

**SOMALIA'S WAR ECONOMY AND INSECURITY IMPLICATIONS IN KENYA**

NICHOLAS IRERI KAMWENDE

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**DECLARATION**

This Research Project is my original work and has not been presented for a degree in any other University.

Sign..... Date.....

**NICHOLAS IRERI KAMWENDE**

**R50/69866/2011**

This Research Project has been submitted for examination with my approval as a University Supervisor.

Sign..... Date.....

**DR. PATRICK MALUKI**

**DEPARTMENT OF INTERNATIONAL DIPLOMACY AND INTERNATIONAL STUDIES**

## **DEDICATION**

To my wife Nthenya and my two sons Murithi and Nzoi for their great company and inspiration in my life especially their great arguments while on long distance travel across Africa. I borrowed great ideas from them.

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I wish to thank my supervisor Dr. Patrick Maluki for invaluable guidance in the work on this thesis. I learnt a lot from his insights on how to put issues in the right perspective.

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## ABSTRACT

Kenya and Somalia have benefitted from each other's warm and friendly relations. To illustrate this there are a large number of Somalis who are working and living in Kenya. Many have been involved in different kinds of businesses ranging from selling clothes to opening of forex bureaus. Infact, their presence is much felt in different parts of the country especially in Eastleigh which has been known as another "little Mogadishu." One can attribute this to their aggressive nature in business. Likewise, Kenyans are working in Somalia either as businessmen or employed by the different NGO's there. However there are some security challenges to the extent that it has been difficult for the Kenya embassy in Somalia to open an office in Mogadishu. These challenges anchor mainly on include terrorism, piracy, kidnappings, money laundering and Islamic radicalization of youth in Kenya. The Kenya Defence Forces were deployed to Somalia following kidnappings of tourists along the Kenyan coast; they are working together with forces from other African countries. The statement of the problem in this study was the abundance of resources such as fishing, charcoal and banana that Somalia has, but which it has not fully exploited because criminals have used these resources in the black economy to perpetuate their activities leading to a war economy in Somalia. The objectives of this research study comprised of examining the nature and effect of security threats inherent in Somalia's war economy, to establish factors underpinning the insecurities in Kenya rooted in the Somalia's war economy and to assess the implications of Somalia war economy on Kenya's security. This research was guided by the human needs theory as articulated by Jerel A. Rosati, David J. Carroll and Roger A. Coate. Their main argument is that when man is deprived of basic necessities of life, it causes them to release their anger at anybody and everybody. The study used both qualitative and quantitative methods of collecting data. This study used explanatory or descriptive research which identified four study units namely:- NGO/civil society, government officials, security/military agencies and the business community. These groups of people were chosen because they are affected in one or another by Somalia's war economy; it was also interesting to hear the different perceptions/views they made out of Somali's war economy and its insecurity implications in Kenya thus making this study rich and diverse. These groups of people provided 50 respondents. Data was analyzed using the Statistical Package for Social Sciences (SPSS) thereafter conclusions and recommendations were derived from it.

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## LIST OF ABBREVIATIONS

AMISOM	African Union Mission to Somalia
AU	African Union
CCIO	County Criminal Investigation Officer
FRY	Federal Republic of Yugoslavia
GDO	Government Diamond Office
ICU	Islamic Courts Union
KDF	Kenya Defence Forces
KLA	Kosovo Liberation Army
RUF	Revolutionary United Front
SWE	Somalia War Economies
TFG	Transitional Federal Government
WFP	World Food Programme
NFD	Northern Frontier Districts

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

The collapse of the SiadBarre regime<sup>1</sup> in Somalia in 1991 plunged the country into a state of civil war. Between late 1991 and mid 1993, tens of thousands of Somalis were killed and close to a million displaced from their homes and forced to flee across borders to neighboring countries, especially Kenya.<sup>2</sup> Armed and clan-based factions battled to gain control of the country particularly Mogadishu but none seemed strong enough to impose its control over the country in general.<sup>3</sup> By the 1995, warlords in charge of various armed factions balkanized the country into small economic enclaves and war zones. The state of lawlessness further gave way to the rise of radical Islamism. This resulted in organized banditry that was the origin of the Somalia War Economies (SWE).<sup>4</sup>

With regard to Somali, the Panel of Experts for Somali states that, “with no effective government in place to protect property rights, armed action by individuals or groups is the only available recourse.”<sup>5</sup>

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<sup>1</sup>Ghalib M. J. (1995) *The Cost of Dictatorship: The Somali Experience* (New York, Lilian Barber Press).

<sup>2</sup>International Crisis Group “Salvaging Somalia’s Chance for Peace” *Africa Briefing*, 9<sup>th</sup> December 2002.

<sup>3</sup>GassimArif Mariam (2002) *Somalia: Clan Versus Nation* (United Arab Emirates: Sharpah).

<sup>4</sup> Ibid.

<sup>5</sup>UnitedNations.(2003). Report of the Panel of Experts on Somali Pursuant to Security Council resolution 1425 (2003).

There have been attempts by individuals and bodies like AU under AMISOM to reconcile the clans to end the conflict. In 2004, an agreement was signed in Kenya to bring together the warring parties and constitute a new government. The Transitional Federal Government (TFG) was formed that comprised of elders and senior officials. However the TFG did not do much to bring the conflict to an end. However the new government would face a very difficult task of bringing the warring clans together. One of the most difficult challenges for the new government was dealing with the threat of terrorism by the Islamic Court Union (ICU) who took control of the South and the capital of Mogadishu in 2006.<sup>6</sup> However the Ethiopian troops at the time took control over them. Later, Al-shabaab hit back against the government taking control of southern Somalia in 2008. After Ethiopia soldiers pulled out in 2009 Al-shabbaab took control of Baidoa.

Somalia is made up of different administrations namely: Somaliland, Puntland, Gaalmudug, and "HimaniyoHeeb administrations. The Gaalmudug administration is controlled by the Al-shabaab militia's which does not have a legitimate authority in the country. The group controls much of the Somalia region which is between the Kenya border and Mudug and Galguduud provinces.<sup>7</sup>

It is of noteworthy to mention that the Somalis of the Northern Frontier Districts (NFD) originate from Somalia and the Ogaden region of southeastern Ethiopia.<sup>8</sup>

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<sup>6</sup>L.P. John, C.Ryne, A.Douglas, A., Johnson. W., Laura.,B.J., B.Jessica, &L.Shinkyu (2011). Somalia:Creating space for fresh approaches to peace building. Life & Peace Institute. Uppsala, Sweden.

<sup>7</sup> [www.bbc.co.uk](http://www.bbc.co.uk)

<sup>8</sup> See Peter Kalix, "Pharmacological Properties of Stimulant Khat," *Pharmacology Therapeutics* 48 no. 3 (1990): 397-416. See also Peter Kandela, "Women's Rights a Tourist Boom, and the Power of Khat in

Many people lost their lives during the Somali war. The fighting together with serious drought has led to a severe humanitarian crisis in the country. According to one report, over 1 million Somalis are said to have been displaced while others have escaped to neighboring countries to seek food, shelter and clothing. However, it has not been a bed of roses for these refugees fleeing to neighboring countries because the camps in which they live, have poor sanitation and are overcrowded. Recently there have been talks of repatriating the Somalis back home because they were believed to be posing serious security threats in Kenya, as indicated by attacks on Westgate mall, Eastleigh bus terminus in 2013, sporadic attacks in places like Garissa, Wajir and the invasion by police on Masjid Musa mosque in Mombasa following reports of Islamic radicalization of youths there.

Other challenges facing Somalia and its neighbors include terrorism, piracy and kidnappings. These challenges pose a significant threat to peace and security not only to Kenya, but to the horn of Africa region as a whole. Although the TFG has tried to counter the threats its main hurdles have been lack of a clear vision, corruption and motivation to move forward the political process in the country.<sup>9</sup> There have been allegations that the government has not been engaging actively with the locals, political and military forces in other parts of Somalia to counter these threats. Further to the above the TFG's monopolistic control of resources and power has aggravated frictions within the transitional federal institutions, obstructed the transitional process and crippled the war

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Yemen, "*Lancet* 355 (2000): 1437 in *Bandits on the Border: The last Frontier in the search for Somali unity* by Nene Mburu.

<sup>9</sup>L.P. John, C.Ryne, A.Douglas, A., Johnson. W., Laura.,B.J., B.Jessica, &L.Shinkyu (2011). *Somalia:Creating space for fresh approaches to peace building*. Life & Peace Institute. Uppsala, Sweden.

against Al-Shabaab, while diverting attention and assistance away from positive developments elsewhere in the country.<sup>10</sup>

The response of Al-Shabaab to military setbacks in Mogadishu, the central regions and the Juba Valley has been to aggressively expand its control over the southern Somali economy. Given its lack of popular support, political fractiousness and military limitations, Al-Shabaab's greatest asset today has been its economic strength based on charcoal business among other activities. The group has also used “water terrorism” where they cut most of the water supply to the locals in areas such as Garbaharey. The Monitoring Group on Somalia and Eritrea estimates that Al-Shabaab currently generates between US\$ 70 million to US\$ 100 million per year in revenue from taxation and extortion in areas under its control, notably the export of charcoal and cross-border contraband into Kenya.<sup>11</sup>

Given the corrupt and predatory practices of the TFG, many Somali businessmen find Al-Shabaab to be better for business, and from a purely commercial perspective have little interest in seeing the group displaced by the Government.

The Al-Shabaab has also made it difficult for aid agencies working in Somalia by banning them from the areas it has gained control. Kenya and Ethiopia have sent their troops to battle it out with the militias and to get control of Kismayo. The Al-Shabaab

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<sup>10</sup>L.P. John, C.Ryne, A.Douglas, A., Johnson. W., Laura.,B.J., B.Jessica, &L.Shinkyu (2011). Somalia:Creating space for fresh approaches to peace building. Life & Peace Institute. Uppsala, Sweden.

<sup>11</sup>Horn of Africa bulletin, Vol 25, No. 5 September-October, 2013.



who are linked to the Al-Qaeda have caused death and destruction in Kenya. It started with the bombing of the US embassy in 1998, 2002 Kikambala paradise hotel attack and later kidnappings of tourists in Mombasa. This has greatly affected Kenya's tourism sector with travel advisories by different western countries being issued.

This research explores more on the implications of this Somalia war economy on insecurity in Kenya.

## **1.2 Statement of the Problem**

Somalia is blessed with abundant resources ranging from agricultural produce to rich fish resources. However these resources have not been exploited to their full potential in a formal manner. Of significance here is the fishing, the charcoal and the banana industry which have been abused by the different factions in the Somali civil war. These groups who at times operate as pirates and terrorists collect taxes as well as extortion from international ships, corporate and individual investors hence creating a war economy in Somalia.

Although highly profitable and lucrative for individuals and groups within and outside a society, war economies are costly and catastrophic to the Somalia society. The war economy in Somalia involves the destruction of the formal economy and the growth of informal and black markets effectively blurring the lines between the formal, informal and criminal sectors and activities in the country. At worst it has led to pillage, predation, extortion and deliberate violence against civilians not only in Somalia, but also in Kenya.

This state of affairs has affected the national security of Kenya with two tourists having been kidnapped by the Al-Shabaab terrorist group hence impacting on the Kenya – Somalia security relations. This in effect saw Kenya deploy the Kenya Defence Forces (KDF) in 2009 as a response to the security threats posed by Somalia militia groups who rely on the Somalia war economy.

This research investigates the impact of the Somalia war economy on the national security of Kenya and subsequently the Kenya – Somalia security relations.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objective**

To establish the implications of Somalia's war Economy on the Kenyan security.

#### **1.3.2 Specific objectives**

1. To examine the nature and effect of security threats inherent in Somalia's war economy
2. To establish factors underpinning the insecurities in Kenya rooted in the Somalia's war economy
3. To assess the implications of Somalia war economy on Kenya's security

### **1.4 Research Questions**

1. What is the nature and effect of security threats inherent in Somalia's war economy?

2. What factors are underpinning the insecurities in Kenya rooted in the Somalia's war economy?
3. What are the implications of Somalia's war economy on Kenyan security?

### **1.5 Justification of the Study**

Economic factors have played a central role in welfare of a society in the sense that they create both horizontal and vertical differences among members of a society. This in effect can prolong conflict in a cyclical revenge activity due to perceived deprivation. This situation is prevalent in Somalia today where war economy has created radical militia groups involved in criminal activities. Unfortunately until recently the economic dimensions of Somalia civil war has received little policy and scholarly attention. Therefore, this study has both academic and policy justification. Academically, when completed it will add to the existing body of knowledge on the impact of the Somalia war economy on the security situation in Kenya. Additionally, the study will serve as reference material for students as well as scholars in the field of national security studies, strategic studies as well as conflict and peace studies at institutions of higher learning. Policy wise, the study will be a reference point for policy makers who are involved in national security duties both in Somali and in Kenya. It will also improve public awareness on the implication of Somali war economy on the national security of Kenya therefore motivating policy makers to help reduce trans - border crime.

## **1.6 Literature Review**

The preceding literature review is divided under the following sub-sections: war economy on global perspectives, regional perspectives on war economies, the Somalia war economy and lastly the impact of Somali war economy on Kenyan security.

## **1.7. War Economies**

Goodhand (2004) argues that war economies involve the destruction or circumvention of the formal economy and the growth of informal and black markets, effectively blurring the lines between the formal, informal and criminal sectors and activities. Pillage, predation, extortion, and deliberate violence against civilians is used by combatants to acquire control over lucrative assets, capture trade networks and diaspora remittance, and exploit labour.<sup>12</sup> War economies are highly decentralized and privatized, both in means of coercion and in the means of production and exchange; Combatants increasingly rely on the licit or illicit exploitation of trade in lucrative natural resources where these assets are obtained. They thrive on cross-border trading networks, regional kin and ethnic groups, arms traffickers and mercenaries, as well as legally operating commercial entities, each of which may have a vested interest in the continuation of conflict and instability.<sup>13</sup>

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<sup>12</sup>Goodhand, J. (2004). Afghanistan, in Pugh M and N Cooper, with J, Goodhand(2004).*War economies in a regional context: challenges of Transformation*. Boulder: Lynne Rienner publishers.

<sup>13</sup>Brommelhorster, J.andW.CPaes (eds) 2003.The military as an Economic Actor:

Every conflict has its own history, dynamics, and stakeholders.<sup>14</sup> Yet, those seeking to end wars and avoid their recurrence need to ask several questions: who are the key actors that participate in war economies? What motives do they have for their participation in war economies? What incentive do they have to seek peace? Who controls the means of violence? To adequately assess the different functions of war economies, Jonathan Goodhand proposes a particularly useful taxonomy of “combatant”, “shadow” and “coping” economies.<sup>15</sup> While empirically overlapping, each of these economies encompasses a distinct set of actors, motivations, and economic activities that can have qualitative different implications for conflicts resolution and post –conflict peace-building.<sup>16</sup>

The combatant economy is based on economic interactions that directly sustain actual combat. It is dominated by a variety of factors, including the security apparatus of the state (military, para-military groups, police) and rebel group, as well as domestic and foreign “conflict entrepreneurship” who supply the necessary weapons and military material. Generally, the combat economy serves to fund the war effort of these actors as well as to achieve military objectives.<sup>17</sup> The preferred means of resource generation include the predatory taxation of licit and illicit economic activities, extortion of local

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<sup>14</sup>Cooper,N2002.State collapse as business. The Role of conflict Trade and the Emerging Control Agenda in: Development and change, 33, 5,935-955.

<sup>15</sup>Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Duffield, M. (1999) Globalisation and war economies: promoting Order or the Return of History? *Fletcher Forum of World Affairs* 23(2):19-36.

businesses, the control over the exploitation of natural resources, the imposition of “customs” in border areas or setting up roadblocks, the sale of future resource exploitation rights to foreign companies, or capture of foreign aid.<sup>18</sup>

The shadow economy (sometimes called “black market economy”) encompasses the broad range of informal economic relationships that fall outside state-regulated frameworks. Key actors are a range of less scrupulous “conflict profiteers” including criminals, who seek to benefit from the business opportunities that open up in highly unregulated and chaotic war situations.<sup>19</sup> Profit margins are further widened under sanctions regimes, where those with coercive power and the right connections can gain significantly from cross-border smuggling activities, such as what happened in Sierra Leone, Afghanistan, and the Balkans.<sup>20</sup> Frequently, the shadow economy is already widespread before the outbreak of conflict and is a permissive factor for conflict when it contributes to violent state collapse or serves as a source of income of would be-rebels. Once conflict erupts, shadow economies are easily captured by combatants and, thus, often become the basis for the combat economy.

The coping economy comprises those numerous economic interactions during armed conflict that provide benefits to the civilian population, particularly the poor and the most vulnerable. These functions are even more important to civilians livelihoods where the

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<sup>18</sup>Ibid.

<sup>19</sup>Ibid.

<sup>20</sup>Nafziger E., Stewart, F and vayrynen, R. (eds) (2000) *Weak states and vulnerable Economies: Humanitarian Emergencies in developing countries*: Oxford University Press, Oxford.

formal economy and traditional livelihoods are destroyed or rendered impossible to sustain.<sup>21</sup> A good example of this is in eastern DRC where the swaths of arable land have been ruined by Coltan exploitation and where a consolidation of large landholdings has happened under cover of conflict. The coping economy also includes subsistence agriculture, petty trade and cross-border smuggling or diasporas remittances that help civilians and their families to survive.

Research on contemporary civil war points to the salience of economic factors in exacerbating and perpetuating conflict. While, their role in the onset of conflict is typically indirect, they can influence the character, duration and adaptation of war in consequential ways.<sup>22</sup> Contrary to “revolutionary” models of conflict in 1950s through the 1980s, violence in contemporary conflict cannot easily be explained as “political”. Rather, it appears to have more local and immediate aims and functions, very often economics. While politics should not be dismissed, the interaction of political and economic agendas of conflicts in complex emergencies has to be acknowledged and understood. Taking the examples of Sierra Leone and Cambodia, it can be argued that the continuation of conflict cannot be understood solely by reference to the political objectives and declaratory policies of the conflicting parties. Those who plan to intervene and assist in war termination efforts must also understand the manner in which these objectives interact with, and are distorted by the economic agendas of various parties.<sup>23</sup>

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<sup>21</sup>Mwanasali, M (1999) the view from Below. In Berdal and D.Malone (eds) *Greed and Grievance: Economic Agendas in civil wars*. Lynne Rienner.Boulder and London.

<sup>22</sup>Micheal E. Brown, “The Causes and Regional Dimensions of Internal Conflict,” in Micheal E. Brown, ed., *The International Dimensions of Internal Conflict* (The MIT Press, 1996).

<sup>23</sup> Atkinson, P (1970) *The War Economy in Liberia: a political analysis*. RRN Network Paper 22, Relief and Rehabilitation Network, Overseas Development Institute, London.

