



Political Patronage, Rent-Seeking, and the Plight of the Masses: The Case of Somaliland

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Summary

This article delves into the intricate dynamics of political patronage and rent-seeking behaviour prevalent within the governmental structures of Somaliland, particularly under the tenure of the current administration (Muse Biihi). Drawing parallels with Marx's conceptualization of the capitalist state and historical examples from the United States, it highlights how the Somaliland government predominantly serves the interests of a small elite class, perpetuating socio-economic disparities and undermining the principles of meritocracy. The pervasive influence of clan-based affiliations and personal networks further exacerbates corruption and inequity, hindering the country's progress towards sustainable development. The article underscores the detrimental impact of rent-seeking behaviour on market efficiency, economic performance, and societal well-being, elucidating how the government's mismanagement and resource misallocation exacerbate poverty and perpetuate social suffering. Despite receiving substantial international aid, the government's failure to implement tangible development projects underscores its predatory nature, leaving the populace disillusioned and economically vulnerable. Through a critical examination of the political landscape, the article calls for introspection and reform to address systemic corruption and ensure accountable governance that prioritizes the welfare of all citizens.

I. Introduction

The man who sang the flag during Somaliland's independence from colonial rule famously dubbed the nascent state "the camel," or *Mandeeq*. (Bahar, 2009; Ahad, 2015) This encapsulates the fundamental philosophy underlying Somali statehood, wherein the state is perceived by all as a means of survival for those in power, regardless of the methods by which they attain it. The political rivalry among Somali's small elite class, evident across the nation, is rooted in self-interest. This rivalry represents a sophisticated form of resource competition, unlike the more conventional struggles over scarce resources such as water, pasture, and land within Somali pastoral society.

Viewing the state as a vast institutional apparatus designed to benefit those in authority has become an accepted principle, evolving into a political norm that even the Somali populace no longer perceives as wrongful. In such circumstances, individuals of similar social standing to those in power may feel emboldened to challenge and replace them. This dynamic often leads to friction among elites and fierce power struggles, occasionally escalating into violent confrontations when those in power seek to manipulate the rules of the game or refuse to legitimize their tenure within the existing constitutional framework. These conditions are prevalent in Somalia's political landscape, particularly evident when the incumbent president decides to amend the constitution. For approximately two years, Somaliland has been grappling with this situation, yet the current government shows no readiness to hold elections and instead seeks excuses to prolong its stay for additional years.

In Marx's conceptualization, the capitalist state is primarily viewed as an institutional apparatus designed to serve the interests of the ruling class and safeguard their economic advantages (Engels & Marx, 2015). This raises questions about the situation in Somaliland, where the governmental structure appears to primarily serve the interests of the ruling elites, often at the expense of the masses who remain trapped in poverty and suffering. I questioned whether the Somaliland government has truly served its citizens. Apart from the services provided by the Mayor of Hargeisa, such as waste collection, road construction, and maintenance of essential infrastructure, I struggled to identify any notable contributions to the general populace. I realized that the government of Somaliland has indeed provided one service, albeit one in which the people themselves are collaborating, and that is the maintenance of peace and tranquility (Guleed, 2022). However, I questioned whether this is sufficient for the people who are enduring the mismanagement of a small group of elites.

Yet there is another significant issue that Somalis in the region are not facing, but Somaliland is uniquely confronting: the persistence of an unchanged ruling class. In the Somali region of Ethiopia, after the TPLF implemented ethnic federalism, the ruling elites in the region have undergone significant changes over time. This implies that the political figures who were in power in the early 21st century are no longer active in the region's politics. Similarly, if we consider Mogadishu, many of those who held positions of power during Abdullahi Yusuf's Transitional Federal Government are not currently prominent figures in politics. Nevertheless, the retired bureaucrats from the Barre regime, members of the SNM, and individuals who held positions in the early government institutions post-colonialism continue to play active roles in Somaliland politics. Somaliland serves as a prime example of what is commonly referred to as *political ossification*, characterized by the perpetuation of the same leadership without significant renewal or change.

