Somali Diaspora Contribution to Somali's Development: An Example of Somali Remittance

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Abstract: Somalia’s population is commonly estimated at 14.4 million, of who more than three million are thought to live abroad. This estimate implies that some 14% of Somalia’s population is now living outside the country as a Diaspora community, a proportion so large as to justify describing Somalia as “a truly globalised nation”. This huge number of Somali Diaspora makes a major contribution to the Somali economy and livelihoods through remittances, humanitarian assistance and participation in recovery and reconstruction efforts. Without this support, the economy of the country would have collapsed long ago. Nevertheless, the scale of assistance from the Somali Diaspora and the manner in which their support is delivered on the ground is little understood by the international development community. This study seeks to highlight where and how the Diaspora’s efforts are currently focused and to maximize the valuable contribution that the Diaspora can make to humanitarian, recovery and development efforts.

Keywords: Diaspora, Development, Remittance, Economic, investment.

1. Introduction

The studies on Diasporas’ contribution to development, particularly in Africa, have become a highly debated topic in recent years. For example the remittance that The Africans working abroad sent for the period 2000-2003 were estimated US$17 billion while Foreign Direct Investment were US$15 billion per annum in the same period (United Nations 2006). The World Bank’s report for 2011 shows that during 2011 the remittance follows to developing countries were estimated to USD 372 billion with an increase of 12.1% over 2010 (Dilip 2012). Same like any other remittance benefiting region, Sub-Saharan African (SSA) countries enjoy huge remittances and the remittances that reached to these countries in last year were estimated up to USD 22 billion and according to the World Bank this amount will increase and will reach nearly USD 27 billion in 2014 (Dilip 2012). Although remittances flows to SSA is enormous, however the amount that these countries receive is a relatively low-level compared to Latin America or Asia but in general Somalia is the world’s largest per-capita recipient of remittances (Hammond 2011). In the case of Somali the region's hard currency previously came from livestock export but the things changed during 1990’s and today about 60% of the regions hard currencies are the financial remittances from the Diaspora. According to Lindley (2006) the high dependency on remittances among the people of this region is the prolonged crises and the unstable condition in the country and she identified five factors that negatively affected the income and the social life of the people of this region and because of these crises which are detailed below are the main reason that Somali Diasporas began to remit not only to their family members but also the overall collective goods such building schools, health centres and among others.

The first factor is the two conflicts which took place in this region. The first conflict occurred 1988-91 in which the rebel group called SNM (Somali National Movement) wanted to topple the strong dictator Siad Barre after many years of harassment and killings of the opponents of the regime during 1982-88 (King 2003). During that time approximately 60,000 of the population were killed and nearly half a million of them fled to Ethiopia after heavy bombardment of the major towns in which nearly all the buildings and the infrastructure were destroyed. (Ahmed 2000). The second conflict took place during 1994-97.

The second factor is the lack of proper statehood of Somalia. As previously mentioned, world recognized Somalia failure state. Since the collapse of Somali central governmnet in 1991, This situation prevented that Somali's to enjoy privileges of security and impaired the regions development and economy. The third factor is the unstable exchange rate of Somali shillings which lose its values in many different times. Lindley (2006) explained that Somalia shillings fell sharply different times.

The fourth factor is the livestock trade ban imposed by the major importers of Somali livestock such as Saudi-Arabia and United Arab Emirates (UAE). These Gulf States banned the livestock from Somalia two different periods of the past 16 years. The first import ban took place in 1998 and lasted until 1999. Although Somalia exported livestock to Yemen during this ban from other Arab States, however the price of the livestock fell dramatically and the income of the pastoral. The second ban started in September 2000. This time all the Somali’s livestock importers including Yemen banned the livestock from the region and the ban was not lifted until 2009. This factor is the most important reason of Somalia’s dependency on Diasporas’ remittances.

