

BTI 2012 | Somalia Country Report

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Political Transformation	1-10	1.27	# 128 of 128	➔
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scale: 1 (lowest) to 10 (highest) score rank trend

This report is part of the Bertelsmann Stiftung’s Transformation Index (BTI) 2012. The BTI is a global assessment of transition processes in which the state of democracy and market economy as well as the quality of political management in 128 transformation and developing countries are evaluated.

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Key Indicators

Population	mn.	9.3	HDI	-	GDP p.c.	\$	-
Pop. growth ¹	% p.a.	2.3	HDI rank of 187	-	Gini Index		-
Life expectancy	years	51	UN Education Index	-	Poverty ³	%	-
Urban population	%	37.4	Gender inequality ²	-	Aid per capita	\$	72.4

Sources: The World Bank, World Development Indicators 2011 | UNDP, Human Development Report 2011. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$2 a day.

Executive Summary

Over the last two years, Somalia experienced ongoing violence and a continuous reconfiguration of political and military forces. During a United Nations brokered peace process in Djibouti, the Transitional Federal Government (TFG) reconciled with one of its opponents, the moderate Djibouti wing of the Alliance for the Re-liberation of Somalia (ARS-D). TFG and ARS-D formed a coalition government in the end of 2008, and nearly doubled the seats of the Transitional Federal Parliament (TFP) to accommodate ARS-D members. Sheikh Sharif Sheikh Ahmed, the former ARS-D leader, was elected as president in January 2009. Following the Djibouti agreement, Ethiopian forces subsequently withdrew from Mogadishu, leaving behind the underequipped and understaffed forces of the African Union Mission in Somalia (AMISOM) to support the TFG.

Islamist insurgents have controlled most parts of southern and central Somalia since 2008. The election of an Islamist president and the withdrawal of Ethiopian troops have put severe pressure on the Islamist movement, and have heightened rifts between and within the two most radical insurgent groups, the Harakat al-Shabaab al-Mujahedeed (al-Shabaab) and the Hizbul Islam. Fighting between the two insurgent groups eventually led to the defeat of Hizbul Islam, which surrendered to al-Shabaab at the end of 2010. During the reporting period, al-Shabaab has consolidated its control over vast areas in southern and central Somalia. It has established Shari'ah based administrations, but has, with its continuous attempt to control the public and private life of the people and the imposition of a radical interpretation of Islam, also alienated large segments of the population.

In central Somalia, locally rooted religious and clan-based forces emerged under the umbrella of Ahlu Sunna Wal Jama'a (ASWJ) to fight against the rising influence of the Salafi ideology propagated by both al-Shabaab and Hizbul Islam. ASWJ became the most important ally of the TFG and challenged the rule of al-Shabaab in central Somalia during 2009 and 2010.

The TFG, however, was not able to exploit the rifts among the Islamists and to counter the Islamist threat. TFG remains confined to some districts in Mogadishu and dependent on AMISOM forces. International attempts to build and train Somali security forces have not created an army strong enough to re-capture territory from the al-Shabaab. The TFG has further failed to initiate a reconciliation process or, at least, to win trust and gain support among the people in Somalia. Instead, the majority of the population seems to perceive the TFG as hostile and to view their actions with suspicion.

History and Characteristics of Transformation

With the complete collapse of state institutions in 1991, Somalia represents one of the modern world's most protracted cases of statelessness. While the central and southern parts of the country have since struggled amid intermittent violent conflicts, northern Somalia has developed differently. In the northwest, the Republic of Somaliland declared independence in May 1991 and has gradually rebuilt its basic state structures. Although the new country has developed a modest capacity to govern and has continued along a path to full democratic transformation, it has not yet gained international recognition. In August 1998, Puntland was established as an autonomous regional state in Somalia's northeastern region, yet since then it has developed only rudimentary governance structures. Therefore, this report examines only the developments in Somaliland and not in Puntland.

In central and southern Somalia, localized processes of political reconstruction after 1995 have led to increased security and modest economic growth. In 2004, after two years of complicated negotiations, an internationally mediated peace and reconciliation conference in Kenya led to the formation of a Transitional Federal Parliament (TFP), which elected Abdullahi Yusuf Ahmed as the new president. The president named a prime minister, who in turn formed the Transitional Federal Government (TFG). Both the TFP and TFG relocated from Kenya to Somalia in mid-2005.

The TFP, however, was plagued by internal conflicts and power struggles, and a new political and military force called the Union of Islamic Courts (UIC) began to assert itself in 2006. The UIC took over Mogadishu in June 2006 and soon expanded its rule from the capital to Kismayo in the south and toward Galkayo in the north. In late December 2006, as UIC forces advanced to the western city of Baidoa, the Ethiopian military intervened on the side of the TFG, but it was not until late January 2007 that the military was able to oust the UIC from Somalia. Aided by Ethiopian troops, the TFG installed itself in Mogadishu. In February 2007, the U.N. Security Council authorized the African Union Mission to Somalia (AMISOM) with an 8,000-strong military force, aimed at replacing Ethiopian troops. However, the planned strength of the intervention forces only materialized at the end of 2010.

The combined TFG, Ethiopian and AMISOM forces found themselves soon involved in a complex Islamist insurgency, spearheaded by the Harakat al-Shabaab al-Mujahedeed (al-Shabaab) militia. Mogadishu constitutes the epicenter of this war, which has cost thousands of lives and forced hundreds of thousands of people to flee the capital. Amidst a worsening humanitarian crisis, a new peace initiative was initiated by the United Nations in Djibouti. By late 2008, an agreement was reached between the TFG and one of the Islamist opposition forces, leading to the establishment of a new, more broadly based TFG and to the withdrawal of Ethiopian forces. This development was seen as an opportunity to quell long-standing conflicts by achieving a negotiated settlement.

The collapse of the state and the subsequent disarray of its formerly centrally planned economy have led to the radical privatization of economic activities. In the mid-1990s, the economy, especially international trade and local services, started to grow. This progress was not due to any coherent economic management, but rather to the results of private initiatives by entrepreneurs, who, within an insecure environment, often act in close cooperation with powerful militia leaders. Commercial activity is driven by short-term profits and in general relies heavily on armed protection. However, growing insecurity and violence has contributed to a subsequent and severe economic crisis. In Mogadishu, one of the capital's biggest markets was seriously damaged and several businesses were destroyed.

