

The Relationship between Remittances and Social Development in Mogadishu – Somalia

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ABSTRACT: *The study investigated the relationship between remittance and Social Development in Mogadishu-Somalia. Social development was measured through development indicators on health and education paying key attention on the intervening variables such as Political instability, insecurity, inflation rate, the exchange rate and changing policies on remittance. This study adopted a none-experimental case study design using quantitative and qualitative approaches on a sample population of 399 respondents who receive and do not receive remittance in Mogadishu capital city of Somalia. Data was collected using a questionnaire and analyzed using SPSS computer software. This study noted that remittance had a significant positive relationship with social development and it predicted 31.7% of the variance in social development. There was a significant difference between those who received remittance and those who do not receive remittance in relation to social development. This study recommended that the government of Somalia should provide microeconomic policies and enabling environments relating to remittance and its utilization in accessing education, health services, improved income and employment creation. Finally this study found it necessary that the Somalia government should put measures to manage the influence political instability, insecurity, inflation rate, exchange rates and remittance policies that indirectly Social development in Somalia.*

Keywords: *Social Development, Remittances, Human Development Index, Chi-square, Non-Government Organization*

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I. INTRODUCTION

Over the last two decades, developing countries have witnessed an unparalleled rise in workers' remittances. According to the World Bank (2006) estimates, official remittances received by LDCs increased from US\$31.2 billion in 1990 to US\$221.3 billion in 2005, representing an annual growth rate of over 13 percent. Remittances are now equivalent to about 35 percent of total financial flows to developing countries and have surpassed both official development aid flows and non-foreign direct investment flows. Moreover, the true size of remittances including unrecorded remittance flows is estimated to be at least 50 percent larger (World Bank, 2006).

Leeson (2007), observed that in the 1980s the government of Somalia turned to inflation to finance its corrupt and bankrupt projects. Between 1983 and 1990, average annual depreciation of the Somali shilling against the US\$ was over 100 percent. In some years depreciation exceeded 300 percent (Little, 2003). Hyperinflation destroyed the savings of Somalis who managed to accrue modest sums over time. It also incapacitated the monetary unit as a means of economic calculation. Government's willful mismanagement of public resources prevented the state from being self-supporting. International development agencies, eager to woo Somalia from the influences of Eastern Europe, filled the shortfall with massive inflows of foreign aid. By the mid-1980s, 100 percent of Somalia's development budget and 50 percent of its recurrent budget was funded by foreign aid (UNDP, 2001). In 1987 more than 70 percent of the state's total operating budget was financed this way (Mubarak, 1996).

The early-1980s saw a temporary spike in government expenditures on items like education, But by the late 80s the weight of nearly 20 years of rampant corruption, repression, and state control had reduced Somali welfare to horrifically low levels. Well prior to the government's collapse the agricultural economy was in a shambles, and malnutrition and starvation were common place. In the 1980s Somalia had one of the lowest per capita caloric intakes in the world (UNDP, 2004). At the end of the decade government spent less than one

percent of GDP on economic and social services, while military and administration consumed 90 percent of the state's total recurrent expenditure (Mubarak, 1997).

In Somalia, Financial remittances from Somalis living abroad are perhaps the outstanding feature of the economy although this was not new. Their significance grew as part of the emerging parallel economy in the 1980s, when they were estimated to be worth US \$370 million annually, 75% of which came from workers in the Gulf countries. This was equal to 13 times the Somali-based national wages bill and partially explains how households at the time were able to survive on basic government salaries that covered only 8% of household expenditure. As a result of the civil war the size of the Diaspora has grown and along with it the volume of remittances. The source has also changed as the Somali Diaspora in Europe, USA, Canada, and Australia has increased. Adams (2003) noted that although remittances have become the critical source of hard currency for the country, the precise value of remittance to elements of Social Development is still in doubt.

Economic decline and civil war in the 1980s followed by a protracted armed conflict in the 1990s resulted in deepening levels of poverty, deprivation and vulnerability (UNDP, 2001). This is reflected in Somalia's declining Human Development Index where life expectancy stood at 47 years, infant mortality rates stood at 132/1000, maternal mortality rates stood at 1600/10000, primary school general enrollment stood at 13.6%, adult literacy stood at 17.1% and GDP per-capita stood at \$795 (UNDP Human Development report of Somalia, 2001).

Similarly, Maimbo (2006) noted that Somalia with a population of 7.3 million in 2004, and an income per capita of \$226 has long been a failed state and one of the poorest countries in the world. A total of 47% of the economically active population is unemployed in Somalia. Health infrastructure is dilapidated or non-existent, health care is only sparsely provided and school enrollment rates are the lowest in the world. Similarly, extreme poverty defined as the proportion of population living on less than 1.5 US \$ per day measured at purchasing power parity (PPP) for international comparisons and aggregation is estimated as 43.2 percent for Somalia. The extreme poverty in urban areas is 23.5 percent and in rural and nomadic areas stood at 53.4 percent. In absolute terms, the population living in extreme poverty is estimated as 2.94 million, consisting of 0.54 million in urban and 2.4 million in rural and nomadic areas (World Bank report on Somalia, 2003).

1.2 Statement of the problem

Although the economy in Somalia is largely dependent on remittance, its contribution to Social Development is not known yet remittance is projected to grow and prevail as the engine of national economy during the prevailing armed conflict. Studies by Maimbo, (2006); Kulaksiz and Purdekova (2006); Lindley (2006); Waldo (2006), acknowledged the increased volumes of remittance in a conflict economy but equally questioned the role of remittance in Social Development in Somalia given the unreasonably low Human Development levels in Somalia. It was against this background that this study investigated the relationship between remittances and Social Development in Somalia.

1.3 Aims of the study

The purpose of the study was to establish relationship between remittance and Social Development in Somalia taking Mogadishu as a case study.

1. To establish the relationship between remittance and Social Development in Mogadishu.

1.4 Research Hypotheses

The study tested the following hypotheses:

1. Remittance and social development hypotheses
 - H1_A: There is a significant relationship between remittance and Social Development in Mogadishu
 - H1₀: There is no significant relationship between remittance and social development in Mogadishu

II. LITERATURE REVIEW

This section presents a review of related literature on remittance and social development based on other people's opinions, findings and observations. It is done with a view of throwing more light on the study variable to make them more understandable. The first section focuses on remittance then followed by social development.

2.1 Remittance

The term "remittances" has generally come to refer to the transfers, in cash or in kind, from a migrant to household residents in the country of origin. The International Monetary Fund (IMF) has a broader definition and include three categories, namely: (i) worker's remittances or transfers in cash or in kind from migrants to resident households in the country of origin; (ii) compensation to employees or the wages, salaries and other remuneration, in cash or in kind, paid to individuals who work in a country other than where they legally reside;

and (iii) migrant transfers which refer to capital transfers of financial assets made by emigrants as they move from one country to another and stay for more than one year (Akkoyunlu & Vickerman, 2000).

According to Brown & Ahlburg (1999), official and unrecorded remittances from migrant households to households or other parties overseas can take form of;

“money transfers sent via the formal banking system to households; money transferred informally in cash (bills) or via an informal agent to households; the value of all goods sent to households; payments made by the migrant on behalf of households; donations by the migrant to other institutions or organizations; and deposits made into bank accounts held by the migrant overseas”.

It has also been found that migrants remit to other institutions and organizations, mainly churches (Brown & Walker, 1995). Donations are often collected by the churches or mosques in the host countries and are held in bank accounts there, to be transferred overseas or used to settle international payments on behalf of the church in the country of origin.

Migrants sometimes also make payments on behalf of relatives or others in their country of origin for social services and investments. Finally, it has been found that migrants also transfer money to their country of origin for the purpose of acquiring assets there on their own behalf (Brown, 1997). These could be financial savings deposits with banks, or other physical assets such as land, housing, farm equipment and supplies, inventories for small businesses, and so on.

