kw, one from 1972 which would provide 750kw, another from 1983 which would provide 1000kw, and finally one from 1981 which would provide 120kw. The report details the spare parts needed, as well as the address of the manufacturer of the machines. See John Drysdale, 'Somaliland 1991: Report and Reference' (Global-Stats Ltd, Hove, 1991), pp 62-66.

[26] Ken Menkhaus, 'Vicious Circles and the Security Development Nexus in Somalia', *Conflict, Security & Development* 4,2 (2004), p. 160. From my calculations using data from the Somaliland Ministry of Finance, for example, government expenditure in 1999 was around US$19.7 million. Income was around $19.9 million. In 2000, the income totalled just over $24.2 million while expenditure was just over $25.1 million. These figures of course do not preclude there being off-budget income and expenditure.

[27] Rick Whitaker, 'Let There Be Light: The role of electrification in Liberia's post-conflict stablization' (International Resources Group (IRG)/World Energy Council, 2007[?]).

to increase electricity generation – which she argued was essential for a 'robust economy', part of the 'infrastructure of the next generation'.[28] Similarly, with the establishment of a new government in Mogadishu in late 2012, Norwegian and British aid provided $400,000 worth of street lighting in the city in a bid to improve night-time security – the lighting was to be handed over to the city administration, with hopes it would 'impress a population that has had little or no experience of local services or government for a generation'.[29] These efforts underline donors' belief in the importance of a new government demonstrating in the most visible way that it was delivering services and acting in the public interest. However, receiving this kind of aid soon after the end of a conflict is dependent on adherence to a particular idea of juridical statehood and sovereignty, which Somaliland did not fit.

Nevertheless, there was some room for manoeuvre. Egal and other political elites argued that one way to act like a state – and perhaps increase the chance of receiving donor aid – was to prove capable of attracting and protecting foreign investment. While Somaliland's interactions with the governments of Ethiopia, European countries and the United States in the late 1990s provided little hope of *de jure* recognition, there were signs that these governments and some foreign companies would engage with Somaliland as a *de facto* political entity.[30] While this kind of

[28] Tamasin Ford, 'Liberia's battle to put the lights back on', *Poverty Matters Blog*, *The Guardian* [London], 6 February 2012.

[29]Andrew Harding, 'Streetlights Bring Normality to Mogadishu', *BBC News*, 11 May 2013.

[30] 'Egal's Diplo Trip', *Indian Ocean Newsletter*, February 14, 1998; Matt Bryden, 'The "Banana Test": Is

unofficial intermediate status would not give the Somaliland government access to loans from international financial institutions, it promised to open the door to more project-level aid and over time, provide assurance to foreign investors considering whether to sink their capital into ventures in Somaliland. In this logic, foreign investment was valued both for the direct financial benefit it would provide to the struggling Somaliland government as well for the support it provided in the quest for international recognition.

As part of this strategy to develop Somaliland's prospects of de facto international recognition and strengthen the position of the embryonic state at home and abroad, Egal worked to attract foreign companies to invest in critical projects in Somaliland, such as the government electricity plant and the defunct cement factory located just outside the port city of Berbera. He was not particularly successful– except in the case of the contract negotiated and secured with Total Mer Rouge to manage the Berbera Oil Terminal in 1998.[31] While the Somaliland government may have hoped to leverage these early investment deals as a step towards recognized sovereignty and further and more consistent investment, it was ironically often foreign businessmen

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Somaliland ready for recognition?', *Annales d'Ethiopie* 19,1 (2003).

[31] I discuss this contract in chapter 5. It was put into action in 2000 through executive action. Even this contract involved important local links: a news article from the time reports that Total Mer Rouge 'was launched two years ago by a group of foreign and local businessmen believed to be well-connected to President Egal.' See 'President Egal allows Foreign Firm to run Oil Storage Facilities', *The Republican* (Hargeisa), 30 January 2000, p. 1, excerpted in *BBC Monitoring Africa*.

who leveraged the prestige and power of the Somaliland president at home for their own benefit.

In April 1998, for instance, the President signed a contract with 'two little-known companies' for the rehabilitation of the Hargeisa power plant. Texas-based Collins Engineering and another company called British-American Energy were supposed to upgrade the generation capacity to 25MW – a very ambitious aim – at the cost of about $23 million before working on the electrification of other cities, principally Berbera.[32] At a ceremony in Hargeisa celebrating the agreement, Egal reportedly proclaimed: 'These companies are investing millions of dollars in Somaliland. This is more than political recognition.' [33]

The contract appears rather suspect: it is unlikely that small companies would take such high risks with a non-sovereign government in an unpredictable, post-war context. Moreover, there is scant information about the agreement or the foreign businesspeople involved,[34] and it is unclear how these small companies were going to

[32] 'Doubts on Energy Contract', *Indian Ocean Newsletter*, April 18 1998; 'Somaliland signs deals', *Alexander's Gas and Oil Connections*; 'Somaliland Signs Energy Deals with Foreign Firms', *Indian Express Newspapers*, Sunday April 12, 1998; NCTAD (United Nations Conference on Trade and Development), 'FDI Profile: Somalia', (UNCTAD, Geneva, 2006).

[33] 'Somaliland signs deals', *Alexander's Gas and Oil Connections*; 'Somaliland Signs Energy Deals', *Indian Express Newspapers*.

[34] The *Indian Ocean Newsletter* reported that the head of Collins Engineering reportedly worked with the British manager of the air logistics company Air Bridge. This might have been Richard Adamson, a former British Special Forces commando who fought in Afghanistan and was working for an air logistics company in Hargeisa in the late 1990s. See 'Doubts on Energy Contract', *Indian Ocean Newsletter*; Tim Albone and Richard Beeston, 'British Security Expert Killed in Kabul Robbery', *The*

find the capital to rehabilitate the power plant – indeed the *Indian Ocean Newsletter* reported that '[t]he promoters of this rehabilitation contract have asked local investors to participate in financing the repairs.' An editorial in the Somaliland newspaper *The Republican* analysing Egal's 'first footsteps in the private sector' was particularly circumspect:

> …on April 9, 1998, the president again appeared in public with another pair of foreigner [sic] promising huge sums of money to be invested [in] electrification projects throughout the country. The president, who had praised the 'noble deeds' of the two strangers he hardly knew, insisted to sign a $60 million worth of investment agreements with [them] personally…

According to *The Republican*, the two foreign businessmen proceeded to leverage their contract with the president to draw 'local unsuspecting businessmen into a trap of investing with them in lucrative business dealings'; local businessmen claimed to have lost about $400,000.[35] Needless to say, there was no investment made into the power plant.

As their efforts to court private investors illustrate, members of the Somaliland government strived to act like representatives of a 'real', recognised state on the world stage. However, in these early years they consistently failed to secure significant foreign investment or reliable aid flows, reinforcing the dependence of the

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Times [UK], August 16, 2007; 'Egal's First Foot Steps in The Private Sector' *The Republican*, 3 October 1998.

[35] 'Egal's First Foot Steps', *The Republican*.

government on the private sector as well as the importance of private service providers to the wider economy. Meanwhile, outsider actors, struggling with how to provide aid in places with non-existent or non-sovereign governments, began to build partnerships with locally based private actors and to look to them as a source of capital – the basis for the next attempt to build a central powerhouse in Hargeisa.

As I discuss in chapter 6, towards the late 1990s the Somali private sector had been attracting the attention of UN agencies and others as a potentially constructive force for peace and an important set of actors in developments in Somalia more broadly.[36] Business people were beginning to be recognized for providing services in the absence of the state, a role that reinforced the peacebuilding role they could potentially play with their financial clout. In 1999, the UN and in particular the United Nations Development Office for Somalia (UNDOS), organized some workshops with the private sector across the regions of the former Somali state, including one in Hargeisa in 1999, which must have had the blessing of President Egal to take place. Some months after the meeting, the Red Sea Distribution Company owned by Ahmed Dahir Omar ("Baxsane"), one of the Djibouti-based Isaaq businessmen who had loaned money to Egal in 1993, wrote a letter to UNDOS expressing its interest in becoming majority stakeholder in the proposed Hargeisa

[36] This idea gained even more traction in 2000 when the business community backed the Transitional National Government established by the Arta Peace Conference. International Alert, 'Local Business, Local Peace: The peacebuilding potential of the domestic private sector' (International Alert, London, 2006), p. 43.

power station.[37] This effort aimed to mobilise private companies to provide capital and become shareholders in a project to build a new power station.

Coordination amongst the players involved posed a major challenge however. By 1999, private providers in Hargeisa had invested in expanding their grids and were nervous about losing their livelihoods. However, these small-scale providers would have been unable to provide the large amounts of capital needed for the new powerhouse – they were reliant on their own revenue and loans from friends and family. As the *Indian Ocean Newsletter* stated at the time: 'Hargeisa's small businessmen want to have a place in the project which their financial capacity does not allow them.'[38] The privileges accorded to the large Djibouti-based businesspeople who had loaned Egal money was already a sore point with smaller-scale businesspeople in Hargeisa, so it is likely that local private electricity providers would have been suspicious of a plan to replace small-scale provision with a unified system in which Baxsane would have the controlling share. A World Bank report subsequently reported that attempts to build a 4MW power plant and a high-voltage grid incorporating existing providers with new investors as shareholders continued for

[37] UN Coordination Unit, 'Somalia: UNCT Somalia Monitor 1-22 Oct 1999', *Relief Web*, 22 October 1999.

[38] 'Power Station Project', *Indian Ocean Newsletter*, October 16, 1999.

two years, without success.[39]

Thus, both the state's effort to attract private investment and the efforts of UNDOS to gather capital for a central power station failed.[40] While the state's failure to find foreign capital was first and foremost rooted in its lack of international recognition, the difficulties faced by UNDOS during its attempt to attract capital and integrate the smaller companies into a bigger, centralised project highlight the difficulties faced by a centrally designed project aiming to reshape a complex reality. As I will demonstrate in the next chapter, the market for electricity supply was a complex social reality, involving not just competition but 'shifting sets of implicit understandings, tacit coordinations, and practical mutualities',[41] which determined when and how private companies would cooperate with each other and with outside investors.

Creating the Somaliland Electricity Agency

Nevertheless, despite the difficulties and perhaps because of the developing 'tacit coordinations' and oligopolistic tendencies developing in Hargeisa's electricity market,

[39] World Bank, 'Somalia From Resilience Towards Recovery and Development' (Country Economic Memorandum, Report No. 34356-SO, World Bank, Washington, DC, 2006), p. 59.

[40] It is important to emphasise that UNDOS would not have been planning to provide large amounts of capital itself: its yearly budget was at most about US$3 million/year for its programming across the former Somalia. Interview # 102/Michel del Buono/Former Director of UNDOS/via email/25 November 2014.

[41] James C. Scott, *Seeing like a State: How certain schemes to improve the human condition have failed* (Yale University Press, New Haven, CT, 1998), pp. 255-256.

in the end, President Egal once again drew on his existing alliances with Isaaq businessmen in Djibouti to resurrect the Somaliland government's position as a public service provider. As I mentioned in chapter 2, the original loans Egal received after being elected at the Borama Conference in 1993 were from a small 'club'[42] of mainly Habr Awal businesspeople; the money had enabled him to demobilise militias, establish the Somaliland military, and pay government personnel. Some of the businesspeople had subsequently supported Egal's launch of a new currency[43] and financed the government's efforts to win the civil wars which had erupted in Hargeisa and Burco in late 1994 and 1995. In short, their help was crucial to President Egal's attempts to resurrect government institutions and nurture notions of statehood.[44] It is thus not surprising that he finally resorted to borrowing money from one of them – Omar Abokor Tanni ('Mulac') – in order to rehabilitate the power station.[45]

Egal's effort to reassert the government's right to provide for the public also drew on the expertise of people who had been attached to the state electricity system during

[42] Roland Marchal, 'The Post Civil War Somali Business Class' (European Commission/Somalia Unit, Nairobi, 1996), p. 81.

[43] This was the Somaliland shilling. Somaliland's economy remained mainly dollarised while I carried out my fieldwork, but the government paid civil servants in Somaliland shillings and small, daily transactions were carried out in shillings as well.

[44] Marleen Renders and Ulf Terlinden, 'Negotiating Statehood in a Hybrid Political Order: The case of Somaliland', *Development and Change* 41,4 (2010), p. 731; Balthasar, 'State-Making', pp. 182-187.

[45] Personal communication with Adan Da'ud Egal (Weli), Director of Planning and Statistics, Somaliland Ministry of Finance, May 23 2014.

the era of the Somali Republic – emphasising how, even after they collapse, states live on in the experience and knowledge of those who had worked for them.[46] According to those involved, around the year 2000, President called together a group of engineers in Hargeisa. The team created a financial forecast detailing the costs of procuring new equipment to provide electricity, and how much revenue would be generated from the new agency.[47] Then, Egal asked the engineer Abdi Ali Barkhad to be in charge of the rebuilding. As I explained in Chapter 2, Abdi Ali had worked for the electricity parastatal ENEE and managed the DANIDA projects rehabilitating power plants in northern Somalia in the late 1980s. He organized the security of the power plants in Somaliland after the war and was appointed Director General of Public Works under President Tuur, but when he saw that it was not possible to rehabilitate them at that time, he had started his own NGO instead.[48] To bring him back into government service, President Egal arranged a salary of $2000 a month to undertake the work: though low by international standards, the salary represented a significant investment for the Somaliland government, demonstrating the cost of securing much needed technical skill and expertise, let alone the needed equipment.

[46] Tobias Hagmann, 'What Happens to the State once it Collapses?' (Paper given at the Brussels Anthropology Seminar, Université Libre de Bruxelles, November 5 2014).

[47] Interview # 52/Director of Planning, Somaliland Ministry of Public Works/Hargeisa/19 November 2012.

[48] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

In response to Egal's request, Abdi Ali Barkhad formed a financial committee for purposes of transparency and proposed a budget of half a million dollars. Together with a Somali contractor from Djibouti, he went to buy distribution equipment in Dubai, spending in the end an expanded budget of US$800,000.[49] In early 2001, his team was installing poles capable of carrying high tension wires in parts of Hargeisa and announced plans to supply all of Hargeisa through 20 transmission sub-stations.[50] The project aimed to 'supply electricity to over 10,000 homes plus business establishments and small industries' and 'create more than 200 jobs for the local community.'[51] The rehabilitated power station was tested in early April 2002. Abdi Ali explained that the first night, he lit up the presidential compound, as a signal to Egal that the project was finished.[52] 16km of high voltage and 38km of low voltage wire and 11 transformers stood ready to supply parts of Hargeisa. A few minor touches remained, which he hoped would be finished by June that year.[53]

[49] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013. Abdi Ali Barkhad reported that funds also came from an 'emergency budget for security and reconciliation', and that then Finance Minister Mohammed Said Gees cut money from the police and the military to provide funds for the power station. According to the Director of Planning and Statistics in the Ministry of Finance, funds for the electrification project originally came from Omar Abokor Tani, but this was a loan – which had to be paid back. It was paid back not through tax breaks (as this explicit system of repaying loans through tax breaks ended in 1997), but directly through the budget under a specific sub-head. Personal communication with Adan Da'ud Egal (Weli), Director of Planning and Statistics, Somaliland Ministry of Finance, May 23 2014.

[50] 'Electrification of Hargeisa by mid-2001', *The Republican* (Hargeisa), 13 January 2001.

[51] 'Hargeysa Electrification in Progress', *Maandeeq* [Hargeisa], 3 March 2001.

[52] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

[53] 'The Old Hargeisa Power House has been Reinstated', *Somaliland Times*, 6 April 2002.

The renovation of the Hargeisa powerhouse represented an attempt to rebuild a system from the past and was a source of pride for Somaliland's state-builders, a sign of the benefits of a hard-won peace.[54] However, the 'Electrification of Hargeisa City Project'[55] took place in a context radically different from the pre-war context when the state had entrenched itself as the sole entity legally allowed to sell electricity. In Hargeisa in the early 2000s, the revived government system had competitors who did not welcome the government's entry into the market. As the Chief Engineer from the government electricity provider in Hargeisa, the Somaliland Electricity Agency (SEA), recounted:

> …the problem…was you know those private companies…were at that time… very very rough, they don't want any government involvement, and they started fighting us, all over the place! If we start to take a line to somewhere, go to a client, they fight with us, even guns they use!…It was terrible. Terrible.

He continued, "… the government was not that strong. Everything was very very fragile," explaining that whenever SEA staff tried to take a line into a specific area, a company with a small generator would say, "…this is my zone, why are you coming here?"[56]

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[54] See for example, the inclusion of the power house in the list of accomplishments in Edna Adan Ismail, 'Peace, Education, and Economic Development in Somaliland', *Northeast African Studies* 10,3 (2003).

[55] This term is found in news articles from the time: 'Hargeysa Electrification in Progress', *Maandeeq*.

[56] Interview # 54/Engineer, Somaliland Electricity Agency/Hargeisa/21 November 2012.

Egal was determined however to bring the state back into the market. In meetings with private companies, the electricity agency would rely on the claim 'we are the government' to justify their place in the market[57], emphasising that the electricity agency was not just another business providing power, but an agency with a specific, public purpose. As the Chief Engineer recounted:

> … Egal was a very strong person. He told [the private companies], 'I don't care…government [has a] responsibility to provide energy to the people, so we do our share, you do your bit.'[58]

As well as supplying government buildings, the Somaliland Electricity Agency attracted customers, especially as they extended the hours when power was supplied from around 6 to 10 to up to 16 hours a day. Electricity was quickly becoming a necessity rather than a luxury for many – people wanted to light their houses at night and had started to use more electric appliances. Remittance income meant that more people could afford it. Engineer Abdi Ali Barkhad emphasized the successes of the system he built, explaining that he took over at least 4 private generators, paying them for their equipment and even employing their staff.[59]

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[57] Ibid.

[58] Ibid.

[59] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

Despite this initial success, the electricity agency soon faced difficulties – some due to contingent historical events but others symptomatic of the struggles of the government to institutionalise and project its power over commerce and exchange in Somaliland. First, Egal's model for electricity provision was both expansive and expensive. A company entering the market to shift the behaviour of other companies by lowering prices risks potentially huge losses unless it also manages to lower its own costs.[60] To be sustainable, President Egal's plan to shift pricing strategies in the market and challenge private suppliers in different parts of the city required investment to upgrade SEA's generation equipment and extend the agency's high-tension grid. However, the Somaliland government's access to capital remained highly restricted in the 2000s, with the budget remaining below US$30 million until 2007 and only reaching $40 million in 2009.[61] To make matters worse for the agency, President Egal passed away shortly after the first test of the electricity system in 2002. Egal had worked to concentrate power in the executive branch and used his personal networks and authority to push projects forwards. He had created the Somaliland Electricity Agency as an autonomous body under the direct authority of the president.

[60] Helmuth Cremer, Maurice Marchand and Jacques-Francois Thisse, 'The Public Firm as an Instrument for Regulating an Oligopolistic Market', *Oxford Economic Papers*, New Series 41,2 (1989), pp. 283-284.

[61] Based on my own calculations using data from the Somaliland Ministry of Finance.

With a change in the occupant of the executive branch, there was no guarantee of any continuity – funding was based on personal connections rather than institutional ties.

According to Abdi Ali Barkhad, before he died, President Egal had promised an additional two million dollars to increase the generation capacity of the government to six megawatts and continue the expansion of the distribution system. However, when power passed to Egal's vice-president, Dahir Riyale, he did not invest this amount; a SEA employee explained: 'A new regime, no money, no nothing, when you ask, "no money", that's the answer you will get from the president.'[62] Being Gadabursi, Riyale was not as well connected to the powerful Isaaq business community and did not have Egal's ability to extract loans to help push forward government projects.[63] With government finances in a parlous situation, independent agencies controlled by the central government had to work to regain a position on the political agenda of those in power. As an engineer at SEA explained, over time and after personal lobbying, Riyale did become a "friend" of the agency, aware of the work they were doing, and ready to help them source some equipment; in late 2003, he secured a promise from Djibouti's government to supply two second-hand

[62] Interview # 54/Engineer, Somaliland Electricity Agency/Hargeisa/21 November 2012.

[63] Sarah Phillips, 'Political Settlements and State Formation: The case of Somaliland' (Research Paper 23, Developmental Leadership Program, University of Sydney, 2013), p. 46.

generators.[64] However, beyond this contribution, the agency remained underfunded and the all-important expansion of the distribution system never happened.

Second, the agency soon lost the engineer who had overseen the rehabilitation of the power system – at the time one of few individuals in Somaliland with the technocratic knowledge necessary for building and managing large-scale electricity grids. When Abdi Ali Barkhad understood that the needed investment in SEA was not coming, he left the agency to found his own private company servicing the electricity and water systems of large businesses and international NGOs. In the media, the departure of "the very man who single-handedly built the Hargeisa Electric board from a scratch'[65] was explained as a symptom of President Riyale's efforts to protect the ruling party UDUB's (*Ururka Dimuqraadiga Ummadda Bahawday*[66]) patronage system against the threat of opposition parties. Newspaper articles accused the Riyale government of making political appointments and removing competent managers such as Abdi Ali Barkhad simply because they had affiliated with Kulmiye, an opposition party.[67] Whatever the reasons for Abdi Ali's departure, it marked a further downturn in the fortunes of the agency and its plans to extend power lines all over the city. At the

[64] 'Rayale Returns after a Successful Visit to Djibouti', *Somaliland Times*, Issue 91, 26 October 2003; Interview # 54/Engineer, Somaliland Electricity Agency/Hargeisa/21 November 2012.

[65] Mohamed Diriye Abdullahi, 'Micromanaging Somaliland: How the Executive has its Tentacles Everywhere', *Somaliland.org*, 30 October 2005.

[66] This translates to 'United Peoples' Democratic Party'.

[67] See for example, Mohamed Diriye Abdullahi, 'Micromanaging Somaliland'; Shoon Omar, 'KULMIYE is the Alternative, Dear Dhimbiil', *The Somaliland Times*, Issue 200, 19 November 2005.

time he left SEA, Abdi Ali had been installing four high voltage lines on concrete poles in different areas of the city using equipment borrowed from the military on Egal's orders. More than ten years later, Abdi Ali complained, the poles were still lying where he left them.[68]

The departure of expertise was a particularly serious problem for the state agency because it needed to make the most of any available competitive advantage. First, the electricity agency was embedded in a social and political context that placed demands on the agency and its employees, both due to its location in the city and its function as the power provider for government institutions. For the state electricity agency, the profit motive was often secondary to the importance of providing jobs to people close to the government or simply those who were squatting in or near the agency compound. Just as private companies were tied into the communities in the areas around them, state agencies were also embedded in Hargeisa's geographical distribution of clans. At the end of the war government institutions located in particular areas of the city often had to absorb people who had been squatting on their property after the war as employees instead of evicting them.[69]

Moreover, unlike most other public power utilities discussed in the literature on the

[68] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

[69] Interview # 52/Director of Planning, Somaliland Ministry of Public Works/Hargeisa/19 November 2012; Interview # 39/Senior civil servant in Ministry of Finance/Hargeisa/8 November 2012; Personal communication with Hargeisa-based researcher Mustafa Awad, 28 February 2014.

power sector in Africa, the government electricity agency had competitors – not informal providers, but providers that were formally registered with the government as businesses generating *and* distributing electricity.[70] Across the African continent, state utilities have in most cases "remained vertically integrated and maintained a dominant share of the generation market, with private power invited only on the margin of the sector."[71] By contrast and as I discuss in subsequent chapters, in Hargeisa during the mid to late 2000s, private companies were outstripping SEA in terms of quality of supply and ability to attract investment.

In part this was because of the differential demands placed on private versus government-owned providers. Though private producers were under pressure to redistribute some of their profits or provide electricity at a cheaper rate to relatives or those in need, they could also mobilise their status as commercial entities to emphasise their need to make a profit and therefore collect money from their customers. It was harder for government institutions to justify making a profit: demands were placed on the electricity agency specifically because it was a government institution. For one, other government institutions who were supposed to be clients of the electricity agency did not pay their bills – the budget they received for power was often much too small to meet their needs. Similarly, the agency had

[70] They were normally registered with the Ministry of Commerce/Chamber of Commerce, but this varied. See the section 'Overview of Energy Sector in Somaliland' in Ministry of Mining, Energy and Water Resources, Republic of Somaliland, Somaliland Energy Policy, No. 01/419/08/03/2010, November 2010, pp. 14-15.

[71] Gratwick and Eberhard, 'Demise of The Standard Model, p. 310.

trouble recouping costs from citizens using its services. An employee at the state agency explained this in terms of a governmental concern for societal welfare: '…we are not a private thing, we are government thing, so we are more tolerant towards clients.'[72] Indeed, the norm of not extracting too much profit in exchange for providing power became the agency's remaining comparative advantage over the private companies: although the quality of its delivery had declined, by the early 2010s, SEA's price was still lower – US$0.80 per kilowatt hour versus $1 per kwh charged by private companies in Hargeisa.[73]

'Development has been Promoted'

Despite the ongoing challenges to sustainability of the agency, the powerhouse continued to act as a vehicle for the efforts of the political elite to legitimise their power through delivering development for Somalilanders.[74] Although there were lapses in the quality of the power it provided, Somaliland Electricity Agency continued to provide power to between 4000 and 7000 customers to undercut private

[72] Interview # 54/Engineer, Somaliland Electricity Agency/Hargeisa/21 November 2012.

[73] *Ibid.*

[74] As Iván Cuesta writes, public utility companies become 'the ultimate agent of practices and narratives of political legitimisation frequently articulated by others….'. See Iván Cuesta, '"One grid to Rule Them All': Electrification in state reach in Northern Ghana' (Unpublished paper, University of Edinburgh, 2014).

companies and thus project its power, albeit weakly, in the market.[75] Moreover, in 2007 to 2008, the government expanded its presence in the electricity sector, investing around a million dollars in rebuilding the powerhouse at Berbera – a process that put the government into direct conflict with the group of private companies that had been providing power to the city.[76] National-level politicians mobilised the potential represented by the powerhouses in both cities to make election campaign promises and demonstrate the government's commitment to promoting development.

Indeed, during the late 2000s, national political debate increasingly revolved around the idea that the government should be held responsible for catalysing economic development to benefit all Somalilanders. On one hand this reflected the ongoing shift in Somaliland's politics of representation. For one, since the mid-1990s, the executive had worked to move from a 'clan-based peace that risked sidelining the government' to 'peace on its own terms'. Egal worked to delegitimise clan elders as legitimate, formal spokespeople within the political sphere – except as members of

[75] Republic of Somaliland, Ministry of National Planning and Development, 'National Development Plan (2012-2016)' (Hargeisa, Somaliland: Ponte Invisibile, 2011), p. 161; Interview # 54/Engineer, Somaliland Electricity Agency/Hargeisa/21 November 2012.

[76] In an effort led by the then vice president, the government invested a million dollars in establishing what was initially a public-private partnership with a group of private companies. After the first manager of the partnership nearly bankrupted the company within the first six months, there was a conflict followed by negotiation, and eventually the government paid the private company for their share. Interview # 90/Adan Da'ud Egal ('Weli')/Director of Planning and Statistics, Somaliland Ministry of Finance/Hargeisa/27 May 2013.

Somaliland's upper house, the Guurti, in which case they were already 'part and parcel of the government' with 'an interest in expanding the realm of the state.' [77]

Secondly, the introduction of a multiparty system of elections to replace clan-based representation (the *beel* system) through constitutional referendum in 2000 further underlined the centrality of the state vis-à-vis other authorities claiming a political voice.[78] Introducing a multi-party system was part of a broad effort to look like a 'real state', an important part of the struggle for international recognition – a status which, Somaliland elites argued, would give them access to bilateral aid, foreign investment, and formal trade and political relations with other countries. The fact that many of these benefits would be mediated by the government made it the focus of growing expectations. As politician Ahmed Silanyo explained in an interview with Marleen Renders in 2002, 'people expected that the multi-party system would allow for more development-oriented policies and government structures able to implement them.'[79] Silanyo's early emphasis on development-oriented policies is prescient – and foreshadows the way his party Kulmiye would campaign in the 2010 presidential elections.

[77] Renders, *Consider Somaliland*, p. 147.

[78] A new constitution was passed by referendum in May 2000, after Egal finally, after years of disagreement, managed to force parliament to accept a draft endorsing a multi-party system with a strong executive. For an overview, see Renders, *Consider Somaliland*, p. 157.

[79] Renders, *Consider Somaliland*, pp. 158, 221-222.

As peace lasted in the core western and central regions of Somaliland, people began to talk more impatiently about service delivery – this trend is apparent in online diaspora chatrooms, conversations with young people trying to build a livelihood in the cities, and discussions with members of Hargeisa's business class. Despite the shattering of livelihoods during the war, 'expectations of modernity'[80] re-emerged and endured, especially amongst the younger generations. There was impatience for more jobs, opportunities and services amongst young people who had not lived through the war and made up 65-70% of the population.[81] One place to look for better services was the aspiring state – sometimes as a direct provider, but more importantly as an overarching set of institutions that could regulate private providers of services to ensure quality. There was a sense that since 1991, government had been 'busy with peace'; almost two decades later, people argued it was time for the government to focus on 'filling in the laws'.[82]

On one hand, as I discussed in Chapter 2, in the early years after the war, people in Somaliland and in the diaspora were very willing to donate their time and money to help rebuild their city and re-establish basic health, education, and other services. However, a personal sacrifice of resources was unsustainable in the long run: apart

[80] James Ferguson, *Expectations of Modernity: Myths and meanings of urban life on the Zambian Copperbelt* (University of California Press, Berkeley, 1999).

[81] There are no official statistics, but most sources estimate that 65-70% of Somaliland's population is under 30 years old – see Republic of Somaliland, 'National Development Plan', p. 279.

[82] Interview # 22/Staff of Somaliland Diaspora Agency/Hargeisa/14 July 2012.

from the fact that the persistence and extent of demands for help could prove wearing,[83] individuals who had contributed time and money needed to establish or maintain their own source of income. Over time, service provision increasingly became 'a question of resources', and many providers looked for ways to make profit.[84] While this meant that at least there were private clinics, schools, and universities available, not only was access limited to those who could afford them, but there was no reliable system of quality assurance. There were deep concerns about the qualifications of doctors, the safety of medicines and equipment at numerous clinics, and the value of certificates and degrees at an increasing number of universities and schools.[85]

The call for more and better quality services – clean water, cheaper electricity, better healthcare, better roads and so on – was of course noticed and cultivated by the political elite, especially after the establishment of political parties in 2001.[86] As a civil servant and early member of the political party Kulmiye explained, 'development has been promoted,' bearing witness to the fact that discourses of development are

[83] Anna Lindley, *The Early Morning Phonecall: Somali refugees' remittances* (Berghahn Books, Oxford, 2010), pp. 134-139.

[84] Of course there are important exceptions and many people continue to sacrifice to contribute to the welfare of others, inside Somaliland and in the diaspora – however, it is important to recognize that trends in private service provision have changed over time. Interview # 91/Mohamed Hassan Ibrahim/Researcher and Civil Servant/Hargeisa/28 May 2013.

[85] Muhyadin Abdillahi Saed, 'The Role of the Local Private Sector in Somaliland Statebuilding' (MSc Thesis, International Development Department, University of Birmingham, 2014).

[86] Renders, *Consider Somaliland,* pp. 202-203, 211-212, 229.

important tools in local political debate as much as amongst states and donors.[87] He argued that public interest in delivery had increased towards the end of Riyale's time in office: 'everyone was talking about "my place is underdeveloped"...' rather than just focusing on whether 'we have got our people in government.' Kulmiye, he argued, had recognised the consequences of this focus on development: that while representation was an important source of legitimacy for a state, the relationship between state and society was also based on service delivery.[88]

During the 2010 presidential elections, Kulmiye prided itself on developing 'a manifesto based on the needs of the people' and promised to create a National Development Plan.[89] They made an election promise to provide cheap, subsidized electricity,[90] for example, and especially courted young people, promising more job creation. In his acceptance speech, President Silanyo declared: 'The winners are our young generation who will never undertake illegal immigration and will never die in

[87] Margaret Everett, 'The Ghost in the Machine: Agency In "Poststructural" Critiques of Development,' *Anthropological Quarterly* 70,3 (1997).

[88] Interview # 100/Somaliland civil servant and early Kulmiye Party member/Addis Ababa/5 June 2013.

[89] Interview # 100/Somaliland civil servant and early Kulmiye Party member/Addis Ababa/5 June 2013; Integrated Regional Information Networks (IRIN), 'SOMALIA: Unemployment Fuels Youth Exodus from Somaliland', IRIN, November 22, 2011.

[90] They had promised to keep the price below one dollar per kilowatt-hour for the poorest households for at least two years. See Goth M Goth, 'Somaliland: Renationalization of Power Sector underway', *SomalilandPress*, 27 September 2012. The Silanyo/Kulmiye campaign also promised to invest in electrical power in Berbera; Interview # 73/Manager of Berbera Electricity Agency/Berbera/4 May 2013.

the Mediterranean Sea in search of a better life and employment.'[91] Once in office, Silanyo's government focused much time and effort on Somaliland's development plan. Under the lead of the new Minister for National Planning and Development, Sa'ad Ali Shire, they sought to claim back ownership of the development agenda from donor-coordinated mechanisms such as the Reconstruction and Development Plan, a five-year plan arising from the Joint Needs Assessment Process coordinated by the UN and World Bank in 2006. Apart from the fact that these mechanisms were controlled by donors, they targeted Somalia as a unitary state, not recognising Somaliland's self-declared independence.

With technical support from the east African Intergovernmental Authority on Development (IGAD), the government released two documents in late 2011, the Vision 2030 and a lengthy National Development Plan, both of which emphasised the need for the government to play a role in reforming the electricity sector. Electricity was subsumed under 'Infrastructure Development', one of five pillars supporting the vision of a 'sustainable and democratic Somaliland where citizens

[91] IRIN, 'Unemployment Fuels Youth Exodus'. Kulmiye also promised to hire more young people into government and reduced the age requirement for people running for election (both for local councils and national Parliament) to 25 years. This strategy of appealing to young voters continued in the run-up to the 2012 local elections amongst all parties. I attended a televised debate in Hargeisa in October 2012 hosted by Shaqodoon, an organization which aims to help young people find work, in which representatives of all the political parties running in the 2012 local elections made short speeches and took questions from the audience and via text messages. Increasing youth employment and thus decreasing 'tahrib', illegal migration, was one of the main topics of discussion. See: Shaqodoon, 'Shaqodoon Holds First Ever Election Candidates Debate Focus at Youth', 29 October 2012, <http://www.shaqodoon.org/Pages/Debate.aspx>.

enjoy high quality of life'.[92] The plan specified the Somaliland Electricity Agency as the body with the mandate for managing electricity across the whole country and reforming the sector to make it financially viable and 'conducive to public and private sector investment.' The agency was tasked to produce a master plan for increasing generation as well as a codified regulatory system – though the plan also stated that the agency would be split into two separate companies, one in charge of generation and the other managing distribution.[93] As I explain in Chapter 6, over time the National Development Plan's focus on creating and enforcing regulation for the sector, attracting investment, and consolidating private companies would gradually provoke change in Somaliland's electricity sector. However, in the meantime, the need for change also focused attention on the existing government-run organization in the sector: the Somaliland Electricity Agency, caught between the government's desire to create a sustainable, profitable corporate entity and its stated commitment to maintain low prices and operate 'in the public interest'.[94]

Building 'An Efficient Competitive Company'

In the electricity sector across much of Africa, neoliberal reforms have focused on

[92] The other pillars are economic development, good governance, social development, and environmental protection. Republic of Somaliland, Ministry of National Planning and Development, 'Somaliland National Vision 2030' (Hargeisa, Somaliland: Ponte Invisibile, 2011), pp. 5-6.

[93] Republic of Somaliland, 'Vision 2030', p. 16; Republic of Somaliland, 'National Development Plan', pp. 127, 161,164-166.

[94] Goth M Goth, 'Somaliland: Renationalization of Power Sector underway', *SomalilandPress*, 27 September 2012.

cost recovery through commercialisation, corporatization[95], and the roll-out of pre-paid metres.[96] The World Bank, a major player in the sector, recommends the latter techniques to deal with 'low tariffs for politically well-organized groups', and 'populist pressure to reduce prices', which, it argues, have undermined the operations of state-operated electricity companies.[97] The reforms aim to 'retrieve infrastructure from the political to the administrative terrain,' with pre-paid metres for instance enabling utility companies to 'silently' disconnect customers rather than confront them and deal with 'negotiating, pleading or protesting'.[98]

This vision of provision is substantially different from that which had characterized Somaliland Electricity Agency's early years, and Kulmiye's 2010 election promise of cheap electricity reaffirmed that the government electricity agency was not just as a commercial entity in the market but a moral agent. Despite the multiplicity of the political terrain and the claims of private, commercial entities to work in the public

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[95] See Kapika, Joseph, and Anton A. Eberhard, *Power-Sector Reform and Regulation in Africa: Lessons from Kenya, Tanzania, Uganda, Zambia, Namibia and Ghana* (HSRC Press, Cape Town, 2013), pp. 2-4. For an examination and explanation of corporatization, see David A. McDonald, *Rethinking Corporatization and Public Services in the Global South* (Zed Books, London, 2014).

[96] See Idalina Baptista, 'Everyday Practices of Prepaid Electricity in Maputo, Mozambique' (InSIS Working Paper Series, Institute for Science, Innovation and Society, University of Oxford, 2013), p. 4.

[97] Kapika and Eberhard, *Power-Sector Reform,* pp. 3-4, 9, quoting from David. M. Newbery, 'Rate-of-return Regulation versus Price Regulation for Public Utilities' in Peter Newman (ed.), *The New Palgrave Dictionary of Economics and the Law* (Macmillan, London, 1998); Thomas C. Heller, Henri I. Tjiong, and David G. Victor, 'Electricity Restructuring and the Social Contract' (Program on Energy and Sustainable Development Working Paper No. 15, Stanford University, Stanford, 2003), p. 7.

[98] Antina Von Schnitzler, 'Citizenship Prepaid: Water, calculability, and techno-politics in South Africa', *Journal of Southern African Studies* 34,4 (2008), p 911.

interest, the government asserted its right to reshape the normative underpinnings of the market. By framing the provision of cheap electricity as a public service, the government emphasised that delivering electricity did not just involve 'a relationship of market exchange' but rather 'one of right and obligation.'[99]

However, the government's announced commitment to provide cheap electricity was soon overshadowed by scandal. A conflict over accusations of nepotism erupted between the editor of a principal Somaliland daily newspaper, *Waaheen*, and the new manager of the Hargeisa Electricity Agency. After the election in 2010 and during the transition period from the UDUB to Kulmiye governments, the *Waaheen* newspaper carried out a series of investigations into public agencies, including the Somaliland Electricity Agency (SEA), in what they described as a bid to evaluate Kulmiye's commitment to the public interest. In a subsequent article in November 2010, *Waaheen* alleged that 45 new employees had been hired at the agency in contravention of a September 2010 order by the National Employment Agency, which had instructed all government agencies not to hire additional workers during the new government's 'transition period'. The article also claimed that workers had not been paid in four months, the agency was short of fuel because their supplier had cut them off, and, as described in a later news report, 'the agency's revenue from electricity supply is collected with unofficial papers and some of the money is used in buying

[99] Von Schnitzler, 'Citizenship Prepaid', p. 913.

