

PDRCTalks Report



JULY 2019



Horn of Africa Integration Initiative: Political and Socio-economic Impact of Somalia

Guest Speaker:

Dr. Ali Isse Abdi

Background to PDRCTalks

In March 2019, the Puntland Development and Research Centre (PDRC) initiated a monthly event called PDRCTalks. This event is a new initiative to spread ideas, messages, and awareness on issues related to the betterment of Somalia. These issues cover topics ranging from governance, democratization, peace and development which are the key focus areas of PDRC.

PDRCTALKS is an interactive platform in which prominent Somali scholars, veteran politicians and/or retired civil servants are hosted once in every month to serve as guest speakers and to deliver an expert presentation at a uniquely themed talk-event at PDRC. The aim of PDRCTalks is to spark conversation within the Somali community and through this useful dialogue, change the attitudes and lives of Somalis. Social media is utilized to spread the messages throughout Somali communities living in the diaspora and within the country, through live streams. PDRCTalks has been received well and has featured prominent figures in Somali society to bring to the fore a multi-faceted number of topics in politics, economics, social issues as well as cultural themes.

PDRCTalks is a value-added to PDRC's vision as a solutions-oriented organization that prides itself in offering useful tools to bring about peaceful coexistence and economic development by all Somalis.

About PDRCTalks 3

The third PDRCTALKS event themed on the Horn of Africa Integration Initiative: Political and Socio-economic Impact of Somalia took place at PDRC on the night of July 14th and was hosted by Dr. Ali Isse Abdi as the main Guest Speaker.

Dr. Ali is the Executive Director of the Horn Economic & Social Policy Institute (HESPI), a founder and current board member of PDRC and chairs the National Economic Council. He is a career economist with more than forty years of experience in world's top financial institutions namely International Monetary Funds (IMF). He was also worked with World bank and other institution, during which he advised many individual African leaders and nations on financial system reforms and institutional capacity building and towards domestic economic growth.

Inspired by this vast past experience and his present involvement in horn economic and socio-political affairs, PDRC invited Dr. Ali Isse for the third PDRCTalks-event where he advanced an expert presentation from Horn of Africa Integration Initiative: Political and Socio-economic Impact of Somalia, which is an evolving concept that joins three formerly enemy countries into a new tripartite economic integration in the Horn. Ethiopia, Somalia and Eretria are neighbours at the horn but had never been at peace with one other, due to a protracted and multi-folded border conflict in which

Ethiopia was always at the centre. However since the young reformist Prime Minister Abiy Ahmed took power in Ethiopia in April 2018, the political landscape of the region experienced an unprecedented transformation - from a hostile to hospitable diplomatic relationship. This has also paved the way for an economic integration initiative spearheaded and jointly endorsed by the leaders of the three countries of the Horn of Africa: Ethiopia, Somalia and Eretria. However, given the lack or limited information that has been made available to citizens following the signing of the tripartite deal in the mid of 2018, the anxiety for public access to information mounted drastically and the issue was overwhelmingly surrounded by controversies, disinformation and public discontent, resulting in the initiative becoming a largely unpopular and so unwelcomed in Somalia.

It is against this backdrop that Puntland Development and Research Center organized the third PDRCTalks under the theme of The Horn of Africa Integration Initiative: Political and Socio-economic Impact of Somalia, the intent of the event is to increase public knowledge and awareness-raising on the subject.

Organization of the event

The third PDRCTalks event was held on the 14th of July 2019 at PDRC, Garowe, Puntland State of Somalia. The evening event commenced with the opening of PDRC library it was then followed with a keynote presentation from Ali Isse Abdi, Panel Discussion, Contributors, Q&A and interactions. The event also was covered by live viewing on Facebook, as well publishing on Twitter to read audience across the world.

The event brought together 200 participants, which included policy makers and government officials such as Puntland Minister of Commerce, Abdullahi Abdi Hersi; Minister of Environment, Agriculture and Irrigation, Ismail Diriye Gamadiid; and Deputy-Minister of Finance, Yaasin Isse. Civil Society Organizations such as women and youth groups, business communities, academic institutions and the media were also present. PDRCTALKS-Discussions usually take nearly two-consecutive hours and give participants both time and space to learn from and interactively engage with keynote speakers and to further deepen their understanding of the subject discussion.