It is generally accepted that policies are needed to encourage the use of remittances to promote longer-term growth and income security in remittance receiving economies. The belief is that policies can be effective in encouraging migrants to: channel more remittances through official, rather than informal channels; increase their levels of remittances by encouraging them to hold their savings in financial assets in the migrant-sending country rather than keeping them abroad; themselves become investors in productive assets in the domestic economies of the labour-exporting countries (FATF, 2003).

Governments of migrant-sending countries have introduced a variety of schemes for migrants with the policy objectives in mind; namely, repatriable foreign exchange accounts to encourage the greater use of official channels, foreign currency denominated bonds to encourage more use of financial assets in the labour-sending country, and self-employment investment schemes to stimulate more direct investment in productive assets. In other instances governments have resorted to mandatory remittance ratios, requiring migrants to remit a given percentage of their foreign earnings through the official channels, and hence to be converted to domestic currency at the official exchange rate. In order to encourage migrants to hold their savings balances in financial assets in their “home” as opposed to host countries many governments have introduced foreign currency denominated bonds (Maimbo, 2003).

Another policy area concerns schemes to encourage migrants themselves to become investors. The findings of the recent studies indicate that there is substantial scope for policy intervention on the part of Pacific island governments wishing to increase the flows of remittances to their economies. All the evidence suggests that migrants’ remittances would be responsive to financial incentives of the sort that have been adopted elsewhere in the Asia-Pacific region to promote migrants’ remittances (Buencamino & Gorbunov, 2002).

It is generally recognized that policies to promote more remittances and to channel these into more productive areas of investment have not met with tremendous success. It is therefore useful to begin by identifying the assumptions underlying the orthodox policies adopted elsewhere to stimulate a greater flow of remittances to be directed towards more sustainable, income generating investments. The first assumption is that investment is constrained by savings and/or the availability of foreign exchange. If this were not the case there would be no reason to believe that increasing the inflow of migrants’ remittances would induce, or at least, enable, additional investment. Second, it is assumed that investment in the domestic economy of the labour-sending country is necessary if longer-term “income security” of the population is to be sustained. Otherwise, there would be no reason to be concerned that remittances were channeled into productive investments at home. Third, it is assumed that the migrants themselves are the appropriate agents for undertaking the additional investment out of remittances; that they are all, in effect, latent entrepreneurs. Fourth, it is assumed that if remittances are to be channeled into productive investments in the domestic economy, they must be transferred via the official channels. Otherwise, it would not be considered necessary to offer special incentives for migrants to use formal bank accounts to transfer their remittances. Fifth, it is assumed that the migrants’ savings, and remittance levels, are sensitive to the relative real interest rate offered. This, in turn, implies that migrants are motivated to remit for reasons of self-interest and not only to meet the consumption needs of nuclear and extended families. Otherwise, it could not be expected that offering interest incentives and attractive exchange rates to migrants would have any effect on the levels of remittances (FATF, 2003).

On a micro-level, remittances provide fundamental sources of income for the recipients of the remittances. While they have no impact on income gap between developed and developing countries, they directly contribute to economic growth of local communities providing a much needed stability. Rural

households (beneficiary of approximately one third of all remittances amounts) reinvest almost every dollar received to serve basic needs like food, medicines and clothing (Adams, 2006; UN News Center, 2007). The multiplier effect is at its maximum and local markets thus fully profit from the social returns of these investments.

IFAD (2007) observed that:

“once basic needs are served, remittances amounts will be spent in education which, on the long-term, will bring positive effects to local economies. Richer households will use remittances for entrepreneurship purposes bringing social benefits in most circumstances. The impact on the economy will however depend on the receiving country and its local population’s propensity to save or invest. According to the IFAD, 10-20 per cent of the amount received is saved at home, creating therefore a missed opportunity for local growth”.

In a recent study, the Organisation for Economic Cooperation and Development (OECD) highlighted that remittances are much more effective than governmental aid, which suffers directly from both grand and petty corruption, bureaucratic delays and are sometimes invested in poor-value projects. On the contrary, remittances are “direct investments” in local households which are bereft of the problems nor do they suffer directly from cyclicalities like international and government aids do. Accordingly, when conflicts happen in origin countries, remittances make available a vital lifeline, not provided by local governments interestingly, as can be seen in (Adams & Page, 2003). In the same vein, remittances are used for various forms of investment, sometimes in the agricultural sector but more frequently in the service sector, and especially into stores and transport businesses. There is some evidence that remittance money has constituted the start-up money for many small shopkeepers. Walker & Brown (1995) found that a significant proportion of remittances received by Tongan and Samoan households were used for business and farm investment.

Miambo (2006) and Lindley (2006) writing about Somalia noted that:

“the remittances received by a substantial minority of city-dwellers improve their economic status and access to education. In remittances often play a central role in the livelihoods of those that receive them and help finance education, in some cases allowing the family to choose higher cost forms of education. Children in the households of people receiving remittances have relatively good school attendance rates. Moreover migrants often encourage families to whom they send money to educate their children. Sibling solidarity plays a particularly crucial cultural role in the education and welfare of children and young people”.

According to the altruistic motive theory by Stark (1991), the common belief is that migrants remit for the purpose of altruistic family consumption support which may include education, health, cash at hand and investments. It is argued that migrants’ remittances are motivated by other factors which could offset any weakening of the altruistic motive.

Rapoport & Docquier (2006), observed that:

“the unit of analysis is the family, which acts initially as the insurer, investing in the education and establishment costs of the migrant family member. There is also an element of self-interest in the migrant honoring the contract. On the migrant’s eventual return home, he/she might expect to become a beneficiary of family inheritance. At retirement the ex-migrant possibly also becomes a recipient of remittances from the family’s subsequent cohorts of migrants, especially if some of his/her remittances had financed the education of the younger cohorts of migrants in the family”.

Lucas & Stark (1985) argue that if remittances are effectively a repayment of past expenditure by family in the migrant’s education, the level of remittances can be expected to be positively related to human development improvement. Poirine (1997) questions the general applicability of Stark’s postulate that the migrant’s remittances are invested by the family in physical capital, favouring instead an approach that he terms, an informal loan agreement. For Poirine,:

“remittances have to be understood in the context of various implicit loan agreements between the migrant and non-migrant family members through which investment in migrants’ human capital is financed (the loan) and later repaid by the employed migrant (the remittances). The would-be migrant “borrows” to finance his/her educational costs before migrating. The subsequent remittances can then be considered “loan repayments” to the family. Later, the migrant remits, not as a loan repayment, but as part of a “loan advancement” to finance the education of the next cohort of potential migrant members of the family. Finally, after the migrant has returned home, he/she becomes a recipient of remittances which constitute the implicit “repayment” of that loan. Self-interest can also play a part in the migrants’ decision-making framework, either in terms of inheritance-seeking behavior or as rational investors”.

The alternative hypotheses of remittance motivations should not be considered mutually exclusive. Stark (1991) quite explicitly favors an eclectic theoretical model which allows for the total amount remitted being disaggregated into separate parts, each being driven by a different motivational characteristic. For example, Brown & Walker (1995) and Brown (1997) found strong evidence that migrants can be motivated to remit for reasons of saving and investment in their country of origin, including investment in human capital formation of the next generation (Brown & Poirine, 1997).

The theoretical review informs this study of the objectives and motives of remittance which relate to a great extent to human development. Through remittance, human development is achieved by utilizing the acquired income for education, health, investment and savings. This study therefore investigated the extent to which the motive and objectives of remittance have contributed to human development in Somalia

Social Development

According to the UNDP, there are two broad elements of Human Development to include social development and poverty levels. This has been compressed in what is now known as the Human Development index. The statistic is composed from statistics for Life Expectancy, Education, Standard of living and GDP collected at the national level. The HDI combines three dimensions: Life expectancy at birth, as an index of population health and longevity Knowledge and education, as measured by the adult literacy rate (with two-thirds weighting) and the combined primary, secondary, and tertiary gross enrollment ratio (with one-third weighting). Standard of living, as measured by the natural logarithm of gross domestic product per capita at purchasing power parity (Haq, 1990).