Issues of demobilization and restricting the army conflicts also involve important economic agendas and may threaten a lasting peace. When war has been previously privatized to groups to sustain themselves through economic activities, or has granted to armed forces political and economic privileges, demobilization is likely to be resisted, either institutionally at an elite level; or through a shift to banditry at ‘grass-root’ levels. This resistance is aggravated when living conditions during demobilization are appalling and when economic opportunities for demobilized soldiers fail to materialize. Finally, Atkinson (1970) argues that the restructuring of the security sector involving military, police and intelligence is also impeded by economic agendas developed during the conflicts, such as organized criminal activities that were tolerated or promoted under the wartime regime.<sup>24</sup>

Several lessons are drawn from this state of affair. First, in conflicts where violence is decentralized and economically motivated, war cannot simply be “declared’ or ‘declared over’. Reconstruction efforts should thus not only meet the needs of ordinary people, but as well-if not more importantly of those carrying out the violence and their backers within the elite. This commitment should be based on an understanding of the workings of the security sector, in particular in relation to economic activities and political privileges including civilian control and associated human rights abuses.<sup>25</sup>

Third, the international aspects of economic agenda, in the form of trans-border trade and overseas accounts, can provide useful pressure for international society, but the

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<sup>24</sup> Ibid

<sup>25</sup> Ibid



imposition of sanctions needs to be carefully targeted to avoid deepening poverty and fueling more violence, while having little effect on the incriminated regime.<sup>26</sup>

Fourth, the single-minded pursuit of democracy and justice in some cases might be counterproductive with regard to a transition to sustainable peace. A pragmatic endeavor, securing the cooperation of those who stand to lose from democracy and peace and constructing ‘political economies that will make resorting to violence both unrewarding and unnecessary’ can prove more effective.<sup>27</sup>

Carbonier, G. and Flemming, S. examine relationships between war and the economy. In their discussion on globalization and war they look at the overall relationship and the ever changing pattern of warfare. They also study the twin processes of economic and political liberalization, and assesses how making aid subject to certain conditions affects war-torn countries. Money and war sheds light on the economic dynamics of war. Focusing on the underlying causes, they argue that economics constitute a new analytical tool for understanding conflict in the post-Cold War era.<sup>28</sup>

Contributors also look at non-governmental entities involved in conflicts, beginning with mercenaries and security firms. A journalist, businessman and an agency that rates corporate conduct discusses from their own individual perspectives, the matter of doing business in war-prone regions. The development of the ‘relief-industry’ is also addressed.

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<sup>26</sup> Ibid

<sup>27</sup> Ibid

<sup>28</sup> Carbonier, G and S. Fleming (2000) Forum: War, Money and Survival. ICRC, Geneva.

Survival and war looks at the variety of coping mechanisms used by people living in war zones and refugee camps.<sup>29</sup>

Berdal et al, argues that current scholarships on civil wars and transitions from war to peace have made significant progress in understanding the political dimensions of internal conflicts, but the economic motivations spurring political violence have been comparatively neglected.<sup>30</sup>

Fitzgerald posits that, much of the human cost of conflict in developing countries is the result of economic collapse rather than military casualties as such. This problem is exacerbated by misguided policies on the part of both national government and aid agencies (based on concepts of structural adjustment and humanitarian relief designed for us in peacetime).<sup>31</sup>

Keen, demonstrates the importance of understanding the economics underpinning violence in civil wars. While not dismissing psychological, social and political factors driving violence conflicts, Keen seeks to move beyond this by examining the rationality of violence and comes to conclude that war has increasingly become the continuation of economics by other means rather than politics. Supporting the argument that ethnicity and the importance attached to it is shaped by conflict rather than simply shaping it, this research points to the differential impact of violence in winners and losers. An analysis of

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<sup>29</sup> Ibid

<sup>30</sup> Ibid

<sup>31</sup> Fitzgerald, V. (1997) Paying for the War: macroeconomic stabilization in poor countries under conflict conditions. Oxford Development Studies 25(1):43-65.

conflict must therefore focus on the specific political economy that generates violence through an approach that considers conflicts as the emergence of alternative systems of profit, power and even protection rather than simply the breakdown of a particular system. In this regard an examination of the functions of violence is key. Beyond its use by political groups to change or retain the legal and administrative framework, violence serves profitable economic, security and psychological functions for a diversity of groups.<sup>32</sup>

Using a range of examples from Cambodia, Mozambique, Sierra Leone and Sudan Keen suggests that civil wars in states often intentionally weakened by international financial institutions want to see private economic agendas assume considerable importance. Economic rewards may include control over local resources, aid and trade as well as institutionalized benefits accruing to the military. They may also extend to the exploitation of civilian groups through looting, forced labour and protection money. These exploitative political economies of such wars sustain a conflict by rewarding belligerence. Furthermore, localized economic interests loosen chains of command and make emergencies increasingly 'complex' due to fractionalization of movements and fragmentation of territorial control. With regard to security, it might be more secure for individuals to belong to an armed group and perpetuate violence, rather than to remain victims on the receiving end. With psychological incentives, the war, rather than representing an end, may provide significant groups with the means through which crimes and abuses can be carried out with impunity, an end in themselves. To a certain extent, the goals, of 'defeating the enemy and 'winning war' are replaced by that of

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<sup>32</sup>Keen, D (1998). *The Economic Functions of violence in Civil Wars*. Adelphi: London.

reproducing and accommodating a profitable conflictual situation. Rather than identifying belligerents as two contending parties supported by different groups, analyses seek to locate which groups take advantage of a conflictual situation.<sup>33</sup>

From this perspective, violence can be mobilized from the top by political leaders or entrepreneurs enrolling recruits, as well as “from the bottom” by civilians and low ranking soldiers. “Top-down” violence can provide access to political privileges, while “bottom-up” violence can secure the means of daily survival or serve psychological functions. Ending violent conflict thus requires an understanding and a modification of the structures of incentives that make violence a solution, rather than a problem for significant groups. In this regard, the provision of aid may have a dual impact. While on the one hand, aid can be embezzled by armed groups. On the other, aid can decrease the need for these same armed groups, or other vulnerable groups, to use violence to sustain themselves. With regard to transition process to peace, the economic causes of war needs to be understood to avoid reconstruction of a pre-war economy that may have had much to do with the origin of conflict.<sup>34</sup>

### **1.7.1 Link between Economic Factors and Civil Wars**

What is the link between economic factors and civil wars? A number of scholars have addressed this topic; in particular, econometric literature in recent years tends to place much emphasis on material aspects of civil wars. Among others, Collier (2000, pp.91& 96) claims that ‘conflicts are far more likely to be caused by economic opportunities than

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<sup>33</sup>Keen, D (1998). *The Economic Functions of violence in Civil Wars*. Adelphi: London.

<sup>34</sup> Ibid

by grievance,’ and ‘grievance-based explanations of civil war are so seriously wrong. This argument is backed by three major explanations: the exports of primary commodities, the number of young men and low education levels are positively correlated with the frequency of civil war outbreak. His later research with Hoeffler (2004) also reaches a similar conclusion supported by some newly added proxies: the existence of large diaspora, a low *per capita* income, a low growth rate, a dispersed population and finally a higher population in total. Furthermore, Collier (2000) argues that the aspects of grievances are not readily involved in the making of civil wars mainly because of a collective action problem. He notes that while citizens may wish to see the government overthrown in order to have more justice, they may not have any interest in personally joining the rebellion. Rebellious groups are usually fragmented, which diminish the likelihood of reaching the goal of greater justice. In addition to this, people may be reluctant to join the rebellion when expected benefits may take years to be realized.

## **1.8 The Global Dimensions of War Economies**

Natural resources such as conflict diamond and illegal timber are known to trigger or prolong armed violence through the generation of a war economy. For instance the war in Kosovo was not only an ethnic war, but one that touched on the political, military and economic aspects of the country. It was economic warfare attached to an inter-ethnic conflict which had become increasingly violent because the Americans had been supporting armed rebels. The Kosovo war had negative ramifications on the country. It

destroyed much of the civilian infrastructure of Serbia, caused widespread pollution, killed 2000 Serbs and injured 6000 more.

In Kosovo, the informal economy that was based on smuggling activities and diaspora remittances helped to sustain Ibrahim Rugova's peaceful resistance against the regime in Belgrade by relying on arms smuggled from neighboring Albania.<sup>35</sup> The United States and other NATO powers colluded in the promotion of the Kosovo Liberation Army (KLA), with the intent of overthrowing the sovereignty of the Federal Republic of Yugoslavia (FRY) within the autonomous province of Kosovo. The actions of these governments provided economic, military and political assistance to the KLA. With the tacit approval of the U.S. and other countries, the KLA created a war economy where it participated in massive drug trafficking, brutal repression of all populations within Kosovo, and carried out atrocities upon civilian population.

The war in Bosnia between April 6, 1992 and October 12, 1995 had similar economic factors that prolonged the conflict. Although Bosnia possessed no lootable resources it had fixed assets which included industrial and hydroelectric power plants and low-value extractive resources such as softwood and coal. War entrepreneurs sought to control trafficking across the region with corrupt police and custom offices enabling smuggling across the borders.

When the state structure collapsed the elites and their forces captured the national industries and many enterprises were commandeered to supply funds for the families of

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<sup>35</sup>Yannis, A. 2003. Kosovo: The Political Economy of Conflict and Paecebuilding in: Ballantine, K. and J.

workers and combatants creating a shadow economy where mafias manipulated the political boundaries based on their self-interests. They engaged in cross-border trafficking on unofficial trade while the state maintained violence. The militia groups decentralized violence and created illegal or black markets.<sup>36</sup>

### **1.8.1 The Regional Dimensions of War Economies**

The decade-long civil war in Sierra Leone formally ended in January 2002 following the British government's successful military intervention to suppress rebel insurgents. However, the conflict has not completely finished yet; some features of brutality and viciousness in the conflict are still lingering in the minds and bodies of Sierra Leoneans. The trial of former Liberian president, Charles Taylor, clearly revealed the indelible scars left to people even ten years after the official declaration of end of the war. The UN-backed Special Court for Sierra Leone found Charles Taylor guilty of aiding in war crimes during the Sierra Leone civil war.

### **1.8.2 The Economic Aspects of the Sierra Leone's Civil War**

Since Sierra Leone was a country with a massive diamond reserve, the competition for seizing control of lucrative diamond-producing regions has been widely regarded as a main cause of the conflict. It is notable that Lujala, Gleditsch and Gilmore (2005) examine the impact of diamonds on civil war onset and incidence (or prevalence). They argue that easily exploitable secondary diamonds are positively correlated to the onset and incidence of ethnic war, whereas primary diamonds (mainly Kimberlite) affect them

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<sup>36</sup> Jennifer Paton, MA thesis: insecurity for the underdeveloped world: Monopolization of violence and new wars in an era of globalization. Unpublished. University of California, Los Angeles.

less likely because mining primary diamonds necessitates more stable and strong state systems.

The diamond mining industry in Sierra Leone was based both on primary and secondary diamonds (Lujala, Gleditsch & Gilmore 2005) and the Sierra Leone civil war was not rooted in ethnic rivalry either (Bangura 2004). Hence, even in the economic literature, it is still an unsubstantiated argument that the huge diamond reserve in Sierra Leone was the initial driver of the decade-long conflict.

In Sierra Leone it is quite clear that diamonds played an essential part in the war by offering the RUF an invaluable funding source to sustain its warfare. With the growing interests of both parties – the RUF and government soldiers – in illegal diamond-mining, battles often occurred over diamond-abundant areas (Keen 2008). The RUF is estimated to have made an approximate profit of 200 million dollars a year between 1991 and 1999 through the illicit diamond trade. These illicit diamonds are widely known to have been traded with Charles Taylor in return for arms and ammunitions, which were later falsely identified as Liberian in origin and then legitimately exported abroad (Stohl 2000).

Although diamonds played a significant role in financing the war, this factor solely cannot explain the initial intention of actors involved in the conflict. Rather, some of the problems caused by the abundant diamond reserve are more useful to explain the structural inequality in Sierra Leonean society which later fed into the war. For instance, unequal benefits arising from diamond extraction were augmented as the ownership of



diamond mines and mining licenses had been mostly given to the ruling families and loyal supporters of the ruling regimes. Thus, this economic inequality led to growing frustration among the population who were excluded from the benefits. To make matters worse, the Sierra Leone government was not able to properly collect tax from the diamond sector. The low purchase price of the Government Diamond Office (GDO) encouraged smuggling and, as a result, failed to increase tax revenues necessary for empowering civil sectors including armies (Keen 2008).

In order to argue that there was a direct and clear connection between diamonds and motivations of the war, it is necessary to substantiate that the first priority of the RUF's war aims was to secure diamond mines for gaining a huge commercial profit beyond the necessity of equipping themselves with weapons. The RUF did not demonstrate such an obvious aim in the beginning of the war, though. Rather, as Reno (2003b) asserts, it is more likely that universal assumptions on the relationship between natural resources and motivations in conflict do not thoroughly explain diverse evolutions of conflicts.

### **1.8.3 The Local Dimensions of War Economies**

The local dimensions of war economies here include Kenya and Somalia. Piracy off the coast of Somalia is not a new phenomenon. It began in the early 1990s, said to have grown out of Somali fishing communities acting to defend their coastal waters from 'predatory foreign fishing and ships laden with toxic cargo.'<sup>37</sup> With the fall of the Somali government in 1991, Somalia's territorial waters became fair game for foreign fishing

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<sup>37</sup> International Crisis Group, Somalia: The Trouble with Puntland, *Africa Briefing* No. 64, 12 August 2009, 11.

boats whose illegal fishing could continue unchecked. As fish stocks were depleted and Somalis saw their livelihoods vanish, some fishermen allegedly began to take matters into their own hands, forming armed groups<sup>38</sup> who imposed ‘fines’ on foreign vessels, then returned that money back to impoverished local communities.<sup>39</sup> Reports also surfaced of illegal toxic waste dumping off Somalia by European companies, a problem highlighted in the wake of the 2004 Indian Ocean tsunami when it was reported that broken hazardous waste containers were washing up on Somali shores<sup>40</sup> and hundreds of residents fell ill suffering from radiation and chemical poisoning.<sup>41</sup> Thus to many Somalis, the fishermen/pirates were heroes, ‘Robin Hood’ styled sea bandits, the protectors of Somali nationalism.

In the absence of a central authority willing or able to uphold law and order, and with increasingly dire economic conditions and poverty, acts of piracy flourished. The first dramatic increase in pirate attacks occurred in 2005, partly as a result of the further degradation of an already suffering fishing industry following the 2004 tsunami. Piracy attacks increased from five in 2004 to 35 in 2005.<sup>42</sup> The following year the figures dropped markedly, as the Islamic Courts Union (ICU) took control of Mogadishu and

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<sup>38</sup> International Crisis Group, Somalia: The Trouble with Puntland.

<sup>39</sup> In 2005 three Taiwanese trawlers were “impounded” by the ‘Somali Volunteer National Coast Guard’ for illegal fishing. A ‘fine’ of USD5000 per crew member was demanded, see Peter Lehr and Hendrick Lehmann, Somalia – Pirates’ New Paradise, in Peter Lehr ed, *Violence at Sea: Piracy in the Age of Global terrorism*, Taylor and Francis Group: New York, 2007, 14.

<sup>40</sup> UN envoy decries illegal fishing, waste dumping off Somalia, *Agence France-Presse*, 25 July 2008, [http://afp.google.com/article/ALeqM5gVV\\_gQDsp1m8v7nPcumVc5McYV-Q](http://afp.google.com/article/ALeqM5gVV_gQDsp1m8v7nPcumVc5McYV-Q) (accessed 7 February 2014).

<sup>41</sup> NajadAbdullahi, ‘Toxic waste’ behind Somali piracy, *Al Jazeera*, 11 October 2008, <http://english.aljazeera.net/news/africa/2008/10/2008109174223218644.html> (accessed 21 February 2014).

<sup>42</sup> Bjorn Moller, Piracy off the Coast of Somalia, *DIIS Brief* (Danish Institute for International Studies), January 2009, [http://www.diis.dk/graphics/Publications/Briefs2009/bmo\\_piracyofsomalia2.pdf](http://www.diis.dk/graphics/Publications/Briefs2009/bmo_piracyofsomalia2.pdf) (accessed 7 February 2014).

their armed wing, Al Shabaab, launched attacks against pirate bases in South Central Somalia. With the removal of the ICU from power by 2007, however, incidents of piracy again began to rise and Puntland began to blossom into a ‘pirate kingdom’.<sup>43</sup> Attacks against humanitarian ships including World Food Programme (WFP) vessels in 2007 soon attracted international attention and the call went out for measures to be taken by the international community to repress piracy.<sup>44</sup> However, when faced with poverty, lack of employment opportunities, and the reduction of their maritime resources, and supported by an unstable security situation and lack of effective government, there seemed few reasons for would-be pirates not to accept the risk and set out on a potentially fast money-making exercise in the High Seas. Indeed, piracy off the coast of Somalia proved extraordinarily profitable for pirates and in 2009 the total amount paid in ransom to the pirates was estimated at around USD82 million.

The thriving pirate industry has sparked a multifaceted international response. From Security Council resolutions, to multilateral naval action and a plethora of regional and international conferences, the international community is now struggling to find effective and sustainable ways in which to address the piracy phenomenon.

In Kenya the dirty cash from piracy in Somalia has fuelled criminal activities including funding militia like the Al-Shabaab terrorist group that has killed over 60 people in the Westgate Mall attack. The ‘dirty’ cash was invested in criminal activities such as arms

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<sup>43</sup> David Blair, Somalia: Analysis of a Failed State, *Telegraph.co.uk*, 18 November 2008, <http://www.telegraph.co.uk/news/worldnews/africaandindianocean/somalia/3479010/Somalia-Analysis-of-a-failed-state.html> (accessed 30 January 2014).

<sup>44</sup> Bjorn Moller, Piracy off the Coast of Somalia, *DIIS Brief* (Danish Institute for International Studies), January 2009, [http://www.diis.dk/graphics/Publications/Briefs2009/bmo\\_piracyofsomalia2.pdf](http://www.diis.dk/graphics/Publications/Briefs2009/bmo_piracyofsomalia2.pdf) (accessed 7 February 2014).

trafficking, funding militias, migrant smuggling and human trafficking, and was used to further finance piracy activities. There have also been concerns that that piracy money was being invested in the real estate sector in the country and fuelling the sharp rise in prices. However, it was stated that the ransom payments cannot influence the property prices, as is suggested by many.<sup>45</sup>

### **1.9 Theoretical Framework**

This research is guided by the human needs theory. A number of scholars including Jerel A. Rosati, David J. Carroll and Roger A. Coate developed this theory. The human needs approach to the study of international relations rests on the basic assumption that human needs are a key motivational force behind human behavior and social interaction.<sup>46</sup>

According to this view, there exist specific and relatively enduring human needs which individuals will inevitably strive to satisfy, even at the cost of personal disorientation and social disruption. The above scholars point out that there is empirical support for this assumption in a developed body of literature in the social sciences, both experimental and documentary, which demonstrates clearly that individuals have fundamental human needs such that if they are deprived of those needs, especially in the years of development, they will suffer physically and psychologically.

They further go on to argue that human beings locate the foundation of politics, including global politics, in the interaction of individuals and groups striving to satisfy their ends in

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<sup>45</sup> [www.standardmedia.co.ke](http://www.standardmedia.co.ke)

<sup>46</sup> Burton, J & Dukes, F., (eds). (1990). *Conflict: Readings in Management and Resolution*. Macmillan Press Ltd, London.

the social contexts that surround them. Normally international relations in global politics is seen as consisting of the consequences and actions of the networks of social relationships that are created as individuals and groups go about their pursuit of needs satisfaction. This shows that human needs are a fundamental underlying source of political and social interaction in world society. In addition to issues of war and peace, the global agenda now includes hunger, poverty, terrorism, human rights abuses, resource scarcity, economic dependency, financial indebtedness, pollution and ecological decay. As these problems grow in complexity and intensity, it will be increasingly important for international relations theorists and practitioners to acknowledge the role of human needs in social change.

One way in which the human needs theorists highlight the role of human needs in the emergence of such problems and in social change is by focusing on the impact of that human needs deprivation has on the long-term legitimacy and stability of political and social systems. The above scholars further argue that social systems must be responsive to individual needs if they are to maintain their legitimacy and survive intact in the long run. Social systems that fail to satisfy human needs will inevitably grow unstable and be forced to undergo some change (for example through violence and conflict). This does not mean that human needs will necessarily be fulfilled, but rather that individuals will strive to fulfill them. They further posit that at the end social change will be brought about due to the interaction of individuals and groups in pursuit of needs satisfaction.

This theory is relevant to the study in the sense that it explains how human deprivation fuels grievance among different groups. As these groups struggle to survive they end up creating a war economy aimed at satisfying their human needs.

