Information and Communication Technologies and the Stabilization of a Failed State: the case of Somalia

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Abstract

Somalia is an enigma in the international state system. The country has been embroiled in civil war and has had no effective, functional state apparatus for the last twenty years. Somalia has been divided between differing traditional factions, an internationally backed Federal Government, militants inspired by trans-national ideology, and secessionist regions of Puntland and Somaliland. The FG, which is considered weak and ineffectual, controls only a fraction of the entire country. As a result, the term ‘failed state’ is often applied to Somalia. For a state to formally function, the ability to legitimatize its authority over a territory should be unquestioned, with its citizens pledging allegiance to that state, and clear recognition by other states. However, in Somalia, the governance shortfalls have left a void which has attracted a cadre of legal and illegal organizations to insert themselves into the resulting vacuum. Despite this chaotic and violent political system Somalia has been able to foster a vibrant ICTs (Information and Communications Technologies) sector, comparable to that of its far more stable and wealthy East African neighbours. Consequently, the objective of this study is to examine how information and Communication Technologies are utilized within communities that lack defined, legitimate, failed (or failing) state apparatus. Thus, the guiding research question for this paper is: What organizational and societal structures have enabled Somalia to create an environment that fostered ICT industry? Consequently, the purpose of this study is to examine how information and Communication Technologies are utilized within communities that lack defined, legitimate, failed (or failing) state apparatus.

Introduction

Over the last three decades, the Information Communication Technologies (ICTs) sector has become a potent force in the how the global community functions (Gurstein, 1999; Heeks, 2010; Webster, 2014). Over this same period, advancements within the ICTs sector has transformed how people communicate (Leu, Kinzer, Coiro, & Cammack, 2004; Schreyer, 2000), how the world conducts commerce (Chareonwongsak, 2002; Wigand, 1997) educates people (Anderson, 2003) but to name just a few. Accordingly, ICTs are fully embedded in both economic and social
structures of every corner of the world. Within developmental states, particularly in Africa, investment in the ICTs sector has been encouraged as a way to improve their economic and social standing (T. Unwin, 2009). For example, ICTs could implemented as a way to address their economic stagnation and address social ills in countries termed ‘developing’, ‘Third World’ and ‘least developed’, of which are further labeled ‘failed’ or ‘failing’ (Doong & Ho, 2012; Sein & Harindranath, 2004; Thompson, 2004). However, little attention has been paid to how ICTs function in spaces that lack a unified state structure that often act as intermediaries between and among the various private ICTs entities including for example assisting in gain access to standardized technology. Consequently, the objective of this study is to examine how information and Communication Technologies are utilized within communities that lack defined, legitimate, failed (or failing) a state apparatus. More specifically, this paper will examine the case of Somalia, a state fragmented politically and yet fosters a vibrant ICT sector that is comparable to its east African neighbours.

**Research objective**

Somalia is an enigma in the international state system. The country has been embroiled in civil war and has had no effective, functional state apparatus for the last twenty years. Somalia has been divided between differing traditional factions, an internationally backed Federal Government (FG), militants inspired by trans-national ideology, and secessionist regions of Puntland and Somaliland. The FG, which is considered weak and ineffectual, controls only a fraction of the entire country (Hesse, 2010). As a result, the term ‘failed state’ is often applied to Somalia (Cliffe, 1999; Haldén, 2008; Hills, 2014; International Crisis Group, 2002, 2008; The Fund for Peace, 2014). For a state to formally function, the ability to legitimatize its authority over a territory should be unquestioned, with its citizens pledging allegiance to that state, and clear recognition by
other states (Hall & Ikenberry, 1989; Held, 1989; Melossi, 1990; Oppenheimer, 2007). However, in Somalia, the governance shortfalls have left a void which has attracted a cadre of legal and illegal organizations to insert themselves into the resulting vacuum. The research question that will guide my study is: What role does Information and Communication Technologies (ICTs) and the diaspora play in the creation of a `stable’ Somalia?