In advancement of the Human Development index, the UNDP has developed more detailed indicators to include GDP (PPP constant \$); life expectancy (years), one year olds fully immunized against measles one year olds fully immunized against TB (%), physicians (per 100,000), infants with low birth weight (%), improved, infant mortality rate (per 1,000), maternal mortality rate per, population with access to water (%), population with access to sanitation (%), population with access to at least one health facility (%), extreme poverty (% < \$1 per day), radios (per 1,000), telephones per 1,000, TVs (per 1,000), fatality due to measles, adult literacy rate (%), combined school enrollment (%).

In a report by UNDP (2001) and UNICEF (2005), it was reported that:

“In Somalia, there are more primary schools in Somalia today than there were in the late 1980s under government and this number is growing rapidly. The number of formal schools has increased from 600 in 1990 to 1,172 under statelessness. There are many Koranic schools as well. These focus mostly on the Koran, but students also learn Arabic. Higher education has similarly benefited by statelessness. There was only one university in Somalia prior to the emergence of anarchy. Under statelessness universities have sprung up in Borama, Hargeisa, Bossaso, and Mogadishu. These universities offer subjects from computer skills to accounting. Although the state of education in Somalia remains poor, there is evidence of gaining momentum in the education sector and improving children’s literacy and numeracy”.

Somalia’s private sector has proved to be a relatively effective provider of key social services, such as water or transport (UNDP, 2001). Today, transportation for freight and people connects even the smallest villages in Somalia to major urban centers, and is relatively inexpensive (Nenova, 2004). A state-owned electricity provider opened in Hargeisa in 2003. However, most Somali electricity is privately provided. Water needs are also supplied by private firms. Private social insurance provides a safety net financed through impressive remittances from abroad. These remittances average \$4,170 annually per household (Ahmed, 2000). Expansive domestic clan-based social networks also provide social insurance. In hard times, private welfare can contribute as much as 25-60 percent of household income (UNDP, 2001). Private healthcare is also available. Although the state of medicine in Somalia remains extremely low, medical consultations are very affordable (\$0.50/visit) (UNDP, 2001). Further, the percentage of Somalis with access to a medical facility has nearly doubled since 1989-1990 before statelessness emerged. Privately-provided public goods like “education and health care services and utility companies such as electricity and water, are also providing new income generating and employment opportunities” (UNDP, 2001) that further contribute to the growing Somali economy.

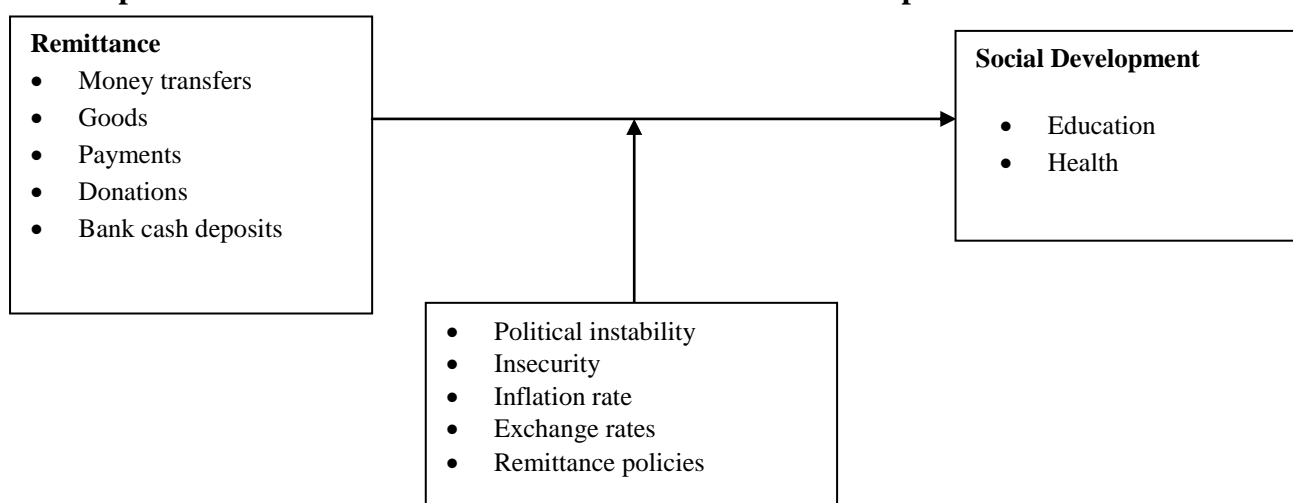
A study by Leeson (2007) indicates that only two of the 18 development indicators in show a clear welfare decline under stateless: adult literacy and combined gross school enrollment. Given that foreign aid was completely financing education in Somalia pre-1991, it is not surprising that there has been some fall in school enrollment and literacy. This is less a statement about the Somali government’s ability to generate welfare enhancing outcomes for its citizens than it is a reflection of foreign aid poured into Somali education by the international development community before government collapsed. Similarly, in Somalia Miambo (2006) and Lindley (2006) noted that the remittances received by a substantial minority of city-dwellers improve their

economic status and access to education. In Hargeisa, remittances often play a central role in the livelihoods of those that receive them and help finance education, in some cases allowing the family to choose higher cost forms of education. Children in the households of people receiving remittances have relatively good school attendance rates. Moreover migrants often encourage families to whom they send money to educate their children. Sibling solidarity plays a particularly crucial cultural role in the education and welfare of children and young people.

Millennium Development Goals-MDG (2009) report noted that gains in the eradication of hunger since the early 1990s when the proportion of hungry people decreased from 20 per cent in 1990-92 to 16 per cent in 2004-06 were reversed in 2008, largely due to higher food prices. In the period 1990 to 2005, the number of people living on less than \$1.25 a day decreased from 1.8 billion to 1.4 billion (prior to the economic crisis and higher food prices). But major gains in the fight against extreme poverty are likely to stall, indicators show, although data are not yet available to reveal the full impact of the recent economic downturn. In 2009, an estimated 55 million to 90 million more people will be living in extreme poverty than anticipated before the crisis. More than one-quarter of children in developing regions are underweight for their age, and the meagre progress on child nutrition from 1990 to 2007 is insufficient to meet the 2015 target. This will likely be eroded further by high food prices and economic turmoil. Similarly the MDG (2009)' noted that global unemployment in 2009 could reach 6.1 to 7.0 per cent for men and 6.5 to 7.4 per cent for women, many of whom remain trapped in insecure often unpaid jobs, holding back progress towards gender equality.

Conceptual Framework

Figure 1.1: Showing the relationship between remittance and human development



III. RESEARCH METHODOLOGY

This section presents the research design and how the data was collected and managed to achieve the study objectives. It includes the study design, study population, sampling method and sample size, data collection procedures, measurement of variables, data presentation and analysis.

3.1 Research Design

The study used a non-experimental case study survey design using quantitative and qualitative approaches. The quantitative approach was used to quantify incidences in order to describe current conditions and to investigate the influence of remittance on Human Development using information gained from the questionnaire. The qualitative approach was used to explain the events and describe findings.

3.2 Study Area and Population

The study was carried out in Mogadishu capital city because it is the most densely populated in Somalia, and receives the highest remittance in the whole of Somalia. It is the country's largest city, commercial and financial center. The capital city is also the most populated and easily accessible area. The population of Mogadishu capital city of Somalia was estimated population of 2,587,183 according to the Geo Names (2007) geographical database in 16 districts at the time of this study. The study estimated a household to constitute of 7 members giving a total estimate of 369,598 households.

