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SWEET SECRETS: SUGAR SMUGGLING AND STATE FORMATION IN THE KENYA–SOMALIA BORDERLANDS

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ABSTRACT

This Working Paper presents a case study of sugar smuggling along the trade corridor between Kismayu in Somalia and Nairobi in Kenya. The trading and smuggling of sugar in the Kenya–Somalia borderlands is a dangerous, lucrative, and highly political business. The paper explores the involvement of militants, Kenyan defence forces, bureaucrats, politicians, businessmen, and truck drivers to highlight the multiplicity of vested interests in the sugar trade. Sugar smuggling in northern Kenya is informed by decades of political marginalisation of the northern territories by the Kenyan central government. Corruption and structural neglect of domestic sugar production in western Kenya is also influenced by struggles over political power in Nairobi. By analysing the cross-border sugar trade this paper draws our attention to the relation between illicit trade and current state formation dynamics in northern Kenya.

INTRODUCTION

Sugar trading and its transport to Kenya from Somalia is a dangerous and highly political business. Sugar trade is important for the local economy on both sides of the border and is enormously lucrative. Local sugar producers, militant networks, government officials, soldiers from the Kenyan Defence Forces (KDF), the Bureau of Standards, and local drivers and businessmen compose the complex blend of actors involved in cross-border smuggling. The trade across the Somali–Kenya border is particularly controversial because the border has been officially closed for a decade, making the trade illegal. But maybe the biggest controversy is the implication of the two warring parties, the KDF and the Somalia-based Islamist militia Al-Shabaab, in illegal taxation of the smuggled sugar (JFJ 2015; Monitoring Group 2016). Hence, the sugar trade in the region is placed centrally in relation to security concerns and questions of state stability on both sides of the border (see Meagher 2012; Titeca & de Herdt 2011). In addition to the controversy over national army soldiers and religious militants as key brokers of smuggling, the sugar trade also reveals the effects of global trade on the political economy in Kenya. Sugar smuggling influences local farming policies and the protection of national industries and standards of production. Furthermore, sugar is a global commodity that has influenced world history through the slave trade and the Caribbean sugar cane production (Mintz 1985), and its popularity and thus global demand are still increasing. The investigation of sugar smuggled into Kenya through Somalia gives insights into the bottom end of globalisation (see Comaroff & Comaroff 2006: 29) and how different actors become integrated into the global economy at the cost of others while trying to accumulate profit, and extract and add value along the route (Gibbon & Ponte 2005).

The Somalia–Kenya case speaks to broader analytical issues of globalisation. It provides insights from the margins of commercial flows into issues of increased product standardisation, intensified protection of copyrights, and national commercial interest. This paper focuses on the illicit flow of sugar, highlighting how illicit trade and cross-border trade networks relate to state formation dynamics. This is revealed through three interconnected dynamics: firstly, with regard to the uneven distribution of authority on either side of the border and in relation to the central state in Kenya. Secondly, investigating the negotiation of morality at the margins of mainstream society demonstrates how successful trade ventures, governance initiatives and security operations are connected. Thirdly, supposedly marginal borderlands are in reality intimately connected to more centralised political and economic processes. In short, sugar is much more than a teaspoon of sweetener in a Kenyan teacup, it is about multi-scalar processes of power, politics, and profit in the context of insecurity (see Hagmann & Stepputat 2016: 31).

This paper investigates how a plurality of actors involved in sugar trading and the moral diversity of their engagements, result in an uneven distribution of authority that produces its own gaps and margins in terms of security, governance, and product distribution. While smuggling is illegal, and violence and coercion therefore are central means of governing and regulating the cross-border sugar trade, this paper argues that we cannot understand the sugar trade as entirely immoral. Rather we have to understand how the borderlands' liminal character allows for negotiations of morality, which in turn hinge on notions of belonging and the sense of state inclusion and exclusion (Bøås 2014; Meagher 2014). Simultaneously, borderlands are often constituted as zones of intensified transnational loyalties where sense of belonging cannot be contained within national territorial boundaries and where political legitimacy is removed from national politics (Raeymaekers 2012; Hoehne & Feyissa 2013). For decades, Kenya's northern borderlands have been marginal to the central state and hence to mainstream Kenyan society (Lochery 2012; Whittaker 2014; Little et al. 2015). Yet marginalisation does not detach the borderlands from central government. Rather we may see the borderlands as 'half-worlds' that make little sense on their own but exist in relation to the state (Scheele 2012: 5). In fact, smuggling and illegal transactions across the border can only occur in relation to the regulatory practices of the state (Roitman 2005; Titeca 2012). The analytical focus on borderlands as distinct and marginal yet intimately connected and shaped by their relation to the state implies that authority is multiple, dynamic and brokered by different agents of regulatory authority (see Roitman 2005).

Methodologically, this paper makes use of the 'corridor approach' (Hagmann & Stepputat 2016) for the study of sugar trade between Somalia and Kenya in order to capture the various performances of authority and the friction between actors produced at different stages of the route. The paper investigates the corridor running from the port in Kismayu, Somalia across the Somali–Kenyan border to Nairobi, Kenya. The corridor approach entails a focus not only on the flows of goods, money and people, but also on the exchange of value and the regulatory governance along the routes, while emphasising the local embeddedness of the actors and their negotiations of power and politics (ibid). In addition to a geographically defined space including a trans-boundary element, the corridor is defined as an assemblage of conventions, laws, policies, standards, infrastructures, investments, and technologies (ibid: 32). The corridor approach is especially well suited for investigating politically unstable and insecure areas like the Kismayu–Nairobi corridor, where certain hubs along the corridor are difficult and dangerous to access. Hence, the empirical basis of the paper presents a mix of first-hand ethnographic observations and interviews (mainly from the Kenya side of the border) alongside secondary data, government statistics, and other 'grey literature' (especially on the role of Al-Shabaab and the KDF). The ethnographic examples are drawn from a total of seven months of fieldwork in Kenya in 2014 and 2015, mainly among business people, traders, drivers and refugees in Eastleigh, Nairobi. Furthermore, the paper draws on a decade-long academic engagement with Kenyan politics (Rasmussen 2010; 2017; Rasmussen & Omanga 2012). Specifically for this paper, I conducted 15 in-depth interviews with truck drivers plying the route from Nairobi, to and fro across the Somali border, and further north in Kenya to Wajir and Mandera. Five former Kenyan government officials in the northern regions were interviewed. I use the grey literature mainly to contextualise the analysis, but on occasions analysis is also directly informed by this literature.

The paper is organised into four main sections. It starts with a background section on the sugar trade between Somalia and Kenya and the involvement of armed actors like the KDF and Al-Shabaab, explaining how illicit and violent transnational trade networks affect national security in Kenya. A subsequent section considers the political economy of sugar in Kenya. A third section highlights the role of secrecy and of Kenyan government actors in facilitating the illicit cross-border trade of sugar. The last section explores the tactics and calculations that inform the management of risk and profit in sugar trading. Together, the four sections present the intersecting operations of different actors along the Kismayu–Nairobi corridor, and explicate the relation between illicit trade and state formation dynamics in Kenya.

