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Cessation of livestock exports severely affects the pastoralist economy of Somali Region

(Mission: 31 March to 7 April 1998)

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Introduction and Background

The backbone of the economy in Somali National Regional State is livestock. While this remote, underdeveloped region covers a vast area of the Ethiopian territory, its population is relatively small and predominantly nomadic with up to an estimated 90 per cent of the population deriving their livelihood from pastoralism and animal related activities. Recently released official census results for Somali Region indicate a population of nearly 3.5 million, of which only some 15 per cent live in so called "urban" centers. As in the neighbouring countries populated by ethnic Somalis, also in the Ethiopian Somali Region (Region 5) clan- and sub-clan affiliation plays a very important role in social and economic life. The clan-kinship is strongly maintained across international boundaries and accordingly the economy and trade routes are also related to the age-old links of the clan-system.

While it was already difficult enough to carry out a population census in this rugged region suffering from infrastructure shortcomings and inadequate communication facilities, it is even more difficult to establish the animal population of the region. The Bureau of Agriculture in Jijiga, the regional capital, estimates livestock in Somali Region to comprise currently 11.5 million sheep and goats, 6 million cattle and 1.5 million camels. Other sources, however, produced much lower estimates.

Over the last three to four decades the Somali pastoralist society experienced a significant change in the economy. Basically, it was a change from a *livestock subsistence society*, which lived mainly on milk and meat as staple foods complemented occasionally with a little grain, to a *livestock export oriented market economy* developing comparatively sophisticated trade links, where the marketing of livestock allowed both cash earnings and – through bartering – the inflow of food- and non-food consumer goods from far away. This development, taking place gradually and of course intermediately hampered by warfare, was initiated in the Fifties and Sixties, when across the Red Sea Saudi Arabia started to enjoy its oil wealth. That wealth allowed the Saudis – among other fruits of a modern economy – to begin large-scale imports of livestock from the Horn of Africa countries, including Ethiopia's Somali Region.

The same country which decades ago opened a window of opportunity by offering a livestock export market inducing socio-economic change and modest wealth in various Somali areas has recently closed that window. Alerted by rumours indicating the occurrence of Rift Valley Fever affecting human and animal health in parts of northern Kenya and southern Somalia, the Saudis imposed a ban on livestock imports into Saudi Arabia from the Horn of Africa countries and Yemen. Recent field findings, however, by experts from different organisations including, among others, the United Nations Food and Agricultural Organisation (FAO) and the World Health Organisation (WHO) concluded that the problem, initially exaggerated, had actually occurred only in some pocket areas of Kenya and southern Somalia and was now

contained. In a statement released in Nairobi on 10 March the UN Resident and Humanitarian Coordinator, Dominik Langenbacher, said: "The Rift Valley Fever Outbreak in Southern Somalia is over, all the evidence we have collected so far suggests that the epidemic has burned out. And there is no evidence at all that Rift Valley Fever ever spread beyond the flood affected areas." The Ethiopian authorities also declared that there was no Rift Valley Fever in the country.

Regardless of this development, the Saudi import ban on livestock coming from the Horn of Africa countries, including Ethiopia, became effective in early February. What are the implications? Which impact, if any, can be felt two months after the ban in an area which used to depend heavily on livestock exports ?

Trying to find some answers to these questions was the objective of a short mission fielded by the Emergencies Unit for Ethiopia (EUE) from 31 March to 7 April to the northern area of Ethiopia's Somali Region. Starting out of Jijiga, the regional capital, the mission covered the towns of Hartisheikh, Harshin, Camoboker, Rabasso, Daror and the areas in between over some 270 kilometres. Numerous discussions were held with local officials, livestock traders and brokers, livestock owners and shepherds, shop owners and elders. The route chosen, the so-called "Aware Refugee Camps", is an area which is different from areas further south where local people do not have the possibility of benefiting directly or indirectly from the refugee camp-related international activities. On the other hand, the area covered – given its close proximity to the border with neighbouring north-western Somalia (the self-declared "Somaliland") – definitely has its own local economy centered around the export of local livestock and the transit of livestock coming from other parts of Somali Region en route to Hargeisa, the capital of "Somaliland", and the sea ports, primarily Berbera.

