



## MODELS OF AID TO SOMALIA

Valeria Saggiomo, PhD<sup>1</sup>

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### Abstract

*This paper discusses the theme of donors' contributions to development in Somalia. It questions the current approach to aid flows in Somalia by referring to different actors and aid modalities that can contribute to the subsistence and development of Somali people. Three main models of aid to Somalia are described: the external model that entails the support of external actors; the cross-border model referring to initiatives funded by the Somali Diaspora community; the internal model funded by the Somali private sector and the Somali people themselves through religious charitable giving. The three models are analyzed in terms of effectiveness according to their objectives. The paper concludes that the two models that place the beneficiary Somali population at the centre of both investments and management of the resources, the cross-border and the internal model, achieve higher standards than the external model.*

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**Keywords:** Somalia, aid model, development, Diaspora.

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# MODELS OF AID TO SOMALIA

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## Introduction

The notion of “aid” used in this paper refers to all financial and technical contributions to the subsistence, emergency coping mechanisms, charity and development efforts of the Somali population extended by a variety of actors, both national and international, in the form of donations<sup>1</sup>. Traditionally “aid” referred to flows qualifying as Official Development Assistance (ODA) or Official Aid (OA)<sup>2</sup>. The extended notion of aid finds its justification in the results of recent studies on the Somali economy that acknowledge the existence of a considerable amount of unofficial resources devoted to local resilience and development: Somali Diaspora financial flows into the country are today estimated at around one billion US\$ annually, of which 360 million US\$ are spent on social services such as health, education and shelter<sup>3</sup>. This represents a financial resource that greatly exceeds the Official Development Assistance provided by OECD countries to Somalia on an annual basis. In addition to this, there is a non-traced internal flow of charitable funds (Sadaqa and Zakat) that go to supporting the poor, especially during emergencies.

This paper argues that failing to capture these unofficial external and internal flows of financial resources devoted to subsistence and development within the general picture of donors’ contributions to Somalia means limiting the common understanding of Somalia as a recipient country and precluding positive interactions among donors. In order to address this problem, this paper discusses different forms of aid to Somalia so to give a broader picture of the financial flows that converge in the country for subsistence and development purposes. In particular, three main models of aid to Somalia will be described. Following the introduction and a brief section on methodology, the first section of the paper describes the first model of aid to Somalia, that is, the **external model**; this model entails the support<sup>4</sup> of external actors to Somalia. The second model of aid to Somalia, the **cross-border model**, is described in the second section; by cross-border, we mainly refer to those initiatives for local development or subsistence that are funded by national Somali communities living abroad (Diaspora community)<sup>5</sup>. It is therefore a model of aid from Somalis to Somalis, with a cross-border character as aid funds come from outside Somalia and from the global Somali community. The third model of aid, the **internal model**, is described in the third section; by “internal” we refer to those initiatives funded by the Somali private sector and by the Somali people themselves under religious charitable giving<sup>6</sup>. The scant literature on Zakat and Sadaka, two religious obligations for Muslims, has recently started to shed some light on this aid modality in the Somali community.

The three models are described following the same sequence: after the definition of the aid model, a historical perspective of the major players is provided, followed by the available data on the disbursement of aid mechanisms. A section on political and policy implication provides initial thoughts on how each described method impacts on the Somali

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<sup>1</sup> This is the author’s personal definition of aid.

<sup>2</sup> According to the DAC Glossary of Key Terms and Concepts, Official Development Assistance includes Grants or loans to countries and territories on the DAC List of ODA Recipients (developing countries) and to multilateral agencies which are: a) undertaken by the official sector; b) with promotion of economic development and welfare as the main objective; c) at concessional financial terms. In addition to financial flows, technical cooperation is included in aid. Grants, loans and credits for military purposes are excluded. See <http://www.oecd.org/dac/dacglossaryofkeytermsandconcepts.htm>

<sup>3</sup> Omer, A. (2002). Supporting Systems and Procedures for the Effective Regulation and Monitoring of Somali Remittance Companies (Hawala). Nairobi, UNDP Somalia.

<sup>4</sup> For the purpose of this paper, the term “support” includes Official Development Assistance and humanitarian assistance together; the two aid modalities are combined due to Arab donors’ tradition not to distinguish between development and humanitarian domain when it comes to assistance.

<sup>5</sup> This is the author’s definition of cross-border model of aid.

<sup>6</sup> This is the author’s definition of internal model of aid.

population and on local development. These thoughts are then elaborated in the conclusions that discuss the different level of effectiveness of the three models and how they contribute to the development of the country.

## **Methodology**

This paper looks at aid dynamics in Somalia from a donor perspective. This means that the three main models of aid to Somalia have been identified according to who makes the donation. The main actor, in the external model, is the international community and includes the “traditional” and “non-traditional” donors. In the cross-border model, the Somali community residing outside the country, the Diaspora communities are those who make the donation. In the internal model, the Somali communities residing inside the country are the donors.

Over the last decade (2003-2013) various methodologies have been used to observe aid dynamics in Somalia. The external aid model has been identified by means of both research and direct work experience in the country. Literature on Arab donors' involvement in Somalia has been explored thanks to a grant given by the UK Department for International Development (DFID) in 2008; while the involvement of other donors has been established on the basis of the literature analyzed during my doctoral research.

The second cross-border aid model has been studied during my involvement in an EU funded research project on the Somali Diaspora in Europe (DIASPEACE) from 2008 to 2010. In particular, the involvement of the Diaspora associations in the development of their country of origin was analyzed through interviews<sup>7</sup> and mapping exercises<sup>8</sup> in Italy and Finland, and research produced in Norway, Germany and The Netherlands<sup>9</sup>. The participation in this research project through the research center CESPI offered an alternative perspective on the Somali Diaspora involvement in their countries of origin, usually associated with the business sector and also with the political dynamics in support of the conflict. Interviews with Somali businessmen residing in London, England carried out in 2008 as part of a study on the Diaspora's contribution to development promoted by the Italian NGO CISP have also contributed information on how the Somali Diaspora organizes itself to support the country and its people.

Discussion of the third, internal model of aid is based on my direct involvement in the aid sector for Somalia, both as a humanitarian and development worker and as researcher from 2003 to 2013. Direct work experience in Somalia as an emergency coordinator for UNICEF during the 2006 drought response gave me the possibility to observe the care and dedication of dozens of Islamic NGOs and of individuals in the country who mobilized to address the first phase of the emergency response, when the UN system was still organizing its structures to intervene. The concern demonstrated by the Somali population to aid their siblings in difficulties helped to save many lives, without gaining official recognition by the

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<sup>7</sup> Fieldwork in Italy was conducted by Petra Mezzetti, Valeria Saggiomo and Matteo Guglielmo in five regions/cities, in particular: a) Piemonte-Turin; b) Lombardia-Milan; c) Toscana-Firenze; d) Lazio-Roma) and e) Provincia di Trento. From August 2008 to May 2010, 44 interviews were carried out (16 with institutional and non-governmental Italian actors and 30 with Somalis/Somali organisations). Under this research phase the team also participated in four events conducting participant observation. In Finland fieldwork was carried out by Paivi Pirkkalainen in the metropolitan area (cities of Helsinki, Espoo and Vantaa). From August 2008 to May 2010 a total of 50 interviews were collected (33 with Somali organisations/ individuals; six with officials at the ministries and 11 with Finnish non-governmental actors), and participant observation was carried out in four events.

