



“Somalia’s Post-Conflict Recovery and Economic Reintegration to the EAC”.

Author: Ali Mohamed Ali, Research Fellow at the East African Institute for Peace and Governance

Abstract

This paper examines Somalia’s post-conflict economic recovery and its prospects for reintegration into the East African Community (EAC) through cooperation. The study addresses the research problem of how a fragile, post-conflict state can leverage regional integration for sustainable development and peace building. Its objective is to assess Somalia’s institutional readiness, sectoral potential, and infrastructural capacity to align with EAC frameworks. Employing a qualitative case study approach grounded in policy and institutional analysis, the study draws on policy documents, regional treaties, national development strategies and expert perspectives.

The findings reveal that Somalia’s productive sectors livestock, agriculture, fisheries, and trade remain the backbone of its economy and hold significant potential for regional integration. However, weak institutions, regulatory gaps, and infrastructure bottlenecks continue to constrain competitiveness. The study highlights that effective EAC integration could generate employment, enhance regional value chain participation, and strengthen peace building by fostering economic interdependence. Policy implications include the need for phased accession strategies, investment in transport and digital infrastructure, and harmonization of standards to enable inclusive growth. The research concludes that regional integration is not only an economic strategy for Somalia but also a pathway to long-term stability and prosperity.

Key terms: post-conflict recovery, regional integration, productive sector cooperation, trade and infrastructure development, peace building, East African Community

Introduction

Somalia's protracted conflict, state collapse and fragile transition have significantly disrupted its socio-economic development, weakened institutional capacity and constrained regional integration prospects. After more than three decades of instability, the country now stands at a critical juncture, rebuilding governance structures and re-engaging with regional and international frameworks. Among these efforts, economic reintegration through the East African Community (EAC) represents a pivotal step toward sustainable recovery, regional interdependence, and long-term peace.

The productive sectors livestock, agriculture, fisheries, and trade remain the backbone of Somalia's economy, contributing more than 60 percent of GDP and providing livelihoods for the majority of the population. Yet, decades of conflict, underinvestment, and recurrent shocks such as droughts have undermined productivity and limited value addition. Post-conflict development strategies have emphasized strengthening value chains, promoted agribusiness and capitalized on Somalia's strategic location as a trade hub. Integration into the EAC offers opportunities to reduce trade barriers, attract cross-border investments, and benefit from shared infrastructure and technology transfer.

Despite these opportunities, critical challenges remain. Somalia's weak institutions, underdeveloped customs systems, and inadequate infrastructure pose serious obstacles to regional integration. Furthermore, most existing research on Somalia's economic recovery has focused on macroeconomic stabilization and debt relief, with limited attention to how productive sector cooperation within the EAC could serve as both an economic and peace building strategy. This gap underlines the importance of investigating Somalia's readiness and potential role in regional integration.

The objective of this study is to analyze how Somalia can achieve post-conflict economic reintegration through cooperation in the EAC. Specifically, the paper seeks to:

1. Assess Somalia's institutional readiness to align with EAC standards and frameworks.
2. Examine the opportunities and constraints within Somalia's productive sectors for regional value chain participation.
3. Evaluate the role of infrastructure and connectivity in facilitating integration.

4. Explore the broader implications of EAC integration for peace building and sustainable development in Somalia.

The study argues that Somalia's integration into the EAC is not merely a technical economic process, but also a strategic pathway to nation- building, social cohesion, and regional stability.

Literature Review

Somalia's Post-Conflict Reconstruction and Economic Reform

Post-conflict state-building literature underscores the importance of inclusive institutions, effective governance, and sustainable economic policies in fragile settings. In Somalia, donor-driven reforms and the rebuilding of fiscal and monetary systems have been guided by institutions such as the World Bank, IMF, and the African Development Bank. Notably, in 2020, Somalia reached the Decision Point under the Heavily Indebted Poor Countries (HIPC) Initiative, marking a significant milestone in its macroeconomic reforms. The IMF (2023) reported that Somalia has implemented prudent fiscal frameworks, improved revenue mobilization, and enhanced budget transparency. These reforms lay the groundwork for debt relief and open pathways for concessional financing, essential for post-conflict economies. Nonetheless, the sustainability of these reforms' hinges on political inclusivity, local ownership of development agendas, and the establishment of effective institutions, areas where Somalia still faces substantial challenges. While formal economic recovery strategies have been initiated, much of Somalia's economy continues to operate informally, dominated by remittance flows, livestock exports and small-scale trade. These sectors remain vulnerable to external shocks such as drought, currency fluctuations, and security threats. Consequently, economic reform must extend beyond achieving fiscal stability to encompass structural transformation through sectoral development, employment creation and value chain enrichment.