PROFITS AND (IN)SECURITY ON THE KENYA–SOMALIA BORDER

Cross-border sugar trade and smuggling is not a new phenomenon in the Kenyan borderlands, and even less so across the Kenya–Somalia border (Marchal 1996; Carrier & Lochery 2013: 336–337; Menkhaus 2015: 16). Kenya has had a historical deficit in sugar production; only reaching self-sufficiency briefly in 1979, while the demand for sugar has been constantly growing (Ochieng 2010: 138). Since independence sugar has been imported officially from neighbouring countries, in particular Uganda. Idi Amin's rise to power in the early 1970s led to restrictions on the official import of Ugandan sugar (ibid: 139). Today trade barriers installed to protect Kenyan farmers impose restrictions on the import of Ugandan sugar, which has increased smuggling of Ugandan sugar. Ethiopia has also recently increased its sugar export to Kenya, but that has also proven problematic due to complicated trade agreements and border transfers.[1] The market for sugar in Kenya is growing and extremely lucrative. Sugar trading from Somalia into Kenya has its own history.

The Somali community in Kenya has always been marginal to the central state. The northern regions, in particular the Somali-inhabited areas formerly known as the Northern Frontier District, saw little infrastructural development from central government before the advent of devolution (Weitzberg 2015: 410). This affected trading and distribution patterns, where the northern regions depended on a lively, yet often informal, cross-border trade. For the Somali communities in Kenya, close ties to relatives and clan members across the border were maintained through trade. Prior to the Somali civil war, Somalia had a government-supported industrial production of refined sugar, but following the collapse of the state the production also fell apart (Marchal 1996). In 1996 an entrepreneurial group of Somali businessmen imported a large quantity of Brazilian sugar for local sale and distribution. Soon others imitated the idea and trade increased (Marchal 1996: 62). Brazil is among the world's leading sugar producers.[2] Brazilian sugar is imported officially to both Kenya and Uganda, but it is also smuggled into both countries and often repackaged into bags by local millers.

Since the collapse of the Somali state in the early 1990s, the Somali economy has developed despite the lack of a state, which has come at the cost of lost government revenue, regulation, and control. Yet the benefits of this stateless economy have been free-market capitalism and abounding entrepreneurship based on trust networks, diaspora remittances and, importantly, technologically innovative digital money transfer systems (Little 2003; Hagmann 2005; Lindley 2010). In northern Kenya, the Somali import business grew massively, partly out of necessity due to the Kenyan government's neglect, and partly due to benefits from the easy transfer and credit opportunities and the lack of a formal taxation system.

This is also true for sugar export from Somalia to Kenya. Following the first imports of Brazilian sugar by early entrepreneurs, the product soon began to reach into Kenyan territory and the underserviced markets of the north, especially the Wajir and Mandera regions, but also in and around Garissa town. The Somali–Kenyan border stretches for more than 1000 km. Most of it is desolate and not patrolled. The main border crossings at Liboi and Dif, and El Wak are central trade hubs along the trading route, though the Ras Kamboni crossing further east also saw some activity up until 2010. Following increased Al-Shabaab activity in the Somali border regions and a series of attacks inside Kenya in 2011, the Kenyan government decided on a military intervention against the Islamist militia in Somalia (Lind et al. 2017). However, the border between Somalia and Kenya had been officially closed even prior to the Kenyan military intervention in Somalia, as militant and criminal networks already operated across the border smuggling arms and refugees into Kenya, thus threatening to destabilise Kenya (Murunga 2005).

Although partly a result of conflict-induced displacement, the Somali trade networks' reach into Kenya has had positive effects on local business in Kenya. They have also contributed to the economic integration of the enormous refugee camps in northern Kenya with wider economic networks of the region (Montclos & Kagwanja 2000; Campbell 2006; Carrier & Lochery 2013). But the Kenyan military intervention in 2011 changed trade and political dynamics in the border regions as many Al-Shabaab strongholds in the Jubaland region (the southern Somali region bordering Kenya) were taken over by the KDF while insecurity and the number of Al-Shabaab attacks increased on the Kenyan side of the border (Lind et al. 2017). These developments coincided with an increase in sugar prices and the slowing of Kenyan production, making the trade corridor and sugar smuggling even more lucrative.

Between the Kenyan military intervention in 2011 and 2015 the volume of illegal sugar trade into Kenya increased, while Kenyan production continued to decrease due to domestic political mismanagement of the industry, altogether resulting in an increase in the price of local sugar.[3] At the same time, the smuggled goods have reached wider parts of the Kenyan hinterland, triggering media and policy reports that draw attention both to the crisis of the Kenyan sugar industry and the involvement of local officials in sugar smuggling/trading. In addition, the KDF are reported to be claiming a cut of the trade after taking military control of the port in Kismayu from Al-Shabaab at the end of 2012 (JFJ 2015; Monitoring Group 2016). Since 2013 reports by the UN Monitoring Group for Somalia and Eritrea have criticized the involvement of the KDF in charcoal trade and, later on, in sugar trade (Monitoring Group 2017). KDF spokespersons have denied these allegations and instead questioned the UN Monitoring Group's evidence, most recently in November 2017.[4]

An investigative report by Journalists for Justice[5] revealed how the KDF took control of the charcoal and sugar trade deemed to be key sources of income for Al-Shabaab (JFJ 2015). The Somali port town of Kismayu was the central economic hub for Al-Shabaab, not only of sugar imports and charcoal exports. The Journalists for Justice report has been controversial in Kenya and resulted in an internal military investigation of the KDF. The KDF has continuously denied any involvement in breaking the Somali charcoal ban through shipments from Kismayu to Saudi Arabia, but the allegations against KDF by the Monitoring Group have recurred since 2014.[6] Prior to KDF's capture of Kismayu, the port acted as an important economic hub for Al-Shabaab in circumventing the UN-initiated arms embargo.

Thus, when KDF gained control of the port in 2012, they cut the economic supply chain of the militants. KDF struggled for almost a full year to take over Kismayu (Anderson & McKnight 2015: 537). In this period Al-Shabaab factions tried to negotiate a deal with them on the future administration of the city (Hammond 2013: 188).

In Kismayu, the KDF gained control of a city full of warehouses and streets stockpiled with tons of charcoal ready for shipment. Despite a ban on the export of charcoal due to its negative environmental impact on local forests, the huge demand from Saudi Arabia and other Middle Eastern countries offered a tempting opportunity for profit. Estimates from JFJ suggest that an amount equivalent to US $24 million worth of charcoal-derived revenue was shared between KDF, Al-Shabaab and the Jubaland administration in 2015 (JFJ 2015: 3). In their 'golden years', Al-Shabaab developed a taxation system that taxed both shipment and production of charcoal. They used roadblocks to claim their share, and the money was transferred back to the central leadership of the organisation (Hansen 2013: 92). In addition to their insurgent tactics, these structures have proved important for Al-Shabaab in maintaining access to income after the loss of Kismayu. Prior to the KDF intervention in Somalia, Al-Shabaab's main income came from charcoal. However, it has since shifted to sugar as it has become easier for them to control the transportation and levying of taxes along the route from Kismayu, across the border, and into Dadaab refugee camp and Garissa in Kenya (Monitoring Group 2016). The KDF has been criticised for enabling conflict in southern Somalia by allowing Al-Shabaab a steady cash flow on the basis of its involvement in the sugar trade (Menkhaus 2015). However, analyses of conflict economies in the Horn of Africa also point to the political ties and business interests that influence such deals, whether in Jubaland or in the northern counties of Kenya, as local political elites rely heavily on the conflict economy to establish and maintain their political power (Ahmad 2015; de Waal 2015).