Introductory Remarks



The Programme Coordinator of PDRC, Abdinasir Yusuf welcomed Ali Isse Abdi, the guest speaker, the panellists, contributors and participants from all range of society for making the event an opportunity for exchange of ideas, debate and awareness raising. He highlighted that the Horn of Africa Integration Initiative is a subject that needs to be brought back to the Somali citizens for deeper understanding, debate and needs assessment. He contended that, the reality against which the event's theme is linked to the evolving concept that joins Somalia, Ethiopia and Eritrea in a new economic integration in the Horn; as such this event will be the first of it's kind.



Minister of Environment, Agriculture and Irrigation, Ismail Diriye Gamadiid, first stressed the importance of a knowledge-sharing platform such as PDRCTalks. He stressed that increasing public awareness, and debate on the subject will lead to acceptance and support of the initiative.

Keynote Speech



Dr. Ali Isse first commended the PDRC staff and management team for initiation and the organization of the PDRCTALKS platform and for being granted with the privilege to address the participants at the third PDRCTALKS on the Horn of Africa Integration Initiative. He indicated that it is only the second forum of its kind to discuss this very important topic in Somalia. Dr. Ali started his speech with an introductory remark in which he first described the “Horn of Africa” as a term often applied interchangeably to refer to either Djibouti, Somalia, Ethiopia or Eritrea or to all eight nations united under the IGAD – including Sudan and South Sudan, Kenya and Uganda. To further put the issue into perspective, Dr. Ali also spoke about two parallel initiatives that are currently on-going in the region; one of which is backed by the World Bank, Africa Development Bank and the European Commission and sought to support sub-IGAD nations - Ethiopia, Eritrea and Somalia for integrating their economies better through a closer and mutual cooperation between them – which also aspires to include Kenya into the new Horn Economic Integration Initiative with the other three nations. The second initiative, which Dr. Ali’s Horn Economic and Social Policy Institute (HESPI) is currently collaborating on with the African Union targets all eight IGAD countries and aims for a greater Economic Integration and cooperation across the horn.

Moreover, Dr. Ali gave reference to a meeting by the three leaders of Somalia, Eritrea and Somalia fourteen months ago in which the leaders principally agreed upon a regional economic integration initiative, that resulted in the establishment of National Economic Council of nine members (five Somali Nationals and four foreigners) appointed by the Somali president and with the mandate of advising and supporting the government on its reform agenda on financial systems and procedural reforms and institutional capacity building aimed at enabling

the nation to succeed in its determination towards debt relief and direct foreign investment – as critical gateway for vibrant economic growth and development. “No country can domestically succeed in economic development without getting foreign investment”, he added.

Being a member and the chair of Somalia’s National Economic Council, he had cooperated with Professor Hussein Ahmed Warsame in conducting an extensive research study from the concerned three Horn of Africa nations and whose findings were to be presented to participants as part of his expert presentation and for the overall discussion as well.

Dr. Ali mentioned that according to 2018 census, the population of Somalia, Ethiopia, Djibouti and Eretria was estimated to be about 15 million; 108 million; 1million and 5 million respectively. However and contrary to the held perception that Ethiopia will overtake Somalia, Dr. Ali stated that the revealed demographic disparity in respective countries’ estimated population growth wouldn’t necessarily mean to have embodied an existential threat for any of the nation’s aspiring for an integrated economic partnership, rather, Ethiopia’s growing population presents Somalia with an unparalleled market opportunity by exploring and meeting the needs of the 108 million landlocked Ethiopians.

The European economic integration initiative was taken as an example, indeed in the 1950s it started with joint cooperation on small-scale projects and reached the current level of full economic union. Ali stressed that this full-scale economic integration took time and we should expect the Horn of Africa Integration one to take as long if not longer. Dr. Ali added all this didn’t guarantee a political union, he reiterated that the horn economic integration initiative is neither a confederation nor in any way representative of a political union.