<sup>8</sup> The mapping exercise of the Diaspora organizations is reported in Mezzetti, P. and Guglielmo, M. (2009). Somali Diaspora Associations in Italy: between integration and transnational engagement. CESPI Working Papers 62/2009. Mapping exercises conducted in the United Kingdom, Finland, and Europe are reported in Warnecke, A. (ed), *Diaspora and Peace. A comparative Assessment of Somali and Ethiopian Communities in Europe*. Diaspeace Working Papers N.2.

<sup>9</sup> Research produced in Norway, Germany and the Netherlands are reported in Horst, C. (ed.) (2010). *Participation of Diasporas in Peacebuilding and Development. A Handbook for Practitioners and Policymakers*. PRIO Report.

international community. Observation and informal interviews in Somalia with Islamic NGO workers constituted the main source of information for this section<sup>10</sup>.

The variety of methods applied in the course of such an extended time as a result of different work and research opportunities have contributed to enriching the set of data used for this paper, deriving from different sources and providing various perspectives on the subject. They also constitute the major limitation of this paper, as the data is not homogeneous and cannot be put in comparison. The sample of people to be interviewed is not coherent as every research opportunity that went into producing this paper had its own research questions and methodology.

Also the timeframe used to describe the three models of aid is not homogeneous. The external model provides insight into a period stretching from the 1970s to the early 2000s, with a description of the financial involvement of western and Arab countries over this period. The cross-border model refers to the current period and reflects the recent research into Diaspora contribution to development; in fact, no data on the past Diaspora contribution to Somalia has yet been collected. The same can be said for the internal model that cannot report on quantitative data for lack of specific research on this subject. Instead, it relies on the narratives of people interviewed, which provides an in-depth understanding of the experiences of the Somali people and the religious prescriptions on aid, and on a case of internal support for the victims of an emergency in 2006 detected on the field and investigated during my doctoral field research.

In view of these methodological limitations, this work should be considered more as a reflection based on the direct experience and observation of various realities of aid in Somalia and therefore provides an in-depth understanding of aid processes on the ground. The paper points to the need for further research on the different aid flows to Somalia and their impact on its population, and open the way to rethinking policy direction for a more effective development path.

### **External aid Model**

In this aid model funds come from a foreign Government or private entity, creating an exogenous capital influx into the recipient economy. This model of aid to Somalia refers to the external assistance granted by the “traditional” and “non-traditional” donors: the former are normally associated with the OECD countries and International Organizations, including UN Agencies; the latter are non OECD countries, generally with reference to Arab donor countries and Islamic International Financial Institutions. Grouping the so called “traditional” and “non-traditional” donors to Somalia within a common model of aid helps to minimize the difference between these two categories of donors and systematize aid in a more inclusive way.

In principle, also private funds from NGOs, charitable organizations, private associations in OECD countries and so called Decentralized Cooperation, i.e. the aid funds provided by regional and district administrations or individual private entities such as schools, hospitals to Somali partners, are part of the exogenous model of aid. However, as information on this channel is sometimes difficult to trace, the amount of this form of donation will not be included in the figures for the external aid model.

### *Historical Perspective of Major Players*

Member countries of the Development Assistance Committee<sup>11</sup> (DAC Countries) active in Somalia are Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy,

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<sup>10</sup> Thirteen interviews to Islamic NGO workers were conducted in Nairobi between April, August and November 2008.

Norway, Netherlands, United Kingdom, United States, Sweden, and Switzerland. Before 2000, also Austria, Ireland, Japan and Luxembourg marginally contributed to Official Development Assistance (ODA) to Somalia.

In addition to these countries, the role of Arab countries as international donors for development took on a considerable significance from the 1970s until the collapse of the Somali State. Arab Official Development Assistance started in the wake of the increase in oil prices in the early 1970s. The four main oil producing Arab countries, Kuwait, Qatar, Saudi Arabia and United Arab Emirates, were the main Arab donors until the end of the 1980s, accounting for about 90 percent of net Arab aid<sup>12</sup>. After the dissolution of the Somali State Institutions, Arab donors' official assistance to Somalia seems to have almost entirely ceased<sup>13</sup>.

After independence, the Somali State was funded almost entirely by Cold War driven foreign aid. With the end of the Cold War in the late 1980s, aid started to decline and the Somali State began to collapse. After the overthrow of the Siad Barre regime and the consequent collapse of State institutions in the 1990s, the humanitarian emergency and the deployment of foreign troops revived donor interest again<sup>14</sup>.

From 1975 to 1979 Somalia had access to Arab funds following its admission to the Arab League in 1974, and became its first non-Arab member. Joining the Arab League served two main purposes: on one hand Siad Barre needed to build strategic alliances against Ethiopia and on the other he took advantage of accessing Arab aid funds, whose volume was rapidly increasing during those years. In fact annual donations to Somalia from the Arab donors significantly increased during the Somalia-Ethiopia war effort (1977-78) and remained high until 1980, probably in response to the high influx of refugees, estimated at around one million, from the Ogaden region into Somalia, in the aftermath of Barre's defeat by Ethiopia<sup>15</sup>. At that time, Arab donors were the main contributors to Somalia through their Official Development Assistance that amounted to almost double that of DAC countries' ODA. Nevertheless, concerning internal social policy, Barre's hard push for modernization of family law clashed with Islamic religious principles, and repression of opponents culminated in the public execution of ten Sheiks in 1975.

Throughout the 1980s, both the internal political stability of Barre's government and the Somali economy started declining dramatically. In 1983, the internal economy was deeply affected when Saudi Arabia declared a ban on the import of livestock from Somalia, which had serious repercussions on the already fragile internal economy: livestock, in fact, accounted for as much as 80 percent of foreign currency earnings of the Barre government. The Arab aid assistance to Somalia started declining considerably from about US\$ 149 millions in 1982 to US\$ 0.44 millions in 1984<sup>16</sup>. In terms of foreign policy, this period is characterized by the shift in the alignment from the Former Soviet Union block to the US-led one, in the Cold War international setting. This implied access for Somalia to the US Official Development Assistance, which would eventually contribute to the increase of aid assistance flowing into the country.

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<sup>11</sup> The Development Assistance Committee is a forum of selected countries that are part of the Organization for Economic Cooperation and Development (OECD) aimed at discussing issues related to aid, development and poverty reduction in developing countries.

<sup>12</sup> Villanger, E. (2007). Arab Foreign Aid: Disbursement Patterns, Aid Policies and Motives. CMI Reports.

<sup>13</sup> According to the "Donors Report to Somalia" (2005) elaborated by the Somalia Aid Coordination Body (SACB) now called Somali Support Secretariat (SSS), the only Arab country that provided information on aid funds extended to Somalia from 2000 to 2004 is Egypt, although figures are incomplete and probably inaccurate.

<sup>14</sup> UNDP (2010). Assessment of Development Results. Evaluation of UNDP Contribution to Somalia. UNDP.

<sup>15</sup> See Gundel, J. (2002). The Migration-Development Nexus. Somali Case-Study. Centre for Development Research Study.