While the central and southern regions of Somalia were engaged in war, the Republic of Somaliland continued its path toward the construction of a state and democratization. District elections were held in 2002, followed by presidential elections in 2003 and parliamentary elections in 2005, with the Allied People's Democratic Party (UDUB) maintaining its hold on the executive branch. Although the country was profoundly affected by a number of suicide attacks in October 2008, Somaliland has continued preparations for its second presidential elections, which were after two years of delays in June 2010. The peaceful election and smooth transition of power to the former opposition leader have consolidated Somaliland's path towards democracy.

However, the Republic of Somaliland remains limited in its effective and material capacity and has few means of regulating economic activity. Not officially recognized as a state, Somaliland receives only limited aid from OECD countries, which arrives primarily in the form of assistance from non-governmental organizations and multilateral aid. The state is also highly dependent on an emergent business class. As links between key economic and political actors are strengthened, corruption and patronage networks are bound to grow.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 10 (best) to 1 (worst).

Transformation Status

I. Political Transformation

1 | Stateness

Question

Score

Somalia is a country without a state since 1991, when the already weak monopoly on the use of force collapsed. Although the country has undergone significant political changes in the last two years, none of the emerging political and military factions, among them a reshuffled TFG, Islamist militias and clan-based militias, have managed to establish a monopoly on the use of force throughout the country. The security situation is disastrous, with Mogadishu continuing to be the epicenter of armed conflicts between the TFG and its allies and Islamist militias. Indiscriminate use of violence against civilians is reported from all factions.

Monopoly on the use of force

1

The Djibouti agreement led to the withdrawal of Ethiopian forces, and enabled the establishment of a moderate Islamist government in Mogadishu at the beginning of 2009. The new TFG was mandated to build up a strong security force under the supervision of a Joint Security Committee (JSC) that was further mandated to coordinate security institutions. Despite substantial international assistance, no major progress was achieved in the security sector over the last two years. An estimated 3,000 soldiers were recruited, equipped and trained, but lack clear command and control arrangements. With personalized command structures and overlapping functions, the TFG security forces resemble clan militias more than a national army and remain ineffective and disorganized. Furthermore, the TFG lacks the organizational, logistical and financial capacities to maintain its forces. The newly trained soldiers could therefore easily develop into a recruiting pool for armed groups, and their weapons are often found on the local markets.

Without a functioning military or police force, the TFG relies heavily on the Ugandan and Burundian AMISOM troops, whose numbers increased from 4,000 to over 8,000 during 2010. TFG and AMISOM are under constant attack from Islamist militias and were involved in a series of heavy and successively intensifying battles during 2009 and 2010.

At the beginning of 2009, the radical wing of ARS (ARS-Asmara) formed a new militia, the Hizbul Islam. Hizbul Islam and al-Shabaab, the latter having spearheaded the fight against the TFG since 2007, declared the Djibouti agreement to be illegitimate and the new TFG to be a puppet of Western and anti-Islamic powers. In May and June 2009, their consolidated military attempt to take over the capital was thwarted by AMISOM troops. Both armed groups suffered heavy losses and have since resorted to guerilla warfare, but they increasingly also rely on terrorist attacks.

Since 2008, al-Shabaab has controlled most of the territory in southern and central Somalia, and has established a monopoly on the use of force in most of its areas. Al-Shabaab gained local support during its guerilla war against Ethiopia and the TFG in 2007 and 2008. The withdrawal of Ethiopia and the establishment of a government under a moderate Islamist leadership willing to implement the Shari'ah has drawn al-Shabaab and other Islamist armed groups into a legitimacy crisis and stimulated debates between, on one hand, those that are at least open for political dialogue, and, on the other, those supporting al-Qaeda notions of global jihad. The foundation of Hizbul Islam in February 2009 by Sheikh Aweys, a former ARS leader who refused to negotiate with the TFG, proffered an additional challenge to the supremacy of al-Shabaab. Hizbul Islam was a coalition of four Islamist and at the same time mostly clan-based organizations, the Alliance for the Re-liberation of Somalia: Asmara wing (ARS-A), Somali Islamic Front or JABISO, Raas Kaambooni and Anoolle. The latter two were previously part of the al-Shabaab network.

Hizbul Islam and al-Shabaab entered into a tactical alliance and launched a joint military campaign to overtake the capital in May 2009, but were defeated by AMISOM in June. The fights left hundreds dead and tens of thousands displaced. The alliance broke down immediately after the defeat and the relationship between the two armed groups became increasingly strained during 2009. In October 2009, a faction of the Ras Kaambooni Brigades together with local clan militias, attempted to rout al-Shabaab from the southern port city of Kismayo. ARS-A and JABISO refused to support their ally. Ras Kambooni forces were therefore easily overpowered by al-Shabaab. They were expelled from Kismayo, and soon lost most of their other strongholds in Southern Somalia to al-Shabaab. By the end of 2009, Hizbul Islam was reduced to a small militia, and was challenged by al-Shabaab in central and southwestern Somalia in 2010. By December 2010, Hizbul Islam officially surrendered to al-Shabaab and their militia merged with al-Shabaab forces.

Confronted with the task of administering their expanding territory, al-Shabaab seems to have restructured their internal organization. Some sources claim that, during 2009 and 2010, al-Shabaab has evolved from a decentralized and loose network of Islamist and clan-based armed groups into a more centralized

organization with a clearer leadership and command structure. The hardliners of al-Shabaab seized the opportunity to enhance their influence and power within the movement. They promote global jihad instead of concentrating on Somalia and are able to draw on material and ideological support from foreign jihadists. The involvement of al-Shabaab in the suicide bombings in Kampala in November 2010 is interpreted by some sources as a manifestation of the evolution of al-Shabaab from a nationalist armed group into an internationalist jihadist group. However, reliable information on the internal organization and the ideological development of al-Shabaab is difficult to acquire, as it continues to operate in a secretive manner. The internationalization of the Somali conflict remains likely, as is also visible in the extremist infiltration of diaspora communities and the growing influence of international jihadists, particularly on al-Shabaab.

Following al-Shabaab's attempt to ban Sufi religious practices, and in particular their desecration of traditional Sufi shrines in 2008, Ahlu Sunna Wal Jamaa (ASWJ), a former non-militant network of Islamic Sufi groups, took up arms against al-Shabaab. ASWJ is an alliance of loosely affiliated clan militias, but it has joined with the TFG and received support from Ethiopia. During 2009 and 2010, ASWJ militias were engaged in a series of heavy battles against al-Shabaab in central Somalia.