According to him, the Horn Economic Integration as an initiative that intends to find a common ground through which cooperating countries would unlock and nurture potential market opportunities for a collective trade and economic benefits while at the same time uncompromisingly retaining total sovereignty and the rights to pursue individual socio-economic and political policies. He further argued that most economists who have agreed that such regional economic integration initiatives are beneficial for trade and economic developments, but they also believe that countries

joining economic and social integration also reduce their risk of engaging one another in violent conflicts.

To support this argument is the apparent case of South Sudan, which hastily applied for membership to join the East African economic integration initiative, which was then represented by Kenya, Uganda, Tanzania, Burundi and Rwanda, indicating that such membership would help South Sudan to gain political stability.

In consequence, the presenter urged Somalis to look the issue from the other side, and ask themselves whether the horn economic integration could be a gateway for Somalia to transit from thirty years of socio-economic hardship and political instability to economic prosperity and social development. He encouraged the Somalis to think of what they could offer to the 108 million Ethiopians, adding that there is nothing to fear than fear itself.

According to the key speaker, the challenges that lay ahead and could possibly hinder Somalia to effectively or equally participate in and/or benefit from the economic integration initiative include:

1. Lack of institutional capacity – financial institutions
2. Lack of economic infrastructure – connectivity
3. Lack of financing means– lack of banking
4. Insecurity and uncertainty – the world’s top 40 least developed countries include Ethiopia, Eretria and Djibouti and Somalia

Finally the speech covered the question of “ How can Somalia best benefit from this initiative and what opportunities are there for Somalia?”

- Comparative advantage - what is unique about Somalia compared to the other nations in the deal according to Ali Isse Abdi is untapped coastline, livestock, frankincense and coffee in the Sanaag rangeland;

- According to research on the complementarity between Ethiopia and Somalia, the study revealed that up to 30% of what Somalia produces can be exported to Ethiopia, equally up to 25% of what S o m a l i a imports from outside can be imported from Ethiopia;

- Trade advantage – Ethiopia can offer cheap power, if it can complete the construction of its millennial dam while at the same time, Ethiopia desperately needs access to seaports and marine resources.

The question then is “How can Somalia get investment for upgrading its port infrastructure and avoid the China debt trap?”

Panel Discussion

The participatory methodologies employed in the discussion were instrumental in the constructive avenues for the free exchange views among participants and to further deepen local awareness on the topic. A career researcher at PDRC moderated the panel with informed questions that triggered an interactive discussion within the panellists followed by facilitated questions and answers session between the audience, guest speakers and the panel.



Panelists:

Prof. Mohamed Said Samatar;
Abdirahman Bihi,
Moderator;
Dr. Ali Isse Abdi, Executive Director of HESPI & economist;
Yasmeen Maxamuud, Writer and entrepreneur



Contributors Abdelkarim Abdirahman H. Hassan; CEO of Solutions for Development; Ahmed Abbas Ahmed; Senior Researcher, Ali Haji Warsame, Entrepreneur & Educationalist; Abdi Farah Said (Juxa), Fmr. PL Minister of Education and fmr Fed. Minister of Interior and Federal Affairs

Key Messages

The Horn Integration Initiative was firstly heard from Ethiopia’s Prime Minister, Abiy Ahmed following his Mogadishu June 2018 visit, upon which he briefed Ethiopia’s Federal parliament about an agreement he said to have signed with Mogadishu on a joint investment venture of four seaports in Somalia as part of an on-going economic integration initiative with the prospect of uniting the two nations into one political entity; on the part of Somalia however, the federal government leaders neither presented the alleged economic/political deal to its citizens nor had the guts to disclaim PM Abiy’s version regarding Ethiopia’s joint port investment concession with Somalia.

According to Prof. Samatar, since the Somali government didn’t say anything about the matter, there can be a little to no space for comment on an alleged Horn Economic Integration Initiative and the agreements seems to have been done in full secrecy and concealment. Only after leaders decide to disclose the matter to the public, can the pros-and-cons of these agreements be discussed at social and political levels.

