



Meeting Summary

Cash and Compassion: The Role of the Somali Diaspora in Relief, Development and Peace-building

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Introduction:

The Somali diaspora is spread worldwide; the largest concentration is found in the Horn of Africa and there is also a large diaspora presence in the UK, Italy, Scandinavia and other Western countries. These groups have extensive links not only back to Somalia, but with diaspora groups in different countries. In contrast to the overwhelmingly negative news coverage on Somalia, the influence of the diaspora represents a success story for the country. The Somali economy is still thriving despite the absence of the state, a clear demonstration of the proactive nature of Somalis.

In particular, the Somali diaspora has been heavily involved in humanitarian relief in the country. Figures vary, but there are estimates that remittances contribute between \$1.3 billion and \$2 billion per year. This includes money transferred to individuals, families, private investment and money for development. This support is quick, efficient, trusted and effective. It is also very well targeted, even in remote rural areas. Despite the disruption caused by the humanitarian crisis in 2011, money transfer services have continued to serve displaced groups.

Methodology:

The research examined the motivations for support, the factors that influence this, the means and mechanisms by which support is mobilised and transferred to Somalia, and the ways in which local Somali actors put the support they receive to use. The study focussed on six diaspora hubs: Dubai, London, Minneapolis, Oslo, Toronto, and Nairobi. There was an admittedly western bias to the sites studied due to the availability and accessibility of research staff and the budget allocated to the project. The research also investigated the areas receiving remittances, broken down into the regions of Somaliland, Puntland (Garowe, Bosaasso, and North Galkayo) and South-Central Somalia (Adado, Beledweyne, Jowhar, Marka, Mogadishu, and South Galkayo. Three of these were TFG controlled areas, and three were al-Shabaab controlled areas). Qualitative and quantitative data was gathered from 369 participants: 159 of these were in Somaliland, 102 in Puntland, and 108 in South-Central Somalia. The sample size was smaller for the latter in proportion to the overall population because of limited accessibility. The research in Somalia relied heavily on Admas University in Somaliland, Puntland State University, and the Somali Institute of Management and Administration (SIMAD) in Mogadishu. These universities had strong links to local communities and so were able to gain better access to the research areas.

Findings:

The research found that an estimated 10 per cent of remittances (\$130-200 million) are provided for humanitarian relief and development assistance. Local NGOs are providing critical support across Somalia and are acting as Social Service Providers (SSPs). These groups draw heavily from the diaspora, who play a critical role as mobilisers of resources, investors in businesses, and as lobbyists promoting awareness of the crisis in Somalia. Technical support is also provided by skilled professionals from abroad. For example, the QUESTS/MIDA programme recruits professionals from the diaspora to work in Somali government institutions.

The diaspora is also influential in health care provision; one prominent example was Abdi Hassan, who established a hospital in Bosasso, but many doctors also often travel back to Somalia to provide medical services. Remittance money has also supported the building of primary and secondary schools and the funding of universities. Similarly, wells, boreholes, irrigation systems, and orphanages have been built with diaspora money. Private investment also plays a role; many small companies in Somalia with diaspora links are acting as engines of development.

The research also found that in many cases the diaspora faces difficult conditions, in particular due to immigration status, insecure housing, low education and unemployment in their host countries. The lack of integration of some Somali emigrants into their host society limits their ability to contribute back to Somalia. It is the people who are best integrated into their adopted societies that are most likely to become engaged with Somalia. Fears and suspicions about terrorism also create difficulties; concerns of accusations of links to al Shabaab have impacted on diaspora support to South-Central Somalia. Furthermore, in the US money transfer schemes have been forced to stop operating services to Somalia due to allegations of links to terrorist funding. The speaker was confident that Somalis in the diaspora would find alternative options to continue their support, but nevertheless, there are concerns that other countries may follow this example in restricting remittance flows. The inability of the diaspora to freely relate to Somalia is unprecedented. For example, if people travel to Somalia to volunteer as a health worker, teacher, etc. it raises suspicions that they are going to join al-Shabaab. On the ground in Somalia, the lack of available credit has resulted in a continuing dependence on the diaspora for funding. There is also an ongoing need for technical support due to the lack of capacity in-country. A further difficulty is the high levels of distrust between Somalia and international organisations such as the UNDP. This makes it hard to build

links and collaborate to maximise diaspora work, development and humanitarian efforts.

In contrast to the conventional wisdom that the diaspora youth have low levels of interest in Somalia, the research found that there were actually high levels of engagement amongst the youth. Often this takes the form of volunteering rather than cash transfers. For example the World Wide Somali Students and Professionals group is organising for 1000 volunteers to go to the country over the summer. There is also a scheme which has used diaspora funding to provide 100 scholarships for Somalis to go to university. Interestingly, donors to this scheme have no prior knowledge of who will receive the scholarships (it could be a Somali, Somalilander, or Puntlander, for example). It is encouraging that this scheme manages to transcend clanism and regionalist sentiments.

The research found that there are 230 registered diaspora organisations in the UK. Often these are set up in response to a particular problem (e.g. a flood), so a number are now inactive. The potential benefits available to the NGOs, such as tax relief, gift aid, are often not well understood by the diaspora organisations and could be better used to their advantage.