## **1.10 Methodology**

This section provided the research methodology for this study. The research methodology is presented in following sequence: study design, study site, data collection methods, target population/sampling frame, sampling and sampling size, ethical issues, data analysis and presentation, scope of the study, limitations of research and chapter outline.

### **1.10.1 Study Design**

Research design is a road map guide of how research itself will be conducted.<sup>47</sup> It gives the methods, instruments for data collection and interpretation.<sup>48</sup> The function of a research design is to ensure that the evidence obtained enables us to answer the initial question as unambiguously as possible.<sup>49</sup> The research design used in this study was descriptive and explorative research. The reason for choosing these research designs was because they are open and flexible; they provided opportunity for diverse perspectives into the research topic and were good for the open ended data collection instruments. This design obtained a lot of information through descriptive and explanatory by identifying variables and hypothetical constructs. The exploratory research design sought to assess Somali's war economy and insecurity implications in Kenya. The study sought to explain the relationship between war economy and security. The study involved mostly

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<sup>47</sup>Law J and Lodge. Science for Social Scientists. London, Macmillan, 1984; pp. 20-46

<sup>48</sup> Ibid pp. 29-35

<sup>49</sup> Ibid

the use of open-ended questions for the primary data collection. The benefits of using these kind of questions was that it provided for respondents an opportunity to express themselves and allow more for details. They also gave good answers because the respondents did not give their names. Secondary data was also sought from books, journals and articles.

### **1.10.2 Study Site**

The research site was in Nairobi. Nairobi was chosen for key respondents on the study topic. The security and economic community operating both in Kenya and Somalia was targeted as key respondents with precise information. The research did not intend to cover Mogadishu, in Somalia due to insecurity concerns.

### **1.10.3 Data Collection Methods**

A number of data collections methods was used in this study and this included an open ended questionnaire for the key respondents. Open – ended questions were used to obtain the respondents’ opinions and beliefs about the study at hand. This presented an advantageous side to it because the response was not limiting respondents in answering the questions. Secondary data was used in addition to primary data.

### **1.10.4 Target Population/Sampling Frame**

The sampling frame or population in this study was the list from which the sample was selected. A properly drawn sample provides information appropriate for describing the

population of elements composing the sampling frame.<sup>50</sup> This study considered the civil society, government agencies, security agencies and business enterprises that are in one way or another involved in Somalia’s war economy and security in Kenya. The target population was the specific pool of cases that the researcher wanted to study.<sup>51</sup> Thus the population should fit a certain specification, which the researcher is studying.<sup>52</sup> For the purpose of this study the target population was 50. It was stratified through the various groups as a target.

**Table 1.1: Target Population and the Sample Size**

<b>Target Sample</b>	<b>Size of Sample</b>
Civil society	10
Government agencies	10
Security agencies	20
Business entrepreneurs	10

**Source: Data from the field (2014)**

### **1.10.5 Sampling and Sampling size**

The researcher used non-probability sampling method of purposive or judgmental sampling because the sample selection was based on the nature of the research objectives.

Non-probability sampling implies that the sample is chosen due to its relevance to the study topic rather than their ‘representativeness’, which determines the way in which

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<sup>50</sup>Babbie, E & Mouton, J. 2006. The practice of Social Research: South African Edition. Cape Town: Oxford University Press p.184.

<sup>51</sup>NeumanW.L., 2006. Social Research Methods: Qualitative and Quantitative Approaches. University of Wisconsin at Whitewater, p. 224.

<sup>52</sup>Cooper, D.R. and Schindler, P.S. (2003). Business Research Methods (8<sup>th</sup>edn)McGraw-Hill: New York, p. 35



people to be studied are selected.<sup>53</sup> The research problem requires investigation to be done using various specific groups of people who are affected or associated with Somali's war economy and insecurity implications in Kenya. The sample size was 48.

Purposive sampling approach was used to ensure that reasonable representative sample is picked for the groups. The researcher then followed the principles from the Neuman's book for a small populace (under 100); a large sampling ratio (about 30%) is required for a high degree of accuracy.<sup>54</sup>

Purposive sampling generally considers the most common characteristics of the type it is desired to sample, tries to figure out where these individuals can be found and tries to study them.<sup>55</sup> The researcher considered the fact that Somalia has a developed war economy while Kenya has suffered security consequences of this war economy.

#### **1.10.6 Ethical Issues**

While doing research, the researcher was aware of what is considered acceptable and what is not.<sup>56</sup> Many times, carrying out social research presents an intrusion on the lives of the people from whom information is required. Neuman (1997) states that ethical research does not inflict harm of any sort, be it physical, psychological abuse of even

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<sup>53</sup>Neuman W.L., 2006. *Social Research Methods: Qualitative and Quantitative Approaches*. 3<sup>rd</sup> Edition. Allyn and Bacon, Boston, Massachusetts, USA. p. 560.

<sup>54</sup>Neuman W.L., 2006. *Social Research Methods: Qualitative and Quantitative Approaches*. 3<sup>rd</sup> Edition. Allyn and Bacon, Boston, Massachusetts, USA. p. 560.

<sup>55</sup> Ibid

<sup>56</sup>Babbie, E & Mouton, J. 2006. *The Practice of Social Research: South African Edition*. Cape Town: Oxford University Press p. 520.

legal jeopardy.<sup>57</sup> Taking these principles into account benefits not only the participants and the researcher but also those who get to read the research work.<sup>58</sup> It helps to establish credibility. Neuman (1997) further maintains that ethical conduct depends on the researcher.<sup>59</sup> The researcher has a moral and professional obligation to be ethical even when his research subjects are unaware or unconcerned about ethics. The researcher therefore did not take advantage of subjects' ignorance about ethics to harm them in any way. The researcher's questionnaires took into account confidentiality and upheld any information his respondents will give would only be used for the sole purpose of academics. By stating this respondents felt at ease when answering the questions asked and were obliged to give more information.

### **1.10.7 Data Analysis and Presentation**

The data collected were first coded. Coding involves giving all statements numeric codes based on their meaning for ease of capturing data. After coding there was data entry and analysis whereby the data were analyzed using content analysis. The percentage distribution was then utilized and the results were illustrated in terms of explanation in a story form.

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<sup>57</sup>Neuman W.L., 2006. *Social Research Methods: Qualitative and Quantitative Approaches*. 3<sup>rd</sup> Edition. Allyn and Bacon, Boston, Massachusetts, USA. p. 129.

<sup>58</sup>Booth, C.W.; Colomb, G.G., & Williams, M.J., 1995. *The Craft of Research*. The University of Chicago Press. P. 258

<sup>59</sup>Neuman W.L., 2006. *Social Research Methods: Qualitative and Quantitative Approaches*. 3<sup>rd</sup> Edition. Allyn and Bacon, Boston, Massachusetts, USA. p. 129.

### **1.10.8 Scope of the Study**

The study covered the war economy of Somalia and its implication on security in Kenya.

The study was limited to qualitative and quantitative methods of investigation.

### **1.10.9 Limitations of Research**

This study was limited by certain challenges which may include sensitivity of information which many respondents may not be willing to provide. Secondly, actors in the Somalia war are basically militia groups and were difficult to access. There was also language barrier among the people of Somali who were origin interviewed since they did not understand English properly.

### **1.10.10 Chapter Outline**

The study has five chapters. Chapter one discusses the background to the study, statement of the problem, objectives of the study, research questions, literature review, theoretical framework and methodology. Chapter two is on inherent security threats of the Somalia's war economy. Chapter three will be on Kenya - Somalia security relations. Chapter four is a critical analysis of Somalia war economy and insecurity implications in Kenya. Lastly, chapter five is the summary, conclusion and recommendations.

## **1.11 Operationalization of Terms**

### **War Economy**

The term "war economy" is commonly used to include all economic activities legal or illegal carried out in wartime. In this study war economy refers to all economic activities

carried out during the Somali conflict and which enabled different groups to wage war, profit from war, cope or survive in Somalia.

### **Combat Economy**

The combat economy includes the production, mobilization and allocation of economic resources to a sustained conflict and economic strategies of war aimed at the deliberate disempowerment of specific groups in Somalia.

### **Shadow Economy**

In this study, the term “black” or “illicit” economies refer to situations where actors in Somalia conflict profited from the conflict.

### **Coping Economy**

The term coping economy refers to population groups that are coping (that is, using their asset-base non-derisively) or surviving (i.e. using their asset based erosively). In this study coping economy refers to groups who were coping or surviving the Somali conflict by influencing the changing political regimes in Somalia.

## CHAPTER TWO

### INHERENT SECURITY THREATS OF THE SOMALI WAR ECONOMY

#### 2.1 Introduction

The term “war economy” is commonly used to include all economic activities legal or illegal carried out in wartime. Broadly there can be identified three types of economies - the combat, shadow and coping economies-that enable different groups to wage war, profit from war, cope or survive. Each has its own dynamic and patterns of change.<sup>60</sup>

War economies involve the destruction or circumvention of the formal economy and the growth of informal and black markets, effectively blurring the lines between the formal, informal, and criminal sectors and activities; Pillage, predation, extortion, and deliberate violence against civilians is used by combatants to acquire control over lucrative assets, capture trade networks and diaspora remittances, and exploit labour; War economies are highly decentralized and privatized, both in the means of coercion and in the means of production and exchange: combatants increasingly rely on the licit or illicit exploitation of trade in lucrative natural resources where these assets obtain. They thrive on cross-border trading networks, regional kin and ethnic groups, arms traffickers and mercenaries, as well as legally operating commercial entities, each of which may have a vested interest in the continuation of conflict and instability.<sup>61</sup>

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<sup>60</sup> Le Billion Philippe (2001) *The Political economy of War: An Annotated Bibliography* (London, HPG).

<sup>61</sup> Ibid

Since the late 1990s, Somalia has been characterized by the bifurcation of its territory into relatively stable and secure regions governed by responsible authorities in the north, and the protracted violence and absence of effective governance in the south.

## **2.2 The War/Combat Economy in Somalia**

The preceding section discusses the war/combat economy that characterizes it in Somalia. Of special reference will be dispossession of lands, qat trade and its control by warlords, piracy and the trade in arms.

### **2.2.1 Dispossession of Lands**

One of the main issues Somali people had to face was the problem of land. The access to land was the prerogative of militias. “In the past, land was seized with the pen, today, land is seized by gun” said a woman interviewed in a report from the Earth Institute of the Columbia University.<sup>62</sup>

Land dispossession was one of the many factors that prevent the civilians from enjoying the potential benefits of their resources. Indeed, Somali people relied a lot on livestock exports. From 1998, the situation got even worse. The boycott from most of Somalia’s trading partners (Yemen, United Arab Emirates) because of the supposed contamination of the meat actually compelled the existing pastoralists to find new alternatives. But, not only did warlords control the land, they also set up taxation systems and got control over

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<sup>62</sup>Stefan Mair “Terrorism and Africa” in *African Security Review* Vol. 12, No. I. 2003.

the main transportation arteries, so as to generate income to finance the war.<sup>63</sup> In the early 90's, the main sectors of Somali economy actually suffered from this prerogative of force.<sup>64</sup>

### **2.2.2 Qat Trade and its Control by Warlords**

Another specific example of the link between business and conflict in Somalia is Qat trade. Qat trade is one of the most relevant examples, when analyzing the war economy as a pillar of the conflict. Qat is a plant inducing euphoria and stimulation, and its trade has been developing a lot since the beginning of the conflict for two reasons.<sup>65</sup>

Firstly, Qat is a means to have a control on the population by the militias. Qat consumption has a double purpose. On one hand, Qat is consumed by militias to help them reduce their fatigue and fear of fighting. This helps them to kill without feeling remorse. On the other hand, male civilians, that is, people who do not fight, consume it so as to remain calm and face the horrors of the war.<sup>66</sup> Because of this trade warlords benefit from revenues both from their own militias, but also from the civilians themselves. Qat consumption is then a vicious circle, and it is really hard to escape from it. Though

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<sup>63</sup>United States Institute of Peace *Terrorism in the Horn of Africa* (Washington DC 2004).

<sup>64</sup> Ibid.

<sup>65</sup>Africa Watch Committee (1990). *Somalia: A Government at War with its Own People*. New York: Africa Watch Committee. Ahmed, Ismail (2000). "Remittances and their Economic Impact in Post-War Somaliland." *Disasters*, 24: 380-389.

<sup>66</sup>Cyne, Christopher (2006). "Reconstructing Weak and Failed States: Foreign Intervention and the Nirana Fallacy." Mimeo.

women do not consume it, they also take part in that trade, and are in charge of selling it on the market.<sup>67</sup>

Indeed, Qat trade was (and still is) an incredible source of revenue for warlords. Although Qat is imported from Kenya, it is estimated that each aircraft coming inside the country generates around \$170 000 shared between warlords and air carriers. Around 6 aircrafts are scheduled each day around the country to supply the population.<sup>68</sup>

Selling Qat is a way for warlords to finance the buying of weapons. Qat trade has been tremendously developing after the collapse of the state, and along with Qat, these aircrafts are sometimes used to inject arms inside the country.<sup>69</sup>

### **2.2.3 Piracy**

The pirates of the Horn of Africa are mainly in the trade for the huge ransoms that they get in exchange for release of crew taken hostage. Following the ousting of the Somali dictator, SiadBarre, Somalia was thrown into a complex conflict of rivalries between warring factions. The post 1991 Somali state has remained without any central government that led to a general collapse of all semblance of institutions and government.<sup>70</sup>

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<sup>67</sup> Benson. Bruce (1990). *The Enterprise of Law: Justice Without the State*. CA: Pacific Research Institute.

<sup>68</sup> Benson. Bruce (1991). "Law and Order Without State Coercion," in Cento Veljanovski. ed.. *Regulation. Regulators and the Market*. London: IEA.

<sup>69</sup> Little. Peter (2001). "The Global Dimension of Cross-Border Trade in the Somalia Borderlands."

<sup>70</sup> Cockburn Andrew "Somalia A failed state" *National Geographic* (July 2002)



The sea much like the land area was left unguarded and the international illegal companies took advantage of the situation to plunder the Somali waters of all their resources. Unfortunately, international toxic waste handling companies turned Somalia waters into a dumping site for at times even radioactive material. This angered the local fishermen and they started attacks to protect their heritage.<sup>71</sup> The problem escalated from that of safeguarding their resources to some factions appointing themselves marine guards who would be the ‘Somali marine government.’ With the help of local warlords, they armed themselves and engaged in attacking ships and holding the crew hostage awaiting ransom payment. These resources would further finance more high tech pirate attacks plus would also be used to exert their presence on the land.<sup>72</sup>

Piracy in Somalia is deeply rooted in a number of socio-economic factors, predominantly poverty, hunger and civil insecurity of the coastal population. Puntland is the epicenter of piracy. This is due in no small part to the fact that vessels can be identified and targeted much more easily as they travel through the Gulf of Aden. Several groups of pirates currently operate in Somali waters, according to reports from the United Nations Secretary General and an experts group convened by the Secretary General’s Special Representative for Somalia in November 2008. Organized predominantly along clan lines and based in distinct, remote port towns, the groups have varying capabilities and patterns of operation, making generalized responses more difficult.<sup>73</sup>

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<sup>71</sup>KhalifAbdulkadir “How illegal fishing Feeds *Piracy*” *Somaliland Times* Issue 200

<sup>72</sup>Mohamed BSc, MSc. AbdullahiElmi “Causes and Effects of Deforestation and Hazardous Waste Dumping in Somalia.” Somali Centre for Water and environment

<sup>73</sup> Maritime Piracy and anti-piracy measures by: Hermann, Wilfried. Naval forces, 2004 Volume 25 issue Ikken, MassipFarid (July 1 2009) New African Publication, soma

Pirates say ransom money is paid in large denomination US dollar bills. It is delivered to them in burlap sacks which are either dropped from helicopters or cased in waterproof suitcases loaded onto tiny skiffs. Ransom money has also been delivered to pirates via parachute, as happened in January 2009 when an orange container with \$3 million cash inside it was dropped onto the deck of the supertanker MV Sirius Star to secure the release of the ship and crew. To authenticate the banknotes, pirates use currency-counting machines, the same technology used at foreign exchange bureaus worldwide. Somali pirates allegedly get help from the Somali Diaspora.<sup>74</sup>The Somali piracy has been a security threat to Kenya as many Kenya bound ships have been hijacked in the high seas reducing the number of cargo and tourist ships docking in the port of Mombasa.

#### **2.2.4 Trade in Arms**

The arms traders, play a major role in Somali's conflict. Firstly, during the Cold War, the two superpowers sold a large number of light weapons to Africa, which have been served in many conflicts all around the continent. Somalia was not an exception and indeed absorbed such influxes of arms.<sup>75</sup>In January 1992, the UN Security Council agreed on a resolution, imposing an embargo on the trade of arms in and outside Somalia. Unfortunately, the will of the United Nations was not sufficient, precisely because Somalia did not have a State, and no control could be achieved on the weapon trade.

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<sup>74</sup> Rice Xan: Glendinning Lee. (2009). ' Prate anchor hijacked supertanker off Somalia Coast. London. Guardian

<sup>75</sup>Gebrekal, M. (2002)*The Horn of Africa: The Changing Nature of Security in the Aftermath of the Cold War* (PHD thesis, University of London).

Weapons were still pouring in the country mostly from countries like Ethiopia, Yemen, Eritrea, and UEA.<sup>76</sup>

There are different reasons why these countries sell weapons to Somalia. Main reason being that there is high demand for arms in Somalia; therefore, Somalia represents a very interesting and lucrative outlet. Some of these countries had interest in the conflict and wanted to support Islamist groups in Somalia. The United States was also unofficially accused of selling weapon to Somali people in exchange for information about Al-Qaida.<sup>77</sup> In this context, it is really easy to find weapons in Somalia. Light weapons are especially popular on markets because they are handy and easily transportable. Weapons can be sold to anyone, even to children, which encouraged violence at an early stage. Through these different aspects of the war in Somalia, one already gets clues about the economic sources of the conflict. There are two types of factors that have fuelled the conflict and still continue to do so.<sup>78</sup>

Internal factors such as warlords' domination upon infrastructures (roads, harbors, airports) which enable them to apply a system of taxation. There also external factors such as the input of arms, the Qat trade, or the competition over resources. Most of all, the traditional economy of Somalia has been devastated by these factors. However, the development of other sectors might carry Somalia out of poverty. Indeed, carjacking, looting, and after, systemic instability, has had too many bad effects on the Somali

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<sup>76</sup>Little, Peter, 2003. *Somalia: Economy without State*. Oxford: James Curry.

<sup>77</sup> Schneider, Friedrich with dominikEnste. 2002. *Hiding in the Shadows: the Growth of the Underground Economy, Economic Issues* 30, Washington DC: International Monetary Fund.

<sup>78</sup>UN development Program (UNDP). 1998. *Human Development Report Somalia*. Nairobi: UNDP.

economy.<sup>79</sup> The presence of light weapons in Somalia frequently finds their way into Kenya due to the porous border between the two countries. They also come through refugee flows. These weapons have been used in the Marsabit, Baragoi and Tana River conflicts.

### **2.2.5 The Coping Economy in Somalia**

Contrary to much of what is written in the popular press, the prolonged collapse of central government has not led to complete anarchy. Important changes have occurred since the early 1990s in the nature of armed conflict, governance and lawlessness rendering the country less anarchic than before.<sup>80</sup> Contemporary Somalia is without government but not without governance. Armed conflict is now more localized, less lethal, and of much shorter duration. Criminality, though still a serious problem, is much better contained than in the early 1990s, when egregious crimes could be committed with impunity.<sup>81</sup>

A variety of local forms of governance have emerged to provide Somali communities with at least minimal levels of public order. Informal rule of law has emerged via local sharia courts, neighborhood watch groups, the reassertion of customary law and blood compensation payments and the robust growth of private security forces protecting

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<sup>79</sup> Easterly, William and Ross Levine. 1997. "Africa's Growth Tragedy: Policies and ethnic divisions." *Quarterly Journal of Economics* 112 (4): 1203-1250.

