

## Kat Elimination in Somalia

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There are numerous variables that go into any national decisionmaking process, most of which have political rationale. Sometimes some important decisions are not economically viable because they are not meant to make any economic sense. This is true not only in the developing countries but in the developed world as well: for example, the recent U.S. wheat embargo against the Soviet Union.

This article is not designed to prove or disprove the rationale of the Somali government's banning the growing of *kat* ('qat') — *catha edulis* is a mildly narcotic herb widely used in the Horn of Africa and the Yemen — in the country early this year. This would require a massive data collection and scrupulous cost-benefit analyses. It does not concern the socio-historical evolution of the plant's usage in the Horn. But it is intended to provide speculations on the socio-economic consequences of the banning decision, based on international terms of trade and the interrelatedness of *kat* with the local economy.

The central theme of this article is the indisputable fact that the use of *kat* is destructive in that, in the midst of poverty, many Somalis spend their last shilling on *kat*, not food. It leads to a gross misallocation of resources because thousands of man-hours are lost daily by sitting, meditating, and "rapping," which, if used productively, could enormously help the economic development of the country.

Since almost all *kat* in Somalia is imported, its consumption hurts the value of the Somali currency: the Somali shilling regularly trails the currencies of both Ethiopia and Kenya — the primary exporters of *kat* to Somalia. One could fairly argue

that the revenue from *kat* sales in these countries is large enough to finance in part their development at the expense of the Somali economy. Given all the problems inherent in its consumption, one cannot but conclude that *kat* is an obstacle to Somalia's economic and social development.

Before I open the debate for concerned scholars of Somali studies, it is crucially important to see how trade in *kat* provides the sole income for hundreds of Somali families in Ethiopia, Kenya and Somalia. Another crucial element that must be kept in mind is the fact that chewing *kat* is a traditional Somali pastime for relaxation and socialization. Relevant here is the well-established economic theory based on "utility maximization," that the individual prefers leisure to work at any point beyond the achievement of a subsistence standard of living. The tax revenue from *kat* importation to the Somali economy is also significant enough to be included in our calculations. Since this article is only concerned with the "economics of *kat*," other aspects of the issue are excluded. Also due to lack of access to quantifications of costs and benefits, it is speculative in nature and certainly open to debate.

### TAXES AND QUOTAS

Somalia tried a number of times to restrict the daily importation of *kat* by imposing a tariff at the point of entry. The rationale for this, besides boosting the national revenue, is to increase the local price of *kat* to deter people from buying it. In the case of *kat*, these measures have not been effective because chewing *kat* is what economists call a "perfectly inelastic demand."

Under normal circumstances, consumers respond to price changes by changing quantities bought in an inverse ratio. These responses are determined, among other factors, by the importance of the items in the minds of the consumers and by the substitutes available in the local market. In the case of *kat*, since consumers are unresponsive to price change, the same amount will be bought at any price. Any tax imposed on such a commodity will only raise revenues out of the pockets of the citizens, but it will not discourage them from buying identical quantities.

If, on the other hand, quantity restriction is im-

posed, the quantity demanded by consumers will exceed the quantity allowed into the country. This will immediately raise the price of the available kat, and this price increase per bundle will more than compensate for the quantity restriction, resulting in greater amounts of money leaving the country. Higher prices due to quantity restrictions will also encourage smugglers to create a black market for the remaining consumers, not to mention those who will carry their daily business to the other side of the border.

### TOTAL PROHIBITION

A complete prohibition of kat entry into Somalia makes the story more cumbersome and complex. It is, however, fairly accurate to surmise that the negative spillovers to the society of such an action will far exceed any benefits. Kat users with relatively high incomes will turn to alcohol as a recreation substitute — an option that is both unIslamic and more destructive physically and socially than the original problem. Low-income users will have no option but to continue buying it from smugglers at much higher prices and to take their chances with the law. In a year or so, the prisons will be jammed with Somalia's contributing workers. The likely results of a total prohibition are as follows: tax revenue loss; massive arrests causing a decline in productivity and an increase in social discontent and unrest. (Foreign exchange is not effected in any significant or beneficial manner since Somalia has little or no other trade with Kenya or Ethiopia.)

### PROPOSED SOLUTIONS

Anyone dealing with this issue should realize that it is a chronic problem. There are no easy solutions nor short-term remedies. The goal of eliminating the chewing of kat should be seen as a long-term problem. A first step could be to change the public's lenient attitude toward kat consumption. An intelligently designed marketing program directed toward youngsters will best serve this purpose. Such a program must, however, be preceded by a socio-economic study of the salient characteristics of kat consumers. Only then can an effective program be promulgated.

I am not trying to make things more difficult

than they already are by proposing a program that some critics will no doubt label as 'expensive;' nor am I, in any way, cynical about the possibilities of eliminating kat consumption in Somalia. I am merely trying to point out the recalcitrance of this problem in the face of previously proposed and enacted solutions by the Somali government.

The above-mentioned marketing program must be formulated in such a way that, in a few years, chewing kat will be looked upon as an activity that is "anti-social," "old fashioned," "deviant," etc. The most important aspect of the whole campaign is to concurrently develop alternative activities in which the population is indirectly induced to participate. These activities must be competitive enough with kat consumption to lure the individual to switch his or her recreative preference. Different kinds of sports events, for example, directed toward different age groups can be developed. The Somali theatre should also be expanded. As much as Somalis love to watch plays and to listen to selections from their rich poetic heritage, they are now forced — for lack of effective substitutes — to spend much of their free time attending moving pictures imported from India and Italy. At present there are simply not enough indigenous movies or plays to accommodate the demand. Almost half of the Mogadishu population go to the movies every night. The effects of this tendency on the value of the Somali shilling should be noted.

Any time Somalia wants to import moving pictures, the mere "want" drives up the demand for Italian goods and services, namely movies. This in turn drives up prices so that more money is spent on movies. Furthermore, Somalia has to pay in lira to the Italian entertainment industry. Since the demand for any currency is dependent on the demand for that country's goods and services (derived demand), the more Somalia wants Italian imports the more the Somali shilling depreciates against the Italian lira. This makes the banana (Somalia's major export) cheap in terms of lira and the imports of Italian goods relatively expensive.

Let us conclude by saying that kat consumption in Somalia is unquestionably an inverse function of the availability of indigenous entertainments, and that the problem may thus be effectively solved by the Ministry of Information and National Guidance

by stepping up its entertainment business. I doubt very much that many Somalis would want to sit at home chewing kat while a play by Mohammed Abdillahi Singub, Mohammed Ali Kariyeh, or Hassan Ganay is being performed at a local theatre. Nor will many Somali citizens choose to watch a movie in a foreign language depicting a foreign culture if the dramatic productions of the above authors — or others of similarly high calibre — are readily available.

Kat consumption is a staggering problem whose solution is not a short-term job. It is one of the socially 'undesirable' activities that a benevolent government would want to discourage among the

populace, helping them to eventually abandon it. Kat has, however, tremendous influence on society — influences which must be taken seriously when attempting to propose solutions to its problems. Decisions relating to the elimination of kat consumption must be based on results of cost-benefit evaluations at the social welfare level and be incorporated in the long-range development plan.

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