The Republic of Somaliland in the northwest and the autonomous region of Puntland in the northeast remained stable, but both entities have suffered from the spillover of violence from the south. The most dramatic example of this was the simultaneous suicide bomb attacks against the Somaliland presidency, the Ethiopian liaison office and the UNDP office in Hargeisa, and the Puntland Intelligence Service in Bossaso in October 2008, in which altogether more than 25 people were killed. Al-Shabaab has since continued to issue warnings and threats against Somaliland, condemning it as anti-Islamic. Somaliland authorities have tightened security, arrested some al-Shabaab leaders and recovered weapons and explosives.

While the Puntland administration is accused of being increasingly involved in the Somali war economy, Somaliland has continued its path towards stabilization and democratization with peaceful presidential elections and a transition of power in 2010.

The vast majority of Somalia's population is ethnic Somali and nearly 100% of the population is Muslim, making Somalia a relatively homogenous country compared to other African states. Prior to 1991, citizenship was based on patrilineal descent; people with a Somali father were considered Somali, regardless of their place of residence. A Somali was defined as a person who by origin, language and tradition belongs to the Somali nation. In legal terms, minority groups such as the Midgan, Yibir, Bantu and some Arabic minorities were seen as full-fledged citizens. They, however, have clearly suffered discrimination in many aspects of social and

State identity

3

economic life throughout Somalia. After the collapse of the state, members of minority groups were harassed by gunmen and threatened by freelance and clan militias, which often targeted militarily weak groups. With the increasing influence of Islamism, the number of Somalis belonging to the Umma, the community of Muslims, has gained importance. It is unclear though how and whether this affects the situation of minorities.

In the Somaliland Citizenship Law of 2002, patrilineal descent from the clans or people inhabiting Somaliland was reaffirmed as the basis of citizenship. The notion of a common Somali state identity is no longer accepted, and has gradually been replaced by a Somaliland state identity.

With the collapse of the government in 1991, the state's secular law ceased to function. Instead, two legal systems simultaneously operate in Somalia: traditional law (xeer) and the Islamic Shari'ah, with the latter growing in influence since 1991. In Somaliland's constitution, as well as in the interim constitution of Puntland and the Transitional Federal Charter, Islamic law forms the base of jurisprudence. Under President Sheikh Sharif, the TFG has announced the implementation of Shari'ah law.

No interference of
religious dogmas

2

The administration of al-Shabaab in southern and central Somalia is mainly guided by religious dogmas. In the areas under their control, al-Shabaab enforces the public application of harsh penalties such as execution by stoning, amputation of limbs and flogging. Al-Shabaab further imposes morality laws, with strict dress codes for women, forcing them to wear a veil, and dress and hair rules for men. Smoking and chewing khat in public is banned, as is secular music and any forms of dances.

In addition, al-Shabaab has restricted humanitarian access in most of its areas and banned U.N. organizations, among them the World Food Programme, and many other international and national development and humanitarian organizations.

In Somaliland, Islamic courts primarily regulate family issues. Although secular legal codes, including the old Somali penal code, have been applied across the country, they remain subordinate to traditional law, as the courts' institutional capacity is limited, and judges and attorneys lack training and expertise in secular legal codes.

The TFG has neither reestablished public institutions nor build at least a rudimentary form of administration over the last two years. Many of its institutions, such as the parliament or the civil service, are barely functioning. Most ministers have neither clear terms of reference nor a ministerial apparatus. Public goods, among them the most basic good of security, are not provided to the population. Lack of administrative capacity, the misuse of resources for private gain, and weak leadership structures exacerbate the administrative failures of the TFG. Instead, the TFG relies mainly on AMISOM for security and even the payment of its own

Basic
administration

1

soldiers. In addition, the security forces have been accused of corruption and are involved in human rights violations and violations of international humanitarian law, including indiscriminate attacks against civilians. The TFG has also been accused of recruiting child soldiers.

In the areas controlled by al-Shabaab, administrations have been established with the main function of upholding order based on a radical interpretation of the Islamic Shari'ah. During 2009 and 2010, al-Shabaab exercised an increasingly arbitrary and authoritarian rule. Civilians, who are bearing the brunt of al-Shabaab rule, are confronted with many violations of their human rights. Over the last two years, the popularity of al-Shabaab has suffered significantly within Somalia.

In Somaliland and Puntland, basic administrative services are provided, including core infrastructure and a regulatory authority funded through revenue collection.

2 | Political Participation

There are no free and fair elections in Somalia. The selection of the members of the Transitional Federal Parliament (TFP) was originally based on the so-called 4.5 formula, which allocated an equal number of seats to the four major clans, and then half that number to smaller clans and minority groups. Due to the peace agreement reached between the TFG and ARS-A, ARS-A members were integrated into the TFP, and the number of parliamentary seats was doubled to 550. The TFP elected former ARS leader Sheikh Sharif Sheikh Ahmed as the new president. The president nominated Omar Abdirashid Ali Sharmarke as prime minister, who in turn formed a cabinet. The new TFG, however, continued to suffer from leadership crises and infighting and remained disorganized and weak. Public support for the TFG is therefore very limited, and it has squandered its reputation of becoming a government of national unity in the last two years. Ongoing disputes with the president led to the resignation of the prime minister in September 2010. Mohamed Abdullahi Mohammed, alias Farmajo, was sworn in as the new prime minister in November 2010. Farmajo appointed a cabinet of 18 new ministers, reducing the number of ministerial seats to less than half (from 39). Only two of the former ministers remained in power. The TFG's mandate was scheduled to expire in August 2011, but in February 2011 the TFG unilaterally extended its mandate by three more years. So far, the process of drafting a constitution has stalled, and no general election preparations have been made.

In contrast, the self-declared Republic of Somaliland is committed to democracy. The transition from a system based on clan representation to an electoral democracy began already in May 2001 with a general referendum, in which an overwhelming majority of the population confirmed the constitution and thereby the independence of Somaliland. In December 2002, local council elections were held, followed by

Free and fair
elections

1

multiparty presidential elections in April 2003 and parliamentary elections in 2005. The second presidential elections, originally scheduled for April 2008, were postponed by more than two years but eventually took place in June 2010. The leader of the main opposition party, KULMIYE, Ahmed Mohamed Mohamoud 'Silanyo' won the presidential elections with nearly 50%, defeating President Dahir Riyale Kahin (33%), who had ruled Somaliland since 2002. International observers declared the elections as reasonably free and fair. The transition of power in Somaliland went smoothly and peacefully. President Silanyo was sworn in at a public ceremony on 27 July 2010.