'chat'…'[100] *Waaheen*'s editor was arrested in November 2010 and charged with libel and spreading false information in Hargeisa Regional Court. He was fined, and sentenced to three years imprisonment in January 2011[101] – though after much outcry in Somaliland and abroad, he was pardoned by President Silanyo.

Whether the details of the problems highlighted by the *Waaheen* investigation were all true or not, the implied trend of poor financial management appears to have been relatively accurate, making it increasingly difficult for the government to fulfil its public promises. By late 2012, the agency had become a financial sinkhole, mired in debt to businesspeople who had lent it money or supplied it with fuel and reliant on government subsidies that ran into the hundreds of thousands of dollars.[102] Staff in the Ministry of Finance claimed that the electricity agency didn't know how to collect its bills and moreover, did not hand over any of the tax it was supposed to collect.[103] The agency meanwhile complained that it was unable to pay its staff. The severity of the situation provoked the president to write to the Ministry of Finance telling them

[100] Chat is a plant which acts as a slow-acting stimulant when chewed.

[101] 'The Bogus Case against the Waaheen Editor – READ IT FOR YOURSELF', *SomalilandPress,* 6 February, 2011. This article about this court case, containing the judgment itself, appeared in both SomalilandPress and the Somaliland Times as well as numerous other online sites. The story was also picked up in reports on the media environment in Somaliland/Somalia; see United States Department of State, 'Somalia' (Country Reports on Human Rights Practices for 2011, Bureau of Democracy, Human Rights and Labor, US Department of State, Washington DC, 2011), p. 22.

[102] Personal Communication with Hargeisa-based businessman, 21 November 2012; Interview # 90/Adan Da'ud Egal ('Weli')/Director of Planning and Statistics, Somaliland Ministry of Finance/Hargeisa/27 May 2013.

[103] The agency was supposed to give the Ministry of Finance the VAT it had supposedly collected from clients as well as income tax it was supposed to subtract from staff salaries.

not to ask SEA to pay the tax and instead to provide the electricity agency with the financing necessary to ensure it continued to function.[104]

In response to the ongoing crisis, in September 2012 the Silanyo administration took away the electricity agency's autonomous status through presidential decree and placed it under the remit of the Ministry of Public Works.[105] Soon afterwards, the Minister for Public Works called for the Auditor General of Somaliland to investigate the agency, arguing that his ministry was unable to subsidise the agency's ballooning budget. Following the audit, President Silanyo appointed a committee composed of the Minister of Planning Dr Sa'ad, the Minister of Public Works, and the Auditor and Accountant General, charged with 'streamlining' the agency.[106] The committee fired SEA's manager and 'in an unprecedented move' publicly advertised the opening for a General Manager of Hargeisa Electric Power – appointments had previously been unadvertised and made purely at the discretion of the president.[107] In June 2013, Silanyo appointed the new manager chosen through an interview process – a diaspora returnee from London with around twenty years of experience in the food

[104] Interview # 39/Senior civil servant in Ministry of Finance/Hargeisa/8 November 2012.

[105] Yusuf M. Hasan, 'Somaliland: National Electricity Agencies under Ministry of Public Works and Transport', *Ogaal Newspaper*, 29 September 2012; Xeer Madaxweyne [Presidential Decree] No: 0267/092012, Jamhuuriyadda Somaliland, *Faafinta Rasmiga Ah*, S1, Cad 9aad, 2012, p. 381-382.

[106] Yusuf M. Hasan, 'Somaliland: Electricity Consumers to Pay 20% More of the $1 a Kilowatt Charged', *Somaliland Sun*, 26 February 2013; Yusuf M. Hasan, 'Somaliland: The Always Beleaguered Hargeisa Electricity Agency Claims Ghost Customers', *Somaliland Sun*, September 14, 2013.

[107] Yusuf M. Hasan, 'Somaliland: Hargeisa Electricity Agency Managers' Post Up for Grabs', *Somaliland Sun,* March 20 2013.

production industry[108] – who was duly tasked with building 'an efficient competitive company'.[109]

Despite the excitement in the Hargeisa press about the competitive hiring process for SEA's new manager, the new manager faced an uphill battle. The financial situation had a serious effect on the agency. Apart from the deterioration in quality of supply and increasing occurrence of generator breakdowns, when salaries were not paid, employees had to find ways of making money. The new manager described the phenomenon of large numbers of 'ghost consumers', the result of 'unscrupulous employees' who after disconnecting registered consumers who were behind on their bill payments, transferred the power supply to other people who remained unregistered and thus did not pay.[110] Other problems at the agency could be blamed on the practices of previous managers and the fact that, while underfunded, the electricity agency remained an asset in patronage politics. The head of the electricity agency in Hargeisa had the power to hire staff, procure equipment, and collect (or not) money from customers, all of which presented opportunities for profit. As one civil servant complained, some people 'like to sit behind the curtain' – sit in government offices in order to have access to resources and connections important

[108] M. A. Egge, 'Somaliland: Energy Parastatal gets new CEO' *Somaliland Sun*, June 8 2013.

[109] Civil Service Commission, Republic of Somaliland, 'General Manager – Hargeisa Electric Power', Job Re-Advertisement, April 2013.

[110] Yusuf M. Hasan, 'Electricity Consumers to Pay 20%'; Yusuf M. Hasan, 'Always Beleaguered Hargeisa Electricity Agency'.

for a whole range of activities, from finding jobs for relatives to starting a new business.[111]

Indeed, despite the emphasis on turning around the fortunes of the government electricity provider, the performance of the Hargeisa power agency went from bad to worse: in April 2014, the agency faced a complete breakdown of all its generators in the capital city.[112] In dire straits, in January 2015, the government finally implemented an earlier recommendation of the audit committee: involving private capital in the government-owned electricity agency. The government did not completely privatise the powerhouse; Vice President Abdurrahman Ismael ('Seili') emphasised that private capital had been invited to prevent the public enterprise from being 'liquidated'.[113] The government reduced its holding in the Hargeisa Electricity Agency to twenty per cent, while three business groups took control of the rest of the shares in the newly formed Hargeisa Electricity Company. Mohamed Said Guedi, a businessman based in Djibouti and favoured contractor of the Silanyo government had 35%, Dahabshiil Group controlled another 35%, while Idiris Hamud Jibril of the Borama-based Aloog Electric Company owned 10%.[114] Despite 80% of the company resting in private

[111] Interview # 39/Senior civil servant in Ministry of Finance/Hargeisa/8 November 2012.

[112] Yusuf M. Hasan, 'Somaliland: Brown outs engulf state supplied power consumers in the city', *Somaliland Sun*, 6 April 2014.

[113] M. Goth, 'Somaliland: State officially privatizes Hargeisa Electricity Agency', *Somaliland Press*, 10 January 2015.

[114] Aloog Electricity Company grew out of a company that bought a generator in the early 2000s to power their fixed line telephone exchange. They began supplying 24-hour power in 2005 and expanded to supply about 7000 households by 2013; see Aman Sethi, 'Somaliland Diary: A former

hands, the vice president argued that the power agency would continued to operate in the public interest, part of the government's wider goals of supporting development, quality delivery of services, and job creation.[115]

The announcement of the agency's partial privatisation had long been expected in Hargeisa – rumours had been circulating for at least a couple of years that the government was seeking to sell off its electricity plants in Hargeisa and Berbera.[116] These rumours had peaked after a select group of Sacad Muuse/Habar Awal businesspeople including Mohamed Said Guedi had helped solve a political rift in the ruling Kulmiye party.[117] The deal followed expected patterns in reinforcing the partnerships of power between the government and wealthy private businesspeople on whom Somaliland's state-builders had relied time and time again. As I will argue in future chapters, while these partnerships repeatedly helped the government promote its power over the market, they provoked local, smaller private companies to fight to defend their share of the market and insist that the government did not have a monopoly on acting in the public interest.

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trading hub seeks the centre', *The Hindu*, 29 July 2013. On the announcement about the privatization, see: M. Goth, 'State officially privatizes'; 'Somaliland: Government partially privatizes Hargeisa Power Agency', *Somaliland Informer*, 10 January 2015.

[115] 'Somaliland: Somaliland private sector gives new lease of life for ageing power plant as HEC', *SomTribune,* 10 January 2015.

[116] This was the case in my interviews with both selected private companies and government officials in 2013.

[117] Muhyadin Abdillahi Saed, 'The Role of the Local Private Sector', pp. 36-37.

Conclusion

The story of the Somaliland Electricity Agency traces the efforts of the Somaliland government to specify and act upon the common interest of a society, a process central to the project of building a state – and justifying the alliances that underwrite government power.[118] In the midst of 'the institutional and normative pluralism that pervades the negotiation of public and collective services'[119], the Somaliland government sought to disembed itself from a position of dependency and emphasised its prerogative to provide and regulate electricity. As such it framed the sector as a target of government intervention and private capital investment, both of which provoked responses from local private providers, as I explain in chapter 4.

Moreover, although the government was not able to fulfil its promises of city-wide provision in the years after the rehabilitation of the Hargeisa power plant, the plant continued to act as a reminder that electricity was not any other good but one that needed to be produced and regulated with the public interest in mind. As I explain in forthcoming chapters, this framing of electricity as a public good provoked debates over the normative underpinnings of the market for power – especially when, unable to enforce its ideal of the public interest solely through provision, the government shifted its focus to regulating the private sector.

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[118] Philip Abrams, 'Notes on the Difficulty of Studying the State', *Journal of historical sociology* 1,1 (1988[1977]).

[119] Blundo and Le Meur, 'Introduction', p. 24.

Figure 3: Somaliland Electricity Agency's powerhouse in Hargeisa. (Emma Lochery)

Chapter 4

Guarding the Market: Zones and weak ties

The previous chapter examined the Somaliland government's efforts to bring the state back in to the electricity market by launching the Somaliland Electricity Agency. The government developed a discourse that framed electricity not just as a tradable commodity but also as a public good – essential infrastructure for economic development. As a result, the electricity sector was defined as an important site for increased investment and continued government intervention.

For private companies, the state-building process raised the stakes in an already competitive market. As they profited from the commercial viability of the electric power business, companies soon realised their vulnerability. Their business was locally dependent and spatially immobile, making competition risky and costly.[1] Moreover, they faced a precarious future shaped by an uncertain political terrain and dynamics of global markets over which they had little control.

[1] Kevin R. Cox and Andrew Mair, 'Locality and Community in the Politics of Local Economic Development', *Annals of the Association of American Geographers* 78,2 (1988), p. 308

Competition was a particular problem, especially in the more prosperous downtown and northern areas of Hargeisa. Although competing companies sometimes managed to negotiate a truce, at times police, elders, and other mediators intervened to settle disputes over customers and territory. These conflicts and negotiations reflected the decentralised nature of authority in the post-war era as well as the continuing relevance of clan-based governance systems, both in terms of strong lineage ties and pan-clan systems of arbitration. However, for the most part, overlapping and interdependent systems of regulation froze competition in the market, reinforcing zonal boundaries between companies rather than encouraging companies to compete on quality or work together to merge their grids.

To try and solve the ongoing problem of competition, company owners invested in weak ties cutting across clan and territorial divides to form a business association. Although they explored the possibility of merging their grids, these discussions continued to flounder due to distrust and lack of capital. Instead, the companies primarily mobilised the association to lobby and negotiate with the government and increasingly, to formalise collusion over pricing and customer relations. Through this interaction, companies cautiously worked to bring the state back into the market as a protective buffer while simultaneously shaping its nascent powers to their advantage. They expounded a discourse combining free market ideals with patriotic sacrifice, emphasising their identity as legitimate commercial actors.

I begin the chapter by focusing on how the competitive tensions between companies derived in part from the technical nature of electricity, before turning to explore the regulatory pluralism that characterised Hargeisa's market for power. I then explain companies' dependence on strong lineage-based ties and examine how their mobilisation of these ties intertwined with the government's attempts to maintain peace and security. Finally, I evaluate companies' efforts to invest in weak ties to lobby the government and solve the problems they were facing in the market.

The Dynamics of Spatial Immobility

When it comes to patterns of service provision, 'politics do not explain everything.'[2] In Hargeisa's market for power, the material properties of electricity and the technical dynamics of micro-grid generator systems structured patterns of commercialisation, competition and collusion. As I mentioned in chapter two, electricity cannot be stored or hoarded without recourse to expensive batteries, which companies did not have. Selling their surplus to surrounding properties made commercial sense for companies. So did expansion: electricity provision involves decreasing average costs, so stretching an additional wire to a customer was a minor expense compared to the initial capital costs of purchasing a generator and related equipment.

[2] Richard Batley, Willy McCourt, and Claire Mcloughlin, 'The Politics and Governance of Public Services in Developing Countries', *Public Management Review* 14,2 (2012), p. 132. A similar point is made in Batley, Richard and Daniel Harris, 'Analysing the Politics of Public Services: A service characteristics approach' (Overseas Development Institute, London, 2014).

This cost structure also meant that investment was 'lumpy.'[3] Once companies had sold all surplus power, they could work to maintain their grid, but if they wanted to expand their business, they had to buy another generator. This additional investment was worthwhile if the company knew that there was unmet demand within or on the margins of their area of provision. Particularly in the early days of reconstruction, there were unsupplied areas, or areas supplied by companies too financially weak to provide more hours of power a day or guarantee a good quality of supply. Businesspeople with sufficient access to capital invested in additional machines and expanded their grids, buying or forcing out weaker companies nearby. Particular companies emerged as victors in local battles over customers and came to dominate different areas of the city.

However, once companies decided to expand their electricity provision business, they had to find ways to protect their customer base. When companies invested in micro-grids, they sank capital into their production plant. This risk was similar to any other company investing in a manufacturing plant to produce a good or service to sell. However, electricity companies faced additional risk because selling their product depended on a grid of poles and wires expanding from their production plant. It was essential that they maintain customers within the area covered by the distribution grid and do their best to prevent a competitor from entering their area of provision. This

[3] See for example: Ralph Turvey, 'Infrastructure Access Pricing and Lumpy Investments', *Utilities Policy* 9 (2000), pp. 207-218.

situation of spatial immobility and local dependence was compounded by the fact that many electricity providers in Hargeisa also needed their generator for another immobile business such as a fuel station or a hotel built in a particular location.

Moreover, as Hargeisa was rebuilt, competition between commercial power suppliers intensified. Diaspora returned, residential areas expanded, and more businesses demanded power.[4] Businesspeople involved in other sectors saw a chance to enter what seemed to be a profitable market while others already involved in the power sector launched price wars, proclaimed the superiority of their supply, or offered increased hours of provision. [5] Customers also became more demanding: underperforming at a crucial moment could have serious consequences for a provider. As one electricity customer explained, the government electricity supply performed particularly badly during the World Cup of 2006, and customers tired of power cuts during the football games switched to a nearby private company that seized the opportunity to expand its area of supply.[6] Power provision became, in the words of one company manager, 'a cut-throat business'.[7]

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[4] See Anna Lindley, *The Early Morning Phonecall: Somali refugees' remittances* (Berghahn Books, Oxford, 2010), pp. 80-81.

[5] Rakiya A. Omaar, 'Law And Order In Hargeisa: Who is in charge?', *Somaliland Times,* Issue 24, 29 June, 2002; Interview # 35/Secretary General, Somaliland Chamber of Commerce Industry & Agriculture/Hargeisa/30 October 2012.

[6] Personal communication with researcher Hussein Samater, Hargeisa, 25 October 2012.

[7] Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013.

The problems facing Hargeisa's local electricity companies resembled those that motivated the development of regulatory frameworks for power provision until the latter decades of the twentieth century – especially in the United States and other countries where power was primarily provided by private companies. Because of the spatial immobility that characterizes investments in networked infrastructure,[8] together with the cost structure of electricity provision (high initial costs and then constant, low marginal costs), private companies providing electricity have often been protected by governments and operated under a franchise guaranteeing a monopoly position. In return relevant government institutions regulated this 'natural monopoly' to ensure that they supplied sufficient and affordable electricity and adhered to environmental and safety standards.[9]

However, in Somaliland, the government was unlikely to offer protection to small businesses. Even if the government had wanted to grant franchises to different companies, it was constrained in both its ability to justify such protection and its ability to enforce such a measure. The government faced an already fractured market, in which multiple electricity companies served different neighbourhoods of the city – favouring any one of these over another could have prompted conflict. On the other hand, offering too many franchises would have been self-defeating. As I explained in

[8] Cox and Mair, 'Locality and community', p. 308.

[9] Richard F. Hirsh, 'Renegotiating the Social Contract: Toward a new consensus in the electric utility industry', *The Electricity Journal* 5,10 (1992); William J. Hausman, Peter Hertner, and Mira Wilkins, *Global electrification: Multinational enterprise and international finance in the history of light and power, 1878–2007* (Cambridge University Press, Cambridge, 2008), p. 258.

the previous chapter, the government controlled the largest – albeit initially defunct – power plant in Hargeisa. From the late 1990s, the government worked to enter the market as a producer, giving it little incentive to offer protection to a private competitor's micro-grid.

With the success of their business depending on the protection of their monopoly power within the area covered by their micro-grid but lacking recourse to government protection, the companies had to find ways to guard their grids against competition. They employed strategies ranging from marshalling an attack on neighbouring competitors' grids to appealing to local elders or building cooperative relationships with other companies. As I explain in the following sections, these practices drew on relationships with local political elites but more importantly were grounded in the 'broader societal configurations'[10] shaping the political terrain of post-war Hargeisa. As I discussed in chapter 2, the plurality of actors, institutions, and regulative logics is a feature much discussed in the literature on informal economies and cross-border trade across the African continent.[11] In the sections that follow I investigate this plurality more closely, examining how different but overlapping systems of regulation counteracted or reinforced each other. In particular,

[10] Kristof Titeca, 'Tycoons and Contraband: Informal cross-border trade in West Nile, north-western Uganda', *Journal of Eastern African Studies* 6,1 (2012), p. 57.

[11] Timothy Raeymaekers, 'Protection for Sale: War and the transformation of regulation on the Congo–Ugandan border', *Development and Change* 41,4 (2010); Timothy Raeymaekers, Ken Menkhaus, and Koen Vlassenroot, 'State and Non-State Regulation in African Protracted Crises: Governance without government', *Afrika Focus* 21,2 (2008); Kate Meagher, 'The Strength of Weak States? Non-state security forces and hybrid governance in Africa', *Development and Change* 43,5 (2012).

I focus on the interaction between processes of conflict resolution, market-making, and state formation.

Zonal Conflicts

Competition was particularly intense in the expanding north-western areas of the city. The neighbourhoods in that part of town were dominated by the Sacad Muuse/Habar Awal – a group of lineages long involved in trade and commerce. From the early 1990s, displaced Habar Awal from Hargeisa played a dominant role in the cross-border trade linking eastern Ethiopia and Berbera via Hartasheikh, a 'small hamlet' in Ethiopia that grew into a major trade town due to the presence of refugees from urban Somaliland.[12] Their commercial heritage was also reinforced by the bargain I described in previous chapters: President Egal's alliance with large Habar Awal traders in Djibouti who came to dominate the import-export business in Somaliland.[13]

[12] Ambroso, Guido, 'Pastoral Society and Transnational Refugees: Population movements in Somaliland and eastern Ethiopia' (Working Paper No. 65, New Issues in Refugees Research, UNHCR, Geneva, 2002), p. 10.

[13] Mohamed Hassan Ibrahim, 'Somaliland's Investment in Peace: Analysing the diaspora's economic engagement in peace building' (Working Paper 4, DIASPEACE, Jyväskylä, 2010), p. 18; Roland Marchal, 'The Post Civil War Somali Business Class' (European Commission/Somalia Unit, Nairobi, 1996), pp. 76-78; Luca Ciabarri, 'Trade, Lineages, Inequalities: Twists in the northern Somali path to Modernity' in Markus Hoehne and Virginia Luling (eds), *Milk and Peace, Drought and War: Somali culture, society and politics* (Hurst, London, 2010), p. 79

As I mentioned in chapter 2, people from northern neighbourhoods – and most especially those with access to capital and transnational trade networks – returned to Hargeisa earlier than those from the south of the city. The northern neighbourhoods were less affected by the conflict over the airport in the mid 1990s, and businesspeople were better positioned to take advantage of the peace that followed. Indeed, by the late 1990s, residential areas were expanding and businesses were growing, meaning there was more money to be made selling power. Power provision was paired with other business catering to the growing urban economy, with electricity companies and related businesses generally run by close-knit families. Management level positions were generally occupied by brothers and cousins, some of whom had spent time overseas working or studying.[14]

These patterns of business development reflect the importance of close lineage relations both within Hargeisa and transnationally. In Mark Granovetter's terms, ties based on close lineage relations are 'strong' because they are embedded in a dense matrix of relationships and have a sedimented history of interaction.[15] At the core of the continuing relevance of clan is the fact that apart from the affective ties that arise

[14] Interview # 31/ Branch Manager of Power Company/Hargeisa/24 October 2012; Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013; Interview # 83/Abdiweli Ina Batuun/Somaliland Electric Company/Hargeisa/16 May 2013.

[15] As I emphasized in the introduction to the thesis, the terms weak and strong here do not refer to the emotional intensity of the relationship. Rather, they highlight their embedding in wider matrices of relationships.

from family relations, *mag* units,[16] responsible for blood payments, have a material and financial importance and act as insurance mechanisms in times of crisis or conflict.[17] Of course, at the same time, strong ties come with costs: there can be a tension between private profit and expectations of redistribution.[18] As I highlighted in chapter 2, family-owned companies often explained how they provided power free to relatives living nearby. However, despite these costs, because of the prescriptive obligations and a history of enforcement associated with *mag* units, strong ties helped in 'incubating trust' necessary for business and facilitated flows of capital.[19] Strong ties helped some electricity companies find the initial financing to launch their business while others used them to attract and cement their relationships with customers.

Strong ties were also important in helping companies protect their micro-grids in times of competition. By the early 2000s, consolidation in the sector meant that the remaining electricity companies were ready to either defend their investments or seize

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[16] The Somali word *mag* has the same meaning as the Arabic term *diya*.

[17] Paul Goldsmith, 'The Somali impact on Kenya, 1990–1993: The view from outside the camps' in Hussein Adam and Richard Ford (eds), *Mending Rips in the Sky: Options for Somali communities in the 21st century* (Red Sea Press, Lawrenceville, NJ, 1997), p. 469, cited in Neil Carrier, *Little Mogadishu: Eastleigh, Nairobi's Global Somali Hub*, (Hurst, London, 2015 [forthcoming]), chp. 5.

[18] Lindley, *Early Morning Phonecall*, p. 72. There is a large literature discussing this tension, see in particular: Fafchamps, Marcel, 'Networks, Communities and Markets in Sub-Saharan Africa: Implications for firm growth and investment', *Journal of African Economies* 10,2 (2001); Meagher, Kate, 'Social Capital, Social Liabilities, and Political Capital: Social networks and Informal Manufacturing in Nigeria', *African Affairs* 105,421 (2006).

[19] Carrier, *Little Mogadishu*, chp. 5.

a chance to invade a territory served by a nearby company. Although company owners normally knew each other and were sometimes able to negotiate a border between their territories, occasional conflicts flared up when companies resorted to cutting the wires of their competitors or when fights broke out between the staff of different providers. In a context only recently demilitarised and with high numbers of privately held weapons,[20] this fractious and potentially violent competition posed a problem both for companies and the wider community.

As with many conflicts in Hargeisa in the 1990s and 2000s, the main players responsible for arbitrating conflicts were local elders.[21] As I explained in chapter 2, there was an expectation that communities would 'self-police'; even when government-organised police were involved in resolving conflicts, they relied on the work of elders and other community leaders. In the electricity sector, local elders mediating conflicts encouraged respect for boundaries between the zones of different companies. As staff of an electricity company in the centre of town told me, when there is a conflict, 'They [the mediating elders] come, they know the area, they know everybody – they know, and they say who's wrong and please, don't infringe this area, and that's it.' Boundaries between company zones were reinforced when mediators

[20] Dominik Balthasar and Janis Grzybowski, 'Between State and Non-State: Somaliland's emerging security order', (*Small Arms Survey Yearbook*, Small Arms Survey, Geneva, 2012).

[21] Joakim Gundel and Ahmed A. Omar Dharbaxo, 'The Predicament of the "Oday": The role of traditional structures in security, rights, law and development in Somalia' (Danish Refugee Council & Novib/Oxfam, Nairobi, 2006).

concerned with preventing conflict told companies, 'Stay on your position and don't cross it.'[22]

However, the clan system does not just revolve around competition amongst units of related individuals who are knitted together through relationships of reciprocity and obligation. It concerns a much broader array of relationships and institutions. As a system of social organization, clan-based governance can foster not just division but unity and cooperation.[23] The principle of patrilineal descent, *tol*, works in interaction with ties created by marriage[24] and codes of *xeer*, 'unwritten legal and social practice', which govern relations both amongst closely related individuals and between varied groups. Moreover, Islamic law and practices (*qanoon*) also tie people together and influenced the evolution of *xeer*.[25] Sheikhs are often involved in solving disputes and

[22] Interview # 55/Engineer and Consultant, Somaliland Electric Power/Hargeisa/22 November 2012.

[23] Virginia Luling, 'Come Back Somalia? Questioning a collapsed state', *Third World Quarterly* 18,2 (1997), p. 289.

[24] Sadia Musse Ahmed explains relations created by cross-clan marriage including 'relations with the mother's family (*reer abti)* and kinfold, ie people who are not directly related to each other but are linked to each other via a third family (*xigto*), distant relatives (*qaraabo qansax*), and in-laws (*xidid*)…' See: Sadia Musse Ahmed, 'Traditions of Marriage and Household' in Judith Gardner and Judy El Bushra (eds) *Somalia – The Untold Story: The war through the eyes of Somali women* (Pluto Press, London, 2004), p. 58.

[25] Ahmed Ismail Samatar, 'The Curse of Allah: Civic disembowelment and the collapse of the state in Somalia' in Ahmed Ismail Samatar (ed.) *The Somali Challenge: From catastrophe to renewal?* (Lynne Rienner, London, 1994), p. 109.

work to bring *xeer* more in line with Islamic *sharia.*[26] Companies are embedded within this broad network of relations.

The importance of pan-clan institutions can be seen in the way companies relied on elders to vouch for new clients and negotiate with customers over bill payment. Companies did not have strong, lineage-based ties with all of their customers, first because lineage affiliation did not map exactly onto territorial areas in the city and second because companies were interested in maximising their customer base, not limiting it. Companies depended not only on elders from their lineage group, but more broadly, elders who could represent and put pressure on customers. One company manager emphasised that when customers were not paying, 'We send them to their elders, we say, we need our money from that person, please…' He emphasised that being able to navigate the clan system was crucial for their business:

> …for the people who are thinking about getting into this market, they don't really know what they are coming into….Because sometimes we don't even use the court system; we use the clan system….any foreign person who doesn't have an understanding of how the system works will be burned out real soon.[27]

However, while pan-clan institutions allowed companies to negotiate with clients and prevented them from being 'burned out', they were of limited use in dealing with the

[26] Cassanelli, 'Trade, Lineages', p. 59.

[27] Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

problems of competition between companies. Though they helped mediate potentially violent confrontations, they did not allow companies to compete on quality of service, trapping customers and companies in an expensive and inefficient zonal market. To understand why, and how clan-based arbitration intertwined with the efforts of the government to solve conflicts, I now turn to examine a conflict that happened in the early 2000s.

An Early Morning Exchange Of Gunfire

As I explained in chapter 3, the government aspired to shift the behaviour of private companies. However, in the early 2000s, it had little ability to solve the problem of zonal competition. Government representatives often found themselves at the margins of conflict mediation, either delegating their authority or finding their power trumped by other actors – as captured in a 2002 article about an electricity conflict in the Hargeisa-based newspaper *Somaliland Times.*[28]

In the article, human rights activist Rakiya Omaar describes a conflict in her friend's neighbourhood in Hargeisa, which had ended in an early morning exchange of gunfire. Clients of one electricity supplier had switched to another who had promised round-the-clock, twenty-four hours a day power. Under cover of darkness, the staff of the original supplier cut the lines of those customers who had changed to the new

[28] Rakiya A. Omaar, 'Law And Order'.

supplier and camped in the area to prevent reconnection. The affected customers and the new supplier appealed to the police to intervene, but the police were slow to react. After a couple days, threats of a 'bloody showdown' escalated, and police finally called a meeting where they warned the original supplier that what he had done was 'wrong and illegal'. There was a circular 'stating that everyone in Somaliland was free to enter into a contract with anyone of their choice and that suppliers of electricity—or anything else for that matter—had neither a monopoly nor the right to force people to remain their clients.' A few months later, however, the previous supplier again cut the lines of the customers who had changed to the new supplier. As the police did not act, the new supplier responded by cutting his adversary's lines and reconnecting his own – only to have them cut again, at which point the gunfight broke out. Police arrested both parties, though after pressure from their elders, both men were released.[29]

The story highlights the plurality of regulatory authorities involved in maintaining order and security – and the shortcomings of this system. Rakiya titled her article 'Who is in charge?' and indeed, the situation described in her article highlights the inability of any one set of actors – police or elders – to shift the focus beyond mediating the conflict at hand and consider elaborating and enforcing an overarching system of regulation.[30] The actions of all involved did little to resolve the deeper

[29] *Ibid.*

[30] *Ibid.*

problems troubling companies. The police focused on responding to violence, unable to enforce central government circulars against monopolies. Meanwhile, the elders focused on keeping the peace and stabilizing competition by legitimizing the idea of territorial boundaries within which companies could provide 'their' customers with power. As a result, while 'ordinary people [had] turned their backs on the politics of the gun' in Hargeisa,[31] the stifling of competition and the insecurity of investment in the sector meant that conflicts continued to fester, particular in the more crowded downtown market areas where companies' zones overlapped.[32]

Rakiya's account of police behaviour is particularly instructive – police became involved when outright violence erupted or was credibly threatened. Other accounts of conflict in this period confirm this pattern. As the manager of an electricity company explained, police interventions in conflicts helped to reinforce zonal boundaries by emphasising the prioritisation of peace and stability. He described a situation where a 'weak' company had reacted to the threat of competition by declaring a zonal monopoly:

> …some companies, because they are weak, they don't want competition, you cannot simply go to the market and have power. They'll be like, ok, I'm gonna call this area as a monopoly so you, stay in that area, because when…you come, people will [prefer] your electric, so why you don't stay your area, I'll stay my area.

[31] *Ibid.*

[32] Interview # 66/Saeed Mire/HELP Secretary/Hargeisa/25 April 2013.

He explained that although usually his company did not like to accept the zonal argument, sometimes the government had supported the weaker companies, saying, 'we don't want people to have these kinds of problems, you know, so don't go too far.' When I asked him who 'the government' was, he clarified that he meant government actors mainly concerned with stability – the police.[33]

Indeed, even if the government understood that a fragmented zonal market was not an efficient way to power a city, it was difficult for the government to do much else beyond focus on negotiating peace. The political settlement created through the peace conferences in the early 1990s meant that the Somaliland government was created as a set of institutions in which all clans would be represented. Inclusiveness and balance in what was 'public' was an essential criterion for peace amongst the Isaaq clans; for clans to disarm their militias and hand their heavy weapons over to the government, they had to feel that they would be represented in government institutions. As a result of the fragility of this process, the scope of institutions claiming to represent the Somaliland public was highly limited – as President Egal argued in 1999, Somaliland remained more like a 'congregation of clans' than an integrated nation-state.[34] Expanding the scope of 'public' or government institutions remained a major challenge – not only did people remain suspicious of governmental

[33] Interview # 31/ Branch Manager of Power Company/Hargeisa/24 October 2012.

[34] Academy for Peace and Development (APD), 'A Self-Portrait of Somaliland: Rebuilding from the ruins (Somaliland Centre for Peace and Development, War-torn Societies Project**,** Hargeysa, 1999), p. 22.

power due to their experience with previous regimes, but any government institution or policy was evaluated in terms of its relation to specific clan groupings and its potential impact on the relative political and economic power of different lineages. Taking sides in a business conflict – especially one that was of small consequence to government revenues – was not worth the risk, so the government had to tolerate the zonal arrangements.

Indeed, although the government did not explicitly protect zonal monopolies, the local government in Hargeisa acquiesced to the informal settlement governing the electricity sector and requested the Chamber of Commerce to help delineate boundaries between company grids. The Chamber had originally been established as an 'independent entity owned by the business community' in Somaliland by a 1993 law,[35] but was re-activated in the second half of the 1990s after the Airport War as a way for the local private sector to submit their concerns to government.[36] A representative of the Chamber of Commerce explained that they had helped companies establish zonal boundaries, explaining that although 'zoning' was the responsibility of Hargeisa Municipality, the local government was not able to act as an effective arbitrator in the market. The government had asked the Chamber, as an

[35] The Somaliland Chamber of Commerce, Industry & Agriculture – SLCCAI, 'History, Mission & Vision', <http://www.somalilandchamber.com/?page_id=67>.

[36] Republic of Somaliland, 'Technical Committee on Recommending Ways to Combat Inflation: Discussion Session # 3' (Meeting Notes, Hargeisa, 29 July 1996). This document describes a government meeting to which representatives from the business community were invited to provide suggestions regarding the government's efforts to implement 'free trade'. One suggestion was to reactivate the Chamber of Commerce.

umbrella organisation of businesses, to facilitate because the Chamber would be viewed as more 'neutral'.[37] Zonal divisions thus became the *de facto* arrangement governing the market, the easiest way to ensure peace amongst companies anxious to protect their investments and future profits.

A Weakly Tied Cartel

However, alongside the zonal consensus, electricity companies persevered in their search for ways to protect their business. By the late 1990s, the electricity sector in Hargeisa was dominated by a small number of companies – between ten and twenty. As microeconomic theory about oligopolistic markets explains, there is an 'essential tension in small-numbers rivalry': while each player in the market is tempted to compete aggressively, if they all do so, they all suffer.[38] Actors in these kinds of markets have strong incentives to collude, and indeed, in Hargeisa, over the 2000s, electricity companies increasingly formalised their collusion through a business association known as HELP, Hargeisa Electric Lighting and Power.[39]

On one hand their investment in weak ties stretching across the divides in the fragmented market for power underlines the social dynamics I discussed in chapter 2:

[37] Interview # 35/Secretary General, Somaliland Chamber of Commerce Industry & Agriculture/Hargeisa/30 October 2012.

[38] Carl Shapiro, 'Theories of Oligopoly Behavior', *Handbook of Industrial Organization* 1 (1989), p. 333.

[39] Interview # 66/ Saeed Mire/HELP Secretary/Hargeisa/25 April 2013.

although strong ties were important for their business, businesspeople's social relations were not circumscribed by lineage or locality. The owners of some of the most successful electricity company owners had other businesses and sometimes played other high-profile societal roles. An electricity company powering one of the main retail markets in the centre of town was owned by a well-known sheikh; while the founder of one of the main electricity companies in the north of the city was the head of the Chamber of Commerce in the 2000s.

More broadly, while people invested in 'building their own community',[40] these efforts were embedded in the broader ethos of rebuilding the city, an increasingly cosmopolitan space at the centre of the state-building project. Electricity companies reflected the encompassing project of reconstruction, projecting aspirations to provide broad areas of the city and supporting the nationalist project of building Somaliland. About half of the electricity businesses I interviewed bore names such as 'Somaliland Electric Company', 'Hargeisa Electric Power', or 'National Fuel Station'.[41]

Companies were thus invested in the wider project of rebuilding, both literally through the capital they sunk into their businesses and more personally as people who cared about the city they called home. They recognised their dependence on the

[40] Mohamed, 'Somaliland's Investment', p. 33.

[41] Most of the others were named after the owner or had a name deriving from another business with the same owner.

political settlement that had catalysed the state-building project. The peace secured by the settlement enabled investment and trade – and made their business possible. To paraphrase Michael Mann, this feeling that the state was somehow necessary – even if it was also at times undesirable – sat at the root of the government's power and enabled it to articulate its vision of the public interest.[42]

However, it also meant companies organised to limit and influence that power and the vision it projected. The owners of electricity companies shared concerns about their position in the wider political economy of Somaliland. They were faced with a government that, allied to a wealthy business elite based in Djibouti, was trying to unify market space across Somaliland, attempting to attract international capital, and learning which muscles it could flex and how. There was a sense that the private sector needed to be vigilant – as a principal figure in the electricity business in Hargeisa explained: '…when a group of people are working in the same professional business, they have some interests, so if you are alone, different, the government will attack you.'[43]

Companies initially came together to form an association in the late 1990s and early 2000s when, as I discussed in chapter 3, both the government and UN agencies were

[42] Michael Mann, 'The Autonomous Power of the State: Its origins, mechanisms and results', *European Journal of Sociology* 25,2 (1984), p. 196.

[43] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

exploring ways to find capital for rehabilitating the power system in Hargeisa.[44] Their reaction mirrors the decision of power companies in Mogadishu to form an association in 2000 amidst rumours that the UN might set up a power plant there and subsequent expectations that the Somali Transitional National Government might enter the sector in some way.[45] Similarly, in Hargeisa, companies recognised that outside capital could help their businesses but feared being swept aside. The entry of the government into the market only heightened these tensions – the Somaliland Electricity Agency had a grid that reached across several neighbourhoods and was designed to bring down the price of electricity. In a donor-funded conference about the possibility of organising public-private partnerships (PPPs) across Somalia in 2002, the electricity association HELP listed its two main threats as 'Government Monopoly' and 'Rich Investors will kill small business.'[46]

Nonetheless, despite their collaboration, the companies had different visions for the future of the sector. According to its secretary at the time of my interviews, private

[44] In particular, in January 2000 a UN report mentioned that private companies had joined together to look for outside funding to help rehabilitate electricity infrastructure in the city. Roland Marchal, Jamil A. Mubarak, Michel Del Buono, D. L. Manzolillo, 'Globalization and its Impact on Somalia' (UNDP/UNDOS, Nairobi, 2000).

[45] Roland Marchal, 'A Survey of Mogadishu's Economy' (European Commission/Somalia Unit, Nairobi, 2002), p. 55.

[46] See Bernard Collignon, Cédric Estienne, Bill Wandera, 'Study in the Commercialisation of Urban Water Distribution and Collection and Disposal of Solid and Liquid Waste in Somalia: Final Report', European Union (Delegation of the European Commission to the Republic of Kenya: Somalia Unit), Avignon, July 2002: 97.

companies registered the umbrella association HELP with the government in 2001.[47] Some organisers of HELP at this time saw the umbrella association as the first step towards creating a unified company, with a wider grid covering much of the northern half of the city. In the report of the conference on PPPs I mentioned above, consultants Hydroconseil described how private electricity companies in Hargeisa had merged to form first an umbrella association and then a single private company with 20 power plants serving 25,000 customers.[48]

None of the companies I interviewed mentioned this episode specifically, but a couple expressed frustration with the fact that companies had tried to unite under the HELP umbrella but never moved beyond the discussion phase. As I will explain in chapter 7, the idea of using HELP to engender a union between electricity companies in the north is an idea that would re-emerge in the 2010s. Until 2013, however, companies did not manage to build up sufficient trust – or more importantly, raise the capital – to enable them to unite. The weak associational ties mobilised to form the group were not embedded in a tight matrix of relations that reinforced and sustained them. As one manager complained: 'We couldn't understand each other…'[49]

[47] Interview # 66/Saeed Mire/HELP Secretary/Hargeisa/25 April 2013.