In this article, we will thoroughly examine the extent to which successive governments, particularly the current one, have relied on patronage politics and how this political patronage has permeated all aspects of society, including income distribution, economic performance, and the perception of the state, especially from the viewpoint of marginalized segments of society. The article will explore the widespread rent-seeking behaviour observed by Somaliland citizens since the Kulmiye government came to power in 2010. It will analyze the repercussions on society, particularly for those outside of governmental systems, and how the broader population currently experiences feelings of alienation and hopelessness amidst economic crises, a loss of national pride

following Somaliland's defeat in Lasano, and the general chaos that this government has brought upon society.

II. The Prevalence of Patronage Politics

In the modern era, following the decline of monarchies and absolute rule, the adoption of participatory or representative democratic government structures has become imperative. These structures are essential for establishing robust institutions responsible for executing government policies on behalf of the executive and social representatives, guided by the political executive (Goodsell, 2004). Consequently, there arises a need to cultivate a cadre of technocrats or bureaucrats to serve as the driving force behind governmental activities aimed at promoting the public interest. Recognizing the significance of these bureaucrats in achieving governmental objectives and delivering public services, they are typically expected to remain non-political.

In the United States, there was a period when the elected president wielded excessive power to appoint a large portion of government bureaucrats through executive decree. During this time, the spoils system dominated the politico-administrative landscape, allowing for appointments based on political loyalty rather than merit (Hoogenboom, 1961). However, this system was eventually rectified after its inefficiencies in governmental institutions became apparent, sparking a public outcry over the inappropriate filling of government positions through familial, relational, and nepotistic means. President James A. Garfield's assassination underscored the consequences of prioritizing loyalty over meritocracy, as he faced criticism for appointing individuals solely based on their loyalty to him (Riper, 1958). Subsequently, the US Congress imposed limitations on the number of government officers the president could nominate. It was also recognized that positions below those directly nominated by the president should be filled by non-political permanent bureaucrats.

In Somaliland, there have been widespread allegations of political executives favouring their own families and associates by providing them with access to commonly owned resources and opportunities. Recently, this issue has reached alarming levels, extending beyond government positions to include externally sponsored projects, where the recruitment process is also manipulated by the ruling elites.

Currently, there are several World Bank projects underway in Somaliland, yet it is disheartening to note that none of the staff for these projects were recruited through a fair and independent process. Despite being aware of how the staffing process has been mishandled by the ruling elites, the World Bank has taken minimal action, merely calling for investigations. However, the ruling elites persist in their manipulative practices without facing any significant consequences. As highlighted by the Minister of Finance and Development during a workshop meeting in Somaliland, all stakeholders and relevant ministries involved in World Bank projects participated.

Dr Sa'ad said “ *This year, 2023, I have counted about fourteen projects based on the correspondence we have had with the World Bank, which include both those that have not yet started and those that have started, all of which are funded by the World Bank*” (Shire, 2023).

President Muse initially took a strong stance against the corrupt staffing system during the early years of his term. However, it appears that little effort has been made to effectively address this issue, and currently, corruption has extended beyond the confines of governmental institutions. Now, even internationally supported projects aimed at fostering social and infrastructural development are being tarnished by corruption. As opportunities for gainful employment are scarce due to nepotism and favoritism in government positions, and externally funded projects, the prospects for recent graduates are bleak. This raises the question: What does the Kulmiye party seek in seeking re-election? Are we endorsing the perpetuation of such practices and the misuse of state power by voting for them?

How would a country appear when the principle of meritocracy is disregarded, and everything is clandestinely divided by a select few political elites? We witness the normalization of corruption and abuse not only by high-ranking political executives but also by the emergence of high-ranking bureaucrats who manipulate appointments. In some cases, these bureaucrats wield more power than ministers and other government officials, particularly if they belong to the president's clan background. The pervasive phenomenon of clan-based favouritism has infiltrated every aspect of Somali society.

Political patronage, in my view, is insufficient to fully grasp the complex corruption that affects the lives of citizens in Somaliland, and indeed in all areas where Somalis reside. It primarily focuses on patron politics, rooted in the concept of *quid pro quo*. However, within the Somali context, this concept alone fails to capture the multifaceted corruption stemming from clannism, clientelism, and favouritism. I believe that political patronage only addresses corruption related to political loyalty and the desire to maintain power and secure re-election. It does not sufficiently encompass all dimensions of corruption, particularly those entrenched in clan-based affiliations and personal networks.