Raw sugar accounts for 10% of total Somali imports rated at US $188 billion (Observatory of Economic Complexity 2016).[7] In other words, sugar importing is enormously lucrative and important for the local economy on both sides of the border. The sugar imported from Somalia is central for covering the production and import deficit in Kenya. Most sugar enters through Kismayu port where it is manually loaded onto trucks and driven to the Kenyan border. There it is re-loaded onto other trucks, four-wheel drive vehicles and even donkey carts to cross the border on the so-called 'rat routes' that circumvent the border posts to avoid the payment of bribes, random checks by the Kenyan Revenue Authority (KRA), and the occasional confiscation. Based on interviews and observation JFJ estimates that 150,000 tons of illegal sugar entered Kenya from Kismayu in 2014 (JFJ 2015). This amounts to US $400 million worth of annual revenue divided between KDF, Al-Shabaab, local businessmen and politicians, as well as local police and border patrols, including the KRA (though this is not formal revenue) (JFJ 2015).

In 2014 around 230 trucks left Kismayu every week, each carrying 14 tons of sugar, and even though they are no longer in control of the harbour Al-Shabaab charges US $1000 per truck. Checkpoints between Kismayu and the Kenyan border are divided between Al-Shabaab and KDF, where KDF and Jubaland officials are said to charge a tax of US $2 per sack on imported sugar, with the sacks usually coming in sizes of 50 kg and occasionally 100 kg (JFJ 2015; Monitoring Group 2016). On the Somali side of the border in Dhobley the Jubaland administration collects a further tax of US $600 per truck. To cross the border at Liboi truck owners pay another US $600 to the KDF and an expected final US $600 to the police at the Dadaab refugee camp (JFJ 2015). This expected 'final' tax does not include the risk of being caught by the KRA at a weighbridge or a random police or Al-Shabaab checkpoint if the trip is going further north towards Wajir and Mandera. In Kenya the roads are of a comparatively better standard and so are the trucks. The drivers on the Kenyan side of the border carry several tons more than their counterparts on the Somali side of the border to enhance the profit. The manual off- and reloading at the border provides work for local people and drivers who are willing to run the risk of taking the back routes for profit. Despite the formal closing of the border, truck drivers describe it as extremely porous. However, bordering processes manifests itself in different ways on either side of the national border. Drivers in Somalia bearing Kenyan number plates risk double taxation, harassment, and increased attention from militias and KDF. The same is true on the Kenyan side of the border, with the difference being that it is the Kenyan authorities (whether KRA or police) that patrol the drivers and the vehicles.

Sugar warehouses are neatly distributed along the route from the border at Liboi until Mandera in the northern triangle between Ethiopia, Somalia and Kenya. The sugar godowns in Daadab, El Wak, Modogashe, Habaswein, Wajir, and Mandera each form local distribution points, indicating local demand for sugar. In many of these places, the smuggled sugar is barely concealed and around Dadaab and towards Garissa it is sold relatively openly (Rawlence 2016: 236).[8]

Despite the existence of cross-border sugar trading for nearly two decades, developments in sugar smuggling between 2011 and 2016 have linked the trade to the conflict economy in increasingly direct ways. Simultaneously, sugar trade has become associated with Kenyan politics in novel ways, as the mismanagement of national sugar production increases the demand for sugar while protectionist trade policies have obstructed sufficient imports. Finally, the 2010 Kenyan constitution introduced a reform of the provincial administration in favour of devolved government with more autonomy for the newly appointed local governors (Constitution of Kenya 2010).

The multiplicity of actors and their negotiated distribution of shares situate the sugar trade in relation to questions of governance and legitimacy. As the Somali state is all but absent, local politicians, businessmen and militias cooperate, compete, and negotiate the rules of the game and *de facto* perform the role of the state (Hagmann & Péclard 2010). In the absence of the state, authority has to be acquired through performance and is negotiated through practice, yet with the entry of the KDF into the equation, certain expectations of state-like behaviour could be expected. However, the KDF's involvement in the illicit sugar trade undermines their legitimacy. It also gives cross-border trade an important role in relation to escalating security concerns and instability on both sides of the border (see Titeca & de Herdt 2011; Meagher 2012). Investigating the Kenyan state's engagements across the border reveals the co-existence of different economic and political rationalities that contradict and even counteract each other. On the one hand the Kenyan government sets up the rules of taxation and official passage across the border, hence defining illicitness as non-compliance with these rules. On the other hand, the active involvement of the KDF and other Kenyan state agencies in the illicit cross-border trade make the Kenyan state a co-producer of illicit practices, thus effectively setting the state against itself.

THE POLITICAL ECONOMY OF SUGAR IN KENYA

According to annual reports by the US Department of Agriculture, Kenyan sugar consumption is growing, yet local production is declining. In 2011 domestic production covered 70% of local consumption, but in 2015 the local share was down to 62% (USDA 2016). In 2014, Kenya had a sugar deficit of 200,000 tons. Local production is outdated, sugar mills have not been modernised, and each year they are closed for weeks on end for maintenance. As a result sugar processing in Kenya is slow and expensive, resulting in production costs that are 50–60% higher than in neighbouring Uganda and Tanzania (USDA 2016), not to mention Ethiopia, which has increased its sugar cane production in recent years as part of government-led agricultural development projects (Kamski 2016). In 2016 the Kenyan government, for the third consecutive year, negotiated exceptional import safeguards for sugar with its counterparts in the Common Market for Eastern and Southern Africa (COMESA). Yet the government does not seem to have national production under control. Mumias Sugar Company Limited, the largest sugar manufacturing company in Kenya, which accounts for close to 60% of national sugar output, has been wracked by financial irregularities and corruption, repeatedly putting the production temporarily on hold since 2012. The Kenyan government owns 20% of the shares of Mumias Sugar, and in 2013 the government paid US $5.5 million to help the company out of its deficit.[9] The government has continued to provide financial aid to the company adding another KES 500 million in August 2017.[10] The mismanagement of Mumias Sugar has political implications at the highest level as the previous governor of Nairobi, Evans Kidero, is accused of having systematically siphoned money out of the company to fund his political campaign while he served as manager of Mumias[11] (Rawlence 2016: 236). These irregularities and the high production costs of Kenyan sugar meant that locally milled sugar in 2014 sold for up to Sh133 a kilo, whereas smuggled sugar went for as little as Sh60 a kilo (JFJ 2015).[12] With these price differences in mind it is easy to see the potential for profit in repackaging and selling smuggled sugar as if it were Mumias sugar.

