Somalia’s Organized Crime Networks: A New Framework to Degrade al-Shabaab

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This paper analyzes al-Shabaab’s organized criminal activities, addresses the nexus of organized crime, terrorism, and insurgency, and presents strategies to augment current approaches to marginalize the terrorist group. Capitalizing on the weakness in the rule of law in Somalia and the political economy of state collapse,¹ al-Shabaab (Harakat al-Shabaab) has maintained its presence as an influential actor within Somalia and the greater Horn of Africa, with implications for national, regional, and global security. The terrorist group’s violent campaign, however, is part of a larger transnational criminal enterprise, financed through a diverse portfolio of criminal racketeering, illicit trafficking, extortion, and corruption. Dismantling al-Shabaab requires a new framework that would incentivize the business and political elite to withdraw their support from al-Shabaab and instead operate within the confines of formal governance and economic institutions.
Introduction

This paper analyzes al-Shabaab’s operations as an organized crime syndicate and offers new strategies to target the larger network of actors facilitating its criminal and terrorist activities (henceforth the “facilitation network”). Given the immediate security concerns posed by al-Shabaab, international actors and the Federal Government of Somalia (FGS) have focused primarily on militarized strategies and quick impact stabilization programs, failing to fully integrate policies that address the growing symbiotic relationship between transnational organized crime and terrorism, forged by mutually beneficial revenue streams. Current efforts are failing to improve the security situation in Somalia, as evidenced by numerous large-scale terrorist attacks, violence against civilians, and splinter groups allying with the Islamic State in Iraq and the Levant (ISIL).²

Dismantling al-Shabaab and its facilitation network requires a new framework that incentivizes the business and political elite to withdraw their support from the group and begin acting within formal governance and economic structures. To defeat al-Shabaab, the FGS and international allies must take a two-pronged approach. First, the FGS and partners must degrade al-Shabaab’s capacity for illicit financing schemes and extortion of key Somali industries using specialized training for law enforcement and judiciary leaders and instituting increased financial oversight. Second, they should simultaneously support and legitimize formal governance structures at the Federal Member State (FMS) level of the Somali government by directly funding institution-strengthening projects of FMS legislatures and governing bodies. By increasing the costs associated with facilitating al-Shabaab and simultaneously strengthening formal governance and economic institutions at the subnational level, the FGS—with the support of its international partners—can more effectively and sustainably marginalize the organization and achieve political and state development goals.

Background: Al-Shabaab and Somali State Development

Since gaining independence in 1960 through the merger of Italian Somalia and British Somaliland, Somalia has faced episodic violence and an exhausting list of challenges to state development. Although an in-depth historical analysis will not be provided here, it is crucial to note the resulting territorial partition and politicization of clan identity had a lasting effect on the trajectory of state development. Following the collapse of the military regime under Siad Barre in 1991, war profiteers and private and clan-allied militias proliferated, and the security and governance landscape was further complicated by the rise of Islamic governance and subsequent failure of Western intervention. is resulted in the complete breakdown of the federal government, followed by violent power struggles and the mounting influence of non-state actors. It is in this environment that al-Shabaab, capitalizing on the lack of governance and security, emerged and ingrained itself
in Somali social, political, and economic structures. Al-Shabaab reached its zenith between 2007 and 2008, at which point it controlled most of southern and central Somalia. Designated by the United States as a foreign terrorist organization (FTO) in 2008, al-Shabaab gained notoriety as a player in the global war on terror in 2012 when its leadership formally declared allegiance to al-Qaeda. Since then, domestic and international efforts to combat the jihadist group have made significant gains, as evidenced by the recapturing of key territories and the group’s diminished military capacities. However, despite extensive peacekeeping operations and the strengthening of the internationally backed federal government, al-Shabaab remains a persistent and formidable threat.