<sup>16</sup> OECD Statistics, available at <http://stats.oecd.org>

From 1985 to 1989 DAC countries' involvement in assisting Somalia increased again until the collapse of the State, also thanks to the leading role played by Italy, whose funds for development boomed in the mid 1980s. This trend corresponded to a quasi disengagement of the Arab donor countries, due to the crises in the oil market economy and the devaluation of the dollar<sup>17</sup>. The internal situation continued to deteriorate, with the regime repressing the oppositions until the tragic bombing of Hargeisa in 1988. A flux of skilled Somali people migrating to the main Diaspora host countries, including the oil producing Arab countries, had already started in the past decade and continued during these years<sup>18</sup>.

Civil war broke out in Somalia from late 1989 to 1994, leading to the overthrow of the Siad Barre's government in January 1991 and the declaration of independence by the Northwestern part of Somalia, Somaliland; in the rest of the country, the collapse of the State institutions triggered internal conflict for the succession to power, mainly contended between the Abgal and Habergidir sub-clans of the Hawiye family. This was a period of great famine and internal political instability which saw the military intervention of the UNOSOM I (1992) and UNOSOM II (1993). The attention of the international community to Somali development peaked during these years, together with financial aid to address the emergency situation that amounted to almost 2 billion US\$ over the five years. Arab donors re-engaged in Somalia in 1990 with some US\$ 82 millions, probably in support of the fragile government<sup>19</sup>, and then contributed to the emergency situation in 1992-93<sup>20</sup>.

During this period Somalia benefited from the presence of many Islamic NGOs and charities originating from the main Arab Countries such as Saudi Arabia, the Arab Emirates and Sudan<sup>21</sup>. The failure of the UNOSOM mission in 1993 and the suspension of all UN operations in Somalia in 1995 marked the beginning of a dark season for Somalia as donors' fatigue prevailed and European countries' attention was diverted to other regional crises, like the conflict in Bosnia and the aftermath of the Rwandan genocide. Also official Arab countries aid to Somalia declined as soon as there was no longer an official government to be the recipient for bilateral aid. Almost all the international NGOs relocated to Kenya as the security situation in Central and southern Somalia deteriorated, leaving the population abandoned. The only NGOs to remain in the field were the Islamic ones.<sup>22</sup> Islamic Charities and NGOs proliferated during those years in the effort to address the dire humanitarian situation created by the civil war. Internally, intellectuals and activists started mobilizing the Diaspora community in the attempt to re-build islands of normalcy in a stateless country. Education<sup>23</sup> for the young generations was the main concern of this group of Somali intellectuals, and the idea of establishing education policies and institutions began to appear like springs in the desert. The creation of the Mogadishu University is probably the most successful example of the tenacity of some sectors of the Somali society in rebuilding the

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<sup>17</sup> Neumayer, E. (2003). What factors determine the allocation of aid by Arab countries and multilateral agencies? London: LSE Research Online.

<sup>18</sup> Gundel, J. (2002). The Migration-Development Nexus

<sup>19</sup> OECD Statistics, Arab Countries ODA. Total Net Disbursement to Somalia. Available at <http://stats.oecd.org/wbos/Index.aspx?DatasetCode=CSP2008>

<sup>20</sup> Abdullahi, A. (2004). Non State Actors in the Failed State of Somalia: Survey of the Civil Society Organisations in Somalia during the Civil War. *Darasaat Ifriqiyayyah*, N. 31, 57-87.

<sup>21</sup> See Saggiomo, V. (2012). Islamic NGOs in Africa and their Notion of Development. The case of Somalia. In Taddia, I., Negash, T. Religion and Capitalism in Africa. *Storicamente* Vol. 8. 2012, available at: [http://www.storicamente.org/07\\_dossier/religion\\_capitalism\\_africa/saggiomo.htm](http://www.storicamente.org/07_dossier/religion_capitalism_africa/saggiomo.htm)

<sup>22</sup> For more information about Islamic NGOs in Somalia see Saggiomo, V. From Charity to Governance: Islamic NGOs and Education in Somalia. *The Open Area Studies Journal*, Vol. 4, 2011, pp. 53-61. Bentham Open.

<sup>23</sup> Cassanelli, L., and Abdulkadir, F. S. (2007). Somalia: Education in Transition. *Bildhaan. An International Journal of Somali Studies*, 91-125.

Somali State from the bottom. Also Somaliland achieved a fair level of political stability, followed by Puntland, which self-declared its independence in 1998<sup>24</sup>.

Arab donors' statistics from OECD<sup>25</sup> show a remarkable re-engagement in 2002 when the assistance contributed by Arab donors was around US\$ 44 millions, a bit less than half the aggregated DAC countries' contribution to Somalia. Also DAC countries aid to Somalia re-emerged, in the wake of the enthusiasm generated by the two international peace conferences that resulted in the formation of the Transitional National Government in 2000 and the Transitional Federal Government in 2004. Sadly, both peace attempts failed to produce effective results for the unstable Somali political situation, and donors' attention was mainly devoted to contrasting the negative effects of the recurrent droughts and floods, coupled with the internal conflicts all over the country, with the relative exception of Somaliland.

#### *Disbursement Patterns*

Despite the high fluctuations due to the dependency on oil prices, Arab Aid to developing countries is calculated at more than US\$ 100 billion during the period 1973-1987<sup>26</sup>, mostly in the form of bilateral grants to developing countries and multilateral aid agencies<sup>27</sup>. African Countries received 21.4 percent of the total bilateral ODA, with Egypt being the largest beneficiary, followed by Morocco, Sudan, Mauritania, Somalia, Tunisia and Algeria<sup>28</sup>.

In line with the major oil market trends, the volume of Arab official development assistance rose sharply during the 1970s, from 2.6 billion in 1973 to 5.4 billion in 1975, peaking at about 10 billion in 1980. These figures are impressive if we consider them in terms of percentage of the Gross National Income: on average Arab aid reached 4.7 percent of their combined GNI until 1978, while Western donors averaged 0.3 percent in the same period<sup>29</sup>.

The decline in the barrel price of oil from 1981 to 1986, accompanied by the devaluation of the US dollar, caused a sharp decline of Arab ODA to 1.6 billion in 1989<sup>30</sup>. The following year, in 1990, the Arab ODA rose again to US\$ 6 billion in response to the Iraq-Kuwait war, and fell again to about 1 billion in 1992<sup>31</sup>.

With regard to Somalia, the following table shows the disbursement of DAC and Arab donors to Somalia, over seven historical periods from 1975 to 2004<sup>32</sup>.

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<sup>24</sup> Bruyas, F. (2006). Somaliland and Puntland State of Somalia. The Land Legal Framework. Situation Analysis. United Nations Human Settlement Programme.

<sup>25</sup> Available only for the period from 2000 to 2003.

<sup>26</sup> The data on Arab donors' donations from 1973 to 1987 comes from van der Boogaerde, P. (1990).

<sup>27</sup> 22 percent of total Arab contributions during the period 1973-1987 have been extended to Multilateral Organizations, among which the Gulf Organization for the Development of Egypt (GODE), the AFESD, the OPEC, and the Islamic Development Bank (IDB) have been the main beneficiaries. 68 percent of total Arab contributions during the period 1973-1987 have been extended bilaterally to developing Countries.

<sup>28</sup> van der Boogaerde, P. (1990). The Composition and Distribution of Financial Assistance from Arab Countries and Arab Regional Institutions. International Monetary Fund – Middle East Department – Working Paper.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid. p. 119.