None of the political factions in Somalia exercises the power to effectively govern the country. The Djibouti Agreement mandated the TFG with the establishment of governance structures, but it has neither developed effective power to govern nor initiated a reconciliation process. President Sheikh Sharif has emerged as a rather weak leader. He was unable to unite the cabinet and parliament, let alone the public, behind him, and frictions within the TFG are rampant. Some of his subordinate ministers seem to govern parts of Mogadishu rather independently and in a style that resembles warlord politics.

Effective power to govern

1

Within its territory, al-Shabaab has had more success in asserting its power to govern. With its highly authoritarian and repressive form of governance, al-Shabaab has contributed to increased security, and crime and violence by clan militias has decreased considerably. Al-Shabaab, however, attempts to exercise control over all aspects of the public and the private life of Somali citizens, and its harsh punishments create a general climate of fear. Al-Shabaab has become a threat to the people.

Intensified fighting in Mogadishu and central Somalia have seriously affected citizens' freedom of association. Civilians bear the brunt of these fights and the number of civilian casualties and the rates of internal displacement increased again in 2010. The freedom of association is particularly restricted in the area controlled by al-Shabaab. Civil society organizations and activists, aid workers and journalists have become targets, and a number of journalists, humanitarian and human rights advocates have been assassinated, injured or imprisoned by radical Islamists. Organizations suspected of working with Western agencies or supporting the TFG were closed down and their members threatened. Meanwhile, Somalia ranks as one of the most dangerous places in the world for humanitarian workers, who are often kidnapped, attacked and threatened.

Association / assembly rights

2

In the self-declared Republic of Somaliland, freedoms of association and assembly are guaranteed by the constitution, and there is a high number of civil society organizations (groups for women and youth, occupational associations and so on) operating throughout the territory.

There is no freedom of expression in Somalia. Several journalists have been killed, and many more threatened by radical Islamist organizations. Many journalists have fled the country. Al-Shabaab has taken over radio stations and publishes newspapers to reach out and spread their ideology to a wider public. Independent information does not exist, and citizens can easily be accused of sharing information with foreigners, of spreading Western or non-Islamic propaganda, an accusation that is usually followed by severe punishment.

Freedom of
expression

1

In Somaliland, many privately owned newspapers and several TV stations have been established since 1991. Private radio stations have not been licensed. While there is no systematic censorship or prohibition of press, freedom of expression was severely hampered in the last years. A number of journalists have been threatened, beaten or arrested and officially charged in courts.

3 | Rule of Law

There is no separation of powers, whether in the area controlled by the TFG or by al-Shabaab.

Separation of
powers

1

The Somali Transitional Federal Government (TFG) has not established key government institutions. No division of labor exists between the ministries, and most ministries do not function at all because there are almost no staff below the ministerial level. There is no effective judiciary and the legislative functions of the transitional parliament remain rudimentary.

Al-Shabaab has established a Shari'ah-based administration in the areas of their control. Powers are not separated. However, detailed information on their organizational and administrative structure is not available as they continue to operate in a highly secretive manner.

Somalia has no general, universal judicial system. Instead, a combination of traditional law (xeer) and Islamic Shari'ah law provide the basic judicial framework, especially for Somalia's rural areas but to a large extent also for its urban population. Under traditional law, clan elders mediate conflicts, negotiate peace agreements and, if necessary, agree on compensation payments within and between the clans. Although traditional law has fused with Islamic jurisprudence over the centuries, Shari'ah influence in inter-clan relations was not very pronounced, leaving primarily family and personal issues (marriage, divorce and inheritance) to be regulated by Shari'ah law. In urban areas, however, Shari'ah courts have gained considerable influence, including in areas of criminal law, although they are often clan-based and have difficulties in passing judgment across clan lines.

Independent
judiciary

1

The southern Somali Islamists have implemented a radical interpretation of the Shari'ah in their area of control. Here, Shari'ah serves as the basic judicial and political framework, and a separation of power or an independent judiciary is neither established nor welcome. There is little information available on how Shari'ah courts are set up or how they operate under the rule of al-Shabaab or other Islamist insurgents. However, individuals prosecuted by these courts have no process guarantees, legal representation or opportunity to appeal.

Somaliland and the autonomous region of Puntland still practice a mixture of xeer and Shari'ah. In Somaliland, the judiciary's independence is enshrined in the constitution. The executive has undermined the judiciary's independence on several occasions in the past. In general, institutional differentiation in the judiciary is challenged by a lack of resources, the absence of qualified staff and expertise, and insufficient territorial penetration. The capacity of the underfunded judiciary is weak overall, and the majority of Somaliland's population resorts primarily to traditional and religious law to solve disputes. So far, the legal institutions of the state are primarily relevant where traditional and religious systems fail to provide solutions for conflicting parties, but they seem to be gaining acceptance, at least in western Somaliland.

Corruption is rampant in the TFG and TFP. It is based in deep-rooted practices of patronage and aggravated by a lack of state resources and a limited ability to pay officials, including security forces. Security forces tend to sell their arms and equipment as a substitute for their salary. There is no transparency in the utilization of revenues gathered at the international port and airport, and a recent report of the U.N. Monitoring Group accused some members of the government and parliament of abusing their official privileges to engage in large-scale visa fraud and smuggling of illegal migrants to Europe.

Prosecution of
office abuse
1

In Puntland, senior administration officials are accused of conspiring with pirates in exchange for payment. Puntland officials have supported kinsmen engaged in piracy and intervened to hinder their prosecution.

In Somaliland, there are so far no legal consequences or sanctions for officials who exploit their position for private gain, and the institutional capacity of the governmental apparatus, including judicial institutions, is challenged by incompetence, corruption and the pliability of clan connections. However, the government that was elected in June 2010 has initiated public finance reforms, established an Anti-Corruption Commission and doubled public service salaries to mitigate corruption.

Civil rights in Somalia are not guaranteed at all. All political actors fighting for power in southern and central Somalia were involved in severe and systematic human rights violations in recent years. Civilians are at high risk of being killed or

Civil rights
1

injured due to the generalized violence and indiscriminate attacks in residential areas perpetrated by all factions. In the past two years, more than 20,000 civilians have been killed and an estimated one million people displaced, and nearly half a million Somalis have fled to neighboring countries. International humanitarian law is violated by all parties in the conflict, but the Islamist insurgents in particular have demonstrated a complete disrespect of international human rights standards and humanitarian law. Aside from engaging in terrorist violence, including suicide bombings that killed hundreds of civilians in 2009 and 2010, they have put certain categories of people at risk of being killed, tortured and harassed. People linked or accused of sympathizing with the TFG or international organizations, civil society activists, human right defenders, journalists and aid workers have to fear for their lives. Throughout 2009 and 2010, reports of torture and unlawful killings carried out by Islamist insurgents increased, accompanied with a rising trend toward severe punishments. Somalia meanwhile has the highest refugee numbers in Africa and the third highest in the world (immediately after Afghanistan and Iraq).

