



# Livestock Trade in the Kenyan, Somali and Ethiopian Borderlands

Hussein A. Mahmoud

Africa Programme | September 2010 | AFP BP 2010/02

## Summary points

- The Kenya–Somalia–Ethiopia borderlands constitute a dynamic livestock trading zone that supports the livelihoods of thousands of people. Despite the political turbulence of the last 20 years, the export of animals to feed the growing Kenyan market for meat has expanded and flourished.
- The trade networks have proved resilient and resourceful in adapting to a host of political challenges, including changing ‘regimes’ in Southern Somalia since state collapse. The overall result has been a shift in direction of the livestock export trade away from the Middle East and towards East Africa, thus building closer economic ties in the region.
- The livestock trade is more than a commercial operation and has social and political benefits. The cross-border clan relationships that always underpinned the trade are increasingly giving way to multiple clan business enterprises. These involve extensive networks of people and help to build trust and integration among them.
- The nature of the cross-border trade poses challenges to national and local-level authorities, both in terms of development and revenue collection and for border security management. The key challenge is to find ways to attain safe and secure borders that will also contribute to sustaining and enhancing this valuable trade and its benefits.

*The livestock trade in the Southern Horn of Africa has flourished despite the ongoing war in the south of Somalia. This paper examines the responses of traders to fast-changing political dynamics and illustrates the strength of regional economic linkages between Somalia, Kenya and Ethiopia. It highlights the social, economic and political dimensions of a regional economy based on trade and the development potential of greater regional stability. It is part of the Africa Programme's project on 'The Economics of Conflict and Cooperation in the Horn of Africa', which is investigating the links between economic activity and the wider political environment.*

## Introduction

Livestock trade is the main economic activity and a critical source of livelihood for the pastoral Somali populations and an important link between the borderlands in Somalia, Ethiopia and Kenya. Such trade, mainly in cattle,<sup>1</sup> has existed across these border areas for centuries, but in the past couple of decades, particularly since the collapse of the Somali state in 1991, it has experienced phenomenal growth, along with changing trading directions and clan relationships. Livestock procurement begins in southern Somalia and southeastern Ethiopia. Complex market arrangements and channels involving a wide range of participants have created a web of cross-border relations based on trade and clan affiliations. While livestock are usually trekked from village markets to primary and secondary markets, traders truck their animals to the terminal markets of Nairobi and Mombasa.

Politically, cross-border livestock trade is a significant integrating mechanism through which vital connections between communities have been maintained. Economically, the trade provides incomes for

herders, traders, middlemen, transporters and local authorities in all three countries. However, pastoral livestock marketing in these border areas often faces risks associated with drought, diseases and unfavourable policies.

This powerful economic and political subsystem is overshadowed by a set of political relationships at the state level between Somalia, Ethiopia and Kenya that is more often than not characterized by conflict. The people whose livelihoods depend on the livestock trade therefore find themselves in a constant process of innovation as they adapt to fast-changing circumstances. This paper builds on the work of Peter Little and the author's own publications, as well as fieldwork in late 2009 and early 2010.<sup>2</sup> It traces the shifting dynamics of trade and emerging trends in response to wider political events, and highlights the tensions that exist between regional security and stability on the one hand and economic prosperity on the other. It argues that despite political instability, the pastoral livestock trade in the common border areas of the three countries survives and can even flourish, but that improved trade would enhance incomes, promote regional integration and, most importantly, create communal trust and cohesion.

## Historical and political context

In the nineteenth century, southern Somalia was drawn into the expanding regional commerce, notably the slave and ivory trade. The growth of trade between southern Ethiopia, northern and northeastern Kenya, southern Somalia and Somali coastal cities is evidence of a strong link between them and of the prominence of these regions in international trade.

Despite this history and the continuing strong commercial relations between these regions, Somalia's political relations with its Ethiopian and

1 Cattle are the predominant livestock species produced and marketed in southern Somalia and the adjacent Garissa District in northeastern Kenya. A relatively smaller number of camels, sheep and goats are also traded in the Garissa market.

2 P. Little, *Somalia: Economy without State* (Oxford and Bloomington, IN: James Currey and Indiana University Press, 2003); P. Little, 'Conflictive Trade, Contested Identity: The Effects of Export Markets on Pastoralists of Southern Somalia', *African Studies Review* 39 (1), 1996: 25–53; H. Mahmoud, 'Risky Trade, Resilient Traders: Trust and Livestock Marketing in Northern Kenya', *Africa* 78 (4), 2008: 561–81; H. Mahmoud, 'Innovations in Pastoral Livestock Marketing: The Emergence and the Role of "Somali Cattle Traders-cum-ranchers" in Kenya', in J. G. McPeak and P. D. Little (eds), *Livestock Marketing in Eastern Africa: Research and Policy Challenges* (Rugby, Warwickshire: Intermediate Technology Publications Limited, 2006), pp. 129–44.

Kenyan neighbours have been strained for decades. Relations with Ethiopia were hostile during the pre-colonial, colonial and post-colonial periods. Hostilities with Kenya began during the colonial era, and escalated in the 1960s, when both countries gained independence, and the relationship has been deteriorating ever since. Somalia has gone to war with both of its neighbours – with Kenya in the 1960s in the ‘Shifita War’ over the status of the former Northern Frontier District (NFD), and with Ethiopia in 1977–78 over the Ogaden region. The two wars were major setbacks in the political relationships between these countries.