<sup>31</sup> Zubair I. (1994). Arab Development Assistance: Role of Development Funds and Support for Multilateral Financial Institutions. In, Bretton Wood Commission, "Bretton Woods: Looking to the Future" pp 249-256.

<sup>32</sup> Aggregated data on Arab and DAC Countries disbursement to Somalia from 1975 to 2006 comes from OECD Statistics available at <http://stats.oecd.org/wbos/Index.aspx?DatasetCode=CSP2008>. Data on disbursement to Somalia for the years 2005 and 2006 are available only for DAC Countries, while statistics on disbursement by Arab countries are available only until 2002.

**Table 1: Aid Disbursement to Somalia**

Timeframe	1975-1979	1980-1984	1985-1989	1990-1994	1995-1999	2000-2004	2005-2006
<b>DAC Countries</b>	US\$* 135	US\$ 596	US\$ 1.352	US\$ 2.007	US\$ 337	US\$ 509	US\$ 470
<b>Arab Countries</b>	US\$ 240	US\$ 261	US\$ 7	US\$ 95	US\$ 1	US\$ 59**	Not Available

\*Millions US\$

\*\*Data available only until 2002

The latest value for Net official development assistance and official aid received by both DAC and Arab donors is US\$ 498 890 000 as of 2010<sup>33</sup>. According to official disbursement statistics, from 2002 to 2008 the five major donors to Somalia are the United States (25.1 percent), the European Commission (19.8 percent), Norway (11.8 percent), the United Kingdom (8.7 percent) and the Netherlands (4.8 percent)<sup>34</sup>.

### *Political and Policy Implications*

In the 1990s the efforts of the international community followed the principle of the peace-dividend approach, focusing on those areas where a level of political stability could guarantee sustainability of the interventions. Aid became a tool in peace-building and political stabilization efforts. As such, aid became more and more tied to political interventions in Somalia as reflected in the 1994 UNSC resolution aimed at renewing the UNOSOM mandate in Somalia, whose primary purpose was to facilitate political reconciliation in Somalia<sup>35</sup>.

In terms of policy implications, the humanitarian, political and military spheres became blurred and this had the effect of increasing human insecurity in Somalia, both for aid workers and the Somali population<sup>36</sup>. Donors' interest focused on supporting peace initiatives that were largely donor driven and failed to provide stability for the country.

In 2005, in order to support the Transitional Federal Government born of the Mbagathi peace Conference, the international community under the leadership of the United Nations and the World Bank carried out a comprehensive needs assessment (the Joint Needs Assessment) that formed the basis for a five-year development plan, the Reconstruction and Development Plan 2008-2012<sup>37</sup>. The RDP identifies donor priorities for Somalia that are grouped in three pillars<sup>38</sup>:

1. Deepening peace, improving security and establishing good governance through disarmament, demobilization and reintegration (DDR), the establishment and strengthening of core public and private sector institutions (including security institutions), decentralization, and implementation of conflict resolution mechanisms;
2. Investing in people through improved social services (especially education, health and water supply) to sharpen human skills, and taking actions to address the needs of specific vulnerable groups such as internally displaced persons (IDPs)
3. Establishing a sustainable enabling environment for rapid poverty-reducing development to expand employment and reduce poverty. This includes infrastructure, policies and actions to overcome the constraints facing the livestock and agriculture sectors, and to ensure protection of the environment and sustainable use of natural resources.

<sup>33</sup> OECD Statistics, cited in UNDP (2010).

<sup>34</sup> OECD Statistics available at <http://stats.oecd.org/wbos/Index.aspx?DatasetCode=CSP2008>.

<sup>35</sup> See also Hammond, L. and Vaughan Lee, H. (2012). Humanitarian Space in Somalia.

<sup>36</sup> See also Saggiomo, V. (2012) Let's think the impossible.

<sup>37</sup> For a description of the Mbagathi Peace Process, see CRD (2004). Somalia: Path to Recovery. Building Sustainable Peace. Centre for Research and Dialogue. Mogadishu, July 2004. For the Somali Joint Needs Assessment see <http://www.somali-jna.org/index.cfm?Module=ActiveWeb&Page=WebPage&s=home>

<sup>38</sup> Somali Reconstruction and Development Program. Deepening Peace and Reducing Poverty. Volume I. (2008).



In recent years, priority has been given to the first pillar, particularly to supporting the security sector through the African Union Mission in Somalia (AMISOM), a military intervention operated by the African Union with the approval of the United Nations with the objective of supporting transitional government structures, especially in their battle against Al Shabab militants, and creating a safe environment for the delivery of humanitarian aid<sup>39</sup>.

The difficulty of disentangling the humanitarian and military sphere negatively impacts on the effectiveness of aid efforts to the Somali population, and ultimately has the consequence of fuelling the spiral of conflicts instead of establishing security. This is demonstrated by the case of aid diversion of WFP reported by the Monitoring Group on Somalia<sup>40</sup>. The report shows how food transportation companies directly channel profit or aid to armed groups in Somalia, with aid diversion rates of about 50 percent<sup>41</sup>. Because of the strict relation between aid and military intervention, the humanitarian space has often been restricted to the point that access to the population in need by aid agencies has been denied in southern regions for accusations of being spies working for hostile governments<sup>42</sup>. In conclusion, external aid in Somalia is far from being effective in meeting the needs; because of the blurred boundaries of the military and humanitarian spheres, aid has become part of the conflict in Somalia and this negatively impacts national and international security.

### **Cross-Border Model**

The cross-border model of aid encompasses aid funds that originate outside the Somali territory in the main Somali Diaspora host Countries in Northern America, the Middle East, Northern Europe and neighbouring Kenya and Ethiopia. The source of these funds is not official governments or international institutions, but the Somali population themselves dispersed in the Diaspora. This model of aid to Somalia refers to the role played by the Somali Diaspora both in Western and in Arab countries for the development of their homeland.

#### *Historical Perspective of Major Players*

Migration and mobility of people and labour have increased dramatically since the end of the Cold War. The velocity of the global flow of migration has more than doubled from 76 million people in 1960 to 191 million in 2006<sup>43</sup>. After September 11<sup>th</sup> 2001, global flows of migrant remittances attracted a great deal of attention. Public interest in informal money transmissions significantly increased and researchers realised that remittances constitute the fastest growing and most stable capital flow to developing countries<sup>44</sup>.

In the past, literature mostly highlighted the negative effects of the Diaspora's influence on conflict settings. Migrants were seen as perpetrators of the conflict, not only in terms of materially supporting conflicting parties, but also reproducing patterns of conflict within the Diaspora<sup>45</sup>. Recent research on the Diaspora has focused instead on the positive role of Diasporas in their countries of origin, and demonstrated that migrants are increasingly

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<sup>39</sup> UNDP (2010). Assessment of Development Results. Evaluation of UNDP Contribution to Somalia. UNDP.

<sup>40</sup> UNSC (2010) Report of the Monitoring Group on Somalia Pursuant to Security Council resolution 1853 (2008), March, S/201: 59

<sup>41</sup> Ibid: 60

<sup>42</sup> This is the case of Al Shabaab who declared aid agencies unwelcome in Southern Somalia, as reported by the UNSC (2010) Report of the Monitoring Group on Somalia Pursuant to Security Council resolution 1853 (2008), March, S/201: 60.