**Historical background**

Somalia is located on the eastern coast of Africa surrounded by the Red Sea, Gulf of Aden and the Indian Ocean to its north and east and it is land-bordered by Djibouti, Ethiopia and Kenya. Like much of Africa, this modern boundary was shaped during the colonization era by European powers in the late nineteenth century (Harper, 2012; Prunier, 2010). Prior to the European colonization, the land, was defined by an ever changing, permeable territory with variety of peoples and characteristics (H. S. Lewis, 1966). The origins of the Somali people cannot be directly linked to a singular movement or time period. The interactions of the Persian-Arabic contact with the Bantu people within the Somali peninsula is widely accepted as the origin of the Somali people (Kassim, 2006). Accordingly, the region was not a singular, unified or cohesive grouping led by one or a few acknowledged leaders, but rather inhomogeneous grouping of people who occupied a largely arid land (H. S. Lewis, 1966; Pankhurst & Cassanelli, 1989). The country witnessed several forms of identities as well as norms of governance. To illustrate, early records indicate cities and coastal regions came under the rule of distant sovereigns in far-off places like Egypt, Oman, and Zanzibar often with little direct rule (Djama, 2010).

Somalia’s positioning on the Red Sea attracted the British to lay claim to country, in order to protect a vital trading route to the British Colony of India. Importantly, it was designed to defend the more important British naval station of Aden across the Gulf the Aden (Prunier, 2010). The
area claimed by the British was marked by a harsh environment and did not offer a settler colonial setting like the other British possession of Kenya. Somalia’s geography is marked by, in the north, a dry climate that often goes through long dry spells has led to a situation in which nomadic a lifestyle is the norm. The search of water and pasture for the animals has defined Somali people in the north (Harper, 2012). In precolonial times, the social and economy structures had come to rely largely on the nomadic care of animals. Even in the South’s more arable region, especially in the region between the rivers in the south Somali placed a higher emphasis on the nomadic way of living (I M Lewis, 1955; Abdi Ismail Samatar, 1989).

Meanwhile, in the south, the Italians desired to turn their east African possession into a settler colony (Prunier, 2010; Reyner, 1960). The Italian colonization of Southern Somalia was part of their rush to join other European countries in quest for territorial expansion (Kassim, 2006; Uzoigwe, 1985). The Italians were late to the rush for territories in Africa than other European nations for a variety of reasons chief among them being it was still a relatively new state (Novati, 1994; Srivastava, 2006). In fact, the Italians established a colony on the African continent fifteen years after the formal unification the Italian state (Punkhurst & Cassanelli, 1989). This quest for territory was driven by factors which included political and economic.

The Second World War proved a pivotal moment for the end of European colonialism, and this was particularly the case for the Italian colonial possession of Somalia. The Italians were on the losing side of the Second World War, by allying themselves with the Germans (Jaenen, 1957). With the Italians possession back up for grabs, competing interests came to the fore with regards to who would control Somalia (Longrigg, 1945; Stafford, 1949). On one hand, the British harboured ideas for a Greater Somalia meant to incorporate all the Somalia regions into one centrally administered colony controlled by Great Britain (Bradbury, 2008; Harper, 2012). The
British favored this approach because it would gain expanded territory and secure a large swath of East Africa. One the other hand, Italy was desperate to keep it colonial possession for a variety of economic and political reasons (Longrigg, 1945). For example, retaining the large plantations that were vital to its economy and accessing the vital international waterway of the Red Sea.

As the trusteeship decade came to end in southern Somalia, the British initiated preparations for their rule in northern Somalia to come to end as well (Braine, 1958). Even though the Italians desired to extend the trusteeship for another decade, the local Somali population was adamantly against it and approached the UN not to renew it (Abdi Ismail Samatar & Samatar, 2002). In 1959, after Italy recognized the UN would not renew its trusteeship, it rushed Somalia’s independence by six months, even though the UN asked for that time to get the country ready for its new sovereignty (Reyner, 1960).