Sugar cane is mainly grown in the western parts of Kenya. Although there is some government support for the industry, historically the government excluded smallholders from industrial sugar production in the 1960s and later it stalled reforms effectively to benefit only the state and the agribusinesses they supported (Ochieng 2010: 139). Opposition politicians from Western Kenya have often claimed that the continuous exclusion of Western Kenyan smallholders and industries from accessing the market was part of a deliberate political attempt at marginalising opposition supporters.

All these elements influence the possibilities for control and governance of the flow of sugar into Kenya whether it comes through Somalia, Uganda or through the port of Mombasa. They also create incentives for illegal import when tax barriers and caps on imports mean that demand exceeds available stock.

In November 2014 I interviewed an investigator from the Kenyan Anti-Counterfeit Agency (ACA), which two days prior to our meeting had made their hitherto biggest find of repackaged sugar in a warehouse in Nairobi.[13] I found the investigator from the agency in a talkative and good mood when I met him. He explained the difficulties of his work of protecting the commercial and intellectual property rights of Kenyan and international companies to me. 'It is evidence!' he explained as he held up an empty bag of sugar between his thumb and index finger and waved it before me, as if he were a detective in a Hollywood movie showing the crucial piece of evidence in a murder case.[14]

The investigator explained how his unit, in collaboration with the Kenyan Revenue Authorities (KRA) and the Kenya Bureau of Standards (KEBS), had planned the raid of a warehouse in an industrial area of Nairobi. They had found tons of processed Brazilian sugar allegedly smuggled into Kenya via Somalia, and it was now being repackaged from 50 kilo sacks into 500 gram and 1 kilo bags bearing the Kenyan brand *Mumias Sugar* and with added stickers from KEBS showing that the product meets Kenyan standards of production and quality. The repackaged sugar is – when not confiscated by the authorities – sold to retailers as refined Kenyan sugar at a huge profit. In 2014 a one kilo sugar bag sold for KES 133 in Nairobi supermarkets, and by May 2017 prices had gone up to KES 170 with some supermarkets rationing it to one package per customer.

This haul of illegal sugar was important for the ACA. It is a relatively new agency, founded in 2008 under the Anti-Counterfeit Act with limited resources, as is illustrated by an estimated annual resource gap of between KES 50 to 200 million from 2016 to 2022 and a staffing level of only 19% of the proposed staffing (ACA 2016: 28–30). The ACA's ability to combat industrial forgeries often relies on the help of KRA and the police. But the KRA and the police are often overburdened with other tasks and tend not to hand over cases to the anti-counterfeit units as officers on the ground are seldom aware of the agency's existence. Furthermore, multi-agency coordination is seen as an obstacle as the Kenyan police are often faced with criticism for not being efficient enough in their handling of 'real' crime and violence. Therefore, as the investigator reiterated to me, the media and public attention attracted by this haul would hopefully boost awareness of the work of the agency, although he expressed limited confidence that things would change in the border regions. Here, his counterparts in the police and the KRA seem to have 'other interests' as he diplomatically phrased what, in the wider public, would be called vested interests.

The mandate of the ACA is to protect Kenyan commercial interests, like securing the market shares of local farmers and the copyrights of national producers like Mumias Sugar and protecting the state's interests in terms of revenue and employment. When it comes to food products, health issues linked to quality control and standardisation are also considered part of the mandate, although this clearly overlaps with mandate of KEBS, just as issues concerning revenue fall under the jurisdiction of the KRA. In a haul like the one in Nairobi in November 2014, KEBS is the main complainant because the violation of the copyright law, the unauthorised use of its stickers and the counterfeiting of a standardised brand can be immediately proved. This is how a confiscated batch of sugar bags becomes 'evidence'.

At a previous visit to KEBS two officers told me that the interdepartmental collaboration with KRA and other units like the ACA was good, partly due to political prioritisation of the KRA and increased monitoring/control of the main port in Mombasa. Despite the fact that goods, ranging from used Japanese car parts, oil and petrol from the Middle East, clothes from China, and electronics from Dubai and the Far East, are still being smuggled through the port, the officers claimed 'that things are improving'.[15] Their statements are supported by a KES 150 million haul of contraband at Mombasa port in December 2016.[16] In the KEBS officers' view, the main challenge for the protection of intellectual property rights and copyrights is not the smuggling. The increased and uncontrolled circulation of forged or re-distributed KEBS stickers, which are then applied to all kinds of unauthorised products, also undermines state control and standardisation. During fieldwork I witnessed how copied and stolen KEBS stickers were added to products by low-end traders in Nairobi's Eastleigh neighbourhood. Eastleigh is a hub for Somali traders in the region and characterised by trade that to a large extent bypasses state regulation (Carrier 2016: 10). By adding the KEBS stickers, traders added an element of quality assurance to their often low-quality and counterfeit products, gaining an opportunity to demand a higher price. The same process is at play when smuggled sugar is repackaged into bags from Kenyan millers, when it is attributed with local quality control and value.

However, for KEBS officers sugar is not a key priority, as the majority of the smuggled sugar is not repackaged and branded as Kenyan but sold in bulk in northern Kenya and distributed in this part of the country. Or at least that is how it used to be. By 2014 the bureau had noted an increase in the repackaging of sugar in Nairobi, which it interpreted in the context of the decrease in domestic production combined with a growing national demand for sugar.

According to the ACA investigator in Nairobi, the arrestees from the warehouse in the November 2014 haul can expect a costly fine for repackaging and for breaking copyright laws. However, they are less likely to be charged with smuggling, because KRA cannot prove that the sugar has entered the country illegally, though tests on the goods show similarities with the processed Brazilian sugar that typically enters and transits through Kismayu port in Somalia. As such, the haul only disrupts the business at the farthest end of the supply chain. The ACA investigator hinted at an explanation for the limited impact of his unit's operations when we talked about the dangers of his job: 'if you get a container that belongs to a politician…' He stopped mid-sentence, took a deep breath, and made a quick slicing motion from left to right in front of his throat with his stretched out thumb. The stakes are high in the illegal sugar business, whether one is a driver, a police officer, a businessman, a politician, or even a government official working for the ACA.

The sugar haul in Nairobi reveals the complexity of interdepartmental collaboration in the governance of illegal and counterfeit goods and commodities. Furthermore, it illustrates how industrial policies and practices, both formal and informal, as well as regional trade agreements do not only shape the incentives for cross-border trade; these processes also connect the border zones to the centre in intricate ways through the flow of goods, thereby making border work and the protection of national interests and sovereignty a concrete issue at the centre, in Nairobi (see Chalfin 2001; Roitman 2005; Scheele 2012).