Some facts and figures on the livestock export economy

Absolute figures on the volume and shares of animal exports are difficult to obtain. Different sources come up with different numbers. While some claim to present actual data, others, particularly those providing oral information, point out the "estimate" character of the provided figures. Among the various sources used as background information by the mission, the following three, all published before the ban, might be of particular interest to the reader:

"Livestock Marketing and Cross Border Trade in the Southeast of Ethiopia" – By Dr Robert Shank, Consultant Agriculturist UNDP-Emergencies Unit for Ethiopia. May 20, 1997.

"Republic of Somaliland – Two-Year Development Plan 1998-1999" – Ministry of National Planning and Coordination, Hargeisa 1997. Sponsored by UNDOS.

"Livelihoods and Food Security in Ethiopia's Somali Region" – FEWS Special Report. January 28, 1998.

For the north-western part of Ethiopia's Somali Region the main port of livestock exports is Berbera in "Somaliland". While other important ports of exit in Somalia include Bosasso in the northeast and Kismayo in the south, the mission focused its field-research on the cross-border trade between Ethiopia and "Somaliland" with Hargeisa and Berbera being the main transit centers. Of the livestock exported annually through Berbera port between 60 per cent (according to "Somaliland" sources) and 80 per cent (Ethiopian sources) are of Ethiopian origin. The estimates of the number of animals exported also vary considerably. While FEWS estimates total animal exports ex-Berbera in 1996 at about 1.3 million animals, the "Somaliland Two Year Development Plan" lists for the same year and the same port

2,480,090 animals (2,372,656 sheep and goats; 64,606 cattle; 42,828 camels) at a total export value of 155.6 million US Dollars. For the year 1997 the "Development Plan" extrapolates a total of 2,857,468 animals. Meanwhile, the Hargeisa based weekly newspaper "The Republican" in its issue of 14 February stated: "Somaliland's livestock turnover [total; including also minor ports] for the year 1996 was 3.6 million heads and in 1997 more than 2.7 million heads were exported to Saudi Arabia and the Emirates. Somaliland's annual earnings from livestock is estimated over $ 200,000,000 every year."

Livestock-traders in Hartisheikh town estimate the numbers of animals exported through Berbera port to be "two to three million in a normal year". Due to capacity constraints, concerned authorities in Jijiga are not in the position to provide regional export data.

While clearly the bulk of the animals exported through Berbera come from Ethiopia's Somali Region, government revenues are collected only by "Somaliland". According to information gathered from Ethiopian-Somali livestock traders and brokers, export fees in Berbera are, per head of sheep and goats US$3.50, cattle US$18 and per camel US$35. On the Ethiopian side, apparently only local municipal markets collect fees on every animal brought for sale. At Jijiga livestock market, for example, the fees are 1 Birr per shoat, 2.50 Birr per cattle and 5 Birr per camel. Reportedly, none of these municipality revenues are shared with the regional fiscal system and no national export taxation system is in place. Mohammed Mealin Ali Kadir, the new President of Ethiopia's Somali Region, confirmed to the mission during a brief meeting prior to the departure to the field that "since the overthrow of the *Dergue* regime no official export market mechanism is working in our region – all animal exports are conducted informally." During the *Dergue* the Livestock Marketing Board used to transport animals from the region in special livestock trucks to slaughterhouses from where the meat was processed either for canning or chilled for export. This formal export business was directed both at international consignees and at local markets. As the Bureau of Agriculture and its South-Eastern Rangeland Project (SERP) in Jijiga pointed out, the nearest slaughtering and processing facility, in Dire Dawa, "is not operational since a number of years". According to unconfirmed information reported recently in Addis Ababa, a major international investor is currently purchasing the former Livestock Marketing Board's assets such as trucks, marketing centers, holding areas, abattoirs and canning factories.