Post-independence Somalia saw a period of relative calm, with a stable parliamentary democracy as the basis of governance in the country (Ahmed I Samatar, 1988). In 1961, one year after formal independence, the public ratified a constitution through a referendum formally merging together the differing political, judicial and economic system of the north and south into one state. Optimism was abound about the new state, the first president, Aden Abdullah Osman Daar, was viewed as a credible leader and politicians were instilled a sense of national pride (Abdi Ismail Samatar & Samatar, 2002). Once the economic activity of the country was back in Somali hands, the argument presented was that the economy would start to grow without the constraints of the colonial production limits (Castagno, 1960). This was particularly true for the agricultural sector in the south which the Italians controlled tightly (I. M. Lewis, 1960). More importantly, Somalis were elated to have ended colonial domination in the country and were eager to govern themselves.
However, from the time Somalia gained independence, it harboured designs to assimilate all territory inhabited by Somalis. In fact, article one of the constitution stated “the Somali people is one and indivisible” (Somalia, 1963). The preoccupation with Greater Somalia led to friction with its neighbours that eventually led to a border war with Ethiopia in 1964 during a national election in Somalia (Abdi Ismail Samatar & Samatar, 2002). The pursuit to unify Somali people was also opposed by other African countries because it would be viewed as a precedent in many of their own countries (I. M. Lewis, 1963). Most African states and their boundaries were created arbitrarily set by distant colonial administration with little regard to inhabitants of these new entities (Garibo-Peyró, 2012). Indeed, African states signed and agreed in charter that they would respect borders that were in place from the colonial administrations. This could be used as a template for minorities in one country to agitate their separation form that state to join an established state or even a form new state. The irredentist dream of Greater Somalia seemed to be dying with each passing day, thus increasing nationalistic fervour (Bradbury, 2008; Abdi Ismail Samatar, 1992).

The pursuit of Greater Somalia led to conflict with its neighbour this resulting in losing a war on two occasions. The military defeat coupled with severe drought during the war precipitated in Siad Barre’s decade-long decline in power (Harper, 2012). After the war, a large number of the Ogaden Somali population displaced by the war were resettled inside Somalia, particularly in Northern Somalia. The UNHCR estimated that 1.5 million refugees or about 40 percent of the country’s total population resettled into Somalia (Bradbury, 2008, p. 38). The northern Somalis began resenting what they perceived to be the preferential treatment being given to the new arrivals by the government (Bradbury, 2008). Siad Barre’s mother was an Ogadeen Somali and northern Somalis perceived this as one more example of his government’s clan favoritism (Elmi & Barise,
2006). This created a hostile environment and northern Somalis viewed the new residents as intruders and this led to the creation of a separatist movement (Harper, 2012). Significantly, the clan system that Siad Barre had decried and attempted to root out of the country was a factor in his demise. As he grew weaker, Siad Barre became reliant on his clan, Mareehan, and other allied clans of Ogadeeni (his mother’s) and Dulbahante (his wife’s) to help govern the country (Schraeder, 2006).

Furthermore, economic mismanagement failure placed a large part of the economy into the hands of the central government and created a command economy that was failing (Ahmed I Samatar, 1988). The government also instituted policies that were designed to get a hold of the nomadic herders into enclosures system to be better control a large income generator of the country. In order to access foreign aid from the developed governments and international agencies, the government agreed to institute harsh economic measures called the Structural Adjustment Programs (SAPs). The SAPs were introduced in the 1980s making assistance conditional on implementing neoliberal policies such as deregulation, liberalization, privatization and reducing government spending (Abdi Ismail Samatar, 1993). Another devastating economic blow came when livestock exports, the largest source of income and a large source of employment in northern Somalia, were banned by Saudi Arabia due to rinderpest (Bradbury, 2008).

The discontent grew louder the longer the military dictatorship stayed in place. Consequently, a rebellion against the dictatorship grew more active starting with an assassination attempt on Barre. Additionally, several groups formed an armed rebellion against the government, one being the northern based Somali National Movement (Bradbury, 2008). Throughout the 1980s, various groups took up arms against the Siad Barre regime. The government renounced Scientific Socialism as the guiding force for the government. What replaced it was a one-man
dictatorship that became ruthless in protecting its power (Elmi & Barise, 2006). Siad Barre increasingly became bloodier in his quest to retain power, in response to the secessionist movement in the north; he destroyed the capital of northern Somalia, Hargeisa (Elmi & Barise, 2006). This resulted in many northerners dying. Similarly in the south, other armed groups took over large swaths of the country. By the end of the 1980s, his government only controlled a few areas of the country; he was famously labelled a “mayor of Mogadishu” because that was the only area he effectively controlled (Harper, 2012). On January 27, 1991, Siad Barre fled the country plunging the country into chaos (Hooglund, 1992).

