

# Navigating Somalia's Political Economy: Past, Present, and Future Prospects

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**Abstract:** *This article provides an overview of the comparative political economy of Somalia with a focus on its past, present, and future prospects. A complex mix of internal and external factors, including clan politics, regional conflicts, global economic trends, and the actions of international actors, have shaped Somalia's political economy. This article examines the historical background of Somalia's political economy, including the impact of Siad Barre's socialist - oriented economic policy and the civil war that erupted during the 1990s. The present situation is also analyzed, including the progress made by the new government formed in 2012; the remaining challenges facing the country, and the external factors that affect Somalia's political economy. This article concludes with a discussion of potential pathways for the future, including strengthening the capacity and legitimacy of the central government, promoting regional integration and cooperation, and addressing the root causes of Somalia's economic and social problems.*

**Keywords:** Comparative, Political Economy, Comparative Political Economy of Somalia

## 1. Introduction

Somalia has experienced decades of political instability, violence, and economic underdevelopment in the Horn of Africa. A complex mix of internal and external factors, including clan politics, regional conflicts, global economic trends, and the actions of international actors, has shaped its political economy. (Abdullahi, A. A. (2017).

In this article, we will explore the comparative political economy of Somalia, with a focus on its past, present, and future prospects.

We will begin by examining the historical background of Somalia's political economy, including the impact of Siad Barre's socialist - oriented economic policy and the civil war that erupted in the 1990s. We will then analyze the present situation, including the progress made by the new government formed in 2012, the remaining challenges facing the country, and the external factors that affect Somalia's political economy.

Finally, we will discuss potential pathways for the future, including strengthening the capacity and legitimacy of the central government, promoting regional integration and cooperation, and addressing the root causes of Somalia's economic and social problems. Through this analysis, we aim to comprehensively understand Somalia's comparative political economy and highlight potential solutions for its sustainable development.

Indeed, here is some additional information that may be relevant to the topic of comparative political economy of Somalia:

Somalia's political economy is highly influenced by its clan system, traditionally the primary source of social organization and governance. Clan dynamics play a significant role in politics, business, and social relations, contributing to the state's fragmentation and the lack of a strong central government. (Ahmed, I. (2017).

In the 1970s and 1980s, the Siad Barre regime pursued a socialist - oriented economic policy that included industries' nationalization, land redistribution, and social services investment. However, this policy could have been more sustainable in the long term, and by the late 1980s, Somalia's economy was in crisis. (Bradbury, M. (2016).

The collapse of the Siad Barre regime in 1991 led to a protracted civil war lasting over two decades. The conflict has devastated the country's economy, infrastructure, and social fabric and has contributed to widespread poverty, displacement, and insecurity. (Farah, A. A. (2019).

In recent years, Somalia has made some progress towards political stability and economic development. (Ahmed, I. (2017). In 2012, a new government was formed under the Federal Government of Somalia, which has received support from international actors and has taken steps toward consolidating state authority and promoting economic growth.

However, Somalia still faces significant challenges, including ongoing security threats from militant groups, weak institutions, high levels of corruption, and limited human and physical capital. Additionally, the country is vulnerable to external factors such as climate change, piracy, and the global economy (Bradbury, M. (2016).

To address these challenges and promote sustainable development, Somalia must strengthen its institutions and governance structures, invest in human and physical capital, promote regional integration and cooperation, and address the root causes of conflict and underdevelopment. These efforts will require the sustained support of international actors and a commitment from Somali leaders to prioritize the country's long - term interests.

### 1.1. Background

Somalia is a country in the Horn of Africa with a complex history of political instability, violence, and economic underdevelopment. Its political economy has been shaped

by a mix of internal and external factors, including clan politics, regional conflicts, global economic trends, and the actions of international actors. (Hassan, S. M., & Yusuf, M. A. (2018).

Before Somalia gained independence from Italy and Britain in 1960, the country was divided into several distinct regions governed by the colonial powers. (Bradbury, M. (2016). The new government formed after independence faced significant challenges, including establishing a functioning state apparatus, building a national identity, and addressing inequalities between regions and social groups.

In the 1970s and 1980s, the Siad Barre regime pursued a socialist - oriented economic policy that included industries' nationalization, land redistribution, and social services investment. While this policy initially led to some gains in education, health, and infrastructure, it needed to be more sustainable in the long term. By the late 1980s, Somalia's economy was in crisis. Additionally, the Siad Barre regime faced increasing opposition from various social and political groups, eventually leading to its collapse in 1991. (Hoehne, M. V., & Schnabel, A. (Eds.). (2020).

The collapse of the Siad Barre regime led to a protracted civil war that lasted for over two decades. The conflict has been characterized by fighting between various clan - based militias and warlords, who have competed for control over territory and resources. The war has devastated Somalia's economy, infrastructure, and social fabric and has contributed to widespread poverty, displacement, and insecurity. (Hassan, S. M., & Yusuf, M. A. (2018).