Currently all meat exports out of Somali Region comprise – in the absence of chilled meat processing facilities – live animals which are "informally" exported to ports in neighbouring Somalia and, especially for the north-western part of the region, to "Somaliland". Very little if anything goes beyond Harar and Dire Dawa to central Ethiopia. In terms of exports, it might be interesting to highlight the preferred types of livestock. Since female animals are generally kept with the stocks in order to maintain reproduction rates and milk production, the majority of animals sold for export, mainly to Saudi Arabia, are males. The special breed, the male "Somali black head" or "fat-tailed sheep" is the favourite, followed by male goats, male cattle and young male camels, which are imported into Saudi Arabia mainly for meat and not as a pack animal. Male camels are said to have, at the age of four, five years, a particularly "tasty meat" and are very much appreciated. Religious practices, for instance at the end of the Islamic fasting month Ramadan and for *Id Al Adha* or *Arafa* during the Haj, the Mecca-pilgrimage season, favour the traditional home-slaughtering of animals, thus actually pushing the demand for live animal imports.

Since the Saudis banned livestock imports from Horn of Africa countries the flourishing trade of the recent past came to a virtual stand-still. "False rumours on Rift Valley Fever are destroying our markets", says Somali National Regional State President Mohammed Mealin, well aware of the current economic danger. But as of the time of the mission's visit to Jijiga,

deliberations on the situation were still in process and no impact-study had been conducted in the field. However, the Director of the SERP Eastern Branch joined the EUE-mission to fill that gap. Meanwhile, the "Government of Somaliland" had disseminated on 14 March during an IGAD (Inter-Governmental Authority on Development) summit meeting in Djibouti an Appeal. Pointing out that "livestock exports account for over 90% of all foreign exchange receipts of Somaliland" and that "the limited foreign exchange income we receive from exports to Saudi Arabia is the sole source of payment for all essential imports such as food, medicines, fuel, building materials and other commodities", the document warns of severe consequences. In order to prevent "an emergency situation of major proportion arising in Somaliland" the document appeals to IGAD and the international community in general to help lift the ban immediately and to prepare as a preventive measure "a package for emergency assistance".

The Market is dead - Field Findings

The weeks and days before *Id Al Adha/Arafa* (which fell this year on 7 April) are normally the peak period for the sale, trekking and export of livestock. And during this "special" period markets are usually crowded. Not this year. The enclosures, which in a normal year at this time are packed with animals, presented at the time of the mission's visit a picture of alarming emptiness." Only 20 per cent of the usual animals are brought this year to the market", says an elder in Jijiga, who used to be a wholesale trader in livestock and who is now turning to retail selling. "At least I'm trying to sell", he adds, "but so far nobody wants to buy a camel or an ox." The export business is "completely dead" he says, hoping for some domestic business. Regardless whether the Haj is actually performed or not most Muslims use to buy live animals in order to slaughter them on *Id Al Adha*, sharing the meat in an act of charity with the poor. But this year, it seems, many fewer people were buying animals. With exports stopped, the over-supply of animals locally led to significantly lower prices, whereas in a normal year prices used to increase just before *Arafa.* On 1 April a fat male sheep ("export quality") was going for 200 Birr at Jijiga market and on 6 April the price had even fallen to 120 Birr. During the same time period in 1997 a sheep of the same size fetched around 375 Birr. Also the prices for other animals have fallen significantly – except for donkeys.

Jijiga Livestock Market	**"Arafa Price" 1998**	**"Arafa Price" 1997**
Male fat sheep (export quality)	200 Birr	375 Birr
Medium size ox (export quality)	1200 Birr	1800 Birr
Young male camel (export quality)	700 Birr	1300 Birr
Medium male camel (local pack animal)	1000 Birr (start price)	1750 Birr
Female camel (for local husbandry)	1100 Birr	2250 Birr
Medium size donkey (local pack animal)	250 Birr	250 Birr

Source: Traders at Jijiga livestock market on 1 April 1997. Note: "Arafa Prices" 1997 for big animals were up to 400 Birr higher compared to a normal month". This year's situation did not allow a price increase towards Arafa.