Al-Shabaab simultaneously exhibits both highly structured and amorphous characteristics, with an organized hierarchy of offices (maktabad) and a larger, less-defined underlying network of actors that facilitate the organization’s illicit financial operations and institutional infiltration. The elder members and stringent ideologues originated from a small network of Somali veterans of the Afghan war from 1979 to 1989. They hold al-Shabaab’s visible power base and determine the philosophical direction of the organization. Opportunistic younger generations make up a large proportion of al-Shabaab’s foot soldiers. Facing limited economic opportunity, these Somali youths often join the organization for economic reasons and are indoctrinated into the radicalized Islamist ideology over time. This centralized membership is surrounded by a broader network of business and political elite, both local and international, whose illicit criminal activities support al-Shabaab’s core operations. This facilitation network enables al-Shabaab to utilize illicit revenue streams and to infiltrate and extort industries and formal governing institutions. It is this network of peripheral actors that the FGS and its international partners should leverage to ultimately deprive al-Shabaab of the capital and political influence necessary to operate.

Without addressing the root cause of instability in Somalia—the lack of an effective and inclusive system of formal governance and rule of law—al-Shabaab and the illicit operations that fund its operations will persist, despite the best efforts of the FGS, the African Union Mission in Somalia (AMISOM), the United States, and other regional and international partners. The Federal Government of Somalia, established in 2012 after multiple failed transitional governments, has articulated its determination to defeat al-Shabaab and bring stability to the country. However, as a country emerging from decades of conflict, Somalia’s formal state-building process continues to be a long and arduous one. Now, as the FGS endeavors to consolidate a federal state system and navigate parliamentary and presidential elections a unique window of both opportunity and vulnerability exists, with the political transition simultaneously offering hope for a strengthened, popularly recognized government and fear of heightened conflict financing and instability.
International Engagement in the Fight Against al-Shabaab

Major international organizations remain committed to Somalia’s political development and stabilization. The United Nations has maintained a base in Somalia since the 1990s, most recently establishing the United Nations Assistance Mission in Somalia (UNSOM) in 2013 to support peacebuilding, democratic development, governance and rule of law, and increased capacity for human rights and gender equality. Furthermore, the U.N. Development Programme (UNDP) oversees sustainable growth and development in Somalia during this time of state-building. Somalia has improved bilateral political relationships abroad, marked especially by the United States swearing in its first ambassador to Somalia in 25 years in June 2016. In September 2016, Somalia hosted the annual International Authority on Development Summit (IGAD) for the first time in 30 years to discuss continued development, election processes, and efforts for sustained peace. This marks a triumph in which Somali security forces were able to hold a high profile international event, and many experts and officials see it as a historic signal of Somalia’s stabilization and re-emergence in both the region and the world.

Middle Eastern states—particularly Turkey and the Gulf States of Qatar, Saudi Arabia, and the United Arab Emirates—play a significant, albeit complicated, role in Somalia’s development. Since 2011, Turkish President Recep Tayyip Erdogan has commissioned infrastructure development projects in Somalia worth $500 million, including roads, bridges, mosques, and business partnerships, which last year alone totaled $72.3 million. While funding various humanitarian and economic initiatives, Turkey also invests in Somali security, as it broke ground on its first military base to help train the Somali National Army (SNA) in January 2016. The United Arab Emirates maintains a strong relationship with Somali President Mohamud, who has commended the work of Emirati NGOs to support and stabilize Somalia by building schools, clinics, and training police. Unfortunately, not all Gulf States act benevolently to enhance Somalia’s stabilization. According to the 2013 U.N. Monitoring Group on Somalia and Eritrea (UNMGSE) report, “President Mohamud had received several million dollars from Qatar, which was used to buy political support.” Qatar also leverages the Somali diaspora residing in Qatar to carry out their policies, rather than sending members of their governments or NGOs. Finally, some diplomats report that Saudi Arabian aid has been used as a political tool, evidenced most clearly in January 2016 when Somalia formally cut diplomatic ties with Iran on the same day it received Saudi foreign aid. While aid from certain Middle Eastern countries supports infrastructure projects and other positive developments, this support often comes with conditions as each state vies for political influence in Somalia, further complicating the landscape.

