

The Livelihoods Gap: Responding to the Economic Dynamics of Vulnerability in Somalia

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A 'livelihoods gap' has become evident in international aid delivery to Somalia. Existing aid interventions do not address the economic dynamics of vulnerability resulting from Somalia's long history of predatory development and asset stripping. To prevent poor households' regular return to sub-subsistence income levels after a brief period of plenty, this paper argues that aid agencies should reorient and expand existing interventions to assist poor households to capitalise on temporary improvements in environmental and security conditions. As a corollary to emergency relief and efforts to construct state institutions, it is necessary to devise country-wide interventions that will rebuild household asset bases by protecting savings during times of stress and ensuring that markets benefit poor producers.

Keywords: Somalia, international aid, vulnerability, livelihoods.

Introduction

In Somalia, long-standing political, economic and social systems that sustain lives and livelihoods have been disrupted and transformed by more than a decade of conflict and recurrent episodes of drought and flooding. In the early 1990s, at the height of the civil war, these factors combined to create a humanitarian crisis of immense proportions: famine, epidemic outbreaks and direct violence claimed the lives of an estimated 400,000 (Bradbury, 1994: 16). While the plight of Somalis did not remain so visible over the latter half of that decade, the country's history of civil strife and economic stratification has limited the ability of many to cope with further stress or even to meet their basic human needs. As a result, Somalia faces some of the world's highest rates of mortality, morbidity and malnutrition. All of these indicators of ongoing crisis are reflected in the UNDP Human Development Index that ranks Somalia as one of the world's poorest countries (UNDP, 1998 and forthcoming).

Humanitarian conditions in Somalia, however, vary considerably from year to year. Despite the continued prevalence of diseases such as measles, malaria, tuberculosis, cholera and Kala Azar (SACB, 1999), emergency conditions across Somalia abate significantly when good rainfall brings increased crop yields, better water availability and improved livestock conditions. Such was the case between mid-2000 and mid-2001. While UN agencies estimated the immediately vulnerable and food-insecure population to be as high as 1.5 million people in mid-1999 (UNCU, 1999), that number fell dramatically to an estimated 400,000 by the time of the main

cereal harvest in September 2000 (UNCU, 2000). During such times of plenty, many poor Somalis are able to regain enough assets to survive without recourse to relief aid.

The alleviation of the harshest humanitarian conditions has been facilitated by improved security conditions since the height of civil war in the early 1990s. Many parts of Somalia have now achieved remarkable political stability following the establishment of regional administrations in the north-west (Somaliland in 1991) and north-east (Puntland in 1998) regions. Somali populations in the southern and central regions have benefited from the stabilisation of front lines between main militias and factions since 1999, when the Rahanweyn Resistance Army (RRA) consolidated control in Bay and Bakol regions. Although Mogadishu remains a divided and violent city, the establishment of the Transitional National Government (TNG) has raised hopes for further reconciliation. While aid agency access is extremely limited in many parts of southern Somalia, conflicts between militia/factions and their immediate humanitarian impact have generally remained short-lived and localised. Even given the absence of state institutions that deliver essential social services, increased political stability is a public good that enables ordinary Somali households to return to agricultural production, expand opportunities for transhumant grazing and undertake labour migration, without exposure to predatory militia.

However, even when such positive environmental and security conditions coincide, very few Somalis have the potential to stabilise their household economies, rebuild asset bases and invest in longer-term recovery. Although agricultural and livestock production temporarily improve, the breadth and sustainability of such recovery remains limited by underlying economic factors.

Good rainfall and harvest production do not enable the poorest and most destitute populations to improve their situation given their almost total lack of ownership of productive assets (land, animals, labour and cash). Gains made by those vulnerable populations that are slightly better off are consumed by the repayment of debt or the inevitable recurrence of drought and flood conditions. Such new stresses re-exhaust asset bases that Somalis are able to accumulate during good times, and the seasonal cycle of 'boom and bust' continues.

In addressing these economic dynamics of vulnerability, a 'livelihoods gap' has become evident in the international community's engagement with Somalia. To prevent poor households' regular return to sub-subsistence income levels after a brief period of plenty, aid agencies and donors need to incorporate better available information on vulnerability and livelihoods in order to reorient and expand their existing interventions, thereby assisting poor households to capitalise on temporary improvements in environmental and security conditions.

This paper is based on several years work experience by the authors in Somalia, for both the UN and NGOs, and their participation in many meetings, discussions, workshops, missions and reports in and on Somalia. The emphasis of this paper is to highlight information and analysis (of vulnerability) that already exist in Somalia and the implications these have for more appropriate and effective interventions. It is not an evaluation of how effectively different strategies may work in practice.

The livelihoods gap

Orthodox explanations of the civil war in Somalia overstate the influence of clan conflict and environmental stress, and understate the economic stratification of society

and the role of self-interested elites.² From a political economy perspective, violent competition between the militia factions that overthrew Siad Barre in 1991 has perpetuated long-term patterns of alienation and exploitation. Existing socio-economic inequalities were accelerated by Barre's nationalisation of arable land, together with industrial and urban infrastructure (Samatar, 1989). The distribution of these resources to regime supporters reinforced a wealthy politico-business elite and left landless Somalis as an underclass of wage labourers and urban destitute (Besteman, 1999). In this context, Somalia's long history of exploitation by 'outsiders' in distant state institutions was easily played upon by self-interested local leaders, turning communal fears into animosities and justifying militia/factions as 'guardians' of clan interests (Samatar, 1992).