PUBLIC SECRETS: BORDERS, CAMPS, AND GOVERNMENT CORRUPTION

Following post-electoral violence in Kenya in 2008, international and opposition pressure for a new constitution materialised in 2010 following a national referendum (Constitution of Kenya 2010). The key provision of the new constitution was increased decentralisation of government powers, labelled the biggest political transformation since Kenyan independence (Cheeseman et al. 2016: 1). However, there have already been debates and concerns about the role of county governments in relation to security (especially in the northern regions) while the devolved government structure is also criticised for creating incentives for corruption and ethnic divisions (Mkutu et al. 2014; Cheeseman et al. 2016). These concerns are particularly relevant in Garissa, Wajir and Manderra counties that border Somalia and are among the poorest nationwide. The budget transfers these counties received after devolution are huge compared to before. This leads to concerns that increased revenue allocation to the northern regions might enhance local conflict patterns over power and over access to and control of county budgets (Menkhaus 2015: 31). According to my informants the involvement of local government in the sugar business has increased in the period following the 2013 elections and the implementation of the constitutional reform.[17]

Like the former Nairobi governor Evans Kidero, the Garissa governor Nathif Jama Adam, and the Garissa-born majority speaker of parliament Aden Duale are rumoured to be implicated in the sugar trade (Rawlence 2016: 236). These rumours reach all the way to Nairobi where they can be voiced more freely than in the north. The power of the people implicated by the rumours is more distant in Nairobi, whereas in the northern parts of Kenya the secrecy associated with the rumours points to the importance and power of those involved. The Dadaab refugee camp close to Garissa in northern Kenya is one of the major hubs for the sugar trade. The more than 20 years-old refugee camp is among the worlds' largest and it offers a convenient market with hundred of thousands of clients. Dadaab refugee camp thus has become a place of transit for a large variety of people and transported goods. The camp is, in some respects, considered its own isolated entity and in others it is intimately connected to the regional life and trade, which also affects and implicates the governance of the county.

While based in Dadaab refugee camp in December 2014, a research assistant reported how camp dwellers were not only unwilling to talk about the sugar trade, they advised my assistant not to ask questions and to look the other way when trucks were offloaded. While she was there a police officer was killed in what was publically portrayed as another Al-Shabaab terror attack, given that it happened shortly after the Al-Shabaab-led massacres in Mandera in November 2014. The fact that Al-Shabaab has tried to recruit members from among the refugees in the camp has been referred to widely by the Kenyan government in its recurrent threats to close the camp and repatriate the several hundred thousand Somali refugees (Menkhaus 2015: 29; Lind et al.2017: 14). However, the 'truth' that circulated in the camp placed the officer at the heart of the sugar trade and that he had allegedly acted against the advice of his sugar patron, an influential local politician. Despite camp dwellers' reluctance to be interviewed about the sugar trade, rumours travel in the camp and everybody knows about the sugar networks, but most refugees demonstrate the social skill of 'knowing what not to know' (Taussig 1999: 3). While the violence and corruption involved in the trade make people afraid of talking, they rely on the trade to get sugar, as it is not part of the UN food rations distributed in the camp. Refugees in the camp also take on the odd job as loaders. Because the camp is never short of labour, the earnings from loading the sugar on and off the trucks do not reflect the fluctuating prices of the sugar (Rawlence 2016: 237). Dadaab refugee camp is an 'economic engine' for the northern parts of Garissa county. After Garissa town and Eastleigh, Dadaab is the third-largest hub for Somali trading networks in Kenya (Menkhaus 2015: 29). Furthermore, the political and business communities in Garissa county are dominated by people with close ties to the Jubaland administration in southern Somalia (ibid: 111).

In an interview the economic adviser to the Governor of Garissa admitted the challenges Kenya faces in terms of border control and how that has influenced the work of the new governor and his team.[18] He felt no need to hide that the formally closed border in reality didn't appear that closed. He described how changing conflict patterns in Somalia and periods of drought affect the flow of people back and forth across the border. Though the governor and his administration cooperate closely with the UN and other international actors operating in the camp, Dadaab presents a zone of exception, as local authorities do not have the same formal regulatory responsibilities as in the rest of the county. The advisor argued that mobility patterns increase the demand for supplies from alternative channels (like the cross-border trade), particularly when supplies from Kenya and international aid agencies are insufficient and in periods when local farmers can't deliver enough for the camp. His point was not to endorse the illegal cross-border trade but, rather, to highlight that this problem goes beyond corruption in the border police or the KRA. Even if formal border crossings were completely impermeable, there are so many undesignated 'rat routes' that are extremely difficult to control.

As argued before, this is not a new phenomenon. Cross-border trade has taken place for years and it is part of the close ties between people on both sides of the Kenya–Somalia border. A former KRA manager in the northern regions addressed this problem already back in 2010, while also pointing to a problem between the reality faced on the ground in the borderlands and the perceptions of border control held at the political centre:

> 'The problem is that people in Nairobi think of the border as a fence. It is not. The nature of topography in this region makes it possible for criminals to drive through the bush and avoid the border point.'[19]

Since then, the proposal for a border barrier has become real rather than a figment of the public understanding of the topography of the region. In 2015 Kenya started the construction of an almost 700 km long wall (fences, ditches, and observation posts) along the border to keep out Al-Shabaab and control people's movement.

However, the underlying idea of the wall reiterates a perception of the problem as solely coming from outside and thereby being possible to fence off. This is certainly not the case.

The county commissioners and administrators I interviewed spoke relatively freely about the existence of sugar smuggling. Smuggling appears to be a public secret (Taussig 1999), and some of the commissioners even implied its connections to local politicians and business people. However, the commissioners are not interested in or willing to reveal the identity of particular politicians involved in the sugar trade. They only speak in generalised terms and only of those already implicated by public rumours. The power of these politicians is implied in the stories surrounding the police officer killed in Dadaab in December 2014 but also in the subtle ways in which politicians' involvement in the illegal sugar trade is denied or simply not mentioned.

Nevertheless, one former district commissioner who had served under the former provincial government structure did give us a particularly vivid account of his service in the county.[20] It was his first assignment and he was displeased with the remote placement, but from colleagues he soon learned that the northern territories are considered a very attractive albeit risky destination. It was described to him as a place from where 'if you survive, you can return wealthy'. A month into his placement he was approached by a local businessman who paid a courtesy visit to introduce himself to the newly appointed commissioner. The businessman was straightforward and told the commissioner about the cross-border trade he was involved in. He told the commissioner that he expected him to do what his predecessors had done, to cooperate. If he was unwilling to cooperate, the businessman pointed out that the commissioner had three options; either to seek transfer of placement by himself, to have the businessman take care of his transfer or to never to return to his family. Such blunt intimidation testifies to the power and connectedness of the people involved in the smuggling. It also demonstrates the systematic coercion involved in making outside state officials comply with the operations. The former commissioner claimed not to have taken any bribes… but he managed to serve until the end of his term.