<sup>43</sup> United Nations, Department of Economic and Social Affairs, Population Division (2009). International Migration Report 2006: A Global Assessment.

<sup>44</sup> Sanders, C. (2003). Migrant Remittances to Developing Countries.

<sup>45</sup> See for example Collier (2000), Collier and Hoeffler (2004), Duffield (2002), Kaldor (2001) and Lyons (2007).

regarded as promoters of development in their countries of origin<sup>46</sup>. Migrants' commitment towards their countries of origin usually translates into substantial transfers of financial, as well as social, cultural and human capital<sup>47</sup>. Diaspora and immigrant communities not only contribute to the economic dimension of the development of their countries of origin, they also transfer knowledge, experiences and values from their adopted countries.

In Somalia, significant migration flows started in the 1970s as a consequence of the repression of Siad Barre's dictatorial regime. In particular, after the end of the Ogaden war in 1978, 250 000 Somalis left for near Arab countries in search of work opportunities offered by the oil industry and better living conditions<sup>48</sup>. The fact that Somalia was a member of the Arab League since 1974 facilitated this migration flow, as Somalis were welcome and supported in starting a business or in furthering their studies. The majority of this migration flow successfully developed their business interests and some even made careers in the administrative structure of the host countries<sup>49</sup>. During the 1970s, many young Somalis went to North America, Europe and Russia to pursue their academic ambitions and get university degrees<sup>50</sup>.

Somalis continued to leave their country during the 1980s as a consequence of the political unrest provoked by the dictatorship. Many Somalis applied for political asylum in the West, while the majority fled across the border into eastern Ethiopia. In 1988 civil war broke out after the Government bombing of the city of Hargeisa. Hundreds of thousands of refugees fled across the borders to Ethiopia, Djibouti and Yemen, and farther to Europe and North America. Following the defeat of the Somali government forces in 1991 and the consequent civil war over the succession to power, Somalis from the south fled to neighboring countries like Kenya and Ethiopia, and further to Europe and North America<sup>51</sup>.

Today, the number of the Somali people living outside their country of origin is estimated at about one million, concentrated in three main areas: The Horn of Africa and Yemen; the Gulf States; and Western Europe and North America.<sup>52</sup>

### *Differences in Aid Practices*

Remittances to Somalia are estimated at between US\$ 1 billion (in 2004) and US\$ 1.6 billion (2009) and represent 23 per cent of household income with up to 40 per cent of households receiving some assistance<sup>53</sup>. Remittances are spent for a variety of purposes, from simple consumption to private investments and aid initiatives. Parts of remittances are used for humanitarian and development projects, including funds invested in the construction of social service facilities such as schools and hospitals<sup>54</sup>. With current data, it is not possible to extrapolate the percentage of remittances spent for local development against the amount spent for other purposes. Recent research on the role of the Somali Diaspora in the country

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<sup>46</sup> See for example the outputs of the EC funded research Project "Diaspora for Peace: Patterns, Trends and Potential of Long-Distance Diaspora Involvement in Conflict Settings. (DIASPEACE). The author was part of the research team of Diaspeace Project from 2008 to 2010.

<sup>47</sup> Sinatti, G., Ezzati, R., Saggiomo, V. et al. (2010). *Diasporas as partners in conflict resolution and Peace-building*. ADP.

<sup>48</sup> A good description of the Somali migration towards Arab countries is offered by Ahmed, I.I. (2001) *Remittances and Their Economic Impact in Somaliland*. In Suzanne Lilius, *Variations on the Theme of Somaliness*. Centre for Continuing Education, Turku, Finland. Pp. 184-188. See also Gundel, J. (2002). *The Migration-Development Nexus*. Somali Case-Study. Centre for Development Research Study.

<sup>49</sup> Laitin, D. and Samatar, S.S. (1987). *Somalia. Nation in Search of a State*. Westview Press, Boulder Colorado.

<sup>50</sup> This trend continues nowadays. However, due to the difficulties of travelling to Western countries and to the problems related to the cost of education, a large number of young Somalis are turning to India and Pakistan for university degrees.

<sup>51</sup> For a multi-perspective description of the Somali Diaspora process and its role in the reconstruction efforts of the country, see the contributions in the book edited by Farah, A.O., Muchie, M. and Gundel, J. (2007). *Somalia. Diaspora and State Reconstruction in the Horn of Africa*. Adonis and Abbey Publishers, London.

<sup>52</sup> Sheikh H. and Healy, S. (2009). *Somalia's Missing Million: The Somali Diaspora and its Role in Development*. UNDP.

<sup>53</sup> Hassan Sheikh and Sally Healy (2009) *Somalia's Missing Million*.

<sup>54</sup> Lindley, A. (2007). *Remittances in Fragile Settings: A Somali Case Study*.

has focused on social and human capital more than on financial transactions<sup>55</sup>. This perspective revealed the existence of various forms of engagement of the Somali Diaspora in the development of their country of origin. In fact Diaspora involvement in the development of Somalia is not limited to the mere transfer of money, readily seen in the construction business and the development of urban services and facilities<sup>56</sup>.

Different forms of Diaspora engagement for the development of the motherland have generated developments in the economy (especially the private sector), in the social sectors, like education and health, and in the political life of the country, with new political parties initiated by Diaspora people, fostering a gradual advancement of state institutions<sup>57</sup>. Recent research has explored the ways in which the Somali Diaspora in Finland and Italy use the opportunities offered in the host countries to develop long-term models of aid to help the motherland. In these countries the Somali Diaspora tends to form associations or NGOs to access national development funds for Somalia<sup>58</sup>; another strategy is to become an active member of existing NGOs working in Somalia and acquire the necessary know how to launch independent development initiatives for the country. The development of migrants' NGO sector in the Diaspora host countries depends on various factors, including the migrants' status and opportunities in the host countries, the migration policies and regulations, and the availability of dedicated funds to support NGOs' development efforts in countries of origin<sup>59</sup>.

Another form of engagement of the Somali Diaspora towards their homeland is related to the interest in pursuing political activism in the country of settlement; the acquired know how is later transferred to the transnational level as political remittances. In a number of cases both in Italy and in Finland, individuals belonging to the Somali Diaspora have participated in local elections and have joined political parties or trade union organisations<sup>60</sup>. The experience of the Somali Diaspora in the United Kingdom or in the Arab Countries generates a quite different pattern of involvement in the development of the country of origin, mainly focused on promoting business and investments<sup>61</sup>.

The following example is the result of interviews conducted in 2008 with Somali businessmen in London who actively support their home communities with development funds and projects. Since the mid 1990s, some members of the Somali Diaspora came together in "virtual organisations". These are informal organisations, structured in the form of networks of individuals who "register" themselves and commit to offer a variable amount of money on a monthly basis, for a given aid purpose. The network refers to a Board of Trustees that is in charge of planning how to invest the money, in direct collaboration with the beneficiary community. Interviews conducted by the author with members of the Somali Diaspora in London reveal that in some cases there is a genuine strategic business plan behind the use of Diaspora funds; the strategic plan may include investments in support of the local administrations (Governance sector), of the local economic development (Economic

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<sup>55</sup> This is the perspective of the EC funded research Project "Diaspora for Peace: Patterns, Trends and Potential of Long-Distance Diaspora Involvement in Conflict Settings. (DIASPEACE).