Regional Integration in East Africa and Somalia's Prospects

The East African Community (EAC) has emerged as one of Africa's most dynamic regional economic blocs, striving for deep integration through customs unions, common markets, monetary unions, and political federations. The potential of regional integration within the EAC to foster shared growth, reduce trade costs, and enhance political stability is broadly acknowledged. However, the benefits of this integration are often unequally distributed, and new entrants like Somalia face barriers stemming from institutional capacity and infrastructural deficits. Somalia's accession to the EAC represents a critical step in its economic reintegration, offering access to larger markets, participation in regional value chains, and the facilitation of labor mobility.

Nevertheless, challenges remain. Somalia's trade policies are not fully aligned with EAC frameworks, and its customs systems are underdeveloped, while regulatory frameworks are weak. Transitioning into the EAC will necessitate deliberate capacity-building and phased integration mechanisms. Furthermore, the official entry of Somalia into the EAC on November 24, 2023, brings both opportunities and obstacles, including structural barriers like insecurity and differences in governance and infrastructure. The social and cultural differences between Somalis and other EAC citizens, along with varying levels of skills and development, present additional complexities. However, the potential for Somalia's blue economy to invest competitively in the EAC could create significant job opportunities, highlighting the dual perspectives among Somali political and economic elites regarding EAC membership.

Cooperation: Trade and Infrastructure

Productive sector cooperation is central to Somalia's economic transformation, leveraging its comparative advantage in livestock, agriculture, fisheries, and trade. These sectors can be revitalized through regional partnerships and value chain integration. Somalia is already a leading livestock exporter in the region, and aligning veterinary standards, trade regulations, and transport logistics with EAC members could significantly enhance this trade.

Infrastructure development is another critical area, as post-conflict economies often suffer from inadequate transport, energy and ICT networks, which hinder economic reintegration. Developing Somalia's ports such as Mogadishu, Berbera, and Kismayo—into regional

logistics hubs, connected to broader infrastructure initiatives like the Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor, could stimulate cross-border trade and investment.

Role of Regional Economic Blocs in Peace building and State-Building in Fragile States

A growing body of literature explores how regional integration can contribute to peace building and state-building, particularly in post-conflict and fragile states. Regional economic blocs can provide economic incentives for cooperation, mechanisms for conflict resolution, and platforms for joint development. In Somalia's context, participation in the EAC could further economically goals while also promoting political and social stabilization. The World Bank (2022) emphasizes that inclusive regional development helps reduce grievances by creating jobs, enhancing service delivery, and fostering political legitimacy. Regional organizations can mediate domestic conflicts and offer policy templates for governance reforms, as seen with the EAC's Peer Review Mechanism and Conflict Early Warning System, which have effectively promoted democratic norms and conflict prevention across member states.

Economic interdependence can diminish the likelihood of conflict recurrence by making peace more profitable than war. However, the realization of these benefits depends on the depth of integration and the commitment of regional actors to support fragile members. As Somalia transitions toward peace, EAC membership could serve as a vital instrument for nation-building, provided that socio-political inclusion, institutional strengthening, and participatory governance are prioritized.

The economic interdependence can reduce the likelihood of conflict recurrence by making peace more profitable than war. However, such benefits depend on the depth of integration and the commitment of regional actors to support fragile members. As Somalia transitions toward peace, EAC membership could become a critical instrument for nation-building, provided that socio-political inclusion, institutional strengthening and participatory governance are prioritized.

Challenges and Risks of Somalia's EAC Accession

Somalia's accession to the EAC presents both opportunities and challenges. Key channels for benefiting from EAC membership include trade diversification, accelerated state-building, fiscal reforms, stronger incentives for consensus formation, and capacity support. The EAC market, comprising an estimated 302 million people with a GDP of approximately US\$345 billion as of 2023, presents significant potential for Somalia. However, challenges such as a large trade deficit, low export diversification, and ongoing economic problems must be addressed. The need for adequate transport infrastructure, structured cross-border markets, and structural reforms to enhance productivity is paramount.