**Current context**

Somalia has been without a functioning state apparatus since 1991, when president Siad Barre was ousted from office amid a civil war (Menkhaus, 2011). Ever since, the country has been mired in economic and social stagnation, in part due to the lack of a centralized government which has control over the recognized territory of the country (Byrne, 2013). After the collapse of the state, several individuals, organizations and international actors have attempted to assert their control with little success (United States Government Accountability Office, 2008). In the immediate aftermath of the Barre’s exile, Ali Mahdi Mohamed declared himself president however, Mohamed was not recognized by the different factions fighting (Clark, 1992). While at the same time, several clans in northern Somalia declared independence from Somalia and created new state called Somaliland based on the former British colony boundary (Bradbury, 2008). After initially attempting to broker a peace deal between Mohamed and the General Mohamed Farrah Hassan Aidid, leader of largest rebel group, International actors through the United Nations also inserted themselves in the conflict. In 1992, after a negotiated settlement failed, the UN decided to send a
peace keeping mission to Somalia due to a deteriorating humanitarian conditions in which an estimated 350,000 Somalis lost their lives (Clark, 1992). One year after the first peacekeepers the UN mission in the country came to an end. Consequently, the UN and much of the international community reduced their active participation in the country, nevertheless in the UN Secretary General took an indirect role as mediator by setting up the United Nations Political Office for Somalia (UNPOS) in 1995 (United Nations, 1995).

Over this period, Somalia’s social development indictors became some of the lowest in the world. Some of these indicators are attributed to the fact that parts of the country are still experiencing civil war conditions along with an insurgency inspired by the transnational ideology of Al Qaida (Lindley, 2010; Lindley & Haslie, 2011). The armed conflict that began in the 1980s and still continues to this day in some parts has resulted in a large displacement of people. Between 2006 and 2012, the displacement of people was exacerbated by increased conflict as different factions re-ignited their fight for territorial control intermittent and a draught, this leading to a large famine in 2011 (Robinson, Zimmerman, & Checchi, 2014). Thus, in 2014 the United Nation High Commission for Refugees (UNHCR) estimated that the country had 1.13 million Internally Displaced Persons¹ (IDP) and another 1.08 million refugees² outside the country (United Nations High Commissioner for Refugees, 2014).

Furthermore, human development indicators show that the country is afflicted by poverty, 61% percent of the urban population is poor and 80% of the rural population is living under

¹ Persons who are displaced within their country and to whom UNHCR extends protection and assistance. It also includes people in IDP-like situations. This category is descriptive in nature and includes groups of persons who are inside their country of nationality or habitual residence and who face protection risks similar to those of IDPs but who, for practical or other reasons, could not be reported as such.

² Persons recognized as refugees under the 1951 UN Convention/1967 Protocol, the 1969 OAU Convention, in accordance with the UNHCR Statute, persons granted a complementary form of protection and those granted temporary protection. It also includes persons in a refugee-like situation for whom refugee status has, for practical or other reasons, not been ascertained.
poverty, for an overall poverty rate of 80% for the country (UNDP, 2010, 2012, 2015). In the last UNDP/World Bank Socio-economic survey conducted in the country, people living under extreme poverty, those living with less than a dollar a day, have are estimated to be 43.2% of the population (UNDP & World Bank, 2003). Accordingly, the UNDP estimates that half the population is in urgent need of aid and require some form of international assistance (OCHA, 2012). The country’s per capita Gross Domestic Product (GDP) is one of the lowest in the world at $128 US dollars, in fact that number has dropped significantly from a high of $284 in 2008 (United Nations, 2015). A variety factor have led such a significant drop including, a famine in 2011 as well as a spike in the civil conflict (UNDP, 2012). As a result, when compared to its neighbouring countries, Somalia’s life expectancy in 2012 was 56.34 (United Nations, 2015) much lower than its African neighbours (see Figure 1).