The elder trader the mission spoke to at Jijiga market pointed out that the last time he saw normal trade conditions and prices was this year before *Ramadan* (January) and then again towards the end of the fasting month, *Id Al Fitr*. "After that", he says, "the business collapsed." Asked for the possible reasons he explains: "We are regularly listening to the Somali Service of the BBC Radio. They reported some bad news about animal diseases in Somalia and Kenya. Then we heard that the Saudis stopped imports. And indeed the market

went immediately down, maybe some two months ago. I was told that even in Berbera no animals are brought to the ships. Why all that? Look at our animals – they are all fat and healthy!"

Other livestock markets the mission visited east of Jijiga present similar situations and similar comments were given by the local people. In Hartisheikh angry men approached the mission shouting accusations aggressively. Only after the misunderstanding was cleared and the men understood that the mission members had nothing to do with imposing the livestock ban and were, to the contrary, investigating its impact, did the men calm down and start to talk. One trader explained that around this time last year he had sold 50 sheep, 70 goats and 50 cattle. "Now I brought only 22 oxen to the market but I cannot sell even one animal." Another one, owner of some camels, reported similar experiences. Even for the domestic use and consumption hardly any animals are sold. Why, if the prices are cheap and animals, due to availability of water and pasture in good condition, are there no sales? "Everybody has enough animals", they answer, "and animals brought across the border into 'Somaliland' were brought back. Now people are even tired of bringing animals nobody wants to the market. That's why Hartiskeikh market is almost empty. Why should we bother to spend money on bringing animals here, entering the market, paying fees, spending money on fodder and water if we cannot sell?"

In Harshin, across the vast grass plain of *Banka Balad* some 50 kilometres east of Hartisheikh, the local SERP station keeps records of local market data. Interesting to note is the slight price increase from January to February but also the reduced number of animals brought to the market and the increased number of animals left unsold. Since the male sheep used to be the main export commodity from the Harshin market, we focus on this species as an example:

Harshin Sheep	**December '97**	**January '98**	**February '98**	**March '98**
Average Price	179 Birr	163 Birr	178 Birr	100 Birr
Numbers offered	535	426	276	65
Numbers sold	483	411	247	2 (sic!)
Numbers unsold	52	15	29	63

Source: SERP Harshin. Note: Data are collected on a weekly base. Reflected here are monthly averages.

As a number of interviewees pointed out, the Ethiopian-Somali livestock exports through Hargeisa and Berbera were traditionally paid in a mixture of cash and kind. While payments were often postponed until the animals were actually sold in Saudi Arabia, the ships used to come back loaded with goods from the Gulf. The "Somaliland Two-Year Development Plan" mentioned above lists the three principal imports at Berbera port as sugar (1997: 39.2 per cent of total import volume), rice (27.2 per cent) and wheat flour (10.9 per cent). Other major imports include building materials, oil, car spare parts, cigarettes, soap, clothes, pasta and dates. On the Ethiopian side of the border the favoured barter commodities are generally sugar, rice, pasta, dates, textiles, shoes and – particularly in Hartisheikh town – electronics.

Deteriorating Terms of Trade

The cessation of livestock exports has had a serious impact on the economy of the visited area of Somali Region: cash income from livestock exports, on which prior to the ban the large majority of the population depended, has stopped. No more goods are coming across the border. Goods available in local shops represent old stocks and by the time of the mission's

visit had started to become more expensive. Terms of trade are deteriorating with animal prices going down and grain prices increasing. Due to the people's significantly reduced purchasing power, the general trade business in the towns visited has already suffered drastic cuts. According to local informants, in Harshin about 25 per cent of the shops are closed, in Camoboker about 30 per cent and in Rabasso and Daror up 50 per cent.

Examples of increased food prices were obtained from local elders and officials in two places. In Rabasso town prices increased over one year (from *Arafa* 1997 to *Arafa* 1998) as follows: 50 kg of sugar from 125 Birr to 200 Birr, 50 kg of rice equally from 125 Birr to 200 Birr, 10 kg of pasta from 50 Birr to 85 Birr, 50 kg of wheat flour from 100 Birr to 180 Birr. A similar picture was presented in Daror town, where informants compared the prices of three commodities between now and two months ago (shortly before the ban): 50 kg of rice or sugar were before 120 Birr, now 200 Birr or more; 10 kg of pasta rose from 30 Birr to 75 Birr. As people in Daror emphasised, generally all commodities had "skyrocketing price increases" while prices for animals "are hitting the bottom".