[48] Collignon, Estienne, and Wandera, 'Study in the Commercialisation', p. 97.

[49] Here I draw on my interviews with electricity company owners and managers in aggregate. See Appendix B.

Nevertheless, although the companies were not able to mobilise the capital or construct institutions that enabled them to merge their grids, they continued to formalize their collective voice in the electricity sector and develop their relationship with the central government. They did this in three ways. First, they presented a common front in light of the government's efforts to expand its taxation system. Second, they lobbied the government on the cost of fuel, recognising the government's position as a gatekeeper of some key import markets. Third, they began to enlist the government as a buffer against illegitimate access to the electricity market. I discuss each in turn.

From around 2000, as the central government attempted to further institutionalise its power, it focused on developing a more extensive taxation system. In 2000, the government passed a law banning local governments from running checkpoints, concerned both to control revenue collection but also to permit trade to flow through Somaliland more easily.[50] Local governments were required to raise revenue from sales tax in local markets, inspection fees, and trade licensing fees, for example.[51] From 2001, the central government also experimented with income tax,

[50] Renders, Marleen, *Consider Somaliland: State Building with traditional elders* (Brill, Leiden, 2012), pp. 173-174.

[51] Cabdiraxmaan Jimcaale, 'Consolidation and Decentralization of Government Institutions Programme' in Wartorn Societies Project (WSP) Somalia, *Rebuilding Somaliland: Issues and Possibilities* (Red Sea Press, Lawrenceville, NJ, 2005), pp. 106- 107; Renders, *Consider Somaliland*, p. 174; Dominik Balthasar, *State-Making in Somalia and Somaliland: Understanding war, nationalism and state trajectories as processes of institutional and socio-cognitive standardization* (PhD Dissertation, London School of Economics (LSE), 2012).

targeting particular businesspeople in order to 'map out and register all sources'.[52] Electricity companies were concerned about the potential imposition of taxes on company revenue, profits and sales and met together to discuss the issue:

> The biggest problem at that time was the government revenue tax. It was agreed that all the electrical companies have the same tax obligation so to prevent inequality. It was also discussed how to come to a compromise of what the companies should be paying as a tax.[53]

Electricity companies recognised their mutual interests in the face of state intervention in the market and worked to present a united front against this intervention, designing a strategy to regularise and minimise the tax they owed. While anxious to avoid tax, however, the companies did not totally reject the claim of the government to extract resources from the private sector. They engaged and compromised, a sign of the ambivalent relationship between private companies and a government claiming to represent the public interest.

The Value of State Power

Central to the interaction between companies and the government was the fact that state power is qualitatively different from the kind of power exercised by businesspeople. Economic actors are focused on a specific function and 'oriented

[52] Jimcaale, 'Consolidation and Decentralization', p. 111; Renders, *Consider Somaliland*, p. 173.

[53] Interview # 66/ Saeed Mire/HELP Secretary/Hargeisa/25 April 2013.

outwards to further opportunities for economic advantage which are not territorially confined…'[54] State power, meanwhile, is not only multipurpose but serves to give 'territorial bounds to social relations whose dynamic lies outside of itself.'[55] For capitalist property-owners, 'bringing the state back in' and harnessing its power presents an opportunity to delimit the market and protect domestic capital from risks associated with the international market.[56] To be sure, in Somaliland, the authority of the central government did not extend over all of the territory it claimed. However, it did aspire to increase its territorial control and from the beginning, focused on controlling and taxing at the main border points and asserting its authority over critical pieces of infrastructure such as Berbera port and Hargeisa airport. Even if it could not control flows, it would try and influence them.

Indeed, Somaliland is an important case study for understanding how, while 'African states may not be monopolistic gatekeepers', they remain 'important mediators of transboundary formations' involving flows of people, capital and goods. Even without international sovereignty, the Somaliland government's actions and discourse affected the 'rules of engagement' between the local and the global.[57] In Hargeisa's

[54] Mann, 'Autonomous Power', p. 199.

[55] *Ibid*, pp. 194, 208.

[56] *Ibid*, pp. p 209. See also Ben Clift and Cornelia Woll, 'Economic Patriotism: Reinventing control over open markets', *Journal of European Public Policy* 19,3 (2012), p. 319.

[57] Ronald Kassimir, 'Producing Local Politics: Governance, representation, and non-state organizations in Africa' in Thomas M. Callaghy, Ronald Kassimir, Robert Latham (eds), *Intervention and transnationalism in Africa: Global-local networks of power* (2001), pp. 110-111.

electricity sector, the aspiration of the government to control the territorial divide cutting across transborder relations of flow and exchange had important implications – and companies quickly understood the importance of lobbying the government to influence these relations. While companies might assert their sovereignty over the electricity sector and claim to serve the public through their grids, they were aware of their limited ability to protect their businesses against global economic forces. When they felt threatened, they called on the government to protect their business – constructing a discourse combining nationalism with free market ideals. I provide two examples here.

First, companies were worried about the continually rising cost of fuel. Companies estimated that the fuel costs of running their generators on light diesel comprised around 60 to 70 per cent of their total costs.[58] In the 1990s, moreover, much of the fuel sold in Hargeisa was of poor quality and contained impurities that caused thousands of dollars of damage to their machines. Because there were several import businesses bringing fuel to Somaliland from the Gulf at that time, it was very hard to know which one to blame for the poor fuel:

> For that reason we needed to raise a single voice …to find a standard fuel. We sent complaint letters to both the government and the fuel companies asking

[58] Interview # 66/ Saeed Mire/HELP Secretary/Hargeisa/25 April 2013; Partnership for Economic Growth/USAID, 'Energy Regulatory and Legal Framework Development: Public Private Dialogue', (Workshop Report, Berbera, Somaliland, December 11-12, 2011), p. 17, 19.

> them to import a pure fuel with good standard. Later on our voice was heard by the government and [they] stopped all the fuel imports.[59]

It is difficult to confirm whether the companies' pleas had any effect, but in 1998, President Egal signed a 50 year memorandum of understanding with the Djibouti-based subsidiary of Total, Total Mer Rouge, promising them the sole license to import fuel into the country and tasking them to run the Berbera Oil Terminal,[60] a tank farm dating from before the war.[61] Total was tasked with quality control over the fuel they imported. The agreement was put into action through presidential decree in June 2000.[62] Though the contract caused uproar in parliament for the way President Egal had granted a monopoly position to a foreign company with little discussion and through executive decree as if it were an administrative decision,[63] it made it easier for companies to assure the quality of the fuel they were buying.

Moreover, while controversial, the Total agreement gave the Somaliland state a little piece of international sovereignty. For companies relying on the quality of fuel, the deal positioned the government as a protective buffer – a broker between the

[59] Interview # 66/ Saeed Mire/HELP Secretary/Hargeisa/25 April 2013.

[60] 'Agreement for Lease of Petroleum Product Storages and Aircraft Fuelling Facilities', Agreement between the Republic of Somaliland and Total Mer Rouge, 9 July 1998.

[61] The tank farm was built in stages, representing Somalia's relationships with the major powers of the world – the first section was constructed by Shell on behalf of the British in 1954, the second by the Russians in 1974, and the third section by the Americans; Interview # 76/Berbera Oil Terminal Consultant/Berbera/6 May 2013.

[62] The President, Republic of Somaliland, 'Presidential Decree No: 26/00', JSL/M/DEC/222-026/62000, 11 June 2000.

[63] Balthasar, *State-making*, p. 202

domestic and global markets. The government had proved that it had the power to control the gateway for an important good into Somaliland and contract out the operation of that gateway to an international company. As I explained above, while the government was just one organisation among multiple actors in the political arena in Somaliland, it was a specific kind of organisation. The discourses it deployed, the patterns it adhered to, and the power its form had on the international stage – even as an unrecognised de facto state – meant that government actors could position themselves as gatekeepers to the market.

Legitimate Commercial Companies

Companies also recognized the potentially protective power of the government in the context of a market that could be transformed by inflows of foreign capital, whether funnelled as private investment or donations from aid agencies. They sought to co-opt government institutions in their arguments over market access and fair competition, framing the market as a space of patriotic capitalism.[64] Companies sought to bring the state back in to help mark the legitimate limits of the market.

In 2006, for example, an NGO-funded project began to sell electricity in Jigjiga-Yar, a neighbourhood in north-western Hargeisa. The NGO, Havoyoco, had been founded

[64] As I discussed in the introduction to the thesis, I draw on Rajak's discussion of 'patriotic capitalism': Dinah Rajak, *In Good Company: An anatomy of corporate social responsibility* (Stanford University Press, Stanford, 2011), pp. 232-233.

in 1992 as Hargeisa Voluntary Youth Committee by young people working to clear up the ruined city and rebuild livelihoods. The organisation ran the first street children's rehabilitation centre in Somaliland as well as development projects focusing on vocational training and literacy classes.[65] One of Havoyoco's skills training programmes focused on electronics, and in 2006, they started Kaafi Enterprise for Electric Power Supply as an income generation project for students they trained.[66]

The entry of an NGO into the private market for electricity provoked a rapid response from the neighbouring private electricity provider, National Fuel Stations and Electricity Supply Company who

> …informed the *Somaliland Times* that Havoyoco aided with funds and equipment from UNHCR have established under the pretence of a vocational training project for unemployed youth in Hargeysa [a] cheap source of electricity power supply for homes and businesses in Jijiga-Yar.[67]

National Fuel wrote to UNHCR to complain, sending copies to the Office of the President, Attorney General, and Ministry of Planning of Somaliland, as well as Havoyoco. According to the newspaper *Somaliland Times*, UNHCR responded by explaining that it was helping Havoyoco to ensure sustainability and create jobs for

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[65] Wartorn Societies Project (WSP), *Rebuilding Somaliland – Issues and Possibilities* (The Red Sea Press, Asmara/Lawrenceville, NJ, 2005), p. 313.

[66] Interview # 37/ Manager of Kaafi Enterprise for Electric Power Supply/Hargeisa/31 October 2012.

[67] 'UNHCR Aides Local Youth NGO 'Havoyoco' To Supply Commercial Electricity', *Somaliland Times*, 28 April 2006.

graduates of their training institutions by enabling the students to produce 'marketable goods'. UNHCR had not donated the generators being used by Havoyoco to supply electricity in Jigjiga-Yar but had procured another large generator for the NGO. It was not in use yet, but UNHCR said that it would be put into operation if needed with permission both from UNHCR and 'the relevant government authorities.'

National Fuel Station representatives criticised the NGO project on two grounds. First, they argued that 'as a legitimate private commercial company' they could not compete with 'a non-governmental organization funded by a UN agency.' They emphasised: 'we have to extract our running costs and the procurement of capital assets from the little profit we make from our business operations.' Second, one of the managers questioned the behaviour of non-profit entities: 'who will regulate such an NGO in not pocketing profits made from such business ventures?' He continued, 'I believe we are about to see a Pandora box with local NGO's taking part in commercial activities instead of activities in the voluntary sector to which they were original[ly] incorp[o]rated for.'[68]

The company clearly asserted its identity as an economic actor, dispelling ambiguity

[68] *Ibid.* While Havoyoco has a very good reputation as an NGO both within and outside Somaliland, and its programs do provide jobs to many young people, private operators' concerns about the possibility of NGOs acting as commercial enterprises are neither uncommon nor ungrounded. It is not uncommon for people in Somaliland to question whether people carry out NGO work for altruistic or more self-interested reasons (see Mohamed, Somaliland's Investment, p. 47).

about the line between private and public. While, as I explained in chapter 2, companies emphasised their public contributions in the face of the government's continued weak capacity to provide, they did not linger in the 'the twilight between state and society, between public and private.'[69] They emphasised that they were non-state entities that needed to turn a profit, and as such merited protection against 'illegitimate' foreign capital. The behaviour of companies supports Timothy Mitchell's argument about the lines between state and non-state, public and private: these lines cannot be specified through analytical definition – they are 'drawn internally'. Both state power and capitalist profit derived from the ways these divides were produced and maintained.[70]

In making their case, National Fuel Station made sure to send copies of their letters to three government offices – marking the Somaliland state as a key witness in the argument over access to the market. At the same time, as an organisation that explicitly operates in a world of territorially-defined states, UNHCR also referenced the government, arguing that their generator would be put into action with government permission. Both actors set up the government as the set of actors who would help to set the boundaries of legitimate commercial activity.[71] This recognition

[69]Christian Lund, 'Twilight Institutions: Public authority and local politics in Africa', *Development and Change* 37,4 (2006), p. 686.

[70] Timothy Mitchell, 'The Limits of the State: Beyond statist approaches and their critics', *The American Political Science Review* 85,1 (1991), pp. 78, 90.

[71] UN organisations often struggle to navigate relations with the non-sovereign government in Hargeisa for this very reason. See: Rima das Pradhan-Blach, 'The New Deal – Not the Whole Deal:

of the government's role as a gatekeeper of the market in Somaliland, the gate through which foreign investors normally passed before they entered into the electricity sector, meant that government policy mattered – and, as will become clear in Chapter 6, that electricity companies wanted to influence this policy. Renewing HELP was one part of their strategy.

Regulations, laws and bylaws of the market: Renewing HELP

As I will explain in chapters 6 and 7, the early 2010s saw increased donor interest in Somaliland's energy sector and an attempt by government to regulate the market. Around the same time, in 2011, companies renewed and reinvigorated HELP as a collective platform. The owners of ten electricity company owners gathered in the Maan Soor Hotel in Hargeisa. They signed on as members of the renewed association HELP and committed to pay $100 a month to fund an office staffed by a secretary.[72] While companies continued to build the association as a channel for lobbying the government on tax systems and the high cost and low price of fuel, they also created rules guiding their own commercial practice, seeking to strengthen their collusion. I briefly highlight their strategies for dealing with consumer theft and price levels in the

Insights from the Somaliland Special Arrangement' in Finn Stepputat, Kasper Hoffmann, Louise Wiuff Moe, and Rima das Pradhan-Blach, *New Approaches to Foreign Aid in Conflict-Affected Countries and Fragile Situations* (Report 2014.26, Danish Institute for International Studies, Copenhagen, 2014), p. 17-21.

[72] Interview # 66/Saeed Mire/HELP Secretary/Hargeisa/25 April 2013. This was confirmed in my interviews with individual companies as well.

market, before returning to ask how the strengthened association managed competition amongst companies on a zonal level.

Once they had commercialised, consumer theft had become a major concern for electricity companies. While they provided power free to 'public' spaces in their neighbourhoods as well as to families who were, in their eyes, deserving of free electricity, they needed to turn a profit from their electricity business in order to survive. In the early days of the sector, companies simply collected payment daily or weekly depending on the number of lamps a client had.[73] This provided few incentives to customers to conserve energy and facilitated theft – especially as the number of customers served increased.[74] As they commercialised and expanded their business, however, companies installed meters for bigger businesses and households who paid their bills monthly – one company used meters from the beginning of its commercial service in 2005. Companies also tried to find better quality meters over time. 'Now they [the meters] are very speedy,' one customers complained, 'We had a very slow meter [before], we used to turn it upside down to cheat the system so it [didn't] cost so much.'[75]

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[73] Tatiana Nenova, 'Private Sector Response to the Absence of Government Institutions in Somalia', (Draft Paper, World Bank, Washington DC, 1994), pp. 7-8.

[74] Matthew Newsome and Nicholas Parkinson, 'Somaliland gets wind in its sails for revamping power sector', *The Guardian* [London], 15 April 2013.

[75] Interview # 45/Researcher, Somaliland-based think tank/Hargeisa/14 November 2012.

Even with metres, however, companies' balance sheets suffered due to slow payment by customers – as well as customers who tried to escape payment altogether. As I discussed in previous chapters, companies had their own individual ways of dealing with non-payment, including mobilising elders to encourage people to pay their bills or requiring new customers to pay a deposit or provide a guarantor from the local community. They could also apply pressure by cutting a customer's connection. However, after running up a bill with one company, some customers would simply move to another company without clearing their account with the first company. Although companies were keen to attract new customers, it benefited none of them if customers were simply moving from one to the other without paying. Through the association HELP, the companies formalised a rule dealing with this situation, requiring companies to ask transferring customers for a letter from their previous company declaring they have cleared their balance. Almost all electricity providers I interviewed mentioned this associational requirement that new customers present a clearance letter to their new company – including the government agency, obviously not part of the private association HELP.

The reincarnation of HELP in 2011 also made visible cooperation amongst companies on setting prices. Though there are small variations in price structure amongst them, by the 2010s, companies were clearly cooperating to set a baseline price across the city. In Hargeisa, pricing systems in the sector have evolved over time. Originally, as I mentioned above, customers were charged a daily rate

depending on the number of bulbs and appliances in their shops or houses.[76] Today, small shops and market traders still generally pay a daily rate in Somaliland shillings based on the number of bulbs and electrical appliances they have. For example, one company explained that they collected daily payments of 4,000 shillings (about US$0.60) for a bulb of 100 watts and 2000 shillings (US$0.30) for a bulb of 20-100 watts.[77]

However, as I explained above, companies later installed meters for their bigger customers. In 2012-2013, most companies charged a base rate of US$1 a kilowatt-hour, one of the most expensive prices in the world, which they argued was linked to the price of light diesel fuel they used for their engines.[78] All but one company I interviewed had also established a minimum charge of between US$10 to $15 a month, a relatively new development which they said enabled them to cover service costs and from the customers' point of view, discouraged people from using their own generator to complement electricity they were buying from a company.[79] One company justified their minimum flat rate by translating it into a rate per kilowatt

[76] Marchal *et al*, Globalization', p.11.

[77] Interview # 69/Manager of Solteco electricity company/Hargeisa/29 April 2013.

[78] Government of Somaliland, 'An Investment Guide to Somaliland: Opportunities and Constraints, 2013-2014', www.SomalilandInvest.net, p.73; World Bank, 'Doing Business in Hargeisa 2012' (World Bank/International Finance Corporation, Washington, DC, 2012), p. 28.

[79] Interview # 45/Researcher, Somaliland-based think tank/Hargeisa/14 November 2012.

hour, based on advice from sheikhs who stipulated that goods must be sold according to a rate per unit rather than a randomly set amount.[80]

Bigger users were charged reduced prices on a sliding scale – in 2013, a typical discount for customers spending over US$100 a month was 20%, for example. Some companies offered rates of 50 to 55 cents a kilowatt-hour to customers that used more than 500 kWh a month but others reserved that price for those using over 2000 kWh a month or spending in the range of $3000 to $4000 monthly.[81] Telecommunication companies were amongst the biggest customers; normally these large companies had their own generators and sometimes ran an electricity company, but as consolidation happened in the city, some were beginning to buy power from the most successful companies.[82] Other large customers included supermarkets, the offices of big non-governmental and international organisations such as the World Health Organisation (WHO), and government ministries.

Although prices were high and the sector was still attracting new business and investment, it was difficult to assess profits. On the part of many consumers, there was the impression that the companies ran the sector as a cartel that set exploitatively

[80] Interview # 64/Owner and founder of electricity company in downtown Hargeisa/Hargeisa/24 April 2013.

[81] Interview # 83/Abdiweli Ina Batuun/Somaliland Electric Company/Hargeisa/16 May 2013; Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013.

[82] Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013; Interview #65/Manager of Dahabshiil Electricity Section/Hargeisa/24 April 2013.

high prices.[83] On the other hand, companies declared that costs, wastage, and theft were very high and their profits slim.[84] Companies lost an estimated 40% of what they produced due to outdated and badly installed equipment as well as poorly trained technicians[85] while, as I mentioned earlier, fuel constituted around 60-70% of their costs.[86] The manager of the most successful companies in the sector stated in 2013 that he thought it was possible to reach a profit rate of 12% – or even 15% if the company could clamp down on theft – but due to an increase in diesel tariffs that year would only reach a profit rate of 6%.[87]

Indeed, while set by the companies and agreed through their association, prices were sometimes subject to negotiation with the government. In February 2013, for example, the electricity companies organised a meeting to discuss the government's recent tariff increase on imported diesel. The chairman of the electricity association

[83] Jami Nelson Nuñez, 'Powering Progress: The potential of renewable energy in Somalia' (Shuraako and One Earth Future, Broomfield, CO 2015), p. 7; Yusuf M. Hasan, 'Somaliland: National Electricity Agencies under Ministry of Public Works and Transport', *Ogaal Newspaper*, 29 September 2012.

[84] This view was also confirmed by outside consultants hired as part of a USAID project to advise companies on potential investment in new technology (see chapter 6). Interview # 63/Tyler Chapman/Energy Finance Specialist/Washington DC/January 22, 2013.

[85] Interview # 68/Suleiman Abdullahi Jama/Director of Energy, Ministry of Energy/Hargeisa/April 28 2013;

Newsome, 'Somaliland gets wind'; Partnership for Economic Growth/USAID, 'Somaliland Private Sector Development Assessment: Energy Assessment', (USAID, Washington DC, 2011), pp. 9, 21.

[86] Interview # 66/Saeed Mire/HELP Secretary/Hargeisa/25 April 2013; Partnership for Economic Growth/USAID, 'Energy Regulatory and Legal Framework Development: Public Private Dialogue', (Workshop Report, Berbera, Somaliland, December 11-12, 2011), p. 17, 19.

[87] Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

HELP held a press conference and announced a 20% increase in the price of electricity due to the rising price and continuing low quality of fuel imported into the country.[88] The raise was never put into place however, after pressure from the government:

> The presidency really intervened, they call us, they say please don't do it, even though they were doing it [raising the diesel tariff], at the same time…and we didn't do it, we just said guys, let's lose the money… so that's the sacrifice that we are making…[89]

Even as the private sector worked to control the market and secure their profits, they continued to negotiate with the government and emphasise their sensitivity to and willingness to compromise for the broader cause of Somalilanders' wellbeing – an important element of their identity as corporate citizens, as I will explain in future chapters.

Competition: New discourses

However, there was one issue that remained particularly contentious. Company managers and owners happily told me about the rule they had created to enforce bill payment. Similarly, through their press conference to announce an increase in price, it was clear that private electricity providers were cooperating to set prices levels across

[88] Yusuf M. Hasan, 'Somaliland: Electricity Consumers to Pay 20% More of the $1 a Kilowatt Charged', *Somaliland Sun*, 26 February 2013.

[89] Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

the city. However, when it came to the way they managed competition, it was more difficult to understand what role the reinvigorated HELP played.

Part of the reason was that HELP was not a very powerful organisation. It tended to meet only when there was a problem to resolve and was funded solely by the companies' monthly contributions, which paid rent on an office and a salary for a part-time secretary.[90] The manager of the biggest electricity company in Hargeisa explained that their budget was too small to have much of an impact in the market: 'They [HELP] could have done much more if they were better funded. Because now what we contribute as companies is enough expense just to run the office.' He suggested that if the association wanted to work more effectively, they should raise money to hire lawyers to lobby the government or community leaders to negotiate ways to improve safety in the sector.[91] His argument suggests the same problem I mentioned above – that though investing in weak associational ties might help companies collude over prices and decrease customer theft, it did not automatically generate the trust required for more ambitious projects to reform the sector. Contrary

[90] Interview # 55/Engineer and Consultant/Somaliland Electric Power/Hargeisa/21 November 2012; Interview # 37/ Manager of Kaafi Enterprise for Electric Power Supply/Hargeisa/31 October 2012.

[91] Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

to claims of advocates of the importance of 'bridging social capital', investing in weak ties does not necessarily help bridge social cleavages.[92]

Indeed, in the case of HELP, the potential cohesive 'strength of weak ties'[93] was undermined not just by low levels of investment in the association, but also the lack of a common vision of how companies should share the market. Almost all companies I interviewed emphasised that one of the reasons they had founded the association was to deal with the 'constant conflict' in the sector: the problem of "'this was my client" and "this was my client"…that never ends.'[94] Companies explained that when conflicts were provoked by customers moving from one company to another – especially without paying – HELP would call the two companies together to discuss the problem and seek a solution.[95] If necessary, a handful of other members of the organisation would serve as a conflict resolution committee.[96] If solving the conflict proved beyond the scale of the committee, it would go up to what one manager termed the 'social level', when some elders or other community

[92] Kate Meagher, *Culture, Agency and Power: Theoretical reflections on informal economic networks and political process* (Working paper, No. 2009: 27, DIIS, Copenhagen, 2009), p. 14-15. Meagher is reflecting on work such as: Robert Putnam, *Bowling Alone: The collapse and revival of American community* (Simon and Schuster, New York, 2001).

[93] Mark Granovetter, 'The Strength of Weak Ties', *American Journal of Sociology* 78,6 (1973).

[94] Interview #65/Manager of Dahabshiil Electricity Section/Hargeisa/24 April 2013.

[95] Interview # 69/Manager of Solteco electricity company/Hargeisa/29 April 2013; Interview # 32/Administrative Officer of Maan Soor Electric Power/Hargeisa/24 October 2012.

[96] In my interviews with power companies, estimates of this size of this committee ranged from 2-3 to 4-5.

members would work as a mediating team.[97] The secretary of the association said that if HELP could not solve the conflict, it would 'transmit it to the government' – and involve the Chamber of Commerce.[98] Most companies thus presented HELP as an intermediary level of conflict resolution.

Underlying this discussion about conflict resolution, however, an unresolved debate remained about the legitimacy of containing competition by dividing the market into zones. Despite their early *de facto* legitimation as a mechanism for maintaining peace in the sector, zones over time became a taboo topic in the market. When I asked companies if there were any rules they used to manage their relations with other customers, some of them replied: 'No company should cross [the] border and go to the zone of the other company.'[99] Another explained: 'There [are] rules, of course, they [company owners] have a meeting, you know, everyone has his own area to supply… Because for 17 years everybody by now is settled in his own area. No problem.'[100]

[97] Interview #65/Manager of Dahabshiil Electricity Section/Hargeisa/24 April 2013.

[98] Interview # 66/Saeed Mire/HELP Secretary/Hargeisa/25 April 2013.

[99] Interview # 81/Officer Manager at Hargeisa Electric Company/Hargeisa/15 May 2013.

[100] Interview # 55/Engineer and Consultant/Somaliland Electric Power/Hargeisa/21 November 2012.

Other companies however were at pains to emphasise that rules about zonal divisions were not 'written' but just 'understood'.[101] Similarly, the chairman of HELP explained that while the association had regulations, laws, and bylaws about the need for customers changing companies to procure a clearance letter from their former company, zones had no such backing in the written bylaws: 'we have zones but it is not strict….'[102] Instead, HELP's bylaws reinforced the idea that companies were 'free' to compete. The only rule that limited this freedom of competition was the rule that companies should not put two lines on one road: 'it's very risky…. if my line is going there you will never put another line, because engineering-wise it's unprofessional.'[103] This argument could conceivably be invoked to defend a zone along the lines of practicality and safety, but this is a different justification than the right of companies to maintain their original zone and 'their' customers.

Of course, some of the more successful companies had long expressed disdain for the idea of zones, explaining that it was an argument used by weak companies who were finding it difficult to survive amidst stronger companies with better supply. Others who had entered the market with a goal of serving a cross-clan market were annoyed by competitors who had attracted away customers based on lineage-based

[101] Interview #65/Manager of Dahabshiil Electricity Section/Hargeisa/24 April 2013.

[102] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

[103] *Ibid.*

ties.[104] These contrasting ideas of the market were incompatible and undermined cooperation or discussions about potentially merging their grids.[105]

However, beyond this perspective of a few companies, broader changes in the market were delegitimising the practice of relying on zonal monopolies to manage competition. As I emphasised in the introduction to the thesis, institutional logics are designed, reinforced or reshaped by agents acting in specific temporal-relational contexts.[106] The regulatory arrangements governing electricity provision continued to shift over time, reflecting how the mobilisation of institutions based on clan governance changed as Somaliland's state-building project proceeded. As I discuss in the next chapter, new flows of diaspora capital and organisational innovations would put pressure on companies relying on zonal logic to maintain their market share.

Conclusion

Grounding my discussion in the material qualities of electricity that shaped the commercialisation of power supply in Hargeisa, in this chapter, I explained companies' fears about losing the capital they had sunk into their grids. In response to their vulnerability in the face of intensifying competition, companies relied on

[104] Interview # 83/Abdiweli Ina Batuun/Somaliland Electric Company/Hargeisa/16 May 2013.

[105] Interview # 31/ Branch Manager of Power Company/Hargeisa/24 October 2012.

[106] Mustafa Emirbayer and Ann Mische, 'What is Agency?', *American journal of sociology* 103,4 (1998), pp. 962-1023; Sewell, William H. Jr., 'A Theory of Structure: Duality, agency, and transformation', *American Journal of Sociology* 98,1 (1992), pp. 1-29.

webs of lineage-based relations to access financing, manage relations with customers, and protect their market share. Initially, then, the concern with preventing conflict amongst companies led to a zonal division of the market, loosely following clan lines.

However, businesses selling electricity also worked to create new institutions to regulate the market. Business owners invested in weak ties, building an association as a platform to legitimate their profits and negotiate with the government over policies aimed at their market. While continuing to emphasise their public contributions, they also asserted their identity as profit-making businesses, relying on a discourses that married free market principles with patriotism. As I continue to explain in the next chapter, companies worked to influence the state and confirm its power in ways that cemented their own position.[107]

Nevertheless, the electricity company association was not able to provide a sustainable solution to the problem of competition in the sector, especially as the more powerful companies lobbied against fragmenting markets along the lines of mini-monopolies. The zonal arrangement was a product of a specific moment and, over time, would be contested and in the eyes of some commercial actors, delegitimized. For reasons I discuss in the next chapter, discourses based around free market ideals began to dominate.

[107] Here I draw on the discussion in Rajak, *In Good Company*, pp. 2, 232.

Figure 4: Downtown Hargeisa in 2012. (Emma Lochery)

Figure 5: Hargeisa, an expanding city in 2012. (Emma Lochery)

Chapter 5

Partnerships with Power: Unifying the market

The arrangement of zonal monopolies that I described in the last chapter emerged from a highly decentralised, ad hoc form of market regulation that sought to keep the peace amongst companies. Preventing outbreaks of violence was prioritised above customer choice or companies' quality of service. As investment increased and state-building efforts continued however, the fragmentation of the market was challenged by both companies and the government. Companies mobilised weak ties, forming a cartel to protect themselves against shared vulnerabilities and external threats. Nevertheless, market fragmentation remained a problem.

In this chapter, I investigate the rise of Kaah Electric Power and Lighting Company, a new enterprise in the south of Hargeisa that pushed back against the fragmentation of the market by creating a shareholding system, merging with other electricity companies and, crucially, mobilising investment from a powerful 'absent but active constituency'[1] – the diaspora. Kaah's ownership structure, upgraded equipment, and

[1] Laura Hammond, 'The Absent but Active Constituency: The role of the Somaliland UK community in election politics' in Terrence Lyons and Peter Mandaville (eds), *Politics from Afar: Transnational diasporas and networks* (Hurst, London, 2011), pp. 157-178.

management style facilitated increased access to capital and catalysed its takeover of half of the electricity market in Hargeisa. Meanwhile, government actors increasingly refused to endorse clan-based claims to a share of the market, enhancing Kaah's chances of dominating the power sector.

The success of Kaah exemplifies the continuing rise of a business class in Somaliland that can navigate both a fragmented social terrain and participate in ongoing processes of centralised state-building. The alliance between the government and transborder businesspeople that launched Somaliland's post-1993 state-building project demonstrated that both had a strong interest to promote the idea of a unified market across different parts of Somaliland. As a new business class took shape in Somaliland, they worked to position themselves in this political terrain, both structurally and discursively. Companies with sufficient capital invested in advertising and projected corporate identities to emphasise that their market reached far beyond a clan niche. Most importantly, companies worked to mobilise weak ties to unify the market not just amongst companies but *within* companies: to paraphrase Polanyi, instead of companies simply being embedded in social relations, social relations were embedded in companies.[2] This change reinforced the already significant political importance of large companies over other categories of social actors, underlining the

[2] Karl Polanyi, *The Great Transformation: The political and economic origins of our time* (Beacon Press, Boston, 2001 [1944]), p. 60.

role that patterns of business organisation and control over private capital play in state formation processes.

I begin the chapter by examining broader trends in Somaliland's business community and the role of private companies in the partnership of political and economic power that sustains Somaliland's quest for statehood. I then examine the development of Kaah, situating it as an exemplar of developing commercial dynamics as well as a product of the history of the southern side of Hargeisa. Finally, I explain Kaah's involvement in a conflict with another electricity company; the conflict's outcome demonstrated the increasing power of discourses of free enterprise and a sea change in regulation of the market for power.

Partnerships with Power

In Somaliland, it was in the government's interest to reduce barriers to trade and investment. From the 1990s, President Egal worked to unify economic space in Somaliland in order to boost trade and centralise control of tax revenues. His goals aligned with a small group of wealthy businessmen who, as I detailed in previous chapters, funded Somaliland's state-building project. These businessmen invested in Somaliland in order to dominate the market and have a transit route through to Ethiopia. They mobilised lineage connections, but it was their vast stocks of capital that allowed them to capture market space and push out competitors. They did not

require or want to depend on arguments about the need for zonally divided markets ensuring a space for smaller, locally grounded companies.

Changes to Somaliland's political system from the late 1990s onwards made it easier to justify practices based on a discourse of 'free enterprise' than those based on a clan's right to a slice of the market. As I described in chapter 3, from the mid-1990s, the government sought to move beyond a clan-based peace organised by elders to a more centrally orchestrated 'peace on its own terms.' With the introduction of multiparty elections by constitutional referendum in 2000, clan-based representation was demoted as a legitimate basis for political authority. While clan structures still mattered and clan elders still played important roles in mediation and conflict resolution, balance and inclusion along clan lines became an informal norm, negotiated with and mediated by top-down control.[3]

The shift to a political system dominated by the central government and most particularly the executive president benefitted members of the emerging Somaliland business class who wanted to boost their market share and use their capital to overcome claims to the market based on clan. While the Djibouti-based businessmen such as Ibrahim Abdi Kaahin (Ibrahim Dheere), Ahmed Dahir Omar (Baxsane), and Osman Guelle Farah who had originally loaned money to President Egal in the early

[3] Marleen Renders, *Consider Somaliland: State Building with traditional elders* (Brill, Leiden, 2012), pp. 146-147.

1990s were still dominant players in the Somaliland economy, during the 1990s and 2000s, other Somaliland-based businesspeople had developed significant wealth and asserted their economic power. To fund his state-building efforts in the mid-1990s, Egal had already begun to draw on the wealth of Somaliland-based businesspeople such as the livestock trader Abdi Ali Awil ('Indha Dheero').[4] More recently, when the new Kulmiye government found itself US$22 million in debt after the 2010 election, it borrowed primarily from Somaliland-based companies such as the dominant telecommunications company Telesom,[5] the well-known money transfer giant Dahabshiil, and a livestock exporter. These three enterprises lent around US$2.5 million of the almost $3 million borrowed by the government from the business elite.[6]

[4] These businesspeople supported the Hargeisa Conference of 1996-7: see Interview # 90/Adan Da'ud Egal ('Weli')/Director of Planning and Statistics, Somaliland Ministry of Finance/Hargeisa/27 May 2013. Balthasar asserts that Indha Dheero also supported Egal's civil war efforts in the mid 1990s, along with Djiboutian based financiers. See Dominik Balthasar, *State-Making in Somalia and Somaliland: Understanding war, nationalism and state trajectories as processes of institutional and socio-cognitive standardization* (PhD Dissertation, LSE, 2012), p. 183.

[5] Telesom controls an estimated 70-80% of the mobile telephone service market. See Balthasar, *State-Making*, p. 236.

[6] This money was used to pay salaries of civil servants and the army and buy rations for hospitals, prisons, and the army. The money was paid back in cash before the then Finance Minister Mohamed Hashi Elmi was removed in a cabinet reshuffle in March 2012. Interview # 61/Mohamed Hashi Elmi/former Minister of Finance/Hargeisa/5 December 2012; Interview # 60/Abdirahman Yuusuf Duale 'Boobe'/Hargeisa/5 December 2012; Interview # 90/Adan Da'ud Egal ('Weli')/Director of Planning and Statistics, Somaliland Ministry of Finance/Hargeisa/27 May 2013. Based on interviews with similar sources, Phillips reports the government borrowed 'nearly US $3 million from the business elite. The companies and individuals that contributed were: Telesom (US $1.2 million); Dahabshiil (US $750,000); Ali Warabe (livestock exporter – US $500,000); Jama Omar Saed (US $200,000); Mohamed Aw Saeed (Somcable – US $200,000); Mohamed 'Ina' Dable (owner of a bedding factory – US $100,000).' See Sarah Phillips, 'Political Settlements and State Formation: the

The emergence of commercial giants as the dominant economic partners in state-building projects provides a corrective to much of the literature on the 'business community' across the Somali regions. A narrative persists that Somalia is a 'duty-free' space where there 'is a sort of free business'.[7] Although such descriptions of an economy driven by free enterprise often draw on direct quotes from Somali businesspeople, they sidestep not only the empirical reality of checkpoints and ports controlled by competing groups and factions but the involvement of businesspeople in a range of power struggles. Most importantly, they overlook the patterns of businesspeople's involvement in state-building projects and the way they mobilise social networks, project specific identities, and invest their capital to support or oppose various political projects.

Beyond Somaliland, my argument is reflected in Aisha Ahmad's analysis of the Mogadishu business community's role in Islamist state formation. She highlights the modes of organization and affiliation businesspeople used in their efforts to secure and expand their market share amidst dramatic political shifts. She outlines two different moments, similar to those I described in chapter 4. Firstly, in the early 1990s, businesspeople's relationships with clan factions were essential to protect and profit from their investments. Secondly, however, businesspeople soon worked to build

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case of Somaliland' (Research Paper 23, Developmental Leadership Program, University of Sydney, 2013), p. 64.

[7] Peter D. Little, *Economic and Political Reform in Africa: Anthropological perspectives* (Indiana University Press, Bloomington, 2014), p. 164; Tobias Hagmann, 'From state collapse to duty-free shop: Somalia's path to modernity', *African Affairs* 104,416 (2005).

cross-clan coordination through market-based associations that served as 'forums for sharing information that affects the business community as a whole.'[8] Businesspeople used these organisations to negotiate with different political authorities and, when the opportunity presented itself in the 2000s, to invest in governance institutions that promised to open up markets and reduce the cost of security. Ahmad describes how the business community invested in the rise of the Islamic Courts, arguing that businesspeople saw the movement 'as a mechanism to reduce their costs and increase their access to profitable in-land markets.'[9]

Ahmad's discussion also charts the importance of particular business elites in the rise of the Islamic Courts Union (ICU) in the early to mid-2000s. Despite her emphasis that the business community invested in unifying markets, upon closer inspection, this 'community' of businessmen and women was differentiated in terms of wealth, access to resources, international ties, and political connections. The most successful Somali businesspeople adopted a Salafi Islamic identity, which helped them access business networks in the Gulf countries and 'outcompete their non-Salafi rivals'.[10] Moreover, even while the ICU had broad support, its ability to take power depended

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[8] Aisha Ahmad, 'The Security Bazaar: Business interests and Islamist power in civil war Somalia', *International Security* 39,3 (2015), p. 112, fn. 66.