<sup>80</sup> Collier, Pal. 1999. "ON the economic Consequences of Civil War." *Oxford Economic Paper* 51(1): 168-183.

<sup>81</sup> Fischer, Stanley. 1993. "The Role of Macroeconomic Factors in growth." *Journal of Monetary economics* 32 (3): 485-512.

business assets. More formal administrative structures have been established at the municipal, regional and trans-regional levels as well.<sup>82</sup> Somaliland in the north is by far the most developed of these polities, and has made important gains since the late 1990s in consolidating rule of law, multi-party democracy, functional ministries and public security.<sup>83</sup>

Other sub-state administrations have tended to be vulnerable to spoilers and internal division or have had only a weak capacity to project authority and deliver core services. Collectively, these informal and formal systems of governance fall well short of delivering the basic public security and services expected of a central government, but they provide a certain level of predictability and security to local communities.<sup>84</sup>

Despite the lack of effective national governance, Somalia has maintained a healthy informal economy, largely based on livestock, remittance/money transfer companies, and telecommunications. Agriculture is the most important sector with livestock normally accounting for about 40% of GDP and more than 50% of export earnings. Nomads and semi pastoralists, who are dependent upon livestock for their livelihood, make up a large portion of the population. Livestock, hides, fish, charcoal, and bananas are Somalia's principal exports, while sugar, sorghum, corn, qat, and machined goods are the principal imports.<sup>85</sup> Worse still, Somalia's small industrial sector, based on the processing of

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<sup>82</sup>Gurr, Ted and Barbara Harff. 1997. "Internal wars and failures of Governance, 1954-1996." Technical report, state Failure Task Force.

<sup>83</sup>Small, Melvin and J. David Singer. 1996. "Correlates of war project; International and Civil war Data: 1816-1992." "technical report, Inter-University consortium for Political and Social research.

<sup>84</sup> Ibid

<sup>85</sup>Menkhaus, Ken (1998). "Somalia: Political order in a stateless Society." *Current History*, 97: 32 220-224

agricultural products, has largely been looted and the machinery sold as scrap metal. Somalia's service sector also has grown. Telecommunication firms provide wireless services in most major cities and offer the lowest international call rates on the continent.<sup>86</sup>

In the absence of a formal banking sector, money transfer/remittance services have sprouted throughout the country, handling up to \$1.6 billion in remittances annually. Mogadishu's main market offers a variety of goods from food to the newest electronic gadgets. Hotels continue to operate and are supported with private-security militias.<sup>87</sup> Much of these economic activities are illegal and have established agents in many parts of Kenya. This facilitates influx of cheap goods in Kenya affecting other legal businesses in the country.

### **2.2.6 The Private Economy: A Service-Based Economy**

Around 1995, a private sector in Somalia started to rise, and to gain power, whereas the industry and agriculture was weakened by ongoing looting.<sup>88</sup> The private sector was another way for the development of Somalia. Businessmen in these sectors indeed started to become more powerful than traditional warlords. Little by little, these types of businessmen realized that war was not as beneficial as before. A need for stability emerged changing the economic interests throughout the years.<sup>89</sup>

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<sup>86</sup>Prendergast, John (1997). *Crisis Response: Humanitarian Band-Aids in Sudan and Somalia*. London: Pluto Press.

<sup>87</sup>UNDP (2001). *Human Development Report 2001-Somalia*. New York: UNDP.

<sup>88</sup> Ibid

<sup>89</sup> Ibid

According to the report “Warlords and Landlords: Non-state Actors and Humanitarian norms in Somalia” from Ken Menkhaus, there has been a gradual shift from the war economy of the 1990’s to a quasi-legitimate trade (import/export, telecommunication, transports...) since the beginning of the 2000’s. Service sectors in Somalia are now more developed than in other countries, though Somalia remains one of the poorest countries in Africa.<sup>90</sup>

According to the World Bank, the development of such private sector should play a major role in the conflict de-escalation, and should encourage clans to cooperate with each other. In the absence of a government, the Somali private sector has indeed been very inventive in regulating and stabilizing its transactions - for instance by using foreign jurisdictions or institutions. In those domains where transactions are rather simple-such as the construction or retail industry - competition is vivid and market forces therefore regulate the prices.<sup>91</sup> In more complex domains, private enterprises have acquired three methods in order to compensate for the lack of effective government regulation. The first one is to ‘import governance’ by relying on foreign institutions. This has been the case for areas such as airline safety, currency stability and company law.<sup>92</sup> Furthermore, the private sector has been using networks of trust, notably clans, in order to help them with contract enforcement, payment, and transmission of funds. Finally, businesses have worked towards simplifying basic transactions so that they can be carried out without any

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<sup>90</sup>WHO (2004).WHO Somalia Annual Report 2003. Somalia: WHO.

<sup>91</sup>World Bank (2005).*World Development Indicators*. Washington. D.C.: World Bank.

<sup>92</sup>IRIN (January 16. 2006). “Somalia: Year in Review 2005: Still Waiting for Change.” <http://www.irinnews.org/report.asp?ReportID=51137&SelectRegion=Horn of Africa &Select country=SOMALIA>

help from outside.<sup>93</sup> Unfortunately, due to the large numbers of Somali community in Kenya, this unregulated trade penetrates the North Eastern region of Kenya, denying the Kenya Revenue Authority income in terms of taxes.

### **2.2.7 The Aviation Sector**

Currently, Somalia has 67 airports, but only seven of them have paved runways. Somalia's major airport is the international airport of Mogadishu. Until 1992, Somali Airlines held the monopoly in the aviation industry, offering just one international destination using its one aircraft. It used to be the country's national airline which had been founded in 1964. Civil war led to the cessation of all flights and it has been defunct ever since.<sup>94</sup> Nowadays, 15 companies are operating in Somalia, accounting for more than 60 aircrafts offering six international destinations. There is desperate need to get air transportation services to Somalia. This obvious demand comes from both the Somali diaspora who want to have access to its country and Somalia's society which needs aviation for pilgrimage to Mecca. This need has encouraged the foundation of private airlines.<sup>95</sup>

Juba Airways for instance is one of the biggest airlines in Somalia. It was founded in 1998 and replaces former national Somali Airlines. It was the first company to offer direct flights to the United Arab Emirates (Dubai, Sharjah) and to Jeddah, which is the

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<sup>93</sup>Hashim.Alice (1997).*The Fallen State: Dissonance, Dictatorship and Death in Somalia*. Lanham: University

<sup>94</sup>Menkhaus, Ken (2004). *Somalia: State Collapse and the Threat of Global Terrorism*. New York: Oxford University Press.

<sup>95</sup>Little.Peter (2003).*Somalia: Economic Without State*. Bloomington: Indiana University Press.



principal gateway for Mecca.<sup>96</sup> It is also the only airline based in Mogadishu. Damal Airline and Inter-Somalia are both based in Dubai. Those companies operate basically with leased Russian aircrafts, offer both passenger and cargos flights, and have agencies all over the world, which helps the large Diaspora and also multinational companies, private entities and governmental agencies to travel to Somalia.<sup>97</sup> But, it is not proven that the development of the airlines sector really covers an essential need, even if it has helped the Muslim population to live their faith. It might have also served the increase of business activities and the enrichment of businessmen.<sup>98</sup> With easy air transport Somalia has become a centre of contraband goods and international criminals who get easy access to the Kenyan territory either through sea, air or land.

### **2.2.8 The Telecommunication Sector**

Coming to telecommunication, Somalia enjoys extraordinary wireless services in most major cities. There is a vivid competition in the telecommunication sector which makes that firms offer the lowest international call rates on the continent.<sup>99</sup>

The Somali Telecom Group is the biggest operator and calls itself “Somalia’s first regional developer.” The group was founded in 1997 by the Somali entrepreneur Abdirazak Osman, together with American businessmen and in partnership with local actors. It is a shining example for those who have taken full advantage from the lack of

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<sup>96</sup>Nenova.Tatiana (2004) Private sector response to the absence of government institutions in Somalia.’ Washington. D.C.: The World Bank.

<sup>97</sup> Ibid

<sup>98</sup> Ibid

<sup>99</sup> Mubarak. Jamil (1996). From Bad Policy to Chaos: How an Economy Fell Apart. Westport: Praeger.

government in Somalia.<sup>100</sup> According to Osman, “the collapse of the government encourages business { . . . } it is better without government [...]. Before, public monopolies, bureaucracy and corruption were prevailing, and wealth could only be created in Mogadishu.”<sup>101</sup> It is true that telecommunication boosts economic activities, but the most important task telecommunication companies fulfill is that of social cohesion. The development of uncontrolled and unregulated telecommunication sectors promotes cyber crime in Somalia which also penetrates to many regions in Kenya.

### **2.2.9 The Remittance Sector**

Last but not least, the remittance sector, too, has emerged and become one of the most important economic sectors in present Somalia. There has been a boom of money transfer companies, which is due to the absence of a formal banking system in the country. The most important one is Dahabshiil Financial Services Inc. with its 400 agencies in 34 countries all over the world. Amal Express, Al-Mustagbal Express, Dalsan Trading and ‘lowfiq also belong to the well-known money transfer companies. Apart from Dahabshiil Financial Services Inc. which is based in Somali-land, the others are all based in Dubai.<sup>102</sup>

This sector has a huge and incomparable economic impact, with a cash flow of about 1-1.5 billion \$US per year, coming from the Somali Diaspora. The system simplifies trade between Somalia and the rest of the world and helps Somali families to survive.

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<sup>100</sup>Reporters SansFrontieres (2003).*Freedom of the Press Throughout the World: 2003 Africa Annual Report*. [http://www.rsf.org/article.php3?id\\_article=6451](http://www.rsf.org/article.php3?id_article=6451)

<sup>101</sup>42 Reporters SansFrontieres (2003).*Freedom of the Press Throughout the World: 2003 Africa Annual Report*. [http://www.rsf.org/ar\\_iiclc.php3?id\\_article=6451](http://www.rsf.org/ar_iiclc.php3?id_article=6451)

<sup>102</sup>*The Economist* (December 20, 2005). “Somalia Calling: An Unlikely Success Story.”

According to a recent UNDP survey, more than 25% of the Somali families receive such payments and depend on them for their livelihood. Of course, the question of the use of those funds comes up.<sup>103</sup> Officially, they are used for all kinds of necessities, such as buying food, clothing, for small investments like purchasing land parcels or a house, creating small businesses. But as it is an informal sector, those are just estimates. In particular since 9/11 and in the context of terrorism, there are increasingly concerns about the use and potential misuse of those funds.<sup>104</sup>

The easy access to financial remittances in Somalia here helped to finance terrorists who access foreign currency in Somalia and use this money to recruit Al-Shabaab sympathizers in Kenya.

### **2.2.10 Trade in Charcoal**

Trade in charcoal began in 1997, when it was seen lucrative to make profit out of mining.<sup>105</sup> Charcoal exploitation, has been made possible because of the cutting of acacia forests in the south of Somalia, causing heavy environmental damages, exploiters of charcoal could actually make profit out of mines, and could sell it at a reasonable price for exports. The main issue is that charcoal has to be transported to the main harbours, in order for it to be exported to countries like United Arab Emirates or Saudi Arabia.<sup>106</sup>

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<sup>103</sup>Demsetz. Harold (1969).“Information and Efficiency: Another Viewpoint.’ *Journal of Lao’ and Economics*.10: 1-21.

<sup>104</sup>Nenoa.Tatiana and Tim Harford (2004). “Anarchy and Invention: How Does Somalia Cope without Government?” *Public Policy for the Private Sector*. Washington. DC: The World Bank.

<sup>105</sup>UNICEF (2005a). “Education.” <http://www.unicef.org/somalia/SOMEducationFN L.pdf>

<sup>106</sup> Ibid

Unfortunately most of warlords and clans exert power over the commercial arteries in the country. The transport is really expensive to trade any kind of goods to other markets. Indeed, warlords apply taxes on the transportation, therefore reducing the margin producers can make.<sup>107</sup> Other costs such as the payment of a middleman (intermediary) or clan based taxes (when goods are transported on clan territories) also increase the cost of the transportation. The money collected by warlords will be used again to buy weapons.<sup>108</sup> The charcoal money has been used to finance criminal activities targeted on Kenyadue to business links in Eastleigh.

### **2.2.11 The Banana Sector**

Another example would be the one from banana trade. In this case, there are disputes between two major companies, an Italian company De Nadai and an American company Dole, on the exploitation of banana fields in the South of Somalia. Both have Somali subsidiaries, and a hard competition began between both companies.<sup>109</sup>

Systems of alliances and the building up of militias for both parts escalated the conflict. Indeed, warlords and local clans could provide for the security of the activities for both companies, but in exchange for money.<sup>110</sup> Besides, on the same basis of charcoal exploitation, banana movements were submitted to taxations from the fields to the

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<sup>107</sup>Samatar, Abdi (1987). "Merchant Capital. International Livestock Trade and Pastoral Development in Somalia." *Canadian Journal of African Studies*. 21: 355-374.

<sup>108</sup>50 Menkhaus, Ken and Kathryn Craven (1996). Land Alienation and the Imposition of State Farms in the Lower Jubba Valle." in Catherine Besteman and Lee Cassanelli, eds., *The Struggle for Land in Southern Somalia: The War Behind the War*. Boulder: Westview Press.

<sup>109</sup> World Bank and UNDP (2003). *Socio-Economic Survey 2002-Somalia*. Washington, D.C./New York: UNDP  
And World Bank.

<sup>110</sup>U.S. Library of Congress (2006). Country Studies: Somalia. <http://countrystudies.us> Somalia

harbours. The money therefore raised could serve the increasing power of warlords instead of serving the populations interests and to promote better conditions for everyone.<sup>111</sup> Through these examples, it is clear that Somali traditional sectors could have served the development of the country, in the sense of human development, because the revenues could have been used to fund health and educational infrastructures.<sup>112</sup> The same argument can be applied to other examples such as the maritime business (piracy, fishing licenses granted to foreign fishermen, and protection of illegal fishermen in exchange for security, control over the goods in harbours), or the remittances business (Diaspora money used to fund clan based conflicts or militia). All of these sources of revenue have been constantly diverted by warlords to finance the war,<sup>113</sup> but with security implications on the Kenyan territory.

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<sup>111</sup>TayeAssefa.SeverineRugumamu and Abdel GhafYar Mohamed Ahmed.ed.s..*Globalization, Democracy and Development in Africa: Challenges and Prospects*. Addis Ababa: OSSREA.

<sup>112</sup> Mubarak, Jamil (1997). "The Hidden Hand Behind the Resilience of the Stateless Economy in Somalia." *World Development*. 25: 2027-204 1.

<sup>113</sup>UNICEF (2005). "Communities Unite Around Education in Somalia."

## CHAPTER THREE

### KENYA-SOMALIA SECURITY RELATIONS

#### 3.1 The concept of security

Before delving into Kenya-Somali relations it is important to understand the concept of security. According to Williams (2008) the concept of security is linked to the eradication of threats that prevent one from enjoying their treasured times and if these threats are not contained they can threaten the existence of a person's life. Ken Booth (2007) views security as 'survival plus' where the plus denotes freedom from threats and gives life choices.

There are two philosophies of security. The first is where security is similar to the increase of power, meaning people must own certain items like property, money, weapons among other things. Here power acts as a way to security meaning the more power one has the more security he or she will have. The second philosophy of security challenges the link of security to power. According to this view security is linked to human rights and the dispensation of justice. Here it is a relationship between different people and not just an object which can be viewed in a negative light or a positive light.

The second philosophy illustrates to us that security is not about exercising power over others, but cooperating with others to achieve security without denying it to others. According to Palme (1982) security is all about joint venture rather than threats and destruction, one that takes into account seriously issues to do with human rights and justice. But, the question is whose security? Is it the states or the people? After the Cold

War it was the states. Why? This is because the states were under threat after the Cold War. However, some analysts differ with this line of thought and state that it is the people's security which now matters most. Booth (1991) and McSweeney (1999) further go on to say that human security does not have to do with weapons, but with human dignity such as prevention of diseases, democracy, hunger, human safety and environmental protection. However, according to Shaw (1994), to be a complete human means one has to belong to a particular social group. This is because security must also focus on the concept of society as the most important referent object. Another line of thought views the different levels of analysis starting from the lowest to the highest as security that should be looked at. This is because of the inevitable anxiety and relationships that exists in the different levels of analysis.

The last view is environment. According to Hughes (2006) it is the security of the environment that should be viewed as paramount. This is because humans are dependent on nature and are part and parcel of it. Without an environment that is fit for human habitation then the above views of security are subject to discussion.

From the above analysis, it can be concluded that security is a social construction which means that important conceptions of threats to national security actually come into being in different context. Security it's also a contested concept as actors compete to define the identity and values of a particular group in order to provide a foundation for political action. It is also important to note how identity and norms are central to the theory and

practice of security as they do provide the limits for feasible and legitimate political action.

### **3.2 Security Issues between the Two Countries**

The border between Kenya and Somali has long been contested. When Somalia gained independence, the issue of the status of other Somali-inhabited regions was raised. When Kenya was about to gain its independence, the majority of Kenyan Somalis favored joining Somalia, but the Regional Boundaries Commission recommended that the predominantly Somali-inhabited areas remain in Kenya and constitute into a separate North Eastern Province.<sup>114</sup> From this development, Kenyan Somalis were unable to seceded peacefully and therefore launched an insurgency with the support of Somalia. This would be labeled as the Shifta war of 1963-1967. The official account portrayed it was a struggle between treacherous *Shifta* (bandits) backed by Somalia and a new nation striving to create a democratic, just and multi-ethnic society; while Mogadishu portrayed it as a struggle by an oppressed people to regain freedom and rejoin *Somaliweyn* (Greater Somalia). This struggle would later be ended by military means and brutal oppression.<sup>115</sup>

As far as the countries are concerned, these underlying issues were not properly addressed but left to build up without dialogue and reconciliation. This would cause the remnants of the rebellion to regroup and create gangs that started to engage in highway banditry, wildlife poaching and cattle rustling. This led to Kenyan government imposing emergency laws which were not lifted until 1991. From these resulting developments, the

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<sup>114</sup> David D Laitin, *Politics, Language, and Thought: The Somali Experience* (Chicago, 1997) p.75

<sup>115</sup> Kenya: "Wagalla Massacre Survivors Testify," BBC, 18 April 2011



North Eastern Province which was sparsely populated and with no proven resource potential became largely ignored and neglected by the government. This is one of the key reasons for the presence of the porous border between Kenya and Somalia.

Unlike other regional powers like Ethiopia and Uganda, Kenya's preoccupation with Somalia's stability has not led it to align itself with any group in Somalia, repeatedly refusing to take sides in the confrontation between Ethiopia and supporters of the Transitional Federal Government. Prior to the incursion, Kenya had chosen to diplomatically pursue the prospects of peace in Somalia within Intergovernmental Authority on Development (IGAD).

### **3.3 The Presence of Somalia as a Failed State**

According to constructivists, a broad definition of security tells us little about who to protect, what the core values to protect are, where threats to those values may come from, and how the preservation or advancement of these values might be achieved. They contend that the answers to these questions are different in different contexts and develop through social interaction between actors. Therefore the answers to these questions are articulated and negotiated in a particular social and historical context through social interaction in order to bring security into being. Therefore it is important to analyze the presence of Somalia as a failed state and through social interactions.