It is not surprising, therefore, that shopkeepers stopped the traditional practice of handing out merchandise on credit. As a female shop-owner in Harshin pointed out: "Previously I could rely that my customers pay me later after they got their money or trading goods back from livestock sales. But now? Nobody can expect anything. So how can I continue to sell on credit?"

"Boom Town" forced back to sleep

In Hartsheikh, where before the livestock export ban there was also a very busy general market, trading activities have visibly reduced and even here some stores have started to close. Reportedly the trend of closing shops, which began after business started to become sluggish about two months ago, is increasing week by week. In Hartisheikh the mission had a meeting with senior administration officials, livestock traders, merchants and elders. Tapping his living memory, one of the elders recalls: "Around 26 years ago our town started to export livestock. With the export business also the import business flourished. Only interrupted by warfare, Hartisheik boomed. Now we are facing a deep plunge because everything is linked to livestock." Livestock traders confirmed that while prior to the ban some 800,000 animals (70% shoats, 20% cattle, and 10% camels) used to pass annually through Hartisheikh for export, exports have now come to a complete standstill. They also said that they heard that other major livestock transit towns such as Degehabur (the second biggest with an estimated annual volume of 450,000 animals), Warder, Darwanaji, Togochale and Lefe Isa face the same situation. Furthermore, they confirmed earlier estimations by other sources that the total export volume of these towns, combined with animals trekked directly across the "green border", make up to 80 per cent of Berbera's exports, which they estimate to comprise in total between 2 and 3 million animals annually. As mentioned by their colleagues in other places visited, Hartsheikh livestock traders also pointed out the high costs of maintaining "returned" livestock from "Somaliland". Although fodder and water are available, it is costly to maintain herds on "stand-by". At a *Birka* (a cement lined, usually privately owned water storage facility) in the bush, the mission spoke to camel-herdsmen who said that the cost of watering each camel at a private *Birka* was one Birr. There are also additional expenses for the use of urban holding areas and middlemen while attendants and shepherds and the like have to be paid or provided with food.

Besides livestock exports, Hartsheikh used to receive imports from the Gulf while trade links with central parts of Ethiopia are dominated by the import of chat (mainly from Hararghe) which is either consumed locally, exported to "Somaliland" or traded further on within

Ethiopian Somali Region along the "Aware Camp Route". Other imports include mainly potatoes, onions, tea, bottled beverages and construction materials like lumber and cement. To what extent would a marketing center like Hartisheikh be able to compensate for losses on the livestock business with trading in non-livestock related goods? One of the merchants and shop-owners answers: "You know, that is very difficult, because also our, the shop-owner's life, depends on a flourishing livestock export, which used to bring back cash and commodities from the Gulf. Before the ban, our town was doing well and the stocks in the shops used to get sold almost immediately. Now we are sitting on stocks which we got three months ago." Another one says: "During the *Dergue* time we were able to trade with the highlands: sugar against livestock, mainly. But later our only livestock destination became Hargeisa, Berbera and then Saudi Arabia. The chat imports from the highlands are cash based. The goods you see in our market, from textiles to electronics, from household-ware to dates, we are not allowed to trade beyond Kebri Beyah. At the check-point there everything gets confiscated as 'contraband'." Generally, the other merchants agreed that non-livestock trade is severely hampered by a "very restrictive internal trade policy".