Moreover, strengthening relations between the Federal Government of Somalia (FGS) and Federal Member States (FMS) through EAC integration could foster greater cohesion. However, political instability, inadequate infrastructure, and weak institutional settings remain major impediments to regional integration.

Peace building and State-Building in Somalia

Peace building is a strategy that integrates different modes of involvement into a comprehensive approach to conflict resolution. The resilience and agency of Somali communities play a vital role in this process, as do informal and indigenous mechanisms of conflict resolution. The hybrid governance system, which combines customary law (xeer), Islamic jurisprudence (sharia), and elements of modern state structures, poses both opportunities and challenges. Community-led peace building efforts face limitations, such as dependence on clan affiliation and limited inclusion of women and youth, highlighting the need for more inclusive approaches.

Research Gaps and Potential Contributions

Despite the existing body of literature, several gaps remain. There is a need for more research on the long-term impact of donor-driven reforms on Somalia's economic sustainability, effective strategies for integrating the informal economy into formal structures, and the role of regional integration in promoting inclusive governance and social cohesion. Additional research is needed to understand the impact of climate change on Somalia's economic

stability and regional integration efforts, as well as to evaluate community-led peacebuilding initiatives and their effectiveness in fostering long-term reconciliation.

New work can contribute to the existing body of knowledge by providing empirical evidence on the impact of specific economic reforms and regional integration initiatives. This research can also develop context-specific strategies for addressing the challenges of post-conflict reconstruction and state-building in Somalia, examine the role of diaspora communities in supporting the country's economic recovery, analyze the political dynamics shaping Somalia's engagement with the EAC, and evaluate best practices for promoting sustainable peace.

Conclusion

In summary, the literature reveals key themes and findings regarding Somalia's post-conflict reconstruction, economic reform, and regional integration. Addressing research gaps and conducting further studies is critical for informing policy and practice in Somalia. The potential for Somalia to achieve sustainable peace, economic development, and regional integration hinges on adopting a holistic and context-sensitive approach that prioritizes inclusivity, governance and resilience.

Methodology

This study employs a qualitative case study approach to examine Somalia's post-conflict recovery and its prospects for economic reintegration within the East African Community (EAC) through productive sector cooperation. The qualitative design is appropriate because it allows for an in-depth exploration of the political, economic, and institutional complexities that characterize fragile states. Rather than seeking statistical generalization, the case study aims to generate rich, context-specific insights that are relevant for both academic debate and policy design.

The research follows a case study framework focused on Somalia as a single but illustrative example of a fragile state seeking regional integration. This design makes it possible to link macroeconomic reforms, sectoral development initiatives, and regional policy frameworks, thereby capturing the multidimensional nature of post-conflict economic recovery. The case study also facilitates a comparative lens, drawing lessons from other EAC member states

such as Rwanda and South Sudan that have transitioned from low institutional capacity toward deeper integration.

The study relies on multiple data sources to ensure triangulation and enhance validity:

1. **Documentary Review:** Official policy papers, treaties, and protocols of the EAC; Somalia's national development plans; and reports from international financial institutions such as the IMF, World Bank and African Development Bank.
2. **Academic Literature:** Peer-reviewed journal articles and books addressing post-conflict recovery, regional integration, and productive sector development, with a focus on studies published in the last five years to ensure relevance.
3. **Expert Perspectives:** Analysis of publicly available interviews, policy briefs, and conference presentations by policymakers, regional economists, and practitioners engaged in Horn of Africa integration.

Data were analyzed thematically, focusing on three interrelated dimensions:

- **Institutional capacity and governance readiness**, particularly in relation to trade policy harmonization, customs administration, and regulatory enforcement.
- **Productive sector potential**, with emphasis on livestock, agriculture, fisheries, and trade as entry points for integration.
- **Infrastructure and connectivity**, including transport, energy and ICT as enablers of participation in regional value chains.