While international aid agencies and bilateral assistance attempt to strengthen political and economic structures to combat al-Shabaab’s influence, the United States and international partners focus primarily on counterinsurgency strategies to degrade al-Shabaab’s military capacity. Led by
U.S. drone strikes and AMISOM ground forces, the military campaign against al-Shabaab seeks to capture, stabilize, and retake seized territory. The United States partners with AMISOM to provide both intelligence assistance and military hardware, while American drone strikes remove key al-Shabaab actors. However, this heavily militaristic approach in Somalia has failed to diminish al-Shabaab’s influence, and al-Shabaab continues to rebound in the face of military setbacks, most recently conducting strikes against a military base, an intelligence officer, and a Kenyan border town in October 2016. Al-Shabaab’s survival demonstrates that a purely militarized approach is not enough to disrupt the organization’s abilities to endure and adapt.

Despite internationally-supported militarized strategies and diplomatic global partnerships, the FGS has yet to strategically target al-Shabaab’s facilitation network. Opaque political processes and weak checks and balances against corruption enable al-Shabaab’s facilitation network to clandestinely work against reconciliation and capacity-building programs. Within the facilitation network, members of the business and political elite are intrinsically tied to al-Shabaab through clan relationships, and Somali officials within this patronage system often have more interest in making money and supporting domestic and foreign allies than in governing and building equitable, accountable state institutions. Thus, there is a strong correlation between the failings of the FGS, the pervasiveness of the facilitation network throughout Somalia, and the resurgent threat posed by al-Shabaab throughout the region.

**Transnational Organized Crime and Terrorism**

Facilitation networks engage in transnational organized crime (TOC) for profit, regardless of their partners’ political agendas. The fundamental differences between organized criminals and terrorists are their motivations and their visibility. In the case of al-Shabaab, organized crime is a means to fund a terrorist insurgency and to infiltrate Somali institutions to ensure survival. Organized crime groups do not operate solely by adhering to ideology, and al-Shabaab is no exception. This collaboration can “render irrelevant and ineffective the most common countermeasures state governments and international organizations traditionally launch against transnational terrorist groups.”

It is critical that policymakers include an analysis of al-Shabaab’s organized criminal activities through the lens of TOC theory. Organized crime groups employ tactics along a spectrum to achieve their objectives—violence at one extreme and corruption at the other. Terror groups like al-Shabaab are adaptive and flexible, and can quickly change tactics to remain nimble in rapidly changing environments. Al-Shabaab intimidates local populations and drives away potential competitors, whether it is the SNA or locals seeking to profit on their own, through well-publicized mass violence. However, its penetration of the Somali government and economy through tactical corruption will prove to be more difficult to root out in the long term. Organized
criminals cannot operate in an environment of absolute state failure, but they can thrive under the conditions of incredibly weak states. Al-Shabaab is adept at utilizing its networks to exploit an unstable Somalia. Given the recent declaration by the United Nations that Somalia has transitioned from a failed state to a “recovering fragile state,” al-Shabaab’s tactical corruption will likely become more effective if left unchecked.

**Al-Shabaab’s Criminal Activities**

**Business Elite and al-Shabaab’s Facilitation Network**

Without addressing corrupt business elites and weaknesses in Somalia’s financial infrastructure, a successful political transition will do little to diminish al-Shabaab’s terrorist operations. Support networks among Somalia’s business elites, formed voluntarily or through coercion, provide the terrorist group with important resources. Business elites, particularly in the telecommunications and real estate sectors, contribute to al-Shabaab’s finances and continue to resist necessary financial reforms.