Recommendations:

The researchers made ten recommendations for the UNDP, international community, business, and the diaspora:

1. Develop better communication with the diaspora. This would help to reduce mistrust, especially in the political sphere.
2. Commit to matching funds for diaspora support (including SSPs).
3. Use Non State Actors platforms – this is a good entry point for the Somali diaspora to get involved.
4. Provide training and support for the private sector and philanthropists. Increasingly, there is a desire from companies to contribute back to local communities.
5. Risk Guarantee Mechanisms, such as insurance to cover sudden changes in money transfer restrictions, loss of property, breaches of contract, etc.
6. Expand the QUESTS/MIDA scheme into health and education sectors.

7. Provide advocacy to support money transfer companies.
8. Strengthen microcredit provision.
9. Support diaspora investment centres and liaison offices.
10. Provide infrastructural support to complement diaspora investment.

Questions and answers:

Question: It is well known that the diaspora provides finance to al Shabaab. Why was this issue not raised in the meeting?

Answer: This issue was not investigated in depth. The research was conducted in 2009, when the diaspora faced a climate of suspicion. Financing to al Shabaab was too sensitive a subject to ask about without intimidating participants. The diaspora are aware that this problem does happen, but believe that the levels of funding are limited. There are concerns that the small amount of diaspora funds going to al Shabaab will overshadow the huge amounts of good being done by remittances in general. The research did not provide any precise figures – such funding is by its nature hard to track, but the researchers believe the amounts are small.

Question: Many politicians depend on remittances for their salary. Because of this they lack the incentive to develop a more sustainable income base for politics, and instead use their time to focus on other issues. Is this sustainable in the long term?

Answer: In the short and medium term, financial support to politicians will come from the diaspora. For example, the Somaliland development plan relies on remittances for the next three to four years, beyond which it is envisaged that the proportion of remittance contributions will decrease. The real problem is the lack of locally generated employment and revenue on the ground.

Question: There are a number of gaps in the research. Evidently al Shabaab hindered research in some areas, but what were the hindrances to conducting research in other towns in the north, such as Hobyo?

Answer: In any research project accessibility is the key issue. For example, SIMAD was able to provide local staff to undertake research in Mogadishu. The full research report disaggregates the data by area, and this is freely

available for consultation. The researchers also found that in South-Central Somalia, whilst interviewees were happy to talk about the relationships within the diaspora, they did not want to discuss the sums of money involved due to fears of having their money taxed or seized from them.

Question: Can you give any concrete examples of advice on how to protect the money transfer business?

Answer: In the US there is a lack of understanding of how the system works. It is also unfair to place the burden on transfer companies – what happens on the ground is a problem of local law enforcement. There needs to be more engagement with government and civil society on the ground.

Question: What is meant by the term ‘matching grants’?

Answer: A matching grant essentially means a pledge by a development organisation (such as DFID) to match every pound or dollar raised by the diaspora, or to collaborate with funding on development projects being undertaken by the diaspora.

Question: How does this research fit in with wider diaspora remittances research? Is the case of Somalia unique, or can it provide lessons to other diasporas?

Answer: The research showed that understanding relationships between local people and the diaspora is important.

Question: When speaking at Chatham House recently, the Somali Prime Minister criticised the emergence of a parallel state created by NGO activities, which undermines the capacity of government institutions to provide services.

Answer: In most areas the TFG and Somali state are not able to provide services. NGOs are filling a services gap so this is an unfair criticism. However, there is an absence of regulatory and oversight bodies – these are needed to set benchmarks for NGOs and to ensure accountability. Many of the NGOs are based in Nairobi. Local NGOs need to be nurtured and given capacity training, to enable them to complement the government’s work.

Question: What were the levels of youth involvement in the research?

Answer: Youth groups and organisations were consulted in the research process, in both Nairobi and Somalia. With the increasing recognition of the importance of youth populations in general (such as a forthcoming chapter in this year's Human Development Report), there is an opportunity now to engage with and strengthen youth organisations within Somalia.

Question: What does the research say about the importance of trust between people in Somalia and individuals and groups within the diaspora?

Answer: A great deal of work has to be done by the diaspora to build trust with local people. Many diaspora funded initiatives are initiated through trusted local contacts. However, there is also a problem of members of the diaspora being 'air-lifted' in to fill technical and government roles without building up any relationships with Somali people in-country. This is problematic as it means these people can be seen to lack legitimacy.

ABOUT THE SPEAKERS

Laura Hammond is Senior Lecturer in Development Studies at the School of Oriental and African Studies (SOAS). She has a PhD in Anthropology from the University of Wisconsin (2000). She is a founder of the MSc programme in Migration, Mobility and Development at SOAS, and also teaches on the MSc in Violence, Conflict and Development. She has conducted research over the past twenty years in the Horn of Africa, particularly Ethiopia and Somalia/Somaliland, working as a researcher/consultant for a wide range of humanitarian and development organisations including the United Nations Development Programme, German Technical Cooperation (GTZ), Medecins Sans Frontieres, and the US Agency for International Development.

Dr. Ibrahim Dagane Ali is a Senior Technical Advisor and Agriculture/Food Security and Livelihoods specialist with over 25 years of experience in managing development and humanitarian programs and operations in complex settings including Somalia. He is a recognized expert in agricultural and rural development policies and programs for poverty reduction, especially in the Horn of Africa. Before the collapse of the Siad Barre regime, Dr. Ali worked with the Central Government of Somalia as Project Planning Officer in the Department of Planning and Statistics, Ministry of Agriculture. He has also worked with a number of international donors, including FAO, GTZ and UNDP.