Themes were coded systematically and cross-compared with regional experiences to identify common challenges, best practices and feasible pathways for Somalia's accession to the EAC.

To strengthen reliability, findings were validated through source triangulation, ensuring consistency across policy documents, academic literature, and expert perspectives. Peer-reviewed sources were prioritized to minimize bias. Additionally, policy recommendations were cross-checked against ongoing EAC integration frameworks and national development strategies to confirm their practical relevance.

The methodological approach directly supports the study's objectives by linking institutional readiness with sectoral and infrastructural development. The qualitative evidence generated

provides insights into how Somalia can overcome integration barriers while leveraging its comparative advantages. This alignment ensures that the findings are not only academically rigorous but also policy-relevant for guiding Somalia's phased entry into the EAC.

Findings and Analysis

The study's findings reveal that Somalia stands at a critical crossroads in its post-conflict recovery journey. Institutional capacity has improved markedly since the peak of state collapse, with gradual policy alignment towards East African Community (EAC) standards such as customs harmonization and tariff regulation. However, implementation remains inconsistent. For example, Mogadishu port has introduced digital clearance systems to speed up customs procedures, but enforcement varies across entry points, and bureaucratic delays still hinder trade efficiency. Governance readiness in this context extends beyond drafting laws; it requires consistent application, adequately resourced institutions, and strong anti-corruption mechanisms. For small-scale traders and entrepreneurs, these institutional weaknesses translate into higher costs, unpredictable clearance times, and lost opportunities making governance reforms both a technical and socio-economic priority.

Somalia's productive sectors livestock, agriculture, fisheries and trade remain the backbone of its economy and the most promising foundation for regional integration. Livestock exports, already a significant foreign exchange earner, could expand further into EAC markets such as Kenya, Uganda and Rwanda, provided veterinary standards are harmonized with regional protocols. Agriculture, with its potential for higher yields through modern irrigation and post-harvest storage, offers opportunities to enhance food security and diversify exports. The fisheries sector, though underdeveloped, could emerge as a high-value export industry if supported by sustainable harvesting practices and cold-chain logistics. Despite these opportunities, the sectors face constraints such as chronic underinvestment, climate vulnerability, and the absence of integrated value chains linking producers to regional processing and distribution networks. Without targeted investment and coordinated policy support, EAC integration risks becoming symbolic rather than transformative for these sectors.

Infrastructure and connectivity emerge as decisive factors for Somalia's readiness to join the EAC. While key ports such as Mogadishu, Kismayo, and Berbera are operational, they require significant expansion and modernization to handle increased trade volumes. Road

networks connecting these ports to inland production areas are underdeveloped, raising transport costs and increasing spoilage particularly for perishable goods. The country's exclusion from major regional infrastructure corridors limits its ability to act as a competitive trade hub, though opportunities exist through initiatives like the Lamu Port South Sudan Ethiopia Transport (LAPSSET) Corridor, provided Somalia actively secures inclusion and develops complementary domestic transport and ICT infrastructure. Poor internet coverage remains another obstacle, preventing traders from accessing real-time market data and undermining their ability to respond to regional demand shifts.

From a socio-economic perspective, EAC integration could offer transformative benefits. It has the potential to create employment, particularly for Somalia's large youth population, thereby reducing vulnerability to poverty and conflict. However, these benefits will not automatically reach all citizens. Without inclusive policies, integration risks favouring large firms over smallholders and marginalized communities. Skills development programs, equitable access to finance, and participatory trade policy-making are therefore critical to ensure that integration serves as a driver of broad-based development.

Overall, the results suggest that Somalia's prospects for successful EAC integration hinge on its ability to strengthen institutions, modernize infrastructure, and implement inclusive development strategies. This aligns directly with the research objectives, which sought to examine Somalia's institutional readiness, sectoral potential, and infrastructural capacity for regional integration. It also underscores that integration is not merely a matter of trade policy; it is an interconnected process involving governance reform, investment in productive sectors, and inclusive growth planning.