3.3 Sample size and sampling techniques

The study used a total of 399 house hold as respondents obtained using the formula proposed by Sloven (1990).

$n = N$

$1 + N^{e-2}$ where n = sample size, N = population, $e = 0.05$

Therefore $n = \frac{369598}{1 + 369598 * 25 / 10000} = 399$

The study used stratified sampling method to select 399 respondents in Mogadishu. Stratified sampling was sought to separate those who receive remittance and those who do not receive remittance. Because in stratified sampling the population is divided into sub populations such that the elements within each sub-population are homogeneous.

3.4 Data Sources and Collection Methods

The study relied on primary data collected from the respondents themselves. Primary data was obtained by use of self-administered questionnaires.

a). Instruments

Given the nature of political unrest and lack of a well-functioning government faced by the government of Somalia, there was virtually no office responsible for economic affairs to capture statistics on remittance and human development. It was therefore impossible to find consolidated secondary documents/statistics relating to remittance and human development in Somalia. Consequently, there were no appointed officials knowledgeable about remittance and human development for interview. This study therefore sought to rely on primary data solicited from the accessible households in Mogadishu using a questionnaire. The questionnaire was equally sought because it allowed the researcher to collect vast amounts of primary data from the respondents in a short time from a large population in a single survey at a low cost than other available instruments.

Self-administered structured questionnaire was designed and administered to obtain the required information. The study used a questionnaire developed by the researcher himself based on the concept of each variable with both closed and open ended items scored on a five point Likert Scale ranging from five for strongly agree to one for strongly disagree. A total of 399 questionnaires were distributed to selected household who receive or did not receive remittance.

3.5 Validity and reliability of the study instrument

The questionnaire was pre-tested before administering it on the respondents. The reliability was tested using Cronbach's alpha to test if the variables used in the questionnaire consistently measure what they are supposed to measure. Alpha coefficient values of 0.70 accepted as the minimum accepted for social sciences. The reliability results are presented in table 3.1.

Table 3.1: Reliability results

Variable	Number of items	Cronbach's alpha value
Remittance	7	0.88
Social Development	12	0.82
Poverty	12	0.72

Source: Primary data from the questionnaire

Table 3.1 show the alpha values of remittance = 0.88, social development = 0.82 and poverty = 0.72 which are higher than 0.70 recommended for social sciences meaning that all the items used to measure each variable were consistent in measuring the variable.

The content Validity Index (CVI) was used to measure the relevance of the questions on the study variable using expert judgment. The CVI was arrived at using the formula: Number of items declared valid/total number of items and the results are presented in table 3.2.

Table 3.2: Validity results

Variable	Number of items	CVI
Remittance	7	0.90
Social Development	12	0.85
Poverty	12	0.80

Source: Expert judgment from consultants in the school of Business and Economic sciences at Nelson Mandela Metropolitan University.

Table 3.2 show the CVI of remittance = 0.90, social development = 0.85 and poverty = 0.80 which are higher than 0.70 recommended for social sciences meaning that all the items used to measure each variable were relevant in measuring the variable.

3.6 Procedures of Data Collection

The researcher got an introductory letter from Kampala International University which was presented to Mogadishu and respondents to give assurance that research information obtained will serve purely academic purposes. The researcher moved home to home to distribute the questionnaires with the help of research assistants. The questionnaires were then picked from the household after one week of their dispatch and sealed in separate envelopes for those who received remittance and those who did not receive remittance.

3.7 Data management and analysis

The data collected was edited, coded and later analyzed using SPSS computer program. Quantitative data was presented using chi-square tests to show any significant difference, graphs, frequencies, percentages, Pearson’s correlation coefficient to show the relationship between the study variables and regression analysis to show the impact of the independent variable on the dependent variable using 0.05 significance levels.

IV. FINDINGS

This chapter presents analyses and interprets the study findings arising from the field information collected from respondents on remittance and human development in Somalia using the questionnaire. The data is presented using graphs, frequency, percentages, correlation, regression and t- test as appropriate. The first section presents the response rate. This is followed by background information about the respondents and a presentation and analysis of the study findings in relation to the specific objectives.

4.1 Response rate

A total of 399 questionnaires were distributed but 282 useable questionnaires were returned making a response rate of 70.7% which according to Amin (2005) is a good representation of the sample used in the population of study. The reminders of the distributed questionnaires were either partially filled, not returned in time by the respondents or in security blocked researcher to reach the areas of the respondents.

4.2 Background information of the respondents

This section gives the characteristics of the respondents using cross tabulations and graphs as found appropriate. This is based on the information provided on the questionnaire by the respondents themselves.

4.2.1 Distribution of gender by receipt of remittance

The distribution of gender by receipt of remittance was arrived at by asking the respondents to indicate their gender and if they received remittance or not to establish if there was a significant difference between gender and receipt of remittance. The results are displayed in table 4.1.

Table 4.1: Distribution of gender by receipt of remittance among the study respondents

			Do you receive remittance?		Total
			Yes	No	
Gender	Male	Count	114	83	197
		% of Total	40.4%	29.4%	69.9%
	Female	Count	32	53	85
		% of Total	11.3%	18.8%	30.1%
Total		Count	146	136	282
		% of Total	51.8%	48.2%	100.0%

Source : Primary data 2017

P<0.05

Chi-square = 9.724, df = 1, p = 0.003

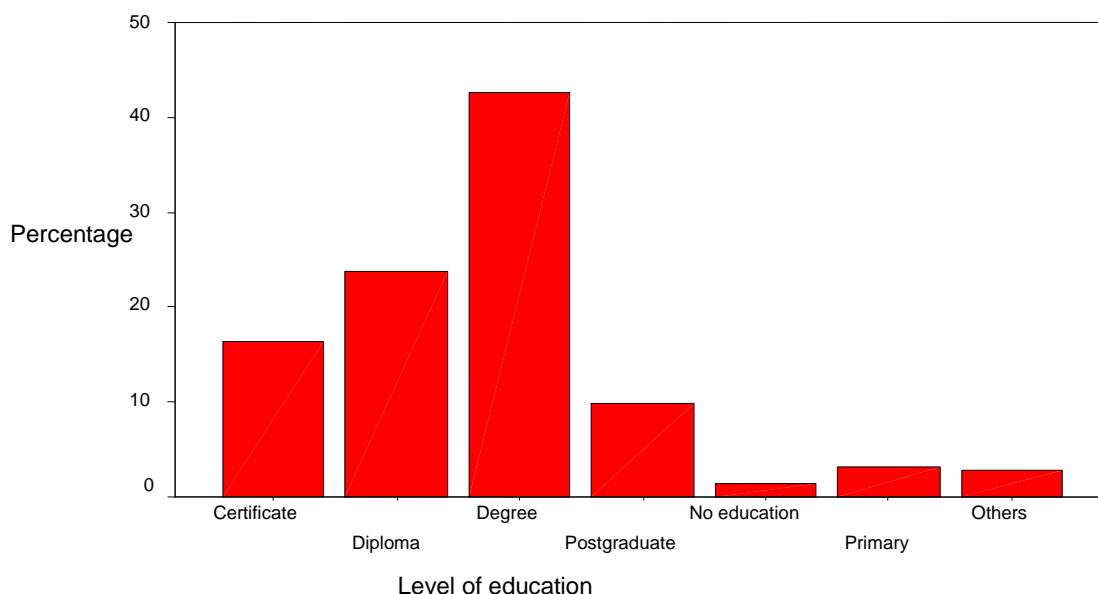
Table 4.1 shows that a total of 69.9% of the respondents were male while the female constituted 30.1%. Among the male and female respondents, a total of 51.8% received remittance while 48.2% did not receive remittance. Pearson’s chi-square statistics revealed a significant difference between gender and receipt of remittance (Chi-square = 9.724, and p = 0.003) for example among those who received remittance, a total

40.4% were male while only 11.3% were female revealing variance of 28.1%. This study finding never the less revealed that both male and female respondents received remittance.