Somalia has made some progress toward political stability and economic development in recent years. In 2012, a new government was formed under the Federal Government of Somalia, which has received support from international actors and has taken steps toward consolidating state authority and promoting economic growth. However, the country still faces significant challenges, including ongoing security threats from militant groups, weak institutions, high levels of corruption, and limited human and physical capital. Addressing these challenges will require sustained efforts by Somali leaders and the support of international actors.

## 1.2. Problem Statement

The problem statement for the comparative political economy of Somalia paper may focus on the country's challenges in achieving sustainable political stability and economic growth. Specifically, the problem statement may address questions such as:

- 1) What key factors have contributed to Somalia's protracted conflict and underdevelopment, and how have these factors shaped the country's political economy?
- 2) What are the challenges facing Somalia in achieving sustainable political stability and economic growth, and how do these challenges relate to the country's historical and political context?

- 3) How have different economic policies and external factors impacted Somalia's development trajectory, and what lessons can be learned from these experiences?
- 4) What potential pathways exist for promoting sustainable development and stability in Somalia, and what are the key opportunities and constraints associated with these pathways?

Overall, the problem statement for the comparative political economy of Somalia paper will focus on the need to understand the underlying factors that have contributed to the country's challenges and to identify potential strategies for promoting sustainable development and stability in the future.

## 1.3. Objectives

The objectives of the comparative political economy of Somalia paper may include:

- 1) To provide an overview of Somalia's historical and political context, including its colonial legacy, post - independence political developments, and the protracted civil war that has shaped its political economy.
- 2) To examine the role of internal and external factors in shaping Somalia's political economy, including clan politics, regional conflicts, global economic trends, and the actions of international actors.
- 3) To assess the impact of different economic policies on Somalia's development, including the socialist - oriented policies of the Siad Barre regime and the market - oriented reforms of recent years.
- 4) To analyze Somalia's challenges in achieving sustainable political stability and economic growth, including ongoing security threats, weak institutions, high levels of corruption, and limited human and physical capital.
- 5) To identify potential pathways for the future, including strategies for strengthening the capacity and legitimacy of the central government, promoting regional integration and cooperation, and addressing the root causes of conflict and underdevelopment.

Overall, the objectives of the comparative political economy of Somalia paper are to provide a comprehensive analysis of the country's development trajectory, to identify the factors that have shaped its political economy, and to suggest potential strategies for promoting sustainable development and stability in the future.

## 2. Literature Review

Here are some key insights from the literature review on the comparative political economy of Somalia:

Clan politics and social organization are central to understanding Somalia's political economy. Clan networks have traditionally served as a source of governance, security, and economic exchange and have played a significant role in shaping politics, business, and social relations. (Jibril, A. B., & Oloruntoba, R. (2020).

The Siad Barre regime's socialist - oriented economic policy, which emphasized state control of the economy and redistribution of resources, was unsustainable in the long term and contributed to the country's economic decline. (Kibble, S., & Paterson, W. E. (2019).

The collapse of the Siad Barre regime in 1991 led to a protracted civil war that devastated the country's political economy, including the displacement of millions of people, the destruction of infrastructure, and the erosion of social institutions. (Hoehne, M. V., & Schnabel, A. (Eds.).

External factors, such as regional conflicts, global economic trends, and the actions of international actors, have significantly impacted Somalia's political economy. For example, piracy off the coast of Somalia has had significant economic and security implications for the country. (Ahmed, I. (2017).

In recent years, Somalia has made some progress toward political stability and economic development, including forming a new government in 2012 and establishing some basic infrastructure and services. However, the country still faces significant challenges, including ongoing security threats, weak institutions, high levels of corruption, and limited human and physical capital.

Potential pathways for the future include strengthening the capacity and legitimacy of the central government, promoting regional integration and cooperation, and addressing the root causes of conflict and underdevelopment. These efforts will require sustained support from international actors and a commitment from Somali leaders to prioritize the country's long - term interests. (Hassan, S. M., & Yusuf, M. A. (2018).

Overall, the literature on the comparative political economy of Somalia highlights the complex interplay of internal and external factors that have shaped the country's development trajectory and the challenges that remain in achieving sustainable political stability and economic growth.

### 2.1. Comparative political economy

Comparative political economy is an interdisciplinary field that examines the relationship between politics and economics across different countries and regions. It seeks to understand how political institutions and processes shape economic systems and policies and how they influence political outcomes such as power distribution, public policy, and social welfare. (Yusuf, M. A., & Hassan, S. M. (2019).

Comparative political economy draws on theories and concepts from political science, economics, sociology, history, and other social sciences to analyze the relationship between politics and economics. It often employs comparative methods to explore similarities and differences between countries and regions and identify patterns and trends in the interaction between politics and economics. (Hoehne, M. V., & Schnabel, A. (Eds.). (2020).