‘Despite tension and numerous border closures, community interactions, livestock migration and trade and general economic dynamism continued unabated. Cross-border livestock migration and trade have kept relations at the community level vibrant, while national economies and local authorities have benefited from taxes on the flourishing trade in livestock and livestock products.’

Yet, despite tension and numerous border closures, community interactions, livestock migration and trade and general economic dynamism continued unabated. Cross-border livestock migration and trade have kept relations at the community level vibrant, while national economies and local authorities have benefited from taxes on the flourishing trade in live-

stock and livestock products.

The borderlands have been conflict hotspots since the creation of colonial boundaries. Border conflict and instability can be identified at two levels – state and community – and in the context of two phases – colonial and post-colonial. In addition to the conflict between Somalia and Kenya over the administration of the NFD, there were conflicts between border communities in both periods, but their scale and intensity have increased in the post-colonial period, particularly in the past couple of decades. The collapse of the Somali state and its ensuing disintegration has contributed greatly to instability in the border areas.

The mistrust between Somalia and Kenya resulting from the long-standing border conflict has had both positive and negative impacts on cross-border livestock trade. While Somali traders have used existing opportunities and innovations to expand commerce, uncertainty and intense political volatility on the Somali side have often prompted the Kenyan authorities to close the border for security reasons.

### Somali neighbours

There are Somali citizens in four countries of the Horn – Djibouti, Ethiopia, Kenya and Somalia itself.<sup>3</sup> While they are numerically and politically dominant in Somalia and Djibouti, they form a minority and are politically marginalized in Ethiopia and Kenya. Here a great sense of economic and political alienation has led to border wars and political disturbances. Relations are complicated by the fact that the borderlands are inhabited predominantly by Somali populations with high mobility and political cross-border linkages. During the pre-colonial period Somali communities in the Horn of Africa moved freely in the area in search of crucial range resources, such as pasture and water. Livestock production and exchange helped maintain community connections in the area. Regional interaction was also encouraged by

<sup>3</sup> I.M. Lewis, *A Modern History of the Somali: Nation and State in the Horn of Africa* (Oxford: James Currey, 2002 [1965]).

the establishment of kin and clan connections through marriage. Moreover, Islam was a powerful integrative force: people from northeastern Kenya travelled to the Somali coast to receive religious instruction, while Somalis from Somalia made pilgrimages to holy sites in eastern Ethiopia and vice versa.

Relations are complicated by the fact that the borderlands are inhabited predominantly by Somali populations with high mobility and political cross-border linkages.

Now, however, Somali-inhabited areas in Ethiopia and Kenya are the most volatile and insecure zones in the Horn of Africa. Although the Somali-inhabited province in Kenya accounts for about 22 per cent of the total land area of Kenya, making it the third largest province, it accounted for only 3.4 per cent of the national population at the time of the 1999 population census. Its population density of about eight persons per square kilometre is well below the national average of about 49. The relationship between Somalis and the state in Kenya has been constrained by the conflict of the 1960s between the two countries, with state harassment and marginalization of the Somali province occurring at different times and levels. Although this has not been overcome, the participation of Kenyan Somalis in the national political arena has risen significantly in recent years.

Ethiopian Somalis occupy a large tract of land but form a relatively small proportion of Ethiopia's multi-ethnic society. Ethiopian Somalis inhabit the Somali

Region, also known as Ogaden, in the eastern part of the country and account for about 95.6 per cent of the region's total population. The Ethiopian state estimated the region's population at about 4.3 million in 2005, a figure that is much disputed. The political relationship between Ethiopian Somalis and the state was frosty even before the region was incorporated into the expansionist Abyssinian Empire in the late nineteenth century, and was aggravated by the 1964 and 1977–78 Ethio-Somali conflicts. Given the current political volatility in the region, and the perception of Ethiopian Somalis that they are only marginally represented in federal affairs, relations remain delicate.<sup>4</sup>

### Somalia–Kenya livestock trade

Pastoral livestock trade begins in remote villages where 'bush traders'<sup>5</sup> procure animals from pastoral households in village markets. These animals are brought to primary markets, such as Mandera, El-Waq and Wajir. Garissa in northeastern Kenya is a large secondary market that hosts animals from both Ethiopian and Somali primary markets (see Box 1). From here livestock are transported to the terminal markets of Nairobi and Mombasa. While livestock are usually trekked from village markets to primary and secondary markets, traders truck their animals to Nairobi and Mombasa. Livestock are generally trekked to coastal ranches, especially when a large volume of animals is involved. Security and costs determine the decision to trek or truck animals. Although trucking is costly, trekking poses serious security risks.

#### Trading under different political regimes

##### *The Barre regime (1969–91)*

Somalia enjoyed a tremendous growth in livestock exports to the Middle East during the regime of Siad Barre. During the 1970s and 1980s Saudi Arabia alone accounted for about 95 per cent of its cattle exports,

4. T. Hagmann and Mohamud H. Khalif, 'State and Politics in Ethiopia's Somali Region since 1991', *Bidhaan: An International Journal of Somali Studies* 6, 2006: 25–49. See also S. Devereux, *Vulnerable Livelihoods in Somali Region, Ethiopia* (Brighton, Sussex: Institute of Development Studies, 2006), p. 196.