The level of education of the respondents

The level of education of the respondent was arrived at by asking the respondents to indicate their level to help identify the most prevalent level of education among the respondents and the results are shown in figure 4.1.

Figure 4.1: Showing the level of education of the respondents used in the study



Source: Primary data 2017

Figure 4.1 shows that most respondents (42.6%) were of a university degree level followed by those who were of diploma level of education (23.8%) and 16.3% who were of certificate level of education. Only 9.9% of the respondents were of post graduate education level while 3.2% were of primary education level and 2.8% had attained other forms of education and only 1.4% had no education. These study findings generally revealed that the respondents were of reasonable education attainment.

The relationship between remittance and social development in Mogadishu

Remittance according to the conceptual framework included the external inflows related to money transfers, goods, payments, donations and back cash deposits. The social development indicators were access to education and health. This study collected data using a questionnaire scored on a Likert scale and ordinal scales as appropriate.

Remittance

Remittance was measured using seven items scored on a five point Likert scale ranging from (1) for strongly disagree, (2) for disagree (3) for not certain (4) for agree (5) for strongly agree and the findings are presented in table 4.5 using frequencies to show the most frequent type of remittance received by households in Somalia.

Table 4.5: Frequency and percentages scores of remittance

Remittance	SA	A	NT	DA	SDA	Don't receive	Total
1. Your house hold receives money transfers sent by a relative abroad	32 (11.3%)	112 (39.7%)	-	-	2 (0.7%)	136 (48.2%)	282 (100%)
2. Your house holds received money transferred informally in cash (bills) or via an informal agent on the behalf of	18 (6.4%)	46 (16.3%)	34 (12.1%)	28 (9.9%)	20 (7.1%)	136 (48.2%)	282 (100%)

a relative abroad to households							
3. Your house hold receives the some goods sent by a relative from abroad which is of value	8 (2.8%)	62 (22%)	12 (4.6%)	16 (5.7%)	48 (17%)	136 (48.2%)	282 (100%)
4. Your household receives payments made by the a relative abroad on behalf of households	14 (5%)	52 (18.4%)	30 (10.4%)	32 (11.3%)	18 (6.4%)	136 (48.2%)	282 (100%)
5. Your house hold receives donations from institutions or organizations	41 (14.5%)	125 (44.3%)	24 (8.5%)	31 (11%)	59 (20.9%)	2 (0.7%)	282 (100%)
6. You have a relative abroad who deposits money into saving account here in Somalia 4.2%	2 (0.7%)	10 (3.5%)	26 (9.2%)	30 (10.4%)	78 (27.7%)	136 (48.2%)	282 (100%)
7. Your house hold receives funds from a relative abroad for the purpose of acquiring assets on their own behalf	16 (5.7%)	76 (27%)	4 (1.4%)	26 (9.2%)	24 (8.5%)	136 (48.2%)	282 (100%)

Source: Primary data 2017

Table 4.5 shows that among those who received remittance (51.7%), the most frequent form of remittance was money transfers sent by a relative abroad as indicated by a majority of 51% of the respondents. This was followed by funds from a relative abroad for the purpose of acquiring assets on their own behalf as indicated by 32.7% of those who received remittance. The third frequent form of remittance was goods sent by a relative from abroad which is of value as indicated by 24.8% of the respondents while the fourth frequent form of remittance was payments made by the a relative abroad on behalf of households as indicated by 23.4% of the respondents who received remittance in Somalia. The fifth frequent form of remittance was money transferred informally in cash (bills) or via an informal agent on the behalf of a relative abroad to households as indicated by 22.7% while the sixth frequent form was a relative abroad who deposits money into saving account in Somalia as indicated by 4.2% of the respondents who received remittance in Mogadishu.

Respondents were also asked to indicate how many relatives remitted money to their households of which the results are displayed in figure 4.2.

Social development

Social development indicators of human development was measured using twelve items related to education and health services accessibility on a five point liker scale ranging from (1) for strongly disagree, (2) for disagree (3) for not certain (4) for agree (5) for strongly agree. The responses were summarized using frequency counts and percentages and they are presented in table 4.7.

Table 4.7: Social development

Social development	SA	A	NS	DA	SDA	TOTAL
1. All children of school going age in the house hold are in school	41 (14.5%)	149 (52.8%)	17 (6%)	28 (9.9%)	41 (14.5%)	282 (100%)
2. The house hold can afford school fees for all the children in the different education levels	44 (15.6%)	116 (41.1%)	16 (5.7%)	64 (22.7%)	42 (14.9%)	282 (100%)
3. The children who enroll in school do not drop out of school	27 (9.6%)	74 (26.2%)	62 (22%)	56 (19.9%)	63 (22.3%)	282 (100%)
4. The children can read and write to reasonable level	57 (20.2%)	126 (44.7%)	40 (14.2%)	36 (12.8%)	23 (8.2%)	282 (100%)
5. The house hold has a university Graduate	87 (30.9%)	109 (38.7%)	33 (11.7%)	29 (10.3%)	24 (8.5%)	282 (100%)
6. The household can access basic medical treatments for children	66 (23.4%)	164 (58.2%)	21 (7.4%)	16 (5.7%)	15 (5.3%)	282 (100%)
7. Your house hold can afford private treatment	37 (13.1%)	151 (53.5%)	34 (12.1%)	35 (12.4%)	25 (8.9%)	282 (100%)
8. Your house hold has reduced cases of illness	33 (11.7%)	124 (44%)	40 (14.2)	30 (10.6%)	55 (19.5%)	282 (100%)
9. The children in your house hold access immunization against immunizable diseases	57 (20.2%)	112 (39.7%)	53 (18.4%)	42 (14.9%)	52 (18.4%)	282 (100%)

10. Your house hold has reduced death among children	43 (15.2%)	95 (33.7%)	46 (16.3%)	46 (16.3%)	52 (18.4%)	282 (100%)
11. The women in your house hold can easily access antenatal care	45 (16%)	148 (52.5%)	24 (8.5%)	33 (11.7%)	30 (10.4)	280 (99.3%)
12. There are few cases of disease related death in your household	34 (12.1%)	87 (30.9%)	42 (14.9%)	65 (23%)	54 (19.1%)	282 (100%)

Source: Primary data 2017

Table 4.7 shows that a total of 61.8% (14.5%+52.8%) of the respondents agreed that all children of school going age in the house hold were in school while 24.4% (9.9%+14.5%) disagreed. This finding suggested that on overall, 6/10 households had children of school going age enrolled in school. Similarly, a total of 56.7% of the respondents agreed that their households could afford school fees for all the children in the different education levels while 27.9% disagreed a finding which revealed that about 6/10 households could easily provide school fees requirements of their children.