The last factor that caused remittances dependency is the crises that people meet in everyday lives. Lindley (2006) argues that many crises such as illness, family break up, death, sudden livelihood collapse and displacement either caused by conflicts or natural disasters are the things that caused the remittances flows from the Diasporas (Lindley 2006). The personal crises is not something that happens to a particular community but is closely linked to the wider economic and political contexts of the region as a whole (King 2003). These factors are the most important cases that triggered the remittances from the Diasporas.
Social remittance
Interestingly, the social remittances from the Somali diaspora are widely involve and bring up the everything gained from abroad including knowledge, innovative ideas, valuable transnational networks, sound political contributions, policy reforms, valuable democratic habits and attitudes, appropriate peace-making ideas and practices, new technological skills, norms of behavior, work ethics, social values and cultural influence (Nunes 2006). Other scholars in the field of social anthropology like Peggy Levitt defined the social remittances notion as ideas, know-how, practices, and skills — that shape the migrants’ meetings with and integration into their host countries (Levitt 2001).

Some others describe the potential for social remittance impact to scale up and scale out: not only do social remittances affect local-level organizational culture and practice; they can also influence regional and national changes. Social remittances which affect politics can also ‘scale out’ to influence other domains of practice such as religion and economics. Moreover, individual and collective social remittances also strongly influence the way organized groups relate to state structures and foment ‘state society synergies’ (Evans 1996).

The migrants send back social remittances that promote development in their countries of origin. Levitt, in her 2001 book “The Transnational Villagers” she described that migrants send home more than money and brought the social remittances term into the migrants and development debates. In her research she observed at least four types of social remittances such as: norms, practices, identities and social capital. According to Levitt (2001), All these types of social remittances circulate between the migrants host countries and their home of origin (Levitt 2001, Levitt 2007, Levitt and Lamba-Nieves 2010.). Levitt (2001) described the norms as normative structures and contain the ideas, values and beliefs. They include the norms and notions such as family responsibility, community participation, and principles of showing quality of befitting of neighbors, strong desire for social mobility. The normative structures also encompass ideas about gender, class identity etc. (Levitt 2007).

Practices are the actions created by normative structures. These include how individuals in Diasporas commit household tasks, and how much they are participating the organizations and civic groups in home countries in terms of leadership roles and recruiting and socializing with members of the communities back home (Levitt 2001). Socially, in Somali diaspora mean more than what the developed world contributes to sustain the livelihood in the local communities, but the remittance received from the diaspora drives also many other development sectors such the education, gender equality, political participation, cultural and other social norms orientations and present the norm of the “Social remittances are produced and consumed in a highly developed, fairly stable transnational social field” (Peggy Levitt and Lamba-Nieves. 2010).

Social capital contains the social networks and associated patterns which have effects on the productivity of the community. It is the network of social connections between Diasporas and their communities back home. Social capital contains the shared values and norms of behavior that encourage the advantageous social cooperation (Gakunzi 2006). Eliza Markley is another scholar who explained the importance of social capital to the migrants’ home of origin. She only not discussed about social remittances but also identified social capital. According Markley (2011) the contemporary migrants don’t cut off the relationship to their home countries but they have sustainable multiple linkage. She identifies that social remittances have impacts on home of origin (Markley 2011).

Political remittance
The political remittances term and its importance for Diasporas home of origin has been discussed in literature about migration and remittances. Although debates about the term take place however the understanding about the term has yet to be examined. The theory of political remittances points out the transnational politics or cross border politics which identifies the Diasporas political participation of their country of origin as well the political participation of the host countries (Bauböck 2003).

As this study examines the Diasporas contribution to Somalia, this part of the literature review concentrates the Diasporas political activities towards the home of origin rather than their transnational political engagement to host countries. Vertovec (2005) discussed in his article The Political Importance of Diasporas that the Diasporas political participation of their home countries started about 100 years ago with the migration from Europe. He describes that many Diasporas communities from different parts of the world are very active in the politics of their countries of origin (Vertovec 2005).