Chat Trade: Reduced Volume at Reduced Prices

Although in some places occasionally a goat thigh might be exchanged against a bundle of chat, the business is generally cash based. Since cash earnings from livestock export sales have ceased, the purchasing power of the population is rapidly declining. This has affected even the consumption of chat which used to play a significant role in the daily life of Somali communities and, within the Somali context, a decrease in chat consumption is an indication of a serious deterioration in the economy. This is the case in the areas visited, where generally the chat trade - even though when prices came down - experienced a significantly reduced volume. Some examples collected in the respective towns from local informants and chat traders: In normal times Harshin town used to import 36 chat bags daily. Now only four bags are coming in. While the retail selling per bundle used to be twelve Birr, it is now down to eight or nine Birr. A similar situation was found in Camoboker, where in normal times daily between 200 and 300 bundles used to be sold at 18 Birr per bundle, while now the volume is reduced to 20 bundles at a price of 15 Birr each. In Rabasso the chat trade reportedly saw a volume reduction of 75 per cent and in Daror people say that the volume has been reduced by 85 per cent while prices per bundle were cut by half coming down from 40 Birr per bundle to 20 Birr. In Hartisheikh, from where chat usually gets traded further also into "Somaliland" as mentioned above, the daily arrival of chat was reduced from 60 bags (at 50 kg each) two months ago to 20 bags now, whereas retail prices per bundle have fallen from 15 to 8 Birr.

A Variety of Coping Steps

Assessing the impact on the local economy of the Saudi livestock import ban from Horn countries, the mission also tried to find out what steps people take in order to cope with the new situation. Obviously, who has less also spends less. Spending less money or, colloquially, "belt tightening", is indeed the first response of the vast majority of the people in the visited area. As elaborated above, this has a clearly detrimental effect on the economy overall. While reduced expenditures are primarily directed at reducing expenses on "luxury items" such as chat, people are also reducing expenses on clothes, household goods and food. In various places informants reported that some people who used to take three meals a day have begun taking only two meals instead. However, if true, this is likely to be a very recent development, since the vast majority of adults and children seen by the mission are still in a fairly good physical condition. The effects of the "spending less strategy" on human health remain to be seen. In Jijiga for instance, where cases of "Acute Diarrhoea Disease" and tuberculosis are of

major concern, health workers mentioned that, due to a lack of cash, there were already signs that a growing number of people could not afford to pay for health services.

Overall, people have not (yet) resorted to slaughtering more animals to substitute meat for other foods like grain. Rather the contrary is currently the case as the very low domestic turnovers at livestock markets indicate. Why don't people eat their animals? Frequent answers given were: "We simply keep our livestock in the hope that the export market will open again soon." Secondly, people tend to wait for the onset of the *gu'* main rainy season which normally starts in late March but is somewhat delayed this year. With rains and improved pasture animals will start to produce more milk, which in the past used to be consumed as a staple food. Moreover, many camels are currently about to give birth which again will increase milk production. Only when other coping strategies start to prove insufficient would people return to a livestock subsistence lifestyle, where, like decades ago, milk and meat were the staple food supplemented by limited amounts of grain obtained in trade for hides and skins. Regarding the latter, the mission met only one person, a female shop-owner in Harshin, involved in this business and even she complained that the trade in skins and hides decreased, "even for *Arafa*" as many fewer animals than usual were slaughtered.

More people living near the "Aware Camps" might start bartering live animals against wheat and vegetable oil from the refugees but obviously this possibility cannot compensate for the losses suffered from the cessation of the regular livestock trade. In areas far away from the camps people are worse off and do not have this opportunity as part of their "package of coping strategies".

Migratory labour possibilities – given the plunge of the economy in urban centers – are scarce while traditional income generating activities like firewood collection and charcoal production have been affected by the general reduction of purchasing power. However, some people living near fertile soils might, during the rainy season, try rain-fed cultivation of short-cycle crops and legumes. But how successful this coping strategy might be is unknown.

Linked to the sub-clan system and close family ties is the traditional concept of community solidarity which provides a certain "social safety net" to the poorer members of the Somali society. This system, called "*Hawalad"*, functions both at the local/regional level and at the international level. Remittances from relatives living in Gulf countries as well as in Europe and North America find their way even into remote corners of areas populated by Somalis. While it is impossible to estimate the magnitude and volume of this "injection" into the economy of Ethiopia's Somali region, the "Government of Somaliland" estimates, as reflected in its "Two-Year Development Plan", average annual remittances flowing into "Somaliland" of 93 million US Dollars. Of this money, an estimated 62.6 per cent comes from Saudi Arabia and the Gulf States, while 37.4 per cent is thought to come from "other countries". For Somali Region, these remittances, of which the distribution is organised usually quite effectively through a radio communication network, might be also significant, allowing people in economic stress to cope.