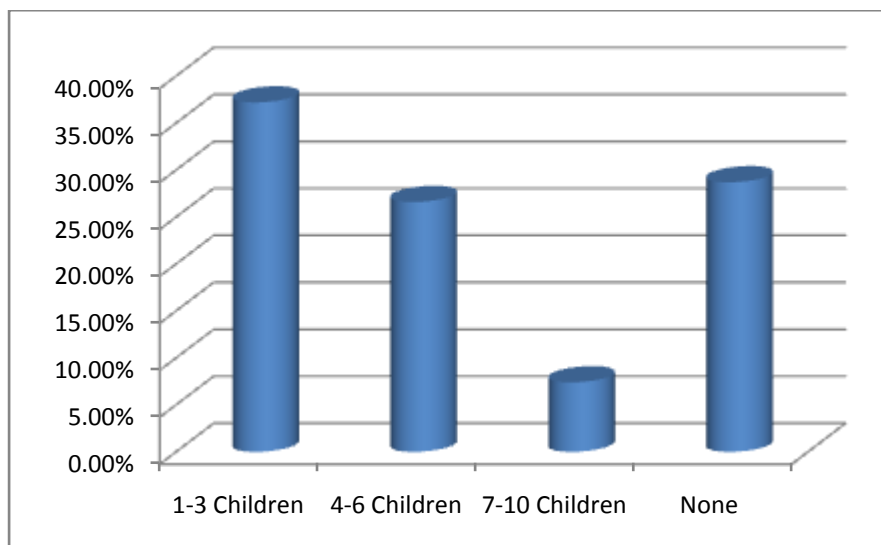
Another total of 35.8% of the respondents agreed that the children who enrolled in school do not drop out of school 35.8% while a majority of 42.2% disagreed leading to the conclusion that about 4/10 children who enroll in school dropped out of school. A total of 64.9% of the respondents agreed that their children could read and write to reasonable level while 21% disagreed a finding which suggested that about 7/10 children could read and write. Lastly on education, the respondents agreed that their households had a university graduate (69.6%) yet only 19.8% did not have a university graduate a finding which revealed that about 7/10 households had a university graduate.

On access to health services accessibility, according to table 4.7 it was found out that a total of 81.4% of the respondents in this study agreed that their households could access basic medical treatments for children while only 11% could not a finding which suggested that only 2/10 household were constrained in accessing basic medical treatment. Similarly, a total majority of 65.5% of the respondents agree that their households could afford private treatment while only 21.3% indicate that they could not afford private treatment a finding which suggested that about 2/10 households could not afford private treatment where necessary. Furthermore, a total of 55.7% of the respondents agreed that their household had reduced cases of illness while 30.1% disagreed implying that 3/10house hold in Mogadishu Somalia were faced with increased cases of illness.

On the same note, a total of 59.7% of the respondents agreed that the children in their house hold access immunization against immunisable diseases while 33.3% disagreed suggesting that only about 3/10 households did not immunize their children against the immunisable diseases in Mogadishu. Similarly, a total of 48.9% of the respondents agreed that their households had recorded reduced death among children while 34.7% disagreed suggesting that child related death had been contained in about 5/10 households. A total of 68.5% of the respondents agreed that the women in their house hold could easily access antenatal care while only 22.1% disagreed indicating that about 7/10 households could easily access antenatal care in the Mogadishu, Somalia. Last but not least, a total of 43% of the respondent agree that there were few cases of disease related death in their household contrary to the 42.1% who disagree suggesting that about 4/10 households recorded disease related death in their households.

The study equally sought to establish the number of children out of schools and the findings are presented in figure 4.6.

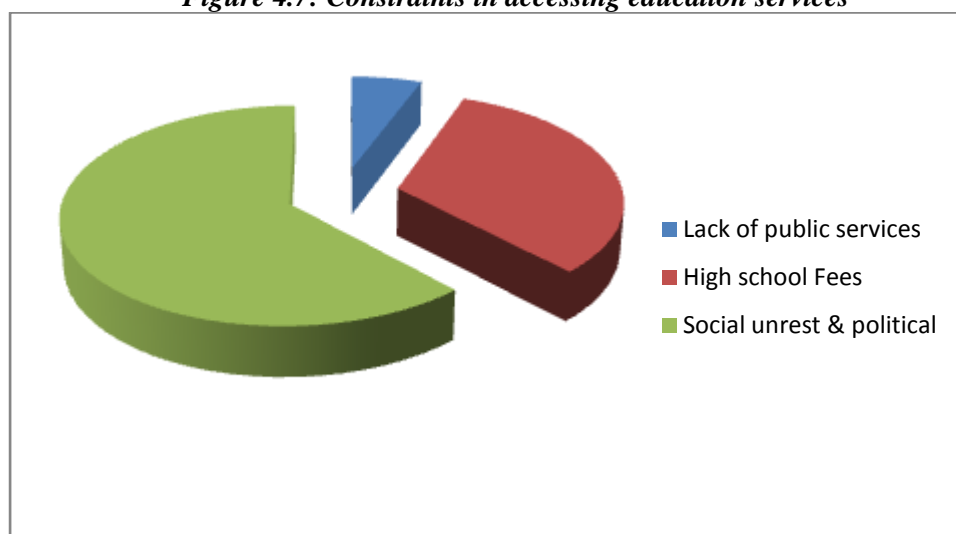
Figure 4.6: Number of children out of school



Source: Primary data 2017

Figure 4.6 shows that most respondents (37.2%) indicated that 1-3 children were not enrolled in school while 26.6% indicated that they had 4-6 children not enrolled in school and 7.4% indicated that 7-10 children were not enrolled in school although a reasonable percentage of 28.7% indicated that none of their children in the households were not enrolled in school. This study finding generally revealed that a reasonable number of children were not enrolled in school due to some constraints which this study strived to establish and the findings are shown in figure 4.7.

Figure 4.7: Constraints in accessing education services

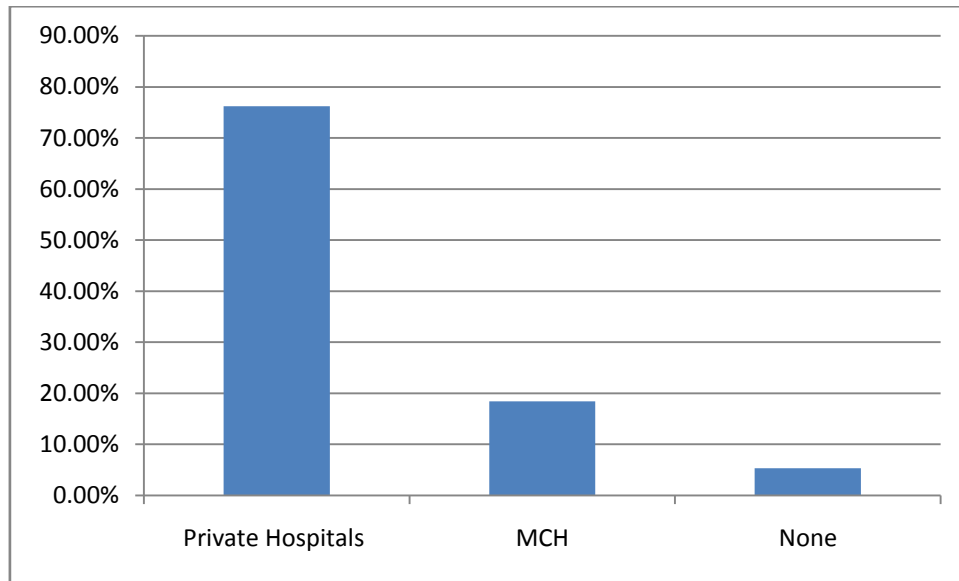


Source: Primary data 2017

Figure 4.7 shows that a majority of 62.1% of the respondents indicated that social unrest and political instability was constrained access to education services while 32.3% indicated that high school fees constrained access to education and 5.7% indicated that lack of public services constrained access to education services. This finding indicate macro environment problem of security and education services provision and in accessing education which the government need to restore to improve on access to education in Somalia.

The respondents were asked where they preferred treatment whenever they were ill and the findings are presented in figure 4.8.