He argues that one of the most important role that diaspora play in their home countries are the lobby job they do in the hosts countries to enhance the opportunity that their countries benefit the economic and political gain that lobbying in the developed countries they live may offer. He claims that new technology including cheap phone calls, internet communication and even cheap air tickets which make that the diaspora can travel easily to their country of origin hugely contribute the political mobilization of diaspora in their home country. These communications also hinder the mostly debated brain drain term. The mobility of the diaspora regarding their political participation of their countries of origin also contributes minimizing the brain waste and brain desertification. ‘Brain waste means when highly skilled diaspora members take simple jobs without using their skills in their host countries and brain desertification is when high skilled people from the diaspora have no any contacts to their countries of origin’ (Goldring 2003).

Diasporas political engagement showed to be not always positive for migrants exporting countries. In contrary to the idea that Diasporas contribute the politics of their countries of origin in positive direction, there are other claims that political engagement has also negative impacts on the country of origin. The authors that have this idea take example that history has shown that many leaders of severe conflicts and wars were members of the Diaspora.
According to several literatures about Diasporas political contribution to the home of origin explain that diaspora-associations may lobby in their host countries a policy that is good for their home of origin or to challenge the government of country of origin.

They influence the policy of their countries of origin to support the government or the opposition groups. Given the fact that diaspora in one hand are not homogenous in terms of their ideas, and on the other hand coming from different regions of one country, different ethnicity, religion etc. their political engagement favors different political groups. Their engagement of homeland politics applies always both sides of the politics. They either lobby a government there or engage politics against it. One of the major common of political engagement of their home country is demonstrations they made in their host countries either to support or to be a political issue of their countries of origin. According to ample of literature about the notion of Diasporas’ engagements of politics through supporting of group or against a group, there political engagements are not always welcomed by the migrants exporting countries.

This part of the literature review concentrated the global Diasporas political engagement in general, the so called political remittance but as this study is a case study about Somalia, the literature concerning the Diasporas contribution in Somali politics is taken to the later literature review in the context of Somalia which emphasizes the literature about Diasporas contribution to Somalia and the review combines all the different types of remittances such as economic, social and political remittances.

**Economic remittance**

The majority of the available remittances literature focus on the economic remittance rather than other previously identified non-monetary remittances. The social and political impacts on the area of origin are less emphasized. One of the reasons that scholars concentrate on economical remittance is the fact that non-monetary remittance proves to be non-traceable. Although literature separates the economic, social, technical and political remittances however some remittances are inter-related to the financial remittance. For example the technical remittance which can be defined the technological contribution from the Diasporas in terms of easing and benefiting from communication as well as the opportunity of new jobs can be related to the economical remittance rather than non-monetary. In this term the technology that Diasporas bring to their home of origin encompass the financial remittance due to financial involvement of the term.

The political remittance which has been discussed previously is the political participation of the diaspora in the area of origin but their negative and positive impacts through political engagement become non-measurable but also there is money which may involve due to the fact that Diasporas may use money in order to influence political issues. When it comes to the social remittance, obviously it is the second most important remittance after economic remittance that the community living in the area of origin may benefit. Several researches about the social remittance term claim that the interaction between Diasporas and the local community of origin is useful for the new understanding of the role of women and their participation on the development of their community. Although the Diasporas role with the regard to social transformations into positive direction are mentioned, as well as their political and technical engagement in the literature of non-financial remittances however as mentioned earlier on the topic, the financial remittance particularly the household intended remittance take major parts of the literature on remittance. In the following part of the study is the review of the literature concerning the financial remittance in general and particularly the household level remittance and later in the study there is the literature review in the context of Somalia including literature focusing on most important types of remittances.

The literature about monetary remittance mostly emphasize the remittance that intended to household consumption however there are scholars such as Goldring (2003) who fragmented the economic remittance and mentions that there are three types of financial remittance: First, there is remittance as wages or salary. This remittance is the most common remittance and usually intended into family consumption.

This remittance and its use is the most research area of most of scholars interesting in migration and development topics. Several studies argued that more than 80% of this remittances intended at household level are used basic household consumption. The second thing that remittance is used is investing human capital such as education with 5-10% of it. The third portion of the remittances go to land and housing investments (Sander 2003). Some researchers including Horst (2004) argue that before the war in Somalia, the whole remittances were used to finance recurrent family expenses.