The President of Somalia, Dr Hassan Sheikh Mohamoud, widely regarded as the most educated Somali president with extensive experience in humanitarian and development sectors, social research, peace-building, and education, publicly addressed the selection of his daughter as a senior advisor in his office. He simply stated that she is not forfeiting her right to the position as the president's daughter and deserves the role if she meets the criteria (Mohamoud, 2023). Many observers with a basic understanding of conflict of interest principles were surprised by the president's simplistic response. For instance, when applying to a UN agency, applicants are required to disclose if they have any relatives working within the institution to avoid conflicts of interest. If a relative is identified, the recruitment process must follow specific guidelines to prevent undue influence on the process, unlike the standard procedure for other candidates. What about those professionals or individuals who hold a PhD in various fields, particularly in disciplines such as international relations, political science, or other fields directly related to governmental institutions, yet find themselves solely teaching one or two courses at a university and struggling to make ends meet? Do they not meet the criteria for being a senior advisor in the field of diplomacy and international relations?

The Somali political elites must shift their mindset away from monopolizing scarce opportunities for their families, allies, and friends. This practice exacerbates income disparity, leads to extreme poverty among the less influential segments of society, and unjustly distributes resources among citizens. It serves as the root cause of social conflicts, state collapse, and various forms of violence. It was hoped that the Somaliland government would implement development programs to empower the most disadvantaged people and ensure their access to all government services and opportunities. However, over the past fourteen years, the gap between the poor and rich in Somaliland has widened. This is primarily due to the government's favoritism towards the wealthy, who receive preferential treatment in obtaining government contracts, tax exemptions, lax business regulations, and employment opportunities.

III. Economic Impact of Rent-Seeking Behavior

Rent-seeking is an economic concept that seeks to explain the manipulative actions often exerted by interest groups on markets, influencing government policies in ways that favour their own economic gain. This typically results in detrimental impacts on market efficiency and causes distortions that can lead the country towards bankruptcy and economic decline. In Somaliland, it's not only external lobbying groups that engage in this behaviour but also the country's leadership, who come to power with the aim of manipulating market forces and the nation's economy for their personal benefit. The presence of rent-seeking is clearly visible in Somaliland's socio-economic environment. As mentioned previously, Somali politics has become a vehicle for individuals to pursue their ambitions of acquiring unearned wealth. An evident demonstration of rent-seeking behaviour among Somaliland political leaders, which requires no further proof as it is widely known among the Somali people, is the pursuit of monopolizing the *Miro Khat* in Las'ano at the end of 2022 (Jabutawi, 2022). In Las'ano, a town on the periphery where the Somaliland administration hasn't garnered full acceptance from its people and where the rule of law is somewhat fragile, there have been attempts to monopolize Khat business. Conversely, in Hargeisa, which is fully under the control of Somaliland, how have its business sectors benefitted from the ruling administration?

Aside from the rent-seeking behaviour exhibited by the government ruling Somaliland since 2017, there are practices undertaken by individuals who may have close ties to the current Somaliland president. However, all the hard currency that the government intends to use for purchasing services or goods has been flowing into the pockets of a select few individuals.

Consequently, this is diminishing the available capital in the market for investment in the productive sectors of the economy. When individuals who are not concerned with profit-making and competition secure guaranteed profits in exchange for providing services or goods to the government, they lack the incentive to expand their market reach or reinvest in other productive sectors. Instead, they remain fixed on those contracts. However, this results in them hoarding all incoming profits, leading to detrimental effects on monetary circulation and market efficiency. The conditions of poverty in Somaliland are worsening compared to anywhere else, simply because the market, which was originally left mostly untouched and self-regulating, has been manipulated in recent years.