In the view of Yasmeen, there are many social, security and political reasons that are convincingly preventing Somalia from joining any form of partnership with foreign nations; the country is still internally disintegrated and is yet to recover fully from the economic, social and political fragmentation caused by the civil war following the State’s collapse 30 years ago. With its current security and political vulnerability and institutional incapacity, Somalia can’t in any way be deemed as a mutual and equal partner with integrity and eligibility for entering a long term concessional agreement, let alone a multifaceted social and economic integration with any of its traditional adversarial neighbours.

Still according to Yasmeen, the government should instead cogitate social reconciliation; institution building; political and security stabilization and implementation of democratization; constitution review and federalism as the top priorities for the country. Needless to say, the ideal potential that regional economic integration would offer for trade development, poverty reduction and economic development can only be achieved if it starts from within, unfortunately, the current Horn Integration Initiative is considered to be singlehandedly driven from without by Ethiopia’s prime minister.

Abiy Ahmed was noted to be the only leader among the three, with boldness to openly speak about the matter with his people and on the media. It was agreed however that the initiative is viewed by many Somalis as Ethiopia’s idea, and that in turn brought to the fore question the intent of Ethiopia over this economic

integration initiative. The long history of conflict and hatred that existed between Somalia and Ethiopia since the colonial power in Somalia supported Ethiopia in the annexation of Ogaden region and prevented its people from joining the independent republic of Somalia. The controversy surrounding the current Horn Integration Initiative has brought fear and scepticism to many Somalis than positive expectations. It's, therefore, necessary that any prospective cooperation between Ethiopia and Somalia be handled with utmost care and transparency.

On the question of Djibouti's absence/exclusion from the Horn Economic Integration Initiative, Dr. Ali Isse stressed that no integration initiative can successfully flourish in the Horn without the inclusion of Djibouti; he also believes that no country should be granted membership in the integration initiative without satisfactorily fulfilling prior reforms on its domestic economic and political governance systems. Furthermore, Dr. Ali reiterated the need for this regional integration initiative to be inclusive, reconciliatory and accessible to all partners and individual nations, it's equally important for every cooperating country and particularly Somalia, to become sensitively accountable and transparent with their actions/decisions and to their constituents.

Ali Haji Warsame argued that Djibouti's exclusion and denial of membership in Horn of Africa Integration Initiative by its three Horn neighbours are what makes this project terribly worrisome – especially for the Somalis. With the absence of Somali's only sister-nation in the horn, he believed that the current leadership seems to have blindly and hastily joined the new economic and political coalition with its neighbourly enemies. Both Ethiopia and Eretria are perceived as Somali's traditional enemies, and as they have long engaged in violent border conflicts, and have also been using Somalia as a battleground where they have both streamlined their rivalry ideologies through local warlords and local politicians, which adversely contributed to thirty years of protracted destabilization and violence in Somalia. Ali Haji justifies, that there are plenty of reasons for Somalis to debatably doubt the sincerity of the tripartite Horn Economic Integration and to believe that Horn Economic Integration was a covert operation and that their leaders knowingly or unknowingly fell into a sophisticated economic and political trap that will cost the nation a heavy prize.

To the question of how could the prospective Horn Economic Integration Initiative hope to ever survive in such an extreme politico-governance and security volatile environment? Juxa responded that Ethiopia is not 100% stable, nor is it known to have a culture of a democratic system of governance and respect for human rights, Eretria too lacks political stability and cannot be a role model partner for an economic integration initiative of such magnitude. As for Somalia is still going through a very challenging period, and it is still far from full recovery, political and security stability. So, the integration

initiative as much as it sounds good, raises more questions than answers due to the fact that it's surrounded by lots of conspiracy and secrecy coupled together with the Somali leaders' lack of transparency that has caused Somalia to be viewed as either an unequal or the weakest partner in the game. What worry's many is the political implications of this deal, which coincides with an unfavourable time when Somalia is at a critical crossroad "There are more questions than answers" Juxa concludes.