Warlords used their militias to assert personal political and economic dominance. In the southern countryside, these elites used military strength to appropriate land for agricultural export production and livestock shipment, and to control trade flows towards external markets. Similar forms of economic 'development', wherein Somalia's productive resource base is monopolised by politicians and well-connected businessmen also occur in the northern regional administrations of Somaliland and Puntland (Marchal, 1996). Power struggles between these elites enflame competition for resources and survival which in turn guarantees a minimum level of support for the militias (Menkhaus, 1998). In this struggle, no groups or individuals can claim outright victory. In fact, many appear content with the functional status quo of competition. Yet, large numbers of outright losers are produced. People's livelihoods collapse and their vulnerability rises as a result of increasing powerlessness in the face of political and criminal violence, lack of access to productive resources and biased and unstable markets.

In this context, aid agencies face a gap in strategies to address the economic dynamics of vulnerability resulting from Somalia's long history of predatory development and asset stripping. Following the inglorious departure of the UNOSOM peacekeeping operation in August 1995, the future of humanitarian assistance in Somalia became uncertain. Fearing the return of rampant insecurity, many agencies withdrew from the country pre-emptively. Efforts to overcome both the implication of classical relief programming in financing the war efforts of Somalia's militia/faction leaders and the security constraints to maintaining expatriate presence in the field led to a dramatic change in the international community's humanitarian strategy. Institutionally, this shift was symbolised by the establishment of the Somali Aid Coordination Body (SACB) in 1995. This is a voluntary body, including NGO, UN and donor bodies as members, designed to facilitate information sharing, coordinate policy formulation and avoid the mistakes of large-scale, top-down aid programmes providing unsustainable social services until a crisis ends.

The mandate of the SACB was to apply a new conceptual apparatus of aid — the notion of a continuum between relief and development practices — which professed the use of foreign assistance in a manner which would simultaneously save lives in the short term and promote peaceful development in the long term (Bradbury and Coultan, 1998). To operationalise the continuum rubric in Somalia, SACB partners used a new conceptual framework to represent the country as a 'collapsed state'. As detailed in the UN Consolidated Appeal for 1996/7, most of southern and central Somalia was defined as a *zone of crisis* appropriate only for relief assistance, parts of central Somalia and the entirety of Puntland were labelled *zones of transition* where 'rehabilitation' activities should be supported, and Somaliland was termed a *zone of recovery* where the 'development' process was to be supported (UNDHA,

1996). This served to move beyond criticisms that classical relief operations neglected the political context in which they operated. Both the UN and the EU, representing the SACB's largest implementing agencies and donor, respectively, supported this scheme wherein the 'political maturity' of different regions forms the basis for differentiating the engagement strategies of SACB members across different territorial divisions of Somalia (UNOCHA, 1999: Section 2.3). The autonomous administrations in Somaliland and Puntland were deemed the 'building blocks' of a future, federal Somalia, while southern regions are still characterised by lack of central authority and chronic instability (UNOCHA, 1999).

This framework was presented as a conceptual advancement as it acknowledged the decentralisation of power that characterises the 'political order' of Somalia as 'a stateless society' (Menkhaus, 1998). However, the zonal framework was taken by humanitarian critics to be far from a step forward. Conceptually, it is criticised for making the teleological assumption that zones of less 'political maturity' will slowly move in the direction of transition and recovery as Somalia conducts a staged return to 'normality'. As argued by Macrae, 'conflicts, and the humanitarian crises they generate, are not temporary interruptions in a linear process. Rather, they arise from a failure of existing models of development to provide the conditions for political and economic stability' (1997: 225).

Practically, the zonal framework anticipated that the return to formal governance that will enforce law and order and regulate economic growth would be accompanied by a shift from relief needs to development opportunities, and hence a reduction in the direct provision of aid goods and services to beneficiaries. However, it is well documented that humanitarian crises recur across the country despite the consolidation of public administrations in Somaliland, Puntland and Bay and Bakol regions. Hence, critics charge that the international aid system ignores the durability of Somalia as an 'emerging political complex' in favour of creating an instrumental rationality of it (Duffield, 1999). As Duffield has asserted, 'the types of information that aid agencies produce are geared more to satisfying organisational needs rather than understanding the new political formations that are emerging in the global periphery' (Duffield, 1996: 174).