5. The term 'bush trader' was coined by Little, 'Traders, Brokers and Market "Crisis" in Southern Somalia', *Africa* 62 (1), 1992: 94–124, to refer to small-scale livestock traders in southern Somalia.

Map 1: Livestock trade routes on the Kenya–Somalia–Ethiopia borderlands



Source: Based on Food Security Assessment Unit/United Nations Development Programme map of livestock trading routes from the *Atlas of Somalia*, UN 2004, and United Nations Office for Coordination of Humanitarian Affairs/Data and Information Management Unit map of the Horn of Africa, 2007. The boundaries and names shown and designations used on this map do not imply endorsement or acceptance by the author or Chatham House.

the increasing demand for meat being mainly a result of the oil boom of the 1970s and the growing popularity of festivities associated with the Hajj in Saudi Arabia. Livestock exports in 1982 were estimated at 157,000 head of cattle. However, Somali livestock exports to Saudi Arabia declined from 1983 owing to stiff competition from Australia and other countries and the Saudi ban on Somali livestock for fear of rinderpest (1983) and Rift Valley Fever (1998 and 2000).<sup>6</sup> The overseas export trade involved large-scale traders and companies who ventured into the Middle East market. Livestock were procured from Mandera, Wajir and eastern Ethiopia and trekked to the meat factory in Kismayo (see Map 1). The main Somali clans involved in this trade and trade route included the Degodia, Murulle and Ogaden.

The flow of livestock to Kismayo was seriously hampered after the fall of Barre's government and political unrest in Somalia. This opened the door to a large expansion in the trade with Kenya. Kenyan livestock traders who had rarely ventured into Somali territories because of the importance and size of Somalia's overseas livestock export trade now took advantage of the breakdown of state authority. For example, a well-established Kenyan livestock trader, who used to purchase livestock from Mandera and sell in Garissa during the Barre regime, now purchases livestock from different locations in Somalia including Hudur, Baidoa, Dinsor, Bardhere, Qoryole and Mogadishu.

While exports to the Middle East represented the biggest business opportunity for Somali livestock traders, there had always been significant numbers of animals entering Kenya. There were no roadblocks and clan militias on livestock trekking routes during the Barre regime; instead traders were issued with a livestock movement permit (*tarashib*), which enabled them to move animals within Somalia, for example, to Kismayo and other ports. Some traders divert these animals to Garissa market in Kenya.

### *The warlord period (1991–2005)*

Livestock trading during the period of Somali warlord 'rule' was conducted amid extortion and harassment at numerous roadblocks manned by *morian* (freelance clan militiamen). Boys as young as 14 or 15 years joined marauding gangs that came to control all aspects of the socio-economic and political fabric of Somali society after the collapse of the state. The absence of educational facilities and economic opportunities in towns and large settlements prompted these young people to take up the most readily available employment opportunities, namely erecting illegal roadblocks to extort money.

When asked about the impact of warlords and the *morian* and the creation of clan enclaves on livestock trade and trade routes, a cross-border livestock trader in Garissa stated that 'livestock trade is dependent on seasonality, not on the *morian*'. The Garissa market is active throughout the year, but fewer animals are exchanged during the rainy season as pastoralists seek to fatten their livestock. In general, however, livestock traders use a wide range of strategies to circumvent extortion by the *morian*, including a mix of livestock trekkers from different clans to deal with clan roadblocks on their routes.

### *The Islamist period (2006–)*

The Islamist period in southern Somalia, starting from the Union of Islamic Courts (UIC) administration in 2006 and the current Al-Shabaab group, does not seem to have had a restrictive effect on livestock trading in the area. To date, the Islamists have been more concerned with internecine ideological battles and political battles with the Transitional Federal Government (TFG)<sup>7</sup> than with livestock trade, which is not yet a source of income for them, nor does it threaten their rule in the area.

Al-Shabaab has a twofold interest in livestock trading, in terms of *zakat* payment and the impact on youth employment. It does not impose a direct tax

<sup>6</sup> Little, *Somalia: Economy without State*, p. 85.

<sup>7</sup> K. Menkhaus, 'The Crisis in Somalia: Tragedy in Five Acts', *African Affairs* 106/204, 2007: 357–90.

on livestock, but occasionally asks traders to pay up their *zakat* dues.<sup>8</sup> While many livestock traders may not demur over the payment of *zakat*, they dislike the manner in which Al-Shabaab tries to enforce it.

With regard to manpower, livestock trading and trekking are both labour-intensive undertakings, and livestock traders in southern Somalia have reported mild pressure from Al-Shabaab for young men in particular to join their militia forces and training camps. The Islamist regimes have not restricted livestock trading, but do express concerns regarding the labour force being expended on the trade, and are effectively competing for youth labour.

There is also a shortage of youth labour in southern and southeastern Ethiopia, but predominantly because of agricultural activities: traditionally, the children of pastoralists were given herding and watering tasks while their fathers participated in the livestock business, but they are now required for crop cultivation tasks during the long rainy seasons.