Dr. Ali has also seconded the notion that concerned nations need to openly and clearly disclose and expose the background and terms of the alleged tripartite economic integration deals to their respective peoples and parliaments. He further warned that any deal signed in the dark could never be a foundation for any successful and viable inter-regional economic integration initiative. He also encouraged the conducting of many more PDRC-Talks-like events that will serve as an effective vehicle for relying upon for relevant messages to citizens, promote dialogue between the public, duty-bearers and policy-makers. He encouraged everyone to help transform the negative public perceptions and to unveil the true chemistry of the Horn Economic Integration Initiative.

Prof. Samatar commented on a possible East African community integration by saying that 'only after the economic integration initiative becomes a success story can a community integration be possible, and that is very unlikely to happen anytime soon'. He added that Somalia imports 40% of its food from outside and this has to be reversed so that Somalia can be able to offer and benefit from the Horn Economic Integration Initiative. Somalia and any country importing necessary foodstuff from outside, need to adopt an import substitution strategy to increase its domestic production of food and to exceed its exportation over imports without which no country can risk joining in a free trade and economic integration with foreign nations.

To conclude, Dr. Ali Isse noted that not every regional economic integration initiative could bring prosperity to an individual country's domestic trade and economic growth; on the contrary, they can sometimes cause economic divisions. It's also equally true that the African continent has long been aspiring for free trade and economic integration for nearly 70 years, and as some countries now have taken the first steps towards closer economic and political integration. All African nations must support such initiatives than being horrendously sceptical just because of the perceived fear that Ethiopia will invade Somalia. We shouldn't rule out the possible fortune of any prospective coming with this economic integration initiative.

Open Discussions and Recommendations

Discussions and Q&A sessions between the participants, guest speaker Ali Isse Abdi, panelists and contributors generated the following recommendations and conditions concerning the Horn of Africa Integration Initiative:

a. The Somali government has to inform and consult with its constituents including citizens; Federal parliaments, and the Member States about the economic integration initiative and the alleged concessional deal with Ethiopia;

b. Both Ethiopia and Eretria have to acknowledge the unfortunate role they had in the destabilization and in their meddling with Somalia's internal security and political affairs and that they should denounce their use of the said policies and make a commitment of not engaging in such practices any longer;

c. The Somali people demand that their government takes a lead role in bringing Djibouti back to the Horn Economic Integration Initiative as an equal and mutual partner and be cognizant that without the participation of Djibouti in the Horn Economic Integration Initiative, the balance of power equation will never be favorable;

d. The Djibouti and Eretria conflict has to end immediately with win-win resolution.

e. Each of the nations cooperating in on horn economic integration initiative need to first undertake a substantial domestic reform on the politico-governance culture of own countries to establish a democratic governance, political stability and capable public institutions that could grantee a secure and conducive environment for which the prospected horn economic and social integration can better thrive and succeed with.

f. The Somalia's membership in the horn of Africa economic integration initiative is widely viewed in Somalia as an explicit violation to the constitution, territorial integrity and the sovereignty of Somalia; hence the Somali government has to first discuss and resolve with Ethiopia over the ownership of long disputed Somali Ogaden region in the Ethiopian occupation prior to any prospective social and economic integration with Ethiopia.

Closing Remarks

The Closing Ceremony was lead by PDRC program, coordinator Abdinasir Yusuf who expressed gratitude to the participants, keynote speaker, media team, panellists, contributors for making the evening and PDRCTalks event bigger every time.

Important words of encouragement and proudness of the achievements of Puntland these past 20 years were addressed by all the closing speakers. Expressions of gratitude were also sent to PDRC for organizing this event, and making it a step towards progress in Puntland. The discussions and recommendations are meant for all

Puntland administrations as well as regional entities within Somalia.

After expressions of gratitude to the organizers and everyone for making the second PDRCTalks a success, and the evening came to an end.

Hightlight



Ali Isse Abdi cutting the ribbon



Ali Isse Abdi saying a word in PDRC library



Q&A and Interaction Session



Participants