Admittedly, since 2000, the zonal framework has been increasingly replaced in policy papers by a more parsimonious distinction between the stable northern regions and the conflict-prone southern regions (for example, UNOCHA, 2000, 2001). Still, the international aid response in Somalia has not developed the appropriate tools and strategies to address the economic dynamics that perpetuate widespread vulnerability. This is evidenced by a review of the SACB Project Matrix and the SACB Operational Framework, which, respectively, list all international aid projects in Somalia and detail the sectoral strategies for aid delivery.³ A review of the SACB Project Matrix reveals that three distinct modes of responding to vulnerability — relief, rehabilitation and development aid — persist in different parts of the country. Relief aid is used to meet the immediate shortfall in the minimum subsistence requirements required for survival. This form of aid prevailed in Somalia's southern regions where insecurity, displacement, drought and flooding were common. Rehabilitation assistance to increase agricultural output remains concentrated along the banks of the Shabelle River valley. Development aid focuses on building state-like administrative structures and encouraging economic diversification in areas of established stability. Such programmes are substantially concentrated in Somaliland and Puntland.⁴

In the SACB Operational Framework, there is only one reference to supporting economic recovery. In the sectoral strategy for Food Security and Rural Development,

SACB partners state their efforts to ‘enhance food security, nutritional status and economic self-reliance by improving agricultural and pastoralist production and providing immediate food assistance’. Further, it states that the intended outcome of expanded local production is to ‘[r]educe dependency on future food aid by enhancing sustainable rural productivity’ (SACB, 2001). Nowhere does the possibility emerge for understanding the political economy of marginalisation and exploitation, or how aid agency plans to pursue ‘relief’ or ‘development’ programmes overlie these local dynamics. Mark Bradbury summarises the implications of this trend succinctly: ‘In redefining [complex emergencies] as opportunities for development, what we are seeing is a process of “normalisation”. This normalisation is characterised by a creeping acceptance of higher levels of vulnerability, malnutrition and morbidity’ (1998: 330).

In sum, the zonal framework and the north-south distinction in programming correspond to, first the archetypal division of donor budget lines along the continuum from relief to rehabilitation to development; and, second, liberal visions for political reconstruction of the Somali state.

As will be detailed in the following section, it is increasingly necessary, even amid chronic political instability and fluctuating environmental conditions, to deliver aid in a manner that supports the economic strategies of poor households to stabilise their livelihoods by rebuilding their asset bases. If extant development strategies are not an option in Somalia due to the lack of functional institutions, then standard relief responses are also no longer adequate. Aid strategy in Somalia lacks attention to the local economic dynamics perpetuating vulnerability across all levels of political maturity. It falls into the livelihoods gap previously identified by Sue Lautze:

a focus solely on saving lives in the very short term is insufficient because *disaster-affected populations pursue their own strategies to maximize the trade-off between both lives and livelihoods in order to save the most lives over several time periods, not just the present* (Lautze, 1997: 5; emphasis added).

In other words, it is necessary to design aid programmes that respond to the dynamics perpetuating vulnerability and the strategies that vulnerable populations pursue to survive and even prosper amid crises. This means abandoning conceptually driven debates about the meaning and links between relief and development, and instead focusing on local realities throughout the country. Operationally, this requires flexible, knowledge-based operations that are able to complement, support and protect how the losers of war economies eke out a living.

Disaggregating vulnerability in Somalia

To understand better the dynamics that underlie and reproduce the need for humanitarian aid in Somalia, it is necessary to disaggregate the multiple causes of vulnerability. Vulnerability is a phenomenon that varies over time and space, depending largely on the changing processes through which individuals, households and larger social groups fulfil their immediate subsistence needs and invest in medium- and long-term reproduction of their social system. Analysing vulnerability in this manner requires identifying specific physical, economic and social resources that are accessed and how they are used to ensure the adequate provision of food, shelter, safe water, health, education and social care. This provides a structural analysis of how groups live at any

one time and creates a baseline against which the impact of changes in resource endowments, economic performance and socio-political conditions can be assessed.

Between mid-2000 and mid-2001, Somalia experienced simultaneously stable security and positive climatic conditions. During this time, in aggregate terms, the immediate emergency conditions generated by conflict and displacement gradually ameliorated as front lines stabilised, displaced communities integrated into their surroundings and domestic food production increased. While vulnerability remained high, political violence, food insecurity and disease outbreaks were replaced by depleted household asset bases, lack of social services and poor terms of trade (for certain groups) as the determining factors in understanding household wellbeing. In effect, vulnerability was, at least temporarily, reduced to a function of poverty and destitution, rather than natural disaster and conflict. The poorer populations are generally able to survive and cope but the extent of their wellbeing often seems to extend little beyond access to their most basic food needs.

Nonetheless, it must be recognised that in any one country, different populations survive, prosper and suffer in different ways, adapting to the physical and social environments in which they live. Livelihoods and vulnerability must be disaggregated to account for this variance. Towards this end over 20 different food economy groups⁵ have been identified in Somalia. Given that agrarian production systems underpin both rural and urban subsistence across Somalia, understanding these different food economies provides a useful starting-point to assess the different factors that sustain and undermine the way people live. For the sake of simplicity, these groups can be divided into four basic categories:

- Pastoralists are found throughout all rural areas of Somalia, but predominate in the arid lands of northern and central Somalia, as well as along the Ethiopian and Kenyan borders.
- Agro-pastoralists are mainly in inter-riverine regions of Bay, Bakol, western Hiran and eastern Gedo in southern Somalia, but also found in certain areas of the northern regions.
- Riverine farmers are defined as households whose domestic production is derived exclusively from farming and who do not maintain livestock holdings. They live along the banks of the Juba and Shabelle rivers.
- Urban residents and IDPs are mainly concentrated in the cities of Mogadishu, Hargeisa, Kismayo, Bosasso and Baidoa. IDPs are a particularly vulnerable substratum of urban populations.