The overthrow of President Mohammed Siad Barre in a civil war in 1991 ended the threat of state-sponsored rebellion to Kenya. However, Somalia groups that still harbor Pan-

Somali sentiments such as Al-Ittihaad Al-Islami (AIAI) and Islamic Courts Union (ICU) do mobilize recruits and resources on the basis of uniting Greater Somalia have become regional security threats. Security problems in Somalia emanated from the presence of competing clans which made things even worse as weapons that were supplied to Siad Barre's government by the Soviets and Americans during the cold war ended up in the clans' possession. The country often devolved into a patchwork of armed clans fiefdoms with no central authority. This state of anarchy or of nature which Thomas Hobbes in the *Leviathan* observes that, if there be no power erected or not great enough for our security, every man will and may lawfully rely on his own strength and art for caution against all other men and they endeavor as much as they can to subdue or weaken their neighbors by open force and secret acts.<sup>116</sup> This was followed by a famine which the United Nations Mission was unable to address, leading to the international military intervention by the USA with a narrow intention of facilitating humanitarian relief but in the grander service of a "new world order."<sup>117</sup>

In applying humanitarian mission to apply coercive peace enforcement, the USA angered Somali clan militias. This resulted in the infamous October 1993 "Black Hawk Down" confrontation in which eighteen USA army rangers and hundreds of Somalis died. This disaster led to a hurried American withdrawal, heightened anti-Americanism and strengthened al-Qaeda's links in East Africa with Osama bin Laden an second-in-command Ayman al-Zawahiri casting the USA as "paper tiger" with no staying power.

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<sup>116</sup> Thomas Hobbes, *Leviathan*, part 1, chapter 13

<sup>117</sup> John L Hirsch and Robert Oakley, *Somalia and Operation Restore Hope: Reflections on Peacemaking and Peacekeeping*, Washington, DC: United States Institute of Peace Press, 1995.

In early 1995, the last UN Peace Keeping mission pulled out of Somalia. From then on, Somalia was termed a failed state and international community assumed it to be a land of lawlessness and chronic criminal conflict. This was because there was no recognized central government in place. Recently the international community has renewed its interests in Somali because of terror threats from extremist Islamist groups. Al-Qaeda and other terror groups have used it as a safe haven to recruit and plan terror attacks.

Since 1991 when Dictator Siad Barre was overthrown, fourteen governments have been formed in exile to govern. Somalia has been widely viewed as a potential exporter of Islamic terrorism. This fear has arisen from the fact that Al-Qaeda has fled from their hideouts in Central Asia and the Middle East, and fears of reconstituting their operational base in weak states in the Gulf or Sub-Saharan Africa exists. The other factors are: the presence of homogenous Sunni, Muslim population, absence of state enforcement mechanisms, incrementally rising militant Islamism and proximity to the Persian Gulf.<sup>118</sup>

Radical Islamists in Somalia have been involved in propagating terrorism. The explosives used in December 2002 attack on Israeli tourists in Mombasa Kenya allegedly came from Somalia and the perpetrators of that attack and the attempted shoot-down of an Israeli airliner at Moi International Airport Mombasa, used Somalia as bolt-hole. It is also reported that some Somalis went to Lebanon to help Hezbollah battle Israeli forces in the 2006 'summer war' in exchange for military training.<sup>119</sup>

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<sup>118</sup>Eric Schmitt and David E. Sanger, "Some in Qaeda leave Pakistan for Somalia and Yemen," *New York Times*, 11 June 2009.

<sup>119</sup> Ibid

The presence of Somalia as a failed state which borders Kenya has led to a massive influx of refugees and a significant increase in cross border arms flow leading to the presence of illegal small arms and light weapons in Kenya. The North Eastern Province which is inhabited by ethnic Somalis and historically unstable has been vulnerable to events across the border. Refugees have settled along the frontier as well as in Nairobi, Mombasa and other major urban areas. The refugee camps of Dadaab and Kakuma have been sources of chronic tensions with the host communities, occasionally leading to armed incidents. For example, the Somali-inhabited neighborhood of Eastleigh in Nairobi, was originally an Asian neighborhood of the capital, is now inhabited by ethnic Somalis who are now estimated to be over 100,000.<sup>120</sup> Eastleigh has turned out to be a haven for illicit activities including gun smuggling and money laundering.

According to the United Nations High Commissioner for Refugees (UNHCR), Kenya is home to almost 500,000 refugees from Somalia<sup>121</sup> with Dadaab refugee camp being the largest settlement in Kenya. The government has been uneasy about the growth of the native ethnic Somali population, nearly 2.4 million according to the 2009 census which has culminated to the growing anti-Somali sentiments in the major urban centers. It has been difficult to distinguish between Al-Shabaab members and legitimate refugees entering the country. Al-Shabaab members have been allegedly been entering Kenya in the pretence of being refugees. They then use the refugee camps to recruit, plan and launch attacks on Kenyan towns. Therefore, it has been difficult for Kenyan security officials to screen the refugees entering the country.

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<sup>120</sup> Manuel Herz, "Somali refugees in Eastleigh, Nairobi" at <http://www.roundtable.kein.org>

<sup>121</sup> "2012 UNHCR country operations profile-Kenya," UN High Commissioner for Refugees, at <http://www.unhcr.org> (<http://blogs.lse.ac.ke/africastlse/>), 24 November 2011

Even though the Kenyan government would want to have the refugees return back to Somali, it is important to note that Kenya is a signatory of the UN refugee convention which bars forced return of refugees. As it has been argued, sending the refugees back to Somali would not solve the difficulties that plague Somalia and the conditions that created the refugee situation in the first place.<sup>122</sup> Nevertheless, Kenya still views Somalia as a threat to its national security which it is socially constructed from the above mentioned threats it poses.

Somalia has become a haven for terrorists for the last decade because the absence of the regulatory, legal, physical, intelligence and other infrastructure needed to undertake effective counter-terrorism measures are lacking; the ease with which terrorists can move through unmonitored airports and across unguarded borders and coastlines; and the political and economic disenfranchisement of large segments of the population. This makes Somalia the venue of choice for illicit networks which operate in minerals, arms, narcotics, money laundering or terror attacks. Constructivists argue that state political leaders designate other states as ‘friend’ or ‘enemy’ and do approach them as such on the basis of conceptions and identity.<sup>123</sup>

### **3.4 Kenya and the Problem of Maritime Piracy off the Indian Coast**

Maritime piracy off the Somali coast has been a threat to global, regional, economic strategic and security interests. The 2010 and 2011 statistics showed that the number of

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<sup>122</sup> Kenya, Jubaland, and Somalia’s refugees: no quick fixes,” Africa blog, London School of Economics, <http://blogs.lse.ac.uk/africaatlse/>, 24 November 2011

<sup>123</sup> Ted Hopf, ‘The promise of constructivism in International Relations theory,’ *International Security*, 23 (1) (1998): 171-200.

piracy attacks continued to increase. This made maritime piracy to be termed a transnational threat that is very real and which continues to wreak havoc on the world's shipping industry as well as the global and regional economies.

With Somalia on its border, the threat of piracy on Kenya's national interests had impacts and effects that were felt through the country. This has made Kenya to have vested interests in its neighbor state of affairs. Somalia's failed state for the last two decades has made Nairobi realize that Somalia's stability and security is important for it to realize its national interests.

The effects of maritime piracy on Kenya's economy resulted in construction boom in property causing property prices to rise out of reach of the locals. Figures calculated by Inchcape Shipping Services in 2011 showed that Kenya has been suffering economically as a direct result of maritime piracy. They estimated that the costs to the shipping industry in Kenya alone were between US \$300million and US\$ 400 million a year. The costs of both imports and exports had risen dramatically due to piracy surcharge that had to be added to the shipping tariffs because insurance companies had to inflate their prices to account for the risk attached to traversing pirate-infested waters. For container imports estimated 330 000 (twenty-foot equivalent units) for 2011, an additional US\$ 200-300 had to be added to costs as extra as a piracy surcharge therefore amounting to an extra expense nearing US\$ 100 million. For dry bulk and liquid cargoes, which are anticipated

to average 13 million tons in 2012, the piracy surcharge raises costs by approximately US\$ 260 million. In the case of exports, this runs to US\$ 12.6 million.<sup>124</sup>

Maritime piracy was also negatively linked to the tourism industry and especially the cruise liner business. In 2008, a total thirty five cruise ships called at Kenyan ports with hopes that these numbers might rise to fifty. Since then, the number cruise liners operating in Kenyan waters by 2011 had dwindled to zero. With roughly US\$ 300 000 worth of revenue generated by each call by way of port duties, taxes, immigration, tourist activities and shopping being lost, the Kenyan economy was losing about US\$ 15 million a year.<sup>125</sup>

The above costs were being borne by the local consumer thus worsening the high levels of unemployment and poverty in Kenya. Food prices rose dramatically, with commodities imported being ten per cent more expensive on average than the preceding years. This food price inflation which serves as a source of protein to local communities also was under threat due to piracy.<sup>126</sup> The cost of doing business in Kenya was associated with high risks resulting to reduced inflow of foreign currency as investors sought safer destinations for their capital. Otto observes that although piracy is not the exclusive cause, the reduction of foreign direct investment in the country has tangible ramifications on the economic well-being of Kenya.<sup>127</sup>

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<sup>124</sup> International Maritime Bureau Piracy Reporting Centre Op. cit

<sup>125</sup> Ibid

<sup>126</sup> L Otto, Benefits of buccaneering: The political economy of maritime piracy in Somalia and Kenya, *African Security Review* 20 (4) (2011), 45-50.

<sup>127</sup> L Otto, Benefits of buccaneering: The political economy of maritime piracy in Somalia and Kenya, *African Security Review* Op. cit

According to the Institute of Security Studies, there is evidence to suggest that a substantial portion of the upper echelons of pirate gangs or operations based themselves in Kenya. This has led to an influx of money, often directed at the property market in what has been termed as a bid to launder money. Bowden observes that, “indeed, many pirates are investing in property...in neighboring Kenya, thereby fuelling a construction boom and turning suburbs in Nairobi and Mombasa into Somali havens. These safe havens according to Murphy (2009) have led to further financial ties that have seen some piracy ransoms being negotiated by intermediaries in Mombasa and being paid there too.<sup>128</sup> Maritime piracy emanating from the coast of Somali poses a lot of threat on Kenya’s national interests therefore undermining her national security. Philip Wambua noted, that if Kenya could successfully capture Kismayu, ensure areas that are occupied by Al-Shabaab are taken over by TFG, then maritime piracy may decline in both frequency and magnitude.

From the above national security threats posed by the presence of Somali as a failed state, it can be argued that conceptions of who we are and what we value do encourage particular ways of thinking about where threats to those values and interests come from, what form they might take and how they might be dealt with.

The face of war has changed in the recent past. Countries are no longer going to war with other countries but rather with organized criminals. This is also true for the case of Kenya. All the conflicts that the Kenya Defense Forces have been involved in take the

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<sup>128</sup> M Murphy, *Small boats, weak states, dirty money: piracy and maritime terrorism in the modern world*, London: Hurst, 2009.



form of sub-convectional and low intensity conflicts. Conventional warfare differs qualitatively with sub-convectional warfare. For this reason, any soldier being deployed for sub-convectional task must be fully trained for the same. Kenya is facing serious threats from organized groups that are threatening international security. The major group is the Al Qaeda supported by the Al Shabaab.

There have been extremist groups operating from Somalia which have carried out or facilitated terrorist attacks in the region (Crisis Group Africa, 2012). The first recorded was al-Ittihaad al-Islami (AIAI), a Somali Islamist and nationalist political grouping with some longstanding links to Al-Qaeda that aimed to establish an Islamic emirate in the Somali-inhabited territories of the Horn of Africa (Crisis Group Africa, 2012). Its strategy relied upon regional and wider international networks linked to the Somali Diaspora. Members travelled freely between Kenya and Somalia and elsewhere in the region and built considerable infrastructure for recruitment, fundraising and communication among the Somali populations in Nairobi (especially Eastleigh), Mombasa and North Eastern Province. In the Mid-1990's, it claimed several terrorist attacks in Ethiopia. Following Ethiopian retaliatory raids on its Somali bases in early 1997, however, AIAI's military and political command structure was dismantled, and the movement formally disbanded. Some leaders remained active and may have played a supporting role in the 1998 bombing of the U.S. Nairobi Embassy.<sup>129</sup>

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<sup>129</sup> Crisis Group Report, *Counter-Terrorism in Somalia*, (Brussels:ICR, 2012),1-5

The August 7, 1998 attack, as well as one on the same day against the U.S Dar es Salaam embassy was carried out by Al-Qaeda which is based in Somalia. Its Somalia connections were instrumental in planning and executing the twin attacks, which together killed 225 and wounded over 4,000. Increased international attention led to the capture or killing of a number of the group's leaders, but it remained a serious threat. On 28 December 2002, it attacked the Paradise Hotel, a beachfront lodge in Kikambala, Kenya, owned by Israelis and frequented by Israelis tourists, killing fifteen and injuring about 80.<sup>130</sup>

Uganda has not been spared too. In July 11<sup>th</sup> 2010 Kampala was bombed killing eighty five civilians with dozens injured. This attack was claimed by Al-Shabaab, a successor to AIAI (Crisis Group Africa, 2012). It confirmed longstanding fears that the group could become a regional threat and came after several explicit warnings that it would “bring war to Ugandan and Burundi” in revenge for their troop contributions to AMISOM in support of Somalia's Transitional Federal Government (TFG). Recently, these groups became a regular threat to Kenyans and its visitors. The Kenyan authorities were dismayed in October when two Spanish aid workers were kidnapped from Dadaab refugee complex. First, an incident at a resort in Kiswayu saw a British man shot dead and the wife kidnapped by Al-Shabaab militias. The second incident was in Manda Island where a French pensioner was seized at her home and taken to Somalia after a long hot pursuit with Kenya Navy boats, where she subsequently died. The kidnapper's went on to demand ransom for her body.<sup>131</sup>

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<sup>130</sup>Center for Strategic and International Studies (CSIS), “Kenya's-military-operation-Somalia” Nov 4, 2011, [www.http://csis.org/publication/kenyas-military-operation-somalia](http://csis.org/publication/kenyas-military-operation-somalia). (Accessed Jan 28, 2014)

<sup>131</sup> Crisis Group Report, Counter Terrorism, 6

The spate of insecurity, provocation and breach of Kenya's sovereignty called for the defense team system to activate a full scale military incursion into Somalia; an operation coded "Operation Linda Nchi." The entry to Somalia by Kenya Defense Forces has incapacitated Al-Shabaab source of income and scope of authority hence creating bitterness within the militia's ranks. This has resulted to the group declaring Kenya a battled field. This is well illustrated by a series of attacks targeting majority civilians in Kenya including the September attacks on Westgate shopping centre which is one of the highly guarded public places in the republic.

On July 1<sup>st</sup>, around 105 hours East African Time, gunmen with masked faces attacked Africa Inland Church and the Central Catholic Cathedral simultaneously in Garissa. These attacks were carried out in a town one hundred and forty kilometers away from Kenya-Somali border. These attacks left seventeen innocent Kenyans dead and fifty seriously injured.

On Saturday 21<sup>st</sup> September, at around 12:00 local time, deadly attacks were conducted by the Al-Shabaab militants at the heart of Nairobi.<sup>132</sup> The target was a high profile shopping mall that is frequented by all nationalities. The aim was to create mass death to innocent civilians from different regions of the globe. The attackers were heavily armed and well trained and they held back Special Forces for more than 72 hours. What made hard the efforts to rescue the mall from the hands of the terrorists is the fact that they were hostages in the line of fire. The attackers held hostages to create a shield against

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<sup>132</sup> BBC, "Al-Shabaab denies women involved in Kenya mall attack," News UK. September 24,2013, <http://www.bbc.co.uk/news/uk-24235136>, (Accessed January 4, 2014)

being flashed out. The attacks led to death of over sixty innocent lives and the efforts to subdue the attackers led to the death of six Special Forces soldiers. Terrorism threat is a reality in Kenya and there is need to make sure the security forces are equipped with skills and weaponry to handle sub-convectional combat.

## CHAPTER FOUR

### DATA PRESENTATION AND INTERPRETATIONS

#### 4.1 Introduction

This chapter presents data presentation and interpretations of the implications of Somalia's war Economy on the Kenyan security. The data has been presented using tables and graphs with interpretation provided. Findings from open-ended questions were also presented in prose. In the case of data from the interview guides, content analysis was used to present the findings in a prose form in reflection of the relevant themes depicted from the data collected.

#### 4.2 Demographic data

This section presents data on sex, age, education level, professional affiliations and nationality of the respondents.

##### 4.2.1 Gender

The study sought to establish the sex of the respondents. The findings are shown in table 4.1 below.

**Table 4.1 Gender**

	<b>Frequency</b>	<b>Percent</b>
Male	35	63.9
Female	13	36.1
<b>Total</b>	<b>48</b>	<b>100.0</b>

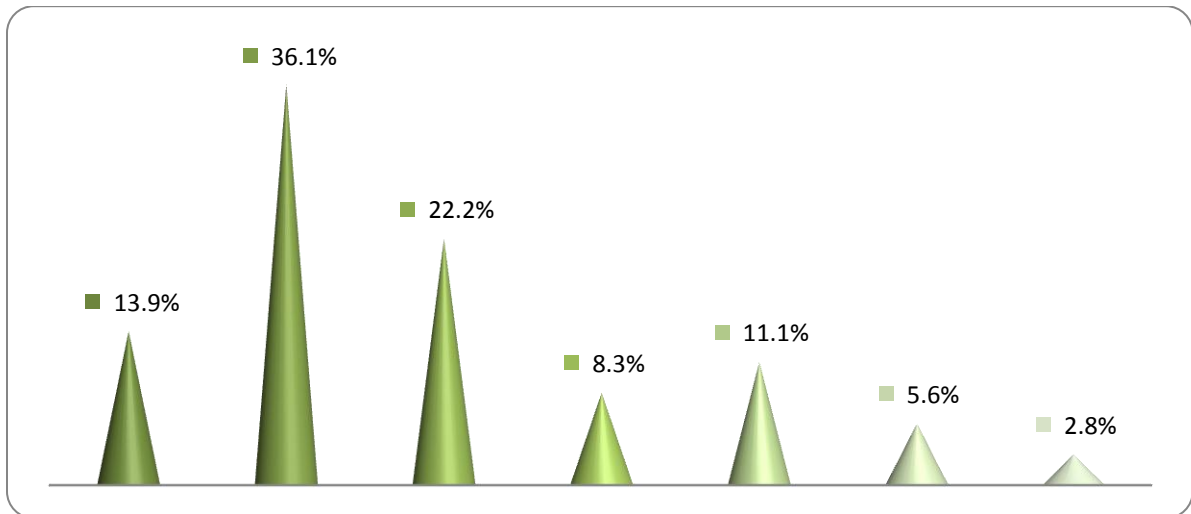
Source: Field data 2014.

From the table above, 63.9% were males while 36.1% were females. These findings indicate that the majority of the respondents were males.

### 4.2.2 Age

The study sought to establish the age of the respondents. The findings are shown in figure 4.1 below.