Young people are a valuable commodity and have become the centre of a triangular tug-of-war between the TFG, Al-Shabaab and livestock herders and traders. Both Ethiopia and Kenya largely admit having trained Somali troops for the TFG. An estimated 2,400 young people have received paramilitary training at the Kenya Wildlife Services (KWS) training facilities at Manyani on the Nairobi–Mombasa highway. They come mainly from the Ogaden clan and have been drawn from refugee camps in northeastern Kenya and elsewhere in Ethiopia and Kenya. They are targeted for military training and dispatch to southern Somalia because the Ogaden are dominant in that area.<sup>9</sup>

In response to this development, Al-Shabaab has issued several warnings and threats against the Kenyan government in general and Somali legislators in particular, and it is another reason why Al-Shabaab is targeting the recruitment of young

people involved in the livestock trading and trekking sector in Somalia.

#### Growth of the livestock trade

The livestock trade between Somalia, Ethiopia and Kenya has survived the volatile environment, changing direction according to prevailing market conditions and political circumstances in the border area and at the national level. Despite the increased insecurity in southern Somalia, southern Ethiopia and northern and northeastern Kenya in the 1990s, this commerce even expanded and flourished.

“The livestock trade between Somalia, Ethiopia and Kenya has survived the volatile environment, changing direction according to prevailing market conditions and political circumstances in the border area and at the national level. Despite the increased insecurity in southern Somalia, southern Ethiopia and northern and northeastern Kenya in the 1990s, this commerce even expanded and flourished.”

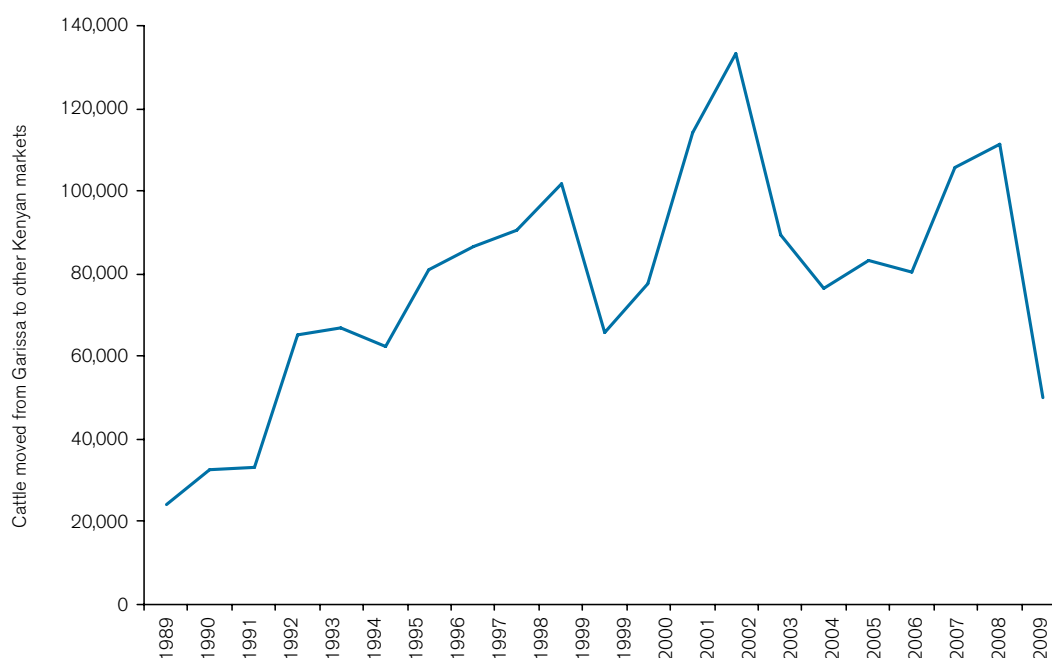
Peter Little’s work highlights four livestock market channels in southern Somalia during the pre-1991 period: the regional domestic trade located in markets in southern Somalia, the national domestic trade located in the capital Mogadishu, export trade with Kenya and overseas export trade.<sup>10</sup>

<sup>8</sup> *Zakat* is an annual obligatory payment of 2.5 per cent of one’s wealth to the poor. It is a moral duty and one must possess wealth to pay it.

<sup>9</sup> *Sunday Nation*, 7 March 2010, p. 36.

<sup>10</sup> Little, *Somalia: Economy without State*.

Figure 1: Cattle moved from Garissa to other Kenyan markets, 1989–2009



Source: Sales data 1989–2000 courtesy of Little, *Somalia: Economy without State*, p. 96. Sales data 2001–09 collected by author from the Veterinary Department in the Ministry of Livestock offices in Garissa.

### Box 1: The growth of Garissa town

One consequence of the expanded cross-border livestock trade has been the phenomenal growth of Garissa town in northern Kenya, which hosts livestock from both southern Somalia and south-eastern Ethiopia. Traders inside Somalia had already established a link with the Garissa market across the border before the government in Mogadishu collapsed in 1991, and Garissa has subsequently grown into a key regional market as a result of the cross-border business boom. Cattle sales grew by about 400 per cent between 1991 and 1998, and 600 per cent between 1989 and 1998.<sup>a</sup>

The increased trade in Garissa has contributed to an expansion in the number of new businesses in the town, including hotels, restaurants, wholesale businesses and small enterprises. Somali entrepreneurs from Somalia have also invested in Garissa's expanding commerce since 1991, but the full extent of their investment is not apparent because some have attained Kenyan citizenship and became integrated and intermarried with local inhabitants.

a. Little, *Somalia: Economy without State*, p. 91.