Admittedly, no one of these groups should be treated in isolation from the others. Interaction between these groups takes place constantly, whether through trade links, social networks or sharing and competing for resources (Narbeth, 2001). Further, no one group can be viewed as homogeneous. Vast disparities exist within each group depending on individual households' asset levels (including money, land, livestock and tradable goods), productive abilities, security and political strength, and their levels of access to formal and informal economic and social networks. Further marginalisation and, in some cases, outright exploitation is also commonplace along lines of gender roles, minority status and racial identity.

Nonetheless, for the sake of the analysis at hand, these five categories provide a useful means of distinguishing the core production, entitlement and coping systems across Somalia. This breakdown enables an initial analysis of the significance of

various factors that underpin the success and viability of household economy strategies. In this regard, what follows is a breakdown of certain aspects of the ways different Somali communities now live and the different factors currently affecting the sustainability and rehabilitation of their livelihoods.

Pastoralists

Several different pastoral groups have been identified in Somalia. Environmental and market factors are the major influences determining herd composition and different patterns of access to income. For example, the dominant pastoralists of the Lower and Middle Juba and Bay regions maintain herds predominantly composed of cattle and goats. Households in these areas use Kenya as the major market for live animal exports. Food and income are obtained through the consumption and sale of live animals, milk and milk products. In general, livestock move between the Juba River and inland areas closer to Kenya according to the season.

By contrast, in the Haud area of the north-east and north-west, herds are primarily composed of camels and goats (with some sheep and cattle also kept). For the Haud pastoralists, Saudi Arabia is the major export market, with the annual *Hajj* pilgrimage generating a huge seasonal demand for sheep and goats. No natural water points are found in the Haud. As a result, poorer pastoralists — who do not own water catchments, called *berkads* — often have to pay for water in the dry season. Rainfall patterns can often drive camels far into Region 5 of Ethiopia. For those who live close to large urban centres, camel milk sales are another important source of income.

The long, dry *jilaal* season is usually the most difficult time for pastoralists and their animals. During this time, energy needs are high (during the search of water and pasture), while milk production is low, market prices for livestock sales decrease, and household expenditure costs increase according to the scarcity of food and water. Further, there has been a gradual shift in herd composition among many pastoralists (from camels to cattle) in response to a combination of asset loss, insecurity and market incentives. This shift has resulted in increased vulnerability to drought as cattle are unable to survive prolonged dry conditions as camels can.

In all areas, the major criteria for determining vulnerability to drought and economic shock among pastoralist communities is the difference between wealth groups. Wealth is defined according to the number and type of animals owned, with wealthier groups having larger herds of more varied stock. Households also, however, depend on remittances, kinship ties and credit (both commercial and social) as important sources of income that cushion the effects of difficult times. This is a coping strategy of limited reliability for Somalia's poorest and most vulnerable communities given their weak inclusion in these social and economic networks.

In general, pastoralists have been considered least vulnerable to food insecurity over recent years due to a combination of political and natural circumstances, including the politico-military strength of the pastoralist clans and the mobility of their livestock-based assets. These generally positive trends have been interrupted by drought conditions and two livestock bans in recent years. As a result, during 1999 and 2000, a significant reduction in herd sizes took place in some areas that seriously threatened the economic sustainability of these groups.

The impact of drought conditions from 1999 to early 2000 has resulted in reduced access to food, or increased costs of obtaining food, as fewer animals are available for sale and less milk is available for consumption and sale. Reduced

Factors undermining pastoral livelihoods⁶

- Restricted grazing mobility due to insecurity
- Conflict-induced asset depletion
- Increasing commercial and communal debt
- Poor terms of trade in some areas due to distance from markets
- Border closures and trade disruptions — livestock import/export bans
- Unregulated trading system, provides limited returns to producers
- High rates of expenditure on social services and production inputs (e.g. livestock drugs and treatment)
- Poor livestock health-care systems with an unregulated drug market
- Population expansion and sedentarisation

reproduction rates also have serious longer-term implications for restocking, and therefore household economic recovery. Livestock recovery will depend on good rains for several consecutive seasons, allowing good reproduction, restocking and intra-community redistribution of livestock.

In September 2000, following an outbreak of Rift Valley Fever (RVF) in Saudi Arabia and Yemen, states on the Arabian Peninsula imposed a ban on the importation of livestock from Somalia. Since then, market demand for livestock in northern Somalia has fallen sharply. Loss of the Arabian livestock market throughout its usual seasonal peak (related to the *Hajj* pilgrimage to Mecca) has severely limited the income of many urban and pastoral households who are dependent on trade-related employment and livestock sales. Earnings from livestock trade also represent a major source of public revenue, employment and access to foreign exchange.

Early warning systems highlighted which population groups would face difficulties and when. The analyses stressed three social groups in northern Somalia of primary concern: internally displaced persons (IDPs), the urban poor and poor pastoralists. For pastoralists, the impact comes from the lack of trade- and employment-related earnings to access food in the markets when milk production is most limited and livestock value very low. Reduced participation in livestock health programmes has been noted as pastoralists are less able to afford drugs for their animals. A prolonged dry season has indeed taken place, leading to the slaughter of young animals to protect their mothers, costly water trucking at a time of reduced purchasing power and increased commercial and communal debt.