Finally, another very disturbing coping mechanism mentioned by local authorities was criminal activity. Authorities in Daror, Rabasso and Hartisheikh reported that criminality had increased significantly since the impact of the livestock export ban began to be felt. While generally mentioning "increased theft, gangsterism and armed robberies" administration officials in Hartsheikh pointed out that currently on average every night in the town ten houses get broken into, whereas it used to be "only one or two per night" two months ago.

Recommendations expressed by livestock traders, merchants and local officials

Although it is unsure how long the Saudi livestock ban will remain in place, there is an urgent need to look for solutions to the current economic problems of the region. "Find alternative livestock markets for us in the Highlands!" says, for instance, the chairman of the Hartisheikh town council, a plea that is shared by many. The mayor of Camoboker town emphasised: "An alternative market in central Ethiopia – that would be, for the time being, the one and only alternative to keep our economy going."

The same official also urged diplomatic steps: "Our people are looking into a dire future", the Camoboker mayor said, adding that "they feel that it is of crucial importance that a high level delegation goes to Saudi Arabia to defend their interests." The same sentiment was expressed in many other areas by livestock traders and merchants.

A third suggestion was formulated only in Hartisheikh. Referring to the non-livestock potential of his town, a merchant pledged: "Free trade. Legalise all so called 'contraband' by putting a proper taxation system in place with regular tariffs applicable to all. That would allow the state to collect import tax revenues, and for our town it would be a proper source of alternative trade income."

During talks with representatives of the regional administration in Jijiga there was also some discussion of the idea improving livestock quality through better veterinary services, providing inspection and certification facilities inside Ethiopia and some kind of revenue sharing arrangement with "Somaliland".

Conclusions

As the field mission showed, the ban on livestock imports from the Horn of Africa imposed by Saudi Arabia has severely affected the livestock export oriented economy of the visited areas of Somali Region. The rapid decline of buying power is forcing people to return to a traditional subsistence livestock economy. This "return to the past", combined with certain coping possibilities described above, would not lead to a food emergency in the near future; however, it would certainly increase the vulnerability of people directly involved in animal husbandry. The cessation of exports will also lead to heavy livestock populations being kept locally, thus increasing the competition for grazing land and water resources. Even when there was a functioning livestock export market competition for resources has gradually increased over the last 20 years, particularly where cattle were introduced into a livestock economy which previously was dominated by sheep, goats and camels. While these traditional animals are well adapted to the harsh climatic conditions of the region (camels can survive a couple of weeks without water!), cattle need both good pasture and frequent access to water.

While the impact of the ban on livestock breeders might be mainly a forced return to a subsistence economy and is not threatening their existence *per se*, the situation is quite different for people involved in the broader aspects of the export oriented livestock economy. Many in this group are indeed facing an uncertain future which might throw them back into poverty if coping mechanisms become inadequate.

For both groups the deep cut into the usual economic patterns means a forced change of lifestyle. This abrupt change back to a subsistence economy could lead to a general dissatisfaction, with the possible consequences of social unrest and even political instability.

The Ethiopian Government and the donor community agree that peace and stability are crucial preconditions for sustainable development. The U.S. Information Service, for instance, in its news release of 30 March, states that the purpose of the current American multi-year aid programme is "*to promote enhanced food security by supporting improvements in the efficiency of agricultural markets and by encouraging increased private sector involvement in the Ethiopian economy.*" While some progress has been made recently in improving social services, implementing development projects, increasing private investment and enhancing security, the current economic uncertainty threatens to negate even these small gains and increase the potential for unrest.

"Somaliland" will suffer even more as the administration has lost its main source of revenue and the overall economy of the country is even more closely connected with livestock exports. Also, UNHCR's current refugee repatriation programmes could face a situation where it becomes more difficult to re-integrate returnees into a socially and economically vulnerable environment**.** In a worst case scenario, the absence of sufficient revenue could lead to the collapse of the Somaliland administration so sending the region into another cycle of instability and violence.

Initiatives to address the current problem are urgently needed and the suggestions from regional government officials, traders, herders and merchants mentioned above all deserve careful consideration, further study and follow-up.

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