[9] Aisha Ahmad, 'The Business of Islamism: A rational look at political Islam in Somalia' (Newsletter Article, *Belfer Center Newsletter*, Harvard Kennedy School, Cambridge, MA, 2012).

[10] Aisha Ahmad, *Between the Mosque and the Market: An economic explanation of state failure and state formation in the modern Muslim world* (PhD Dissertation, Department of Political Science, McGill University, 2012), p. 201.

on a set of exclusive alliances with wealthy businesspeople – in particular the family of Omar Adani and the former head of the money transfer company Al Barakaat, Ahmed Nur Jim'ale, who provided up to 50-60% of the ICU's funds in the initial stages of the movement.[11] After the ICU consolidated control of Mogadishu in 2006, the movement faced the challenge of maintaining a broad support base in the business community while sufficiently rewarding their two most important funders with political power and access to finance. Though many acknowledged that 'the security provided by the ICU would have resulted in economic growth in the long-term', some businesspeople not connected to this privileged group complained that the ICU's taxation system was unfair.[12]

Aisha Ahmad's analysis highlights the tensions between the business community's desire for political projects that promise to reduce checkpoints and increase peace and security, and the exclusivity of the alliances used to support these state-building projects. While different from the trajectory of state-building in Somaliland, the example of the ICU in south-central Somalia highlights the need to tease apart the differentiation within a 'business community' and investigate how patterns of investment and accumulation interact with processes of state formation. In the next section, I turn to examine more closely trends in 'big business' in Somaliland,

[11] Ahmad, *Between the Mosque,* p. 241. Also see: Jon Abbink, 'The Islamic Courts Union: The ebb and flow of a Somali Islamist movement' in Stephen Ellis and Ineke van Kessel, *Movers and Shakers: Social movements in Africa* (Brill, Leiden, 2009), p. 102.

[12] Ahmad, *Between the Mosque*, pp. 252-254.

explaining the adoption of new practices of business organisation and management as well as the promotion of a professional, corporate identity. I focus on Somaliland, but draw on broader examples to emphasise the wider context.

Becoming Corporate Actors

The collapse of the Somali state was a watershed moment in the history of the Somaliland business class. Particularly because many wealthy traders had invested in real estate before the war, their businesses suffered. The wars forced many to migrate, abandon properties, and shift their business interests elsewhere. Isaaq businesspeople had properties confiscated by the Siad Barre regime during the 1980s while during the civil war, remaining factories and buildings were damaged by the government's bombardment of major cities as well as the looting that followed.[13] In the case of well-known Isaaq businesspeople like Jirde Hussein and Abdullahi Omar who had invested in Mogadishu, they had to sell or rent out their properties while new traders took over the import-export business sector.[14] In the 1990s, alongside the elite club of traders from Djibouti, there was a sense that a new business class was rising in Somaliland, rooted in post-war dynamics of ties to Djibouti and Dubai, the refugee

[13] In parts of Hargeisa, away from the central downtown, the ruins of former factories are still visible. For details of ruined factories including a tannery, dairy factory, bottling company, and soap factory, see: John Drysdale, *Somaliland 1991: Report and Reference* (Global-Stats Ltd, Hove, 1991), pp. 59-60.

[14] Interview # 46/Hussein Samater/PhD researcher and businessman/Hargeisa/November 14 2012.

camp economy, and the opportunities offered by the downfall of the Derg regime in Ethiopia.[15]

However, over time, as I described for the electricity sector in chapter 4, many early businesses enterprises failed. Both the introduction of the Somaliland shilling in the mid-1990s and subsequent developments such as the closing of the border between Ethiopia and Somaliland in 2002 presented challenges – as did the inexperience of many of those who tried to get a foothold in the market. Many traders had focused on circulation more than accumulation and were not specialized in a specific sector, instead chasing opportunities for arbitrage and brokering.[16] Small-scale businessmen who had flourished in the early boom around the transit trade to Ethiopia, for example, often failed to sustain their businesses as competition increased. There was a sense that many of the new business people 'were not educated' and had a 'khat mentality of business', cycling through the market quickly as they focused on short-term gain and decreased their price levels unsustainably.[17] Among those who did survive, many were clearly building on lineage connections to successful wholesalers

[15] An excellent vignette of this period is found in Roland Marchal, 'The Post Civil War Somali Business Class' (European Commission/Somalia Unit, Nairobi, 1996), pp 76-89.

[16] Marchal, 'Post Civil War', pp. 78, 111-112.

[17] One of my interviewees argued that many early traders had a 'khat mentality of business'. In the market for khat, a light amphetamine-like stimulant chewed across the Horn of Africa, people attempt to undercut their opponents. However, if the person they are trying to undercut has more money than expected, then, their strategy and their business fails. People cycle thorough the market very quickly. Interview # 94/Businessman/Hargeisa/29 May 2013.

who hired kinsmen as retailers, shopkeepers and brokers, highlighting highly unequal patterns of access to capital.[18]

Since the 1990s, however, from this foundation, companies that managed to survive and prosper have since sought to professionalize their image and their operations, emphasizing 'their role as employers, investors and socially responsible corporate actors...'[19] Sometimes this has been in response to threats: as Lindley explains, in the money transfer sector, companies worked to meet regulatory requirements in foreign countries to avoid being shut down, such as asking customers for identification and ensuring their agents were better trained. [20] Changes driven by regulatory demands in the United States and Europe provoked companies whose growth during the 1990s had been 'vertiginously rapid and…based on short-term approaches aimed at rapid accumulation' [21] to develop a more strategic approach to further expansion. Businesspeople also realised that professionalization served as a strategy for expansion beyond clan niches or into markets outside Somalia and its diaspora – as witnessed by the success of Somali companies in east Africa.[22] Far from remaining

[18] Marchal, 'Post Civil War', pp. 82, 84.

[19] Lindley, Anna, *The Early Morning Phonecall: Somali refugees' remittances* (Berghahn Books, Oxford, 2010), p.45

[20] Lindley, *Early Morning Phonecall*, p. 44.

[21] *Ibid.*

[22] See Neil Carrier, *Little Mogadishu: Eastleigh, Nairobi's Global Somali Hub* (Hurst, London, 2015 [forthcoming]). Examples of companies include Hass Petroleum and the money transfer company Dahabshiil.

'multinational companies with a kiosk mentality'[23], many of the top companies have focused on acquiring the latest technology, optimizing their customer service, and explaining their contributions to the wider community.

Professionalization was not just about customer service requirements. Professionalization was also tuned to speak to a particular public and was embedded within an Islamic ethic. Religion has long been recognized by economic historians – mainly of West Africa – as important for converting fragmented networks of strong ties into broader networks of economic cooperation.[24] More recently, historians have emphasised its importance for building and undergirding globalized business networks, especially the Senegalese Murid trade diaspora.[25] As Neil Carrier has argued for the case of the Somali dominated neighbourhood of Eastleigh in Nairobi, Islamic identity has helped Somali businesspeople connect, open and valorise markets. Remittance company operators and real estate developers emphasise their integrity

[23] Lindley, *Early Morning Phonecall*, p. 44. Lindley quotes from her interview with a technical advisor in Nairobi in March 2005.

[24] This literature focuses particularly on Mouride, Igbo and Hausa trading networks – for example Lovejoy's 1980 examination of the history of the Hausa trading diaspora: Lovejoy, Paul E., *Caravans of Kola: the Hausa kola trade, 1700-1900* (Ahmadu Bello University Press, Zaria, Nigeria, 1980). For an overview see Kate Meagher, 'Informality, Religious Conflict, and Governance in Northern Nigeria: Economic inclusion in divided societies', *African Studies Review* 56,3 (2013), p. 212; Kate Meagher, 'Trading on Faith: Religious movements and informal economic governance in Nigeria', *The Journal of Modern African Studies* 47,03 (2009). The role of religion in bridging 'tradition' and 'modernity' is also discussed in Jean-Philippe Platteau, 'Institutional Obstacles to African Economic Development: State, ethnicity, and custom', *Journal of Economic Behavior & Organization* 71,3 (2009).

[25] Mamadou Diouf, "The Senegalese Murid Trade Diaspora and the Making of a Vernacular Cosmopolitanism', *Public Culture* 12,3 (2000); Cheikh Anta Babou, 'Brotherhood Solidarity, Education and Migration: The role of the dahiras among the Murid Muslim community of New York', *African Affairs* 101,403 (2002); Moradewun Adejunmobi, 'Polyglots, Vernaculars and Global Markets: Variable trends in West Africa', *Language and Intercultural Communication* 4,3 (2004).

and piety while new investors incorporate endorsements by well-known sheikhs into their marketing campaigns, both locally and internationally amongst diaspora communities.[26] Recalling Viviana Zelizer's work on the importance of moral debates to the market for insurance,[27] the first Islamic insurance company opening in the Nairobi estate explained that to sell 'such an intangible commodity' they relied on 'word of mouth campaigns that relied on the "trust" in Sharia scholars, chiefs and elders.'[28] Thus, across the Somali territories in the diaspora, and even beyond, Islamic scholars and sheikhs comprise a connective network of moral influence that can be used to legitimize a company and the products it seeks to sell. In Somaliland as well, Islamic banking principles have been especially relevant for companies marketing financial services as they present a way to formalise informal money transfer operations and offer an array of services from savings and checking accounts to small business loans.[29]

Secondly, companies across different sectors are often avid advertisers – the money Somaliland-linked companies spend on marketing supports newspapers sold in Hargeisa and viewed by many more online, television stations broadcasting from

[26] Neil Carrier and Emma Lochery, 'Missing states? Somali trade networks and the Eastleigh transformation', *Journal of Eastern African Studies* 7.2, (2013), p. 344; Carrier, *Little Mogadishu*, chapter 5.

[27] Viviana Zelizer, *Morals and Markets: The development of life insurance in the United States* (Columbia University Press, New York, 1979).

[28] Carrier, *Little Mogadishu*, chapter 5.

[29] Interview # 34/Employee, Salaam Financial Services/Hargeisa/29 October 2012.

London and Hargeisa, and printing firms in Hargeisa.[30] The logos and slogans of Telesom, the biggest telecommunications company in Somaliland, and Dahabshiil, the largest money transfer company, appear at the top of almost every media outlet in Somaliland, proclaiming they are 'The Reliable Choice' and offer services 'you can trust'.[31] Other advertisements for large companies flash alongside: Al-Nuur Furniture, 'where quality and price meets!' The slogans evoke images of companies developed through honesty and hard work that focus on providing top services to a range of consumers in Somaliland and beyond.

Companies also publicise donations to sporting events, hospitals, schools, road building projects and other causes, framing them in language similar to that found around the world in multinational firms' corporate social responsibility programs. Their narratives highlight a shift away from the 'do what you can' ethic of post-war reconstruction that I discussed in chapter 2 to a stronger focus on responsible entrepreneurship as the route to economic growth and development. The website of Dahabshiil proclaims that the company 'continues to support the Somali community both in Africa and abroad, investing 5% of its profits into community regeneration projects involving the development of schools, hospitals, agriculture and sanitation.'[32]

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[30] This is evident with the amount of advertising signs and posters in Hargeisa, as well as the advertising banners on online newspapers. Interview # 101/Researcher and media entrepreneur/London/14 April 2014.

[31] See for example, the websites of online news sites *Somaliland Press* <http://www.somalilandpress.com/> and *Somaliland Sun* <http://somalilandsun.com/>.

[32] Dahabshiil, 'Dahabshiil Story', <https://www.dahabshiil.com/about-us/dahabshiil-story.html>.

A profile of the owner of Al-Nuur Furniture in a Somaliland newspaper details the company's community service; they support an orphanage in Hargeisa as well as running a 'marriage support program' through which they provide a 30% discount to any married couple.[33] The discourse on these donations combines a narrative on the value of sharing profits with the wider community with the idea that it is smart business sense to support those who are the 'backbone of our business growth'.[34] Companies justify their donations not primarily in terms of dutifully contributing to reconstruction, but in terms of a gift given to their community because they are 'good' corporate actors.[35]

Meanwhile, companies have often adapted their hiring practices, for both strategic and practical purposes – larger companies often needed a larger number of skilled staff than they might find amongst their relatives. Aisha Ahmad highlights in her work how big businesses in Mogadishu reoriented their hiring practices away from choosing relatives towards relying on personal referrals from private educational institutions or business contacts in the mid-1990s. Then, from 2000 onwards, she argues, all the largest telecom and money transfer companies began to prioritise piety over clan; one company examined candidates not just on their familiarity with the

[33] Latifa Yusuf Masai, 'Somaliland: Al Nuur Furniture Company epitomizes abundant investment opportunities in the country', *Somaliland Sun*, March 21 2013.

[34] Quote from Abdirahman Mohamed Nuur, founder and owner of Al Nuur Furniture, *ibid.*

[35] Here I draw on Rajak's work on the 'politics of the gift' embedded in corporate social responsibility programmes. Dinah Rajak, *In Good Company: An anatomy of corporate social responsibility* (Stanford University Press, Stanford, 2011), pp. 177-178.

technical aspects of the business but also on their knowledge of Islamic principles of trustworthiness and integrity.[36] Of course, these alternative hiring practices can exist alongside a focus on hiring people from a certain clan – however, strategies such as writing a job description, posting an advertisement in a newspaper, and interviewing candidates all boost the professional, corporate image of a company. In Hargeisa, while many family-run businesses underscored their reliance on clan ties, larger companies I interviewed emphasized that it was important to be 'an equal opportunity employer.'[37] The owner of Al-Nuur Furniture Company for instance, argued that after spending the second half of the 1990s as 'a traditional businessman', in 2000, he decided to set up 'a good company':

> Because the key success of the business was my co-workers, and we were working as a team. And then I decided to be an equal opportunity employer rather than someone you know and call him, please come and join the company. … You need to build, set up a company that has the proper procedures of hiring, selling items and job descriptions…. There was no one to learn [that from]. That was one of my challenges.[38]

Other companies spotlight the professional development of their staff and have created award systems for productive employees, announcing the winners on Twitter and other social media. Telesom for example held a ceremony at one of the largest hotels in Hargeisa to award 30 of its 'top performers' with certificates for 'diligence

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[36] Ahmad, *Between the Mosque*, pp. 203-205.

[37] Interview # 7/Abdirahman Mohamed Nuur/Chairman of Al-Nuur Furniture Hargeisa/4 July 2012.

[38] *Ibid.*

and outstanding achievements'. Awards included cash as well as an offer to pay for marriage expenses and the costs of performing the Hajj pilgrimage.[39]

Finally, large companies construct and present a corporate identity as they grow. Family businesses have become multinational conglomerates, with Chief Executive Officers (CEOs), Chief Financial Officers, and branch managers. The family business of Osman Guelle Farah – one of the group of businesspeople who lent money to Egal in the early 1990s – is currently run by his sons as OGF Group, a conglomerate of six enterprises claiming an annual turnover of US$15 million and working in import and export, clearing and forwarding, real estate and construction, money transfer, shipping services and postal services.[40] Companies' marketing strategies often meld a cosmopolitan, professional identity while also harnessing the appeal of home-grown businesses, grounded in honest hard work and entrepreneurial skill. They make the most of their roots, developing stories of their origins as traditional family businesses developed over the years but tie these roots to modern business structures. The OGF Group for example traces the company back to 1949, when Osman Guelle Farah 'used traditional routes to ferry goods between Djibouti and the

[39] 'Somaliland: Telesom hands awards for diligence to it's [sic] employees', *SomalilandPress*, March 16 2012. The announcement of another award to an employee also appeared on Telesom's Twitter feed in early 2015: Telesom Company, 'Telesom Human Resource Department awarded Sahra Ali Hirsi who's the most product Call Center Staff. Congra', 9 February 2015, 10:59pm, Tweet.

[40] The development of these large family-run businesses is similar to Laura Mann's description of the DAL Group. The large Sudanese conglomerate remains a family-run company, but family members sit on a corporate style board. The company 'mixes a system of internal transparency and formality with a policy and reputation for privacy within close-knit social networks.' See Laura Mann, '"We do our bit in our own space": DAL Group and the development of a curiously Sudanese enclave economy', *Journal of Modern African Studies*, 51,2 (2013), p. 295.

Ethiopian town of Diredawa.'[41] The money transfer company Dahabshiil, meanwhile, mobilises its humble beginnings in 1970. Its website proclaims, 'Dahabshiil is the "rags to riches" story of an African entrepreneur' – Mr Duale Mohamed, who 'with the support of his staff' by the late 1980s was already 'the leading remittance broker in the Horn of Africa.' The company projects this history of hard work onto its current operations: 'Forty years on and Dahabshiil's original values still ring true: trust and responsibility. The business has zero debt, remains entirely family-owned and is committed to its fair commission fee policy.' [42]

Building Big Business: Embedding clans in companies

Alongside the mobilization of both corporate and Islamic identities in commercial practice across the Somali territories, however, companies navigated and worked to reconfigure patterns of clan governance, creating new models of business organisation to expand their market share and attract investment. Companies have adopted shareholding structures, drawing on clan-based networks and reflecting aspects of local political arrangements in their corporate structures. In other cases, companies have adopted franchise systems, expanding their investments but respecting that markets across the Somali territories have their own local dynamics.

[41] OGF Group, 'Group Profile', <http://www.ogfgroup.com/new/OGF_website/new/structure.html>; OGF Group, 'History of the OGF Group', <http://www.ogfgroup.com/new/OGF_website/new/history.html>.

[42] Dahabshiil, 'Dahabshiil Story'.

These arrangements have allowed companies to both access and absorb more capital. Businesspeople can learn about and expand into new markets while ensuring that their investments are protected – absorbing the zonal logic of markets I described in chapter 4 within a single investment portfolio.

The embedding of social dynamics within company structures has also enabled the development of what Peter Little has called a "'Greater Somalia" of trade and finance' linking the Horn of Africa to parts of the Middle East and cities around the world.[43] Despite the political fragmentation of these spaces, a connective infrastructure has developed over time, enabling flows of people, goods, and capital. The sinews of these exchanges have been remittance and telecommunications companies, some of the largest and most profitable Somali-owned businesses. These companies pioneered shareholding and franchising techniques in the post-state collapse era as they tapped into Somalis' need for transnational communication and money transfer. The amounts travelling through remittance companies overshadow other sources of capital entering the Somali territories: a 2013 study estimated that around US$1.2 billion is remitted back to Somalia every year, far more than what Somalia receives in international aid (on average just under $850 million for the last five years), foreign

[43] Peter D. Little, 'Reflections on Somalia, or How to Conclude an Inconclusive Story', *Bildhaan* 3 (2003), p. 66.

direct investment (just over $100 million in 2011), and exports earnings ($516 million in 2010).[44]

Bashir Abdisamad Hared and colleagues at Universiti Utara Malaysia recently explained the development of a large telecommunications firm founded in Somalia in 2000. By 2013, the company had around 3000 shareholders, 2500 employees, and a book value of around US$75 million. Annual gross sales were about $US2.5 million in 2011 and 2012, with a net profit of US$1.2 million in 2012.[45] The original founding investors were from the same clan, which Hared et al argue meant that 'because of their kinship ties, they were able to trust each other and establish the company'. The founders then invited other shareholders from their region of origin to join them, but worked on a basis of a 'predetermined "clan ownership" ratio' for each sub-clan. To build the company's territorial reach, they proceeded to select shareholders from the clans and sub-clans in other regions. The more political influence a clan had, the more likely it was that 'the most influential business people' from that clan would be invited to join the company as shareholders.[46]

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[44] Laura Hammond, 'Family Ties: Remittances and livelihoods support in Puntland and Somaliland', (Report, UN Food Security and Nutrition Analysis Unit - Somalia, Nairobi, 2013), p. 7. By Somalia, the study means the area covered by the former Somalia. For an earlier account focusing on Somaliland, see Ismail I. Ahmed, 'Remittances and Their Economic Impact in Post-war Somaliland', *Disasters* 24,4 (2000).

[45] Bashir Abdisamad Hared, Zarifah Abdullah, and Sheikh Mohammed Rafiul Huque, 'Management Control Practices in Somalia's Traditional Clannish Society', *Procedia - Social and Behavioral Sciences* 164 (2014). The company is described using a pseudonym in the article.

[46] Ibid, p. 418.

The account of Hared et al matches those of other observers. Anna Lindley explains how money transfer companies 'deliberately diversified their major shareholders, agent networks and customer bases to reach new areas and clientele.' Companies 'navigat[ed] shifting landscapes of governance and violence' by liaising with local political systems and ensuring that local people felt that they had a stake in the company and its assets.[47] Similarly, Aisha Ahmad writes:

> Both hawalas and telecom companies are countrywide and have a pan-clan shareholder structure that represents all regions where business is active. These companies strategically expanded into new regional markets by procuring local partners and agents from the dominant clan group in the region, thus developing a multi-clan shareholder structure and business model.[48]

One of the acknowledged pioneers of building companies based on local partnerships and shareholding arrangements is Ahmed Nur Jim'ale, the founder of the money transfer firm Al-Barakaat.[49] His strategy emphasizes not only integrating markets but also respecting patterns of fragmentation between, for example, Somaliland, Puntland, and south-central Somalia. During the 1990s, Jim'ale's company Al-Barakaat quickly became the largest Somali money transfer company, expanding beyond its clan

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[47] Lindley, *Early Morning Phonecall*, pp. 38-39.

[48] Ahmad, *Between the Mosque,* p. 204.

[49] Marchal, Roland, 'A Survey of Mogadishu's Economy' (European Commission/Somalia Unit, Nairobi, 2002), p 19. Marchal explains that Jim'ale had originally worked for Citibank in Saudi Arabia in the 1970s but then in the 1980s became the representative of one of the richest traders in Mogadishu, overseeing his money transfer operations in Jeddah. By the late 1980s, the businessman encouraged Jim'ale to begin a company of his own to focus on smaller-scale remittances – the beginning of Al Barakaat.

niche.[50] The company had already been working in the remittances sector before the war broke out and was based in Jeddah, Saudi Arabia, where it could draw its customers from across the clan families.[51] As Jim'ale diversified his investments into related companies and other business sectors, Al Barakaat's 'economies of scale allowed it to dominate the market, with other operators competing on clan or regional niches rather than on fees.'[52] However, after Al Barakaat had its central funds frozen by US action in 2001, Jim'ale's business strategy shifted, and he worked to diversify his portfolio by embedding his investments in the political and social dynamics of different areas of south-central Somalia, Puntland, and Somaliland. Instead of branches of a single company all over the former Somalia and amongst the diaspora, he invested with others in locally based shareholder companies. He owns a large stake in each, but thousands of shareholders have also invested, broadening the social base of the company.[53]

Through similar strategies of shareholder companies and franchising, telecommunication and remittance companies embedded clan dynamics within their organizational structures, enabling them to expand their businesses and protect their assets. As Lindley has emphasized, while building cross-clan coalitions, companies

[50] Lindley, *Early Morning Phonecall*, p. 40.

[51] Marchal, 'A Survey', p 19.

[52] Lindley, *Early Morning Phonecall*, p. 40.

[53] Interview # 101/Researcher and media entrepreneur/London/14 April 2014.

relied on 'social and financial guarantees…underwritten by *xeer*, or Somali customary law.' These include asking clan elders to provide references for prospective agents or employees and relying on the *xeer*-style arbitration that I described in the previous chapter to solve disputes. *Xeer* allowed companies to bridge clan divides – demonstrating not just, as Lindley argues, Granovetter's argument about 'the strength of weak ties'[54], but that these weak ties were undergirded using mechanisms from clan governance. In some of the literature on post-conflict investment in the former Somalia, this insight has been overlooked as analysts have equated clan ties with 'bonding social capital' that 'fortifies clan allegiances, pitting clan versus clan and impeding moves towards peace and reconciliation.'[55] However, such a static view of social systems based on ethnicity, kinship or religion does not explain the institutional content of those systems nor how people can mobilise social identities and the institutions attached to them. As Kate Meagher has emphasized, as with 'many economically dynamic ethnic and religious networks', commercial networks based on clan governance have 'an institutional capacity for…integration', not just division. What matters is how the social system has been mobilized, adapted and embedded in wider political and economic structures[56] – both locally and transnationally. To

[54] Mark Granovetter, 'The Strength of Weak Ties: A network theory revisited', *Sociological theory* 1,1 (1983), quoted in Lindley, Anna, 'Between 'Dirty Money'and 'Development Capital': Somali money transfer infrastructure under global scrutiny', *African Affairs* 108,433 (2009), p. 526.

[55] Colleta, Nat and Michelle Cullen, 'Resilient Communities: Building the social foundations of human security', in Jonathan Isham, Thomas Kelly, and Sunder Ramaswamy, *Social Capital and Economic Development: Well-being in developing countries* (Edward Elgar, Cheltenham, 2002), p. 220

[56] Kate Meagher, *Identity Economics: Social networks & the informal economy in Africa* (Boydell & Brewer, Woodbridge, 2010), p. 171.

examine this interaction more closely, I now turn back to the electricity sector in Hargeisa.

'Creative Destruction'[57]: Shareholder Companies in southern Hargeisa

Despite the advantages they offered, in Somaliland by the late 2000s, there were still few shareholding companies – other than the largest telecommunications firm, Telesom, most were still family-owned.[58] In this regard, the electricity sector as I described it in chapter 4 was typical. It relied on transnational ties, but these were mainly lineage-based. On the ground in Hargeisa, the market remained highly fragmented. However, in the south of the city, a power company owned by a businessman active both locally and in the diaspora began to develop a new model. Kaah Electric Power and Lighting Company set up a shareholding system and over time, was able to take advantage of the economies of scale associated with electricity generation and distribution. The rise of the company reflects the trends I discussed in the first half of the chapter: it depended on combining local embeddedness with broader, transnational networks, giving it the ability to amass large amounts of capital, access expertise, and leverage government policy to challenge the dominant zonal culture of the market. I explain its history here, focusing first on the context of the

[57] Joseph Alois Schumpeter, *Capitalism, Socialism and Democracy* (Routledge, London, 1976 [1942]).

[58] This was confirmed in my interviews. Also see: Hibo Arteh and Ahmed A. Dualeh, 'A Peace Economy: The role of the Somaliland business sector' (Academy for Peace and Development/Rift Valley Institute, Hargeysa/Nairobi, 2011), p. 12.

south of Hargeisa, and secondly on the company itself. I then explain Kaah's impact on the wider market for power.

The development of electricity supply systems south of the riverbed followed a slightly different trajectory from other parts of Hargeisa due to patterns of conflict, timing of investment, and the tactics of key diaspora businesspeople. As I described in chapter 2, the dry riverbed dividing Hargeisa marks a line between the clans who have historically settled on the north and north-western side – mainly the Sacad Muuse/Habar Awal – and those that have settled in the south: the Cidagale (part of the Garhajis together with the Habar Yonis) and Carab.[59] These patterns continued after the collapse of the state. Clan ties structured resettlement and investment patterns – along the lines of the philosophy of '*dis deegaankaaga*', 'building your own community'.[60]

Especially in the 1990s, most construction, commerce, and investment happened in northern and central areas dominated by the Sacad Muuse/Habar Awal. Traders from this clan dominated the import-export business.[61] As I highlighted in chapter 2, most of the big businesspeople who loaned money to Egal in the early 1990s were from his broader clan grouping, the Habar Awal. The political struggles of the mid-1990s were

[59] Mohamed Hassan Ibrahim, 'Somaliland's Investment in Peace: Analysing the diaspora's economic engagement in peace building' (Working Paper 4, DIASPEACE, Jyväskylä, Finland, 2010), p. 16.

[60] *Ibid*, 33.

[61] Marchal, 'Post Civil War', pp. 76-78.

partly triggered by this imbalance, and the conflict over the Hargeisa airport located at the southern edge of the city reinforced the trend of unequal development.[62]

While the war displaced electricity companies linked to clans found in the northern half of Hargeisa from the centre of town, they were able to relocate to neighbourhoods further north. They continued to build their businesses and, as I described in the last chapter, by 2000 or so, the north and central parts of the city were dominated by large family-run electricity businesses. In the south of the city, the war was much more damaging, destroying buildings, delaying the return of refugees from Ethiopia, and displacing those who had already returned. The material destruction and spatial displacement was compounded by the Garhajis' loss of economic and political power. Garhajis had already begun to lose their dominant position in the livestock trade before the Airport War,[63] and when they fled the central areas of Hargeisa, they lost access to other economic opportunities and, importantly, civil service jobs.[64] While after the war and the 1996-1997 Hargeisa Conference, there was an attempt to accommodate Garhajis back into public sector jobs and, for example, an exemption from property tax granted to the Garhajis in

[62] Bradbury, Mark, *Becoming Somaliland* (Progressio/James Currey, London/Oxford, 2008), pp. 118-119.

[63] *Ibid*, p. 119.

[64] Mohamed, 'Somaliland's Investment', p. 17.

Hargeisa by President Egal,[65] the inequality between the two sides of the city remained.

Significant investment in the southern side only really began towards the end of the 1990s, as businesspeople drew on international ties and diaspora investment. Transnational businesses emerged as 'an emerging younger generation began to invest in telecommunications and airlines.'[66] Star Group, for instance, an important collection of businesses south of the riverbank, began in 1996 as an airline company run by Osman Abdi Hassan, a businessman based in Dubai.[67] He and his brothers invested in a restaurant, hotel and supermarket in 2000, for which they supplied their own electricity from a small generator of 63 kVA. Over time, their neighbours asked them to provide electricity and this became part of their business as well.[68] As it had in other parts of the city, privately provided power followed with reconstruction, appearing as business investment increased. Around ten years later, Star Group's

[65] Balthasar , *State-Making*, pp. 237-8.

[66] Mohamed, 'Somaliland's Investment', p. 22, quoting an interview in March 2009 with Abdiqadir Ismail Jirde, former First Deputy and then UDUB MP in Somaliland's House of Representatives.

[67] Interview # 72/Businessman and manager of Star Group/Hargeisa/1 May 2013; 'Business Networks in Terra Incognita', *Indian Ocean Newsletter*, October 23, 2004; Star Group of Companies, 'Brief History of the Business', <http://www.stargroupsom.com/index.php/component/content/article/78-about-us/79-brief-history-of-the-business>.

[68] Interview # 72/Businessman and manager of Star Group/Hargeisa/1 May 2013.

power system had expanded to three generators providing over nine times as much power.[69]

As Mohamed Hassan Ibrahim has argued, in addition to businesses like Star, a major catalyst for development south of the riverbed was the construction of the Ambassador Hotel, a multi-million dollar investment by a diaspora returnee from the UK, Khader Ali Hussein.[70] The hotel, complete with gardens, conference rooms, and a large restaurant is near the airport, in an area that was almost completely undeveloped in the late 1990s. Built between 2000 and 2002, its construction was aided not just by Khader's wealth but also by changes that had accompanied increased political stability. Diaspora had returned in large numbers to the cities, remittances continued to flow into Somaliland, and different kinds of companies appeared. There were more and better options for telecommunications, money transfer, and transportation, as well as construction companies and firms importing a range of goods.[71]

The Ambassador Hotel was built by a local Somaliland construction company – in a very different process from the other major hotel in the north of the city, which was

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[69] *Ibid.*

[70] Mohamed, 'Somaliland's Investment', p. 22.

[71] Luca Ciabarri, 'Trade, Lineages, Inequalities: Twists in the northern Somali path to modernity' in Markus Hoehne and Virginia Luling (eds), *Milk and Peace, Drought and War: Somali culture, society and politics* (Hurst, London, 2010), pp. 80-81; Mohamed, 'Somaliland's Investment', p. 24; Ahmed, 'Remittances', p. 387.

built in fits and starts and had to rely on phone connections in Djibouti and people physically travelling to Hargeisa to carry necessary cash.[72]

Since the Ambassador Hotel was opened in 2002, there has been a:

> …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.[73]

Land prices near the hotel rose sharply – by ten to a hundredfold – in the decade after the construction of the Ambassador, and international agencies distributed their offices and activities more equally between north and south Hargeisa. Some investors related to the clans linked more to southern Hargeisa who had originally bought land in the northern half of the city moved southwards, and people from clans not historically resident in Hargeisa also began to purchase property and invest in the southern side of the city.[74] Over time, this investment, led in particular by young investors returning from abroad, created a web of privately provided infrastructure, which included localised power systems. These fragmented systems of provision tied into networks of diaspora investors paved the way for subsequent consolidation.

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[72] Mohamed, 'Somaliland's Investment', pp. 19-20, 24; Interview # 13/Abdiqadir Hashi Elmi/Owner and founder of Maan Soor Hotel/Hargeisa/8 July 2012.

[73] Mohamed, 'Somaliland's Investment', p. 26.

[74] *Ibid*, pp. 26-28

Kaah Electric Power and Lighting Company

In this business environment, driven by transnational investment and an increasing desire to continue to catch up with the north of the city, a new kind of company emerged in southern Hargeisa. City Light Electric Company was originally founded in 1997 but in 2006, was renamed Kaah Electric Power and Lighting Company.[75] The company had three generator stations,[76] and was part of the Kaah Group, owned by a Somali businessman who had lived in the UK before coming back to start a business in 2004. Kaah Group included a successful construction and real estate company, a hotel, a business centre equipped with a supermarket and fuel station, and an import business in Hargeisa.[77] In a move that would reshape the city's power sector, in 2009, Kaah Group united with about 16 electricity companies in the south of Hargeisa. Many of these companies were smaller than those in the downtown and northern areas of the city – and Kaah's growth threatened to push them out of the market,

[75] Kaah Electric & Lighting Company, 'A Short History', <http://www.kaahelectric.com/>.

[76] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

[77] These businesses however do not include the money transfer company Kaah Express, which shares the same name. Regarding Kaah Business Group, see: Abdirisak Fadal, 'Maamulka Shirkada 'Kaah Business Group' Oo Shir Kula Yeeshay Jaaliyadda Sl Ee Norway Xarunta Jaaliyadda Ee Magaalada Oslo', *Somaliland.No*, Oslo, March 17, 2008. Also see: Kaah Hotel, Facebook page, <https://www.facebook.com/pages/KAAH-HOTEL/203174126507161?sk=timeline>.

giving them an incentive to join with the larger company and benefit from incoming flows of diaspora investment.[78]

Engineer Abdi Ali Barkhad, the same electricity expert who had helped to rehabilitate the government-owned power station advised the owners of the enlarged Kaah on how to create a unified grid. He had, as I explained in Chapter 3, left the state agency earlier in the 2000s and was active in the private sector. He had founded a firm servicing water and electricity systems of international NGOs and large companies before helping Somaliland's largest money transfer company Dahabshiil upgrade their electricity supply grid in the centre of Hargeisa. With the experience he had working for ENEE before the collapse of the Siad Barre regime and then rebuilding the Somaliland government's grid in Hargeisa in the early 2000s, he found working with microgrids very limiting. He began negotiating with the Kaah investors, explaining how they could build a bigger power station.[79]

Recalling his negotiations with the Kaah investors, Engineer Abdi Ali Barkhad remembered: '…we called all the rest of the small companies in the surrounding town [area], and we evaluated their equipment, and their assets, and we [gave] them share[s]...' As he explained, because most of the companies joining the union were

[78] Interview # 53/Manager of Kaah Power and Lighting Company/Hargeisa/20 November 2012; Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013.

[79] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013; Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

quite small, their equipment was not suitable for an integrated grid, and Kaah required additional investment for new and bigger generators as well as more extensive distribution lines. Leveraging the diaspora connections of the company owners, they found outside investors – 'those who don't have machines but cash'[80] – who could provide financing in return for shares in the business. From 2009 to 2011 they worked to combine their generation sites into one, and by 2013 they had over 20km of high-tension wire transmitting power to over 30,000 customers.[81]

Because of its history, Kaah's governing structure differed from the other, mainly family-based power companies. Owners of the companies that joined Kaah received shares in the business and if they were large enough, a seat on a board of directors. As it grew, the company refined its governance. Initially, it was led by the chair of the board, but around the end of 2012, the board created the position of CEO for overall policy and left day-to-day issues to the general manager. Both CEO and general manager were part of the board, allowing the company to draw on the technical expertise of Abdi Ali Barkhad[82], who had been Kaah's first CEO and was in 2013 Kaah's general manager, as well as the business skills and reputation of the new CEO Hassan Ahmed Hussein, a well-respected diaspora returnee from California whose

[80] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013.

[81] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013; Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

[82] Interview # 77/Engineer Abdirahman Ali Barkhad/Hargeisa/8 May 2013. In exchange for his expertise and work on Kaah's grid from 2009 to 2011, he requested his payment in cash and shares, and received a seat on the board.

power company Iftin merged with Kaah in 2011.[83] Through the structure they developed and in a context where investment in the south of the city was taking off, Kaah was able to leverage much higher levels of investment than other companies, both from large Somaliland-based companies as well as diaspora who wanted to participate in rebuilding and make a profit while doing so. In particular, the company could mobilise investment through both the strong ties of the owners while also presenting itself as an investment opportunity for people who wanted to invest in a cross-clan company as a more patriotic platform for development.[84]

In the electricity sector, backed by a significant initial investment of both capital and technical know-how together with savvy management practices and effective service delivery, Kaah's corporate governance structure has allowed for greater consolidation of territorial coverage. At the time of my interviews in 2013, Kaah was the biggest electricity company in the city by far. The union unsurprisingly had attracted small companies who were struggling and could not compete with their more successful neighbours. However, because of its success and its governing structure, it had also attracted further investment and the interest of more stable electricity companies. In

[83] Iftin was founded in 2009 when Hassan bought the electrical equipment of a telecommunications company selling power in the area, which had been struggling and was trying to sell off their business in that part of the city. Before he entered the market, the only electricity available to him was from the government agency, and at least four or five nights out of the week, there was load-sharing. Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

[84] See Mohamed, 'Somaliland's Investment', p 31; Interview # 59/Diaspora returnee businessman and consultant/Hargeisa/4 December 2012.

2013, the company was finalising a merger with the electricity section of Dahabshiil, which supplied part of the downtown area near Dahabshiil's main offices.[85] As the merger was approaching completion, Kaah's manager explained that the company had decided not to let any more small companies join the union for two years in order to focus on upgrading their system. They planned a wholesale expansion and update to their system. Having taken a loan from Dahabshiil Group[86] for US$700,000, they had bought new generator sets and a synchronisation panel; they planned to move from light diesel to heavy fuel oil while also introducing a hybrid system involving wind energy.[87]

The relationships Kaah was building with the diaspora and the commercial giants of Somaliland were important for two reasons. Firstly, they secured their access to capital – key to the 'life chances of firms, the growth of economies, and how markets stratify firms…' in any economy,[88] but especially one without a internationally

[85] Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

[86] Although still owned by a single family, Dahabshiil is now a 'group' which includes subsidiary companies active in different sectors beyond just money transfer, including telecommunications, construction, import and export, and electricity, among others. It was just the electricity business that was being merged into Kaah.