<sup>56</sup> In Somaliland, where the political environment is stable, the city of Hargeisa is growing rapidly, both in terms of houses and in terms of services for the population. Here the Diaspora is very visible in the development sector (International NGOs) and in the State institutions (political parties, parliament, government).

<sup>57</sup> Horst, C. et al. (2010). Participation of Diasporas in Peacebuilding and Development.

<sup>58</sup> Mezzetti, P., Saggiomo, V., Pirkkalainen, P., Guglielmo, M. (2010). Engagement Dynamics between Diasporas and Settlement Country Institutions: Somalis in Italy and Finland. Diaspace Working Paper n.6.

<sup>59</sup> See Horst, C., Ezzati, R., Saggiomo, V. et al. (2010). Participation of Diasporas in Peacebuilding and Development. A Handbook for Practitioners and Policymakers. PRIO Report.

<sup>60</sup> Mezzetti, P., Saggiomo, V., Pirkkalainen, P., Guglielmo, M. (2010). Engagement Dynamics between Diasporas and Settlement Country Institutions: Somalis in Italy and Finland.

<sup>61</sup> For an interesting assessment of the investments of the Diaspora in basic social services and business in Somalia, see Hammond, L. et al. (2011). Cash and Compassion. The Role of the Somali Diaspora in Relief, Development and Peacebuilding. UNDP publication.

sector) and in support of the social welfare sector<sup>62</sup>. Locally, the management of the Diaspora aid funds often entails the involvement of community committees, with responsible persons that are in charge of receiving the money from an *ad hoc* bank account and spending it for development or humanitarian projects. The donors in the Diaspora usually maintain contact with the recipient communities by Internet and telephones, and receive electronic pictures by e-mail and oral reports by mobile telephone from the responsible persons in the beneficiary community. Once a year, the Diaspora donor community may send a representative to monitor the project.

### *Political and Policy Implications*

In this model of aid, funds are received in cash by the recipient Somali community and are managed locally without the intermediation of professional development experts, as is the case for the NGOs in the external model. Although the donor group is the promoter of the strategic aspects of the use of funds, local communities, through their representatives, play a pivotal role in indicating their needs and requirements to their fortunate compatriots living abroad and in managing all the aspects of the project execution and completion. The criteria for distribution of aid are, however, mostly based on clan affiliations and therefore this model is subject to the risk of creating imbalances in the local development processes, although the same risk is present in the peace-dividend approach promoted during the last decade within the external model of aid<sup>63</sup>.

According to research<sup>64</sup>, the Diaspora has been generally successful in helping communities in the country of origin. The factors that have contributed to this success may relate to the fact that the support network is entirely run by Somalis; Somali ownership and trust help to minimize the transaction costs and to ensure that the assistance gets to its intended destination. In this sense, the cross-border model of aid to Somalia is apparently more effective than the external model of aid. However, it is less coordinated, as the various actors inevitably lack a comprehensive vision of the contributions extended by other Diaspora groups around the world.

### **The Internal Model**

The internal model of aid to Somalia is perhaps the least known and studied. This model of aid is characterized by internal redistribution mechanisms of wealth that is produced within the country by the local population and the business community and shared within the country among needy fellow citizens. This model recognizes that in the Islamic religion, every Muslim has the duty to donate a certain amount of individual assets on a yearly basis<sup>65</sup>. In many Muslim countries, the collection and redistribution of religious alms is organized at the institutional level. The State, Zakat committees, charities, and Mosques may all play a role in the collection of religious funds among local believers and in their redistribution to assist the needy and provide social services, such as schools and hospitals<sup>66</sup>. Since the late 1980s, the local character of alms giving has faded, due in part to the presence of large

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<sup>62</sup> This is the result of my own field research on Somali Diaspora in London funding education activities in El Dehre town of Somalia. The research was carried out in 2008 and was sponsored by the Italian NGO CISP.

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<sup>64</sup> Hammond, L. (2011).

<sup>65</sup> This is the third pillar of Islam: the compulsory charity or *Zakat*, mentioned in the Holy Quran.

<sup>66</sup> On the practice of alms giving in Islam, see Burr, J. M. and Collins, R.O. (2006) *The third pillar of Islam, Zakat*. In Burr and Collins *Alms for Jihad*. Cambridge University Press. P.12. Benthall, J. (1998). *The Quran's call to alms: Zakat, the Muslim Tradition of Alms-Giving*. ISIM Newsletter n.1. Benthall, J. (1999) *Financial Worship: The Quranic Injunction to Almsgiving*. *The Journal of the Royal Anthropological Institute*, Vol. 5, n. 1, pp 27-42.

Muslim communities in the Western world and their need to fulfill religious duties in secular states.

Today, governments or Islamic organizations both within the countries where they are levied and outside, thus representing a sort of international cooperation resource of Islamic humanitarianism may spend religious funds. When religious funds cross the border of their country of origin, they can be included in the cross-border model of aid. When instead religious funds maintain a local character and are spent for aid and consumption in the country where they originate, they are included in the internal model of aid.

### *Major Tools and Players*

Charity in a Muslim community and in Somalia is a religious prescription and a sign of piety, which is encouraged within the family and society in general. Zakat, Sadaqah and Waqfs are the main channels of alms giving in Islam. Zakat-giving is an annual mandatory duty, usually paid during the month of Ramadan. Zakat traditional amounts to 2.5 percent of individual property, including business profits gained within the Muslim calendar year (354 days). In addition to Zakat, there is Zakat al-fitr, that is equal to the cost of one day's food for each member of a donor family, usually donated at the end of Ramadan to fund the fast breaking celebration for poor individuals or families<sup>67</sup>. Historically, Sunni Muslims regard Zakat as an obligation, mainly collected by the State as a tax, while the Shiites do not acknowledge the right by the State to tax, and thus regard Zakat more as an act of piety rather than an obligation<sup>68</sup>.

In Pakistan (since 1981), Sudan (since 1982), and Saudi Arabia (since 1951), the collection and distribution of Zakat is organised by the State; in other countries such as Bahrain, Oman, Kuwait, Jordan, Bangladesh and the Palestinian Territories, the collection and distribution of Zakat is administered by Zakat committees composed of employees paid by the State and men known for their honesty and religious dedication, whose role is to ensure that Zakat donations are not misused. Zakat funds are increasingly being channelled through charities and NGOs for development and humanitarian purposes. Although its use may encompass areas of political activism, which is the main subject of concern in counter-terrorist analysis, some independent studies are starting to shed light on the positive nature and role of Zakat and its charities in the humanitarian and development domain<sup>69</sup>.

In principle, there are eight broad categories of Zakat recipients, usually defined as the poor, those employed to administer the Zakat, those who might be converted to Islam or assist in the cause of spreading Islam, slaves, debtors, those committed to the "way of God", and travellers in need<sup>70</sup>. However, interpretations of the potential recipients of the Zakat funds are widely debated among theologians and jurists in the Muslim world, whose concern is the adaptation of this Islamic prescription to modernity<sup>71</sup>.

Unlike Zakat, Sadaqah is not mandatory for individual Muslims. It represents a purely voluntary act of devotion and personal responsibility of whoever is in the position to make a

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<sup>67</sup> See Burr, J., & Collins, R. (2006). *Alms for Jihad: Charity and Terrorism in the Islamic World*. Cambridge: Cambridge University Press.