Emergency conditions are still not apparent in pastoralist areas. Yet the assets of poor households are being stretched to their limits: consumption patterns have changed (for example, the number of daily meals has decreased), and nutritional problems are likely to arise. In a best-case scenario, the livestock ban will further delay needed economic recovery for communities and perpetuate vulnerability. In a worst-case scenario, sudden deterioration is possible in case of any additional shock, including conflict, drought or further devaluation of the Somali shilling.

Despite ongoing efforts to convince Arab states to lift the livestock ban and long-term proposals to diversify and expand the Somali economy, no interventions have been designed to protect poor households' remaining assets and improve their access to markets. Although 'public works' projects have been proposed by donors and aid agencies to stimulate incomes, there has been lack of action to develop and

Strategies sustaining pastoral livelihoods⁷

- Increased sales of animals even during times of poor terms of trade
- Mobile assets in times of conflict and seasonal migration during dry seasons and droughts
- Decreased household size in poor households by sending children to live with wealthier relatives
- Increasing commercial and communal borrowing
- Rural-to-urban migration to seek employment opportunities
- Increasing reliance of poorer households on the generosity of their kin
- Increased exploitation of natural resources: collection/production of firewood, charcoal, aromatic gums

fund such projects. As a result, the coping strategies presented in the box are used to sustain pastoral livelihoods during times of stress.

Agro-pastoralists

The majority of Somalia's agro-pastoral groups live along or between the Juba and Shabelle river valleys. They are also found in areas of western Somaliland and scattered pockets of the north-eastern regions. Cattle are the dominant livestock species reared and sorghum is the primary crop cultivated. Within this general group, there is diversity in how cropping and livestock systems are combined. Proximity to markets is also important given the significant deterioration of road and transport conditions. The major criteria determining the wealth status and coping potential of agro-pastoralists is the area of land cultivated and the number of animals owned by a particular household.

In general, agro-pastoral households are considered the most food-insecure populations during drought years. Their vulnerability is due to a combination of natural and man-made factors. Agro-pastoral populations in southern Somalia primarily come from politically and militarily marginal clans, and have been among the greatest victims of violence since the collapse of the Siad Barre regime in 1991 (Besteman and Cassanelli, 1996). Combined with poor rains and harvests, the resulting asset losses (of both food and livestock) and displacement have resulted in large-scale food deficits.

Following the *gu* harvest in August 2000, however, household economies were expected to have strengthened across most of southern Somalia. Good cereal production in Bay, Bakol and the Shabelle valley led to improved food availability in the region. As the food supply expanded, market prices decreased, resulting in better access to essential commodities for poor households. Following the 2000 *gu* and *deyr* rains, water and pasture conditions were considered to be good across the region. Terms of trade were far more favourable than the same time in recent years. Yet, the improvement in livelihood conditions has proved limited and short-lived. Prior to last year's very good *gu* season harvest, nutritional surveys and routine surveillance reported high malnutrition rates among poor wealth groups across southern Somalia (17–30 per cent global, with some 3–6 per cent severe). Following the impact of good

Factors undermining agro-pastoral livelihoods

- Poor rains and consecutive seasons of crop failure
- Conflict-induced asset depletion of fixed and immobile assets (e.g. land)
- Trade disruptions due to conflict and potential border closures
- Physical isolation from ports and services in Somalia's main urban centres
- Lack of security from violence and economic exploitation, especially for weaker social groups
- Increasing commercial and communal debt
- Crop pests, disease and bird attacks
- Decreasing levels of assistance from international aid agencies

rains, good harvests and low cereal prices, however, malnutrition rates in all surveys have remained above 12 per cent — higher than expected. NGOs and UN agencies operating supplementary feeding programmes in southern Somalia report providing assistance to a significant patient population (*circa* 10 per cent of the overall caseload) whose nutritional status does not improve even after more than three months of care. Areas of particular concern include Gedo, Bay and Bakol regions — the scene of some of Somalia's worst internecine fighting and displacement over the past 10 years.

No abnormal population movements or reductions in household food consumption are noted in the 12 months following the *gu* 2000 season in agro-pastoralist regions of southern Somalia. Further, no extraordinary health factor can be identified as the cause of sustained malnutrition, although the persistence of tuberculosis and *Kala Azar* are obviously contributory factors. Rather, concerns rest on the long-term impact of conflict and displacement on reducing household asset bases. This has limited poor Somalis' abilities to care for vulnerable children as whole families are likely to be sharing the SFC dry rations provided to child patients.

Additional factors include substandard water supply and sanitation, and the poor quality of the dietary intake even when food availability is adequate. Further, recovery for some households is extremely slow and many have been rendered destitute. Continuing political and economic marginalisation may deny market access to some social groups, including minorities and small sub-clans. It should also be noted that many poor agro-pastoralists are only able to meet minimal income and consumption requirements during the agricultural season by working, leaving little time to manage their own fields and invest in their future food security. In sum, the long-term dynamics of impoverishment were not significantly alleviated by any one year's successful harvest.

Riverine farmers

The largest riverine populations are found towards the coastal end of the Juba and Shabelle rivers. This group tends to have very small herds or no livestock at all.