Telecommunication companies have steadily replaced conventional banking with mobile electronic transfers, requiring al-Shabaab to reimagine how it extorts payments. Mobile electronic cash transfers using American dollars have become the standard means to conduct everyday business, given the severely weakened Somali shilling and the country’s largely inaccessible financial sector. At least 70 percent of the 2.5 million customers of telecom giant Hormuud’s customers have opened mobile transfer accounts, leading many to abandon the traditional informal hawala cash transfer system, which required users to locate a hawala office and pay as much as 5 percent to send or receive payments. Recognizing the shifting financial landscape and the threat to its cash payment rackets, al-Shabaab began a campaign to attack and coerce national mobile banking operations. The terror group instituted bans on mobile banking in its territories and threatened national telecoms in an effort to maintain a cash economy, where citizens and hawala operators alike could be more efficiently coerced for cash.

Al-Shabaab’s mafia-like relationship with the telecom industry provides revenue and a powerful mechanism to coerce communities and threaten peace. In one case, al-Shabaab closed down the Hormuud Telecom Company’s branch in Jilib town, Middle Jubba region, and detained more than 15 staff members after the company failed to pay a $50,000 extortion fee. In 2014, Somalia’s Minister of the Interior and National Security called for the telecom industry to resist cooperation with al-Shabaab and recognized the industry’s role as an important revenue mechanism for the terror group. Additionally, without greater financial and regulatory cooperation from the industry, the FGS will never address the security implications stemming from a lack of
transparency in money transfer operations.\textsuperscript{34}

Telecom companies often avoid paying taxes to the government and instead funnel protection payments to al-Shabaab to avoid attacks on their facilities and personnel. As one information and communications technology advisor to the Somali government argues, “[p]aying tax is the foundation of any social contract, while the rule of law strengthens the government’s mandate to develop the whole country.”\textsuperscript{35} He contends that telecoms must begin submitting to FGS governance and contribute to rebuilding Somalia.\textsuperscript{36} The telecom industry’s continued cooperation with al-Shabaab and open tax avoidance weakens the government’s ability to impose financial regulations more broadly and severs an important reciprocal relationship between the government and marketplace. Without compliance from this vital industry, the FGS will continue struggling to obtain sufficient resources to finance security forces and development initiatives that constitute the bedrock for building business confidence.\textsuperscript{37}

Additionally, real estate money laundering contributes to al-Shabaab’s income generation and financial fraud operations, paralleling a boom in the real estate sectors in Mogadishu and Nairobi. In Nairobi, new classes of cash-paying investors seek to safely store their money in real estate properties, which has raised new questions about the origin of vast financial sums, as well as their possible connection to illegitimate sources.\textsuperscript{38} In Somalia, Mogadishu’s tacit stability has brought back many wealthy members of the Somali diaspora, creating a new cadre of wealthy businessmen looking to buy homes and commercial property.\textsuperscript{39}

While some investors amassed their wealth through legitimate enterprises, significant portions of this new wealth have traces to al-Shabaab’s organized criminal elements. Connections among corrupt, high-level business and political elites in both Kenya and Somalia allow al-Shabaab’s facilitation network to funnel finances into property markets in both Nairobi and Mogadishu.\textsuperscript{40} The network uses cash payments and mobile transfers to fund their operations and makes it increasingly difficult for governments to detect and track the flow of illicit funds within a shadow economy.\textsuperscript{41} Increased international financial scrutiny and new Somali anti-money laundering laws make it harder to obscure illegal cash flows; however, real estate markets require significant oversight as they remain a prime target for criminal groups to hide their proceeds.\textsuperscript{42} As al-Shabaab seeks new avenues to generate and mask its revenues, greater financial intelligence capacity must receive higher priority if the FGS hopes to degrade al-Shabaab’s money-laundering partnerships with powerful business elites.

\textbf{Political Compliance and Illicit Financial Activities}

Al-Shabaab’s imposition of pseudo-government structures and its engagement in illicit trade result in lucrative taxation and extortion schemes. These schemes finance their terrorist operations and
also appear to exceed tax revenues of the FGS, preventing the Somali government from providing services and security to populations and damaging their legitimacy. At its peak in 2009 and 2010, al-Shabaab earned tens of millions of dollars annually from extortion in territories under its control. While al-Shabaab’s control has decreased in recent years, especially since its loss of the port of Kismayo to AMISOM forces in 2012, illicit taxation and extortion continue to be key revenue generators for the terrorist organization.