The overseas trade involved the shipment of high-quality cattle to Middle Eastern countries and accounted for about 5–15 per cent of the country's total trade.<sup>11</sup> The main beneficiaries were large-scale traders and companies. The fall of the Barre government in 1991 led to the collapse of the livestock export trade as trade routes and the operations of the country's main seaports were seriously disrupted. Trade with Kenya benefited directly: while it had accounted for about 25–45 per cent of total trade in the pre-1991 period, it now expanded tremendously (see Figure 1), mainly through merchants who dealt in medium- to high-quality animals. As noted, the main Kenyan destination for Somali animals is Garissa, from where livestock are moved to various Kenyan destinations including Nairobi (the largest consumer), coastal towns such as Mombasa, Malindi, Lamu and Kilifi, and for breeding purposes to Kamba, Maasai and central Kenya areas. As Figure 1 shows, in 2002 a total of 139,279 head of cattle were moved from Garissa to various Kenyan towns – the highest number in two decades.

During the last two decades, the highest cattle sales were recorded in 2002 and 2008. The biggest increase – nearly 32 per cent – took place in 2006–07, coinciding with the Ethiopian invasion of Somalia which started at the end of 2006. One reason could be panic sales by Somali and Ethiopian livestock producers and fears about the deteriorating security situation resulting from the escalation of conflict between Islamists and the TFG and the Ethiopian army. Another reason could be that the defeat of the warlords and removal of *morian* and associated extortions at illegal roadblocks on trekking routes encouraged livestock traders to increase the volume of sales to Kenya. Under the UIC administration, cross-border livestock trade was not disrupted; indeed the relative calm may also have contributed to increased confidence among traders. There was no evidence that the Islamists encouraged large-scale

cross-border livestock sales; traders seem to have made individual decisions on the basis of anticipated risks and profits.

In 2009 cattle sales plummeted to near pre-1991 levels because of prolonged drought in Garissa District. To avoid the effects of the drought, most herders moved their livestock, particularly cattle and camels, to Somalia, the Tana River District and Kipini area and into protected areas such as the Tsavo National Park, Kora National Park and Meru National Park. Towards the end of that year there was once again insufficient and poorly distributed rainfall.<sup>12</sup>

“ Since the Islamists came to power new kinds of cross-border trading relationships involving different Somali clans have been emerging. These emphasize the growing significance of multi-clan commerce in the Somalia–Kenya livestock trading sector ”

#### Clan and trade relations

Clan considerations (*qabil*) have always been important in the livestock trade in the borderlands of the three countries. Trading involves people from different ethnic groups and clan affiliations. Clan relations have always helped livestock procurement and trekking in southern Somalia. Indeed, the clan approach to livestock trading is an important ingredient in ensuring the success of the trade; it facilitates market transactions, acts as a security and enhances trust. During the period after the collapse of the state and emergence of the warlords until the appearance of Islamists, *qabil* was a major factor in Somali

<sup>11</sup> Ibid.

<sup>12</sup> District Veterinary Office, Garissa District, 2009.

politics and had a disastrous effect on the livestock trading sector in southern Somalia and along the border with Kenya.

Since the Islamists came to power new kinds of cross-border trading relationships involving different Somali clans have been emerging. These emphasize the growing significance of multi-clan commerce in the Somalia–Kenya livestock trading sector. Whether this denotes a decline in the significance of *qabil* in the dynamic Somali political landscape shaped by Islamic ideology is an interesting question. Multi-clan business activities have emerged in other areas of Somali commercial activity, apparently as a risk mitigation strategy.

‘The cross-border trade has stood on its own and supported large communities in an economy and environment that lacked any form of organized governance structures.’

According to traders, since the period of Islamist rule in southern Somalia, clan identity or affiliation is no longer needed to do livestock business in any of the Al-Shabaab-controlled areas of the south. As a result, different Somali clans are now becoming involved in the Somalia–Kenya cross-border trade, including the Habar Gidir (Hawiye),<sup>13</sup> who would not have ventured into Darood territories during the warlord period. The Al-Shabaab administration seems to promote multi-ethnicity and lower ethnic visibility, particularly in trade and commerce. Currently, the most prominent livestock traders on both sides of the border and in the Northeastern–Nairobi–Coast corridor are the Degodia and Ogaden clans.

Livestock traders regard the current conflict between the TFG and the Al-Shabaab militia as one of power politics, which could have a negative impact on livestock commerce. As this trade makes a major contribution to the regional economy, any restrictions would constrain a crucial source of livelihood for herders, traders and brokers as well as limiting the tax revenues of local authorities. Since livestock trade in southern Somalia involves such a dense network of actors and negotiations between clans on livestock trekking routes, and so many communities have a stake in it, any restrictions on this economic activity would have a severe impact across the region.

Somali herders and traders raise and exchange cattle, camels, sheep and goats. Cattle are by far the most important commodity in terms of the volume bought and sold and cash earnings. The cross-border trade has stood on its own and supported large communities in an economy and environment that lacked any form of organized governance structures. The Barre government benefited more from the livestock export trade than from the informal trade across the borders with Kenya. The warlords and associated *morian* taxed traders at all roadblocks and were probably the major beneficiaries of the trade. It is unclear how much, if anything, the TFG gains from the current livestock trade, but, as discussed earlier, Al-Shabaab seems inclined to enforce the payment of *zakat*, not necessarily to itself, but as a general requirement for Islamic observance.