[87] Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

[88] Brian Uzzi, 'Embeddedness in the Making of Financial Capital: How social relations and networks benefit firms seeking financing', *American Sociological Review* 64,4 (1999), p. 481.

recognised banking system.[89] The source of their loan, Dahabshiil, is one of the wealthiest companies in Somaliland and functions like a bank, offering account services and even small loans to entrepreneurs. Secondly, as the merger with Dahabshiil shows, as Kaah grew larger, they attracted investors with different sub-clan affiliations than the original owners – Dahabshiil is owned by a Habar Ja'alo family while Kaah's owners are mainly Garhaji (Habar Yonis and Cidagale) and Carab. This cross-clan cooperation helped them consolidate and expand their markets, and, as I explain in the next section, Kaah soon began to challenge suppliers in the centre of town, across the riverbed.

Mediating Free Competition

To demonstrate the effect of Kaah's mergers and organisational structure on competition and regulation of conflicts in the market for power, I turn now to examine a conflict that happened during my second visit to Hargeisa in 2012. The conflict revealed the continuing relevance of zonal boundary lines in the electricity market that I described in chapter 4. However, the subsequent process of arbitration and resolution of the conflict demonstrated the increasing power of discourses of free competition.

[89] Scott Pegg and Pål Kolstø, 'Somaliland: Dynamics of internal legitimacy and (lack of) external sovereignty', *Geoforum* (published online in 2014), p. 8.

One morning during November 2012, my driver reported that there had been the brief sound of a gunshot downtown, a rare occurrence in Hargeisa where people are still very sensitive to potential conflict.[90] It turned out to be a policeman firing in the air to stop a fistfight between the employees of Kaah and another smaller electricity company serving parts of central Hargeisa (for our purposes, Company B). Kaah had been given a contract to provide electricity to a new hospital, which was, however, situated in an area of the downtown where most people were supplied by Company B. Although much smaller than Kaah, Company B had a strong presence in the centre of Hargeisa, providing power to retailers and other businesses in a downtown market.

By the 2010s, violent conflicts between electricity companies in Hargeisa were relatively rare – the November fight was the only one I heard about that caused any violence during my fieldwork. Tension did exist in the central downtown area, where there was a denser customer base and companies operated in overlapping zones,[91] but as I explained in the previous chapter, company owners often attempted to mediate amongst themselves and called on mediators in case of more intractable problems. Nevertheless, although it was unusual because of the physical fight that

[90] Hearing gunshots was not a common experience in Hargeisa by the late 2000s. During my fieldwork, I heard gunshots only on about two occasions – once as police fired in the air to control a big crowd outside a polling station that was closing at the end of the local elections in December 2012 and once at night in my neighbourhood in northern Hargeisa. The other main incident involving gunfire was when police fired at a crowd of supporters of the political party Xaqsoor protesting the results of the local elections. Police often use live fire to dispel protesters, which can easily result in deaths of those protesting as well as bystanders. For more details, see: Steve Kibble and Michael Walls, 'Swerves on the Road: Report by international election observers on the 2012 local elections in Somaliland' (Progressio, London, 2013).

[91] Interview # 66/ Saeed Mire/HELP Secretary/Hargeisa/25 April 2013.

broke out between the two companies' staff, the conflict between Company B and Kaah revealed an important schism in the electricity sector and an ongoing shift away from zonal logic. It also highlighted the ongoing interaction between mediation processes, market-marking, and state formation.

Although the police intervened first, the conflict over the contract to supply the hospital was mediated using flexible practices used to prevent conflict in the wider social milieu; those involved in the fight preferred the mediation of local community leaders to the police and the court system.[92] As I described in chapter 4, mediations are grounded in *xeer*, the collection of 'unwritten agreement[s] that has evolved within and between Somali clan communities over generations.'[93] *Xeer* involves a broad canon of knowledge of past clan agreements, past mediation processes, and Islamic law, and mediation works to build consensus – inclusivity of the aggrieved parties and efficiency being key to the resolution of conflicts. Despite *xeer* originally being most relevant in rural areas, it has maintained its relevance in urban areas of Somaliland where the nascent state system is more visible. As Joakim Gundel has explained, businessmen often trust the 'traditional' system more because it is faster and cheaper

[92] Interview # 57/Suldaan/Hargeisa/4 December 2012; Joakim Gundel and Ahmed A. Omar Dharbaxo, 'The Predicament of the "Oday": The role of traditional structures in security, rights, law and development in Somalia' (Danish Refugee Council & Novib/Oxfam, Nairobi, 2006), p. 18.

[93] Andre Le Sage, 'Stateless Justice in Somalia: Formal and informal rule of law initiatives' (Centre for Humanitarian Dialogue, Geneva, 2005), p. 14.

than the government courts.[94] The *xeer* system is also very dynamic – while decisions rely on precedent, elders are supposed to react to the circumstances before them, interpreting evidence and considering arguments before they come to a verdict.[95]

Although they are grounded in the dynamics of clans and the history of *xeer*, mediation processes work because they can be adapted to different circumstances. Elders, while mobilising their own social legitimacy to try and solve the problem, can also call outside experts as witnesses.[96] Parties can theoretically reject the final decision and engage in 'forum shopping',[97] demanding another mediation or taking the case to either a sharia or a civil court, so being able to call in expert witnesses helps the system of mediation maintain its legitimacy and relevance to the changing world around it.

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[94] Gundel et al, 'The Predicament', p. 18. This reasoning echoes preference for *sharia* law courts in parts of northern Nigeria even across ethnic and religious lines. See Kate Meagher, 'Informality, religious conflict', pp. 221-222.

[95] Le Sage, 'Stateless Justice'; Gundel et al, 'The Predicament'. As a Somaliland-based lawyer explained to me, even in cases when businesspeople want to take their case to the government courts, lawyers sometimes advise them to try negotiation first. Many agreements at the heart of business conflicts in Somaliland are oral and thus without legal standing in a government court of law, leaving judges without sufficient evidence to make a decision. In mediation, oral agreements can be used as evidence, and businessmen and their claims and interests can be 'known' by those judging the case. In other cases, lawyers do not trust that judges will have the technical expertise necessary for more complicated cases involving international investors or transnational business deals and thus prefer the more negotiated process of mediation. Land cases however are a different matter. Lawyers recommend the courts because in mediation, 'even if the elders believe you are right', they will often say that 'you should give the complainant some money just to go away'. Due to the scale of land problems, there is a special land court in Hargeisa where judges will look at title deeds and interview witnesses (Interview # 58/Hassan Farah Mohamed/Lawyer at Watershed Legal/Hargeisa/3 December 2012).

[96] Gundel et al, 'The Predicament', p. 18.

[97] Benda-Beckmann, Keebet von, 'Forum Shopping and Shopping Forums: Dispute processing in a Minangkabau village in West Sumatra', *The Journal of Legal Pluralism and Unofficial Law* 13,19 (1981).

Moreover, those 'elders' involved increasingly reflect the range of different sources of authority and power which exist in the urban setting, incorporating not just registered *aqils* and *suldaans* but religious figures and businesspeople. They are, to quote the legal historian Lauren Benton, part of a 'multijurisdictional field' rather than a process attached to a separate sphere of traditional law.[98] As such, mediation reflects the changing political terrain in Hargeisa. People called on to mediate are not only playing the role of representative for their lineage; rather, they are embedded in a broader effort to maintain peace across the city and consider the concerns of the wider business community and the government. Especially in cosmopolitan urban areas, there is an increasingly symbiotic relationship between government institutions and mediation processes, as the outcome of the conflict between Kaah and Company B revealed.

After the police intervened in the fight between the two companies' staff, word spread about the conflict and the need for mediation. The head of the Chamber of Commerce – an institution that had helped arrange zoning in the electricity sector, as I mentioned in Chapter 4 – took the lead in the mediation, and chose five other men: a *suldaan*, an *aqil*,[99] a sheikh, and two businessmen, neither of whom were involved in

[98] Lauren Benton, 'Historical Perspectives on Legal Pluralism' in Brian Z. Tamanaha, Caroline Sage, and Michael Woolcock (eds), *Legal Pluralism and Development: Scholars and Practitioners in Dialogue* (Cambridge University Press, Cambridge, 2012), p. 30

[99] *Suldaan* is the most common name for the most important titled elders among the Isaaq and many of them are members of the Guurti. A*qils*, meanwhile, are the elders at the head of the *mag* or diya-paying (blood payment) group. Gundel et al, 'The Predicament', pp. 16-17; Markus V. Hoehne,

electricity but one of whom was also a local councillor in the city. The mediators then called the owners of both companies; in a mediation opposing parties have to agree with the choice of mediators and sign a declaration that they will accept the result of the negotiation. Mediators then listened to each of the conflicting parties and their witnesses, visited the site of the conflict, and examined available evidence. After three or so meetings, they read their verdict to the two company owners at the offices of the Chamber of Commerce.[100]

The committee of mediators supported Kaah's argument against Company's B claim to an exclusive zone and confirmed Kaah's right to fulfil their contract to supply power to the hospital. In their verdict, the committee also wrote that the government should create a body to monitor conflicts within the electricity sector. Separately, they told the police, the Ministry of the Interior, and the Ministry of Public Works that they should create regulation for the sector to avoid the problem of zones. After the parties swore to abide by the mediators' decision, the mediators invited the conflicting parties to lunch.[101]

When I interviewed him later, one of the mediators explained that two sets of ideas had guided their final decision. One was drawn from the body of Islamic law, sharia –

'Traditional Authorities in Northern Somalia: Transformation of positions and powers' (Working Paper No. 82, Max Planck Institute for Social Anthropology, Halle/Saale, 2006), p. 17, fn 37.

[100] Interview # 57/Suldaan/Hargeisa/4 December 2012.

[101] Interview # 57/Suldaan/Hargeisa/4 December 2012.

an important ingredient of many *xeer* decisions: the mediators highlighted Islamic principles about the importance of honesty and not being aggressive or provoking conflict in business. The other was based on an interpretation of the rules and regulations of the Somaliland government – demonstrating that while it is easy to draw analytical lines between state law, clan law, and sharia, in reality these three affect each other and can be used simultaneously during mediation and arbitration.[102] The mediator explained that the government law stipulated that 'business is a free enterprise' and that 'everybody has the right to own his business freely…and make his own business.'[103] Indeed, Article 11.1 of the constitution of Somaliland states: 'The state shall lay down the national economic policy based on the principles of free enterprise…'[104], a declaration grounded in memories of the harassment and violence Isaaq businesspeople suffered under Siad Barre.[105]

What explains the choice of the mediation to endorse the arguments in favour of free enterprise and against zonal monopolies? The appearance of narratives promoting free enterprise was not new and had featured in mediations even in the early 2000s, when zonal monopolies were well established in the market. Rakiya Omaar's article

[102] In Somali, government law is also called '*xeer*' and can be explained as a contract amongst people in that area. On the intertwining of xeer and sharia in southern Somalia, see: Jutta Bakonyi, 'Authority and Administration Beyond the State: Local governance in southern Somalia, 1995–2006', *Journal of Eastern African Studies* 7,2 (2013), pp. 281-282.

[103] Interview # 57/Suldaan/Hargeisa/4 December 2012.

[104] Republic of Somaliland, *Constitution of the Republic of Somaliland*, 2000.

[105] Marchal, 'Post Civil War', p. 58.

about a conflict between power companies in 2002 mentioned that there was a circular 'stating that everyone in Somaliland was free to enter into a contract with anyone of their choice and that suppliers of electricity—or anything else for that matter—had neither a monopoly nor the right to force people to remain their clients.'[106] She does not explain the origin of the circular, but it was likely procured by a company from a government office. During my fieldwork, I was told about other cases when elders and community leaders led mediation efforts between companies, but letters from government representatives were used as evidence by one side or the other to support the claim that the electricity sector should be governed by principles of 'free market', as a space without zonal boundaries or territorial claims.[107]

Moreover, while the government did work over time to promote a unified market and push back against zonal monopolies, in the conflict in 2012 between Kaah and Company B, governmental declarations were still treated as neither binding nor the sole authority to be consulted. Laws were presented as a source of guidance on matters of economic exchange – expert witness testimony in a trial to determine which logic of the market should reign supreme, zonal monopolies or an undivided space of uninhibited competition. Indeed, in their verdict in the 2012 conflict, mediators highlighted the fact that the government was not sufficiently regulating the

[106] Rakiya A. Omaar, 'Law And Order In Hargeisa: Who is in charge?', *Somaliland Times,* Issue 24, 29 June, 2002.

[107] Interview # 53/Manager of Kaah Power and Lighting Company/Hargeisa/20 November 2012.

electricity sector and called on the government to design and implement rules to govern competition amongst companies.

Thus, the presence of the narratives promoting free enterprise was not new; nor was the government's interest in a unified market. What had changed? One possible explanation was that mediators felt that peace was more secure and that the owner of Company B, an individual well-known across the city for his support of Somaliland's cause, would not protest the decision. As I emphasised in previous chapters, a variety of social networks helped to tie together broad areas of Hargeisa into a market area with shared norms and shared processes of negotiation and contestation. Electricity company owners very much had a stake in the collective project of reconstructing the city, and while their important position gave them influence in social processes of mediation, it also meant they were expected to respect those processes and the decisions of the mediators.

However, this still does not explain why the argument for zonal monopolies was treated as illegitimate – to paraphrase the mediator, the law of lions defending their areas in a jungle[108] – or why the mediators endorsed Kaah's move into the centre of town. The key lies in the fact that Kaah offered a much more effective organisational model for the electricity sector and crucially, one that could overcome the

[108] Interview # 57/Suldaan /Hargeisa/4 December 2012.

intransigent problem of competition amongst neighbourhood-based companies that I described in chapter 4.

Rather than pushing smaller companies out of the market, Kaah had merged with them, emphasising that the company was a jointly owned enterprise. At the same time, by drawing on broad transnational networks, Kaah's owners had accessed substantial capital and expertise that enabled them to upgrade their equipment and take advantage of electricity's economies of scale. This attracted the interest of other larger companies, as I described above. By carefully auditing the assets of companies that joined and having adequate capital to integrate grids, Kaah was able to cultivate the trust needed to transcend – or even absorb – divisions in the market. It was able to acknowledge the contributions of smaller power companies, mobilise clan-based networks, *and* endorse competition on the grounds of quality of service. Kaah was emblematic of the rise of big business in Somaliland – a class of business elite that prospered by building on the integrative power of their social ties while carefully crafting their identities as corporate citizens committed to free market competition.

Conclusion

While approaches to embeddedness in economic sociology building on the work of Mark Granovetter have often emphasised the structure of networks as a determining factor of economic outcomes, in this chapter I analysed how people, while inevitably embedded in networks, worked to expand the basis of trust within those networks,

underpinning weak ties with institutions that fomented trust.[109] A broad concern with peace and stability remained important in Somaliland, but particular businesspeople began to organise their engagement in the project of reconstruction in a way that increased their ability to gather the capital necessary for broader investment. In particular, they mobilised ideas of the free market to extend their space of action while still drawing on the enduring relevance of clan identities.

In the electricity sector, the shift in the business environment towards shareholding companies was first visible in the southern part of the city, which presented a different history of market-making than the northern and downtown areas of Hargeisa. Kaah developed a company structure that allowed it to navigate the politics of clan, endorse a discourse of free enterprise, and attract both expertise and increasing investment from the diaspora. Its position as both market incumbent and challenger to the established culture of the market catalysed change across Hargeisa's riverbed, as I will explain in chapter 7.

The increasing dominance of Kaah in the power sector is illustrative of the success of a business model that has created commercial actors who can enter into a partnership of power with a government committed to unifying the market. While, as I will explain in chapter 6, tensions continue to mark the relationship between power

[109] Here I draw on Jens Beckert, 'The Social Order of Markets', *Theory and Society* 38,3 (2009), pp. 260, 264.

companies and the government, the rise of big business has continued to shape the direction of Somaliland's state formation process.

Figure 6: View of Hargeisa from the Ambassador Hotel. (Emma Lochery)

Chapter 6

The Promise and Threat of Regulation: Defending the built peace

In this chapter, I return to examine the government's attempts to broadcast its power in the market. As I argued in chapter 3, in the early 2010s, the Somaliland government emphasised the need to focus not just on maintaining peace but also on delivering economic development. In the electricity sector, and especially with the decline of the Somaliland Electricity Agency, this translated to a focus on creating regulation, attracting investment, and consolidating private companies. The shift in the government's focus from provision to regulation affirmed private companies' right to provide. Nevertheless, it also renewed the government's assertion that because of the symbolic and material importance of electricity provision, the government had a mandate to monitor and organise aspects of market exchange: the inflow of capital into the market, pricing, and the relationships amongst companies.

However, the market for electricity was by no means an unstructured, unregulated arena. Price levels, taxes, competition amongst providers, and even customer debt were governed by negotiations amongst companies as well as government officials, elders, business associations and to a lesser extent, customers themselves. Aware of the problems of a fragmented market, companies were also attempting to merge their

grids, a process I return to in chapter 7. Trying to apply a legal framework to these ongoing negotiations and arrangements would open up new terrains of struggle between companies and the government.

In this chapter, I explore these struggles. I explain how, supported by donor-funded projects, the Somaliland government attempted to create codified law and regulations for the electricity sector. The proposed law endorsed the idea of a regulatory state overseeing a competitive market of power providers. Contrary to contexts where regulation assigning the private sector the responsibility for providing power would equate to a privatisation of state functions,[1] in Somaliland, the regulation asserted an expanded role for the government. The law-making project explicitly recognised that the electricity sector operated in 'a liberalized world',[2] and proposed to *build* the capacity of the state to enable market-driven development and attract new investment. The government was to be equipped to reorganise the market and facilitate new inflows of capital for the good of the Somaliland public.

For existing private producers, the proposed regulation represented a double-edged sword. Companies wanted the increased access to the capital and expertise a legally

[1] Béatrice Hibou, 'From Privatising the Economy to Privatising the State: An analysis of the continual formation of the State' in Béatrice Hibou (ed.), Jonathan Derrick (trans.) *Privatising the State* (Hurst, London, 2004). See also Achille Mbembe's discussion of 'discharge' in Achille Mbembe, *On the Postcolony* (University of California Press, Berkeley, 2001), pp. 80-81.

[2] 'Institutional and Regulatory Framework' in Ministry of Mining, Energy and Water Resources, Republic of Somaliland, Somaliland Energy Policy, No. 01/419/08/03/2010, November 2010, p. 30.

regulated sector might attract; however they also feared both the increased power of the government to mediate economic exchange and the entry of more dominant investors. In the face of donor and government focus on encouraging investment and competition, private power providers deployed a sophisticated and powerful patriotic narrative to defend their control of the market and their position as public service providers. First, they dragged history back into the narration of the electricity sector, emphasising the risks they had taken to turn the lights back on amidst the post-war ruins. Secondly, businessmen projected an idea of peace not just as a negotiated outcome but a built, material reality. Power providers argued that protecting their investments and the negotiated processes that governed them was central to ongoing peace and stability as well as future prosperity and economic development.

I begin the chapter by explaining the increasing donor involvement in Somaliland before outlining the two projects aiming to reshape the electric power sector: first, the launching of an Energy Act and then, the creation of regulation specifically focusing on electricity. Next, I examine the negotiations involved in the project, focusing on how donors and government officials sought to legitimate the law-making process through public-private dialogues. Using the meeting notes from these gatherings, accompanying documents and news stories, as well as interviews with companies and others involved in the sector, I analyse the discursive tactics

governments, donors and companies deployed to justify their ideal market.[3] I conclude by explaining the ongoing delay to the passage of the electricity law, a symptom of disagreements amongst the government, the companies, and the donor.

Donor Aid: Local ownership and global compatibility

In one of my final interviews for this thesis, a young civil servant described Somaliland as 'the birthplace of local ownership'.[4] He was explaining the most recent move of several Western donors to supply development funding directly to the government through the Somaliland Development Fund (SDF). Originally established by DANIDA and Britain's Department for International Development (DFID) in 2012 and subsequently launched in late 2013, the SDF was designed as an investment fund managed by an international private firm.[5] A joint steering

[3] The report from each PPD contained both summaries of the presentations as well as notes of the discussions, often attributing comments to specific presenters or category of participant (for example, independent power producer or representative from the Ministry of Mines, Energy, and Water Resources, and so on). The reports were distributed to participants on CDs – one electricity company gave me one of these disks early on in my research, and I received the documents as well as copies of the presentations from Development Alternatives International (DAI) later on as well.

[4] Interview # 100/Somaliland civil servant and early Kulmiye Party member/Addis Ababa/5 June 2013.

[5] Other donors – Norway and the Netherlands – have since joined; the EU is working to be compliant with the SDF, though cannot join the trust because it is privately managed. See Somaliland Development Fund (SDF), 'Donors and Funding', <http://www.somalilanddevelopmentfund.org/donors-and-funding>; SDF, 'About the SDF', <http://www.somalilanddevelopmentfund.org/about>; Rima das Pradhan-Blach, 'The New Deal – Not the Whole Deal: Insights from the Somalilland Special Arrangement' in Finn Stepputat, Kasper Hoffmann, Louise Wiuff Moe, and Rima das Pradhan-Blach, *New Approaches to Foreign Aid in Conflict-Affected Countries and Fragile Situations* (Report 2014.26, Danish Institute for International Studies, Copenhagen, 2014), p. 20.

committee including Somaliland government ministers and donor representatives work to oversee the allocation of funds into specific projects including the rehabilitation of water systems, road building, reforestation, and infrastructure for the livestock trade.[6] The fund is incentivised: over time, as the Somaliland government meets specific benchmarks for public financial management, the government's direct control over the funds should increase. As it negotiated what became known as the 'Somaliland Special Arrangement' with aid donors in parallel with the launch of a 'New Deal Compact' for Somalia in 2013, the Somaliland government specified the SDF as its preferred funding mechanism.[7]

For my interviewee, through its embrace of the SDF, the Somaliland government was asserting control – 'local ownership' – over aid flows. This was a mark of their continued aspiration for international sovereignty but also a sign of the government's ongoing efforts to build its power at home. As I explained in chapters 2 and 3, despite the initial diffusion of authority and responsibility through society after the 1988-1991 war, the Somaliland government soon sought to 'bring the state back in': reduce and organise its dependency on society and emphasise its right to oversee the delivery of services such as electricity. In its attempts to assert its statehood and build up a more autonomous power base, the Somaliland government drew on its

[6] Foreign and Commonwealth Office (FCO), 'Press Release: Boost for development in Somaliland', *Gov.UK*, 28 November 2013.

[7] Pradhan-Blach, 'New Deal', p. 19.

partnerships with elite businesspeople in Djibouti and later, in Somaliland itself. However, over time, the government also tried to insert itself into international flows of foreign investment capital and development aid. At first, it was not very successful, receiving minimal amounts of aid and failing to attract many foreign investors.[8] Nevertheless, over time, due to the continued peace and security in Somaliland – especially compared to the rest of Somalia – as well as donor concern with supporting 'transitions from fragility to development' and democratisation efforts,[9] Western donors began to channel aid to Somaliland.[10]

In the late 1990s and 2000s, most aid was channelled to non-governmental organisations.[11] However, both local and national government institutions in Somaliland received aid on a project basis, generally packaged as 'capacity building'.[12] By the late 2000s, donor projects worked to support district administrations with planning and budgeting and provided grants for infrastructure projects. At the

[8] Ahmed A. Daar, 'Capacity Building in the Republic of Somaliland: SORRA and other local NGOs', in M. A. Salih and Lennart Wohlgemuth (eds), *Crisis Management and the Politics of Reconciliation in Somalia: Statements from the Uppsala Forum, 17-19 January 1994* (Nordiska Afrikainstitutet, Uppsala, 1994), pp. 96-97.

[9] Pradhan-Blach, 'New Deal', p. 7; International Crisis Group (ICG), 'Somaliland: Democratisation and Its Discontents' (Africa Report No. 66, ICG, 2003), p. 7, quoted in Sarah Phillips, 'Political Settlements and State Formation: The case of Somaliland' (Research Paper 23, Developmental Leadership Program, University of Sydney, 2013), p. 26.

[10] Bradbury, Mark, *Becoming Somaliland* (Progressio/James Currey, London/Oxford, 2008), p. 157; Phillips, 'Political Settlements', p. 31.

[11] Bradbury, *Becoming Somaliland,* pp. 157-158.

[12] Phillips, 'Political Settlements', pp. 29-30; International Republican Institute (IRI), 'Strategy for International Democratization Support to Somaliland' (IRI, Washington, DC, 2014), pp. 15-22.

national level, they contributed to constructing ministry buildings or helping ministries coordinate forums where a range of 'stakeholders' could debate proposed regulation. Donors also worked to improve the coordination between different levels of government and support communication and partnerships between 'non-state' actors and the government.[13] The international development community was becoming part of Somaliland's political order.

As donors worked with the government to integrate Somaliland into global flows of aid and investment capital, they skirted round the issue of international recognition, arguing that it was an 'internal' issue to be negotiated between the governments of Somaliland and Somalia.[14] Meanwhile however, in their programming in Somaliland, donors increasingly emphasised the idea of 'local ownership'. The Somaliland government leveraged these discourses of local ownership in conversations with donors, arguing for recognition of government's right to control Somaliland's development agenda.[15]

Locating ownership of donor-funded development in Somaliland government institutions however, is not just an issue of bolstering the government's claims to be a member of the international community of states. It has implications for the

[13] IRI, 'Strategy', pp. 25-26.

[14] Pradhan-Blach, 'New Deal', p. 9.

[15] *Ibid*, pp. 16, 18-19. See also FCO, 'Press release'.

government's relationships with those it is supposed to govern. Donor money is not only used for funding specific projects such as building a road or rehabilitating a water system. Donors aim at '[g]etting the role of the state right'[16] – re-engineering Somaliland's *de facto* statehood in order to ensure peace and stability, wealth creation, and inclusive growth. As major donors have deepened their involvement in Somaliland, they have aimed to shape policy formation and increase the government's capacity to perform 'core state functions' – referring in particular to the government's ability to promote economic growth and ensure the delivery of basic services.[17]

As part of this focus on core functions, both bilateral and multilateral donors have begun to focus on the government's role as a 'builder of markets.'[18] On one hand, in a context of 'state fragility', donors have emphasised that the private sector is a indispensable partner – in the words of USAID: 'The limited capabilities of government in Somalia mean that investor-led efforts are the only way to implement undertakings with sustained, widespread impact on the economy.'[19] Donor programs focus on economic growth as a route to continued stability, a way to avoid the

[16] Department for International Development (DFID), 'Somaliland Development Fund' (Business Case and Summary, DFID, 2013), p. 3.

[17] *Ibid*; DFID Somalia, 'Operational Plan 2011-2015' (DFID, London, Updated 2012), p.1; IRI, 'Strategy', pp. 25-26.

[18] Alberta M. Sbragia, 'Governance, the State, and the Market: What is going on?', *Governance* 13,2 (2000), pp. 245-246.

[19] Stephen Hadley and Sharmarke Farah, 'Somalia Economic Growth Strategic Assessment: Final assessment report' (International Business & Technical Consultants for USAID, Washington DC, 2014), p. 36. USAID subsumes Somaliland within Somalia.

'conflict trap' – vicious cycles of economic stagnation and political violence.[20]

However, on the other hand, donors have argued that continued growth, prosperity and stability depend on the Somaliland government developing and implementing a regulatory framework to ensure a 'more accessible, predictable, and free marketplace.'[21] Government institutions are called on to create a 'level playing field' for business, undergirded by 'good rules.'[22] As one USAID report explained, as Somaliland 'matures', the government needs to pay attention to the needs of businesspeople and potential investors:

> While the first generation of investors in Somaliland survived in a high-risk environment, today's business leaders want a system where they know their assets will be safe. Diaspora-based and local entrepreneurs want to see rules and services in place that are compatible with global markets, including the use of basic commercial contracts, availability of financial services, and reliable access to reasonably priced inputs.[23]

While this discourse suggests that government needs to serve the interests of business,

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[20] Thomas Edward Flores and Irfan Nooruddin, 'Financing the Peace: Evaluating World Bank post-conflict assistance programs', *The Review of International Organizations* 4,1 (2009). On the idea of 'the conflict trap', see: Paul Collier and Anke Hoeffler, 'On Economic Causes of Civil War', *Oxford Economic Papers* 50,4 (1998); Paul Collier, V. L. Elliott, Havard Hegre, Anke Hoeffler, Marta Reynal-Querol, and Nicholas Sambanis, 'Breaking the Conflict Trap: Civil war and development policy (World Bank and Oxford University Press, Washington, DC, 2003).

[21] Dan Charette et al, 'Partnership for Economic Growth: Somaliland private sector development assessment', (DAI/USAID East Africa/LPC Somalia, Washington DC, 2011), p. 8.

[22] World Bank, 'Doing Business in Hargeisa 2012' (World Bank/International Finance Corporation, Washington, DC, 2012); Tilman Altenburg, and Christian von Drachenfels, 'The "New Minimalist Approach" to Private Sector Development: A critical assessment', *Development Policy Review* 24,4 (2006).

[23] Dan Charette et al, 'Partnership', p. 8.

its more profound implication is that the state is necessary for the proper, efficient functioning of the market economy. In this logic, increased economic growth depends on the rearrangement of the relationships governing capital flows into Somaliland and dynamics of competition and cooperation within Somaliland. Property rights and contracts need to be clarified and governed by the state so that market relations in Somaliland are compatible with the 'single world marketplace.'[24] As recent negotiations over a regulatory framework for the energy sector reveal, however, locally-owned power companies are wary of the consequences of making their market too 'globally compatible.'

Getting a 'A Bird's Eye View'

The process of creating regulation for Somaliland's electric power sector occurred in two stages, implemented by different organisations and sponsored by two different donors, typical of the 'fragmentation and programme proliferation' that characterises aid flows into Somaliland.[25] Both projects framed improvements to electricity provision as in the interest of the wider Somaliland public, leveraging once again the symbolic and material status of power provision as a public good and part of an infrastructural base. They tapped into pre-existing narratives about the need to tame

[24] David Moore, '"Sail on, O Ship of State": Neo-Liberalism, globalisation and the governance of Africa', *The Journal Of Peasant Studies* 27,1 (1999), p. 66, citing: World Bank, *World Development Report 1997: The state in a changing world* (Oxford University Press, New York, 1997), p. 131.

[25] IDPS (International Dialogue on Peacebuilding and Statebuilding), 'A New Deal for Engagement in Fragile States' (IDPS, 2011), p. 2, cited in Pradhan-Blach, 'New Deal', p. 14.

the forces of business driving the existing system of fragmented grids and cartel-like organisation, while also drawing on the contemporary global focus on the benefits of renewable energy.

The initial catalyst for international donor involvement in the energy sector was local and international NGOs' concern with environmental degradation and deforestation caused by the growth of the lucrative trade in charcoal.[26] Initially, Hargeisa-based NGOs such as Candlelight and Agricultural Development Agency (ADO) as well as the international NGO Adventist Development and Relief Agency (ADRA) focused on reducing the dependence on biofuels. ADRA in particular had been working on energy-related projects in Puntland and Somaliland since 2001, supported by funds from USAID and the European Union. They focused on promoting solar technologies, supporting energy fairs in Hargeisa and training technicians and local authorities about installation and maintenance of the equipment. By 2006 however, ADRA began arguing that promoting renewable technologies alone was not a sustainable solution. They wanted to focus on policy development and designed a project to be financed by the European Commission.[27]

[26] Ministry of Energy, 'Somaliland Energy Policy', p. 10; Ministry of Pastoral Development and Environment (MoPD&E), Republic of Somaliland, and Candlelight for Health, Education and Environment, 'Case Study: Impact of Charcoal Production on Environment and the Socio-Economy of Pastoral communities of Somaliland' (Candlelight/NOVIB, Hargeisa, 2004).

[27]Hannah Ndungu, Programs Director, ADRA Somalia, 'Somali Energy and Livelihoods Project (SELP)', Video, Uploaded on Jul 7, 2011.

The project, 'Facilitating Somaliland's Energy Policy Dialogue', emphasised working with 'non-state actors', but ADRA's principal partner was the Ministry of Industry and Energy.[28] The Ministry of Industry had originally been created in a reshuffle in early 2000, having previously been part of the Ministry of Trade and Industry,[29] and in 2001, an Energy Department was created.[30] As ministry portfolios were reshuffled, the Energy Department moved between ministries, but consistency existed in the form of Engineer Suleiman Abdullahi Jama, whose biography emphasises the important legacy of pre-state collapse professional identities and experiences for post-war reconstruction. Trained as an electrical technician at the German-funded Burco Technical Institute in what was then northern Somalia, from the late 1970s he had worked at SomalTex, a textile factory in Balcad about 50 kilometres from Mogadishu, where, after further training in Germany, he became technical director. He had to leave in the late 1980s when the situation in Mogadishu deteriorated, but after the war and the overthrow of Siad Barre, he returned to government service in Somaliland as a consultant to the first minister of Industry, Hussein Farah Dodi. After the creation of the Energy Department, he worked to build a collection of data on energy sources

[28] Adventist Development and Relief Agency (ADRA), 'ADRA Launches New Energy Policy Project in Somalia', *ReliefWeb*, February 6, 2006; Ministry of Energy, 'Somaliland Energy Policy', p. 9.

[29] The names 'Trade' and 'Commerce' have both been used in the English name of the ministry; UNCT (United Nations Country Team) Somalia, 'Monitor 01 - 29 Feb 2000', *Relief Web*, 29 February 2000.

[30] Interview # 68/Suleiman Abdullahi Jama/Director of Energy, Ministry of Energy/Hargeisa/April 28 2013.

and initiatives in Somaliland, hoping to promote alternatives to charcoal such as liquid petroleum gas (LPG) or coal briquettes.[31]

Suleiman's training and experience helped link NGO programming to government initiatives, and his work coincided with the growing interest from NGOs on environmental issues. He explained that he lobbied ADRA: 'we have campaigned them first to make an assessment at least, [so] that we have got a bird's eye view about the current energy situation of the country...'[32] As they worked to develop Somaliland's Energy Policy, ADRA endorsed Engineer Suleiman's wish to have 'a bird's eye view' of the sector and, together with the Ministry of Industry and Energy, carried out a survey, covering both households and commercial establishments in urban and peri-urban areas of Hargeisa, Borama, Berbera, and Burco.[33]

Mobilising its own bureaucratic capacity to fundraise, research, and run public consultations, ADRA then worked with the government to 'designate public spheres for presenting and contesting the political.'[34] Amidst a broader arena of negotiation

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[31] *Ibid.*

[32] *Ibid.*

[33] The study was designed to 'identify the current trends in energy demand and supply, establish energy end use trends, sources, applications, cost implications, constraints and other key issues on the delivery infrastructure' and maintained a focus on renewable energy, aiming to 'assess the potential role of renewable energy in development and highlight successful case studies for possible replication…' Ministry of Energy, 'Somaliland Energy Policy', pp. 8-9.

[34] Kalyanakrishnan Sivaramakrishnan, 'Crafting the Public Sphere in the Forests of West Bengal: Democracy, development, and political action', *American Ethnologist* 27,2 (2000), p. 433.

amongst companies and the government, ADRA and the Ministry of Energy worked to specify what Hagmann and Péclard term a 'negotiation table',[35] a more formalised setting in which different players debated the powers the government should wield over the market. In conjunction with the Ministry of Industry and Energy, ADRA organised two policy dialogue workshops in early 2007 – the first to involve stakeholders in shaping the content of the policy and the second to 'enable stakeholders to debate on the draft policy and seek consensus on the content.'[36]

The Energy Policy emerged from this 'public' process and was finally passed by the Council of Ministers on 3 March 2010.[37] After the installation of the new Kulmiye government in late July, the policy was launched in December 2010 with a ceremony presided over by the new Minister for Mining, Energy, and Water Resources, Hussein Abdi Duale.[38] Together with ADRA's press releases about the launch, the Minister of Energy's introduction to the policy framed the act as a prelude to the creation of a regulatory framework for the energy sector.[39] It reaffirmed the need for a legal

[35] Tobias Hagmann and Didier Péclard, 'Negotiating Statehood: Dynamics of power and domination in Africa', *Development and Change* 41,4 (2010), p. 551

[36] Ministry of Energy, 'Somaliland Energy Policy', p. 9.

[37] This seems like a long delay, but 2007-2010 was a period of political conflict and controversy in Somaliland over election delays and extensions of presidential term, so likely there was a backlog. See: Marleen Renders, *Consider Somaliland: State Building with traditional elders* (Brill, Leiden, 2012), pp. 258-262.

[38] 'Somaliland Energy Policy Launching Ceremony December 2010', *Baadiya.com*, December 8, 2010.

[39] Ministry of Energy, 'Somaliland Energy Policy'; ADRA Somalia, 'Energy Policy Officially Launched in Somaliland', ADRA, December 15, 2010.

framework for the electricity sector, arguing the whole energy sector 'appears to be operating in a policy vacuum':[40]

> The country lacks mechanisms to regulate electricity generation, transmission and distribution. Most electricity companies are operating as general traders and are therefore, licensed by local authorities. Some claim to be registered by the Chamber of Commerce or Ministry of Commerce, Attorney General, Local Government, Governors etc. This means that there is no central authority to deal with licensing, setting standards and monitoring operations of numerous private electricity producers.[41]

The policy aimed to firmly position the government as responsible for protecting consumers, encouraging private investment, and promoting competition within the sector. Regulation was described as a tool for building more efficient markets:

> The Energy Sector is operating within a liberalized world. However, the Somaliland economy is still a young economy in which open and competitive markets that are fundamental to achieving an efficient and sustainable energy sector are not yet operational. With an under-developed energy sector in the country, there is need to establish a regulatory scheme in order to set the stage for competitive energy markets.[42]

The language in the policy framed markets as arenas of competition that must be built and governed through the rule of law. The emphasis was on equipping the state to enable fair and efficient private provision. As many observers have acknowledged, although donors continue to emphasise the role of markets and private enterprise in

[40] Ministry of Energy, 'Somaliland Energy Policy', p. 18.

[41] Ministry of Energy, 'Somaliland Energy Policy', pp. 14-15.

[42] *Ibid*, p. 30.

development programming, since the 1990s, there has an increasing open acknowledgement that the state must not simply be rolled back, but actively 'reengineered'.[43]

Building Markets

Indeed, the next donor-funded effort to regulate the electricity sector grew out of USAID's first private sector engagement program in Somaliland – the Partnership for Economic Growth (PEG). The Partnership aimed to work with both the Somaliland government and the private sector to improve the 'enabling environment' for business and investment and generate employment. The project was eventually due to be rolled out over all of the former Somali Republic, but began in Somaliland in April 2011 before being expanded to Puntland in 2012.[44] Due to run until August 2013 in Somaliland,[45] PEG was contracted out to the Washington, D.C.-based for-profit agency Development Alternatives International (DAI).

[43] Mathieu Hilgers, 'The Historicity of the Neoliberal State', *Social Anthropology* 20,1 (2012), pp. 81-82.

[44] Hadley and Sharmarke, "Somalia Economic Growth', pp. iii, 53.

[45] The program was granted a two-year cost extension in August 2013 until August 2015, raising the program's estimated cost from $12.4 million to $20.4 million. IBTC, 'Mid-Term Performance Evaluation of the Somalia Partnership for Economic Growth Program' (IBTC for USAID, Washington DC, 2014), p1.

