

# **Somaliland: The political and Economic ramifications of Recognising Somaliland for the Horn of Africa**

In an era of international uncertainty where by nation states in Europe and America are experiencing populism, economic instability and trade war the recognition of Somaliland isn't an urgent case for world leaders. However due to Somaliland strategic location on the Horn of Africa and vast resources of oil, gas and mineral deposits the case for recognition should be back on the agenda.

The Horn of Africa politics has taken a shift in geopolitical terms since the rivalries between China, Russia, USA, GCC, Turkey, UK and European powers began earnestly jostling amongst themselves for strategic control. What is fuelling this urgency for control is complex and may not end well for all actors involved.

The strait of Bab Al Mandab is a significant shipping route that connects the East and West, it's bordered to the northeast by Yemen and to the southwest by Eritrea and Djibouti. The unjust war by Saudi coalition on Yemen's Houthi Shiites, Iranian threat to Saudi Arabia sovereignty imagined or otherwise and Chinese/Russian economic hegemonic war with US and European nation states exponentially increased volatility within the Horn of Africa. This is at a moment in history when African productivity, consolidation and economic success are on the horizon for many nations in the continent according to Annett Dixon Vice President for Human development at the World Bank

' Human capital project countries are breaking away from traditional paradigms to make investment in their people a priority and are working in a more coordinated way across government to ensure that households have the right enabling environment to support human capital formation'2019

What Somaliland needs is access to international markets, finance and banking which recognition as a sovereign state would facilitate. However, the chaotic politics of international relations as always unpredictable in its objectives and principles has caused disorder and the ramifications for governance, human rights, peaceful resolutions and conflict management are dire. The Horn of Africa conceptualised this phenomenon, in an era where the state apparatus has been weakened by fin tech, conglomerates and social uprising against conformity.

In the case of Somaliland, an independent nation that seceded from Somalia in 1991 after devastating and costly civil war the possibility of recognition after 28 years is a significant political win for the region. This is partly due to its strategic geopolitical position and its impressive ability to provide safety and security for its citizens in the most unstable region of Africa. Somaliland unlike the rest of Somalia is a bastion of peace with a functioning poor government, the country's budget is estimated at £350 million (1/3 of it spent on security), it has a thriving successful telecommunication private sector and mobile network banking system unrivalled in its sophistication and dynamic business development.

While Somalia languishes in anarchy and chaos, Somaliland when compared with other African nations became a model of democratic freedom and liberal enterprise. It has an effective national army to combat terrorism, a nation that eschews subservience to external forces but willing to do what it takes to achieve its goals for independence and nationhood aspiration,

international community has no valid reason to deny its people the right to rule themselves.

It has been argued that granting nationhood to Somaliland would disrupt other African states national integrity and open a Pandora box of dissatisfied tribalist factions but there is no evidence to support this assertion in fact with recent development such as African continental Trade Agreement (AFCTA) all the more reasons. For example, South Sudan, Eritrea, former Yugoslavia and former Soviet States have all been recognised, why prevent the inevitable as Somalia republic has disintegrated 1991 with the demise of Siad Barre and all efforts for reconciliation has failed.

It is the federal government of Somalia that desperately needs Somaliland and given the hapless management of security and terrible governance by Mogadishu leadership it is better for Somaliland to become independent.

Somaliland is in a unique position lately, the recent Russian overtures and dialogue with President of Somaliland Musa Bihi to establish Russian military base in Zeila ruffled feathers in Washington hence American consolidation of power in the Horn of Africa through proxy alliances (Ethiopia FDI \$3.7 billion 2018). This scramble for Horn of Africa by the Russians and US coupled with Chinese presence militarily and UAE alternative port investments in Berbera, Bossaso and Asaab after spectacularly falling out with Djibouti over Doraleh port deal (Djibouti has French, USA and Chinese military bases) is creating friction amongst East African leaders. It is an interesting phenomenon to have so many powerful countries vying for the attention of poor underdeveloped recently democratised African countries. Perhaps the BIR (Belt Road Initiatives) Chinese connectivity trillion-dollar project escalated drastic responses, what ever may happen, peaceful resolutions is the way forward for economic development, Saudi failure in

Yemen and Qatari successful PR coup indicate soft power trumps hard power as Joseph Nye eluded in his book 'The means to success in world politics'.

Why would world powers be willing to invest heavily at this moment of history in East Africa? The war on terror has long been touted as a reason for military bases but surely Al Shabab aren't the only immediate threat, what about oil and gas resources? Could USA and European powers efforts to detract Chinese and Russian influence be the main motivator for such proliferation of military power?

In the past, previous governments cast doubts and reservations about recognising Somaliland quest for independence, it was hinged on AU, IGAD and regional states whims but that's not the case anymore. Somaliland exists in a solitary confinement because it's a country which doesn't exist according to IMF, world Bank and WTO. The unstable and chaotic Federal Government of Somalia receives monetary funds from international donors and has the support of the US and European Union, of course it's irrelevant whether the money has been misappropriated and siphoned off by corrupt ministers and officials who unashamedly keep harbouring about sovereignty and territorial integrity.

Somalia has no power beyond Mogadishu, the Prime Minister Khaire and President Farmajo are locked in a battle of divide and rule, in fact the power of parliament legislative, executive and judiciary has been made ineffective and redundant no wonder Somaliland people are aghast at the mention of dialogue and reconciliation. It is sadly more likely that Somaliland would have political and economic ties with Ethiopia, Eritrea and Kenya than with Djibouti or Somalia.

The latter would never endorse Somaliland independence, but others could be persuaded by lucrative business opportunities namely port accessibility, gas and oil ventures

The unwavering USA support to Ethiopia has altered the relationship it has with its neighbours, newly elected Ahmed Abiy has become a strong leader in negotiating and fostering economic and political ties to accelerate development plans. Ethiopia a landlocked country has been discussing with French president Macron training navy personnel and purchased naval ships from China.

The case for recognition is imperative, in order to be part of international financial institutions a country has to exist. Somaliland survived without IMF loans, but the mobile banking, transfer and telecom service industries require regulatory framework. The people need infrastructure, hospitals and roads which the private sector alone can not build without government support and international bodies such as African development bank will not accommodate unrecognised countries.

The flow of capital from Somaliland, high inflation, depreciation of the Somali shilling and Dollarization of the economy are factoring that central bank can mitigate against. The role of a central bank requires that it develops and implements policies and framework for fiscal management thus recognition is a necessity and imperative right that can no longer be ignored.

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