

Business as usual

Bakaaro market in war

Bakaaro market lies in the heart of Mogadishu. As the economic powerhouse of Somalia it has shown a remarkable capacity for survival and revival during two decades of protracted civil conflict. Bakaaro's story shows the resilience of the Somali business community and the role it can play in building peace, or in fuelling war.

History of Bakaaro

The name Bakaaro comes from the underground kilns that are used to produce lime for construction. In 1950s there were many such kilns in the current Bakaaro area. The first makeshift shacks appeared at the northern edge of Bakaaro in the late 1950s selling meat, milk, dates, salt, tobacco and other small items. Bakaaro market grew in the 1960s when the government settled people on a large tract of land to the south.

In the early 1970s Bakaaro market became part of Howl-wadaag district where government employees – civil servants and military and police officers – were allocated land to construct houses. By the end of the decade the settlement of relatively wealthy people in Howl-wadaag, and improved access due to the construction of four tarmac roads around Bakaaro encouraged expansion of the market to the east.

The first big food stores, shops, restaurants and hotels in Mogadishu were constructed in the vicinity of Bakaaro. Because Mogadishu's larger markets in Via Egitto, Via Roma, and the more recently established cloth and electronic market of Ba'adle in Hamar-weyne district, had little room for expansion, Bakaaro began to attract well-established businesses. In 1983 another wave of businesspeople moved to Bakaaro after fire engulfed Ba'adle market.

The collapse of Siyad Barre's regime in 1991 unshackled the creativity of the private sector from constrictive state regulations. New businesses flourished including *hawala* (money transfer agencies), telecommunications (particularly cheap telephones) and new transport and media companies.

In the big cities and towns, particularly Mogadishu, businesspeople established privately owned hospitals, schools, electricity generators, drinking water companies and even a Coca Cola factory. Somali traders started exporting livestock, skins and hides, fish, and fruits and sesame oil, and importing all manner of goods: food, construction materials, petrol and medicines. The vast majority of these economic activities were based in Bakaaro market. Bakaaro grew to become one of the largest and busiest markets in East Africa, supplying a wide variety of imported and locally produced goods to much of Somalia and the Somali speaking regions of Ethiopia and Kenya.

Bakaaro also functions as the 'Wall Street' of Somalia. Somali shillings and foreign currency both circulate in the market. In the absence of a Somali central bank, exchange rates in many parts of the country are pegged to rates set in Bakaaro. It houses the main *hawala*, such as Dahabshiil, Amal and Qaran, as well as the major telecommunications companies – Hormuud, Telecom Somalia and NationLink – and airline ticketing offices. The most popular media houses, HornAfrik, Radio Shabelle and Radio Simba also have their headquarters in Bakaaro.

This bustling market is also an arms bazaar servicing all parties to the conflict. The weapons market is a notorious feature of Bakaaro and has earned it the nickname *Cir Toogte* ('Sky Shooter'), based on the practice of allowing customers to test-fire on the spot all sorts of light weapons, including AK47s. Imported weaponry ranging from small arms to anti-aircraft missiles can all be bought there.

Challenges to Bakaaro

Bakaaro market and the people who work there have overcome many challenges in the last 40 years, including the oppressive political and economic system of the Barre regime and recurrent fires. Because of its wealth it has attracted the attention of warlords, bandits, militias and soldiers. It has suffered attacks, extortion and looting.

One of the most serious challenges to Bakaaro occurred in 2007-08 as a result of the military alliance between Somalia's Transitional Federal Government (TFG) and Ethiopian troops. Some members of the TFG were convinced that, as the economic hub of Mogadishu, Bakaaro was a source of funding for insurgent forces that were operating against it. The former Mayor of Mogadishu at that time, Mohamed Omar Habeb, described Bakaaro as a hub for 'anti-peace elements'. Indeed, the market did become militarized, with insurgent forces taking control of the strategic junctions in various districts, including Howl-wadaag, Blacksea and Bar Ubah.

Gaining control of Bakaaro market became one of the priorities of the TFG and its Ethiopian allies. They used all means at their disposal to achieve this, from threats and blackmail to full-scale attacks, causing many casualties and massive destruction of property (see box 3).

The TFG did not succeed in bringing Bakaaro under its control. When Ethiopian troops left Somalia in January 2009 there was a collective sigh of relief in the market. However it has continued to be a war zone between the government and insurgents. On several occasions it has come under intense shelling by the African Union Mission in Somalia (AMISOM) and by insurgent forces.

Market forces: private sector contribution to peacebuilding

People who own and manage big businesses wield enormous power in Somalia. This can be used in two ways: either to build peace for the benefit of all; or to collude with warlords and other elements who gain from instability. In the early 1990s when clan rivalry was at its peak in Mogadishu there were many examples of businesspeople who became warlords or financiers of warlords.

However from the second half of the 1990s animosity among clans gradually decreased. Many businesspeople started arming themselves and, more importantly, recruiting staff from other clans to defend their businesses. Thereafter, mixed ownership of businesses by people from different clans and different geographical areas became standard practice.

Today businesspeople from south-central Somalia have booming businesses in Somaliland and Puntland, and vice versa. Entrepreneurs are becoming bolder in setting up inter-clan businesses because they are more profitable. This contributes to overcoming clan hostilities and to promoting stability.

The private sector has contributed to peacebuilding in Somalia by paying for the disarmament, rehabilitation and employment of thousands of former gunmen, although not in an organized or coordinated fashion. In Mogadishu, many telephone repairmen, petty traders, drivers and company or business guards are former gunmen. Business also finances clan elders in peacemaking processes and usually pays the costs of inter-clan meeting venues, transport and lunches.

The business community helps to mitigate the consequences of conflict by paying for fuel for hospitals regardless of their location, assisting the victims of drought, paying school fees regardless of students' clan affiliation and supplying food and clothes to internally displaced people in and around Mogadishu and surrounding areas.

With more organization the role of businesspeople in building peace could be enhanced still further, even twisting the arms of the politicians to reach political settlement.

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The author is a Somali writer. Author's identity withheld.

Box 3 Bakaaro Market protection initiative

Between December 2006 and January 2008 local security forces nominally attached to the TFG targeted businesses in the Bakaaro district and looted substantial amounts of money, causing the death of many traders, labourers, and bystanders. As the fights against the TFG and Ethiopian occupation intensified insurgents established a foothold in the market. From February 2008 attacks on the market increased with government forces raiding and looting the market on multiple occasions under the pretext of security sweeps.

Civic activists, representatives from the business community, human rights activists and religious leaders undertook an initiative to address the escalating insecurity. After several discussions they concluded that the solution was to demilitarize the market area and establish a community police force. To achieve this, civic actors created committees to engage the TFG and the insurgents in dialogue. The committees increased pressure on the parties, using both the local and international media to showcase the plight of the market.

After tough negotiations the committees managed to broker a Memorandum of Understanding with the parties. This agreed to:

- Demilitarize the market zone**
- Deploy a 450 person community police force in the market**
- Establish a Peace Fund for the protection of the market and humanitarian services**
- Establish a coordination committee to monitor the implementation of the agreement.**

All of this was to be achieved within 30 days. The MOU was implemented and businesses were able to resume their activities with greater security.

By Mohamed Ahmed Jama, see p. 66