That being said, Somaliland's budget matches that of the rest of southern Somalia when comparing their local revenue alone, excluding any budgetary support from international financial institutions and partners that Somalia has received. However, in terms of population density, it is significantly lower than that of southern Somalia. Despite this, the annual budget, mainly raised from taxes and local revenue mobilization, is largely allocated to salaries, operational costs, and stationary expenses. There are very few projects funded by the budget and local revenue that Somaliland is implementing on its land. There is no place better than any other when it comes to good governance, service provision, accountability, and responsiveness. Some governments in the Somali peninsula don't even fulfil their primary responsibility of protecting peace and maintaining security.

What sets Somaliland apart from other regions is the presence of long-standing corrupt political elites who are resistant to change. This is the primary reason why Somaliland has become a victim of rent-seeking behavior by political elites, influential groups, business people, and a permanent corrupt bureaucracy. What significance does it hold for us, the people of Somaliland, if our democratic governance and direct elections, which set us apart from other places, do not ensure that we can hold those we elected accountable? What does democracy mean to us if we are pleading with the current president to either step down or renew his mandate through elections after approximately four years in office? We must introspect and reevaluate our current position and the factors that have led us here. Not a single institution has been constructed with the purpose of serving the people and effectively implementing its policy objectives. Despite the World Bank funding numerous capacity-strengthening projects with millions of dollars, there is still a lack of tangible progress.

IV. Societal Misery under the Rule of a Predatory State

Against the backdrop of globalization, liberalization, and privatization, the underdeveloped world, of which we are a part, has borne the brunt of this globalized market economy. Any efforts that developed world pressure us to adopt these principles of globalization through aid conditions have often left us worse off, in line with the *Pareto-optimality* concept (Hassan, 2024). The increasing interconnectedness of the global economy often has adverse effects on nations with smaller or underdeveloped economies. These countries struggle to adapt their economic structures amidst global economic downturns or shocks, leading to suboptimal performance. It's a well-established fact that globalization-induced interdependence among nations significantly contributes to the underperformance of both the Somaliland and Somalia economies (Ibid). However, in Somaliland, what exacerbates this situation are manipulative actions by the current government, leading to market distortions and dire living conditions for the populace, with slim chances of survival. Political instability has greatly affected domestic investment, as well as investments from the diaspora community, due to their concerns about the country's uncertain future.

The government cannot initiate a million-dollar project aimed at injecting funds into the market and strengthening the purchasing power of the masses to adjust and enhance aggregate market demand. Nevertheless, the plight of the masses is largely attributable to the decline in demand, which affects them severely, given that many rely on small businesses as their primary source of livelihood. It's startling that Somaliland government institutions are only willing to collaborate with international NGOs as implementing partners in Somaliland.

What's even more surprising is that not a single project in Somaliland is funded from the government budget. Despite the allocation of funds for development and infrastructure investment in the government budget, in reality, all expenditures solely cover the operational and administrative costs of government institutions. This indicates that there are no funds available for self-funded projects. The reason behind this is the arbitrary discretionary power that political executives often wield to manipulate budget allocations in their favour, compounded by the absence of effective parliamentary oversight. These factors are the root cause of the social suffering that ensues.

When the government merely focuses on taxing people without providing any services in return, it conforms to the concept of a *predatory state*. The war in Las'ano has also brought terrible misery to the population, as the government diverted its funds to purchasing armaments, fuel, and other logistical materials, which could have added value to the economy. People are now living under dire conditions, yet those who contributed to this suffering are asking for votes to remain in power.

VI. Conclusion

In the intricate tapestry of Somaliland's political and socio-economic fabric, the threads of patronage politics, rent-seeking behaviour, and a predatory state weave a narrative of inequality and disillusionment. Despite the facade of democracy, the widening gap between the ruling elite and the populace has fostered a sense of alienation and mistrust.

To chart a path towards renewal and prosperity, Somaliland must embark on a journey of comprehensive reform, rooted in transparency, accountability, and meritocracy. This entails empowering civil society, fostering economic diversification, and engaging constructively with international partners. Yet, true progress hinges on leadership's commitment to prioritize the welfare of the people and uphold democratic values. Only through collective action and a shared vision for change can Somaliland realize its aspirations for a more inclusive, accountable, and prosperous future.

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