**Figure 4.1 Age**



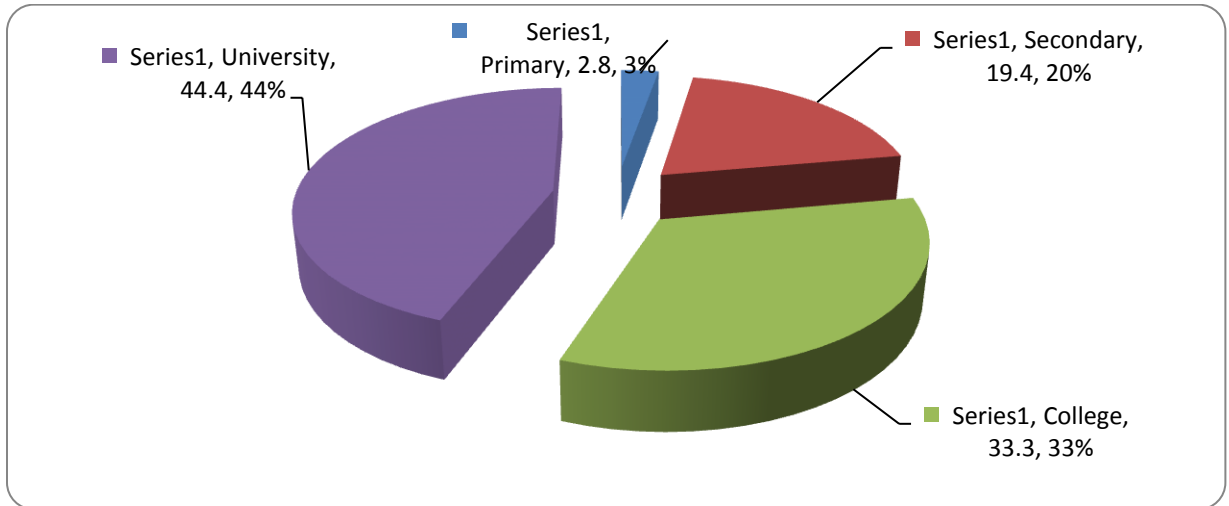
**Source: Field data 2014.**

Figure 4.1 above presents the findings on the distribution of the respondents by their age. From the figure, 36.1% of the respondents were in the age of 31-35 years, 22.2% were of an age of 36-40 years while 11.1% were of an age of 46-50 years. On the other hand, 8.3%, 5.6% and 2.8% were of an age of 41-45 years, 51-55 years and over 60 years respectively. The findings therefore indicate majority of the respondents were in the age of 31-35 years.

### 4.2.3 Education Level

The study sought to establish the Education Level of the respondents. The findings are shown in figure 4.2 below.

**Figure 4.2 Education Level**



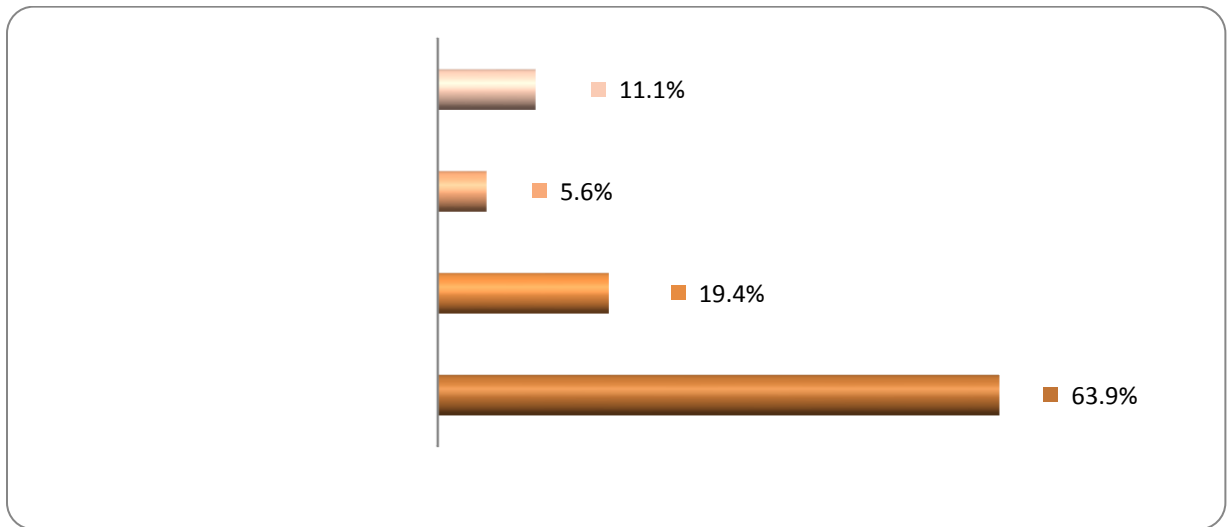
Source: Field data 2014.

From the figure above, most of the respondents (44%) had university degree level of education, 33% had college diplomas, 20% had secondary school education while 3% had primary education. This implies that majority of the respondents had university degree as their highest level of education.

#### **4.2.4 Professional affiliation**

The study sought to establish the professional affiliation of the respondents. The findings are shown in figure 4.3 below.

**Figure 4.3. Professional affiliation**



**Source: Field data 2014**

From the figure above, majority of the respondents (63.9%) were government agencies, 19.4% were security/military agencies, 11.1% were from civil societies while 5.6% were business entrepreneurs. This implies that majority of the respondents in this study were from government agencies.

#### **4.2.5 Nationality**

The study further sought to establish the nationality of the respondents. The findings are shown in table 4.2 below.

**Table 4.2 Nationality**

	<b>Frequency</b>	<b>Percent</b>
Kenyan	34	94.4
Somali	14	5.6
<b>Total</b>	<b>48</b>	<b>100.0</b>

**Source: Field data 2014.**

From the study findings, majority of the respondents in the study (94.4%) were Kenyans while 5.6% were Somalis.



### **4.3 Nature and Effect of Security Threats Inherent in the Somali War Economy**

#### **4.3.1 Economic factors sustaining the Somali conflict**

The study sought to establish the economic factors which have been sustaining the Somali conflict. From the findings of the study, majority of the respondents indicated smuggling of sugar, powder milk, fats etc, piracy, and sale of charcoal especially in Middle East. The Somali nationals living in the diaspora and a relatively strong economy backed by agricultural production for export were seen as the economic factors which have been sustaining the Somali conflict.

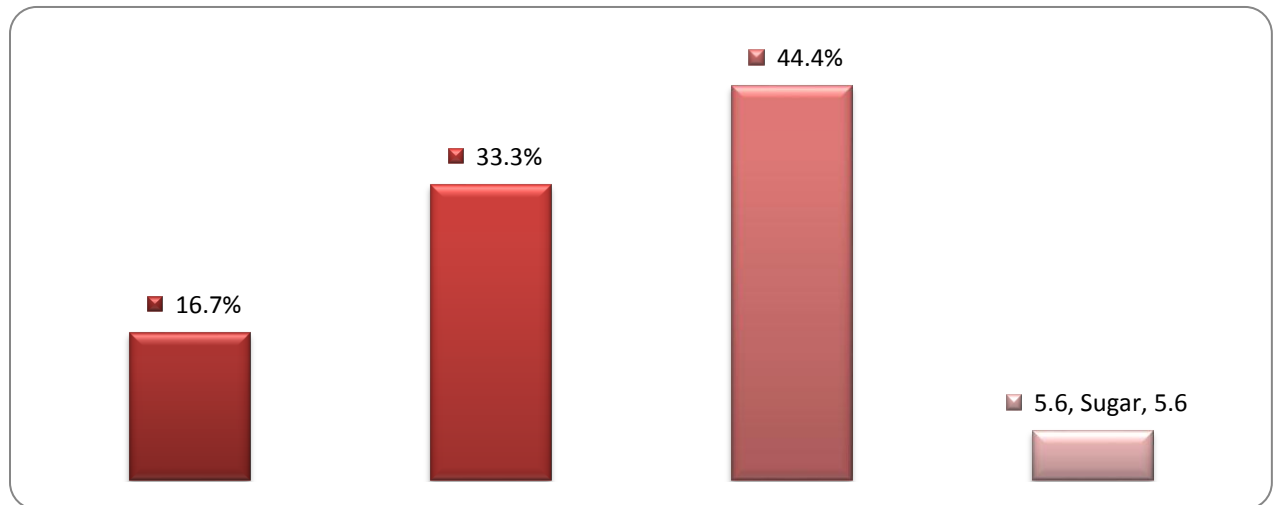
Most of the respondents further indicated trade and import of goods from the port of Kismayu and Mogadishu port; these included: agriculture; charcoal burning; fishing; funding from illegal organizations; small arms and light weapons; kidnapping; correlation between piracy terrorism khat; terrorism and contraband goods as the economic factors which have been sustaining the Somali conflict.

One of the respondents was quoted saying *“The port of Kisimayu has been used by the war lords for so long until recently when the government of Kenya interrupted the Al-Shabaab activities. This has brought so much economic conflict resulting to the militia targeting and killing innocent people in Kenya. The international community should support Kenya to fight the militia so that there can be peace for the prosperity of the two countries”*.

#### **4.3.2 Main Commodities of Trade by Somalia Militia**

The study sought to establish the main commodities of trade by Somalia Militia. The findings are shown in figure 4.4 below.

**Figure 4.4. Main Commodities of Trade by Somalia Militia**



**Source: Field data 2014.**

From the study findings, most of the respondents in the study (44.4%) indicated sugar and related foodstuffs, Miraa (Khat) imports from Kenya; clothes textiles; electronic; illegal taxation; cosmetics; fish and agriculture production like bananas as the main commodities of trade by Somalia militia. 33.3% indicated small armed light weapons, 16.7% indicated charcoal while 5.6% indicated sugar as the main commodities of trade by Somalia militia.

#### **4.3.3 How the warlords have economically benefited from the failure of the Somali state**

The study sought to establish how the warlords have economically benefited from the failure of the Somali state. From the findings of the study, majority of the respondents indicated that the lawlessness anarchy and lack of government structures to contain the warlords has opened avenues for the smuggling of illicit goods and contrabands

including SA&LW to push their agenda and continue the mayhem, looting of property including land control of charcoal, banana trade, diversion of foreign aid, and control of fishing and harbour and controlling of the port as some of the ways in which the warlords have economically benefited from the failure of the Somali state.

Most of the respondents further indicated diversion of food aid for one's own motives, evasion of tax, creation of terrorist cells from which the terrorists control economic activities, using porous border to bring into Kenya contraband goods, destroying property and killing people money laundering and controlling of everything especially bringing into the country contraband goods and the proliferation of small arms and light weapons are some of the ways in which the warlords have economically benefited from the failure of the Somali state.

#### **4.3.4 How the Somali war economy has perpetuated terrorist activities in Kenya**

The study sought to establish how the Somali war economy has perpetuated terrorist activities in Kenya. From the findings of the study, majority of the respondents indicated that the monies raised by the warlords gave them financial muscle to buy and influence the youth in radicalism, jihadism and related crime in Kenya especially due to its porous border as a wider play against the West. Further, the Somali war economy has perpetuated terrorist activities in Kenya due to lack of government control which allows contraband trade into Kenya and the presence of light weapons. Others indicated that money earned from the port and trade is used to finance terrorist activity in Kenya and the region.

Most of the respondents further indicated funding from illegal trade, providing an enabling environment for terrorists to train and hide, money laundering, insecurity situation in Somalia, recruiting of Kenyans on terrorist activities and then sending them to Somalia, tax evasion and extortion of fees as some of the ways in which the Somali war economy has perpetuated terrorist activities in Kenya.

Joseph, one of the respondents was of the opinion that *“One of the key interests of policy makers with regards to failed states is the threat or risk to security it poses to the outside world, especially to Kenya. The chief example for this claim is Afghanistan, which descended into chaos in the 1990s and became a breeding ground for Al Qaeda as it prepared to attack the US. Somalia has seen an increase in the power bases of the jihadist groups, a concern to US officials. The global terrorism seems to profit less from failed states and more from weak ones. An example of such a weak state is Somalia, where some element of the regime is actively assisting the terrorists”*.

#### **4.3.5 How the Somali war economy has perpetuated piracy activities in Kenya**

The study sought to establish how the Somali war economy has perpetuated piracy activities in Kenya. From the findings of the study, majority of the respondents indicated that Kenya and Somali share the Indian Ocean and by virtue of Kenya being a centralized powerhouse, the proceeds from piracy can quickly be converted into investment cash through their Kenyan Somali brothers who blend easily into the country to service a corrupted society that is financially obsessed. In addition, most of the respondents indicated that the sharing of the coast line between Kenya and Somalia allows pirates’

easy access to Kenya; these terrorists also use the money from piracy to invest in real estate in Kenya. Kenya also acts as a safe haven for piracy due to weak pirate laws.

#### **4.3.6 Priority of Commodities of the Somali War Economy**

The asked the respondents to rank the following commodities of the Somali war economy in order of priority. The findings are shown in table 4.4 below.

**Table 4.3 Priority of Commodities of the Somali War Economy**

	<b>Frequency</b>	<b>Percent</b>
Qat trade	33	61.1
Small arms and light weapons	44	94.4
Bananas	27	47.2
Money laundering	36	80.6
Charcoal	37	88.9

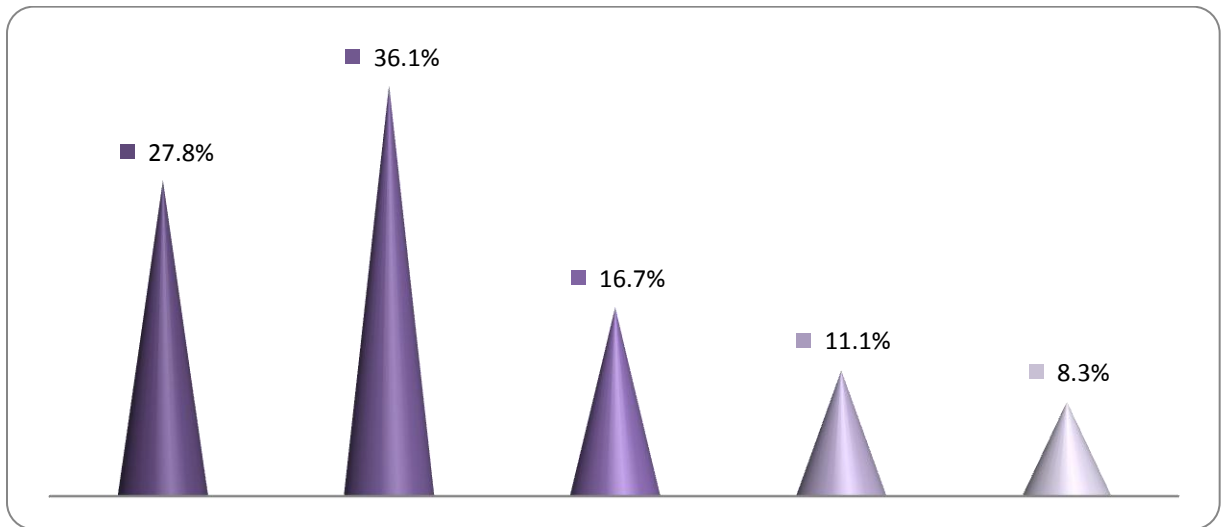
**Source: Field data 2014.**

From the study findings, majority of the respondents (94.4%) highly ranked small arms and light weapons as the commodities of the Somali war economy, 88.9% ranked charcoal, 80.6% ranked money laundering while 61.1% and 47.2% indicated Qat trade and bananas in the order of priorities respectively. This implies that small arms and light weapons were the commodities of the Somali war economy.

#### **4.3.7 Market Centers for the Somali Black Economy**

The study sought to find out the Market Centers for the Somali Black Economy. The findings are shown in figure 4.5 below.

**Figure 4.5 Market Centers for the Somali Black Economy**



Source: Field data 2014.

From the figure above, most of the respondents (36.1%) indicated Kenya as the market centers for the Somali black economy, 27.8% indicated Middle East, and 16.7% indicated Uganda while 11.1% and 8.3% indicated Ethiopia and Somali respectively. This implies that Kenya and Middle East were the market centers for the Somali black economy.

#### **4.4 Kenya – Somali Security Relations**

##### **4.4.1 Factors which make Kenya vulnerable to insecurity in Somalia**

The study also sought to find out the factors which make Kenya vulnerable to insecurity in Somalia. From the study findings, majority of the respondents indicated Kenya's geography and geographical location contribute to making Kenya an attractive terrorist target. Kenya's strategic location also makes it a significant gateway from the Middle East and South Asia to East Africa and the Horn of Africa. It is because of its geographic gateway that Kenya has developed a major seaport at Mombasa, international airports in

Mombasa and Nairobi, and extensive rail, road, and communications infrastructure throughout the country. In addition, Kenya is relatively easy to enter and travel within undetected, because of its porous borders shared with its five neighbors, and its long, largely unmonitored coastline. This combination of infrastructure and porous borders makes Kenya an attractive target and an easy conduit for terrorist-related material, activities, and transit points.

Political instability in the neighboring country of Somalia enables expansion of terrorist interest into Somalia and, thus, into Kenya. For example, Somalia's collapse in 1991 tremendously affected Kenya's security. The lack of a government in Somalia for the last 14 years has allowed unimpeded movement of terrorists across the common border. Somalia's collapse brought an influx of Somali refugees into Kenya, allowing terrorists to blend in with the refugees, move freely across the border, and easily export terrorism into Kenya.

Peter, a respondent indicated that *“the longer Kenya stays, the weaker its relations with the Somali government. It supports the creation of a semi-autonomous state of Jubaland in the south as a buffer zone along its border. Somalia has asked Kenyan troops to withdraw from Kismayo, saying they backed a militia involved in fighting last month that the United Nations says killed 71 civilians. “If Kenya makes a hasty decision to pull out, we will go back to square one with al-Shabaab returning to Jubaland, because the current government doesn't have the capability to keep them out yet.”*

From the study findings, majority of the respondents also indicated poverty and widespread unemployment have made Kenyan youths vulnerable to indoctrination and recruitment for terrorist activities. Kenya has a young population (40.6 percent are under the age of 15) and an unemployment rate of 40 percent. Terrorists also bring money into Kenya and are able to entice many from the unemployed and poverty-stricken to support their cause, wittingly or unwittingly, and to provide new recruits to the cause to enhance situational awareness and gather local intelligence for terrorist activities.

Elements of Islamic fundamentalism have been invading Kenya from the east through Somalia and along the Kenyan coast. This encroachment has resulted in a growing dissent among the Muslim population, making them easy recruits for terrorist activities. In Kenyan mosques, individual Imams preach about perceived injustice to their Muslim brothers in Afghanistan, the unresolved Israeli-Palestinian conflict, and the ongoing war in Iraq. Aided by technology, in the form of the Internet, satellite TV, and Kenya's increased travel and employment around the globe, Muslims in Kenya are becoming more globally aware. Individual Imams are using this increased global awareness to encourage Kenyan empathy with more extreme views of the needs, hardships, and philosophies of their core religion worldwide.

During the interview, one of the respondent had this to say, *“At that point in time, there was no proper government, there was no proper government in the sense, you know, there was no government in Somalia There was a interim President, by the name of Ali Mahdi and that was a temporary sort of arrangement that we had and we moved in . .*



*.That particular operation to me was a success but in terms of overall time we were there but unfortunately we did not manage to do what we were supposed to do, to build up and to help form a government because the people, to my mind, there are a lot of agendas different agendas especially the locals everybody wants to become the leader, everybody wants to become president, everybody wants to become ministers”. So how do we do? How do we start from there? They got a lot of clans every clan wants a representative in the council to me they have not succeeded to form a government. This has brought so much trouble to the Kenyans.*

#### **4.4.2 Measures that the Kenyan Government has taken to mitigate the Security**

##### **Threats**

The study sought to find out the measures that the Kenyan Government has taken to mitigate the security threats. From the study findings, majority of the respondents indicated that Kenya proposes to build a new camp for Somali refugees in the already existing Kakuma refugee camp close to the Sudanese border where more than 50,000 residents of Dadaab camp will be relocated while all new Somali refugees will be moved directly to the new camp in Kakuma as a measure to control the number of people in the camps and to make sure that no militias are hiding in the camp.

The Government of Kenya has also sent the Kenyan army to restore peace in Somali, there is also presence of police patrolling along Kenyan Somali boarder, closure of all border points with Somali, supporting election of government of Somalia, sustaining

(through funding) the elected government and hosting the government of Somali in Kenya to discuss on the security issues.