Al-Shabaab’s governance resembles that of a local mafia, utilizing intimidation, extortion, and violence to control territory, prevent market competition, and ensure funding. Al-Shabaab collects taxes coercively, “incentivizing” Somalis to pay steep bribes. The group extorts shopkeepers, intimidates local populations with publicly-posted threats and text messages, and taxes individuals for daily activities, such as use of the village water well. In its strongholds in southern Somalia, al-Shabaab generates hundreds of thousands of dollars each month through extortion and threats of violence. These tactics divert desperately needed revenues away from the FGS, and in the absence of guaranteed security, local populations are forced to comply.

In some areas, al-Shabaab provides a semblance of basic government services more effectively than the FGS by maintaining the capacity to oversee public health and education and by providing law and order through informal dispute resolution and policing. While these ad hoc services make the organization harder to root out, they continually lose public favor as al-Shabaab terrorizes the population through coercive tax collection methods and extreme judicial practices. Given these factors and the instability of any al-Shabaab “governance,” these services are not a sustainable substitute for legitimate ones provided by the government.

In addition to taxing and extorting Somalis, al-Shabaab reaps enormous profits from the taxation of illicit regional trade. The group issues receipts and falsifies shipping documentation, working alongside local Somali leaders, Kenyan Defense Forces (KDF), and international facilitators, particularly in the Persian Gulf. In the past, charcoal exports from southern Somalia were a mainstay of revenue for al-Shabaab and its facilitation network. Al-Shabaab taxed charcoal before it reached ports, taxed an additional $3-per-bag fee upon arrival, and issued receipts and falsified shipping documents to smugglers. Working within its facilitation network, the terror group split the profits within the Jubbaland administration and the KDF. Until recently, charcoal exports reached approximately 1 million bags each month and produced revenues of $24 million a year. However, due to the displacement of al-Shabaab from charcoal trade hubs in southern Somalia, a ban on the trade, and a falling-out with Jubbaland facilitators, revenues from charcoal have declined. Now, al-Shabaab appears to have declared its own charcoal ban in areas under its influence, which it enforces by imprisoning and attacking local burners and traders of charcoal, in an attempt to diminish the revenues of its former Jubbaland partners.
Nevertheless, the organization and its adaptable facilitation network have found new revenue streams in the taxation of the illicit sugar trade, agricultural production, and livestock.\textsuperscript{56} Charging up to $1,500 per truck along checkpoints in Somalia from the port of Kismayo into Kenya, al-Shabaab is estimated to be generating between $12 million and $18 million in revenue each year.\textsuperscript{57} It is estimated that al-Shabaab and its facilitation network partake in a trade worth $200 to $400 million, with about 150,000 tons of illicit sugar smuggled into Kenya each year.\textsuperscript{58} Additionally, the organization is estimated to earn $9.5 million from taxing agricultural production in the Juba Valley, despite reports of increased resistance from and clashes with local populations.\textsuperscript{59}

By weakening the facilitation network’s ability to engage in illicit trade, the FGS and its international partners would impose significant financial and resource shortages on the terrorist insurgency and cripple its operational abilities. It is key to target the network’s capacities to trade, rather than any one resource or market. As al-Shabaab has demonstrated, banning one illicit product simply leads the terror group to traffic and tax other commodities.

**Recommendations**

Al-Shabaab’s existence fundamentally undermines the legitimacy of the federal government and has created a major obstacle in state development. Operating in the absence of the rule of law and any enforceable central governance, al-Shabaab has established itself as a dynamic, resilient entity that is likely to continue influencing the security and political economy of Somalia and the Horn of Africa for the foreseeable future. A report by the U.N. Monitoring Group on Somalia and Eritrea addressed current militarized approaches, specifically those that target leaders of the terrorist group, saying:

It is uncertain...what long-term impact the ongoing policy of targeting the Al-Shabaab leadership will have on degrading the group’s capabilities. Al-Shabaab possesses a robust and ideologically committed ‘middle management,’ capable of seamlessly stepping into positions vacated by assassinated senior leaders.\textsuperscript{60}