Figure 4.8: Place of treatments

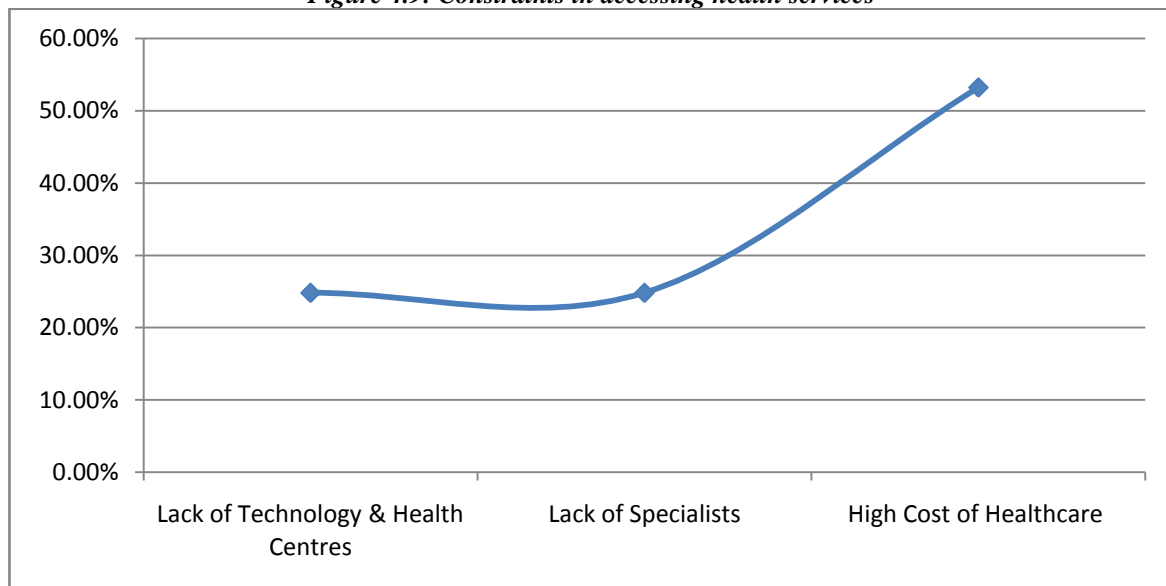


Source: Primary data 2017

Figure 4.8 shows that a total of 76.2% of the respondent sought treatment from private hospital or health centres while only 18.4 sought treatment from Mogadishu central Hospital. Some (5.3%) even sought no treatment whenever they fell ill. Suggesting that health services delivery was mainly sought from private service providers probably due to the lack of an effective service delivery mechanism in the Mogadishu Somalia.

The respondents were also asked to indicate the constraints in accessing health services of which the findings are presented in figure 4.9.

Figure 4.9: Constraints in accessing health services



Source: Primary data 2017

Figure 4.9 shows that the high costs of health services was the biggest constraint in accessing health services in Mogadishu Somalia as cited by 53.2% while lack of technology medicine and health centres was a theme identified by 24.8% of the respondents. The lack of specialists was equally a theme identified by 24.8% of the respondents. This finding suggested that micro economic factors of cost of leaving, human capital, and technological infrastructure seem to constraining access to health services in Mogadishu Somalia.

Correlation analysis

To establish if there was any significant relationship between remittance and human development indicators of social development a correlations analysis was conducted. Pearson’s correlations statistics was used to analyze the relationship and the findings are shown in table 4.8.

Table 4.8: Correlation matrix between remittance and social development

		Remittance	Social Development
Remittance	Pearson Correlation	1.000	.565**
	Sig. (2-tailed)	0.000	.000
	N	282	282
Social development	Pearson Correlation	.565**	1.00
	Sig. (2-tailed)	.000	.000
	N	282	282

**Correlation is significant at the 0.01 level (2-tailed). P<0.05 Source: Primary data 2017

Table 4.8 shows Pearson’s correlation coefficient $r = 0.565^{**}$ between remittance and social development suggesting that the two variables were related. The $r = 0.565^{**}$ and significance $p = 0.000$ revealed that the remittance had a significant relationship with social development in Somalia. This had macroeconomic implications in that to improve on access on to education and health services, there is need to increase on remittance by creating an enabling environment for flow of remittance in Somalia. Further analysis of the relationship between remittance and human development indicators of access to education and health services is shown in table 4.9.

Table 4.9: Correlation results between remittance, access to education and health services

		Remittance	Access to Education	Access to Health service
Remittance	Pearson Correlation	1.000	.485**	.546**
	Sig. (2-tailed)	0.000	.000	.000
	N	282	282	282
Access to Education	Pearson Correlation	.485**	1.000	.680**
	Sig. (2-tailed)	.000	.000	.000
	N	282	282	282
Access to Health services	Pearson Correlation	.546**	.680**	1.000
	Sig. (2-tailed)	.000	.000	.000
	N	282	282	282

**Correlation is significant at the 0.01 level (2-tailed). Source: Primary data 2017

Table 4.9 shows Pearson’s correlation coefficient $r = 0.485^{**}$ and $r = 0.680^{**}$ between remittance and access to education and health services respectively suggesting that remittance was related to access to education and health services in Mogadishu. The $r = 0.485^{**}$ and $r = 0.680^{**}$ with significance $p = 0.000$ revealed that the remittance had a significant relationship with social development indicators of access to education and health services in Somalia. This had macroeconomic implications in that to improve on access on to education and health services, there is need to increase on remittance by creating an enabling environment for flow of remittance in Somalia.

Regression results between remittance and social development

To establish the extent to which remittance impacted on social development, a regression analysis was conducted using adjusted R^2 values, standardized beta values, t values and the significance measured at 0.05 confidence level of which the findings are presented in table 4.10.

Table 4.10: Regression results between remittance and social development

Predictor	Adjusted Square	R	Df	Mean square	F	Sig.
	0.317		1	155.683	131.256	0.000 ^a
				Standardized coefficients		
	Adjusted square	R	Std error	Beta (B)	t	Sig.
Constant			0.310		-5.409	0.000
Remittance	0.317		0.090	0.565	11.457	0.00

- a. Predictor: (constant), Remittance
- b. Dependent Variable: Social development

The regression model in table 4.10 shows adjusted R^2 value of 0.317 between remittance and social development suggesting that remittance predicted 31.7% of the variance in social development. Thus a unit increase in remittance will result in a 0.317 improvement in social development in Mogadishu Somalia. The $R^2 = 0.310$, beta 0.565, $t = 11.457$, and significance $p=0.000$ suggested that remittance was a significant predictor of social development indicators of access to education and health services. Thus increased access to external inflows related to money transfers, goods, payments, donations and bank cash deposits significantly contribute to social development in Mogadishu Somalia.

The regression analysis was further used to test the model between remittance and social development indicators of education and health of which the results are presented in table 4.11.

Table 4.11: Regression results between remittance, access to education and health services in Mogadishu Somalia

Predictor	Dependent			Standardized coefficients	t	Sig.
		Adjusted R square	Std error	Beta (B)		
Remittance	Access to education	0.233	0.033	0.485	9.281	0.000
	Access to health	0.295	0.028	0.546	10.896	0.000

- a. Predictor: (constant), Remittance
- b. Dependent Variable: Access to education and Health services

Table 4.11 shows adjusted R^2 values of 0.233 between remittance and access to education suggesting that remittance predicted 23.3% of the variance in the access to education in Mogadishu Somalia and was a significant predictor of the variance in access to education ($B = 0.485$, $t = 9.281$ and $sig = 0.000$). Similarly, according to table 4.11 shows adjusted R^2 values of 0.295 suggesting that remittance predicted 29.5% of the variance in access to health services and was a strong predictor of the variance in access to health services ($B = 0.546$, $t = 10.896$ and $sig = 0.000$).

The regression results generally revealed that remittance predicted more of the variance access to health services ($R^2 = 0.295$, $B = 0.546$, $t = 10.896$ and $sig = 0.000$) than education services ($R^2 = 0.233$, $B = 0.485$, $t = 9.281$ and $sig = 0.000$) suggesting that remittance was used for health services than education.

t- test results

To test if there was a significant difference between those who received remittance and those who did not receive remittance and social development, an independent sample test technique was used and the results are presented in table 4.12.