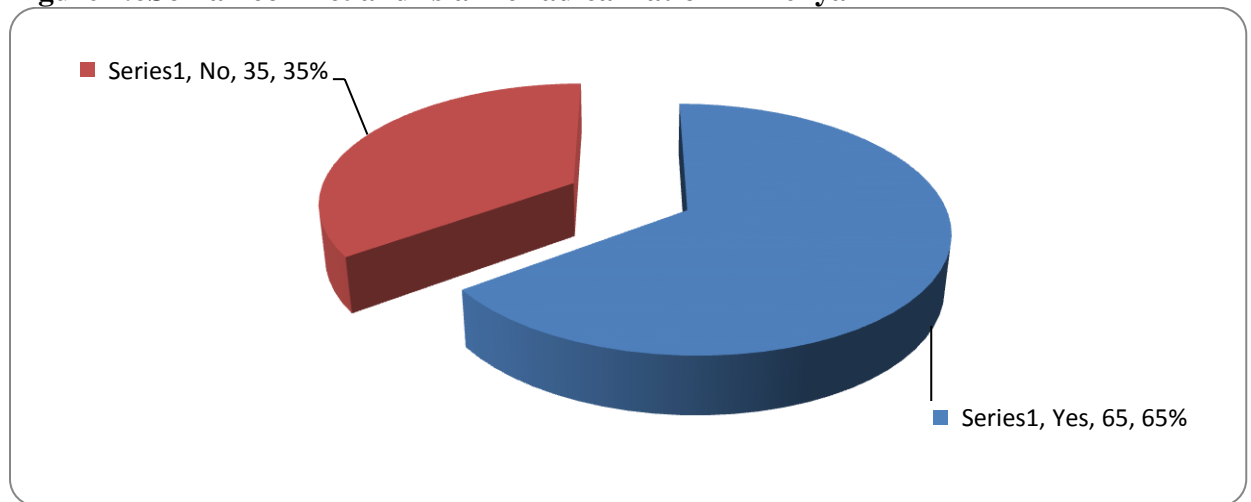
Public diplomacy and information campaigns are key measures that the Kenyan Government has taken to mitigate the security Threat. The two Governments have put in place increased emphasis on this area to counter terrorists' propaganda, demystify terrorism, and correct the misperception that governments are hostile to Islam, since most counterterrorism efforts are directed at the Muslim community. This campaign can be successful if it addresses the concerns of Islamic leaders and scholars.

Socioeconomic development is one area where the causes of terrorism can be mitigated. In considering socioeconomic development, especially when coupled with the diplomatic and informational tools of national power in combating terrorism, the Kenyan Government has emphasized on the importance of social economic development to mitigate the root causes of terrorism and the use of diplomacy and information campaigns with the objective of winning the hearts, minds, and souls of the international Muslim community through the promotion of the Islamic culture and teaching. Legislation is another key means of effectively countering terrorism.

#### **4.4.3 Somali conflict and Islamic radicalization in Kenya**

The study sought to find out whether the Somali conflict contributed to Islamic radicalization in Kenya. The findings are shown in figure 4.6 below.

**Figure 4.6 Somali conflict and Islamic radicalization in Kenya**



**Source: Field data 2014.**

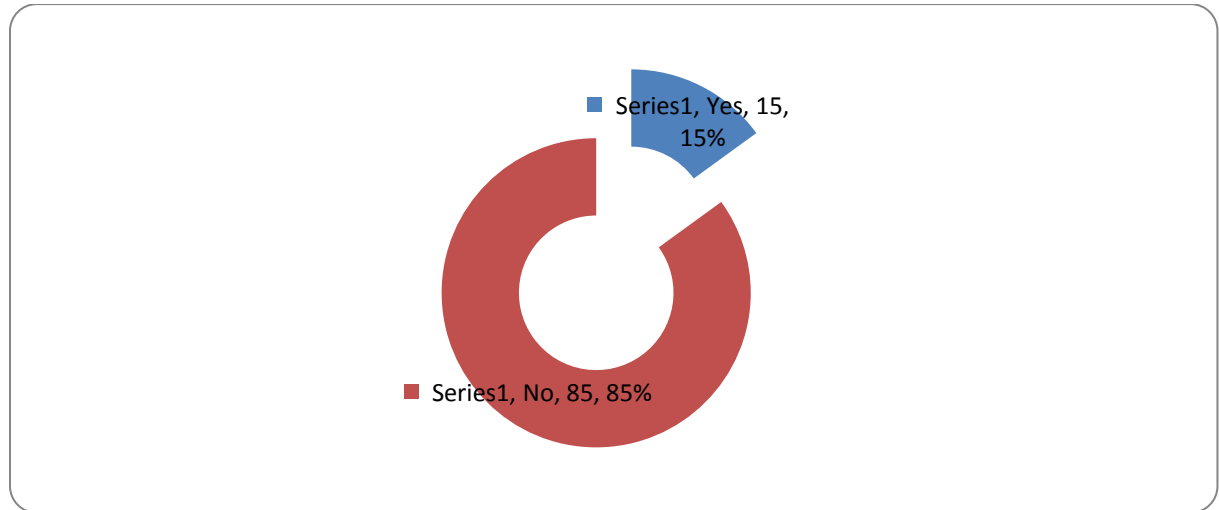
From the study findings, majority of the respondents (65%) agreed that the Somali conflict had contributed to Islamic radicalization in Kenya while 35% disagreed. This implies that the Somali conflict had contributed to Islamic radicalization in Kenya. In addition to this, the respondents indicated that the youth were easily lured with regions and financial incentives which in most cases were based on distorted teachings, mosques remained the preferred recruitment base for radicals Al-shabaab recruits use, the recent capture of mosques by youths in Mombasa demonstrates the effects of the Somali conflict on Islamism and that some of the mosques in Kenya have been secretly used to train and recruit our Kenyan youths to engage in illegal activities.

*One respondent stated: “The lost generation of youth are easily lured with religious and financial incentives which in most cases are based on distorted teachings.”*

#### 4.4.4 The trials of suspected Somali pirates in Mombasa and its effect on the Kenya – Somali relations

The study sought to find out whether the trials of suspected Somali pirates in Mombasa affected the Kenya – Somali relations. The findings are shown in figure 4.7 below.

**Figure 4.7 The trials of suspected Somali pirates in Mombasa and its effect the Kenya – Somali relations**



**Source: Field data 2014.**

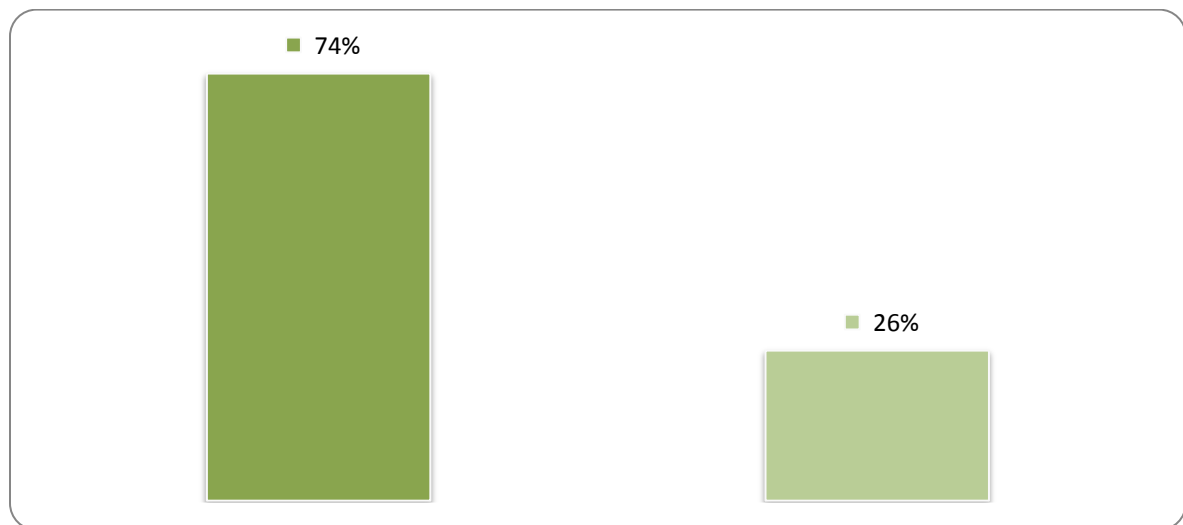
From the study findings, majority of the respondents (85%) disagreed that the trials of suspected Somali pirates in Mombasa had not affected the Kenya – Somali relations while 15% agreed that it had affected the Kenya – Somali relations. This implies that that the trials of suspected Somali pirates in Mombasa had affected the Kenya – Somali relations. The study also sought to find out why the trials of suspected Somali pirates in Mombasa had not affected the Kenya – Somali relations and the following were highlighted: There is mutual understanding between the two countries on the need to eliminate the Al-shabaab threat, pirates are a criminal group who have no support from any clan or business group and so it can not affect Kenya – Somali relations, Kenya Somali relations remain crucial and both countries maintain missions (diplomatic) Kenya

supports in stabilization of Somali and hosts the largest number of refugees, there has been no complaint from Somali government and Kenyan government about each other and the levels of piracy have gone down due to cooperation by both states.

#### **4.4.5 Refugees fleeing Somali conflict pose security threats in Kenya**

The study further sought to find out whether the refugees fleeing Somali conflict pose security threats in Kenya. The findings are shown in figure 4.8 below.

**Figure 4.8. Refugees fleeing Somali conflict pose security threats in Kenya**

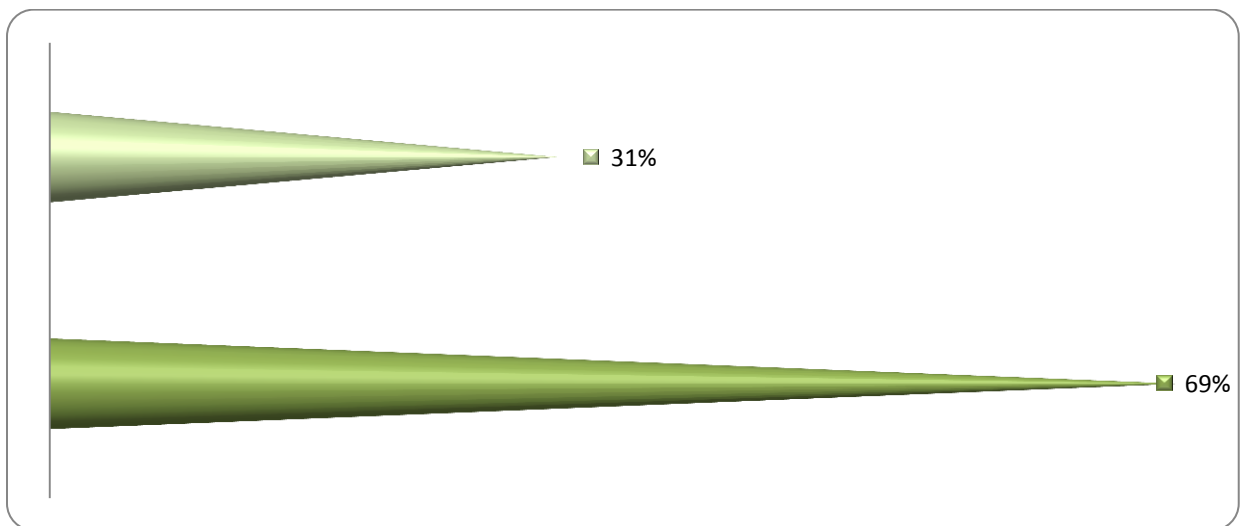


From the study findings, majority of the respondents (74%) agreed that refugees fleeing Somali conflict pose security threats in Kenya and they gave the following reasons: the refugee camps have offered easy sanctuary for terrorist, corrupt government offices have also created room for easy movement of the terrorists within the camps, some of the refugees are Al-shabaab military or sympathizers, refugees bring with them arms which they use to attack or sell to Kenyan criminal/gangs.

#### 4.4.6 Kenyan effective measures to stamp out security threats emanating from the Somali piracy

The study further sought to find out whether Kenya has effective measures to stamp out security threats emanating from the Somali pirates. The findings are shown in figure 4.9 below.

**Figure 4.9 Kenyan effective measures to stamp out security threats emanating from the Somali piracy**



Source: Field data 2014.

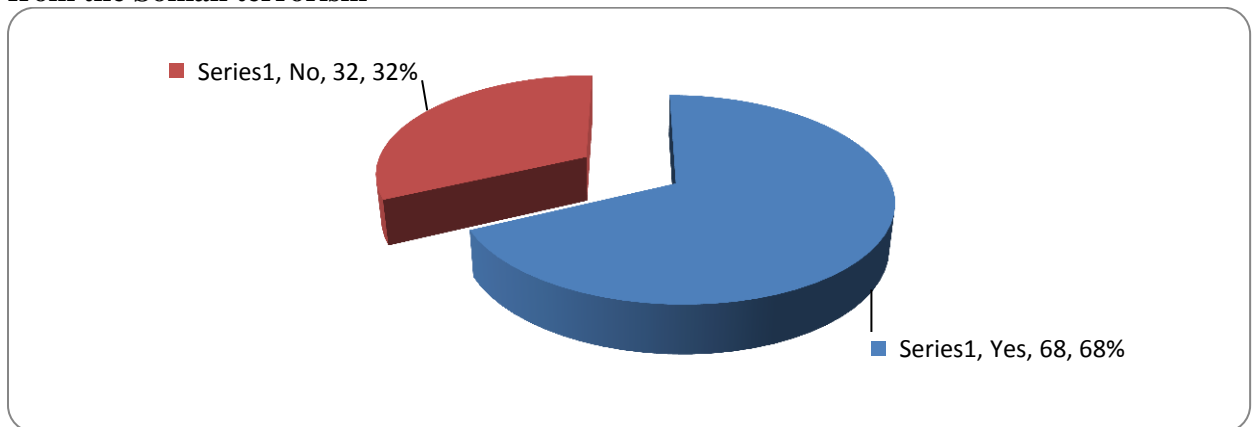
From the study findings, majority of the respondents (69%) agreed that Kenya has effective measures to stamp out security threats emanating from the Somali piracy while 31% were of the opinion that Kenya does not have effective measures to stamp out security threats emanating from the Somali piracy. For those who agreed, they cited that Kenya has enacted laws on piracy like the control of the sea and ports in Somalia, Kenya has prosecuted pirates who have been arrested on the Kenyan soil, Kenya have also deported some pirates, Kenyan soldiers are patrolling the borders and are in Somalia to

evict terrorists, Kenya has banned trade with Somalia, Kenya has put stepped up its security patrols, it has introduced piracy courts and sent its forces to Somalia.

#### 4.4.7 Kenyan effective measures to stamp out security threats emanating from the Somali terrorism

The study further sought to find out whether Kenya has effective measures to stamp out security threats emanating from the Somali terrorists. The findings are shown in figure 4.10 below.

**Figure 4.10. Kenyan effective measures to stamp out security threats emanating from the Somali terrorism**



Source: Field data 2014.

From the study findings, majority of the respondents (68%) agreed that Kenya has effective measures to stamp out security threats emanating from the Somali terrorists while 31% were of the opinion that Kenya does not have effective measures to stamp out security threats emanating from the Somali terrorists. For those who agreed, they cited that Kenya has taken military action as one of the tools available to counterterrorism and is the most effective measure to physically eliminate terrorists, as witnessed in Operation Linda Nchi where Al-shabab structures were dismantled and many terrorists were killed

or captured. Kenya has also undertaken public diplomacy and information campaigns as the key aspects of counterterrorism measures.

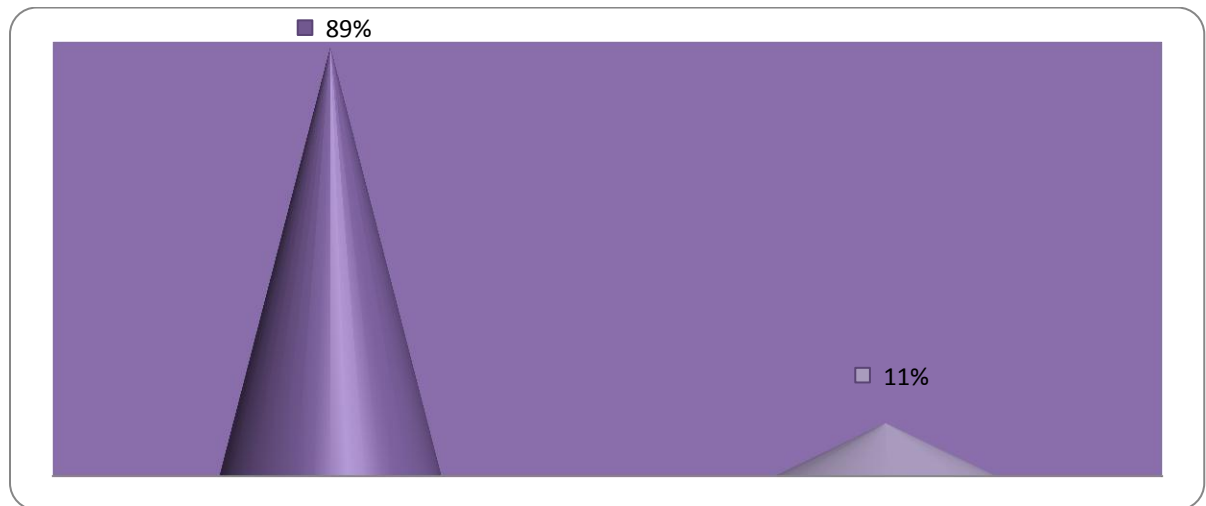
On the other hand, Kenya has further taken legislation to enable greater surveillance and action against organizations inciting violence, passing of anti terrorism laws; training of security offices to counter attack terrorists; closure of the common borders with Somalia; police road blocks along the roads and installation of CCTV cameras in buildings and streets.

#### **4.5 Implications of the Somali War Economy on Kenya's Security**

##### **4.5.1 Breakdown of law and order in Somalia and security threat to Kenya**

The study further sought to find out whether breakdown of law and order in Somalia created security threat to Kenya, The findings are shown in figure 4.11 below.

**Figure 4.11. Breakdown of law and order in Somalia and security threat to Kenya**



**Source: Field data 2014.**



From the study findings, majority of the respondents (89%) agreed that breakdown of law and order in Somalia created security threat to Kenya while 11% were of a contrary opinion. The following were cited as reasons on how the breakdown of law and order in Somalia created security threat to Kenya: the cost of hosting a large refugee population creates a strain on the Kenyan economy, the smuggling of contraband is killing the local industries as the smuggled untaxed goods flood the market, absence of a strong government in Somali has led to breakdown of law and order where militias and warlords funds lead to insecurity in Kenya and too many refugees who pose threat in Kenya through increased smuggling of fire arms.