Another former commissioner who served in Wajir recounted to me that everybody within the administration knew about the smuggling and that many actually tried to do something about it. He defended the KRA and the police at the border posts who are often accused of corruption and argued that there is a community aspect to the problem. While on the one hand the public servants are appointed by the state and hence serve the state, on the other hand, they also serve the local community where they are placed. They have to stay on good terms with the locals to build good working relations. In his account, corruption is only part of the explanation; local demands for goods and jobs related to the trade is another, and so too are the close relations, which often take the form of clan ties, across the border. Similar relationships between local communities and state officials as well as local communities' relations to smuggling networks and traders have been described in the border areas of Congo–Uganda and between the Sudans. Researchers argue that such community involvement must be understood as a mix of incentives comprising: loyalties to social networks, business strategies, survival economies, and alternative regulation, rather than as mere smuggling cooperation (Raeymaekers 2009; Titeca 2012; Omer et al. 2016). In this light, the former commissioner's account broadens the meaning of coercion and co-operation, as the pressure on government representatives is not limited to violence and threats to their lives. Instead relations between civil servants and communities manifest themselves in a variety of ways and they are equally fragile and unstable. If we add the influence of Al-Shabaab and the KDF to the mix, these counties are clearly not easy places in which to uphold and implement the central government's laws and policies.

With devolution, local government has become more powerful and more is at stake for locally elected officials due to their increased budget responsibilities and decision-making powers. Concomitantly, local government has become more vulnerable to pressures from local stakeholders like strong businessmen, militias and other state actors. The porous border, the circumvention of border patrols, and the implication of government officials ranging from KDF to KRA means that much of the sugar is not declared to Kenyan customs officials, making Garissa county one of the largest illicit markets in the country. The flow of goods across the border and further into Kenya formally falls under the responsibility of KRA and the national government. Yet the county government is responsible for local revenue collection and enforcement at local markets and car parks, and they also issue licenses for traders. In that sense the warehouses in the region fall under county administration. The latter thus plays an important role in the possibilities for the redistribution of smuggled goods.

Anthropologist Jane Guyer (2004: 129) has pointed out how institutions in conflict areas often present themselves as inconsistent, fragmented, and not necessarily legible to local people. As a consequence, she argues, local people – whether businessmen, security actors, or truck drivers – act accordingly. The Kenyan state was always regarded with suspicion due to its historical oppression and marginalisation of the northern territories and the Somali community. Despite increased local autonomy through devolved government, central government has simultaneously made its presence more visible by treating the border regions as a zone of illegality and as posing a security problem. Yet, rather than projecting stability, the Kenyan authorities represented by KDF, KRA, the police and local government, signals inconsistency in terms of its engagements and operating norms. This affects its relation with local communities, which seem to act accordingly by navigating around the presence of the central state and local state-like actors. While it is clear that authority is distributed between a variety of state and non-state actors, regulatory power appears not only to be widely distributed, but in many instances to have slipped out of the hands of the Kenyan state. The accumulation of profit is closely associated with political influence, and provides a means for negotiating the norms of government regulation and control as political influence is far from constrained to formal political behaviour or to bureaucratic regulations (see Roitman 2005; Olivier de Sardan 2008; Meagher 2014).

Having presented the multiplicity of actors between Nairobi and Kismayu, as well as their complex relations and the role of secrecy and power in profit and in normative practices, in the final section I turn to the people traversing the routes that make up the corridor, namely truck drivers.

'THE GOODS DECIDE': RISK, PROFIT AND LOSS AMONG TRUCK DRIVERS

In the fall of 2013, truck driver Bashiir became stranded between Wajir and Mandera, close to the Kenya–Somalia border with a 22-ton load of smuggled Brazilian sugar. He had picked up the load on the Somali side of the border between Dhobley and Liboi. To the south, the road was closed due to heavy rains, and to the north Al-Shabaab had set up roadblocks. What Bashiir perceived as a threatening and risky situation, his boss in Nairobi who owned the sugar was quick to realise was a potentially hugely profitable situation. Being the only person able to deliver sugar in an area where no goods could either enter or leave, the businessman in Nairobi made a few phone calls and pulled some strings in his network to have local people distribute Bashiir's load in the immediate area where he was stranded. After a few days of waiting, the sugar was sold for three times the normal price, and Bashiir got a bonus for his efforts.

This is one of the extraordinary stories of the life of a truck driver in the northern regions. Most of the time, truck drivers are taking great risks without earning any additional credit for it. Drivers describe their job as one of managing risks, similar to the risk management of herders and pastoralists in the region described by Little et al. (2001). Competition is tough. There is always somebody ready to step in and take one's place, which means that drivers have little choice concerning the load they carry. Most truck drivers from Nairobi carry mattresses, construction materials, potatoes, clothes and veterinary medicines to the north, and mainly the potatoes and veterinary medicines cross the border into Somalia. Often trucks are offloaded in northern Kenya and then reloaded at a different location before driving further north in Kenya or back to Nairobi. Drivers try to avoid driving empty lorries because that is at their own expense, therefore it is the 'goods that decide' as the driver Duad phrased it.[21] It is also the goods and the profit a particular item can make that decide the price of a driver. Sugar is among the more lucrative goods to carry. Both Duad and Bashiir regularly transport sugar, and both prefer not to cross the border as the risks and the prices increase when they drive their trucks into Somalia. Bashiir was once pressured into carrying refugees across the border. Partly to release them from the drought they were fleeing and partly to make some money as opposed to driving empty. Most of the time it is a question of what goods need to be transported, and who in their network can hook them up with a load. Trade networks are based on trust. Businessmen trade with people they know and trust, and this also applies to their use of drivers (Little 2003: 10-13).[22] While some drivers have established relations with particular businessmen and can take a moral stand on not carrying guns without losing income, others feel more uncertain in their relations and claim that not knowing exactly what you carry and not asking questions help maintain the trust relations.

The difficulty of balancing trust, profit and risk is further complicated by the competition between drivers. It is best exemplified by the fact that salaries for drivers do not increase in periods of heightened security concerns like the Al-Shabaab led attacks on Kenyan school teachers in Mandera in November 2014, or the Garissa University College attack in April 2015. As one driver put it 'the only thing that increases is our risk'. But they are still willing to take the risks, as they have families to support. Most drivers are from the northern regions, which is an advantage in terms of knowing the geography and seasonal changes as well as being positioned within social and genealogical trust networks. However, it is also an indication of the inequality between Kenya's northern regions and Nairobi. The drivers try to foresee and manage risks and costs as much as possible. For example, many drivers would drive day and night to save time and not stay idle overnight in a hotel with a fully loaded truck. Yet, following the above-mentioned attacks, security at night decreased and drivers prefer having daytime visibility on the road. In the hot months driving during the day puts additional pressure on the tyres of overloaded trucks, causing frequent punctures, which means delays and exposure to attacks or random taxation from *shifta*, a vernacular term for bandits and rebels.[23] Sometimes drivers pool their resources and pay local police officers to escort a convoy of trucks in the northern territories. Most drivers also carry a 'spanner boy' who can assist them with small repairs, maybe drive a bit in remote areas, but generally the spanner boys are employed to be alert to dangers and provide a bit of security. For most drivers being a spanner boy has also been their way into the business – a kind of apprenticeship.