<sup>68</sup> Ibid.

<sup>69</sup> See for example Benthall, J. (2008). *The Palestinian Zakat Committees 1993-2007 and their Contested Interpretations*. PSIO Occasional Paper. Also worth to be mentioned The Montreux Initiative launched in 2005 in Geneva with the objective to build confidence between Governments and Islamic Charities in the post 9-11 context.

<sup>70</sup> The eight categories are mentioned by Benthall, J. (2003) *Humanitarianism, Islam and 11 September*, HPG Report.

<sup>71</sup> Also NGOs are trying to elaborate a modern view of the Zakat beneficiaries. In this regard, it is interesting to mention the case of Islamic Relief that adapted the traditional eight categories of beneficiaries into the following broader objectives: poverty reduction, administrative overheads for civil servants dealing with public welfare, peace-building and community cohesion, promotion of freedom, basic human rights and civil liberties, personal insolvency settlements, public work, including security and defence, and supporting the homeless, refugees and migrants. See Kroessin, M.R. (2008). *Islamic charities and the "war on terror": dispelling the myth*. HPN.

donation to the less fortunate people, over and above the Zakat alms-giving. Sadaqah has no specific set of beneficiaries or purposes and is often a secret act, as a mark of humility. A Sadaqah donation can be given directly to the beneficiary person or institution, or can be given to the Mosques that will then redistribute it to needy people. The Imam often solicits donations during the Friday prayer or by a call for voluntary donations that might be launched for various purposes; some Mosques in the western and non-western world are endowed with special boxes for Sadaqah donations. As some scholars report<sup>72</sup>, in many Muslim countries where the administration and distribution of charitable donations are decentralised, Sadaqah, rather than Zakat, is the principal source of Muslim Charity and is characterized by the general lack of intermediaries between the donor and the recipient, whether the state or any other institution<sup>73</sup>.

An exception to this general practice is represented by the development sector where Sadaqah donations can be used to support Islamic charities or NGOs, by covering their operative costs (such as rent and electricity) or by providing financial means to address humanitarian emergencies<sup>74</sup>. Waqfs (or habs in North Africa) have their historical origins in the earliest days of Islam. Charitable Waqfs are distinguished from private or family Waqfs according to the ultimate purpose. Waqfs in Arabic means “perpetuity” and indicates a property that is passed under Islamic law by gift or testament to the state for pious works, such as the building of mosques and schools, providing the public with drinking water, facilitating pilgrimages to Mecca, or the relief of poverty and other needs<sup>75</sup>. Property may consist of any non-consumable asset, from buildings to financial riches, which produce a continuous and lasting profit that will be administered by the receiving institution for charitable purposes. Charitable Waqfs for developing purposes can also be created “ad hoc” by an Islamic aid organization through the establishment of a fund, with a certain number of shareholders; the fund is then invested by the charitable organization that will use the profits for development purposes<sup>76</sup>.

As for the administration of these religious funds, in some Muslim countries such as Pakistan, Sudan, and Saudi Arabia, the Zakat is collected by the State as a sort of yearly tax and then redistributed to the population in need through internal mechanisms that may include the use of Islamic charities and philanthropic organizations. Malaysia is one of those Muslim countries where a division of the Islamic Council of Malaysia administers the Zakat collection and management at a central level. This council revised the Zakat beneficiary categories in order to suit modern needs and is in charge of distributing Zakat funds through medical and cash aid to the poor and destitute, in what has been called “Strategic Philanthropy”<sup>77</sup>. In other countries, the collection of Zakat is organized directly by Islamic Charities, providing financial resources for development or humanitarian projects.

Sadaqah instead is administered at individual level or collected by Mosques and NGOs for specific purposes. Charitable Waqfs is administered by both NGOs and the State. Whereas the use and collection modalities of charitable funds in Muslim communities are being widely studied<sup>78</sup>, there is no specific research available on Somalia. According to

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<sup>72</sup> Burr and Collins, (2006).

<sup>73</sup> See Kroessing, M. (2008).

<sup>74</sup> See Ndiaye, A. (2007).

<sup>75</sup> Benthall, J. (2001) Organised Charity in the Arab-Islamic World Today.

<sup>76</sup> The Islamic NGO Islamic Relief uses Waqf as a sophisticated fundraising mechanism to finance aid programs around the world.

<sup>77</sup> Sami Hasan, 2006 Hasan, S. (2006). Muslim Philanthropy and Social Security:Prospects, Practices, and Pitfalls. Bangkok: Paper presented at the 6th ISTR Biennial Conference.

<sup>78</sup> See for example Benthall, J. and Bellion Jourdan, J. (2003), *The Charitable Crescent. Politics of Aid in the Muslim World*, I.B. Tauris, London. Benthall, J. (1998) “The Quran’s call to Alms: Zakah, the Muslim Tradition of Alms-Giving” ISIM Newsletter n.1. Benthall, J. (2003), “Humanitarianism, Islam and 11 September” in Joanna Macrae and Adele Harmer, *Humanitarian Action and the Global war on Terror*, HPG Report n.14. Mohamed Salih (2004), “Islamic NGOs in Africa.

interviews conducted in 2008 with Somalis from central-southern regions<sup>79</sup>, paying Zakat and Sadaqah in Somalia is widely practiced, despite the level of poverty and deprivation that the war-torn country endures.

### *Disbursement Practices in Somalia*

Though initial studies are becoming available on the use of Islamic voluntary alms for development and humanitarian purposes, it has to be noted that no such study exists on the existence and use of Zakat, Sadaqah and Waqfs in Somalia, whether before or after the State collapse.

Narratives<sup>80</sup> on Zakat and Sadaqah (not on Waqfs) in Somalia collected by the author in 2008 reveal that many Islamic aid organizations have relied on Sadaqah as part of the source of funding for humanitarian and development activities in Somalia since the withdrawal of the UNOSOM mission in 1995 and even more after 11 September 2001.

The Islamic NGOs and Charities' response to the 2006 drought emergency that affected the southern regions of Somalia causing nearly 800 000 displaced people, is a good example of the Islamic charitable sector' fundraising strategy<sup>81</sup>:

Islamic NGOs and Charities started to raise money to address the emergency immediately through appeals launched by radio and telephone calls. The number of a bank account was given and donations were received in a few days from all the regions of Somalia. The private sector contributed to the cause by avoiding charging for the service and both the radio stations and telecommunication companies provided the services for free. Then a committee was organised in order to distribute the funds to the population in need; the committee was formed of religious people, personalities...people who are reliable. They distributed the funds personally, travelling from region to region. NGOs helped by distributing goods and services to the victims<sup>82</sup>.