Riverine households generate the majority of their food and income from the cultivation and sale of cereal and non-cereal crops. Flood-recession and pump-irrigation farming are the two primary methods of providing water for crop production. Riverine households can be more resilient than others given the variety of crops

Strategies sustaining agro-pastoral livelihoods

- Sales of household food stocks and livestock assets
- Seasonal migration to urban areas for employment
- Intra-community social support
- Increasing commercial and communal borrowing
- Selling part of a herd in order to buy fodder to keep the remainder alive
- Slaughtering newborn calves in order to protect the mother
- Reduction of food consumption to below minimal nutritional levels for short periods of time

produced and the availability of fruit trees and wild foods. Further, they may in fact derive some benefits from drought conditions that increase crop prices.

Riverine groups depend to a large extent on rains in the Ethiopian highlands, which determine river water levels in southern Somalia. The destruction of river embankments during the El Niño floods in 1997 and the decrepit irrigation infrastructure resulting from lack of public maintenance means that riverine households are seasonally vulnerable to flooding. Repairing such infrastructure — which requires the financial means to rent bulldozers and pay for their fuel — is a financial burden that communities by and large have proven unwilling to bear.

Further, riverine farmers — particularly poorer households who do not own the most valuable land close to irrigation canals — are often saddled with high costs for fuel and generators to ensure adequate water provision. In many areas, riverine groups are politically marginalised, vulnerable to discrimination by well-mobilised and well-armed pastoralist militia who regard agriculturalists as belonging to a lower caste. In some areas, riverine groups have been forced off their former land holdings when mutually beneficial alliances have not been created with their neighbours. As a result, flood vulnerability has increased for many riverine farmers that now live in the *dheshek* depressions immediately adjacent to the river embankments.

Urban residents and IDPs

Urban groups are directly dependent on the state of the Somali economy. Their households are characterised by lack of involvement in direct agricultural production, livestock rearing or cultivation. Household income is derived from trade (petty trading and larger-scale activities), employment (casual, or more formal), remittances, gifts and begging, and other income-generating activities such as the rental of urban infrastructure.

Overall, the dynamics and vulnerabilities of urban livelihoods are under-researched. It is known, however, that the livelihoods of Somalia's urban residents are more stratified than those of other groups. Poor and very poor households are more dependent on casual- and self-employment activities. Vulnerability is closely linked between commodity prices and income opportunities and their rates, as well as the number of family members working and their access to remittance income.

Internally displaced persons (IDPs) are a particularly vulnerable sub-stratum of the urban community. IDPs originate from all of the different livelihood groups

Factors undermining riverine livelihoods

- Lack of available land or secure tenure
- Lack of capital for land preparation, labour and fuel for water pumps
- High production costs and low market prices for produce
- Lack of access to and maintenance of irrigation infrastructure
- Lack of protection from seasonal flooding
- High market costs for fuel
- Lack of security from violence and economic exploitation

discussed above: pastoral, urban, agro-pastoral and riverine. Defining the meaning of displacement in the Somali context is difficult. Other than the general description of communities that have fled their home territories due to civil conflict and natural disasters, there are complications in providing a more specific definition due to the problem of multiple and recurring displacements, and the crucial importance of clan and sub-clan affiliations underpinning the causes and routes of population movements.

Overall, displaced households have already lost the vast majority of assets and have been forced to ‘drop out’ of their usual system of accessing entitlements. The potential for IDPs to return to their previous way of life varies enormously depending on changes in the political context resulting in their flight, as well as their potential to regenerate household incomes while being displaced. Wherever they move, IDPs remain as minorities. While virtually everywhere in Somalia lacks basic services and people live on low incomes, IDPs are an unheard voice, usually living in extremely difficult conditions. For many, without significant assistance, their near complete lack of assets gives them a bleak future. The major threats to the basic survival of IDPs in Somalia include those presented in the box (see page 22).

The economics of vulnerability

Vulnerability in Somalia is too commonly attributed to the country’s natural resource base, the limitations of ‘traditional’ methods of agricultural and livestock production and the impact of non-liberal political and economic practices. As Samatar has noted, ‘the causes assigned to poverty are either climatic aridity, poor resource endowment, and/or a corrupt public sector’ (Samatar, 1991: 3). Admittedly, the sustainability of household economies is severely affected by erratic rainfall and cyclical drought. As noted by the SACB, ‘Rainfall levels are lower or more irregular than in any other area

Strategies sustaining riverine livelihoods

- Community labour to rehabilitate and maintain irrigation infrastructure
- Petty trade
- Casual employment — particularly agricultural labour
- Temporary migration to urban areas to seek employment
- Fish and wild-food consumption and sales

Factors undermining urban and IDP livelihoods

- Increasing market prices due to limited domestic production
- Lack of market access and asset loss due to devaluation of the Somali shilling
- Lack of employment opportunities and limited access to social services
- Lack of security from violence and economic exploitation
- Lack of aid programmes, especially ones generating 'pro-poor' economic conditions
- Increasing commercial and communal debt
- Lack of policy or action by local government (where it exists)
- Lack of socio-economic protection from kin, for IDPs in particular

of sub-Saharan Africa outside the Kalahari' (SACB, 2001). This uncertainty is well illustrated by the conditions of the last three years, where 1997 El Niño rains brought massive flooding, led to disease outbreaks and extensive infrastructural damage. Since then the prevailing drought conditions have been caused by poor to very poor rains in most areas.