Given the inadequacy of a solely militarized approach in the long-term, the FGS and international partners must address the political and economic influences of organized crime and promote the development of effective formal governance structures at the subnational level. The development of these structures will complement military efforts and counter the growth or continued operation of al-Shabaab. Crime-fighting strategies must be mainstreamed into conflict resolution and peacekeeping missions in Somalia, as the success of these operations is grounded in the ability to successfully tackle illicit activities and criminal enterprise.\textsuperscript{61} These approaches would alter the incentive structures that drive the facilitation network currently enabling al-Shabaab’s operations.
By increasing the costs associated with engaging with al-Shabaab, while simultaneously decreasing the costs of business with formal governance structures, state reconstruction and sustainable conflict resolution are more likely to succeed.

**Degrade al-Shabaab**

In addition to a shadow economy commonly found in fragile states, Somalia's position is “further complicated by the capture of core state institutions and functions by political and commercial elites whose interest lies in the permanent weakness or absence of government.” Political entrepreneurs working alongside al-Shabaab survive by sustaining the price of loyalty to maintain allegiance and cooperation of other political actors, while erecting barriers to entry for new political entrepreneurs. Therefore, the main objective for international actors and the FGS should be to increase the cost of doing business with al-Shabaab by strengthening law enforcement and judicial capacities and enhancing financial safeguards.

Training a transparent police force within Somalia has long been a high priority for the international stakeholders. From the United Nations to the U.S. Department of State, many programs exist to build management capacities and improve internal governance and oversight, as well as to “[build] the technical capacity of the Criminal Investigative Department of the [Somali National Police Force] to investigate complex crimes, including terrorism, and effectively prepare cases for prosecution.” The FGS and international partners must now ensure police forces are equipped to investigate and prosecute the financial crimes committed by al-Shabaab and its facilitation network. A newly-trained law enforcement force is ineffective if not supported by a strong judiciary with prosecutorial abilities. Underlying the training of law enforcement and judicial professionals is key for consistent, reasonable salaries, which provide a dependable means of income and make the individuals less susceptible to corruption encouraged by financial necessity. Persuading Somalia’s telecom industry to fully align with the FGS and away from al-Shabaab must be part of any strategy to degrade the terror group. Greater protection for the industry’s assets in exchange for adherence to federal taxation policy, along with offers of international technology exchanges, would incentivize telecoms to cooperate with the FGS and its cadre of international partners. If punitive measures are needed, evidence of the telecom industry’s connections and payments to al-Shabaab can be used to threaten Somali telecom shareholders with financial asset embargoes. Dahabshiil, a Somali cash transfer service, had its international operations halted for connections to al-Shabaab financing, demonstrating the power of legal sanctioning when companies are traced to terror financing.

The FGS’s recent passage of the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Act of 2015 marks a major milestone toward penalizing the illicit financial activities of al-Shabaab’s facilitation network, but greater legal and regulatory measures are still needed. The FGS must develop new legal systems to support efficient investigations and
prosecutions of terrorist financing. These new laws and financial hurdles challenge the facilitation network, but significant resource commitments from international financial institutions and bilateral partnerships are now needed to empower Somalia’s Central Bank. Targeted asset freezes, imposed by the U.N. Security Council on individuals and entities in Somalia with insufficient financial assistance and institutional capacity, gained little traction without greater financial assistance and institutional capacity.67 The next step must be to fully fund, expand, and empower the newly created financial intelligence unit within the central bank. With adequate staffing and operational capacity, this new institution could effectively counter terrorism financing by rapidly exchanging confidential information between financial institutions, law enforcement agencies, and judicial authorities.68