Most of the literature about household level remittance suggests that this part of remittance has no any major effect on development and even argue that it has negative impacts on recipients in terms of dependency. There are scholars who are against this mentioned notion and in contrary they believe the argument that the remittance intended to household consumption or wage or salary remittances are invested in human capital and the remittance improve the nutrition, health and education of the recipients, and this investment is key element in the process of development (Durand, Kandel al. 1996).

Observations and research finding show that previously illiterate recipient family members became educated through remittances and there is higher number of school enrolments of recipient children than non-recipients. This later argument may also seem weak due to fact that only 5-10 % of remittances go to education and in the case study of Somalia in which this research examines, the argument is relevant for the research because Somalia has been one of the most illiterate populations in human resource indexes.

The second term of financial remittances is the remittances as investments. According to literature, these remittances may be sent to home or brought with, when the migrants take a trip to their countries of origin. This money is mostly
used to buy land or build home. Many scholars describe this type of investments as unproductive investments and mostly go to private housing, marriage etc. These money goes mostly an area where the opportunities of investments are limited due to monopoly or lack of agricultural suitable land (Goldring 2003). The third economic remittances are the capital remittances. This remittance is saved and always intended to generate income to family members back home, the migrant or both and remittances literature argue that recent development shows that through these capital remittances there are productive private investments in small businesses or real estate (Horst 2004).

Taking the contrary some other researchers from the local development operators in different regions argue that diaspors driven projects are non-productive but Gubert (2005) mentions that the few productive investments from diaspors are mostly in urban areas and sectors that most likely generate income are real estate, transport and hotel business (Gubert 2005).

Although the literature has different suggestions about the productivity of both remittances as investment and remittances as capital terms, however there are indications that both remittances have economic local-level growth impacts due to the creation of jobs for locals, mostly non-recipients of remittance and income diversification of recipients. One of the most important remittances that may combine all types of remittance together is the collective remittance which literature less emphasized. Collective remittance is defined as the money or the material that Diasporas organizations, religious groups, clan members or diaspora group from same area transfers to their communities of origin (Basu 2013). Collective remittance works as charity and unlike the household remittance its intention is to build churches, mosques, schools, bridges, irrigation canals and any other infrastructures. The collective remittance literature argues that this remittance is much more less than any other remittances. The collective remittance can be permanent or temporary contribution.

To examine this remittance is huge challenge and there is absence of reliable data about the volume of this remittance. Most scholars believe that this collective remittance is very critical to the recipient community. There are also arguments that the collective remittance is the most benefitted remittance although it is meager in volume. Taking the contrary view of Horst (2004) and other authors, they argue that collective remittance can also be negative to peace and security of war torn regions for instance. In some literature including one of the latest researches of the term Basu (2013), the term is described the money and material that intended to public goods. The collective remittance to public goods and collective remittance to support conflicts are not fragmented in the literature of remittances.

As collective remittance is one of the most important in Somalia and always on the agendas of local media of the region and public places like mosques in the region, this study considers the term in the following literature review in the context of Somalia. The collective remittance term is important for this case study of Somalia because although the study examines the household level remittance and official investments however it will also include some of the other types of remittances in which indirect recipients can also benefit.

**Collective remittance to public goods**

Collective remittance is one of most important remittances flows to the region. In order to understand the capacity of this remittance, the researcher interviewed the director generals of ministry of health, ministry of education, Hargeisa general hospital, the psychiatric clinic in Bosaso. Also there were discussions with the leaders of university of Bosaso, university of Burao and Hargeisa technical school. The objective of this part of research is to understand the Diapors Companies and general Diasporas contribution to health, education, security and any other humanitarian and development contribution.

The research found out that some highly trained diaspora members particularly medics travel their vocation to the region and help hospitals there. One very well-known is a doctors from Europe. This diaspora member is psychiatric doctors and he stays every summer in Burao and works the psychiatric clinic there. After many years of conflicts these type of illness is very common and this contribution from this particular member is highly welcomed. Some others give lectures in the higher education institutions. Based on the interviews conducted from the different Groups, in the beginning of the post-conflict Somalia, the region received huge collective contribution from diaspora in terms of medicine, different equipment and books.