Table 4.12: t- test results

	Receipt of remittance	N	Mean	Std. Deviation	F	Sig	t	df	sig 2 tailed
Social development	Yes	146	3.99	0.44	21.350	0.000	-11.823	280	0.000
	No	136	2.94	0.72					
	Gender	N	Mean	Std. Deviation	F	Sig (2-tailed)	t	df	sig 2 tailed
	Male	197	1.93	1.27	2.649	0.104	-2.465	280	0.014
	Female	85	1.51	1.38					

Source: Primary data 2017

$P < 0.05$

There was a significant difference ($t = 11.823$, $F=21.350$ and $p = 0.000$) in the mean social development score for those who receive remittance 3.99 and those who do not receive remittance 2.95 suggesting that the social development was significantly difference among those who received remittance and those who did not receive remittance in Mogadishu Somalia.

The study had a special interest to examine if there was any significant difference between genders and social development and as seen in table 4.12 above, there was a significant difference ($t = 2.465$, $F= 2.649$ and $p = 0.014$ at 2-tailed) in the mean social development score for male 1.93 and female 1.38 suggesting that the social development was significantly difference within gender in Mogadishu Somalia with female respondents strongly agreeing that with social development indicators while the male agree.

The study there for made the following conclusion on the study hypotheses:

Hypotheses	Confirmed/ disqualified	Inferential statistics
H1 _A : There is a significant relationship between remittance and Social Development in Mogadishu	Confirmed	Correlation, regression and t-test results
H1 ₀ : There is no significant relationship between remittance and social development in Mogadishu (disqualified)	Disqualified	Correlation, regression and t-test results

The study findings on the remittance in Mogadishu echo what other scholars have observed on remittance for example in defining remittance, Akkoyunlu and Vickerman, (2000) reported that the International Monetary Fund (IMF) has a broader definition and include three categories, namely: (i) worker's remittances or transfers in cash or in kind from migrants to resident households in the country of origin; (ii) compensation to employees or the wages, salaries and other remuneration, in cash or in kind, paid to individuals who work in a country other than where they legally reside; and (iii) migrant transfers which refer to capital transfers of financial assets made by emigrants as they move from one country to another and stay for more than one year.

In support, Brown & Ahlburg (1999) contend that official and unrecorded remittances from migrant households to households or other parties overseas can take form of; money transfers sent via the formal banking system to households; money transferred informally in cash (bills) or via an informal agent to households; the value of all goods sent to households; payments made by the migrant on behalf of households; donations by the migrant to other institutions or organizations; and deposits made into bank accounts held by the migrant overseas. It has also been found that migrants remit to other institutions and organizations, mainly churches. Donations are often collected by the churches or mosques in the host countries and are held in bank accounts there, to be transferred overseas or used to settle international payments on behalf of the church in the country of origin. Brown (1997) further observed that migrants sometimes also make payments on behalf of relatives or others in their country of origin for social services and investments. Finally, it has been found that migrants also transfer money to their country of origin for the purpose of acquiring assets there on their own behalf.

Similarly, the study findings on human development are related to the observation that there are more primary schools in Somalia today than there were in the late 1980s under government (UNDP, 2001), and this number is growing rapidly. The number of formal schools has increased from 600 in 1990 to 1,172 under statelessness (UNICEF, 2005). There are many Quranic schools as well. These focus mostly on the Quran, but students also learn Arabic. Higher education has similarly benefited by statelessness. There was only one university in Somalia prior to the emergence of anarchy. Under statelessness universities have sprung up in Mogadishu, Borama, Hargeisa and Bossaso. These universities offer different subjects e.g. computer skills, Economic, accounting and etc. According to UNICEF, although the state of education in Somalia remains poor, there is evidence of gaining momentum in the education sector (UNICEF, 2005) and improving children's literacy and numeracy.

Similarly, Ratha (2007) observed that remittances are associated with increased household investments in education, entrepreneurship, and health all of which have a high social return in most circumstances. Studies based on household surveys in El Salvador and Sri Lanka find that children of remittance recipient households have a lower school drop-out ratio and that these households spend more on private tuition for their children. In Sri Lanka, the children in remittance receiving households have higher birth weight, reflecting that remittances enable households to afford better health care.

V. POLICY OPTIONS FOR MOGADISHU

5.1 Introduction

This chapter states the major study findings generally on remittance and human development in Mogadishu Somalia. It also presents the conclusion and recommendations of the study arising from the study findings. The first section presents the summary of findings. This is followed by a presentation of the conclusion and recommendations in relation to the study objectives.

5.2 Summary of findings on Remittance and social development

The study found that remittance was mainly through formal means of money transfers, capital to acquire assets, valuable goods and payment settlements on behalf of the house hold. Cash deposits were less frequent probably due to the lack of commercial banks where citizens keep savings. Other informal forms of remittance were pursued one of which was the use of money transferred informally in cash (bills) or via an informal agent on the behalf of a relative abroad to households. Among those who received remittance a total majority of 18.4% of received between US\$1300-2400 while 17% received US\$1000-1200. A total of 10.6% received US\$2500-3600 while 4.3% received US\$6000+ yet 1.4% received US\$2500-3600. The remittance was used mainly for basic need consumption and schools fees as indicated by 27.7% and 22% of the total number of respondents respectively. Only 2.1% used the remittance for investment.

On social development indicators of education, the study found that on overall, 6/10 households had children of school going age enrolled in school while about 3/10 households could not easily provide school fees requirements of their children about 4/10 children who enroll in school dropped out of school while about 7/10 children could read and write and about 7/10 households had a university graduate.

On access to health services accessibility, the study found out that only 2/10 household were constrained in accessing basic medical treatment while about 2/10 households could not afford private treatment where necessary. The study found out that only 3/10 household in Mogadishu Somalia were faced with increased cases of illness while only about 3/10 households did not immunize their children against the immunisable diseases in Mogadishu. Child related death had been contained in about 5/10 households while about 7/10 households could easily access antenatal care in the Mogadishu, Somalia and about 4/10 households recorded disease related death in their households.

Remittance had a significant relationship with social development in Somalia and it predicted 31.7% of the variance in social development. Social development was significantly difference among those who received remittance and those who did not receive remittance. This lead the confirmation of the hypothesis that there was a significant relationship between remittance and Social Development in Mogadishu.

VI. CONCLUSION

The study made the following conclusions in relation to the study objectives:

1. Social development was significantly difference among those who received remittance and those who did not receive remittance in Mogadishu Somalia
2. Remittance had a significant relationship with social development indicators of access to education and health services.
3. The increased access to remittance in the form of external inflows related to money transfers, goods, payments, donations and bank cash deposits significantly contribute to social development indicators of access to education and health services in Mogadishu Somalia.
4. Remittance was the most prevalent source of income in households
5. Poverty levels were significantly difference among those who received remittance and those who did not receive remittance in Mogadishu Somalia
6. Remittance had a significant relationship with social poverty level indicators of income and employment.
7. The increased access to remittance in the form of external inflows related to money transfers, goods, payments, donations and bank cash deposits significantly contribute to improvements in the poverty levels indicators of improved income and creation of employment in Mogadishu Somalia.

VII. RECOMMENDATIONS

The study makes the following recommendations:

1. To improve on access on to education and health services, there was need to increase on remittance by creating an enabling environment for flow of remittance in Somalia.
2. To improve on access on to income and employment there is need to increase on remittance by creating an enabling environment for flow of remittance in Somalia.
3. The government of Somalia should provide for microeconomic policies and other enabling environments relating to remittance and its utilisation in accessing education and health services.
4. A policy stipulating investment of 31% of the remittance being invested in education and health will improve on social development by about one (1) unit as indicated in the regression analysis results on remittance and social development.
5. The government of Somalia should provide for microeconomic policies and other enabling environments relating to remittance and its utilisation for poverty alleviation through improvement in income and creation of employment.
6. A policy stipulating 21% of the remittance being invested in income improvement and creation of employment will improve the household poverty levels in Somalia by about one unit as indicated by the regression results of this study.

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