*Figure 1: Comparison of life expectancy with Somalia's neighbours (1990 - 2013)*

Data source: (WHO, 2015)
One of the factors hampering the country has been the low levels of education and illiteracy affecting the youth of Somalia. The instability in the county has contributed to the country’s adult literacy rate being estimated at 35.5% (UNDP, 2012). In 2012, 73% of Somalis were under the age of 30 according a UNDP study and 42%, were between the ages of 14 and 29. And yet, the education rates of these youth were abysmal, for example only 42% of student attended primary education and only 36% were girls. Moreover, UNICEF estimated that only 38% of students that started grade 1 were still enrolled in grade 5 (UNICEF, 2013). While 0.5% made it to tertiary education level, some 51,471 students across 44 higher education institutions throughout the country (The Heritage Institute for Policy Studies, 2013). As a result, 21% of youth are neither enrolled in school or are unemployed. See Table 1 for a list of selected human development indicators.

### Table 1: Select human development indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Year</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demographics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Population (millions)</td>
<td>2013</td>
<td>10.5</td>
</tr>
<tr>
<td>Urban share of the population (percentage of total)</td>
<td>2013</td>
<td>38.6</td>
</tr>
<tr>
<td>Total fertility rate (births per woman)</td>
<td>2013</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>Economic status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population living below $1.00 a day (%)</td>
<td>2002</td>
<td>43.2</td>
</tr>
<tr>
<td>Population living below $2.00 a day (%)</td>
<td>2002</td>
<td>73.4</td>
</tr>
<tr>
<td>Gross Domestic Product (PPP, US$)</td>
<td>2012</td>
<td>128.1</td>
</tr>
<tr>
<td>Per Capita GNI (US$)</td>
<td>2012</td>
<td>122.9</td>
</tr>
<tr>
<td>Employed (% of 15-64 Years)</td>
<td>2012</td>
<td>45.7</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life expectancy at birth (years)</td>
<td>2012</td>
<td>54.7</td>
</tr>
<tr>
<td>Under five mortality rate</td>
<td>2012</td>
<td>147/1,000</td>
</tr>
<tr>
<td>Population with sustainable access to an improved drinking water source (%)</td>
<td>2011</td>
<td>29.5</td>
</tr>
<tr>
<td>Maternal mortality ratio</td>
<td>2010</td>
<td>1,000/10,000</td>
</tr>
<tr>
<td>Infant mortality rate</td>
<td>2012</td>
<td>91/1,000</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy rates (% of 6 years and above)</td>
<td>2012</td>
<td>35.5</td>
</tr>
<tr>
<td>Expected Years of Schooling (years)</td>
<td>2010</td>
<td>1.8</td>
</tr>
<tr>
<td>Mean Years of Schooling (years)</td>
<td>2010</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Other indices</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internally Displaced Persons (IDP)</td>
<td>2014</td>
<td>1,133,000</td>
</tr>
<tr>
<td>Refugees</td>
<td>2014</td>
<td>1,080,788</td>
</tr>
</tbody>
</table>

*Data source: (UNDP, 2014; WHO, 2015, World Bank, 2015; UN Data, 2015)*
Somali diaspora and the impact of remittances

As result of Somalia’s economic and social stagnation, the country is very dependent on remittances from abroad to supplement any income they might be generating. Remittance services play an important role throughout in current global economy. The World Bank estimates that over $325 billion is transferred worldwide every year, with $40 billion remitted from developed countries to Africa (Mohapatra & Ratha, 2011).

In the discussion surrounding the remittance network, one group that is essential are the diaspora. Although the benefits to Somalis in the country are undeniable as Hammond (2010) noted:

“While one can argue that improvements in governance might increase the positive impact of remittances on the country, the value that remittances already hold for thousands of Somalis living in and around Somalia—even in the absence of peace and well-established structures of governance—is impressive” (Hammond, 2010, p. 130).

One study conservatively estimated that the large Somali diaspora community, estimated at 1 million, contributes large remittances into the country every year (Hassan & Chalmers, 2008; IMF, 2013). For example, Somalis living in the United States remit around $215 million annually (Orozco & Yansura, 2013). It has been estimated that, on average, residents in Somalia receive $3,000 per year (Orozco & Yansura, 2013, p. 10), which is large amount compared to the country’s per capita GDP of $600 (CIA, 2015).