In Somaliland, civil rights are formally guaranteed, but at best within the limited reach of secular legal institutions. The dominance of traditional and religious norms and rules mean that women and minority groups in particular face discrimination.

4 | Stability of Democratic Institutions

Democratic institutions are non-existent in southern and central Somalia.

Democratic institutions in Somaliland are characterized by a lack of resources and expertise. Nevertheless, the population tends to accept existing governmental institutions, though not exclusively. Traditional norms and rules operate simultaneously throughout Somaliland. Even though in some aspects state legislation and traditional rules are in clear contradiction of each other (for example, women's rights), they tend not to be perceived as competitive but rather as complementary.

The Republic of Somaliland has had a functioning two-chamber parliament since 1993. Local councils were elected in 2002 and the House of Representatives in 2005. The delay of the last presidential elections, originally scheduled for May 2008, and the extension of the president's term of office have caused severe disputes within Somaliland's political elite and the three political parties and have undermined public trust in Somaliland's democracy. However, presidential elections were eventually held in June 2010. The smooth transition of power after the opposition's victory has restored public confidence in the democratic institutions to a large extent.

Performance of
democratic
institutions

1

There is no commitment to democratic values or institutions by any of the armed factions in southern and central Somalia.

Commitment to democratic institutions
1

5 | Political and Social Integration

Somalia does not have a party system or a system of political representation beyond clan affiliation and religious dogma.

Party system
1

The Republic of Somaliland legalized the formation of political associations in 2001. Following the local council elections in 2002, three of these have been officially registered as political parties. According to the Somaliland constitution and with the aim of avoiding the proliferation of clan-based parties, only three parties and no independent candidates are allowed to compete in elections. The three existing parties competed in both presidential elections in 2003 and 2010 and the parliamentary elections of 2005. Currently, a national committee is assessing whether the formation of new political associations should be allowed.

The Somali public is politically weak and fragmented by clan affiliation. Cooperative organizations or interest groups that operate independently of either the clan system or religious affiliation are rare in both Somalia and Somaliland. Social conflicts are mostly perceived and articulated as conflicts between clans and/or sub-clans. In the area controlled by al-Shabaab, public life and opinion is under the tight control of the militia, and the formation of interest groups outside of religion-based groups is not allowed.

Interest groups
1

A survey of attitudes towards democracy has never been conducted in Somalia. Democratic norms and procedures, however, are also found in the traditional system, which points to an acceptance of democratic ideals within the Somali population. The example of peaceful democratic transition in Somaliland suggests a general acceptance for democratic principles.

Approval of democracy
n/a

However, the Islamist insurgents, and especially al-Shabaab, are openly anti-democratic and view democracy as un-Islamic and Western or, alternatively, as a form of governance informed by Christian and Jewish precepts. Threats from al-Shabaab against Somaliland increased before the presidential election in 2010.

The formation of social self-help groups and the construction of social capital was a prerequisite for survival within war-torn Somali society. Social capital is based mainly on kinship lines, and is grounded primarily in extended family systems. Membership in Islamic organizations and associations provides further

Social capital
2

opportunities for social organization across clan lines. However, with the territorial gains of al-Shabaab, kinship has lost some weight, although it still has an important role in regulating everyday social life.

II. Economic Transformation

6 | Level of Socioeconomic Development

Question
Score

In the absence of state regulation, economic actors in Somalia have been organizing themselves according to traditional and socially embedded patterns of kinship relations. Structures of social control and trust within kinship groups determine the parameters of economic interaction instead of legal guarantees and general regulations. Clan relations also shape social exclusion as well as inclusion. However, membership in Islamic organizations, which promises new business contacts with the Arab world, is of growing importance.

Socioeconomic
barriers

1

The Somali economy is based on international trade networks, which are controlled by a small group of wealthy businessmen, while the majority of the population continues to live at the subsistence level, engaged in small-scale businesses as petty traders, livestock or grain producers. However, ongoing violence between the TFG and its allies and Islamist insurgents, but also amongst the insurgents, have shattered economic opportunities. Data on the economic structure and activities within the areas controlled by al-Shabaab are not available. The expulsion of international organizations, restrictions put on the khat trade and on humanitarian supplies, and not least the rising number of refugees from Somalia, all indicate a general decline in trade and economic activities.

Economic indicators		2007	2008	2009	2010
GDP	\$ mn.	-	-	-	-
GDP growth	%	-	-	-	-
Inflation (CPI)	%	-	-	-	-
Unemployment	%	-	-	-	-

Economic indicators		2007	2008	2009	2010
Foreign direct investment	% of GDP	-	-	-	-
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ mn.	-	-	-	-
Public debt	% of GDP	-	-	-	-
External debt	\$ mn.	2918.7	2921.6	2943.7	2942.4
Total debt service	\$ mn.	0.0	1.7	0.0	0.0
Cash surplus or deficit	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	-	-	-	-
Public expnd. on edu.	% of GDP	-	-	-	-
Public expnd. on health	% of GDP	-	-	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	-	-	-	-

Sources: The World Bank, World Development Indicators 2011 | International Monetary Fund (IMF), World Economic Outlook 2011 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2011.

7 | Organization of the Market and Competition

A state-based legal or institutional framework for market competition does not exist in Somalia. In the context of the state's collapse, all forms of economic transactions, including financial and currency systems, as well as social services such as health or education, have become radically privatized. As a result of the state's collapse and the continuous violence, a war economy has emerged in Somalia, including among others arms trade, diversion of humanitarian goods, piracy and the gathering of protection money and 'taxes.' Military power and the application of force determine market control and access.

Business cartels controlling humanitarian and food aid are firmly entrenched. In Puntland, business cartels are accused of being intertwined with the local administration and of contributing to the piracy problem along the Somali coastline. Since 2008, the frequency of pirate attacks has increased considerably. In 2008, 111

Market-based
competition

1

ships were attacked and 35 were successfully hijacked. In 2009, the number rose to 217 attacks and 47 hijacked ships; in 2010, 49 ships were hijacked off of Somalia's coast.