Environmental conditions are undoubtedly important as contextualising and contributory factors. Yet, assigning causality to these alone has resulted in a misrepresentation of the dynamics that perpetuate the exposure of at least one quarter of the Somali population to threats of displacement, disease and lack of food and water. From the foregoing analyses of factors affecting the viability of the various household economies in Somalia, it is possible to identify a number of key economic factors affecting livelihoods across the country. These are man-made factors that exist within the natural context of aridity and environmental uncertainty. Disaggregating the web of social and economic entitlements and interactions which structure and sustain livelihoods is difficult but necessary to understand how people live and survive during periods of political stress.

Asset depletion and destitution: Political intimidation and asset stripping have crippled household economies and forced hundreds of thousands of Somalis to flee from their homes. This factor has more greatly affected urban residents and agricultural producers as their assets are less mobile than those of pastoralists. Another important variable in assessing vulnerability to asset stripping is the political and military strength of specific social groups — usually clans — to protect their members. However, few communities have been spared entirely. Until equitable and secure land tenure relations are established, access and incentives for increased food production will remain limited.

Lack of labour opportunities: The collapse of the state led to the demise of Somalia's industrial base and state sector. This has severely reduced domestic produc-

Strategies sustaining urban and IDP survival

- | | | |
|---------------------|------------------|---------------|
| • Trading | • Gifts from kin | • Remittances |
| • Casual employment | • Petty trade | • Scavenging |
| • Prostitution | • Crime | • Begging |

tion and what can be considered 'formal sector' employment. Although the new 'free market' has led to booming regional trade, not all Somalis have been able to benefit from continuing economic activity. Displaced people, in particular, tend to live off subsistence wages for unskilled day labour. Specialised labourers, involved in any occupation from blacksmithing to bureaucratic administration, have found few opportunities for employment and remain unskilled in subsistence production.

Limited benefits from economic expansion: Unequal relations of production and high urban unemployment rates have maintained very low returns to labour, even when the demand for that labour has risen substantially. Unequal terms of trade between capital (in limited supply) and labour (in large supply, particularly given Somalia's high rates of displacement and destitution) mean that private-sector employment for the poor has not yielded anything more than subsistence wages. This does not allow for patterns of savings or investment by the poor substantial enough for them to gain access to new means of production.

Lack of infrastructure and social services: With the exception of international aid projects, there has been little or no investment in infrastructure and social services in Somalia over the last 10 years. Following the gradual decline in state investment in social services throughout the 1980s, much of the material, equipment and expertise required to provide and sustain public goods was destroyed or displaced during the civil war. In addition, trade and transport suffer due to the poor road system as well as insecure conditions along many of the major routes. Despite the best efforts of UN agencies, NGOs and donors, public access to aid services is limited by the concentration of projects in urban areas, dwindling agency presence in southern regions and a continually dwindling funding base. This means that access to basic health-care, education, clean water and sanitation is very limited.

Lack of macroeconomic management: Since the beginning of 2001, the arrival of large sums of newly printed Somali shillings has generated rampant inflation. These consignments are ordered by businessmen, primarily in Mogadishu, who quickly introduce the shillings into urban markets in vast quantities. Whereas the shilling had generally remained stable for years, exchanging between SSh8,000–10,000 per US dollar, the increased money supply has devalued the currency to over SSh20,000 per dollar in 2001. Poor and middle-income households, who predominantly hold shillings, are now unable to purchase imported food items, while the value of any existing savings has decreased by one-half. Further, many merchants are no longer willing to risk accepting shillings, thus further limiting access to the market.

Market dependency and volatility: Very few, if any, Somali households survive on subsistence production alone. Rather, domestic livestock and agricultural produce are traded for imported food stuffs and other durable items. The combination of variable supply of local produce, insecure access to urban market areas and volatile demand from some regional markets (as evidenced by the occasional bans on the export of livestock), means that Somali producers are vulnerable to extreme fluctuations in their ability to use markets to their advantage.

Social support and remittances: Intra-clan, intra-community and intra-family assistance and resource redistribution have been vital in mitigating the worst effects of recurrent stress and crises (Medani, 2000). In particular, the Somali diaspora has played a key role by returning a portion of foreign-earned wages to relatives in Somalia. As the scale of the remittance economy is estimated in the hundreds of millions of dollars, this organic social safety net eclipses the amount of humanitarian and development assistance brought into Somalia. The benefits of the remittance economy,

however, accrue primarily to urban, middle-class groups which — because of the educational and employment opportunities during the pre-war era — are more likely to have kin living abroad.

Conclusions

As evidenced by declining rates of severe malnutrition and limited food aid needs, the magnitude and immanence of emergency conditions across Somalia reduced between mid-2000 and mid-2001. Acute humanitarian needs did not disappear, but the effects of clan-based conflict and climate failures were largely localised. The general improvement in the humanitarian situation was due to successive seasons of good rainfall, impressive harvest yields, normal pasture conditions and surface/ground water availability. Even in the absence of essential social services delivered by public institutions, these factors enabled a proportion of poor households to produce and exchange enough resources to ensure their immediate survival and generate savings (in terms of seed stores, larger herds and cash reserves) to avoid destitution in case of future stress.