It can be argued that bad relations between the Kenyan government and Al-Shabaab in southern Somalia can do little to stop the cattle trade on the border because of the numerous direct and indirect beneficiaries on both sides of the border. However, an escalation of military activities and confrontation along the border could destabilize cross-border trade and livestock movement. It is a wait-and-see situation as the Kenyan government, the TFG and Al-Shabaab and allied groups in southern Somalia all step up their current military recruitment efforts.

<sup>13</sup> The Somali kinship system is based on a highly segmented patrilineal descent system through which people trace their descent to common male ancestors. The major Somali clan-families include the Darood, Dir, Hawiye, Isaaq and Rahaweyn.

## The Ethiopia–Kenya livestock trade

The southern part of Ethiopia's Somali Region is linked to Kenyan livestock markets such as Mandera, Wajir and Garissa, while the northern part is linked to the Somali and central Ethiopian markets.<sup>14</sup> The dominant route in this trade is the Filtu/Dolo–Suftu/Mandera route. The destination of Ethiopian livestock in Kenya is dependent on traders' preferences. While some prefer to sell their livestock at the border town of Mandera, others trek them to Wajir and Garissa. Despite the long trekking time and extra costs, the Garissa market ensures better returns.

Kenya has maintained a stable economic policy regarding its cross-border trade and has remained 'silent' about the influx of animals from southern and southeastern Ethiopia. It does, however, enforce strict veterinary regulations and screens livestock for contagious diseases. Animals destined for Nairobi are sprayed for ticks and physically inspected for foot-and-mouth disease by the District Veterinary Office in Garissa, Mandera and Moyale markets.

Kenya has long been dependent on Ethiopia as a prime source of livestock since approximately the 1970s when Burji traders started organized livestock commerce between northern Kenya and Nairobi. The Garissa livestock movement figures shown in Figure 1 are indicative of the volume of livestock entering Kenya from both Ethiopia and Somalia, but those from Somalia far outnumber those from Ethiopia. Of the latter, a large number enter through Moyale in northern Kenya, although this channel is considerably smaller than the Garissa market. In 2002 a total of 47,865 head of cattle was destined for Nairobi (34 per cent of the Garissa trade).

### Trading under different political regimes

Like the Somalia–Kenya livestock trade, trade between Ethiopia and Kenya has been affected by changing

regimes: the post-war Imperial period under Haile Selassie, the period of military socialist rule under the Derg and the EPRDF era from 1991. Ethiopia's economic policies, including those directly related to pastoralists and pastoral marketing systems, have been influenced by each regime's policies in the pastoralist regions.

#### *The Imperial government (1941–74)*

In this period, free market policy contributed to the growth of Ethiopia's exports of live animals to the Middle East, and of processed beef and hides and skins to Europe. At the policy level, a Livestock and Meat Board was established to promote livestock production and to regulate and facilitate livestock trade, engage in market research and information and infrastructure development. National trade policies towards the livestock sector were generally favourable during the late 1960s to mid-1970s when pastoralists in the east of the country enjoyed free trade and good market conditions.<sup>15</sup>

#### *The Derg period (1974–91)*

This is regarded as the worst era for livestock marketing in Ethiopia. Many sectors in livestock production and marketing declined. Livestock confiscation was common along the border areas in the south, a process that had a negative impact on livestock raising and the trading community. As a result of widespread nationalization, much of the livestock sector collapsed, including ranches and marketing systems. The Livestock and Meat Board, which had been performing well, was disbanded and replaced with the Livestock and Fisheries Resources Authority, which in its turn was also disbanded.<sup>16</sup>

#### *The EPRDF era (1991–)*

The past two decades under the regime of Meles Zenawi have witnessed the introduction of radical policy

<sup>14</sup> See related paper by M. Nisar, *Livestock Trade in the Djibouti, Somali and Ethiopian Borderlands*.

<sup>15</sup> Yacob Aklilu, 'A Review of Policies and their Impact on Livestock Trade in Ethiopia during Three Regimes (1965–2005)', in McPeak and Little (eds), *Livestock Marketing in Eastern Africa*, pp. 187–202.

<sup>16</sup> *Ibid.*

changes to the livestock production and marketing sector in the country. For example, the government established the Livestock Marketing Authority in 1998 to spearhead policies and improve the marketing of livestock and livestock by-products. At the national level, Ethiopia's exit from the Middle East market led to the expansion of informal cross-border trade. An additional problem was that Ethiopia's livestock exports plunged between 1998 and 2000 because of the RVF-related livestock export ban imposed by Middle Eastern countries. There was a huge annual flow of livestock from Ethiopia to the neighbouring countries of Djibouti, Somalia and Kenya through informal cross-border channels. The trade via the Moyale border point, is substantial: in 2001 more than 58,000 head of cattle were moved to Nairobi with a market value of about KSh870 million (US\$11,153,846).<sup>17</sup> In some cases these animals were re-exported to third countries.