The absence of an institutional framework limits any sort of positive economic performance in Somalia. Business transactions have been re-established along kinship ties and there are strong tendencies towards monopolization. Foreign trade, for example, is dominated by a few wholesalers who have managed to expand trade networks and to increase their wealth, while the bulk of the Somali population continues to live in extreme poverty and with high levels of social and physical insecurity.

Anti-monopoly
policy

1

In the absence of security guaranteed by the state, businessmen must either cooperate with violent actors or arm themselves to protect their goods against robbery or looting. Business opportunities are better for members of powerful clans or sub-clans. Although no data exist on the development of trade in areas controlled by Islamist insurgents, it can be assumed that religious affiliations and networks have gained importance vis-à-vis kinship ties. However, al-Shabaab has taken over the former warlord practice of collecting taxes from traders, businessmen, and national and international organizations. Control of airports and ports is especially profitable; the fight between al-Shabaab and Hizbul Islam, for example, was driven both by ideological differences and interest in control over the lucrative seaport at Kismayo.

General demand for imports of all kinds, such as food, clothes, petroleum or electronics, connects Somalia to the world market, and foreign trade in the country is liberalized. No information is available on how this trade is organized in the areas controlled by Islamists. The former lucrative trade with the narcotic khat, however, has been severely restricted by al-Shabaab.

Liberalization of
foreign trade

2

Exports from Somalia are based primarily on livestock, with a few other agricultural products as well as charcoal. Although al-Shabaab has banned international charcoal trade, a recent article suggested that exports have been increasing since al-Shabaab took control over Kismayo and its port.

In Somaliland, domestic and foreign trade is not subject to much state regulation. However, there is a close bond between the state elite and economically powerful actors. In the past, affluent individuals who could provide financial support for state-building activities were exempt from taxes.

When the state-owned banking system collapsed in 1991, private remittance companies became the sole financial institutions connecting Somalia with the rest of the world. Diaspora remittances sent to family members in Somalia are among the primary sources for the survival of many Somalis. Even in the area controlled by Islamist insurgents, remittance companies continue to work. They operate under

Banking system

1

no formal regulations at all. Remittance companies facilitate financial (including foreign currency) transactions and safe deposits, but do not provide for a capital market.

8 | Currency and Price Stability

Somalia has neither a formal banking system nor a functioning central bank, and there is no policy for inflation or foreign exchange. Without institutional or political precautions to regulate and control the financial sector, the Somali shilling is prone to severe fluctuations. Currency transactions are carried out by local vendors, who set the exchange rate daily on the basis of localized and contingent factors. In 2008, billions of counterfeit Somali banknotes were printed in Puntland and have been the cause of hyperinflation throughout Somalia. By the end of 2008, the shilling's exchange rate to the U.S. dollar fell by almost 100%. According to sources in Somalia, the current exchange rate in January 2010 is still floating around 30,000 Somali shillings (SoSh) to the U.S. dollar.

Anti-inflation /
forex policy

1

In 1994, Somaliland set up a central bank and introduced its new currency, the Somaliland shilling. Responsible for directing the monetary system and the currency, the central bank lacks trained personnel, experience or market power, which weakens its institutional capacity. Although the central bank's attempts to control the currency market have failed, the Somaliland shilling is reasonably stable and widely used throughout Somaliland. Currency stability has been maintained for the most part by the established money exchangers and khat dealers in cooperation with the central bank. In the westernmost part of Somaliland, the Ethiopian birr is used as a second currency, and the former Somali shilling is still circulated in central and eastern regions. All major transactions are made in U.S. dollars.

The Transitional Federal Government (TFG) has not developed any revenue system. Aside from international aid, it relies on fees paid at the international port and airport in Mogadishu. The TFG has neither the technical ability nor the territorial control necessary to establish a tax collection system, and is therefore almost entirely dependent on foreign donors. No accountability systems for expenditures are in place, and members of the government and parliament are often accused of corruption and the misuse of foreign funds.

Macrostability

1

As of 2007, Somalia's foreign debt amounted to \$3.3 billion.

9 | Private Property

The TFG is in no position to ensure property rights. Protection of individual and collective (clan) ownership of land and other property depends entirely on clan support and/or the military might of related factions.

Property rights
1

Somaliland provides a degree of legal protection of private property, but the weakness of the judiciary, as well as corruption and clan-based interference, place serious limitations on this.

All economic enterprise in Somalia is private and operates under conditions of insecurity and violence. No legal safeguards exist. Al-Shabaab, however, has restricted economic enterprise: the khat trade is forbidden in some areas, cinemas were closed and the media is tightly controlled by radical Islamists. The economic implications of the al-Shabaab rule in southern and central Somalia have not yet been assessed.

Private enterprise
3

In Somaliland, private enterprise is viewed as the primary engine of economic activity, and only the port of Berbera and the airports are state-owned.

10 | Welfare Regime

Somalia is in the midst of a humanitarian catastrophe. Ongoing violence, the destruction of homes and livelihoods, the displacement of hundreds of thousands, and the brutal rule of Islamists have put the lives of many Somalis at risk.

Social safety nets
1

With the collapse of state-run social services, the only social safety nets that exist in the country are with extended families and clans. Remittances received from Somalis abroad account for a large part of this safety net; according to World Bank estimates, these remittances provide up to 40% of household income. However, this money is seldom enough, as the majority of the population survives at a basic subsistence level, and such funds are not able to compensate for the enormous destruction caused during every new phase of the war. The Islamists have so far not interrupted remittance flows.

Access to humanitarian aid has been restricted, and the piracy phenomenon has worsened the problems associated with delivering food aid to Somalia.

In Somalia, there is no substantive equality of opportunity. Gender discrimination is particularly pronounced in the area controlled by al-Shabaab. In the Somalia's clan-based and patriarchal social environment, girls are often subject to parental

Equal opportunity
1

restrictions on education, and there are similar trends of exclusion visible among social minorities. Conditions for the huge number of internally displaced people (IDPs) in Somalia are catastrophic.

Somaliland lacks the funds to organize a coherent welfare system. Health care is concentrated in the urban centers and is organized by private actors or international organizations. Local administrations and communities cooperate with donors in rehabilitating primary and secondary schools, and local as well as international agencies have initiated campaigns to improve women's education. Nevertheless, substantive equality of opportunity for both genders remains beyond reach.