Bashiir prefers to drive only in Kenya, but occasionally he carries loads from Somalia to Kenya. On his journeys to Somalia he picks up the load close to the border in order to minimise the distance he has to drive on the Somali side. But as importantly, close to the border, the main levies for passing through KDF and Al-Shabaab roadblocks have usually been sorted. On his journeys he factors in bribes to cross the border, bribes to police roadblocks, potential bribes to the Kenya Revenue Authority (KRA), bribes to weight control, and sometimes even fees for a police escort when driving in convoy at night in risk-prone areas. For most drivers in Kenya profits are minimal. On leaving Nairobi for the north, many drivers carry tanks of extra fuel because petrol prices are lower in the capital. Though petrol might be cheaper in Nairobi it is costly to sit around and wait for a new load. Parking fees for the vehicle and hotel costs are expensive, explaining why most drivers leave Nairobi with an empty truck after five days, and most prefer to leave already after three days. Drivers don't know their next load or their next destination until they have arrived, because it is, as Bashir said 'the goods that decide': once a shipment is in, it needs to be distributed right away in order for the investments to be released as soon as possible. This fuels a certain pace and impatience in the trading business and it requires a huge network because drivers need to inform their entire network about when and where they are available.

In addition, most businessmen exert pressure on their drivers to transport overweight loads, hence making them vulnerable to road controls. Duad for example was caught three times at the weighbridges. If the KRA officers follow the rules, they can lock up the truck while formal fines and paperwork are being sorted, which can take days and cause delays. The weighbridges pose the additional risk of the entire load being confiscated. Alternatively, they can allow the driver passage on payment of a fine, official or unofficial. Most drivers prefer to pass the weighbridges with a bribe, meaning that they try to reach the weighbridges on weekends, in the evening, or in the early morning, when there are fewer random checks and when negotiations seem to run more smoothly.

Duad was once fined US $4000 for carrying three tons excess. The amount was divided between the owner of the load, the driver and the owner of the truck. Far from all drivers own their own vehicles. For Duad it took more than ten trips to the border to pay off the fine. The first time he was caught, the KRA officers blocked his truck with a wheel clamp and held it and the load in quarantine for more than a month. Negotiations quickly move beyond the drivers when a driver is caught by the authorities, whether it is at the weighbridges closer to Nairobi or at police roadblocks or border posts in the north. Negotiations are a task for the businessmen and their fixers. Money naturally plays a central role in having a load released, but as the businessman Mohamed puts it 'it is not a question of what I can do, it is a question of who I know'.[24] Mohamed has earned his way into the trading business after being strategically stationed at weighbridges and other customs posts near Nairobi to learn the negotiation skills and to use his charm to build a network with drivers, businessmen and government officials.

Managing relations with government officials and trying to balance the uncertainty of expenditures means that Bashiir's success story of tripling the price of his load is the exception rather than the rule. The driver Hussein's account of being held hostage by *shifta* for three days during which he had to sit and watch them empty the load using donkey carts, is a more likely scenario for most drivers. In this case, Hussein was not held accountable for the loss, primarily due to his long-term trust relation with the businessman in charge of the consortium of traders that owned the load. Other drivers are less lucky and end up becoming indebted in cases of lost loads.[25]

From truck drivers' viewpoint, sugar trade and the transporting of smuggled goods are complex exercises in balancing and managing risks, expenses, and the possibility for marginal gains, while maintaining relations with businessmen and local authorities in order to sustain their livelihoods. Rather than reflecting immorality, their actions reflect a different reasoning than the logics of state regulation, standardisation, or political policies (Roitman 2005). Drivers navigate through a landscape composed of a range of agents of regulatory authority as they are manifested on the ground, and the norms of these drivers become situated between these authorities' shifting norms of practice (Olivier de Sardan 2008). From the drivers' perspective, their actions are not necessarily immoral. They might be illegal according to the law, but state authorities are complicit, cross-border trade fills a gap in local and national demand, and it puts food on the table, all of which blur the boundary between the licit and the illicit (Abraham & van Schendel 2005). Furthermore, truck drivers use the services of the police for protection, while in other situations they pay off the police to pass through their roadblocks. This points to a pragmatic relation with the police insofar as the legitimacy of the government's security provision and the rule of law are not questioned (Roitman 2005: 189). In many ways, truck drivers reveal how the constant negotiation of passage and the endless calculation of costs are part of a performative practice of aspirations that is closely connected to notions of truthfulness and loyalty to the business networks, while still being framed with reference to the existing state regulation (Scheele 2012: 7–12).

CONCLUSION

Inspired by what Hagmann and Stepputat (2016) have called the 'corridor approach' this paper has pursued the empirical ambition of describing different governing processes and a variety of regulatory agents at central hubs along the corridor from Kismayu to Nairobi. In doing so, the paper provides insights into the operations, logics, and networks of selected actors involved in the sugar trade, ranging from the drivers to local civil servants, politicians, militias and security operators. The paper demonstrates how a plurality of actors and the moral diversity of their involvement result in an uneven distribution of authority, which in turn produces its own gaps and margins in terms of security, governance, and product distribution.

The paper also illustrates how the sugar trade is heavily invested with political interests on both sides of the Kenya–Somalia border. The political engagement not only connects the sugar trade to central avenues of power, it also invests it with secrecy, power and controversy. A central factor behind the flourishing and growing cross-border sugar trade is the extent to which national sugar production has been mismanaged for years, while policies to protect domestic production in the Kenyan market have made it uncompetitive in the regional and global markets. Despite Kenyan initiatives to regulate quality standards and protect copyrights, cheap sugar from neighbouring and faraway countries have exposed the enormous price gaps between local and imported products, hence creating incentives for further export and wider distribution in Kenya. Furthermore, for decades the Kenyan state has neglected and systematically marginalised the northern regions of the country, which has deepened geographical gaps in terms of access to goods and markets. This, in turn, has laid the foundation for the trade and the cross-border networks in which it is embedded.

Already from the early stages of the sugar trade from Somalia to Kenya in the mid-1990s, trading networks were woven into the conflict economy in Somalia, political dynamics in what is today Jubaland and to some extent also in northern Kenya. However, once militant actors like Al-Shabaab gained more control of the trade it became a threat to stability in southern Somalia. Instability increased with the involvement of the Kenyan military in the fight against Al-Shabaab and even more still when the KDF claimed their share of the sugar trade. The KDF involvement in the trade alongside increased political interests has put further pressure on local border officials, who were already accused of running corruption networks and undermining government revenue. KDF's implicit support or acceptance of Al-Shabaab's huge profits from the trade undercuts the moral fabric of the Kenyan state. It also goes directly against the official security interests of the Kenyan state and produces incentives for local politicians to keep the conflict going (see Titeca & de Herdt 2011; Meagher 2012). This testifies to a dynamic where the state becomes set against itself, where we see how the production of illicitness and illegal trade informs the dynamics of state formation in both Somalia and Kenya, despite the inherent contradictions.