Consequently, remittances, international agencies such as the United Nations, the African Development Bank and other international NGOs have postulated that these billions can be harnessed to effectively help developing countries such as Somalia economically and socially
develop. For example, in 2012 remittances directed towards the country outstrip Official Development Assistance ($101 million), Foreign Direct Investments ($775.2 million) and exports ($515.8 million) (CIA, 2015; FSNAU, 2013). In Somalia, remittances play an outsized role in the economy, for instance, the UNDP concluded: “Without this external support network, the economy would have imploded long ago” (UNDP, 2012, p. 25). This figure results in some households receiving up to 40% of their incomes from the funds transferred from abroad (AfDB, 2013).

The country receives one of the largest recipients of remittances on per capita basis in the world (UNDP, 2012). Slightly more women receive remittances than men. Interestingly, Somali remittances are 100% sent through other services not the large money transfer agencies such as Money Gram or Western Union. Moreover, these money transfer agencies are not the traditional financial institutions with international transfer codes but rather are retail locations rather than financial institutions. The unique system that has been developed by Somalis to send and receive money has been the result of a lack of standardized financial institutions that are linked in the international financial system. More specifically, a system built on trust, has developed to become one of the most efficient systems to transfer money. Although Dahabshiil, one of the largest Money Transfer Operator (MTOs) is family owned, most MTOs are independently owned by a group of shareholders (Orozco & Yansura, 2013). This system is based on an intricate communication method began with a physical-delivery method during the period in which the country was at war. Next it evolved as the Somalis became more dispersed internationally and built social networks across boundaries. Then the money transfer system embraced technology, particularly telephone communications to deliver the remittances. Now, mobile banking has been implemented and has transformed to become an almost instantaneous delivery directly to the recipient. Figure 2
illustrates how the funds are transferred to the recipient, this illustration shows how Somalis send money, how a similar approach is employed across countries and continents.

Figure 2: The flow of remittances to Somalia

<table>
<thead>
<tr>
<th>Model</th>
<th>Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Individual A hands money to Broker A;</td>
</tr>
<tr>
<td></td>
<td>2. the Broker A provides a code to Individual A;</td>
</tr>
<tr>
<td></td>
<td>3. Individual A provides the code to Individual B;</td>
</tr>
<tr>
<td></td>
<td>4. Broker A borrows the equivalent amount from Broker B;</td>
</tr>
<tr>
<td></td>
<td>5. Individual B presents code from Individual A to Broker B;</td>
</tr>
<tr>
<td></td>
<td>6. Broker B releases funds for Individual B.</td>
</tr>
<tr>
<td></td>
<td>7. Broker A repays funds, primarily through a carrier system, to Broker B</td>
</tr>
</tbody>
</table>

The previous system served countries very well throughout history. However, technology has made the process faster and more efficient. The networks have been expanded much faster and now money is delivered almost instantaneously. The money transfer system has been greatly assisted by fax machines, telephones, emails, and more recently the mobile phones. Due the utilization of communication technologies, these types of transactions can now be completed in less than 24 hours (Razavy, 2005). Consequently, the Hawala system has come under heavy scrutiny as source financing for criminal behavior and terrorism. Moreover, the systems opaqueness, speed and lack of records have risen concerns for being a conduit for criminal financing. Thus, Western governments have placed heavy restrictions on banks that facilitated the Hawala brokers thus effectively driving them further underground (De Goede, 2003). For countries
that rely on the Hawala system rather than the formal banks to transfer money, these restrictions have been criticized for hurting people dependent on the transfers (Gutale, 2015).

In the case of Somalia and its diaspora, the Hawala system has evolved in spite these restriction and the lack of the formal banking system. In country without centralized postal system or personal identification system the Hawala system has several advantages. First, individuals without a fixed address have the ability to use the system because they all that is required is code or phrase from the sender to access the funds. Another advantage is that the Hawala system works in places where large money transfer institutions do not serve. For example, there are no Western Union desks or internationally recognized MTOs in Somalia. A third advantage is that it has a relatively low cost, the commission charged the sender is of around five percent. Thus this low commission ensures the cost of transfer itself is reasonable for the senders. A fourth advantage is that the large Hawala systems is now web-based to facilitate the quick transfer of money. Once the money arrived the client is called, usually, on a mobile telephone which are widely available. If the amount large a clan elder is called upon to verify the person’s identity. In order to create a fast efficient system, technology has enabled this process to move at the pace of the internet.