In this case, clan affiliation did not play any role with regard to Sadaqah donations' origins vis-à-vis the beneficiaries. The same does not seem to hold true for the use of Zakat, according to informants. Zakat is widely practiced in Somalia, as a mandatory act in every Muslim society. The calculation of Zakat is very complicated and represents an annual event as the Ramadan period approaches. Since Somali economy is mainly based on livestock, Zakat is calculated on the number and kind of animals that somebody owns. The rate for calculating Zakat varies for each animal, and the she-camel seems to be the most valuable property. Sheiks in the Mosques are consulted for the Zakat calculation as they have the knowledge and experience to advise on the correct amount to be paid, but apparently they only have an advisory role. Sheiks can only advise on the amount of Zakat that each individual needs to pay on annual basis; they will not verify the effective payment nor administer it<sup>83</sup>. Both men and women pay Zakat in Somalia; reportedly, if a Somali woman owns jewelry and she does not wear it for one year, she needs to give a percentage of that jewelry for annual Zakat<sup>84</sup>. At present, there is no authority collecting and administrating Zakat in Somalia, not even the mosques. As a consequence, in Somalia Zakat is managed on a personal basis and it is almost impossible to estimate the volume of funds or goods that it

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The Promise and Peril of Islamic Voluntarism" in A. De Waal *Islamism and its Enemies in the Horn of Africa*, pp. 146-181. Mohamed R. Kroessing, (2008), "Islamic Charities and the war on terror: dispelling the myths", HPN Publication.

<sup>79</sup> See also Saggiomo, V. (2011) *From Charity to Governance: Islamic NGOs and Education in Somalia*. The Open Area Studies Journal, Vol. 4, 2011, pp. 53-61. Bentham Open.

<sup>80</sup> Information that has been randomly collected among Somalis residing in Kenya and Somalia and that have not been verified by other sources of information.

<sup>81</sup> The author was directly involved in the 2006 drought emergency response in Somalia as she was working as an emergency coordinator for UNICEF Somalia. The mentioned case was later studied by the author during her Doctoral research. In 2008 the author conducted interviews to various Islamic NGO representatives (all male, in their 40s). These interviews constitute the source of this paragraph.

<sup>82</sup> Interview to an Islamic NGO operating in Somalia. Nairobi, 14 May 2008.

<sup>83</sup> Interview to Dr. Abdi Nur, Somali medical doctor, in his quality of Zakat payer. Nairobi, 19 April 2008.

<sup>84</sup> Interview to a Somali medical doctor working for an International NGO, Nairobi, April 2008.

generates within Somalia. With regard to the beneficiaries, according to informants Somali people tend to donate their Zakat to poor siblings and members of their clan family, thus maintaining the wealth redistribution mechanisms within their “restricted” family circles.

### *Political and Policy Implications*

The general perception of Somalia is one of a country in extreme need of external assistance where the resilience of the local population has been eroded by the recurrent emergency situations, which the country endures year after year<sup>85</sup>. Although this perception certainly has solid grounds, what probably needs to be further explored by research is the domestic capacity of sharing and redistributing the wealth that the local population, including the business community, is able to generate. While the current practice of Zakat in Somalia is an important coping mechanism for those in need, provided that they have rich relatives, at present it does not enable the Zakat institution to evolve into a tool for development purposes rather than merely for charitable actions, as is the case in those countries where Zakat collection and management is centralized (the State), or decentralized (Committees or Organizations). The same can be valid for Sadaqah funds<sup>86</sup>.

With reference to Somalia, it is important to stress that there is an internal flow of money that is devoted to aid and charity<sup>87</sup>. These funds or assets are locally generated and locally redistributed without external intermediaries and are used both to benefit an individual in need, and for local communities in general through the construction of common services and facilities, such as schools and orphanages. There is no plan or development, strategy or coordination mechanism behind the use of these religious funds, but they are an important part of the Somali internal coping mechanisms and may provide substantial resources in emergency situations, as was the case in the 2006 drought and floods emergency in Central Southern regions of the country.

Being based on religious donations, this model of aid pays little attention to the issues of management, accountability and impact; once the donation has been made by an individual or a group of donors, their religious duty has been accomplished and the issue of how the funds are invested does not fall under the donors’ interest or responsibility. On the recipient side, the accountability of the donations relates to religious ethics and not directly to the donor.

For its peculiarities, it is extremely difficult to evaluate the impact of funds deriving from the internal model of aid. In contrast to the external model, the impact of these funds depends exclusively on the capacities of local communities to directly manage the funds and implement activities.

### **Conclusions**

This paper has discussed three forms of aid that are practiced to help Somalia and its population to overcome the crises that persist since more than twenty years. The conclusions will assess how effective the three models are in terms of development and emergency assistance to Somalia.

The external model of aid is the one that is usually referred to in connection with the engagement of the international community for Somalia. It can be estimated at a little over half a billion US\$ yearly<sup>88</sup> that is spent according to the Reconstruction and Development Program based on the needs identified by the donor community for Somalia. Most of the

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<sup>85</sup> See the yearly Consolidated Appeals produced by the UN Office for the Coordination of Humanitarian Affairs.

<sup>86</sup> These are the opinions of the author, based on the interviews conducted by the author to Somali people on the charitable giving in 2008.

<sup>87</sup> The following considerations are the result of the Interviews conducted by the author to Somali people on the charitable giving in 2008.

<sup>88</sup> This is a rough average of the disbursement over a five year period from 2006 to 2010.



attention is devoted to the security sector, with large amounts of capital used for military operations in support of peace and stability. The level of Somali ownership of development programs under this model is minimal as State institutions have so far been too fragile or incapable of exercising governance over the territory. The needs of the local population in terms of social services and emergency assistance have often failed to be met, while the mixture of the humanitarian and military sphere has nurtured conflicting parties and in practice represented a source of destabilization, as the reported case of the WFP food diversion demonstrates. In the light of this reality, the external model of aid is far from being effective in terms of reaching its objectives.

The cross-border model of aid has been at the center of academic attention over the last decade as it moves an estimated one billion US\$ per year into the country, greatly in excess of the ODA to Somalia. Contrary to the first aid model, local communities often play a pivotal role in indicating their needs and requirements to their compatriots in the Diaspora and managing all the aspects of project execution and completion. However, placing local communities at the centre of the distribution modalities also involves the risk of generating imbalances among clan affiliations. In fact, the most represented clans in the Diaspora may be reinforced in the country through this massive financial flow. Reinforcing clan structures potentially contributes to destabilizing the country, as it influences the power dynamics to the detriment of minorities. This said, there is no doubt that the Diaspora has been generally successful in helping communities in the country of origin. The lively expansion of the Somali economy suggests that the cross-border model of aid is more effective than the external model, and able to create more benefits for the Somali people.

The contribution to subsistence and development of the internal model is impossible to quantify at present. The use of religious funds in Somalia seems to be characterized by the lack of any development, strategy or coordination mechanism. It can be said, however, that donations extended by Somalis to their fellows in need in the country are an important part of the internal coping mechanisms and have proved to be critical in emergency situations, as the 2006 drought emergency response demonstrates. In this sense, the third model seems to better adhere to the urgent needs of the less fortunate Somali population than the first model, even though the actual amount of funds may be less.

The three models of aid giving to Somalia concur in addressing basic needs of the local population, such as daily consumption, the provision of social services, development initiatives and emergency interventions. Each model has its own peculiarities in terms of aid delivery modalities, volume and sectors of preferred intervention. What could inspire further research with policy implications is the fact that the two models that place the beneficiary Somali population at the centre of both investments and management of the resources, the cross-border and the internal model, achieve higher standards in terms of effectiveness compared to the external model. The Somali population should not be seen as a passive recipient of external assistance but as an active agent of change, able to positively contribute to the development of the country. Also, the formal interaction among these three models of aid is still weak, at best, and should be encouraged in order to achieve a more coordinated response to emergency situations and more inclusive planning phases for local development.

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