Ethiopia's federal government does not earn any revenue from cross-border exports, and national policy discussions could threaten the trade. The government's inability to raise its earnings from livestock exports in its first decade was due to a lack of specific policies on livestock marketing. Closely related to this was the lack of clear mandates between both the regional and federal administrative structures and institutions concerned with livestock marketing issues. No policy procedures for livestock export administration, including taxation, were put in place. As a consequence, although the volume of cross-border cattle trade is on the increase, the regional States of Oromia and Somali collect only a small amount of tax, usually seven Ethiopian birr per head of cattle exported. While at the federal government level Ethiopia does not recognize cross-border cattle trade with Kenya, it no longer confiscates animals, as had happened during the Derg regime.<sup>18</sup> Moreover, the government's long-standing requirement that livestock traders purchase livestock and

pay their taxes in foreign currencies was seen as stringent, since most livestock traders are not large-scale traders, and this restriction was compounded by the lack of access to foreign currencies in border towns such as Moyale and Mandera.

#### Clan and trade relations

Livestock trading relies heavily on networking and partnerships across borders and across clans and ethnicities. As stated earlier, clan identities were important considerations during the Barre regime in Somalia and were significant in Ethiopia. However, the newly emerging border trading regimes point to the fading importance of clan relations in these border areas. For example, one trader stated that 'traders are friends, no clan issues arise between them'. As a result, a Kenyan Somali trading across borders will often have contacts and hosts in Ethiopia and Somalia who facilitate his stay, livestock procurement and trekking but do not necessarily belong to his clan.

“Border closures are not predictable and are usually politically instigated. Often livestock traders and other users do not know why they occur.”

The major livestock trading groups in southeastern Ethiopia include the Degodia, Marehan, Murulle, Garre, Dir and Ogaden. Clan relationships in southeastern Ethiopia seem to have improved since the time of the Barre regime, when people from southeastern Ethiopia going to Somalia were categorized by their clans, so that when Somalis from Somalia came to southeastern Ethiopia they were also classified in

<sup>17</sup> Mahmoud, 'Risky Trade, Resilient Traders'. An exchange rate of US\$ = KSh78 was used for 2001.

<sup>18</sup> Ibid.

this way. When the Barre government collapsed many Somalis escaped to the Ethiopian Somali Region. These included the Marehan, who requested to settle around Dolo, and the locals accepted the new immigrants. These developments have led to the fading of identification by clan in trade and other aspects of social life in southeastern Ethiopia, and a large increase in commerce as a result.

In Ethiopia's Somali Region, clan conflicts have a more direct and significant impact on livestock trade than state–militia conflicts, such as those between the Ethiopian state and the Ogaden National Liberation Front (ONLF). The cost of trekking increases because traders incur extra costs to avoid conflict areas. This is what happened during the Garre–Murulle conflict in the Mandera triangle in 2005, during which trade routes became battlefields and the movement of people and livestock was hampered, with a devastating effect on livelihoods.

## Managing borders

The Somalia–Kenya and Ethiopia–Kenya borderlands are important for regional economic integration because they connect prime livestock-producing areas of southern Somalia and southeastern Ethiopia to the region's largest livestock markets, including Garissa, Nairobi and Mombasa.

These areas frequently experience ethnic conflicts, human and livestock movement controls and border closures, all of which can constrain marketing activities. However, they do not act as a permanent deterrent to the livestock trade. Cross-border movements of people and livestock are difficult to control because of their social and economic importance. Indeed there has been a dramatic expansion of such movements as a result of improved transportation, a growing population and greater demand for livestock and livestock products. Despite a tightening of security at entry points by the governments of both Ethiopia and Kenya, the borderlands remain porous,

like many international boundaries in the region.

Border closures are not predictable and are usually politically instigated. Often livestock traders and other users do not know why they occur. These closures have adverse effects on the local economy, especially livestock marketing and the movement of people and goods. The border between Ethiopia and Kenya is officially open, although the Ethiopian authorities are more prone than their Kenyan counterparts to close it in case of security problems or serious communal conflict.

The Somalia–Kenya border is officially closed because of the volatile security situation there. However, the impact of this closure on cross-border livestock trade is insignificant because animals are trekked on the hoof and do not have to be cleared at border points; they can enter the country at any point and time. Therefore, despite the official closure, unofficial operations by immigrants and livestock herders and traders continue with business as usual.

The administration of the politically volatile Kenya–Somalia–Ethiopia borderlands is a difficult and risky undertaking. Several factors contribute to Kenya's inability to maintain effective management of both human and livestock traffic across these borders. First, the Ogaden, Degodia, Garre and Murulle clans inhabit this borderland region, and their close kin relationships facilitate movement and interaction.

Second, and related to this, Kenyan immigration officials and security personnel come mainly from other parts of the country and cannot easily distinguish Kenyan Somalis from Ethiopian and Somalia Somalis. This makes it difficult to control the movement of people. For soldiers and administrators originating from 'down-country',<sup>19</sup> being posted to the arid northeastern part of Kenya, and particularly to administer the border area, is not an attractive proposition. It entails dealing with a 'strange terrain', 'strange people' a 'strange culture' (pastoralism) and a 'strange way of life' (relentless insecurity). As a

19 'Down-country' people are those originating from other parts of the country who come to pastoral areas of the north and northeastern regions to work and do business.

result, soldiers' morale is usually low, and this seriously affects their performance. The problems of effectively controlling the border are compounded by its length and the rough terrain. However, Kenyan soldiers and civil servants are provided with hardship allowances when posted to northern and northeastern Kenya and other arid areas.