11 | Economic Performance

The real output strength of the Somali economy is impossible to establish, as there are no reliable economic data for Somalia. In southern Somalia and especially in Mogadishu, all signs of economic progress and performance have been shattered due to escalating violence since 2007.

Output strength
1

12 | Sustainability

Environmental concerns are entirely subordinate to profit opportunities and short-term benefits and have no institutional framework. The charcoal business in southern Somalia provides a striking example. Trees are cut and burned for charcoal export, which facilitates desertification and the destruction of valuable grazing zones and fertile soil for agricultural needs. Furthermore, foreign companies have disposed of toxic waste and engaged in uncontrolled fishing along Somalia's shores; the damage from this has yet to be assessed. However, the rise of piracy may positively affect waste dumping at Somalia's coastline.

Environmental
policy
1

Somaliland has a Ministry of Environment, but it does not have the necessary means and budget to provide effective environmental protection or to monitor environmentally sustainable economic growth.

In 1991, the formally organized education system in Somalia collapsed. In the absence thereof, education has been reorganized according to private interests and means. In large areas, formal youth education has been substituted by madrasahs. With an estimated adult literacy rate of 24%, Somalia still ranks among those countries with the lowest levels of adult literacy worldwide.

Education policy /
R&D
1

In Somaliland, educational and training services have shown steady improvement. These services are based on the cooperation of state organs with local communities and external donors, including the Somali Diaspora. The private education sector is booming.

Transformation Management

I. Level of Difficulty

Implementing a nationwide system of central governance in Somalia remains extremely difficult and was further constrained by the escalating war and the territorial gains of Islamist insurgents in recent years. In addition, the government faces formidable challenges in battling the country's humanitarian catastrophe and extreme poverty level, but also in overcoming a tremendous lack of human resources while managing the scarcity of accessible valuable resources.

Structural
constraints
10

While Somaliland has succeeded in re-establishing state structures and directed democratic reforms, it nonetheless continues to grapple with massive structural constraints; the Somaliland state apparatus remains weak and poorly funded, and the country is still characterized by unacceptable poverty levels.

The Western understanding of civil society is misleading in the Somali context, where there are few distinctions drawn between the public and private spheres. Strong traditions of social organization beyond the state, primarily based on social trust within kinship groups, exist throughout Somalia. Since the onset of civil war, social network structures have reorganized and strengthened themselves as a means of survival. Numerous NGOs have also sprung up since the mid-1990s, mostly in direct response to (real or expected) external funding from both Western and Islamic donors. In the areas controlled by al-Shabaab, many of these NGOs were forced to close down their operations because they are suspected of spying for Western powers. In Somalia, and to a certain extent even in Somaliland, trust in a central authority and formal institutions remains weak.

Civil society
traditions
9

Since 1991, Somalia has suffered a number of factional battles as groups jockey for power within, and often at odds with, a weak patchwork of mostly clan-based local authorities. All of this has left behind a society that is deeply divided along sub-clan affiliations. In general, politics within Somalia are radically localized. Even in relatively stable regions, such as Puntland, periodic inter- and sub-clan conflicts, often driven by competitive claims on water, land and grazing rights, continue intermittently in localized situations.

Conflict intensity
10

The period under review was characterized by ongoing violence. The Transitional Federal Government (TFG) and AMISOM forces were under constant attack from Islamist insurgents, who increasingly resorted to terrorist means of violence such as suicide or car bombings. However, both sides in the conflict have continued to violate humanitarian law with mortar attacks, indiscriminately shelling and firing in residential areas. Massive population displacement therefore continued during 2009 and 2010 while humanitarian access remains limited at the same time.

II. Management Performance

14 | Steering Capability

There is no unified or common political leadership structure in Somalia. Both the interim parliament and government on the one side and the Islamist opposition forces on the other were affected by internal power struggles and ideological differences during 2009 and 2010. The TFG has been unable thus far to achieve cohesion and articulate a common purpose.

In Somaliland, the steering capability of the political leadership has been rather weak. Lacking the necessary resources and expertise, political leaders have acted ad hoc and without coherent political concepts. However, the peaceful presidential election in 2010 and the smooth transition of power have again demonstrated the success of democratic performance and the stability of the young polity. The new government has so far demonstrated an unprecedented commitment to reforms, particularly of the public service.

The balance of activities by the Transitional Federal Parliament (TFP) and the Transitional Federal Government (TFG) over the last two years continues to be disillusioning. The TFG has not shown any progress thus far in achieving the “transitional tasks” that define its mandate, such as building up security structures, launching a reconciliation process or rebuilding administrative and governance structures. Above all, it was able neither to challenge the Islamists nor to reach out to the wider population. Instead, it is in a defensive position and was preoccupied with its own struggle for survival during the reporting period.

In Somaliland, generally speaking, the foundation of knowledge and the cognitive framework upon which policy is based are rather limited. The main challenge in Somaliland is to establish a political system capable of transcending the deep clan-based cleavages within society.

Question
Score

Prioritization
1

Implementation
1

Popular hopes that have accompanied the installation of a coalition government in January 2009 were not fulfilled, and the new TFG under President Sheikh Sharif was plagued by internal power struggles and leadership crises that resembled the problems of its predecessor. However, being under constant threat by Islamist insurgents and struggling for its own survival, the ability to accumulate experiences and engage in learning remains extremely difficult.

Policy learning
1

15 | Resource Efficiency

Somalia's coalition government under President Sheikh Sharif did not take sufficient advantage of its assets, neither in terms of developing its administrative and bureaucratic infrastructure nor in integrating some of the more moderate opposition forces into a broad-based reconciliation process. Hence, it has not made any progress yet in enhancing security or even its own stability. Its earlier legitimacy and support among the population has eroded steadily.

Efficient use of
assets
1

The government in Somaliland has not made much progress in using its economic and human resources. The majority of the state budget is still absorbed by security needs and general administration tasks, leaving behind the task of social and economic development. Clan loyalties instead of competence determined administrative appointments at all levels, a practice that facilitates patronage structures and obstructs the efficient use of resources. The new government elected in June 2010 has tasked the Civil Service Commission to re-evaluate all public servants ahead of a planned restructuring.

The government under Sheikh Sharif has not shown any attempts to coordinate its policy, and it was unable to achieve internal cohesion or to set common objectives. The new Transitional Federal Government (TFG) presented itself as government of national unity, but failed to reach out to a wider public. It has neither initiated a reconciliation process nor succeeded in building a coalition force strong enough to challenge the Islamist insurgents or at least to exploit the emerging rifts between hardliners and more moderate Islamist factions.