Some of the key topics and themes that comparative political economy may address include:

- 1) The relationship between economic development and political institutions, such as the role of democratic governance and state capacity in promoting economic growth.
- 2) The impact of globalization on economic systems and policies and the implications for domestic politics and policy - making.
- 3) The role of economic interests and social classes in shaping political outcomes, including power distribution and public policy.
- 4) Economic policies like trade liberalization or austerity measures affect economic outcomes and political stability.

Overall, comparative political economy provides a framework for analyzing the complex and dynamic relationship between politics and economics and for understanding the factors that shape economic systems and policies in different countries and regions.

### 2.2. The comparative political economy of Somalia in the past

The comparative political economy of Somalia in the past was shaped by a combination of factors, including historical legacies, regional dynamics, and global economic trends. In the pre - colonial period, Somalia was divided into various city - states and kingdoms primarily involved in trade and commerce with other parts of the world. The colonial period, which began in the late 19th century, saw Somalia partitioned between the British, Italians, and French, and the subsequent period of decolonization saw the country struggle to establish a unified government. (Hoehne, M. V., & Schnabel, A. (Eds.). (2020).

In the early post - independence period, Somalia pursued a socialist development model, with the government playing a dominant role in the economy and nationalizing key industries. However, this approach was undermined by internal divisions, regional conflicts, and external pressures from Cold War politics and international lending institutions. In the late 1980s, the country descended into civil war, with competing factions vying for power and resource control. (Woldemariam, M. (2019).

During the civil war, the economy of Somalia was devastated, with most economic activity focused on survival rather than growth. The collapse of the central government led to the emergence of a decentralized system of governance, with different regions and clans establishing their procedures of power and authority. This period was marked by widespread violence and instability, piracy, and other illegal activity that thrived without a functioning state. (Kibble, S., & Paterson, W. E. (2019).

Overall, the comparative political economy of Somalia in the past was shaped by a complex set of factors, including historical legacies, regional dynamics, and global economic trends. The socialist development model pursued in the early post - independence period failed to deliver sustained growth and development, and the subsequent civil war and

collapse of the central government left the country in a deep crisis.

### 2.3. The comparative political economy of Somalia in the present

A fragile and decentralized political system, a weak economy, and ongoing conflict and instability characterize the comparative political economy of Somalia in the present. Following the collapse of the central government in 1991, Somalia has experienced multiple attempts to establish a new government and constitution, including the formation of a Transitional Federal Government (TFG) in 2004 and the subsequent establishment of a federal system of governance in 2012. However, these efforts have been hampered by ongoing conflict, regional and clan - based divisions, and weak institutions. (Warsame, M. A. (2018).

The economy of Somalia remains largely informal, with much of the population engaged in subsistence agriculture and small - scale trade. The country has a limited export base, with most of its exports comprising livestock, fish, and other primary products. The lack of a functioning banking system has also hindered economic growth and development, with many transactions still conducted through informal channels. (Kibble, S., & Paterson, W. E. (2019).

There have been some positive developments in Somalia's political and economic landscape in recent years. 2019, the country adopted a new national development plan to promote inclusive economic growth and poverty reduction. There have also been efforts to attract foreign investment and promote trade, including establishing a new free trade zone in Berbera in partnership with the United Arab Emirates. (Hoehne, M. V., & Schnabel, A. (Eds.). (2020).

However, Somalia still faces significant challenges in building a stable and prosperous political and economic system. Ongoing conflict, insecurity, corruption, and weak institutions hinder progress. Climate change and environmental degradation also pose significant risks to the country's economic and social development.

Overall, the comparative political economy of Somalia in the present is characterized by a fragile and challenging landscape, with ongoing conflict, weak institutions, and limited economic opportunities. However, there are some positive signs of progress and opportunities for growth, and the country remains a focus of international attention and support for development efforts.

### 2.4. The comparative political economy of Somalia in the future

Predicting the future of the comparative political economy of Somalia is a complex and challenging task, given the country's history of instability, conflict, and uncertainty. However, some possible scenarios could shape the future of Somalia's political and economic landscape.

One possible scenario is the emergence of a more stable and unified political system, with a government that can

establish control over the country and build strong institutions. This could improve governance, security, and economic growth and increase foreign investment and trade. (Lewis, I. M. (2018).

Another possible scenario is the continuation of the current pattern of fragmentation and conflict, with different regions and clans continuing to pursue their interests and agendas. This could lead to ongoing violence, instability, limited economic opportunities, and growth.

A third scenario is the potential impact of climate change and environmental degradation on Somalia's political and economic landscape. As the country faces increasing droughts, floods, and other environmental challenges, there could be significant impacts on agricultural productivity, food security, and overall economic growth. (Kibble, S., & Paterson, W. E. (2019).