However, very few Somalis are able to rebuild their household economies in a prolonged and sustainable manner. Because of the fluctuating environmental conditions described above, it is estimated that one in every five harvests will be a partial failure and one in 10 will fail completely (SACB, 2001). Livestock, the major source of savings, income and consumption for a majority of the Somali population, is similarly affected by drought and market fluctuations. This makes it essential for Somali households to capitalise on such temporary improvements to avoid future cycles of vulnerability. Furthermore, one of the long-term socio-economic effects of the war in Somalia has been to entrench unequal access to the country's productive resource base. The expansion of the private sector has benefited from these available resources, without providing concomitant returns to groups that have become dispossessed. Current economic development programmes operate on the assumption that increased private sector activity, including high returns to national and international investors, will lead to poverty reduction, rather than simply increasing aggregate GDP. This assumption appears misplaced. Wealth accumulation by merchant classes does not necessarily 'trickle down' to benefit the poor in any substantial manner.

By this count, Somalia appears not so different from other African countries: the depth and breadth of structural poverty in Somalia produces opportunities of economic advancement only for landowners, capital holders and external investors. Until aid agencies face up to these facts and design aid programmes accordingly, little can be done to assist poor Somalis capitalise on improving environmental and security conditions in order to end the regular cycle of post-emergency recovery and relapse. The cyclical — indeed seasonal — return of higher rates of vulnerability is sustained by widespread poverty resulting from decades of economic stratification, devastated household asset bases, lack of basic social services, and the alienation of producers from the country's productive resource base. Until these underlying factors are addressed, longer-term development efforts will also be compromised.

From this analysis, at least one significant conclusion regarding the need to support grassroots economic recovery can be drawn: *Only by accumulating ownership of and access to enough assets over time will a sufficient cushion exist for Somalis to face future droughts and other natural stresses without recurrently succumbing to the*

need for relief assistance. Unfortunately, there are no blueprints for translating this strategy into action. However, based on the economic dynamics of vulnerability discussed above, it is possible to formulate an initial breakdown of potential and reinforcing programme objectives.

- Protect household asset bases by extending access to essential social services in order to reduce household expenditures (for example, promote the presence of more aid projects for health, water and education, and increase their coverage in rural areas).
- Rebuild asset bases by supporting the household economy strategies of poor groups, including strengthening the benefits received from labour migration, the informal economy, social networks and coping strategies (for example, consider the potential for projects to contribute to in-cash and in-kind savings by poor households).
- Focus and time aid interventions to minimise seasonal stress (for example, during the dry season and or planting season) to enable households to ‘capitalise’ on seasonal gains (for example, good harvests and restocking).
- Stimulate household income through public works projects targeting improved market and social-service infrastructure.
- Intervene in markets to ensure adequate access and terms of trade for poor households (for example, consider modalities of improving market incentives for geographical redistribution of food from surplus-producing areas, or purchasing excess livestock and grain supplies when cash earnings are required).
- Reconsider cost-recovery initiatives that increase the costs of social services for poor households.⁸

Admittedly, such efforts will do little to reduce future vulnerability in the face of renewed, large-scale political violence and the destruction, displacement and looting that would accompany it. Further, such support cannot guarantee the automatic succession of any renewed or vigorous trend towards ‘development’. Rather, in the absence of further conflict, the rebuilding of household assets among poor wealth groups will allow Somalis to recover a minimum level of subsistence and undertake uncertain investment in their own future. It is very possible that to expect more than these limited gains is simply utopian following two decades of strife and pauperisation. In any event, the only existing alternative is clear. In the absence of household economic recovery, continuous food aid, supplementary feeding, water trucking and emergency responses to epidemics will remain the blunt, problematic tools of last resort for the humanitarian agencies to prevent further catastrophes in Somalia.

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Notes

1. Nisar Majid worked for SC-UK and FAO at the Food Security Assessment Unit (FSAU) from November 1998 to August 2001.
2. This review of the Somali war economy is drawn from the author's contribution to Le Billon, 2000.
3. Both the SACB Project Matrix and SACB Operational Framework are available on the SACB website accessible through www.unsomalia.org.
4. It is important to note that since the RRA's establishment of central control over Bay and Bakol regions in mid-2000, little substantive development support has been provided there, as evidenced by the absence of UNDP and EC operations.
5. The term and methodology originate with Save the Children-UK, but are now often referred to as Household Economy Analysis. Simply put, food economy groups comprise individuals and communities who (a) share similar methods and patterns of accessing food, income, and (b) are at risk to similar events that may undermine this access.
6. The following lists of 'factors' and 'strategies' affecting livelihoods are derived from fieldwork and workshops across Somalia conducted by the UN Food Security Assessment Unit (FSAU) between 1997 and 2000.
7. There is sometimes a fine line between short-term coping strategies and longer-term changes in household economies sustainable recovery. For example, increased wood-cutting may be necessary and sustainable in stressful times, but may have negative environmental consequences when income from cutting becomes a mainstay of livelihoods.
8. For further discussion of the dangers of shifting the economic burden of relief to vulnerable communities in the name of sustainability, see Bradbury (1998: 336–7).

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