Conclusion and Policy Implications

This study has shown that Somalia possesses substantial economic potential that, if harnessed effectively, could position it as an active and competitive member of the East African Community (EAC). Institutional reforms have laid a foundation for policy alignment, but enforcement gaps, under-resourced agencies, and persistent governance challenges remain. The productive sectors—livestock, agriculture, and fisheries—offer competitive advantages that align with regional market demands, yet their growth is constrained by underinvestment, climate risks, and weak value chain integration. Infrastructure, both physical and digital,

continues to be a critical bottleneck, limiting connectivity to domestic and regional markets and preventing Somalia from fully capitalizing on trade opportunities.

The implications of these findings extend beyond economic growth. EAC integration, if pursued strategically, could support Somalia's broader nation-building process, foster social cohesion, and promote regional stability through increased interdependence. To achieve this, Somalia must adopt a phased and inclusive integration strategy supported by strong governance reforms, capacity building, and infrastructure investment.

Policy Implications and Recommendations

- **Governance and Institutional Reform:** Establish a phased accession roadmap prioritizing customs harmonization, regulatory reforms, and anti-corruption mechanisms, while strengthening public sector capacity in trade policy and standards enforcement.
- **Productive Sector Development:** Invest in veterinary and phytosanitary standards for livestock and agricultural goods, develop cold-chain logistics for fisheries, and encourage agro-processing industries and cooperative farming models to enhance competitiveness.
- **Infrastructure and Connectivity:** Rehabilitate key road networks, expand port facilities, and secure Somalia's inclusion in regional infrastructure initiatives such as the LAPSSET Corridor. Complement this with investment in digital networks to improve trade facilitation and supply chain coordination.
- **Inclusive Development:** Ensure integration benefits reach marginalized communities by expanding vocational training for youth and women, improving access to credit and market information, and creating participatory platforms for smallholder farmers and micro-enterprises in trade policymaking.

By implementing these measures, Somalia can transform regional integration into a driver of inclusive development and peace building. This research demonstrates that productive sector cooperation is not merely an economic strategy but a tangible pathway to rebuilding livelihoods, strengthening institutions, and fostering long-term stability in the Horn of Africa.

References

- A. Minds, “2 . The East African Community,” 2025.
- L. Szalai, “A review on the resource curse,” *Period. Polytech. Soc. Manag. Sci.*, vol. 26, no. 2, pp. 179–189, 2018.
- A. Issa, “MACROECONOMIC POLICIES FOR GROWTH AND TRANSFORMATION IN SOMALIA FINAL REPORT March 2022,” 2022.
- K. Kadera and L. Sjoberg, “International studies review,” *Int. Stud. Rev.*, vol. 18, no. 1, pp. 1–3, 2016, doi: 10.1093/isr/viw003.
- M. Clausen and P. Albrecht, “Analytically Vacuous ,” 2025.
- H. D. R. P. CELESTIN, PhD, PGDE, “Community Development Programs: Conceptions and Practices With Emphasis on East Africa Community,” *Strateg. J. Bus. Chang. Manag.*, vol. 9, no. 4, 2022, doi: 10.61426/sjbcm.v9i4.2504.
- P. Nyajure Achar, O. Odhiambo Luther, O. Herick Ochieng, and O. Martine Odhiambo, “Gross Fixed Capital Formation and Economic Growth in East Africa Community States,” *African Dev. Financ. J.*, vol. 7, no. 6, pp. 2024–2053, 2024, [Online]. Available: <http://journals.uonbi.ac.ke/index.php/http://journals.uonbi.ac.ke/index.php/>
- F. Session, *AND NUTRITION*, no. September. 2022.
- P. Collier, “The political economy of state failure,” *Oxford Rev. Econ. Policy*, vol. 25, no. 2, pp. 219–240, 2009, doi: 10.1093/oxrep/grp013.
- M. Bach and M. S. Morgan, “Measures for Development - From the UN ’ s Perspective,” *Hist. Polit. Econ.*, vol. 50, no. S1, pp. 193–210, 2018.
- G. Kostyunina, “The East African Community: The Evolution and Trends of Foreign Trade with Russia,” *SSRN Electron. J.*, pp. 1–12, 2024, doi: 10.2139/ssrn.4816382.
- C. Carr Kelman, U. Brady, B. A. Raschke, and M. L. Schoon, “A systematic review of key factors of effective collaborative governance of social-ecological systems,” *Soc. Nat. Resour.*, vol. 36, no. 11, pp. 1452–1470, 2023,