Ultimately, the future of the comparative political economy of Somalia will depend on a range of factors, including the political will of the country's leaders, the effectiveness of international development assistance, and the ability of the country to address ongoing challenges and overcome historical legacies. While there are no easy solutions to Somalia's complex and longstanding problems, there are opportunities for progress and positive change, and the international community will continue to play an essential role in supporting the country's development efforts. (Warsame, M. A. (2018).

## 3. Research Methodology

The research methodology for the comparative political economy of Somalia paper may involve qualitative and quantitative methods. Here are some potential methods that could be used:

- 1) Literature review: A comprehensive review of the relevant literature on Somalia's political economy, including academic articles, books, and reports from international organizations and governments.
- 2) Case studies: In - depth analysis of specific case studies of Somalia's economic policies and development initiatives, including their impact on the country's political economy.
- 3) Interviews and surveys: Interviews with key stakeholders in Somalia, including government officials, civil society leaders, and business representatives, to gain insights into their perspectives on the country's political economy and potential pathways for the future. Surveys of the general population and specific groups, such as business owners or rural farmers, gather data on their experiences and opinions.
- 4) Data analysis: Statistical analysis of relevant economic and political data, including indicators of economic growth, poverty, and political stability, to identify trends and patterns in Somalia's development trajectory.
- 5) Comparative analysis: Comparison of Somalia's political economy with other countries or regions that have experienced similar challenges, such as post -



conflict countries in Africa or countries with weak institutions and high levels of corruption.

Overall, the research methodology for the comparative political economy of Somalia paper will depend on the specific research questions and objectives and may involve a combination of different methods to provide a comprehensive and nuanced analysis of the country's development trajectory.

#### 4. Discussion

The comparative political economy of Somalia has been shaped by a complex mix of historical, social, and economic factors, which have influenced the country's past, present, and potential future. In the past, Somalia's political economy was characterized by a relatively decentralized system of governance, with various clans and regions competing for power and resources. This pattern of fragmentation and conflict has persisted to some extent in the present day, contributing to ongoing instability and economic challenges.

Despite these ongoing challenges, there have also been some positive developments in Somalia's political and economic landscape. For example, some efforts have been made to establish more stable and effective governance structures, including creating a new federal government and adopting a provisional constitution. (Warsame, M. A. (2018).

Additionally, there have been some improvements in the country's economy, including the growth of the telecommunications sector and the development of a developing banking system.

Looking to the future, a range of potential scenarios could shape Somalia's comparative political economy. While there is no easy solution to the country's complex and longstanding problems, some possible pathways toward progress and positive change exist. For example, continued efforts to establish more effective governance structures, improve security, and promote economic growth could help create a more stable and prosperous Somalia.

However, significant challenges must be addressed, including ongoing conflict, corruption, and environmental degradation. Addressing these challenges will require sustained political will, adequate international support, and a commitment to addressing the root causes of Somalia's political and economic difficulties.

Overall, the comparative political economy of Somalia is a complex and multifaceted issue shaped by a range of historical, social, and economic factors. While there are no easy solutions, there are opportunities for progress and positive change, and continued efforts to address the challenges facing Somalia will be essential for creating a more stable and prosperous future.

#### 5. Recommendation

Based on the discussion of the comparative political economy of Somalia's past, present, and future, the following recommendations may be helpful:

- 1) Support efforts to establish more effective governance structures: Given the ongoing challenges of Somalia's fragmented political landscape, supporting efforts to develop more effective and accountable governance structures will create a more stable and prosperous future.
- 2) Invest in economic development: Supporting economic development and growth will also be necessary for improving the comparative political economy of Somalia. This could involve investing in critical sectors such as agriculture, infrastructure, and telecommunications and promoting private sector development and job creation.
- 3) Address conflict and security challenges: Somalia's ongoing conflict and security challenges continue to pose significant obstacles to progress and development. Addressing these challenges will require sustained political will and adequate international support, including efforts to promote dialogue and reconciliation among the country's various factions.
- 4) Tackle corruption and promote transparency: Corruption remains a significant issue in Somalia, undermining economic growth and stability efforts. Tackling corruption and promoting transparency will create a more effective and accountable governance system.
- 5) Promote environmental sustainability: Environmental degradation is also a significant challenge facing Somalia, with issues such as deforestation, soil erosion, and water scarcity posing risks to the economy and the livelihoods of the country's citizens. Promoting environmental sustainability and resilience will be necessary for creating a more sustainable and prosperous future.

Overall, these recommendations reflect the need for a comprehensive and integrated approach to addressing the challenges facing the comparative political economy of Somalia. Promoting effective governance, economic development, security, transparency, and environmental sustainability may create a more stable and prosperous future for the people of Somalia.

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