Designed around the idea that achieving inclusive economic growth would help improve stability, PEG was a pilot project for USAID.[46] As one of the project managers explained, it differed from many other donor projects carried out in Somaliland that followed an equity-based model and aimed to provide relief to the 'poorest of the poor'. PEG employed USAID's value chain approach, in which interventions are designed based on analysis of the 'market system' – from input suppliers to end users – in a specific economic sector, as well as analysis of the overall business environment. Subsequent interventions are supposed to improve competitiveness, economic growth, and, through increased employment, poverty reduction.[47] Through PEG, for example, USAID worked with the government to develop more business regulation while also supporting investors through risk-sharing financing schemes.[48]

Before beginning the project in 2011, DAI carried out a market survey, with a supplementary focus on four sectors that had historically attracted donor involvement in Somalia – agriculture, fisheries, livestock, and energy. Then, through discussions with the Ministry of Energy and some of the larger private electricity providers, as well as a small business survey, DAI identified energy sector regulation

[46] *Ibid*, pp. 1-3.

[47] *Ibid*, p. 3; Ruth Campbell, 'Key Elements of the Value Chain Approach' (Briefing Paper, USAID, Washington DC, 2008).

[48] Interview # 56/Private Sector Specialist and Deputy Chief of Party for USAID PEG/Hargeisa/3 December 2012.

as a priority and convinced USAID it was one of the best ways to impact the business environment and Somaliland's economy more widely.[49] The DAI-run project hired an energy specialist who wrote an initial draft law before two lawyers were brought into the team, one a Somaliland lawyer who served as the legal advisor to Somaliland's Parliament and the other an international energy lawyer from the US with experience advising governments in east Africa on power sector reform.[50]

As ADRA had done during the creation of the Energy Policy, DAI in conjunction with the ministry organised two public-private dialogue (PPD) meetings, for which the international energy lawyer was flown in from the United States. Interest in the initiative was high – for the first meeting, twelve companies from Hargeisa sent at least one attendant, alongside electricity company representatives from towns across Somaliland: Erigavo, Burco, Borama, and Las Anod. Other attendees included members of Parliament, representatives from related ministries, as well as representatives from Somaliland NGOs and a private Somaliland company called Golis working on solar energy.[51]

The first meeting endorsed 'allowing local power producers to continue to drive the

[49] *Ibid*; IBTC, 'Mid-Term Performance Evaluation', p. 2

[50] Interview # 56/Private Sector Specialist and Deputy Chief of Party for USAID PEG/Hargeisa/3 December 2012; Interview # 58/Hassan Farah Mohamed/Lawyer at Watershed Legal/Hargeisa/3 December 2012.

[51] Partnership for Economic Growth (PEG)/USAID, 'Energy Regulatory and Legal Framework Development: Public Private Dialogue', (Workshop Report, Berbera, Somaliland, December 11-12, 2011), pp. 29-30 (participant list).

development of the sector.'[52] This matched what companies, government representatives and donors told me in my interviews in Hargeisa in 2012 and 2013: private companies should continue to be the primary producers in the market. Notably absent in the dialogue notes is any mention of the government's electricity company, the Somaliland Electricity Agency, though the chief engineer from the agency was present. As noted by the summary report of the meeting, the international energy lawyer leveraged the already existing strength of the private sector as she 'compared the reform options facing Somaliland with those of peer countries', arguing that:

> …because there is such a high degree of private sector involvement in the sector, and there is not a heavy state monopoly that needs to be 'unbundled', in many ways Somaliland is ahead of its neighbors on the reform continuum.[53]

As I argued in previous chapters, there was some demand from players in the market for government regulation, generally defined. First, many companies I interviewed discussed the need for safety and suggested the government had a role to play in improving the situation.[54] Secondly, when faced with companies seeking to declare zonal monopolies, selected companies had called on the government to support the ideals of a free market. Finally, some of the bigger players in the market suggested

[52] *Ibid*, pp. 5, 12.

[53] *Ibid*, p. 6

[54] Interview # 81/Officer Manager at Hargeisa Electric Power/Hargeisa/15 May 2013; Interview #65/Manager of Dahabshiil Electricity Section/Hargeisa/24 April 2013; Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013; Interview # 55/Engineer and Consultant/Somaliland Electric Power/Hargeisa/21 November 2012.

that having a stronger legal framework would increase the flow of investment from the Somali diaspora:

> There are a lot of Somalilanders who are in the Western world, and if they see a transparent company which is being run, if they know that there is a regulation, an investment regulation mechanism…I'm sure they will invest.[55]

These varied demands for regulation manifest the ways different actors sought to bring the state back into the market. Participants in the public-private dialogues suggested a plethora of responsibilities that should be assigned to the government, listing its roles as a coordinator, a supporter, a licensor, and a regulator – in charge of protecting consumers and already existing companies as well as responsible for attracting donor funding for an energy trust fund and technical training programs for government and private sector employees.[56] This range of expectations provided a foundation for reformers. However, the regulatory project required participants to go beyond their general hopes for the market and specify which expectations the governments could and should fulfil – and how.

The 2010 Energy Policy had specified that the government would establish an Energy Commission through an Act of Parliament. One of the Commission's 'units of

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[55] Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

[56] PEG/USAID, 'Energy Regulatory and Legal Framework Development: Public Private Dialogue'; PEG/USAID, 'Energy Regulatory and Legal Framework Development: Public Private Dialogue 2' (Workshop Report, Berbera, Somaliland, February 14-15, 2012).

operation' would then be charged with setting up an Electricity Regulatory Authority to 'regulate generation, transmission, distribution, sale, export, import, and supply of electric energy.'[57] The DAI project built on these ideas, promoting a independent regulatory commission as international best practice – already adopted by governments in the broader region such as Kenya, Ethiopia, Uganda, Tanzania, Eritrea and Yemen.[58] When DAI distributed a redrafted law at the second PPD, the bill described a sector dominated by the private sector but regulated by the government through the Somaliland Energy Regulatory Commission. The commission would be responsible for issuing and reviewing licenses to generate, distribute and transmit electricity; setting and periodically reviewing tariffs; and establishing codes and standards to regulate the sector and the people certified to work in it.[59]

The draft bill built on the 'standard' model for power sector reform that has risen to international prominence since the 1990s. Countries are recommended to unbundle vertically integrated utility companies, create competitive markets, and bring private power producers into the market. One of the recommended but less frequently

[57] Ministry of Energy, 'Somaliland Energy Policy', pp. 30-31.

[58] PEG/USAID, 'Energy Regulatory and Legal Framework Development: Public Private Dialogue 2', p. 5; Partnership for Economic Growth (PEG)/Mary Clark Webster, 'Review of Energy Law' (Presentation, 2nd Public Consultation of New Energy Law in Somaliland, Berbera, 14-16 February 2012), p. 6.

[59] Republic of Somaliland, Ministry of Mining, Energy and Water Resources, 'Energy and Electricity Act 2012 (Draft for Review)', 9 February 2012; Republic of Somaliland, Ministry of Mining, Energy and Water Resources, 'Somaliland Energy Regulations (Draft for Review - 11 February 2012)'.

implemented steps in the model is the establishment of an independent regulator to ensure that regulation of competition in the sector is insulated from political pressures. [60] As an example of what USAID terms 'delegated democracy', independent regulatory bodies are designed to ensure that power tariffs are not lowered too quickly by a government focused purely on winning popular support while also preventing governments from currying favour with particular companies. Staffed by 'technical experts', they are supposed to 'contribute to the overall efficient running of the government and the economy.'[61] This use of commissions to put regulation out of the reach of politics has a long history; in early twentieth century America they were used in an attempt to ensure the moral integrity of regulators:

> Competent, central, administrative authority would replace unsystematic, misguided local regulation. State regulators would be at a distance from the urban political jungle; they would be highly-paid, well-educated men with exceptional 'social consciences' that put them above petty politics.[62]

However, while they are now promoted as tools that can be used to create a legally bound, rationally regulated economy, independent regulators were originally 'compromise solutions' developed in different socio-political contexts, as USAID's

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[60] Katharine Nawaal Gratwick and Anton Eberhard, 'An analysis of Independent Power Projects in Africa: Understanding development and investment outcomes', *Development Policy Review* 26,3 (2008), pp. 309, 315-316.

[61] USAID, 'The Nexus Between Energy Sector Reform and Democracy and Governance' (USAID, Washington DC, 2005), p. 27.

[62] Gregg A. Jarrell, 'The Demand for State Regulation of the Electric Utility Industry', *Journal of Law and Economics* 21,2 (1978), p. 275.

own research points out.[63] More importantly, regulatory commissions were established in contexts where local governments had already asserted their right to regulate electricity providers via their control over public space. In contexts like the United States in the 19th century, the vast majority of electricity providers were privately owned, but municipal governments were able to regulate them because the it was the governments that could grant companies 'authority to use public rights-of-way for … stringing telephone and electric poles [and] burying electrical wires…'[64]

In Somaliland, however, neither the central nor the local government controlled public space to this extent. Electricity poles and wires were installed at a time when authority over public space was highly diffused through society. A regulatory commission for the electricity sector in Somaliland would not be displacing other forms of government authority wielding power over the market but instituting it for the first time since the collapse of the previous regime. Thus, while the donors and government might argue that regulation was recognising the importance of private sector provision, companies were understandably nervous about the implications of increasing the government's legal rights to intervene in the market and most particularly, to control entry into the market. Although companies endorsed the idea

[63] USAID, 'The Nexus', p. 27; Davida Wood, 'Bridging the Governance Gap: Civil Society, Democratization and Electricity Sector Reform' (Arusha Conference, 'New Frontiers of Social Policy', 12-15 December 2005), p. 17.

[64] George L. Priest, 'The Origins of Utility Regulation and the "Theories of Regulation" Debate', *Journal of Law and Economics* 36,1,2 (1993), p. 303; Hausman, William J., Peter Hertner, and Mira Wilkins, *Global electrification: Multinational enterprise and international finance in the history of light and power, 1878–2007* (Cambridge University Press, Cambridge, 2008), p. 23.

of the free, competitive market when it legitimised their efforts to maximise their own market share, they resisted the institutionalisation of a free market that threatened to erase their history of contributing to reconstruction and leave them to compete with international investors.

Disrupting the 'Making of the Economy'

Tensions around foreign investment surfaced when representatives from the Somaliland government, private companies, and local NGOs reviewed the draft act at the second public-private dialogue in Berbera in February 2012.[65] The introductory session – hosted by the Minister for Energy, Hussein Abdi Duale, two government representatives from Berbera's local government, and the Somali head of Somaliland's DAI team – reiterated the problems associated with the high cost of power, but focused especially on attracting investment: 'A potential investor is not going to invest if there are no regulations. We need regulations to govern and guide the sector.'[66]

As I emphasized in previous chapters, Somaliland had never been completely disconnected from global flows of capital, ideas and expertise. Somaliland's process

[65] Interview # 68/Suleiman Abdullahi Jama/Director of Energy, Ministry of Energy/Hargeisa/April 28 2013.

[66] PEG/USAID, 'Energy Regulatory and Legal Framework Development: Public Private Dialogue 2', p. 4.

of reconstruction had all along tapped into and depended on translocal and cross-border business as well as remittances from a widely scattered diaspora. In chapter 2, I mentioned how businesspeople returning to Hargeisa in the early 1990s relied on money sent by relatives in the Gulf States and further afield. Contributions by the diaspora and businesspeople involved in transnational business were crucial to peace negotiations, rebuilding public institutions, and meeting the needs of the new government. Furthermore, the capital involved went far beyond funding coping strategies: as I explained in chapter 5, the development of companies like Kaah demonstrated the ability of well-positioned businesspeople to draw on transnational networks to mobilise hundreds of thousands of dollars to invest in Somaliland.

Despite these inflows of capital however, both government and donor discourses consistently emphasized barriers to investment. On one hand, the government primarily explained these barriers by pointing to its non-recognised status. As a 2011 Brenthurst Foundation report explained, a principal argument for recognizing Somaliland as a *de jure* state is that it would increase flows of donor aid, allow the government to receive loans from international financial institutions, and finally enable foreign direct investment by 'providing investor guarantees, clarity on title, and exposure to international financing.'[67] Unwilling to take a position on the issue of recognition, donors have focused on working within the limits of non-recognition;

[67] Christopher Clapham, Holger Hansen, Jeffrey Herbst, J. Peter Pham, Patrick Mazimhaka, Susan Schulman, Greg Mills, 'African Game Changer? The Consequences of Somaliland's International (Non) Recognition', (Discussion Paper 2011/05, Brenthurst Foundation, 2011), p. 12.

however, they also have a clear focus on extending the rule of law and building more competitive markets to increase investment in Somaliland from both diaspora and non-diaspora.

The discourse of the government on the benefits of recognition and that of donors' on the need to develop regulated, competitive markets point to one underlying argument: increasing investment requires an appropriate legal framework that resembles that of other sovereign states formally integrated into the global economy. However, implementing this legal framework has profound political implications. Donor and government strategies for increasing investment in essence called for 'a form of politics in which relations among agents are governed by rules of property and contract' codified by a regulatory state.[68] This form of politics, to quote Timothy Mitchell, works to 'enframe' markets and invokes 'distinctive technologies of power and obligation' to reshape relationships of power and authority – and ultimately the nature of statehood itself.[69]

Unsurprisingly, these efforts to enframe and regulate markets provoke intense debate and encounter opposition, particularly from local businesspeople concerned about protecting their livelihoods, profits, and market share from new investors. In the

[68] Timothy Mitchell, 'The Properties of Markets' in Donald A. MacKenzie, Fabian Muniesa, and Lucia Siu (eds), *Do Economists Make Markets?: On the performativity of economics* (Princeton University Press, Princeton, 2007), p. 245.

[69] *Ibid*, p. 248.

electricity sector, while the government and donors emphasised that the regulation would serve the public interest, by reducing prices, attracting aid and investment, and helping support inclusive economic growth, local companies argued that they had and would continue to serve the public good in their position as power providers. Companies emphasised their position within the 'tissue of social norms and reciprocities' that had driven reconstruction efforts, harnessing their local embeddedness to justify protecting their market power.[70]

In particular, businesses highlighted how much they had contributed to Somaliland and demanded rights and protection in return. In the first dialogue, for example, a member of the audience – dominated by private company representatives – asked whether companies would receive tax exemptions or, alternatively, if regulation could be postponed.[71] As I discuss in chapter 7, companies were well aware that the system of fragmented mini grids was not sustainable – and also would be unlikely to attract significant investment.[72] Companies in the north of Hargeisa in particular wanted to emulate Kaah's model but were nervous about foreign investment arriving before they had time to merge. Building on this sentiment, in the closing session of the first

[70] Dinah Rajak, *In Good Company: An anatomy of corporate social responsibility* (Stanford University Press, Stanford, 2011), p 18, citing Edward P. Thompson, *Customs in Common* (New Press, New York, 1993), p. 187.

[71] PEG/USAID, 'Energy Regulatory and Legal Framework Development: Public Private Dialogue', p. 18.

[72] Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013; Interview # 66/Saeed Mire/HELP Secretary/Hargeisa/25 April 2013.

dialogue, an audience member argued, 'Remember that we, the private sector, are the ones that took the risk before anyone came to this country, and our investments must be protected.'[73]

Thus, to disrupt the donor-supported process of 'making of the economy',[74] businesses worked to drag historical accounts of reconstruction back into the narration of economic relations and highlight what they had done in the absence of state capacity. They demanded that the government acknowledge the sacrifices they had made by absorbing the risks of early investment and providing services such as free lighting and power for public spaces such as mosques, police stations, hospitals, and street lamps.[75]

The year after the PPD had taken place, I interviewed the manager of one of the largest electricity companies in Hargeisa about the government's approach to the electricity sector. The manager commenced by arguing: 'one really needs to understand what's making Somaliland work. It's not the government. It's the people', recalling the importance of 'people as infrastructure' in an 'economy of perception

[73] PEG/USAID, 'Energy Regulatory and Legal Framework Development: Public Private Dialogue', p. 27.

[74] Timothy Mitchell, *Rule of experts: Egypt, techno-politics, modernity* (University of California Press, Berkeley and Los Angeles, 2002), p. 12; Timothy Mitchell, 'Rethinking Economy', *Geoforum* 39,3 (2008), p. 1117.

[75] PEG/USAID, 'Energy Regulatory and Legal Framework Development: Public Private Dialogue', pp. 18, 26.

and collaborative practice'[76] that I highlighted in chapter 2. He then began to describe a meeting where the Minister for Energy, an oil and gas professional who had come back to Somaliland from California in 2010 after being personally encouraged to return by President Silanyo,[77] had complained about the price of electricity in Somaliland:

> …as a matter of fact, he [the minister] was comparing the tariffs in the States, first time that we were in a meeting, and there were Americans, and he was saying in California, they were charging me 11 cents [per kWh]. And I have asked him, Honourable Minister, in California, the infrastructure is built by the government, there is a contribution from the government, be it the state, even the municipality. How much has the Somaliland government contributed? Zero! They cannot even run the government electricity company.

The manager explained that the business community understood the limitations of the government, but complained that the government might forget the contributions of local private companies when faced with the chance to invite foreign investors into Somaliland:

> … for a small government, a poor government such as Somaliland, the whole budget for the last year was 125 [million dollars]. The one prior to that was 60 [million dollars]. You can understand, their priorities were education, security, and all that. And we understand. And we were trying to contribute in our own ways. But for them just to come now, and wake up and say, oh, we're gonna

[76] AbdouMaliq Simone, 'People as Infrastructure: Intersecting fragments in Johannesburg', *Public culture* 16,3 (2004).

[77] Barry Morgan, 'Dualeh was Always Ready for Call from Somaliland', *upstreamonline*, 16 December 2011.

> take over, we're gonna bring big companies, which are foreign companies – oh come on.[78]

As businesspeople narrated the history of their companies as embedded in the 'encompassing' project of rebuilding Somaliland that I described in Chapter 2, they developed a discourse that positioned companies as moral actors who provided services not for financial profit but because they felt responsible to their community. They argued that this voluntary sacrifice and the risks they took during the initial rebuilding deserved recompense. Moreover, they argued that their ongoing contribution to peace and security deserved protection, pointing out that foreign companies would not have the interests of the Somaliland people at heart in the same way: 'the foreign company is going to think about the bottom line, they don't care about the community.' The same manager worried: 'what you gonna do tomorrow when there's a load-sharing in Hargeisa and there's one single company which is generating power which is a foreign company that you don't even approach?' He cited his experiences in another east African country with many more resources than Somaliland where electricity was exported but the capital city suffered from power cuts.[79]

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[78] Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

[79] *Ibid.*

As well as emphasising their contributions to the community and the government as patriotic public service providers, there was another angle to companies' contestation of the plans to open up the market to foreign investment. They emphasised that, as locally grounded companies, their presence in the market also served a representational purpose, giving their local community a stake in the market – and in the peace that sustained the market. They tied the future of the market and the prospects for continued peace together.

On one hand, government representatives in the public-private dialogues (PPDs) about the electricity regulations emphasised that there was a 'free market' in Somaliland. The notes from the second PPD summarise one Ministry of Energy representative as saying, 'Our market is free and we have open competition and everyone has the right to invest. And if we have a free market, then why should the government protect the existing IPPs [independent power producers]?' The recorded summary of the reply, presumably from a private power company representative, questioned his assumptions:

> 100% free market does not exist. There should be ownership and protection of IPPs because we have invested a lot. Every country in the world has some protection for existing private enterprises when new laws and regulations [are] established in [the] sector. Presently, people without experience can invest

> what they want, but without proper protection of investments, there can be instability.[80]

After some reassurances from the Ministry of Energy representative that 'other investors can help us develop' but 'we are respecting the private sector', again a comment came from the audience arguing, 'What if a German company came here and took the largest share of the market? What if they came in and partnered with Dahabshiil to make the largest company? We would all go out of business…'[81] The latter exclamation was met by applause from workshop attendants.

For private companies selling power, regulation represented both an opportunity and a threat. On one hand, existing companies wanted increased access to capital and expertise, whether from the donor agencies organising the regulation or from businesspeople interested in investing in their companies. On the other hand, companies did not want to give up their power to set prices to a government-appointed commission nor wanted that commission to be able to give permission to any international investor to enter the market, 'make the largest company', and displace them. Thus, while many of the companies expressed support for the regulation, many of them also emphasised that the state should provide a level of protection for their investments – preventing 'instability'.

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[80] PEG/USAID, 'Energy Regulatory and Legal Framework Development: Public Private Dialogue 2', p. 8.

[81] *Ibid.*

The language used to justify protection of existing companies reveals a very specific understanding of peace as not just negotiated and fragile, but also something that has to be sustained through locally-grounded investment. As I explained in chapter 2, companies referred to the part they had played in helping to 'build a whole country.'[82] Similarly, Mohamed Hassan explains how diaspora returnees described their investment in Hargeisa's physical infrastructure as literally building a more sustainable peace. Apart from creating jobs and prosperity, businesspeople argued that when they invested in neighbourhoods of the city, their local community had a 'stake' in the city and the wider peace.[83] He cites an interview with a politician from northern Hargeisa:

> 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…[84]

Unlike contexts where infrastructure is 'part of the background for other kinds of work',[85] in Hargeisa, the fact that roads, poles and wires connect residents of the city

[82] Interview # 83/Abdiweli Ina Batuun/Somaliland Electric Company/Hargeisa/16 May 2013.

[83] Mohamed Hassan Ibrahim, 'Somaliland's Investment in Peace: Analysing the diaspora's economic engagement in peace building' (Working Paper 4, DIASPEACE, Jyväskylä, Finland, 2010), pp 13-14.

[84] *Ibid*, p. 26; Mohamed is quoting from his interview in March 2009 with Abdiqadir Ismail Jirde, former First Deputy and then UDUB MP in Somaliland's House of Representatives.

[85] Susan Leigh Star, 'The Ethnography of Infrastructure', *American Behavioral Scientist* 43,3 (1999), p. 380.

to each other and the outside world, that shops, cafes, and even hotels and high-rise malls line the main streets of the central areas of the city is a physical reminder of a social commitment to peace which has been a central value in Somaliland politics since the late 1990s.[86] According to the logic of the 'built peace', investors will work to protect the peace because they stand to lose from conflict. However, following this logic, if investments are not guaranteed, then the peace is not guaranteed either.

This does not mean that there were not controversies over property and land ownership; struggles over these issues have been one of the most prevalent causes of conflict in Hargeisa.[87] However, the crucial point is that these issues are generally solved by negotiation and litigation within Somaliland – not through a codified system imported from other contexts. In arguing for protection of investments, companies were in one way simply protecting their own revenue streams. However, at the same time, they were emphasising their discomfort with a system of market governance that shifted away from negotiated process and decentralised authority. Their arguments reasserted the importance of the relations of obligation and social debt in Somaliland's public sphere in opposition to the government's focus on attracting investment capital.

[86] Phillips, 'Political Settlements'; Menkhaus, Ken, 'Governance without Government in Somalia: Spoilers, state building, and the politics of coping', *International Security* 31,3 (2006), p. 93.

[87] APD, 'Contested Urban Land: Approaching Land Management and Land-based Conflicts in Urban Somaliland' (Local Capacities for Peace: Land-based Conflict Project, APD, Hargeisa, 2010).

By its very definition, the creation of codified policy to manage economic relationships threatened to realign and reshape the relationships making up the market, potentially undermining or displacing the institutions already developed to govern capital investment, competition and customer relations. Moreover, it threatened to displace companies before they had the chance to adjust to new regulations. As a civil servant familiar with the business sector argued, to avoid conflict as the government attempted to regulate, existing 'relations have to be discussed'; otherwise, regulation risked severing the existing relations between society and state, preventing investment and damaging the legitimacy of the government.[88]

From Asset to Constraint

In principle, the draft energy law aimed to institutionalise a social contract between private companies and the government that would guarantee the rights of both companies and consumers – after all, the idea of an independent regulatory body was to prevent the government manipulating the market for political gain. In practice, however, the bill ignored the matrix of relationships that had already been developed between companies and government actors. As I have described in previous chapters, state formation in Somaliland is an ongoing transactional reality, involving layered

[88] Interview # 100/Somaliland civil servant and early Kulmiye Party member/Addis Ababa/5 June 2013.

histories of compromise, obligation, and negotiation not contained by the transitory public spheres constructed by donors' policy-making processes.

Attendees of the second public-private dialogue organized by USAID were told that they had ten days to email DAI with feedback about the Energy Act and just under three weeks to email DAI with feedback on the Energy Regulations. Months after the PPD in 2012, there were still many multiple drafts being debated by staff at the ministry and other 'stakeholders', with input from DAI and USAID.[89] Companies expressed a range of opinions when I asked them about the bill – with many praising the open way in which it had been written and debated; however one of the largest companies complained that after the public-private dialogues, there had been little communication from government and insufficient opportunities to provide additional feedback on the draft.[90] When I finished my last period of fieldwork in early June 2013, the bill was still sitting with the Minister of Energy before being introduced to the Council of Ministers – after which it was due to be sent to Parliament.

By late 2014, there was still confusion surrounding the future of the bill. USAID reported that the Ministry of Energy had deleted the word 'independent' from the provisions establishing an 'Independent Energy Commission', making the bill

[89] Interview # 68/Suleiman Abdullahi Jama/Director of Energy, Ministry of Energy/Hargeisa/April 28 2013.

[90] I draw on my interviews with power companies as listed in Appendix B. Here I have anonymised these opinions to protect the privacy of my informants.

'unacceptable to PEG and other energy sector stakeholders'.[91] At an Energy Forum in Hargeisa organised by the ministry and supported by UNDP, a representative of the ministry explained that the government wanted to 'minimize harm to the public, because the government itself does not currently have sufficiently developed safeguards to guard against an independent Commission not using its independence in the right way.' A major company in Hargeisa expressed deep concern about this plan to limit the independence of the planned regulatory commission and stated it would cause them to completely withdraw from the law-making process.[92]

Meanwhile, a new discourse began to emerge from early evaluations of the PEG project carried out for USAID. A review in July 2014 argued that the energy law 'ultimately stopped because it threatened vested interests.' Though the report did not make it entirely clear which interests felt most threatened, the description of private companies had taken a marked turn away from initial celebratory descriptions: 'Once an asset, Somalia's business elite is now a constraint.'[93] The electricity sector in particular was highlighted as a market fraught by its capture by the former heroes of the rubble: 'Those private providers performed a vital service by supplying electricity under difficult circumstances during conflict, when there would otherwise have been

[91] IBTC, 'Mid-Term Performance Evaluation', p. 10.

[92] DAI, 'Partnership for Economic Growth: Eleventh quarterly report, October – November 2013', January 30 2014, p. 13.

[93] Hadley and Sharmarke, "Somalia Economic Growth', p. 17, iv.

none. But the system they established is now a problem and a growing constraint on business.' The report continued with a rather damning conclusion:

> The private electricity providers in Somalia's urban areas have become wealthy and influence the political system to protect their interests. Electricity profits are enabling them to expand into other sectors – often with the same anti-competitive spirit and predatory methods. The unregulated private provision of electricity in Somalia's cities contributes directly to the larger economic and political problem of capture by the country's business elite.[94]

As I explain in the next chapter, the relationship between the electricity companies and the government was not so straightforward. Outside of the public spheres constructed during donor-organised regulatory projects, government officials and company owners continued to negotiate and contest the future of the market. Indeed, while the electricity law remained stalled, companies in Hargeisa would continue to merge, with the government's encouragement and blessing. Their interactions built on the relationships of power and obligation developed during the history of reconstruction as well as a shared ideal of more sustainable power for Somaliland.

Conclusion

In this chapter, I explained how in the electricity sector, donor-supported regulatory projects opened up new dynamics of struggle amongst companies and the government. Donors focused on re-engineering Somaliland's *de facto* statehood to

[94] *Ibid*, p. 17.

make markets work better in order to increase investment flows. They encouraged the government and other actors to establish contractual relationships based on legal regulations. After being drafted however, the regulation remained in limbo, caught up in tensions between government and private power providers.

The discussions and debates about the regulation reveal the ongoing 'play of rights and claims'[95] between the government and local business. On one hand, the government sought to reduce and organise its dependence on local actors, reaching out to the global to attract expertise, make its markets more 'globally compatible', and secure increased access to capital. To justify its actions, the government sought to represent itself as a state able to embody and act in the public interest. In response, however, local businesses demanded protection as recognition of their contributions to Somaliland. More fundamentally, they generated resonant discourses about the realities of Somaliland's state-building process, emphasising the collaboration and negotiated process that undergirded the peace – and reminding the government that it was local private capital that had turned the lights of Somaliland's towns and cities back on.

In the next chapter, I examine local businesses' reactions to donor involvement in the energy sector more closely. Focusing on the negotiation and contestation over capital flowing into Somaliland, I examine how private companies asserted ownership of the

[95] Achille Mbembe, *On the Postcolony* (University of California Press, Berkeley, 2001), p. 94

power market by mobilising the range of relationships I outlined in previous chapters – drawing on both their embeddedness in local neighbourhood communities as well as their links with fellow businesspeople – and by investing in material and discursive strategies to demonstrate their commitment to public welfare.

Figure 7: Poster of the National Development Plan displayed in Somaliland's Ministry of Planning in 2013. (Emma Lochery)

Figure 8: The motif of one of Hargeisa's private power companies in 2012. (Emma Lochery)

Chapter 7

Winds of Change: Struggles for sustainable power

This final chapter analyses how electricity companies have sought to control the entry of foreign capital into local markets for power in Somaliland. Broadening my lens, I examine the response of companies from both Hargeisa and the eastern city of Las Anod to donor-run business grant competitions. I explain how companies on the one hand worked to delegitimize potential new entrants to the market while on the other hand manoeuvred to ensure their own access to globally sourced finance and expertise. With the Somaliland government increasingly 'in the business of attracting business',[1] companies mobilised and entrenched the relationships that tied them both to local constituencies and to networks of businesspeople with similar interests. By altering their corporate structures and asserting the importance of actively proving commitment to local communities, companies succeeded in ensuring that global capital was used to further embed their power as locally grounded entities.

Building on the insights of previous chapters, I draw two main conclusions from the tactics of electricity companies vis-à-vis global capital. First, the behaviour of

[1] Jean Comaroff and John L. Comaroff, *Theory from the South: Or, How Euro-America is Evolving Toward Africa* (Paradigm Publishers, London, 2012), p 98.

companies demonstrated that systems of service provision are not automatically legitimized by their embeddedness. Companies were not automatically legitimated because they had grown out of locally grounded initiatives or were linked to specific lineage groupings. Rather, to justify their profit and power in the market, they invested in specific material and discursive strategies. They explained the moral and historical reasons for their right to provide power to the public and exert authority in the market.

Secondly, the ability of the private sector to claim to represent and protect the public interest is fundamentally shaping the nature of Somaliland's nascent statehood. Although both donors and the government have promoted neoliberal discourses projecting the state as the central locus for facilitating the construction of a space of 'generalized competition',[2] in Somaliland, local configurations of power companies have resisted this state-centred idea of market-making. As I show in this chapter, they did this in two ways. First, they worked together to prevent globalized capital flows from 'splintering' the ownership and management of urban infrastructure and displacing local companies.[3] Secondly, to legitimate their actions, they sought to promote an idea of the market as embedded in a historical remaking of their city,

[2] Mathieu Hilgers, 'The Historicity of the Neoliberal State', *Social Anthropology* 20,1 (2012), pp. 81-82. Hilgers discusses discourses used by the 'founders of neoliberalism' in the early decades of the 20th century.

[3] Stephen Graham and Simon Marvin, *Splintering Urbanism: Networked infrastructures, technological mobilities and the urban condition* (Routledge, London, 2001). For criticism questioning the university applicability of the splintering urbanism thesis, see Olivier Coutard, 'Placing Splintering Urbanism: Introduction', *Geoforum* 39,6 (2008).

whose governance should be underpinned not purely by the values of global competition but in view of proven commitment to local communities. As I explain below, their manoeuvring reveals the ongoing battle to delineate and define the public interest that lies at the heart of market-making and state-building in Somaliland.

I begin the chapter with an overview of how donors have worked to promote renewable energy and inject capital directly into the market. I then examine two cases involving companies that won business grants to build wind turbines. In the first case in the eastern city of Las Anod, one company refused entry to a newly formed company, which then had to relocate to Berbera. In the second case, a company in Hargeisa used the promise of a business grant to push forward plans of a merger in northern areas of the capital city.

New Capital

Beyond lobbying for the creation of regulation, donors helped to drive winds of change sweeping across the electricity sector. While they continued to work with the government, they focused much of their energy on leveraging the dominance of private companies and their thirst for capital. By promoting renewable energy technology and injecting capital into the market, donors raised the stakes for existing enterprises, forcing Hargeisa's private electricity suppliers to consider the best way to stay in the race for power.

First, USAID's Partnership for Economic Growth (PEG) promoted public debate and invested in demonstration projects. While they organized the regulatory project I described in the chapter 6, they also ran an 'energy awareness campaign.'[4] In early 2012 for instance, implementing agency Development Alternatives International (DAI) organised a television show about the energy regulatory framework in Somaliland with a panel including the Minister of Energy, PEG staff, the local and international energy lawyer who had worked on the draft electricity bill, the head of one of the power providers and a representative from a Somaliland women's organisation. The show aired on two international Somali stations on May 18 2012, Somaliland's Independence Day – and attracted hundreds of thousands of online views.[5] Somali staff at DAI reported receiving calls and emails from people in the diaspora telling them about the show, not knowing that they had been involved with the organisation behind it.[6] Electricity was mentioned evermore frequently in the public arena, and articles written in the diaspora – the source of much of the capital available for investment into new businesses – continued to complain about the high price of electricity. After his high profile visit to Somaliland in 2013, US-based

[4] DAI, 'Partnership for Economic Growth: Third quarterly report, October – December 2011', January 31, 2011, p. 22; DAI, 'Partnership for Economic Growth: Fifth quarterly report, April – June 2012', August 12, 2012, p. 17.

[5] The reports from the PEG program note: 'Universal TV confirmed that the program attracted 695,341 visitors on the link hosting the You-Tube clip of the discussion.' DAI, 'Fifth Quarterly Report', p. 17.

[6] Interview # 56/Private Sector Specialist and Deputy Chief of Party for USAID PEG/Hargeisa/3 December 2012.

university professor Ahmed Samatar urged the government to focus on the energy sector, exclaiming, 'you can't run a country without electricity.'[7]

Secondly, to encourage a shift to green energy, PEG also implemented a pilot infrastructure project. They installed a wind data monitoring system in Hargeisa, Borama, Berbera, and Burco and held a training for ministry staff and representatives of private electricity companies.[8] Studies of the potential of wind energy in Somalia have been happening since the 1950s [9] – highlighting continuities in donor engagement[10] –and as these previous studies had shown, there is high potential for wind energy in much of Somaliland.[11] DAI made the data available online; Director

[7] Professor Ahmed Samatar's visit to Somaliland was heralded as a victory for the Somaliland administration as the academic had previously voiced his opposition to Somaliland independence. As I observed while in Somaliland, there were large billboards and posters around the city celebrating his visit and a large VIP contingent on hand to meet him at Berbera airport. For his comments on electricity, see Ibrahim Hirsi, 'Professor Ahmed Samatar to Minnesota Somaliland community: 'I want Somaliland to win', *Twin Cities Daily Planet*, August 13, 2013.

[8] DAI, 'Partnership for Economic Growth: Seventh quarterly report, October – December 2012', February 17, 2013, p. 14; DAI, 'Partnership for Economic Growth: Eighth quarterly report, January – March 2013', April 30 2013, p. 6.

[9] In the 1950s British wind energy pioneer Edward Golding carried out survey work in the Somaliland Protectorate. See Edward William Golding, 'Energy from Wind and Local Fuels' (General Symposium on Arid Zone Problems, UNESCO, Paris, 11-18 May 1960); Edward William Golding and Arthur Henry Stodhard, 'An Energy Survey in the Somaliland Protectorate' (British Electrical & Allied Industries Research Association, Technical report IB/TI4, Reading, 1954).

[10] In the 1980s, two decades of wind data was available for nine locations around Somalia, including Berbera, Hargeisa, and Borama, and Danida had also funded a wind energy project. See: Somalia Energy Advisor, 'Final Report to the Somali Democratic Republic' (Energy Initiatives for Africa and USAID, Washington DC, 1986), pp. 9, 10, 44-49.

[11] DAI stated: 'With average wind speeds easily exceeding seven to nine meters per second, some estimates suggest that 50 percent of Somaliland has wind speeds suitable for electric energy production.' See DAI, 'USAID Project Supports Construction of Major Wind Farm in Somaliland', *DAI.com*, June 5, 2014. An energy finance specialist employed by DAI as part of the PEG project explained that Somaliland receives around five and a half months of wind from the southeast and 6

of Energy Engineer Suleiman excitedly showed me the computer at the Ministry reporting wind speeds from across western and central Somaliland in real time.[12]

Meanwhile, DAI also organised a small 100kw wind farm at Hargeisa Airport, supported by USAID but built by Golis, a private Somaliland company. The five-turbine plant was proudly opened by President Silanyo at the beginning of June 2014, and over time, handed over to the control of the government to be managed through a public-private partnership.[13] DAI used the construction of the wind plant to offer staff from the government and private companies training on the technical and managerial aspects of wind power construction and maintenance. PEG envisioned the project as a 'proof of concept', designed to show potential investors that wind power was a viable business in Somaliland.[14]

Indeed, in mid-2012, DAI had organised a 'Wind Investment Workshop' during which electricity companies in Hargeisa had been able to plug their own data into a financial model comparing returns on investment in diesel-based systems versus wind

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months of wind from the northeast, leaving at most half a month a year of calm. Interview # 63/Tyler Chapman/Energy Finance Specialist/Washington DC/January 22, 2013.

[12] The data was available online at http://www.csafrica.co.za:8080/DAI/index.html#, last accessed 23 June 2015. Thanks to Erik English for the link.

[13] DAI, 'USAID Project Supports Construction of Major Wind Farm in Somaliland'. By early 2015, the management had been handed to the company I described in chapter 5, Kaah (by then known as General Electric, as I explain in the conclusion to the thesis). However, due to technical problems, apparently due to integrating the turbines into General Electric's grid, the windmills were not yet producing any power. See Jami Nelson Nuñez, 'Powering Progress: The potential of renewable energy in Somalia' (Shuraako and One Earth Future, Broomfield, CO 2015), p. 14.

[14] See DAI, 'USAID Project Supports Construction of Major Wind Farm in Somaliland'.

or hybrid systems.[15] The workshop proved popular amongst Somaliland's power companies: '…we were able to keep for two full days, keep twenty, thirty, forty businessmen in the room together, because they all wanted to understand how to run this financial model.'[16] Similarly, PEG reported that the airport wind farm attracted attention from a range of potential investors, explaining that the Director General of the Ministry of Energy claimed 'that up to 3 or 4 of every 10 calls he receives these days are from interested government staff, local businessmen, power providers and other investors wanting to know more about the wind farm.'[17]

While working to draw attention to the need for investment – and the opportunities that awaited investors – in Somaliland's power sector, donors also sought to inject capital into the market. Both USAID and the World Bank launched business grant competitions based on the principle of cost-sharing.[18] USAID's Partnership Fund offered grants between US$25,000 and US$100,000: those receiving grants under $50,000 had to provide 25% of the cost needed for the business proposal whereas those receiving larger grants had to match the whole cost of the grant. Launched in December 2011, USAID's competition was widely advertised across Somaliland

[15] Interview # 63/Tyler Chapman/Energy Finance Specialist/Washington DC/January 22, 2013.