Analytically, the paper has treated the borderlands as 'half-worlds' or areas with a liminal character (Scheele 2012; Bøås 2014; Meagher 2014). The paper has shown how politicians, truck drivers, refugees, and local business communities have strong loyalties across the border, whereas their relations to the central state often seem to be of a different character. These relations are partly rooted in historical experiences of exclusion, oppression, and neglect, which is why sense of belonging and notions of political legitimacy at the local level often seem to be disconnected from those of the central state (Raeymaekers 2012; Hoehne & Feyissa 2013). At the same time, it is also the liminal character of the border regions that allows for negotiations and contestations of how and what the state should be like.

In her work on cross-border trade and smuggling in the Chad basin, Janet Roitman (2005) proposes the term 'figures of regulatory authority', which includes both state and non-state actors. Roitman focuses on networks and their exercise of regulatory authority as much as on objects of regulation. In the case of the cross-border sugar trade between Kenya and Somalia, our analysis must thus include the roles of the border police, Al-Shabaab, county commissioners and politicians, local businessmen, truck drivers, the KRA and other entities of the central state. As in the Chad basin, the regulatory role of the Kenyan state is just one among many figures of regulation. This does not mean that (Kenyan) state power is necessarily undermined or diminished. Rather trade and smuggling networks can become part of the state logic itself as they contribute to the consolidation of state power.

As argued, the cross-border smuggling exists only in relation to the regulatory practices of the state (Roitman 2005; Titeca 2012). While actors in the border areas in many ways operate according to localised logics and geographically, socially, and historically informed loyalties, their relation to the central Kenyan state is nevertheless multiple and dynamic (e.g. the devolution of government has introduced the state with a different legitimacy by providing security and facilitating political participation). We have seen how KDF are involved in irregular practices, how local civil servants cooperate of their own free will or by coercion, and how truck drivers develop their own perceptions of what is moral or immoral, perceptions that differ from what the law stipulates.

Through the case of sugar smuggling across the Somali–Kenyan border, the paper has given insights into how state-centred efforts at market regulation produce their own margins and gaps. The paper has challenged state-centric, singular and unified notions of governance by displaying the plurality of actors. In addition, it has revealed state actors' diverse moral and practical engagements, ranging from formal to downright corrupt and illegal practices. In doing so, it has highlighted the intimate connection between illicit trade networks and state formation dynamics.

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ENDNOTES

[1] *The Reporter* (2017). "Ethiopia's Sugar Export to Kenya Stranded at Border". Addis Ababa, September 23.
[2] The Brazilian government has provided incentives for the production of sugar cane ethanol – a relatively cheap biofuel – which reduces pollution from gasoline dramatically. Ethanol is produced on the basis of the sugar cane waste resulting from sugar production and adds to the potential profit of the sugar production as waste materials can be resold. This further strengthens Brazilian sugar's competitive position on the global market and Brazil's position in the market has only increased in the last decades.
[3] Wholesale price of 50 Kg of sugar 2017: Ksh 5350, 2016: Ksh 4430, 2014: Ksh 3600, 2010: Ksh 3870 (Kenya Sugar Board 2014a; USDA 2012). Retail price of 1 kg of sugar 2017: Ksh 170, 2014: Ksh 133, 2013: Ksh 121, 2012: Ksh 110, (Kenya Sugar Board 2014b).
[4] *Daily Nation* (2017) "Kenya army accused of not enforcing Somalia charcoal ban" Nairobi, November 13.
[5] Journalists for Justice is a non-partisan project under the International Commission of Jurists, working to combat impunity and to advocate justice. The JFJ report on sugar and charcoal smuggling into Kenya was conducted by anonymous researchers who partly worked undercover and relied on anonymous insider sources. This raises both ethical questions and questions of validity of the observations made. The publication and findings of the JFJ report have been controversial in Kenya. They fuelled wide public debate and resulted in an internal military investigation by the KDF. The findings of JFJ are corroborated by investigative reports by the UN monitoring group for Eritrea and Somalia (Monitoring Group 2016).
[6] *The Star* (2017). "Soldiers don't smuggle charcoal in Somalia - KDF". November 21. Joseph Ndunda.
[7] These figures must be treated with caution (like most figures on the Somali economy) because of the fragmentation of authorities and because of the lack of formalised institutions undertaking registration, which means that figures can be indicative of certain trends rather than objective and exact portrayals.
[8] Research assistant's observations, December 2014. Interview with economic advisor to Garissa Governor, January 2015.
[9] *The East African* (2013). "Government gives $5.6m loan to Mumias". December 14, Ramenya Gibendi.
[10] *The Star* (2017). "State injects Sh 500 million to rev up cash-strapped Mumias Sugar". August 1, Brian Kisanji.
[11] *Standard* (2015). "Report puts Mumias mess on Evans Kidero's doorstep". February 21, Standard Team.
[12] There are local price differences in Kenya where the northern regions traditionally have had less access to goods resulting in higher prices compared to Nairobi. Access of goods also depends on the weather, where prices go up in rainy seasons as the dirt roads of the region become less passable (JFJ 2015). Similarly in Somalia, in Mogadishu and Kismayu, where products are more widely accessible, prices are lower than in more remote areas, while local and historical conflict patterns also affect distribution and price levels (Ahmad 2015: 111).
[13] Since then, the ACA and the KRA have confiscated several larger consignments of sugar. *The Standard* (2016) "KRA impounds 16 containers of contraband sugar" February 25th. *The Standard,* (2015) "Sh 4 m contraband sugar impounded in cement processing warehouse in Nairobi", November 28th. *The Standard,* (2015) "How 1,497 trucks of Mumias sugar disappeared in transit", February 10th. *Daily Nation* (2014), "Board cracks down on dumping to curtail illegal import of sugar", February 27.
[14] Interview with anti-counterfeit officer, Nairobi, November 2014.
[15] Interview with KEBS officers, Nairobi, November 2014.
[16] *Nation (Daily Nation),* 2016. "KRA seizes Sh 150 m contraband goods at Mombasa port", December 15, Gitonga Marete.
[17] Interviews with former government officials of the northern regions of Kenya, Nairobi, November and December 2014, August 2015.
[18] Interview with the economic adviser to the Governor of Garissa, Nairobi, December 2014.
[19] *Nation* (2010). "Sugar and arms barons rule Somali border". May 29, Sammy Cheboi.
[20] Interview with former district commissioner, December 2014, Nairobi.
[21] Interview, October 2014, Nairobi.
[22] Similar issues of balancing trust and risk are at stake for cross-border livestock traders in the region.

See the work of Hussein Mahmoud (2008).

[23] The term *shifta* is used by Somalis to describe bandits and rebels. Truck drivers distinguish between *shifta* and Al-Shabaab who they described as a militia, even if both operate roadblocks in Northern Kenya and Southern Somalia. The Kenyan Government labelled the fight against the Somali uprising in the mid 1960's 'the Shifta war', which by many Kenyan Somalis is still perceived as a derogatory description of a legitimate struggle for secession (Whittaker 2014). Furthermore, this use of the term essentialised the entire Somali population as bandits and rebels, which according to analysts of Somali–Kenyan relations is being repeated in the current war on terror, where Somalis as a group are profiled as terrorists (Lochery 2012; Burbidge 2015).

[24] Interview, October 2014, Nairobi.

[25] Interview with driver, October 2014, Nairobi.