

**DEVELOPMENT AID AND POST CIVIL WAR RECONSTRUCTION IN MOGADISHU  
SOMALIA**

**BY**

**ABDIRIZAK ALI ELM**

**1174-06286-14396**

**A RESEARCH DISSERTATION PRESENTED TO COLLEGE OF HUMANITIES AND  
SOCIAL SCIENCES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
FOR THE AWARD OF MASTERS OF ARTS IN CONFLICT  
RESOLUTION AND PEACEBUILDING OF  
KAMPALA INTERNATIONAL  
UNIVERSITY**

**MARCH, 2022**

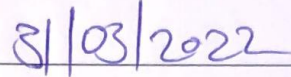
## DECLARATION

This Research dissertation is my original work and has not been presented for a Degree or any academic award in any University or Institution of Learning.

Signature



Date:



**ABDIRIZAK ALI ELMI**

**1174-06286-14396**

## APPROVAL

I confirm that the work in this research dissertation entitled “*Development Aid and Post-Civil War Reconstruction in Mogadishu Somalia*” has been under my supervision and is now ready for submission to the college of humanities and social sciences of Kampala international university with my approval.

Signature:  Date: 31<sup>st</sup> - March - 2022

**Supervisor: Dr. Badru Hassan Segujja**

## **DEDICATION**

First of all, I would like to dedicate this piece of work to the Almighty Allah who has enabled me to carry out this research successfully and to my beloved parents without forgetting my dear siblings. May the Almighty Allah bless you all.

## **ACKNOWLEDGEMENTS**

Firstly, am greatly indebted to my supervisor, Dr. Badru Hassan Segujja who has tirelessly read through this research report to guide and correct me. I appreciate your effort. I cannot fail to acknowledge my lecturers in the College of Humanities and Social Sciences for the knowledge that they passed on to me, without you this would not have been an easy task.

I would like to convey my sincere thanks to the respondents who participated in the interviews and those that helped in filling the questionnaires. Thank you so much, your contribution enabled me to write this research report.

My sincere thanks go to my lecturers who have transformed me into a better and knowledgeable person through the two years of academic struggle at Kampala International University.

May Allah Bless you all.

## TABLE OF CONTENTS

<b>DECLARATION</b> .....	<b>i</b>
<b>APPROVAL</b> .....	<b>ii</b>
<b>DEDICATION</b> .....	<b>iii</b>
<b>ACKNOWLEDGEMENTS</b> .....	<b>iv</b>
<b>TABLE OF CONTENTS</b> .....	<b>v</b>
<b>LIST OF TABLES</b> .....	<b>x</b>
<b>LIST OF ACRONYMS AND ABBREVIATIONS</b> .....	<b>xi</b>
<b>ABSTRACT</b> .....	<b>xii</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>1</b>
1.0 Introduction .....	1
1.1 Background of the study .....	1
1.1.1 Historical Perspective .....	1
1.1.2 Theoretical Perspective.....	4
1.1.3 Conceptual Perspective.....	5
1.1.4 Contextual Perspective .....	7
1.2 Statement of the Problem .....	9
1.3 Purpose of the study .....	9
1.4 Specific Objectives of the study.....	9
1.5 Research Questions .....	10
1.6 Research Hypothesis .....	10
1.7 Scope of the study .....	10
1.7.1 Geographical Scope .....	10

1.7.2 Thematic Scope .....	10
1.7.3 Time scope.....	11
1.7 Significance for the study.....	11
1.8 Operational Definitions.....	11
<b>CHAPTER TWO .....</b>	<b>13</b>
<b>LITERATURE REVIEW .....</b>	<b>13</b>
2.0 Introduction .....	13
2.1 Theoretical Review .....	13
2.1.1 Harrod-Domar Growth Model.....	13
2.1.2 Two-Gap Models.....	14
2.2 Conceptual Framework .....	18
2.3 Review of related literature .....	19
2.3.1 Effect of development aid on post war social service reconstruction .....	19
2.3.2 Effect of development aid on post war Economic institutions reconstruction .....	22
2.3.3 Effect of development aid on post war political institutions reconstruction .....	25
2.4 Empirical Review .....	29
2.5 Research Gaps.....	35
<b>CHAPTER THREE .....</b>	<b>36</b>
<b>METHODOLOGY .....</b>	<b>36</b>
3.0 Introduction .....	36
3.1 Research Design.....	36
3.2 Study Population .....	36
3.3 Sample Size.....	37