Third, Kenya is reluctant to enforce a strict 'no-entry' policy regarding livestock because nomadic pastoralism is the backbone of the local economy and an important source of livelihood. Restricting seasonal cross-border migration could have a devastating effect on the largely mobile population.

Fourth, locking out Ethiopian and Somali livestock from entry into Kenya would lead to serious meat

livestock diseases, poor veterinary services and weak physical and administrative infrastructure are at the core of pastoral producers' and livestock traders' concerns. Improving cross-border livestock trade in these borderlands has significant implications for food security, poverty alleviation and most importantly for regional security.

Livestock trade is the main economic activity and a crucial source of income for the pastoral populations in southeastern Ethiopia, southern Somalia and northeastern Kenya. It also sustains others located in large meat-consuming urban centres away from livestock-production locations. The cross-border trade has survived periods of extreme political instability and uncertainty because it is still largely sustained by inter-clan ties and networks linking the common border regions.

Political instability in the border regions stems from national policies and politics. While these borderlands are not very remote from Nairobi or Addis Ababa in geographical terms, economically and politically they are marginal. Colonial and post-colonial policies have played a big role in the isolation and underdevelopment of the common border areas of the three countries. As a result, pastoral areas in these countries have not only been major food aid recipients, but have also become politically insecure and volatile.

There is immense potential for regional integration through increased economic relationships and political stability not only in the Somalia–Kenya and Ethiopia–Kenya border areas but also across the Horn of Africa generally. Livestock trade and traders, particularly in the border regions, have shown their resilience in the fast-changing Somali and Ethiopian political landscape, including the rise and rapid fall of the UIC, the invasion of Ethiopian armed forces and the continuing reign of Al-Shabaab militia in the region.

The reorientation of the Ethiopian and Somali livestock trade towards Kenyan markets was a major outcome of, respectively, the introduction of radical policy changes to the livestock marketing sector by

“There is immense potential for regional integration through increased economic relationships and political stability not only in the Somalia–Kenya and Ethiopia–Kenya border areas but also across the Horn of Africa generally”

shortages for consumers, potentially causing chaos in 'nyama choma' (roast meat) places across Nairobi, Mombasa and other major towns. Indeed, as previously mentioned, the rapid increase in livestock sales in Garissa over the past decade indicates an increasing demand for meat among Kenyan households.

## Conclusions

Political stability is the key to security of livelihoods in the Kenya–Somalia–Ethiopia borderlands. Escalating market taxes, stringent regulations on livestock movement, difficulties in the issuance of livestock movement permits and trading licences,

the Meles regime and the fall of the Barre government. However, the dynamics of trade are changing in response to political events on the border regions. There seems to be increased liberalism and integration in the border regions with respect to commerce. Al-Shabaab appears to be promoting multi-clan coop-

eration and tolerance, which rarely existed during the Barre era or that of the warlords. This tendency has also been observed in Ethiopia's Somali Region. Whether or not emerging clan integration in the economic front could lead to greater political integration in the border region is not clear, but the signs are encouraging.

The Africa Programme at Chatham House develops independent policy-focused research on issues affecting individual states in Africa, Africa as a whole and the continent's relations in the international system. By working with the best international researchers on African politics, Chatham House offers reliable and independent research which is published globally and which impacts on policy.

The Africa Programme's Horn of Africa Project in 2010/11 investigates how the economic structure of the Horn contributes to conflict or collaboration between states in the region. This paper is one of a series of original research papers focused on the Horn's economic relations, which will prove useful for policy-makers, diplomats, academics, opinion formers and those with an interest in the Horn both within and outside the region.

Other titles in the series include *Economics of Conflict and Cooperation in the Horn of Africa* by Roy Love (December 2009), and *Livestock Trade in the Djibouti, Somali and Ethiopian Borderlands* by Nisar Majid (September 2010).

We hold regular meetings in London and Africa bringing those with experience and expertise on the Horn of Africa to a wider general audience.

This work is being funded by:

- British Foreign and Commonwealth Office
- Norwegian Ministry of Foreign Affairs
- Swiss Federal Department of Foreign Affairs

For more information please contact Roger Middleton at [rmiddleton@chathamhouse.org.uk](mailto:rmiddleton@chathamhouse.org.uk).

Chatham House has been the home of the Royal Institute of International Affairs for ninety years.

Our mission is to be a world-leading source of independent analysis, informed debate and influential ideas on how to build a prosperous and secure world for all.

**Hussein A. Mahmoud** is Senior Lecturer in the Department of Geography, Pwani University College, Kilifi, Kenya. His research interests include pastoral livestock marketing, pastoral resource management, and conflict in pastoral areas of the Horn of Africa.

Chatham House  
10 St James's Square  
London SW1Y 4LE  
[www.chathamhouse.org.uk](http://www.chathamhouse.org.uk)

Registered charity no: 208223

Chatham House (the Royal Institute of International Affairs) is an independent body which promotes the rigorous study of international questions and does not express opinions of its own. The opinions expressed in this publication are the responsibility of the author.

© The Royal Institute of International Affairs, 2010

This material is offered free of charge for personal and non-commercial use, provided the source is acknowledged. For commercial or any other use, prior written permission must be obtained from the Royal Institute of International Affairs. In no case may this material be altered, sold or rented.

Designed and typeset by SoapBox, [www.soapboxcommunications.co.uk](http://www.soapboxcommunications.co.uk)