[16] Interview # 56/Private Sector Specialist and Deputy Chief of Party for USAID PEG/Hargeisa/3 December 2012.

[17] DAI, 'Partnership for Economic Growth: Tenth quarterly report, July – September 2013', October 30 2013, p. 15.

[18] The Partnership Fund was launched by DAI as part of PEG in December 2011, the project I explained in the previous chapter.

through websites, radio, newspapers and text messages, and DAI received almost three hundred applications.[19] After two rounds of review, thirteen grantees were selected by an evaluation committee consisting of DAI staff and representatives from the Somaliland Ministry of Commerce, Ministry of National Planning, and Chamber of Commerce.[20] Two wanted to invest in the energy sector. Transparency Solutions aimed to mobilise investment from Somali diaspora through the use of bonds while also providing research, evaluation, and project management and training; one of their initial projects was to be a 20 MW wind farm outside Hargeisa.[21] The other grantee, Tayo Energy, was a group of primarily diaspora investors who wanted to install wind turbines to supply electricity in Las Anod.[22]

[19] DAI advertised the competition in December 2011 and later estimated that their advertising reached a 'more than one million people'. In early 2012, they received 292 applications from all over Somaliland as well as from the diaspora. See: Zaki Raheem, 'Stoking Somaliland's Entrepreneurial Spirit to Generate Growth, Jobs' (*Developments*, Winter 2013, DAI).

[20] The program distributed a total of US$900,000 to businesses in Somaliland. For a full explanation of the selection process, see Raheem, 'Stoking Somaliland's Entrepreneurial Spirit'. Submitted business plans were judged on 'economic growth impact, technical experience, technical feasibility, financial viability, analysis of market supply and demand, business management experience, and their cost share' – as DAI staff put it, the main question was: 'can you show … your business idea is going to create some jobs?' Interview # 56/Private Sector Specialist and Deputy Chief of Party for USAID PEG/Hargeisa/3 December 2012.

[21] Stephen Hadley and Sharmarke Farah, 'Somalia Economic Growth Strategic Assessment: Final assessment report' (IBTC for USAID, Washington DC, 2014), pp. 16, 75; Somaliland Investment Portal, 'Transparency Solutions – Investing in Somaliland windpower through innovative investment funds' (Energy Case Study, Somaliland Investment Portal, 2013).

[22] Hadley and Sharmarke, 'Somalia Economic Growth', p.77; IBTC, 'Mid-Term Performance Evaluation of the Somalia Partnership for Economic Growth Program' (IBTC for USAID, Washington DC, 2014, p. 29; Hadley and Sharmarke, 'Somalia Economic Growth', p.77.

Meanwhile, the World Bank's Somaliland Business Fund, contracted out to British consultancy firm Landell Mills, launched later in September 2012. The fund, announced as being worth $3.6 million, offered grants of a similar size ($5,000 to 150,000) also based on the idea of cost-sharing.[23] In June 2013, they announced the outcome of the first round of the large grant competition for grants between US$50,000 and US$150,000, and six of the 21 recipients planned to invest in energy.[24] Two of these planned to invest in solar, and four investors from Las Anod, Borama, Erigavo and Hargeisa wanted to purchase wind turbines.

Negotiating Structural Inequalities

Investment in wind was becoming the next step for companies working to strengthen their market position, and the business grant competitions represented an important potential source of capital to supplement what could be raised through networks of family and friends. However, the entry of capital into the market via grants to electricity companies also provoked tensions. As Peter Geschiere and Francis

[23] Small grants demanded a 1:1 match, reduced to 33% for first time applicants; larger grants over $50,000 demanding up to 50%, depending on the fund staff's assessment of risk and return, so as to 'get a higher leverage on the overall grant funds.' See the press release published in a Hargeisa newspaper: 'Somaliland: Why SBF?', *Somaliland Sun*, October 8, 2012.

[24] Ministry of Foreign Affairs of Denmark, 'Danish Supported Somaliland Business Fund', *Denmark in Somalia*, 21 June 2013.

Nyamnjoh argued, a 'fascination with globalization's open horizons' is often accompanied by unease about the effect of global flows on local dynamics.[25]

Firstly, while the competitions were designed on the principle of procedural equality amongst applicants, there was of course – to cite John Lie's paraphrase of Marx's 'crucial insight' – 'structured inequality underlying the formal equality of the market.'[26] For instance, businesspeople in urban areas and in Hargeisa in particular had more access to information about the programs, ability to secure the required documents from government offices, computers to complete the paperwork, and advice on how to prepare a business plan. During the competition run by the World Bank for example, it was common practice for some enterprises applying for grants to hire the services of consultants in Hargeisa – meaning applicants from other cities let alone rural areas were at a significant disadvantage.[27] Moreover, the competition not only required candidates to have some capital to match the grants already but valued experience in business – making successful businesspeople with capital likely recipients. Indeed, when the results of the first round of the World Bank small grants competition were released, there were complaints in the media about the fact that 36

[25] Peter Geschiere and Francis B. Nyamnjoh, 'Capitalism and Autochthony: The seesaw of mobility and belonging', *Public Culture* 12,2 (2000), p. 425.

[26] John Lie, 'Sociology of markets', *Annual Review of Sociology* 23 (1997), p. 351.

[27] Personal communication with one such consultant in Hargeisa, May 2013.

out of the 59 grantees were from Hargeisa:[28] 'Many of those who could afford the matching funds for the grants were from Hargeisa. They are already established businesses or those that have rich business relatives who could support them by lending them the matching funds.'[29] Critics argued that the fund managers needed to do more to ensure that 'unequal opportunities do not lead to unequal outcomes.'[30] There were accusations that staff of the Somaliland Business Fund had demanded kickbacks, amidst reports of favouritism:[31]

> The majority of the decision making body is from Hargeisa and the few Westerners in the fund management may have not been aware of the bias factor within their colleagues at the time of deciding on the grant recipients of the 1st round.[32]

These accusations of inattention to structural inequalities were accompanied by others that accused the fund of exacerbating inequalities along clan lines.[33] The World Bank's Somaliland Business Fund seemed rather unprepared for the criticism that followed the first round of grants; the fund subsequently worked to make its selection

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[28] Somaliland Business Fund (SBF), 'SBF: R1 Grant Awards', <http://somalilandbusinessfund.com/index.php/grantees/sbf-r1-grant-awards>.

[29] Mo A. Ali, 'Somaliland: Business Fund Must Be Equally Distributed To All Regions', *Somaliland Sun*, April 8, 2013.

[30] Liban Ahmad, 'Somaliland Business Fund: Unequal Opportunity and Outcome', *Somaliland Sun*, 7 October 2012.

[31] Yumoha Pasha, 'Somaliland: Community awaiting SBF Round II grants call for proposals forlornly', *Somaliland Sun*, 6 April 2013.

[32] Mo A. Ali, 'Somaliland: Business Fund'.

[33] See, for example: 'Somaliland Business Fund Grant Distribution', *Qaran News*, 7 April 2013.

procedures more transparent, extend assistance to those who needed help completing paperwork, and publicized information on its procedures for dealing with complaints.[34] It also organized an independent review of the first round selection and disbursement procedures as part of an 'initiative to implement lessons learned from Round 1.'[35] Moreover, it sought to borrow from the techniques of USAID's Partnership Fund, which, from the general reaction in the Somaliland press, had been better received than the World Bank's Somaliland Business Fund.[36] DAI started smaller, with only 13 grants, and at every step worked to emphasise the transparency of their work. Staff emphasised their wide-reaching media advertisement and perhaps because of the knowledge they gathered during the market survey they completed in 2011, demonstrated awareness of the need to emphasise balance between Hargeisa and other parts of Somaliland. From the very beginning, their evaluation committee had included representatives of two ministries and the Chamber of Commerce, thus involving a range of local powerbrokers in their decision-making process. Despite

[34] There is now a specific menu item with information on what to do if applicant are asked for a 'fee' by anyone related to the SBF team: SBF, 'Handling Corruption and the SBF', <http://somalilandbusinessfund.com/index.php/handling-corruption>. There is another page detailing complaint procedures: Somaliland Business Fund (SBF), 'Complaints Procedure', <http://somalilandbusinessfund.com/index.php/about-the-fund/complaints-procedure> .

[35] SBF, 'Press Release: Independent review of Somaliland Business Fund grant selection and management', [Undated, released April 2014], <http://somalilandbusinessfund.com/index.php/news-a-events/58-press-release-independent-review-of-somaliland-business-fund-grant-selection-and-management>.

[36] Indeed, press articles cited businesspeople as saying: 'In lieu of attracting similar damaging insinuations from intended beneficiaries the SBF should take a leaf from the very successful USAID funded Partnership for Economic growth grants program.' See Yumoha Pasha, 'Somaliland: Community Awaiting SBF'.

this attention to transparency and spreading grants across Somaliland geographically, DAI still ran into problems, however, with their grantee Tayo Energy in Las Anod.

Indeed, the business grant competitions faced a second challenge. As researcher Muyhadin Saed has argued, organisations like the World Bank have struggled to translate the 'informal' tactics the local private sector uses for resolving conflicts and building trust into practices that can be integrated into a development program.[37] On one level, this is a problem arising from the clash between the perceived need for clan balance in Somaliland and an international organization's relative inability to manage this social dynamic. This was due in part to inadequate knowledge of the context but also to organisations' opposition to 'socially-engineered' programming – using the social structure of the country to diversify funds.[38] Moreover, even if international organisations wanted to pay more attention to clan, as clan balance becomes an informal norm in Somaliland politics rather than a formal norm openly endorsed by the government, it becomes more difficult for outside organisations to mediate against clan inequalities – beyond ensuring a geographical spread in the grants that they distribute.

However, even if organisations distributed programs geographically across Somaliland, they still risked falling foul of locally negotiated arrangements. More

[37] Muhyadin Abdillahi Saed, 'The Role of the Local Private Sector in Somaliland Statebuilding' (MSc Thesis, International Development Department, University of Birmingham, 2014), p. 50.

[38] *Ibid.*

fundamentally, the development agencies running the funds were facing problems because the assumptions which shaped their programs ignored the fact that markets were not spheres of atomistic actors hungry for access to capital but rather intricate matrices of relationships developed over time and governed on the basis of negotiated rules. While in media reports, criticisms tended to argue that grant programs would favour those with the best connections or with rich relatives, the biggest point of contention that emerged in the power sector was the potential displacement of already existing players. As I explain below, businesses embedded in local arenas mobilised both material and discursive strategies to defend those arenas and redirect capital investment – an example of the wider 'dialectics of flow and closure' that characterise attempts to seize the opportunities and avoid the threats accompanying global flows.[39]

The 'Legitimate Provider'

As I highlighted in the previous chapter, the attempts of the government to attract and direct investment into Somaliland often meet with criticism, especially from businesspeople worried about capital disrupting local market arrangements or displacing local players. A prominent businessman in the electricity sector complained about investors who drew on connections to the central government in Hargeisa

[39] Peter Geschiere and Birgit Meyer, 'Globalization and Identity: Dialectics of flow and closure. Introduction', *Development and Change* 29,4 (1998).

rather than negotiating their investment at a local level: 'Every briefcase businessperson who comes from abroad goes straight to the presidency, they [the government] give them a letter which saying "memorandum of understanding", and that's just adding fuel to the fire.' He expressed his frustration that the government was not sitting down with the business community and discussing how to work together to lower the price of electricity and develop the country together, rather than chasing donor or foreign capital.[40]

These arguments formed part of a wider discourse that I outlined in the last chapter: that the entry of capital into the market needed to take into consideration the players that had taken risks and helped rebuild Somaliland in the 1990s. Companies demanded a voice in mediating the entry of capital into the market. As I demonstrate in this chapter, this defence went beyond the logics of zonal monopolies and built instead on the discourses of socially responsible and moral capitalism that I discussed in chapters 4, 5 and 6. Enterprises narrated their commitment to providing a service to the public – to their community, their customers, and their city. The identity they projected was profoundly local, but their claim to belonging was not presented in

[40] I have anonymised this quote from a businessman in the electricity sector to protect the privacy of my informant. For a list of my interviews with officials, companies, and other actors in the power sector, see Appendix B.

terms of 'self-evident natural givens',[41] either ethnic or clan. It was grounded in a narration of their past and present actions.

To demonstrate my argument, in this section I examine a case in the electricity market in Las Anod.[42] Patterns of state formation in the area have been very different from those I have discussed in case of Hargeisa: the district of Las Anod was a battleground between Puntland and Somaliland in the late 1990s and became part of Puntland in 2002 before returning to Somaliland in 2007.[43] The Somaliland government still has to tread very carefully in regions close to the border of Puntland where its influence is much more limited and contested.[44] Nevertheless, recent events in the electricity sector are instructive for my argument as they show the way commercial actors in the electricity sector mobilise their local embeddedness, present themselves as committed to public service, but also reach out to the global.

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[41] Geschiere and Nyamnjoh, 'Capitalism and Autochthony', p. 448.

[42] As will be clear from the citations that accompany my analysis, I was not able to visit Las Anod during my stay in Somaliland due to Somaliland government restrictions and security concerns. However, during my interviews with actors in the electricity sector in Hargeisa, people often brought up the case of the electricity market in Las Anod. In writing the following account, I triangulate amongst interviews with private companies, government officials, and aid workers in Hargeisa; online news reports and company webpages; and reports DAI sent to USAID concerning the PEG project. These sources provided sufficient information to investigate the discourses employed by the company in the local press and the reaction of outside players, the focus of my argument here.

[43] For a very concise overview, see: Quero, Yann-Cédric, Mireille Widmer, Manasseh Wepundi, and Lindsey Peterson, 'Safety and Security District Baseline Report: Las Anod' (Observatory of Conflict and Violence Prevention (OCVP), Hargeisa, 2011), esp. pp. 14-15.

[44] Markus V. Hoehne, 'Political Identity, Emerging State Structures and Conflict in Northern Somalia', *Journal of Modern African studies* 44,03 (2006).

One of DAI's grantees in 2012, Tayo, planned to install wind turbines to supply electricity to the city of Las Anod. In late 2012, the newly formed company signed the agreement to receive the matching grant from USAID's Partnership Fund, and a request for proposals was put out for wind turbines to be purchased.[45] However, Tayo soon encountered resistance from the resident company dominating the power market in Las Anod – LESCO, at the time Las Anod Electricity Supply Company. LESCO described itself as a 'social enterprise' established in 2000, 'when several small sole trading companies were merged by a visionary group of intellectuals…'[46] The company had grown over time, and after raising funds from people in the city by selling shares, they hired a Somali Kenyan engineer to help them design an upgrade to their power system using a new synchronised system distributing power through both high and low tension wires.[47] With the launch of this new system in 2012, the company emphasized its commitment to providing electricity of an 'international standard.'[48]

Unsurprisingly, after these investments, LESCO was not ready to let another company build a business providing electricity to Las Anod and between late 2012

[45] PEG/USAID, 'Request for Proposal: Wind turbines for USAID/Partnership for Economic Growth Program Energy Sub-Activity and Grantee Tayo Energy Enterprise Company, Hargeisa, Somalia/Somaliland' (USAID, Hargeisa, 2012).

[46] LESCO (LasAnod Energy Solutions Company), 'About Us', <www.lesco.so/About.htm>.

[47] Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013; LESCO, 'About Us'.

[48] LESCO (LasAnod Energy Solutions Company), 'News', <http://www.lesco.so/Index.html>.

and early 2013, a conflict between LESCO and Tayo began to brew. A large electricity company present in Hargeisa worked to try and broker a deal between the two companies, urging them to create a share company, thereby linking Tayo's turbines to the wider LESCO grid. However, the situation continued to escalate as companies lobbied an array of elders, government representatives, parliamentarians, and staff of different ministries to decide the situation in favour of one company or the other. As a central government representative working in the energy sector explained:

> …we frankly told that company that was there [in Las Anod], this is private, this is a competitive market, there is no monopoly here in Somaliland. They are convinced now, but still they are making trouble. Now we called … their stakeholders from parliament, you know, and the elders … and we want to solve that problem. Because the company that was there was saying I will take a gun if they come here![49]

As I mentioned above, the government's presence in Las Anod is much more contested than in the central areas of Somaliland, and threats of violence were viewed as particularly alarming in a region marked by conflict in the late 1990s and ongoing insecurity into the 2000s.[50] The government's ability to push for a more open competitive market was far more limited than it was in Hargeisa. However, even

[49] I have anonymised these quotes to protect the privacy of my informants. For a list of my interviews with officials, companies, and other actors in the power sector, see Appendix B.

[50] For a recent update on the security situation in Las Anod, see: Abdullahi Odowa, Abdifatah Tahir, Abdirahman Hassan, Ahmed Muse, Kenneth Mutinda, Omar Abshir, 'District Conflict and Security Assessment Report: Las Anod 2013' (Observatory of Conflict and Violence Prevention (OCVP), Hargeisa, 2013).

back in Hargeisa, I encountered sympathy for the view that the government's effort to enforce a competitive market was unfair, given the history of the existing company's investment in the city. As a company manager in Hargeisa explained: 'You can imagine when someone really invests everything they have. And then all of a sudden, there's a government intervention, and there are new players coming in by force.'[51] Rather than a company with a zonal monopoly, he described LESCO as a company that had been developed through local contributions and investment.

By early 2013, LESCO campaign against Tayo's proposed presence in the market had an effect, and in their first quarterly report of 2013, DAI reported to USAID that the implementation of Tayo's business plan was being delayed.[52] In April, selected online Somali media outlets published articles in Somali and English accusing Tayo of embezzling aid donations and money from an 'emergency grant'. One online newspaper carried a story detailing how 'aid donations to Somaliland for development projects in the poorer regions of the country have been miss-managed by newly created rogue non-governmental organisations (NGO).'[53] The article accused Tayo of being a 'fictitious organization' 'based overseas' created 'solely for

[51] I have anonymised this quote to protect the privacy of my informant. For a list of my interviews with officials, companies, and other actors in the power sector, see Appendix B.

[52] DAI, 'Partnership for Economic Growth: Eighth quarterly report, January – March 2013', April 30 2013.

[53] 'Scandal of Las Anod Aid Miss-Management & Rogue NGO's' [sic], *Qaran News*, 13 April 2013. Another article in Somali contained similar claims: 'Wax-is-daba marin ka soo if-baxday qaabkii loo maamulay Deeqdii Hay'adda DAI ee degmada Laascaanood' ['Embezzlement emerges from the way Grants from DAI to Lasanod District were managed'], *Waaheen*, 8 April 2013.

the purposes of applying for grants and then subsequently disappearing with the money'.[54] Another article accused Tayo of being a group of diaspora 'who cleverly dealt with both of the implementing partner (DAI) and the government.'[55]

Most of the specific claims in the articles were false – the grant was not an 'emergency fund', Tayo was not claiming to be an NGO, and DAI widely advertised their business grant competition and evaluated submissions in partnership with government representatives. However, the language used in LESCO's offensive against TAYO was revealing. Tayo was described as a newly arrived 'grant-oriented' entity, started by diaspora 'based overseas', mobilizing discourses used to cast suspicion on the motives and behaviour of diaspora returning to contribute to their communities back in Somaliland. Indeed, while 'representing a diasporic outside' can enable investment, it can catalyse tensions locally.[56] As Mohamed Hassan Ibrahim observes, although there is an appreciation for the knowledge and capital diaspora invest in Somaliland, there is also concern about the ways individuals seek to use

[54] 'Scandal of Las Anod', *Qaran News*.

[55] 'Wax-is-daba marin ka soo if-baxday qaabkii loo maamulay Deeqdii Hay'adda DAI ee degmada Laascaanood', *Waaheen*.

[56] Peter Hansen describes 'local forms of resistance' against the success of some diaspora investors and changes they are perceived to bring to Hargeisa: Peter Hansen, 'Diaspora Returnees in Somaliland's Displacement Economy' in Amanda Hammar (ed.) *Displacement Economies in Africa : Paradoxes of crisis and creativity* (Zed Books, London, 2014), pp. 151, 158. On ambivalent attitudes towards diaspora returnees, see Nauja Kleist, 'Somali-Scandinavian Dreaming. When "the diaspora" returns to the desert' in Ninna Nyberg Sørensen (ed.), *Living Across Worlds. Diaspora, development and transnational engagement* (International Organization of Migration, Geneva, 2007), pp. 118-119. For a broader view, see Lynellyn D. Long and Ellen Oxfeld (eds), *Coming Home?: Refugees, migrants, and those who stayed behind* (University of Pennsylvania Press, Philadelphia, 2004).

wealth acquired overseas while profiting from the status that wealth can accord them back in Somaliland. Two decades after post-war reconstruction began, returnees can find themselves facing the question: 'he came yesterday and I have been here. What is he doing here?' Some returnees thus have to prove their commitment over time, through their adherence to religious or cultural norms, business investments, community contributions and their willingness to bring their families back 'home'.[57]

However, in contrast to narratives painting Tayo as an outsider insufficiently committed to the welfare of the city, the articles emphasized LESCO as not just a legitimate business but one whose domination of the electricity market was justified by its contributions to developing the town and serving the community. The news article I referenced above bestowed upon LESCO the title of 'Las Anod's legitimate electricity provider.'[58]

Indeed, as with many companies in Hargeisa, LESCO asserted an ethic of community service: 'We are responsible and contribute our time, talents and services to projects benefiting our community and our customers.'[59] On their website, they described their donations to the community – over US$19,000 worth of electricity provided

[57] Mohamed Hassan Ibrahim, 'Somaliland's Investment in Peace: Analysing the diaspora's economic engagement in peace building' (Working Paper 4, DIASPEACE, Jyväskylä, Finland, 2010), pp. 38, 45-46. The quote is from an interview with the businessman Hassan Ahmed Hussein in April 2009.

[58] 'Scandal of Las Anod', *Qaran News*.

[59] LESCO (LasAnod Energy Solutions Company), 'Current Projects', <http://www.lesco.so/Projects.htm>.

free every month to power street lights, mosques, a hospital, police stations and a library.[60] They also mentioned that they had constructed a bridge in the town,[61] contributed to buying land for a primary school, donated furniture to other educational institutions, and were currently sponsoring a football team.[62] Moreover, they emphasised their locally grounded identity: 'We not only serve the community; we are members of them.'[63] LESCO worked to legitimize their market power through emphasizing their social embeddedness – both in terms of belonging to the town and living through its reconstruction, as well as in terms of actively contributing in material terms to the wider community of Las Anod.

At the same time, however, LESCO sought out the global, aware that its dependence on diesel and the high prices it charged put it under threat from a potential competitor that was offering to bring wind energy to Las Anod. As I mentioned above, they had previously hired a consultant from Kenya to help them upgrade their systems. In January 2013, LESCO management subsequently held a press conference announcing a new sliding scale for the unit price of electricity, which would reduce the price of electricity for many of their customers from US$1.50 per kilowatt hour to

[60] *Ibid.*

[61] Pictures of the construction of this bridge were discussed on the online platform Somali Net where one commentator commented 'local companies should give back to the community from their pure profit, tax free earnings and practice corporate responsibility. well done LESCO': 'Las Anod gets a new bridge', SomaliNet Forums, 23 April 2011, <http://www.somalinet.com/forums/viewtopic.php?t=274974>.

[62] LESCO, 'Current Projects'.

[63] LESCO, 'Current Projects'.

$1.20 or less.[64] In addition, that same month, representatives from LESCO attended the World Future Energy Summit in Abu Dhabi, where they met representatives from a Swiss company specializing in renewable energy, Energy 8. They mandated Energy 8 to undertake a pilot project to ensure that 30% of the city's electricity was produced from renewable sources.[65] Subsequently in April, representatives of Energy 8 travelled to Las Anod; at a press conference, LESCO representatives announced the agreement between the two companies to create a hybrid system for Las Anod, combining the existing diesel generators with renewable energy. Behind the speakers from LESCO and the visiting representative from Energy 8, a banner emblazoned with wind turbines and images of the sun announced LESCO's commitment to renewables. The acronym LESCO now stood for Leading Energy Solutions Company, with the letter 'L' drawn as part of a wind turbine.[66]

Alerted to the risks of ignoring opportunities, LESCO also took advantage of the capital made available by donors. When the results of the World Bank business grants

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[64] Somali Channel, 'LAASCAANO Maamulka shirkada korontada Ee LESCO Ee Laascaanood Oo ka Hadlay Qiimo dhimis Ay u Sameeyeen Shacabka Ku Nool Magaaladaasi Si ay Oga Faa iidaystaan' [LESCO declares price reduction…], 22 January 2013, YouTube Video, <https://www.youtube.com/watch?v=T0JE-T_f050>.

[65] Office for the Promotion of Industries and Technologies, 'Le Groupe Genevois Energy 8 Alimentera En Énergie Verte Une Ville Somalienne', 2013, <http://www.opi.ch/news/le-groupe-genevois-energy-8-alimentera-en-energie-verte-une-ville-somalienne>. The visit was to the renewable energy forum was also mentioned on LESCO's website: LESCO (LasAnod Energy Solutions Company), 'News', <http://www.lesco.so/Index.html>.

[66] Somali Channel, 'Shirkada Laga Leeyahay Wadanka Switzerland Oo Heshiis Lagashay'[A Swiss Company has signed an agreement], 15 April 2013, available at www.youtube.com/watch?v=3_r7EzfMgxU, last accessed April 2015.

competition were released in June 2013, LESCO was awarded a grant for a solar power project. The next year, the Somaliland Business Fund described the progress of the project:

> Mr. Abdinasir Barre, of the Las Anod-based Leading Energy Solutions Company (LESCO), is a happier man than he was last year. Working in partnership with 'Gollis Energy' and 'Energy8', a Swiss-based energy consultancy, LESCO last month began the engineering works and preparation for the installation of 960 solar panels in 20 racks of 48 panels that will produce 240 kWp of electrical power; and, reduce the town's dependency on energy produced by fossil fuels.[67]

Abdinasir Barre was also quoted explaining how LESCO had worked to mobilise and expand its networks connecting it to additional finance and expertise:

> What started out as a project based around a half a million dollar investment has grown to a project involving international partners and a total project investment likely to be nearer to one and a half million dollars. After we recognized what we needed to learn from others to see this complex project implemented we set about developing the professional networks of support we needed. [68]

[67] Somaliland Business Fund, 'Press Release: "Two Sbf Large Grant Projects In Las Anod"', 2014, <http://www.somalilandbusinessfund.com/index.php/news-a-events/74-press-release-two-sbf-large-grant-projects-in-las-anod>. The kWp measurement refers to the 'peak power' of the solar panels.

[68] *Ibid.*

He closed by emphasizing the company's dedication to the city's wellbeing: 'When the project is completed LESCO will be providing cheap electricity with less negative environmental impact for the citizens of Las Anod.'[69]

By July 2013 meanwhile, DAI had reported to USAID that 'after some months of community discussions', Tayo 'identified an alternative site in Berbera.'[70] LESCO had succeeded in keeping its hold on Las Anod's market – asserting sovereignty over the city's power market.

The story of LESCO and Tayo illustrates how sovereignty over markets in Somaliland has been constructed and co-produced over time,[71] as actors mobilised the conditions of their embeddedness to exert authority over specific sets of economic exchange. By navigating and mobilising the 'webs of relations that shape the possibilities for agency across a body politic', [72] companies asserted the prerogative to decide who entered the market. They pointed to what they had built not only as a justification that they deserved to maintain their market position, but also as evidence that they had the best interests of the city's inhabitants at heart – a

[69] *Ibid.*

[70] Development Alternatives International (DAI), 'Partnership for Economic Growth: Ninth quarterly report, April – June 2013', July 30 2013, p. 19. See also: IBTC, 'Mid-Term Performance Evaluation', p 29.

[71] Robert Latham, 'Social Sovereignty', *Theory, Culture & Society* 17,4 (2000), p. 15.

[72] Latham, 'Social Sovereignty', p. 6; Timothy Raeymaekers, 'Protection for Sale: War and the transformation of regulation on the Congo–Ugandan border', *Development and Change* 41,4 (2010), p. 583.

claim they backed up by reaching out to bring the opportunities of the global back home themselves. In the case of Las Anod, LESCO asserted their role to represent and serve their community, usurping central government narratives arguing that competitive markets were in the best interest of all.

Merging under Threat

In Hargeisa meanwhile, there was still no monopoly actor in the city's power sector: multiple companies co-existed, especially in the north of the city. However, the presence of outside capital was catalysing change: companies began working to ensure that they – rather than the government or outside donors and investors – grasped the opportunities it offered and determined the future of the market. Indeed, in mid-2013, one of the large grants in the first round of the World Bank Somaliland Business Fund competition was awarded to the owner of Afgal Power, a successful electricity provider north of the city centre that I described in chapter 2. By the end of the year, Afgal Power would be at the forefront of efforts to unite companies in the north of Hargeisa, demonstrating once again how the opportunities and threats presented by outside capital catalysed change in the market.

As I have depicted in previous chapters, companies projected an identity as power providers with a proven record of acting in the public interest. As business grants became available, companies also worked to use this capital to make urban space more cohesive. As I will show, ongoing changes in the electricity sector in Hargeisa

provide a contrast to narratives of 'splintering urbanism', which focus on how a rise in private sector service provision and liberalised capital flows have unbundled and fragmented urban infrastructure networks around the world.[73] As Frederick Cooper has argued, it is important to examine the specificity of the relationships and structures that facilitate international capital flows and mediate economic exchange. Rather than dissolving all that lies in their path, flows of capital interface with the configurations of public authority that characterise particular places.[74] Capital entering the electricity market in Somaliland was no exception.

When I met the secretary of the electricity association HELP in April 2013, he explained that just as Kaah had united the south of Hargeisa, there also had to be a merger in the north of the city.[75] The government's Director of Energy explained he had emphasized to companies that mergers needed to happen all over Somaliland:

> They have to think of one thing, because their capability is very weak financially and technically they were very very weak, so I have advised them … they have to merge together, we want to have only three big companies, or four big companies, or at least two big companies that compete in the market.

[73] Graham and Marvin, *Splintering Urbanism,* pp. 103, 33.

[74] Frederick Cooper, 'What is the Concept of Globalization Good for? An African historian's perspective', *African Affairs* 100,399 (2001); Aihwa Ong, *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty* (Duke University Press, London, 2006); Morag I. Torrance, 'Forging Glocal Governance? Urban infrastructures as networked financial products', *International Journal of Urban and Regional Research* 32,1 (2008), p. 3.

[75] Interview # 66/Saeed Mire/HELP Secretary/Hargeisa/25 April 2013.

As I explained in chapter 4, HELP was reformed in 2011 with an office, secretary and mandatory monthly contributions, soon after Kaah had united its collection of grids in the southern side of Hargeisa. One aim of the newly reformed HELP – just as with the original HELP formed in 2001 – was to help companies in the north of Hargeisa merge their operations together.[76]

When I interviewed company managers and owners in the north of Hargeisa, they had mentioned different attempts to merge their grids – but often with a tone of disillusionment. Previous attempts at collaboration had always stopped short of forming a shared company, stumbling over the intractable question of how profit and risk would be shared amongst partners. One of the stronger companies in the north explained that during a previous attempt to merge the northern companies, smaller companies had argued that everyone should receive an equal share of profits – even if the stronger companies had more branches, generators, and customers:

> …we have these 3 different branches, we have most of biggest generators around the city, but still people will be like, yeah, I have my own area, you have your own area, so even if we come in a joint venture, still we have to get the same profit, which is not [logical] you know.[77]

[76] This was mentioned in some of my interviews with private companies, although for most of them it was with a tone of disillusionment. According to the Somaliland Director of Energy however, companies committed to merge soon after Kaah's merger, but it turned out to be more difficult than anticipated (Personal communication with Erik English, Student and researcher at Tufts University, July 2014).

[77] Interview # 31/ Branch Manager of Power Company/Hargeisa/24 October 2012.

When companies had previously discussed the possibility of coming together in a union, a logic legitimizing zonal monopolies still had significant discursive power. Bigger companies had no incentive to agree to form a joint venture undergirded by a logic of the market that limited their share to their lineage-based niche.

However, with the rise of Kaah, and an ongoing legitimisation of competition based on customer choice and quality of supply, the power of zonal logic was weakening and competition intensifying. The manager of Afgal, one of the largest companies serving the north-western area of Hargeisa explained that originally, the rise of Kaah had not posed such a threat as most of the companies that joined were going to 'die out anyway, out of competition' and so felt obliged to join the union in order not to disappear. On the other hand, the companies that had resisted joining Kaah were those that were still turning a profit and thus had an incentive to keep building their own market share. They were companies aiming to compete beyond their neighbourhood market niche, embracing the challenge of installing more up-to-date technology, 'bringing a big generation facility' to Somaliland, and offering the best customer service. Indeed, while I carried out my interviews, the most successful companies were working out how to synchronize their generation plants and set up high voltage distribution lines, importing outside experts from Dubai, Kenya or

Uganda, and in the case of Afgal, applying for a business grant from the World Bank's Somaliland Business Fund to set up wind turbines.[78]

However, as Kaah continued to grow and merged with bigger and more developed companies, the shareholder company posed more of a threat to the family-based firms of central and northern Hargeisa. Moreover, rumours of foreign investors interested in investing in Somaliland's energy sector began to raise the stakes in Hargeisa's electricity market. In the words of Kaah's CEO, companies in the north:

> …will be forced to really consolidate by the circumstances which come – because there's a lot of interest in … the electricity in Somaliland, especially in Hargeisa. There are a lot of foreign companies which show an interest, and lately they were knocking the doors.[79]

As the electricity sector in Hargeisa attracted interest from outside investors, companies wanted to react to investment opportunities in a way that allowed them to build on their sunk capital rather than losing market share. As a large shareholder company with over 30,000 customers and high tension wires, Kaah's market position and structure put it in much a better position to absorb increased investment. This was not lost on companies in the north. The owner of Afgal was certain that investors would not be interested in small companies serving a fragmented market:

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[78] Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013. I draw on my interviews with power companies in aggregate here; see Appendix B.

[79] Interview # 71/Hassan Ahmed Hussein/CEO of Kaah Power and Lighting Company/Hargeisa/30 April 2013.

> And if an investor comes in, they will decide with who are [they] going to invest. So many different companies, it don't make sense. So you have to all come into one, and then they will invest into that company… whoever doesn't come into the union will die out anyway.[80]

Nonetheless, while a large company could easily convince very small companies serving a few hundred customers each that it was better to be part of a union than be pushed out of the market, it was more complicated to form a union amongst companies that were already successful. As I explained in chapter 4, compared to the later development of the southern half of the city, companies in the north had often started their businesses earlier in a part of town where there were more available clients. In 2012 and 2013, around half of the ten largest companies in the north estimated their customer numbers at around 5000 or more, with the other five averaging around 1700.[81] Thus, despite talking about the benefits of merging when I carried out my interviews in early 2013, companies in the north were not showing active signs of moving towards consolidation – although a few companies mentioned that they were having discussions about how to move in that direction.

[80] Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013.

[81] I do not include here a company that was very new at the time of my interview in 2012 that had around 400 customers; his market share likely grew over the next couple years. More generally, as I discussed in the introduction to the thesis, it was difficult to collect reliable data on customer numbers. Unexpectedly, I had the sense that some companies were underestimating their numbers, not wanting to encourage other companies to invade their lucrative share of the market. In one interview, for example, a company manager told me the company had less than 3000 customers but when I assured him that I would keep customer numbers anonymous and that I was not working for the other companies, he changed his estimate to around 8000.

Indeed, there were clear impediments to creating a union. Companies needed to make sure that they froze their market share at the right moment. If they were considering the shareholder model Kaah had used, for example, companies joining the union would be awarded shares based on a valuation of their current assets and distribution network – it was important to maximise that share. Secondly, advocates of a merger had to convince individual companies to sacrifice control of their own revenue stream and place their trust in the collective. Companies had to feel comfortable trusting a union that, unlike Kaah, had not yet had a chance to prove itself. In the words of the Afgal's owner, one of those leading efforts to form a merger, companies sought to protect 'the profit that they make, the revenue they collect on a daily basis, because they feed their own families out of this business and they [are] not comfortable enough to give away that right.' [82]

He argued that companies needed 'to be assured that their rights will not erode but rather enhance in a different format, while the risk is taken away from their shoulders.' Companies needed to negotiate a union based on clear rules and regulations:

> …how do you protect your own rights to revenue, …if there are not properly laid guidelines and rules to stick by? I mean it will be very hard for you to sort of give away your own rights one day and not know what you're getting out of it, the next day. Or just – you're told to wait one year, for your own return,

[82] Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013.

> and at the end of one year down the line, then you don't know what this will be like, you know what I mean?[83]

His argument demonstrates that companies did want rules to secure order in the market and enable them to secure their future profit streams. However, it also shows how companies were determined to construct a market governed by a set of rules that they had negotiated amongst themselves – rules that would protect those who depended on the business to 'feed their own families'.

Emulating Kaah

Negotiations on a merger in the north moved slowly as those in favour of a union worked to convince the other companies that merging would continue to provide revenue on a monthly basis.[84] Then finally, after many meetings, in December 2013 ten companies from northern Hargeisa gathered at a downtown hotel to declare that they were coming together in a union that 'emulated Kaah'[85]. They created Almis Electric Company (ALEL), the 'Official Union of Electricity Companies in Hargeisa', with Mohamed Abdirahman Farah, the owner of Afgal Power, as the new chairman. The ceremony was a high-profile event, with a line-up of prominent speakers

[83] Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013.

[84] Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013.

[85] M. A. Egge, 'Somaliland: ALMIS Electricity Group praise and emulate KAAH', *Somaliland Sun*, December 18, 2013.

including the Minister of Energy Hussein Abdi Duale, Planning Minister Dr Sa'ad Ali Shire, the presidential candidate for an opposition party, the head of the Chamber of Commerce, and the CEO of Kaah. Guests wore hats and t-shirts adorned with the logo of the new company as they listened to speeches about the merged companies' collective investment in the future of Somaliland. The creation of Almis would enable the companies to 'unite their work and service to the public', provide cheaper electricity, and invest in solar and wind energy systems.[86] The new company committed to bury electricity lines underground and participate in Hargeisa's regeneration and beautification – goals previously set by both local and central government in Hargeisa.[87]

Speakers at the event projected the merger as a step towards making Somaliland's economy globally competitive. The owner of one of the merged companies – also a sheikh well known in Hargeisa for promoting the cause of Somaliland – declared at the ceremony: 'The biggest race among every society in the world starts from power.'[88] The new chairman of Almis was quoted in the press explaining that only together could companies participate in this race: 'Given that each and every small

[86] Ali Jaamac and Mohamoud H. Qodah, 'Somaliland: Hargeisa electric companies united to provide better and modern electricity service', *Jamhuuriya Media*, December 21, 2013.

[87] Ali Jaamac and Mohamoud H. Qodah, 'Hargeisa Electric Companies'; 'JSL: 10 Shirkadood Oo Ku Midoobay Hal Shirkad Oo Casri Ah' ['10 firms merged into one modern company'], *Somaliland Patriots News*, December 16 2013.