Policy
coordination
1

There is no sign that the government has established any anti-corruption policy. There is a complete lack of transparency in the management of the taxes collected at ports and airports and money received from international donors. There are no integrity mechanisms in place, and members of parliament and government are regularly accused of misusing money and also in being involved in visa fraud.

Anti-corruption
policy
1

Somaliland established an Anti-Corruption Commission at the end of 2010.

16 | Consensus-Building

The Transitional Federal Government publicly agrees with the goal of building a market-based democracy as principally reflected in the transitional charter. However, they made no attempts to prepare for general elections, and some members of the TFG govern parts of Mogadishu in the political style of warlords. The opposition forces are clearly anti-democratic and aim to establish an authoritarian Islamist caliphate either with undefined borders or at least comprising, aside from Somalia and Somaliland, all of those parts of neighboring states that have a significant Muslim population.

Consensus on goals
2

During the reporting period, the anti-democratic camp in Somalia was further strengthened. Islamist insurgents do not only control most of southern and central Somalia; they also consolidated their territorial gain with the establishment of Shari'ah-based administrations. At least parts of the Islamist movement, in particular the leading militia, al-Shabaab, underwent a process of radicalization. Supported by international fighters and external resources, some of the Islamist now seem to advocate for global jihad rather than just a national Islamist state. The bomb attack by al-Shabaab of people in Kampala (Uganda) who were watching the 2010 World Cup Final in July 2010 proved al-Shabaab's readiness to carry the war beyond Somalia's borders.

Anti-democratic actors
1

The Transitional Federal Government (TFG), and to a certain extent also the Islamist movement, suffers from internal cleavages. The Islamists lack political will and the TFG failed to articulate a reconciliation process or even to draft a reconciliation strategy. Clan cleavages are supplemented by religious-ideological differences between the main actors. Because the TFG cannot even draw on consensus among its own ranks, it has so far achieved little in reaching out, even to potential supporters.

Cleavage / conflict management
1

The TFG has not established an outreach strategy. The formation of a coalition government with Sheikh Sharif as elected president received relatively broad support among the Somali public in the beginning of 2009. The public also welcomed the withdrawal of Ethiopian troops. However, the TFG did not seize this opportunity to integrate wider segments of the population, including those factions among the Islamists who at least would have been willing to enter into a dialogue with the new TFG.

Civil society participation
1

In the regions controlled by Islamists insurgents, a climate of fear is prevalent and most civil society organizations are banned. The Islamist movement has lost a great deal of legitimacy in the last two years due to its increasingly authoritarian leadership, the denial of relief assistance to people in need and not least because of their attacks against Sufi shrines and religious leaders. The TFG, however, has not

yet capitalized on the opportunity to draw on the anger of the Somali public and to mobilize broader support against al-Shabaab.

In Somaliland, civil society actively participates in political debates. The government regularly invites civil society representatives for consultations and to participate in advisory committees.

No serious attempts were made by the TFG to initiate a reconciliation process in Somalia. Although it's main mandate instructs it to do so, the Transitional Federal Government (TFG) neither formulates a reconciliation strategy nor attempts to reach out to potentially supportive factions.

Reconciliation
2

17 | International Cooperation

International development assistance to Somalia increased again after the coalition government relocated to Somalia in 2009. The international approach is, above all, concentrated on enhancing peace and security through military support for the TFG and the AMISOM mission and simultaneous attempts to weaken al-Shabaab militarily. In addition, the Djibouti agreement had a strong focus on the improvement of security arrangements, and a Joint Security Committee (JSC) was established to create security institutions with international assistance. However, the TFG remains weak, lacks commitment and the capacity to effectively use foreign assistance for its own capacity and institution building. It is therefore a difficult partner to work with. The JSC has, in spite of international assistance, achieved little to date. The TFG, for example, received support in recruiting and setting up national security forces. However, according a report of the U.N. Monitoring Group, these forces remain ineffective and are loyal to individual officials of the government who benefit from the business of war.

Effective use of
support
3

In the beginning of 2009, the formation of a coalition government and the election of President Sheikh Sharif instilled new confidence among a wide range of international actors who were previously increasingly frustrated with the unpredictable actions and limited absorption capacity of the 'old' TFG. After two years, the continuing failures of the 'new' TFG have again raised doubts among donors and increased the TFG's credibility gap. However, there are not many choices for international support, either for a weak TFG or to allow the Islamists to assert their reign over Somalia.

Credibility
2

Regional actors remain among the key players in Somalia. According to the U.N. Monitoring Report, all of Somalia's immediate neighbors, Djibouti, Ethiopia and Kenya, are militarily involved in the conflict, and provide military support to the TFG. The primary sources of weapon supply to the TFG and its allies are Yemen, Ethiopia, Uganda and the USA.

Regional
cooperation
3

Eritrea, previously a major sponsor of al-Shabaab, appears to have scaled down its military assistance but continues to provide political, diplomatic and financial support. In addition, al-Shabaab more or less openly conducts fundraising and tries to recruit fighters among Somali communities in the neighboring countries.

Strategic Outlook

The formation of a coalition government under a moderate Islamist leader inspired considerable hope for reconciliation and the establishment of peace among both Somali and international actors. To date, however, the TFG has not initiated any significant political change within Somalia; in fact, its weakness has played into the hands of Islamist groups, notably al-Shabaab. In spite of declining popular support, al-Shabaab strengthened its rule in southern and central Somalia and increased its cohesion and military strength.

While the establishment of security mechanisms is an important prerequisite of bringing peace to Somalia, neither the TFG nor the international community should continue to concentrate primarily on military aspects of the crisis. Instead, it is high time to initiate a political process aiming at mobilizing three groups of people: those who are increasingly frustrated by the oppressive rule of al-Shabaab, moderate Islamists who protect traditional Sufi interpretations, and not least those Islamists willing to talk and negotiate with the TFG. Furthermore, it remains important to include traditional leaders in the political process. Especially since al-Shabaab has restricted the power of traditional elders and religious authorities in the area of its control, the TFG should try to establish links to such potential partners in order to isolate hardliners among its armed opposition.

As the TFG is currently the only force available to counter Islamist threats, the international community should continue to put pressure on the TFG to overcome its internal problems and to establish a coherent strategy for political and military progress in the country. The movement of the new prime minister to significantly reduce the number of government positions may already be a step in the right direction, namely to establish a more efficient and goal-oriented political leadership.