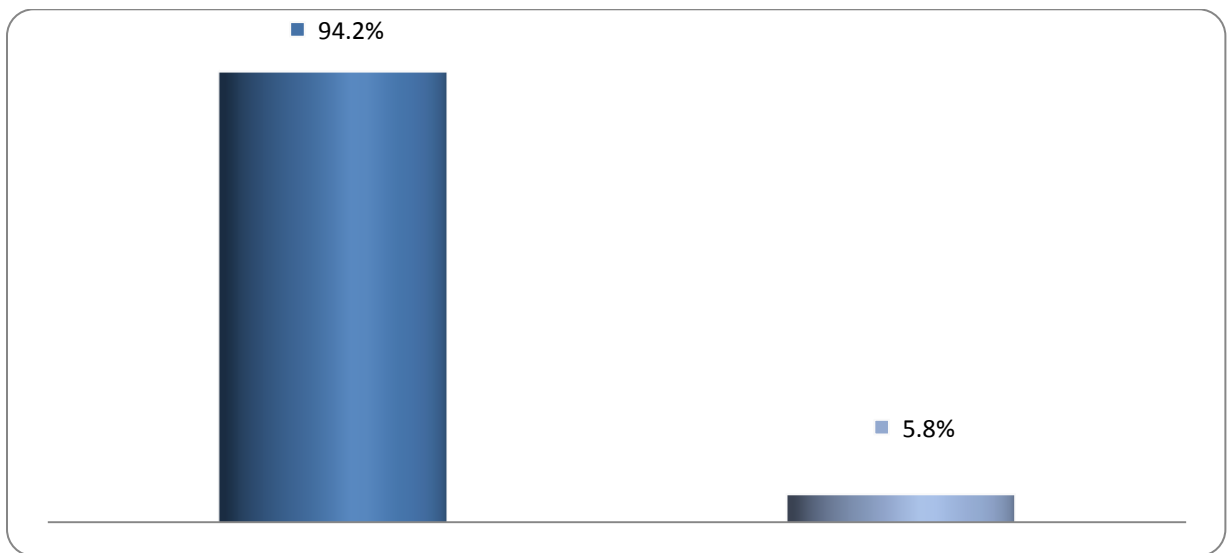
*For years, Kenya has put up with its anarchic neighbor, Somalia. Decades of war in Somalia have driven hundreds of thousands of refugees into Kenyan camps near the shared border - straining resources, the environment and - at times - patience. Kenya has, for the most part, kept its distance from the conflict, but was instrumental in the formation of Somalia's Transitional Federal Government, and hosted the TFG's early institutions until 2005. But in recent months, a spate of kidnappings in Kenya - blamed on Somali militants - have significantly raised tensions, and threatened Kenya's all-important tourism industry. The kidnapping of two doctors from the Dadaab refugee camp in Kenya prompted the Kenyan military to finally take action last weekend. A spokesman for Kenya's Foreign Affairs Ministry says he is not surprised by the decision.*

Another respondent stated: “The arms and light weapons are often concealed in smuggled contraband goods into the country. He further noted that the rise in crime in the country can be attributed to the availability of small arms and light weapons.”

#### **4.5.2 The Somali economy and an increased supply of small arms and light weapons in Kenya**

The study further sought to find out whether the Somali economy has enhanced an increase supply of small arms and light weapons in Kenya. The findings are shown in figure 4.12 below.

**Figure 4.12 The Somali economy and an increased supply of small arms and light weapons in Kenya**



**Source: Field data 2014.**

From the study findings, majority of the respondents (94.2%) agreed that the Somali economy has enhanced an increase supply of small arms and light weapons in Kenya while only 5.8% who were of a contrary opinion. This implies that the Somali economy has enhanced an increase supply of small arms and light weapons in Kenya.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### **5.0 To examine the nature and effect of security threats inherent in Somalia's war economy**

The study found out that smuggling of sugar, powder milk, fats, piracy, sale of charcoal especially in the Middle East, Somali nationals living in the diaspora and a relatively strong economy backed by agricultural production for export as the economic factors which have been sustaining the Somali conflict. Further, most of the respondents indicated that sugar and related foodstuffs, miraa (qat) imports from Kenya, clothes, electronics, illegal taxation, cosmetics, fish and agriculture products like bananas as the main commodities of trade by Somali militia.

The study also found out that lawlessness anarchy and lack of government structures to contain the warlords has opened avenues for the smuggling of illicit goods and contrabands including SA& LW to push their agenda and continue the mayhem. Looting of property including land control of charcoal, banana trade diversion of foreign aid, and control of fishing and harbour and controlling of port as some of the ways in which the warlords have economically benefited from the failure of the Somalia state. On the other hand, majority of the respondents indicated that the monies raised by the warlords gave them financial muscle to buy and influence the youth in radicalism, jihadism and related crime in Kenya especially due to its geolocation and porous borders.

The study also found out that Kenya and Somali share the Indian Ocean and by virtue of Kenya being a centralized powerhouse, the proceeds from piracy can quickly be

converted into investments cash through their Kenyan Somali brothers who blend easily into the country to service a corrupted society that is very financially obsessed. Majority of the respondents also highly ranked small arms and light weapons as the commodities of the Somali war economy. The study also found out that Kenya was the main market center for the Somali black economy.

### **5.1 To establish factors underpinning the insecurities in Kenya rooted in the Somalia's war economy**

The study found out that Kenya's geography and geographical location contribute to making Kenya an attractive terrorist target. Kenya's strategic location makes it a significant gateway from the Middle East and South Asia to East Africa and the Horn of Africa. Because it is a geographic gateway, Kenya has developed a major seaport at Mombassa, international airports in Mombassa and Nairobi, and extensive rail, road, and communications infrastructure. Further, political instability in the neighboring country of Somalia enables expansion of terrorist interest into Somalia and, thus, into Kenya. For example, Somalia's collapse in 1991 tremendously affected Kenya's security.

The study also found out that public diplomacy and information campaigns are key measures that the Kenyan Government has taken to mitigate the security threat, the Somali conflict had contributed to Islamic radicalization in Kenya, mosques remained the preferred recruitment bases for of Al-shabaab, the recent capture of mosques by youths in Mombasa demonstrates the effects of the Somali conflict on Islamism and that some of the mosques in Kenya have been secretly used to train and recruit our Kenyan youths to

engage in illegal activities. On the other hand, the study also found out that the trials of suspected Somali pirates in Mombasa had not affected the Kenya – Somali relations although refugees fleeing Somali conflict pose security threats in Kenya.

The study further established that Kenya has effective measures to stamp out security threats emanating from the Somali piracy because Kenya has enacted laws on piracy, it has prosecuted pirates who have been arrested on the Kenyan soil, Kenya has also deported some pirates, and its Kenyan soldiers are patrolling the borders and are in Somalia fighting the Al-Shabaab.

## **5.2 To assess the Implications of the Somali War Economy on Kenya's Security**

The study established that breakdown of law and order in Somalia created security threat to Kenya because the cost of hosting a large refugee population creates a strain on the Kenyan economy, the smuggling of contraband is killing the local industries as the smuggled untaxed goods flood the market, absence of a strong government in Somali has led to breakdown of law and order where militias and warlords funds lead to insecurity in Kenya and many refugees pose a threat in Kenya through increased smuggling of fire arms. The study also found out that the Somali economy has enhanced an increase supply of small arms and light weapons in Kenya.

### **5.3 Conclusion**

#### **To examine the nature and effect of security threats inherent in Somalia's war economy**

The study concludes that smuggling of sugar, powder milk, fats, piracy, sale of charcoal especially in Middle East, the Somali nationals living in the diaspora and a relatively strong economy backed by agricultural production for export were the economic factors which have been sustaining the Somali conflict. Moreover, miraa (qat) imports from Kenya, clothes, electronics, illegal taxations cosmetics, fish and agriculture production like bananas were the other commodities of trade by Somalia militia.

The study also concludes that lawlessness anarchy and lack of government structures to contain the warlords had opened avenue for the smuggling of illicit goods and contrabands including SA& LW to push their agenda and continue the mayhem. Looting of property including land control of charcoal, banana trade diversion of foreign aid, and control of fishing and harbour and controlling of port as some of the ways in which the warlords have economically benefited from the failure of the Somali state. On the other hand, the study concludes that the monies raised by the warlords gives them financial muscle to buy and influence the youth in radicalism, jihadism and related crime in Kenya especially due to its geolocation and porous border.

The study also concludes that Kenya and Somali share the Indian Ocean and by virtue of Kenya being a centralized powerhouse, the proceeds from piracy were quickly converted into investments through their Kenyan Somali brothers who blend easily into the country to service a corrupted society that is very financially obsessed.

#### **5.4 To establish factors underpinning the insecurities in Kenya rooted in the Somalia's war economy**

The study concludes that Kenya's geography and geographical location contributed to making Kenya an attractive terrorist target and that Kenya's strategic location makes it a significant gateway from the Middle East and South Asia to East Africa and the Horn of Africa. The study also concludes that Kenya has developed a major seaport at Mombasa international airports in Mombasa and Nairobi, and extensive rail, road, and communications infrastructure throughout the country. Furthermore, political instability in the neighboring country of Somalia enables expansion of terrorist interest into Somalia and, thus, into Kenya. For example, Somalia's collapse in 1991 tremendously affected Kenya's security.

The study also concludes that public diplomacy and information campaigns are key measures that the Kenyan Government has taken to mitigate the security threat, the Somali conflict had contributed to Islamic radicalization of the youths in Kenya, mosques remained the preferred recruitment base for radicals Al-shabaab recruits use, recent capture of mosques by youths in Mombasa demonstrates the effects of the Somali conflict on Islamism and that some of the mosques in Kenya have been secretly used to train and recruit our Kenyan youths to engage in illegal activities.

The study concludes that Kenya has effective measures to stamp out security threats emanating from the Somali piracy such as enacting laws on piracy like the control of the

sea and ports in Somalia, it has prosecuted pirates who have been arrested on the Kenyan soil and instilled many others measures.

### **5.5 To assess the Implications of the Somali War Economy on Kenya's Security**

The study concludes that breakdown of law and order in Somalia has created a security threat to Kenya because of the cost of hosting a large refugee population which in turn causes a strain on the Kenyan economy, the smuggling of contraband goods to Kenya - this kills the local industries and the smuggling of small arms and light weapons into the country.

### **5.6 Recommendations**

What is true of Africa at the beginning of this century need not be true at the end. Africa's security challenges are serious, perhaps even dire, but not insurmountable. They can be controlled with careful planning and wise leadership. One of the key determinants of Africa's future will be the way in which its leaders approach the continents problems. The study recommends that an important feature of any solution must be the establishment of a consensus in African societies about the kind of security that is needed. In the broad sense, security should be taken to mean not just the preservation of small ruling elites, but the protection and preservation of all that the society considers to be important and valuable. This should include the protection of individuals and groups from physical harm, and the preservation of the economic and environmental heritage to be passed unto future generations. The avoidance of arbitrary and coercive political rule is another security interest that must be pursued. The development of a well-conceived



national, sub regional and regional security strategies that provide coherent paths towards identifying, advancing and protecting societal interests must also be given priority.

For the young and fragile Somalia government to succeed in rebuilding the state security and prosperity: It is important that security measures are reinforced and infrastructure be reconstructed to ensure the smooth running of the new government. Neighboring countries such as Kenya can assist by sending skilled manpower and security forces and advisors to Somalia. The leaders need to work on a progressive plan aimed at restoring peace, security and stability by involving the clans and their leaders and not just the warlords, especially in disarmament to pacify the process. That the government must face the challenge of reconciling people at all levels of the society including inter and intra clan and sub-clans, factional and political groupings.

The people have to be determined to support this new dawn and future. The conflict has resulted to disunity on the basis of clan, ethnic, political, and sectarian religious lines. Rehabilitation, reintegration and transfer of skills to generations of gunmen and women who missed school and vocational training opportunities in all disarmament programmes will therefore be critical. Emphasis has to be put on the rehabilitation and reconstruction of basic infrastructures to prepare the country to enter a constitutional phase. This will include building institutions of democratic governance, rule of law, decentralization of power, protection of human rights and safeguarding the integrity of the country. All disputes must henceforth be settled through dialogue, negotiations and other peaceful legal means. In keeping with the United Nations arms embargo against Somalia, the

neighboring countries have to cooperate to make sure that their borders are not used for weapons movement.

The international community needs to assist in establishing an impartial National Somali Army and Police Force. This is possible through reinstatement of former “clean” Army and Police Force personnel as well as recruiting and training young people. Kenya should move fast to solidify its relations with Somalia by assisting in reinforcing security across the border. The two countries security forces should cooperate to guard the region, especially the North Eastern Province where banditry, trade in arms and porous boundaries are entry points of the terrorists. Kenya should also consider setting up industries in Somalia since theirs are nonexistent. Meanwhile it should strengthen its trade relations with Somalia to enable it export manufactured and agricultural products. A stable Somalia will not only create the right environment for Kenya to develop, but will stabilize the whole Horn of Africa. To achieve this goal, Kenya must play a major role in rebuilding a peaceful neighboring country, which is in control of its destiny and welfare. On its part, Somalia can establish lasting peace by abandoning its dream of a Greater Somalia. Lobbying for a change in the new Somali flag without the five-pointed star that symbolizes the dream is essential. The international donor community, institutions such as the International Monetary Fund, World Bank and Somalis in the diaspora needs to come to the aid of Somalia by providing funds to rebuild the ruined infrastructures.

The United Nations in collaboration with the African Union should hasten the deployment of peacekeeping forces in the country to ensure that peace and security prevail for smooth running of the new government. The government has the

responsibility to manage the reconstruction process through national authorities, provincial and local channels as well as security forces. This will call for peaceful environment by establishing a transparent, representational and interactive political structure, to avoid the spectacle of people falling back to clanism and lawlessness. There are governments and other outside actors who supported various groups and persons in Somalia. These actors should call for a regional reconciliation and discard their personal interests for the sake of prosperity, peace and stability. Therefore, for a lasting peace to prevail in Somalia as well as its Diaspora, a legitimate government that is accountable to its citizenry and sensitive to their needs must emerge. Its authority has to be built from the grassroots.

Therefore United Nations, African Union, Intergovernmental Authority on development and the rest of the donor world and the international community must exercise steadfastness in their support for Somalia.

### **Recommendations for further study**

Further research is necessary as the findings were based on a relatively small sample that may have influenced the nature of results that were obtained. There is need to expand on the sample size and carry out similar research in other areas. The descriptive analysis that was used is always not sufficient to draw conclusions on a phenomenon, and to provide adequate information that can be used for policy development. Further research focusing on the implications of Somali's war economy on the Kenyan security should be carried out.

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## APPENDICES

### APPENDIX I : Interview Questionnaire

Dear respondent,

My name is Nicholas Ileri Kamwende an M.A student at the Institute of Diplomacy and International Studies, University of Nairobi where I am pursuing an MA in International Studies. I am conducting a research on “*Somalia’s War Economy and Insecurity Implications in Kenya.*”

I kindly request you to participate in my research study. The information you will provide to me will be treated with extreme confidentiality and it will be strictly utilized only for academic purposes. Your participation is highly valued.

PART I: Bio data. Please tick the most suitable response.

1. Sex:  Male             Female
2. Age:  25-30         31-35         36- 40         41-45         46-50  
           51-55         60 and above
3. Highest level of education attained:  
 Primary education         Secondary education     College education  
 University education     Other \_\_\_\_\_
4. Please indicate your professional affiliation.  
 Government agencies         Security/military agencies  
 Business entrepreneurs         Civil society
5. Nationality:  Kenyan                     Somali

**PART II: NATURE AND EFFECT OF SECURITY THREATS INHERENT IN THE SOMALI WAR ECONOMY**

1. What economic factors have been sustaining the Somali conflict?

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2. What are the main commodities of trade by Somalia militia?

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3. How have the warlords economically benefited from the failure of the Somali state?

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4. How has Somali war economy perpetuated terrorist activities in Kenya?

.....  
.....  
.....  
.....

5. How has Somali war economy perpetuated piracy activities in Kenya?

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.....  
.....  
.....

6. In order of priority rank the following commodities of the Somalia war economy.

- a) Qat trade [ ]      b) small arms and light weapons [ ]      c) charcoal [ ]  
d) Bananas [ ]      e) money laundering [ ]

7. What are the main market centers for the Somali black economy?

.....  
.....  
.....

**PART III: KENYA-SOMALI SECURITY RELATIONS**

7. What factors make Kenya vulnerable to insecurity in Somalia?

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.....  
.....

8. What measures has the Kenyan government taken to mitigate the security threats from Somalia?

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.....  
.....

10. Has the Somali conflict contributed to Islamic radicalization in Kenya?

(a) Yes [ ] (b) No [ ]

11. If yes, explain

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.....  
.....

12. If no, explain

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.....  
.....

13. Have the trials of suspected Somali pirates in Mombasa affected the Kenya-Somali relations?

(a) Yes [ ] (b) No [ ]

14. If yes, explain

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.....

15. If no, explain

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.....  
.....

16. Refugees fleeing Somali conflict pose security threats in Kenya.

(a) Yes [ ] (b) No [ ]

17. If yes, explain

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.....  
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18. If no, explain

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.....  
.....

19. Kenya has taken effective measures to stamp out security threats emanating from the Somali piracy.

a) Yes [ ] (b) No [ ]

20. If yes, explain

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.....  
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21. If no, explain

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.....

22. Kenya has taken effective measures to stamp out security threats emanating from the Somali terrorists.

a) Yes [ ] (b) No [ ]

23. If yes, explain

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24. If no, explain

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**PART III: IMPLICATIONS OF THE SOMALI WAR ECONOMY ON KENYA'S SECURITY**

25. Breakdown of law and order in Somalia creates security threats to Kenya.

a) Yes [ ] (b) No [ ]

26. If yes, explain

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.....  
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27. If no, explain

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.....  
.....

28. The Somali war economy has enhanced an increased supply of small arms and light weapons in Kenya.

a) Yes [ ] (b) No [ ]

29. If yes, explain

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.....  
.....

30. If no, explain

.....

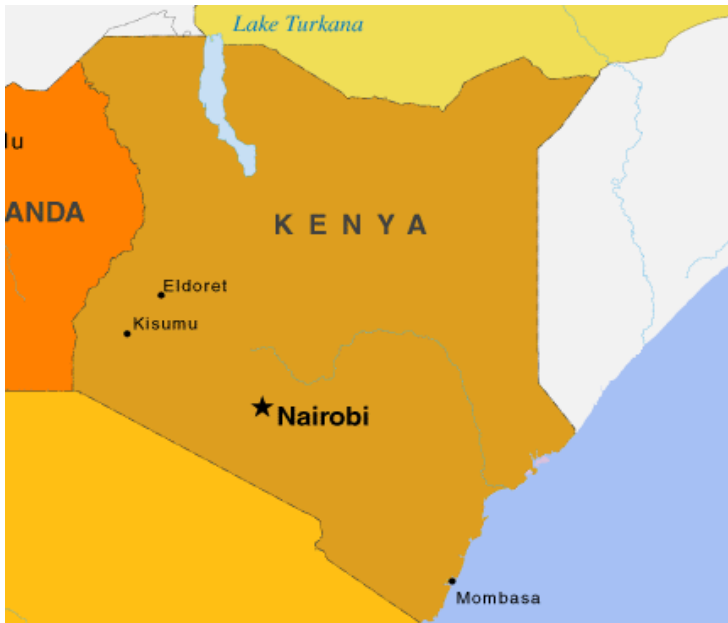
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**THANK YOU**

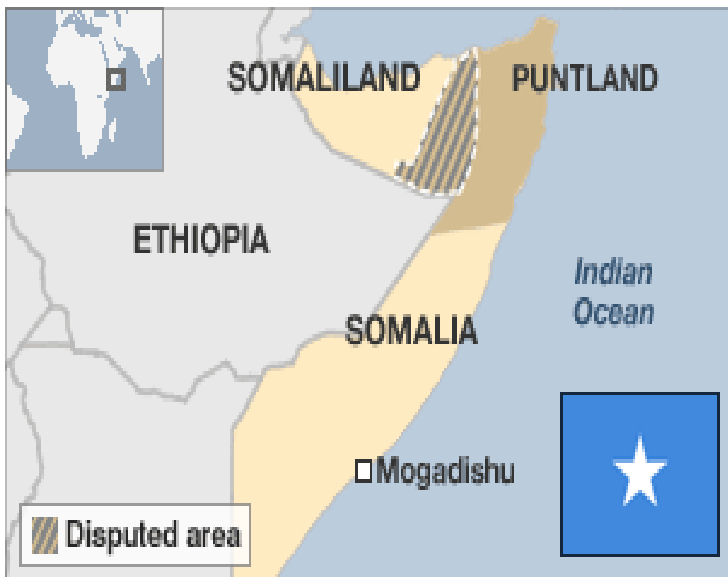
## APPENDIX II: MAPS OF KENYA AND SOMALIA

Map of Kenya



Source: <https://maps.google.co.ke>

Map of Somalia



Source: [www.bbc.com](http://www.bbc.com)