The Somali ICT Sector

The ICT sector is one of the most productive sectors of the Somali economy, it is also one the largest segments of the county’s GDP per year (UNDP, 2012). Furthermore, the ICT sector has developed locally over the years serviced by local companies (Hesse, 2010). This growth can be witnessed in part due to the proliferation number of companies in the ICT sector as well as the relative low cost associated with access ICT services (P. Unwin, 2009). Thus, like much of the world, Somalis now have access to news, communication, services and more at the touch of a
button. This leads to the question of this study: What role, if any, has the diaspora played in the advancement of the ICT sector in Somalia?

In the past, communication networks required land and undersea cable lines in addition to a vast network of physical infrastructure which meant ICT was developing countries could not afford the high costs associated with implementing and sustaining such networks over large, rugged terrain. This lack of ICT infrastructure coupled with other issues such as lack of paved roads, access to stable supply of electricity or a highly educated and skilled workforce resulted in developing countries lagging technologically compared to developed countries (Aker & Mbiti, 2010). Accordingly, many developing countries, countries in conflict and especially African countries struggled to benefit from the economic and social benefits of ICT.

However, over the last three decades, the move to wireless, mobile technology has enabled countries that lacked expensive physical infrastructure to join in the ICT revolution (Etzo & Collender, 2010). The emergence of over these years of mobile technologies has increased the number of low-cost technology resulting in the emergence of a variety of ICT companies. Thus, more people in developing countries gained access to these technologies, particularly cellphones, increasing the possibilities to easily communicate and conduct commerce. The ICT revolution also brought with it new innovations that were developed locally. The most cited example of this is M-Pesa in Kenya. M-Pesa brought with the ability easily send and receive money through text messages and physical cash being collected through ubiquitous money agents throughout the country (Mbiti & Weil, 2011).

In the case of Somalia, since the year 2000, the number of people with mobile phones has risen from 1% to close half of the population (49.4%) in 2013 (United Nations, 2015). More specifically, the number of people with cellphones was 648,200 but by 2013 that number had
reached 5.183 million subscribers (World Bank, 2015). In comparison, the number of telephones plateaued in 2004 at 1.2% (100,000) of the population having access to landline telephone and has been steadily declining to 0.6% in 2013 (64,000). This has been attributed as one of the factors that has increased accessibility to ICT technologies.

When it comes to the companies that operate in the country, three large companies dominate: Somtel, NationLink and Hormuud Telecom. Interestingly, one of the largest cellphone operators in Northern Somalia, Somtel Network, was taken over by the largest money transfer organization. This was in part to manage the mobile money platform developed by Somtel. Although a variety of smaller operators are in operation. Although, in June 2014, the Somali ministry of Posts and Telecommunications blocked some carriers that did not have licenses (International Telecommunication Union, 2014). Moreover, the World Bank has instituted a review of the telecommunications sector in order for the Somali federal government to better regulate it (World Bank, 2015). The review has ensured that the three large telecom companies started paying the federal government $400,000 dollars per month in lieu of licensing. This means that the government will be earning $12 million in 2015 for the 3 companies.

As result of the increased number of internet connected devices, Somalia has witnessed the rise of internet users. This can be most attributed, in part, to the ubiquity of smart phones which have integrated many different functions into hand held devices. Internet users stand at 163,185 or 1.5% (0.6% are broadband users) of the population in 2014 (see Table 3). However, these figures only relate to users who have access to the internet through a connection at home, not taking into account mobile users (Hare, 2007). Yet even with landline connected internet users the number the number grew by 12% in a one year period (United Nations, 2015).
Table 2: ICT Penetration in Somalia

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed broadband Internet subscribers (2013)</td>
<td>60,000</td>
</tr>
<tr>
<td>Fixed broadband Internet subscribers (per 100 people) (2013)</td>
<td>0.6</td>
</tr>
<tr>
<td>Internet users (per 100 people) (2013)</td>
<td>1.5</td>
</tr>
<tr>
<td>Mobile cellular subscriptions (2013)</td>
<td>5,183,000</td>
</tr>
<tr>
<td>Mobile cellular subscriptions (per 100 people) (2013)</td>
<td>49.4</td>
</tr>
<tr>
<td>Secure Internet servers (2012)</td>
<td>1</td>
</tr>
<tr>
<td>Secure Internet servers (per 1 million people) (2012)</td>
<td>0.1</td>
</tr>
<tr>
<td>Telephone lines (2013)</td>
<td>64,000</td>
</tr>
<tr>
<td>Telephone lines (per 100 people) (2013)</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Data source: (UN Data, 2015; ITU, 2015)