The Diaspora started to build universities, schools and many other infrastructures. In recent years as the region gets more humanitarian and development support from the International community, the Diasporas contribution to some institutions decreased. However they still support building many new roads and answer whenever any crises emerge.

To understand the Corporation Social Responsibility, questions regarding this issue were asked and observations were made in this term. The outcomes are they train unskilled people and they find jobs after finished training. The companies also give donations and answer to crises such as droughts. The Diasporas collective remittances are totally unorganized except some members who run schools in their small towns of origin. There is no any diaspora organization which has cross-clan members except some small female organizations in the UK and the lack of common organizations make that their contributions are not equally distributed.

As there is no any ready collective remittance, it takes very long time to collect remittances and the support become delayed and can’t be rapidly responded to droughts and any other emergencies. The reality that the Diasporas are organized in clan structure, their support is not effective and has less positive impact to the wider communities.
2. Conclusion

The Somalia Diaspora consists of 2 million people with the lion-share of the emigration taking place 1991 after the spread of the civil war and when the dictator Siyad Barres was overthrown. Today it is estimated that around 14 percent of all Somalis resides outside the country and the concept of Diaspora has been frequently used to define the group of Somali migrants.

The Somali Diaspora is together contributing 1.3 billion dollars to their country of origin, compared to the 1 billion dollar in development aid and foremost humanitarian assistance to Somalia each year. The country is highly dependent on remittance, which comprise 50 percent of the countries GDP and 40 percent of the Somali population is dependent on remittances for daily survival.

The Somalis in the new countries of residence are often seen as representatives of one ethnic group, but many Somalis believe that they constitute many clans. The Somali population is often portrayed as homogenous group, but not only the clansociety is dividing the population the nomad and non-nomad life does so too. The nomads are representing the majority group that is relatively homogenous, but in the Southern parts of the, in the country agro-pastoral society a range of minority groups reside. The country is also traditionally divided in the clan and regional affiliates. The Northern parts known as Somaliland region, are seeking independence and do to a great extent govern its own territories, whereas in southern Somalia, south of central Puntland is facing a precarious security situation.

Today the country has a transitional national government and the country are struggling with the federal state running parallel to the society, political vacuum and the lack of government capacity. The Diaspora’s involvement in Somalia has been described as pivotal in order to get the country on its feet, through a range of transnational activities such as business, development projects and foremost by sending private remittance. Around 100 Somali Diaspora communities exist across the West, which actively engaged in thousands of civil associations. A small number of them are focusing on development and state building of Somalia. In Somalia an office for Diaspora affairs is set up to provide information to the Diaspora willing to contribute to the country. The Diaspora is given certain rights in Somalia in order to enable investment and the government are using plentiful of strategies to harness and utilize the Diaspora’s potentials.

Otherwise, Somali diaspora has played a key role in mobilizing humanitarian assistance at times of crisis. Somali websites, FM radios and TVs established as business operations by the Diaspora are outlets that expose and portray the suffering of the less fortunate Somalis that have no relatives or friends in the Diaspora but still need assistance. Most of the Diaspora contribution to humanitarian emergency aid came about as a result of the combined effort and influence of the local and Diaspora media outlets. The media outlets received and dispersed cash handouts sent by the Diaspora to unknown victims they had seen or heard about from the websites and radios.

The role of the Diaspora in supporting local organizations is at its peak when humanitarian crises overwhelm the resources of local organizations, for example during crises such as the droughts, floods or medical needs to help the victims of violent conflict. There are numerous examples of interventions of this kind when Somalis step in to help other Somalis. In these interventions, the Diaspora contribution is highly visible. In the drought of 2006 in the southern regions of Somalia, a drought committee established in Mogadishu in March 2006 received US$ 600,000 after a campaign to raise awareness among Somalis of the situation of the victims in drought-affected regions. More than US$ 100,000 was raised in a four-hour fundraising programme through the radio organized by SIMAD and Horn/Afrik Media Inc in collaboration with three major telecommunication companies in Mogadishu.

References