**Support Subnational Governance**

Active measures to degrade al-Shabaab’s operational capacity and illicit financial activities must be paralleled by strategies to support the development of stable sub-national governance structures. Inter-clan conflict and political maneuvering, especially in the Lower Shabelle region, have become “fatally intertwined [in] the dynamics of the al-Shabaab conflict.”69 Al-Shabaab’s ability to leverage local-level grievances, particularly within marginalized clans, has ensured its stronghold in many areas and exacerbated violent conflicts. While quick-impact stabilization projects are implemented at the local level and diplomatic engagement is targeted at the federal level, less direct international support has been offered to subnational governing institutions that play a critical role in facilitating or fighting al-Shabaab. The governments of the six federal member states (FMS)—Jubbaland, Southwest Somalia, Hiraan and Middle Shabelle, Galmudug, Puntland, and Somaliland—are in a unique position to serve as a “connective tissue” between the federal government and local communities, and the FGS and international partners should support capacity building within the federal member state administrations. With support, the various regional administrations can more effectively facilitate communication between the levels of government and gain constituency support for formal state institutions.

The FGS under President Hassan Sheikh Mohamud and Prime Minister Abdi Shirdoon has been neither representative nor inherently democratic and international donors should encourage the next administration to provide federal member states with the authority and appropriations necessary to effectively provide services for their constituents.70 Functioning, legitimate subnational institutions will win the support of the Somali population, delegitimizing the criminal and corrupt activities behind al-Shabaab and its larger facilitation network.
Conclusion

Al-Shabaab has increasingly gained the attention of the international community as a dangerous, globalized terrorist network capable of executing lethal, sophisticated attacks. Its classification as a transnational organized crime group, however, has received less attention. The commodity smuggling, illegal taxation, and political corruption that fill its coffers have facilitated al-Shabaab’s rise as a formidable criminal enterprise, which will undoubtedly play an influential and violent role in Somalia and the Horn of Africa into the foreseeable future. By targeting the business and political elites within al-Shabaab’s facilitation network, the FGS and its international partners will hinder al-Shabaab’s ability to generate influence and resources. Political and economic cooperation with the FGS will become a more attractive option among elites when alliances with terrorists become less lucrative for personal enrichment.

For too long, al-Shabaab and its facilitation network have openly benefitted from the political economy of state collapse at the expense of the Somali people. In this environment, political and economic opportunism have prevented greater advancements in fair governance and economic development. At this crucial point in Somalia’s political and economic transition from state failure to stability, hopes are high that the upcoming elections will signal a new chapter for the war-torn country. Those invested in the sustainable development of a peaceful Somalia should act now to combat the combined corrosive effects of organized crime and terrorism to ensure the transition’s success. Without fully addressing both elements of al-Shabaab’s operations, the country’s gains in stabilization and security will remain precarious at best.

Endnotes:


3 As designated by the U.S. Secretary of State in accordance with section 219 of the Immigration and Nationality Act (INA).

4 Jonathan Masters and Mohammed Aly Sergie, “Al-Shabab,” Council on Foreign Relations,


8 The elections were initially scheduled for August 2016, but were postponed due to “logistical and technical issues.” At the time of writing, national elections for members of Parliament are ongoing. The President will be elected on 30 November by members of both Houses of Parliament. Under the Provisional Federal Constitution, the mandates of the Federal Parliament and of the President of the Federal Republic end in 2016.


12 Ibid.


17. Ibid.


23. Ibid, 151.


25. Ibid, 43.


27. Associated Press, “Somalia No Longer a Failed State, just a Fragile One, Says UN,” e


Mohamed, “Electronic transfers improve Somalia economy.”


Ibid.


Tom Mboya in discussion with the authors, March 10, 2016, Nairobi, Kenya.


43 Matt Bryden in discussion with the authors, March 22, 2016, Washington, D.C.


48 Agency official working in Somalia in discussion with the authors, March 2016.


52 Ibid.
53 Ibid.


55 Ibid.


57 Ibid, 26-27.

58 Rawlence, Black and White, 2.


60 Ibid, 11.


66 Wachira, “Dahabshiil Appeals Kenyan Suspension of Money-Transfer Services.”


70 Bryden, Somalia Redux?, 4.