Another example of the Somalis embrace of ICT has been the proliferation of websites that are about Somalia and originate from within the country (Abdisalam M Issa-Salwe, 2006). The number of Somali related websites have seen a marked increase over the last decade matching the proliferation of mobile technologies. Moreover, the internet has become an important source of news and information for people living in the diaspora (Menkhaus, 2013). Issa-Salwe and Olden (2008) have argued that the social nature of ICTs are conducive to Somalia because of the high importance placed on oral traditions. The internet has served to create and facilitate a sense of identity online to a population that is spread around globe. For example, social media site Facebook has increased steadily over the last few years and now 51% of youth with access to smart phones are members of the social media website (Dhaha & Igale, 2013).

The lack of regulation has been cited as one of the main reason why the country telecommunication has grown so rapidly. One industry that is held up as an example as having blossomed without the regulatory framework under state is the ICT sector, some often point to this industry as having helped Somalia stabilize (Stremlau, 2012). The industry has utilized customary law of Xeer as well as religious law of sharia in place of a system implemented through government (Center for Global Communication Studies, 2014). The growth of the sector has been facilitated by the advancement of technology that can be easily setup and installed without the
need for large investment infrastructure (Hesse, 2010). The ICT sector has also aided by the fact that the “tax” charged to them by the various factions has been relatively low compared to other parts of the economy because it is deemed a vital service (Hesse, 2010). However, the ICT sector is faced by problems precisely because the lack of a centralized oversight. Examples include (1) the nonexistence of clear structure for assigning numbers, (2) some calls cannot connect with rival phone systems, (3) service in rural areas is often spotty due to the companies concentrating within populated centres. The ICT sector is credited with providing the country with the cheapest long distance calling rates in all of Africa. The sector provides a mechanism for the other parts of the economy to function. For example, the large Somali diaspora can easily and relatively quickly send money to family members still in Somalia (Yusuf, 2015).

Discussion

A central concept in international relations is the contested and contentious overarching term ‘state’ (Mann, 1984; Mitchell, 1991). On one hand the state can be defined simply as a set of institutions or it can be defined more broadly through the functions it conducts (Mann, 1984). Nonetheless, the existence and the need for a state, which is manifested in institutions and social contracts, is best illustrated by Francis Fukuyama, in the forward of Samuel Huntington’s Political Order in Changing Societies as in “the total absence of social conflict, political institutions are unnecessary; in the total absence of social harmony, they are impossible”(Fukuyama, 2006, p. 9). Furthermore, many theorists acknowledge and observe some core elements central to all definitions of states, including: one, a set of institutions; two, a defined territory; and three, an authority with rule making powers(Hall & Ikenberry, 1989, p. 1; Mann, 1984).
However, in the case of Somalia, these dominant concepts around state and statehood do not seem to apply. Somalia’s government collapsed in 1991 along with a collapse of all state apparatuses which have not been fully replaced to this day. Yet, the Somali economy has shown signs of resilience despite the lack of a centralized government. This is further illustrated by the Somali Shilling (SoSh) which retains value as a private market currency. Although the economy is still considered to be recessionary, overall GDP has consistently grown at over 2 percent, after the initial crash that proceeded the fall of the government in 1990 (Little, 2003). Since then, the economy has come to revolve around three main engines which are livestock (40%), remittances (35%) and the telecommunication sectors (Menkhaus, 2011; UNDP, 2012). Unifying factors include a common language, a similar religion and shared history (Warsame, 2001).

The case of Somalia presents a unique case of the traditional fissures around the nation-state. One argument suggests that Somalia’s clan system, in existence prior to the arrival of colonialism, is an important dynamic in the rejection of the power of the state (Hesse 2010). The system of remittances is very much reliant on the family lineage and extends credit based on that system. The Information Communication Technologies (ICTs) sector has been one of the most transformative sectors of the economy. The ICT sector provides a link the large diaspora community.
Works Cited