[88] These quotes are from translated newspaper articles and thus are likely to be slightly paraphrased. Ali Jaamac and Mohamoud H. Qodah, 'Somaliland: Hargeisa Electric Companies'.

electricity supplier wanted to give a good service but could not grasp with the huge mega-economics concerned, the decision to merge thereafter arose.'[89] He argued that international investment would not arrive unless the companies united:

> There have been many international investors who tried to invest in the electrification of the country. And when they saw more than 20 separate firms providing the service, they could not invest in any way and finally left. But thanks to Allah, it is the first time that Hargeisa had only two firms providing electricity.[90]

Indeed, on top of the increasing price of fuel and intense competition in the sector, the rumours of foreign companies 'knocking doors' made it clear that individually, companies were vulnerable in the face of 'mega-economics'. Without merging, companies risked being pushed aside or forced to adapt to new conditions in which they had little say. Nevertheless, the speeches of company owners emphasized the interest of the people of Hargeisa as a whole, not the vulnerabilities of individuals or the need for companies to survive in the market:

> The new firm is not one which favours one person or group of individuals. It is aiming to provide cheap electricity in Somaliland, which will benefit the public and the government. Because this country needs cheap electricity and that can only be realized when we combine our resources, intellect, and knowledge. In this way both firms and people will benefit.[91]

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[89] M. A. Egge, 'ALMIS Electricity Group'.

[90] '10 Shirkadood Oo Ku Midoobay Hal Shirkad Oo Casri Ah', *Somaliland Patriots News*.

[91] This is a translation of quote from the company owners who is also a sheikh. '10 Shirkadood Oo Ku Midoobay Hal Shirkad Oo Casri Ah', *Somaliland Patriots News*.

Government officials blessed the companies' strategy to position themselves in order to manage global forces, in this case endorsing the private enterprises' claim to act in the public interest. The head of the Chamber of Commerce highlighted the importance of adapting company structures to the new economic environment, observing that as a 'pastoralist society', 'it took us sometime to transition to the new city life, development and partnership.'[92] The national interest lay in uniting resources and ideas.[93] Such narratives of national unity projected the rationale that being able to seize the opportunities offered by global flows involved uniting as a society – and by implication, drawing lines around the nation. Once again, a 'dialectic of flow and closure' lay at the centre of patriotic market-making.

Indeed, when I interviewed the Afgal chairman and the secretary of HELP around the time they were in discussions with the World Bank over the grant, they explained the need for outside capital and expertise to help them merge companies, build a grid, and provide electricity in a way that would allow Somaliland to develop.[94] Their approach diffused tensions around the business grants competition and also promised to leverage the availability of new capital investment to improve their service, secure their place in the market, and increase profit levels. It also allowed them to do this in a way that kept the peace in the market and pleased government

[92] *Ibid.*

[93] *Ibid.*

[94] Interview # 67/Mohamed Abdirahman Farah/Chairman of Afgal Power Company/Hargeisa/25 April 2013; Interview # 66/Saeed Mire/HELP Secretary/Hargeisa/25 April 2013.

with promises of lower prices. This underlines the argument I made in chapters 5 and 6: that companies welcomed outside investment but argued that they should be able to negotiate the entry of capital on their own terms. In Hargeisa, the winner of the grant for wind turbines aimed to use the new capital not to displace other companies but to urge other companies to merge so they would not 'die out'.

Conclusion

In the face of attempts of government and donors to depict the electricity market as a space that should be governed from above in order to 'mobilize the creative energy and resources of the private sector',[95] existing companies continued to assert their sovereignty over the market. First they overcame divisions, fusing their business into conglomerate enterprises and thereby altering the organizational texture of the electricity sector. Secondly, as argued in the previous chapter and vividly demonstrated by the case of LESCO in Las Anod, companies worked to promote a specific normative narrative justifying their market power. They argued that the right to produce, sell and profit in the sector should be enjoyed only by those who had actively proved their local belonging. A tie based on a family or lineage connection was not enough: the right to partake in the market was only to be given to those who had actively contributed to reconstruction, peace, and development. This conception

[95] Somaliland Business Fund (SBF), 'Somaliland Business Fund-Private Sector Re-Engagement Program Launched', 2012, <http://somalilandbusinessfund.com/index.php/news-a-events/17-somaliland-business-fund-private-sector-re-engagement-program-launched>.

of belonging mobilized the facts of history and projected them into the future: companies pointed to their local embeddedness as proof that they would remain committed to their communities and customers while also shepherding in increased economic growth.

My examination of the efforts of electricity companies in Somaliland to assert ownership of the market and control how capital entered local arenas has two main implications. First, it provides a corrective to universalizing narratives of 'splintering urbanism', in which globalised capital consistently unbundles local urban space.[96] In the cases I examined here, transnational flows of capital interacted with the political dynamics of Hargeisa's market for power to shape the transformation of urban space. Secondly, it underlines that although companies mobilised the politics of identity as a defensive reaction to the threat of displacement, they did not frame their arguments in terms of the language of 'natural givens' or even autochthony.[97] Companies leveraged demonstrations of commitment to local reconstruction over time, reflecting the ongoing struggle to legitimate new 'systems of profit and power' as in the public interest.

[96] Graham and Marvin, *Splintering Urbanism*.

[97] Geschiere and Nyamnjoh, 'Capitalism and Autochthony', p. 448.

Conclusion*:*

The Lights of the City

On the southern periphery of Hargeisa is a line of hills offering a panoramic view of Somaliland's expanding capital city. One evening in 2014, the owner of an electricity company serving part of the crowded downtown market area climbed up one of the hills near the Ambassador Hotel, close to the city airport. In 1991, the ruined city had been dark at night and bursts of gunfire had broken the silence. Just over two decades later, the city-landscape twinkled and bustled.

Looking out over the city, the businessman telephoned his head of technical operations and asked him to shut down the generators. Confused, his employee complained that night was approaching, not a good time to turn off the power flowing to thousands of customers in town. The company owner insisted, however, explaining that it was precisely because it was evening that he wanted the machines shut down. He wanted to see his share of the city turn dark just for a moment, marking it out against the city's expanse of lights.[1]

[1] This anecdote was communicated to me by a Hargeisa-based consultant familiar with the negotiations. Personal Communication/Consultant/March 25 2015.

As he stood on that hilltop, the businessman was in the midst of a negotiation that would put a monetary figure on his contribution to Hargeisa's landscape of light. He was merging with Kaah, the large electricity company serving 30,000 customers across southern Hargeisa, and wanted to make sure that their valuation of his generation equipment, distribution grid, and other assets was fair. His contribution to reconstructing the city was indisputable: what began as a small 35kva engine had expanded to four 800kva generators and a high voltage grid[2] – a company that Kaah would value at in US$1.5million.[3]

As I write, Hargeisa's electricity market is in a state of ongoing change, as negotiation and contestations over the entry of capital and new technologies continues. In late 2014, one of the last remaining unaffiliated large companies in the middle of town joined the large shareholder company Kaah; following the deal, Kaah changed its name to General Electric.[4] The deal demonstrated the 'creative destruction' wrought by a corporate shareholder structure that enabled the company to garner large amounts of finance and present an identity linked to the interests of the city.[5] However it also reflected a locally grounded commitment to rebuilding and repowering a shared space.

[2] Interview # 64/Owner and founder of electricity company in downtown Hargeisa/Hargeisa/24 April 2013.

[3] Personal Communication/Consultant/March 25 2015.

[4] Jami Nelson Nuñez, 'Powering Progress: The potential of renewable energy in Somalia' (Shuraako and One Earth Future, Broomfield, CO 2015), p. 14. Personal Communication with Hargeisa-based researcher, November 6-8th, 2014.

[5] Joseph Alois Schumpeter, *Capitalism, Socialism and Democracy* (Routledge, London, 1976 [1942]).

General Electric was the product of commercial competition to be sure, but it was providing a service that was in part decommodified and framed as a public good, the outcome of Somaliland's intertwined processes of state formation and market-making since the 1990s.

State Formation and Market-Making

In this dissertation, I have traced the development of Hargeisa's power sector from a fragmented array of neighbourhood micro-grids to shareholder companies investing in high voltage power lines and wind turbines. As James Ferguson writes, 'Durkheim's old slogan about social facts being "things" sometimes needs to be taken very literally'.[6] Explaining how Hargeisa's infrastructural networks have been constructed – by whom, when and with what resources – reveals how different actors have participated in rebuilding the city, not just as a physical space but as a political arena at the heart of a state-building project. The negotiation and contestation over power generation in Hargeisa provide insight into the interaction between private capitalists and a nascent state seeking to strengthen its empirical sovereignty and gain *de jure* sovereignty.

That Somaliland's state-building project continues – and is becoming increasingly integrated into global networks of capital – demonstrates the degree to which

[6] James Ferguson, 'Structures of responsibility', *Ethnography* 13,4 (2012), p. 558.

statehood remains an essential form of political organisation in a globalised world. At the same time, the continued existence of the unrecognised but self-declared independent republic also serves as a reminder that the struggles and negotiations that underlie empirical statehood are an essential focus of study for those wanting to understand the politics of African states: the crucible of state power is much more complex than juridical sovereignty alone. As my case study demonstrates, understanding state formation necessitates attention both to the efforts of emerging governments to become more autonomous vis-à-vis other social forces as well as how projects to organise and exert power and dominance intersect with relationships of dependency and vulnerability. It is this nexus that shapes the 'play of rights and claims' that I examined in this thesis.

In this concluding chapter, I return to the three questions I set out in the introduction: first, after the collapse of the Somali state in 1991, who claimed responsibility to provide for the public and why? Second, what consequences did these patterns of provision have for subsequent processes of state formation? Finally, how did these patterns affect the intertwining of state-building and market-making? I summarise my answers to the three questions in the following section, focusing on what sort of *de facto* statehood has emerged in Somaliland, how it involves domestic players, and how it interfaces with the global economy. I then conclude by discussing the implications of my study for analyses of state formation and market-making more broadly.

I began the dissertation by focusing on the first question – who claimed responsibility to provide for the public after state collapse? I asserted that state formation in Somaliland since 1991 has been characterized by a plurality of claims to provide for the public. The Somaliland government's lack of international recognition, together with its dependence on the private sector for finance, limited its ability to partner with foreign capital and sweep away local arrangements that developed after the end of the war against the Siad Barre regime. Over time, small micro-grids created by businesspeople using diesel generators to light several neighbourhood compounds grew into companies providing power to thousands of customers. Private business dominated a sector that in the pre-war era had been the domain of the state.

I rooted my examination of these projects to provide for the public in the literature on real governance. This literature acknowledges that it is important to explore the interaction between state collapse, wider patterns of social organisation, and shifts in the governance of resources, space, and relationships.[7] However, it also emphasises that the collapse of the state does not equate to a similar collapse in patterns of social organisation or sentiments of public obligation – or indeed in the provision of services. Building on these ideas, authors such as Peter Little and Ken Menkhaus argued that in the decades after the collapse of the Mogadishu-based regime of Siad Barre in 1991, a range of localised patterns of public goods provision developed across the territory of

[7] Timothy Raeymaekers, 'Collapse or Order? Questioning state collapse in Africa' (Households in Conflict Network (HiCN), University of Sussex, 2005), p. 4.

the former Somali state through community, diaspora, and private sector efforts. This radical localisation of provision was linked to a transnational business economy built around remittances and telecommunications infrastructure and trade in livestock and consumer goods.

However, analyses of the political negotiations and contestations involved in these local systems of provision across the Somali territories have been limited. They have rarely addressed the question of how fragmented systems of local service provision interface with more macro processes of state-building.[8] Thus, to answer my second question about the relationship between post-collapse systems of provisioning and processes of state formation, I examined the interaction between private companies and the government during Somaliland's first two decades as a self-declared independent state. I examined how although businesspeople created the small, fragmented micro-grids as a resourceful response to difficult circumstances, over time they became part of the encompassing project of rebuilding and bringing 'the state yet to come'[9] into existence. This pattern of private provision differed from countries across the African continent where private companies might supply excess power to

[8] One exception is: Jutta Bakonyi, 'Authority and Administration Beyond the State: Local governance in southern Somalia, 1995–2006', *Journal of Eastern African Studies* 7,2 (2013).

[9] Here I paraphrase the title of Simone's book. AbdouMaliq Simone, *For the City Yet to Come: Changing African life in four cities* (Duke University Press, Durham NC, 2004).

others around them but this remains either informal or a back-up system in a sector dominated by the government.[10]

Indeed, Somaliland's emerging statehood was deeply shaped by the government's interaction with diaspora and local private capital. To examine and explain this interaction, I framed my analysis around the process of 'bringing the state back in'[11] to service provision in Somaliland since the 1990s. I analysed this process in two ways. First, looking from the perspective of government actors, I explained the construction of the Somaliland government as a goal-oriented organisation aspiring to *de jure* sovereignty and insertion into global flows of donor aid and investment capital. The government wanted to attract foreign capital to help it institutionalise and assert its power, thereby reducing its dependency on other actors in Somaliland society. However because of its lack of international recognition, the government failed to attract significant amounts of outside capital, limiting its ability to use a strategy of extraversion to nurture its power. Instead, it fell back on the loans offered by a small group of Isaaq businesspeople in Djibouti interested in dominating the import and export trade flowing through Somaliland. The government leveraged its alliance with these tycoons to nurture its state-building project, court those opposed to its plans, and influence the behaviour of local capital.

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[10] M. Anne Pitcher, *Transforming Mozambique: the politics of privatization, 1975–2000* (Cambridge University Press, Cambridge, 2002), p. 224; Laura Mann, '"We do our bit in our own space": DAL Group and the development of a curiously Sudanese enclave economy', *Journal of Modern African Studies*, 51,2 (2013).

[11] Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol (eds), *Bringing the State Back In* (Cambridge University Press, Cambridge, 1985).

In the electricity sector, the government depended on its alliance with the Djibouti tycoons to become a power producer, aspiring to recover electricity provision as a sphere of government responsibility. While the government sought to establish a revenue stream by selling power across the city, it also argued that as the representative of the collective interest, it needed to tame private providers who, it claimed, were simply after profit. The government linked electricity production to the values of national sovereignty, development, and patriotism, attempting to constitute the electricity sector as a unified market and an object of regulation.

Secondly, looking from the perspective of market actors, I analysed how the quest for statehood provided a language of provision, sovereignty, common interest, and public obligation. Drawing on work by Sally Falk Moore and Christian Lund, I explained how private power companies mobilised the language of statehood to bolster their political and social legitimacy and shape emerging political systems in their interests. Businesspeople contrasted the ideal of a competent state able to organise physical infrastructure and protect the interests of its people with the reality of the post-war Somaliland government, highly dependent on loans and favours from a variety of actors.

The discourse of private power providers demonstrated how the construction of statehood in Somaliland was based on a negotiated compact that distributed sovereign functions such as control over service provision and security amongst a range of actors. However, this compact was strewn with tension amidst struggles over structures of

representation and other dimensions of state-building. Over time, as the government aspired to internationally recognised sovereign statehood and the companies strived to maintain their revenue streams and market share, power struggles over the nature of Somaliland's economic order emerged. Despite the initial blurring of lines between public and private, state and market, different actors asserted divisions between categories of political and economic action – between state and non-state, public and private, domestic and foreign. During the process of state formation, power companies in Hargeisa repeatedly stepped out of 'the twilight' to emphasise their identity as private, Somaliland-based businesses.[12]

The political struggles between companies and the government over the lines delineating legitimate political and economic action brought me to my third question, how emerging patterns of provision affected the interaction between state-building and market-making. I focused on two main struggles. First, I examined how companies dealt with the problem of competition in the marketplace. Companies initially drew on strong ties principally based on lineage to protect their investments in niches of the power market; patterns of electricity provision reflected the fragmented socio-political terrain of Hargeisa in the early post-war era. However over time, this fragmentation of important infrastructure became untenable: it resulted in high prices and low quality of power, prevented local investors with more capital from expanding beyond their local

[12] Christian Lund, 'Twilight Institutions: Public authority and local politics in Africa', *Development and Change* 37,4 (2006), pp. 685-705.

zones of provision, and made it difficult for local companies to attract and capture foreign and diaspora capital.

To overcome socio-political fragmentation and ensure the safety of their sunk capital, companies had to find ways to change the ownership structure of their companies and absorb social divides within their corporate organisation. They turned to the strategy of shareholding, enabling them to attract larger amounts of diaspora capital and merge with companies across broad reaches of the city. They remained locally embedded in the communities they served but could also negotiate with the government as businesses embracing the government's ideal of a unified market space. Moreover, they were better placed to seize new opportunities offered by diaspora investment and donor-designed private sector development projects.

The second set of struggles I examined revolved around the threats and opportunities of the global. Both government and private companies craved access to additional capital, technology, and expertise. While private companies altered their organisational structure and investment strategies to boost their access to investment capital, the government engaged with new donor projects seeking to nurture economic growth in Somaliland. Accepting that its project to dominate the market through production had floundered, the government worked with donor organisations to try and constitute the private market for power as an object of codified regulation. A project supported by European and then American aid sought to create legislation governing market entry,

competition, and pricing in the hope of creating a market more attractive to investment capital, both from diaspora and foreign sources.

While these proposed laws brought the promise of increased access to foreign capital, they also threatened to reconfigure the partnerships of power governing the market for electricity. Locally grounded companies feared being displaced by new investments: they were not footloose capitalists but businesspeople who had sunk their savings into rebuilding the city. As a result, private power company owners developed resonant discourses arguing that the government had an obligation to protect local capital: they emphasised that it was local companies that had turned the lights of the city back on and continued to hold their community's interests at heart. Companies presented themselves as patriotic capitalists, arguing that the electricity market should remain in local hands and that globally-sourced expertise and capital should flow to already existing companies. They resisted the slide towards an extraversion of Somaliland's statehood that would empower the government vis-à-vis domestic business.

Statehood, the Market, and the Public Interest

The advantage of examining the micro-politics of the high stakes process of post-war reconstruction in Somaliland is that it allows for an investigation of the contingent, iterative nature of state formation. In the story I have told in the chapters of this dissertation, I have emphasised the importance of processes of trial and error in actors' strategies for shaping the emerging state and market. My examination of these

processes of experimentation and learning has three main consequences for other analyses of processes of state formation and market-making.

First, it is essential to analyse processes rather than simply evaluate outcomes. As I argued in the introduction, much literature on the state collapse and subsequent patterns of state formation has tended to focus on institutional outcomes and model social action as either under-socialised or over-socialised. In the liberal peace literature, emphasis is put on constructing the right kind of institutions in order to shape political behaviour and deliver good – or at least better – governance. By equating state collapse with the collapse of all social order and focusing on the need to rebuild institutions following the Weberian ideal-type, this literature inhibits analysis of political struggles that occur during and after state collapse and how these interact with the wider global context.

As a response to this weakness in the liberal peace literature, work on hybrid political orders subsequently asserted that social organisation and political institutions do survive state collapse. However, advocates of this literature have tended to describe the governance systems that emerge post-state collapse as 'traditional' institutions embedded in the 'cultural bedrock' of society.[13] They assert that successful state formation emerges through a intermingling of traditional institutions with modern

[13] Volker Boege, Anne Brown, Kevin Clements, and Anne Nolan, 'On Hybrid Political Orders and Emerging States: What is failing – states in the Global South or research and politics in the West?' in Martina Fischer and Beatrix Schmelzle (eds), *Building Peace in the Absence of States: Challenging the discourse on state failure* (Handbook Dialogue Series No. 8, Berghof Research Centre, Berlin, 2008), pp. 29.

state institutions. This reliance on categories of traditional and modern constrains our understanding of the way actors negotiate and contest the rules and roles involved in a political order – a process in which categories are themselves objects of political contestation. It elides the fact that legitimacy does not arise automatically from 'tradition' – it is a product of ongoing political struggles and debates.[14]

In my analysis, I shifted away from these approaches. First, I built upon the literature on empirical statehood, which highlights the processes of negotiation and conflict that create new 'systems of profit and power'.[15] I focused my analysis on the material and discursive strategies through which different actors tried to legitimate their control over space, exchange and resources. Secondly, to analyse these attempts at legitimation, I drew on literature from economic sociology in order to model social action as both affected by context but also driven by rational interests. I traced how businesspeople mobilized networks of strong and weak ties in their efforts to protect their market share and engage in the state-building project. I also explained how they worked to alter the basis of trust within those networks, building coalitions better able to dominate the market and draw in local, diaspora and foreign capital.

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[14] Kate Meagher, 'The Strength of Weak States? Non-state security forces and hybrid governance in Africa', *Development and Change* 43,5 (2012); Tobias Hagmann, 'Hybrid Governance: The pure politics of Africa go crazy!' (Paper presented at 'Unravelling Public Authority: Paths of Hybrid Governance in Africa', LSE/University of Antwerp, London, December 6-7 2013).

[15] Jutta Bakonyi, 'Authority and Administration Beyond the State: Local governance in southern Somalia, 1995–2006', *Journal of Eastern African Studies* 7,2 (2013), quoting David Keen, 'Organised Chaos: Not the new world we ordered', *The World Today* 52,1 (1996), p. 14.

My examination of how actors sought to legitimise political and economic domination leads to the second implication of my case study. Analyses of processes of state formation and market-making must investigate struggles over defining and delineating the public interest. Much literature on statehood in Africa has focused on the state as a locus of private interests – arguing that any sense of public obligation has been pushed aside by a fragmented, corrupted elite.[16] As I have argued throughout the dissertation, however, during Somaliland's process of state formation, principal players seeking to protect or augment their political and economic power claimed the right to speak on behalf of a collectivity – local communities, lineage groupings, the population of Hargeisa, or the people of Somaliland as a whole. They justified their actions, their power, and their wealth by reference to the benefits it had to a wider public. This does not mean that what they did was necessarily in the interests of those constituencies – this itself was a matter of political debate; rather, it illustrates how claiming to act on behalf of others is a crucial element in struggles to construct orders as well as struggles to undo them.[17] The battle to frame and represent 'the public interest' sits at the centre of processes of state formation and market-making. Analysis of the politics of states and markets should focus on that battle.

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[16] Jean-Pierre Olivier de Sardan, 'A Moral Economy of Corruption in Africa?', *Journal of Modern African Studies* 37,01 (1999); Jean-François Bayart, Stephen Ellis, and Béatrice Hibou, *The Criminalization of the State in Africa* (James Currey, Oxford, 1999); William Reno, *Warlord Politics and African States* (Lynne Rienner Publishers, London, 1998); for a critique, see: Thandika Mkandawire, 'Neopatrimonialism and the Political Economy of Economic Performance in Africa: Critical reflections', *World Politics* 67,3 (2015).

[17] Sally Falk Moore, 'Explaining the Present: Theoretical dilemmas in processual ethnography', *American ethnologist* 14,4 (1987), p. 735.

This connects to the third conclusion of my case study: struggles over what is in the public interest not only shape governments and states but also underpin the contours of economic orders. As Mieke Meurs has argued, markets do not appear spontaneously, fully formed, 'like mushrooms'.[18] Markets and the rules and roles they involve form and change over time, reflecting the way a society is socially and politically constructed.[19] In the dissertation, I demonstrated how a wide range of agents and institutions worked to shape market orders. Rules governing exchange, competition, and market entry were debated, contested and justified with reference to their social legitimacy and their impact on the common good.

Indeed, as I explained above, to protect and expand their market shares, electricity companies worked to frame their actions as in the collective interest. They worked to demonstrate their social accountability to their customers, their local communities, and the wider society. They leveraged religious and ethical principles to emphasise the morality of their business and wealth. Moreover, they explained how their profit-making enterprises helped to build and sustain the peace, presenting themselves as patriotic capitalists. All of these demonstrate the importance of moral discourses to

[18] Mieke Meurs, 'Are Markets Like Mushrooms? and Other Neoliberal Quandries', *Review of Radical Political Economics* 32,3 (2000), p. 463.

[19] Neil Fligstein and Luke Dauter, 'The Sociology of Markets', *Annual Review of Sociology* 33 (2007), p 6.7.

maintaining the system of private property and profit-making that underpins capitalism – a point cogently argued in recent literature on corporate social responsibility.[20]

What is particularly interesting about the case of Somaliland however is that in order to defend their power in the market, local capitalists asserted the importance of the historical constitution of the public sphere in Somaliland. Despite their experience of intense competition, they emphasised negotiated process, interdependence, and the need to pay attention to local needs. They argued that economic governance should be based on 'truths' about the post-war reconstruction of Somaliland's cities.[21] They wanted access to more capital but pushed back against the government when it attempted to reorganize the market to make it 'free', more open, more 'globally compatible', aware that the economy in which capital can flow freely is still very much a political terrain – and one in which, perhaps, they would be amongst the weaker players. Their actions are a reminder of how in an era of neoliberalism, debates over who has the right to invest, profit, and generate power are still very much at the heart of processes of state formation and market-making.

[20] Dinah Rajak, *In Good Company: An anatomy of corporate social responsibility* (Stanford University Press, Stanford, 2011).

[21] Janet Lee Roitman, *Fiscal disobedience: An anthropology of economic regulation in Central Africa* (Princeton University Press, Princeton, 2005).

Appendix A: Sample Interview Template for Electricity Companies

Introduction

(*My research assistant and I would explain the following information. Consent was given verbally. Each interviewee's preference regarding anonymity was noted.)*

This interview is part of my PhD research at the University of Oxford in the UK. I am researching the history of business in Somaliland and how business has been rebuilt since the war in 1988-1991.

One focus of my research is the electricity sector. I have so far interviewed five different power companies. This part of my project focuses on the history of the electricity sector and how businesses have managed to deliver electricity to the neighbourhoods around them as well as manage their relations with other companies.

In this interview, I want to learn about the history of your company and your experiences with trade and business. If you do not want to answer any of these questions, there is no problem. Only share what you feel comfortable sharing with me. If you would like me to anonymise this interview, please tell me and I will not use your real name or your company's name when I write my thesis or any other publications.

Questions:

1) Name of interviewee:

2) Name of company:

3) Position of interviewee in company:

4) Describe the history of the company - how did this company start?

5) How did the business grow?
(*Let the interviewee answer first before using questions below as further prompts.)*

   a. Was the electricity originally for your own use?

   b. When did you start selling electricity to the neighbourhood?

   c. How many customers does the company have today?

   d. Do you provide electricity 24 hours a day or do you ration it?

6) What is the price of the electricity that this company produces?

   a. What's the unit price - $ _____ Per kwh:

   b. Is there a minimum price that consumers have to pay each month? If so, how much is it?

   c. Is there a difference between the way you charge households, small shops, and large businesses?

   d. How do you deal with customers that don't pay?

   e. Are there any customers or institutions that you provide for free?

7) How many generators does the company have?

   a. Do you run these all at the same time or do you use them in turn?

8) Describe how you manage your distribution network:

   a. Do you install the wires?

   b. Do you install the poles?

   c. Do you use high tension and low tension wires or just one kind?

d. How do you differentiate between your poles and wires and those from another company?

9) How do you deal with your relationships with other companies?

a. How do you manage competition?

b. Are there rules that manage the relations between companies?

c. How did these rules get decided?

d. Are you a member of the electricity association HELP?
    i. Since when?

e. What are some ways that the electricity association helps you?

10) What are the challenges facing electric power companies?

11) How do you think the sector will change in the future?

12) In many countries government takes a big role in the electricity business – what role does it play in Somaliland?

13) Do you think it should play a smaller or bigger role? How?

Appendix B: List of Interviews

Interviews were carried out mainly in Hargeisa but also in London, UK; Berbera, Somaliland; and Washington DC. Consent was secured verbally and when possible, audio recorded. Interviews were carried out in person, with the exception of one carried out via email (#102), as noted below. I list interviews with the same person on different occasions as separate entities (#1 and 101; #16 and 66; #30 and 39; #35 and 48; #90, 92, and 97; #29, 60, and 99, respectively, are with the same individual).

I identity my interviewees mainly by their professional position. I also include here the names of individuals when I refer to them by name in the thesis. In this case, I had the interviewee's consent to use their name and their company name. Otherwise, because of the politically sensitive nature of some of the processes I discuss, I have omitted the names of my interviewees.

At some points in the thesis I describe my interviews with electricity companies in aggregate. I do this to present an overall picture and also to enable me to discuss information that companies were happy to share but for which they did not want to be individually cited. When I discuss my interviews in the power sector in aggregate, I am referring to the following interviews with electricity company managers, staff and owners: # 16, 31, 32, 33, 37, 53, 55, 64, 65, 66, 67, 69, 70, 71, 77, 81, 82, 83.

#	Interviewee's Position/Company	Name (if named in thesis)	Location	Date
1	Researcher based in London; originally from Somaliland		London	18-May-12
2	Banker and investor based in London; originally from Somaliland		London	18-Jun-12
4	Employee of Somaliland Diaspora Agency, Ministry of Foreign Affairs		Hargeisa	2-Jul-12
4	Chief Operating Officer of Somaliland Beverage Industries, OGF Group		Hargeisa	3-Jul-12
5	Diaspora visitor to Hargeisa from Kuwait		Hargeisa	4-Jul-12
6	Electronics trader in Hargeisa		Hargeisa	4-Jul-12

7	Owner and founder of Al Nuur Furniture	Abdirahman Mohamed Nuur	Hargeisa	4-Jul-12
8	Young businessman, running a fruit import company		Hargeisa	5-Jul-12
9	Businessman from well-known family with interests in aviation, import-export, logistics, and other sectors		Hargeisa	5-Jul-12
10	Young businesswoman recently returned from UK to start fashion business		Hargeisa	7-Jul-12
11	Manager of a supermarket in Hargeisa		Hargeisa	8-Jul-12
12	Healthcare company marketing staff		Hargeisa	8-Jul-12
13	Owner and founder of Maan Soor Hotel in Hargeisa	Abdiqadir Hashi Elmi	Hargeisa	8-Jul-12
14	Businessman involved in printing, events, and car retail		Hargeisa	8-Jul-12
15	Manager of downtown restaurant		Hargeisa	8-Jul-12
16	Part-time accountant at Afgal Power Company	Saeed Mire	Hargeisa	9-Jul-12
17	Import-export trade broker and employee of money transfer company		Hargeisa	10-Jul-12
18	Employee of Djibouti-based CAC Bank		Hargeisa	11-Jul-12
19	Owner of clothes tailoring and retail store		Hargeisa	11-Jul-12
20	Manager of car spare parts company founded in the 1990s		Hargeisa	11-Jul-12
21	Cooperative of women selling fruit from western Somaliland		Hargeisa	11-Jul-12
22	Chairman and staff of Somaliland Diaspora Agency		Hargeisa	14-Jul-12
23	CEO of Somtel, a main telecommunications company		Hargeisa	15-Jul-12
24	Businesswoman selling cosmetics in Hargeisa, Dubai, and Nairobi		Hargeisa	16-Jul-12
25	Owner and manager of general trading and technology company		Hargeisa	16-Jul-12
26	Founder of Edna Aden University Hospital, Hargeisa; former Foreign Minister of Somaliland (2003-2006).	Dr. Edna Aden	Hargeisa	17-Jul-12

27	One of co-owners and son of founder of Indhadeero Group, a major import/export firm		Hargeisa	17-Jul-12
28	Businesswomen operating a clothes shop and café, formerly lived in Mogadishu and Addis Ababa		Hargeisa	18-Jul-12
29	Minister for Information (July 2010-August 2012), former SNM Secretary of Information	Abdirahmaan Yusuf Duale ('Boobe')	Hargeisa	18-Jul-12
30	Senior civil servant at the Ministry of Finance		Hargeisa	19-Jul-12
31	Branch manager of Hargeisa-based company running a supermarket, fuel station and electricity company.		Hargeisa	24-Oct-12
32	Administrative officer of Maan Soor Electric Power		Hargeisa	24-Oct-12
33	Caceed Electricity of Hargeisa		Hargeisa	25-Oct-12
34	Employee, Salaam Financial Services		Hargeisa	29-Oct-12
35	Secretary General, Somaliland Chamber of Commerce Industry & Agriculture		Hargeisa	30-Oct-12
36	Owner of Gaas Furniture		Hargeisa	31-Oct-12
37	Manager, Kaafi Enterprise for Electric Power Supply		Hargeisa	31-Oct-12
38	Businessman with factory in Hargeisa		Hargeisa	3-Nov-12
39	Senior civil servant at the Ministry of Finance		Hargeisa	8-Nov-12
40	Chairman of Nafoqo, the Meat Slaughterers' Association		Hargeisa	9-Nov-12
41	Head of Hargeisa City Bus Association		Hargeisa	10-Nov-12
42	Historian, writer, and consultant involved in justice system reform		Hargeisa	10-Nov-12
43	Accountant returned from diaspora to work with the Ministry of Finance		Hargeisa	10-Nov-12
44	Manager of Ominco (Omaar International Company), a dominant trading house		Hargeisa	12-Nov-12
45	Researcher, Somaliland-based think tank		Hargeisa	14-Nov-12
46	PhD researcher and businessman in Hargeisa	Hussein Samater	Hargeisa	14-Nov-12
47	Manager of local supermarket		Hargeisa	15-Nov-12

48	Secretary General, Somaliland Chamber of Commerce Industry & Agriculture		Hargeisa	17-Nov-12
49	Director of Planning at Hargeisa Municipality		Hargeisa	18-Nov-12
50	Commercial Director at the telecommunications company NationLink		Hargeisa	18-Nov-12
51	Minister of Public Works (March 2012 – June 2013)	Ahmed Abdi Habsade	Hargeisa	19-Nov-12
52	Director of Planning, Ministry of Public Works		Hargeisa	19-Nov-12
53	Manager, Kaah Power and Lighting Company		Hargeisa	20-Nov-12
54	Engineer, Somaliland Electricity Agency - Hargeisa		Hargeisa	21-Nov-12
55	Engineer and Consultant, Somaliland Electric Power		Hargeisa	22-Nov-12
56	Private Sector Specialist/Deputy Chief of Party for the USAID/Partnership for Economic Growth program in Somalia		Hargeisa	3-Dec-12
57	Suldaan		Hargeisa	4-Dec-12
58	Lawyer at Watershed Legal	Hassan Farah Mohamed	Hargeisa	3 & 4-Dec-12
59	Diaspora returnee businessman and consultant		Hargeisa	4-Dec-12
60	Minister for Information (July 2010-August 2012), former SNM Secretary of Information	Abdirahmaan Yusuf Duale ('Boobe')	Hargeisa	5-Dec-12
61	Minister of Finance (July 2010-March 2012)	Mohamed Hashi Elmi	Hargeisa	5-Dec-12
62	From Dahabshiil employee; media consultant		Hargeisa	6-Dec-12
63	DAI consultant - energy finance specialist	Tyler Chapman	Washington DC	22-Jan-13
64	Owner and founder of electricity company in downtown Hargeisa		Hargeisa	24-Apr-13
65	Manager, Dahabshiil Electricity Section		Hargeisa	24-Apr-13
66	Secretary of HELP, electricity providers association	Saeed Mire	Hargeisa	25-Apr-13

67	Chairman of Afgal Power Company	Mohamed Abdirahman Farah	Hargeisa	25-Apr-13
68	Director of Energy, Ministry of Mining, Energy and Water Resources	Engineer Suleiman Abdullahi Jama	Hargeisa	28-Apr-13
69	Manager of electricity business of Solteco, a telecommunications company		Hargeisa	29-Apr-13
70	Manager of SECO (Somaliland Electric Company)		Hargeisa	30-Apr-13
71	Businessman and CEO of Kaah Power and Lighting Company	Hassan Ahmed Hussein	Hargeisa	30-Apr-13
72	Businessman and manager of Star Group		Hargeisa	1-May-13
73	Manager of Berbera Electricity Agency		Berbera	4-May-13
74	Executive Secretary of Berbera Municipality		Berbera	5-May-13
75	Manager of Berbera Water Agency		Berbera	6-May-13
76	Consultant and former manager, Berbera Oil Terminal		Berbera	6-May-13
77	Electrical engineer and businessman. Director of Public Works (1992-1997), Head of Somaliland Electricity Agency (2000-2005)	Abdirahman Ali Barkhad	Hargeisa	8-May-13
78	Manager/Director Hargeisa Water Agency		Hargeisa	12-May-13
79	Ministry of Ministry of Mining, Energy and Water Resources, Head of Technical Sector		Hargeisa	13-May-13
80	Ministry of Ministry of Mining, Energy and Water Resources, Director of Water Agencies		Hargeisa	14-May-13
81	Office manager at Hargeisa Electric Company		Hargeisa	15-May-13
82	Son of founder of Somaliland Electric Company	Sidiiq Shariff Ina Battuun	Hargeisa	15-May-13
83	Brother of founder of Somaliland Electric Company	Abdiweli Ina Batuun	Hargeisa	16-May-13
84	Consultant at Hargeisa Water Agency		Hargeisa	22-May-13

85	Director of Planning at Hargeisa Water Agency		Hargeisa	22-May-13
86	Water trucker		Hargeisa	22-May-13
87	Water trucker		Hargeisa	22-May-13
88	Public-Private Partnerships Unit, Ministry of Planning		Hargeisa	25-May-13
89	Public-Private Partnerships Consultant		Hargeisa	25-May-13
90	Director of Planning and Statistics, Ministry of Finance	Adan Da'ud Egal (Weli)	Hargeisa	27-May-13
91	Researcher and Director General, Ministry of Education	Mohamed Hassan Ibrahim	Hargeisa	28-May-13
92	Director of Planning and Statistics, Ministry of Finance	Adan Da'ud Egal (Weli) (2nd interview)	Hargeisa	29-May-13
93	Former Minister of Water (late 1990s), consultant and geologist	Ahmed Biihi	Hargeisa	29-May-13
94	Businessman from well-known family with interests in aviation, import-export, logistics, and other sectors		Hargeisa	29-May-13
95	FAO Somalia Water and Land Information Management (SWALIM) Liaison Office Manager		Hargeisa	30-May-13
96	Researcher, Academy for Peace and Development (APD)		Hargeisa	30-May-13
97	Director of Planning and Statistics, Ministry of Finance	Adan Da'ud Egal (Weli) (3rd interview)	Hargeisa	30-May-13
98	Fund Manager, Somaliland Business Fund, World Bank/Landell Mills		Hargeisa	30-May-13
99	Minister for Information (July 2010-August 2012), former SNM Secretary of Information	Abdirahmaan Yusuf Duale ('Boobe')	Hargeisa	31-May-13
100	Somaliland civil servant and early Kulmiye Party member		Addis Ababa	5-Jun-13
101	Researcher based in London; originally from Somaliland, involved in launch of a media company		London	14-Apr-14
102	Former Director of UNDOS (United Nations Development Office for Somalia)	Michel del Buono	Via email	25-Nov-14

Bibliography

This bibliography contains all sources cited in the dissertation as well as a small number that informed my thinking at earlier stages of writing. The sources are categorised as follows:

(1) Published books, chapters, and articles;
(2) Dissertations;
(3) Reports, working papers, and conference papers;
(4) Somaliland government sources;
(5) Online and print media sources
    a. Somaliland Media
    b. International Media
(6) Websites and Social Media

In the case of online and print media, sources are grouped by newspaper or online site. Otherwise, all are alphabetical by authors' last name, except in the case of authors with patrilineal Somali names, in which case they are under the author's first name.

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