3.4 Sampling Techniques .....	38
3.5 Sources of data .....	38
3.5.1 Primary data.....	38
3.6 Data Collection Instruments.....	38
3.6.1 Questionnaires .....	38
3.6.2 Interview .....	39
3.7 Validity and reliability .....	39
3.7.1 Validity .....	39
3.7.2 Reliability .....	40
3.8 Data analysis .....	40
3.8.1 Quantitative data analysis.....	40
3.8.2 Qualitative data analysis.....	41
3.9 Ethical Consideration .....	41
<b>CHAPTER FOUR.....</b>	<b>43</b>
<b>DATA PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS .....</b>	<b>43</b>
4.0 Introduction .....	43
4.1. Response Rate .....	43
4.2 Demographic Characteristics .....	43
4.2.1 Respondents by gender.....	44
4.2.2 Age Bracket .....	45
4.2.3 Marital Status.....	47
4.2.4 Respondents Occupation .....	48
4.3. Findings on the Effect of development aid on post war social service reconstruction .....	49



4.4 Findings on the Effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia.....	52
4.5 Findings on the Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia.....	55
4.6 Objective One; The Effect of development aid on post war social service reconstruction in Mogadishu Somalia.....	58
4.7 Objective two: Effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia.....	59
4.8 Objective three: Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia.....	62
<b>CHAPTER FIVE .....</b>	<b>64</b>
<b>DISCUSSION, CONCLUSION AND RECOMMENDATIONS .....</b>	<b>64</b>
5.1 Introduction.....	64
5.2 Discussions of findings .....	64
5.2.1 The Effect of development aid on post war social service reconstruction in Mogadishu Somalia .....	64
5.2.2 Effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia. ....	66
5.2.3 Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia.....	68
5.3 Conclusions.....	70
5.3.1 The Effect of development aid on post war social service reconstruction in Mogadishu Somalia .....	70
5.2.2 Effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia. ....	70

5.3.3 Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia .....	71
5.4 Recommendations .....	72
5.4.1 The Effect of development aid on post war social service reconstruction in Mogadishu Somalia .....	72
5.4.2 Effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia. ....	72
5.4.3 Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia .....	73
5.4 Areas of further research .....	73
<b>REFERENCES.....</b>	<b>74</b>
<b>APPENDICES .....</b>	<b>82</b>
Appendix I: Questionnaire .....	82
Appendix II: Interview Guide .....	86

## LIST OF TABLES

Table 3.1: Showing the study population with their represented sample size .....	37
Table 4.1: Response Rate.....	43
Table 4.2: Respondents by gender .....	44
Table 4.3: Showing age bracket.....	45
Table 4.4: Response on education background.....	46
Table 4.5: Showing marital status.....	47
Table 4.6: Respondents occupation .....	48
Table 4.7: Responses about Effect of development aid on post war social service reconstruction. .....	49
Table 4.8 Response on whether the Effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia. ....	52
Table 4.9: Response on the Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia .....	55
Table 4.10: Effect of development aid on post war social service reconstruction .....	58
Table 4.11: Effect of Development aid on post war Economic institutions reconstruction .....	60
Table 4.12: Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia. ....	62

## **LIST OF ACRONYMS AND ABBREVIATIONS**

2SLS	Two stage Least Squares
ABEC	Alternative Basic Education for Children out of School
ADB	African Development Bank
AU	African Union
DANIDA	Danish Agency for International Development
DRC	Democratic Republic of Congo
ECA	Economic Cooperation Administration
FDI	Foreign Direct Investments
GDP	Gross Domestic Product
GMM	Generalized Method of Movement
IMF	International Monetary Fund
IPWLS	Inverse Probability Weighted Least Squares
LIML	Limited Information Maximum Likelihood
LPM	Linear Probability Model
NEPAD	New Partnership for African Partnership for African Development
NGOs	Non-Governmental Organizations
NORAD	Norwegian Agency for Development Cooperation
ODA	Official Development Assistance
OECD	Organization of Economic Committee for Development
OLS	Ordinary Least Square
PCR	Post Conflict Reconstruction
UN	United Nations
UNDP	United Nations Development Program

## ABSTRACT

The study was set to assess the effect of development aid and post-civil war reconstruction in Mogadishu Somalia, thus the existence of development aid is supposed to have made the country attain proper post war reconstruction mechanisms without challenges. The status situation leaves worries that the situation of the post war construction could continue to be highly challenged. The study used the following specific objectives i) to identify the effect of development aid on post war social service reconstruction in Mogadishu Somalia, ii) to examine the effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia, and iii) to establish the effect of development aid on post war political institutions reconstruction in Mogadishu Somalia. The researcher used a descriptive survey research design based on quantitative and qualitative research approaches. The study targeted a population of 560 people, and with a use of Slovic's formula a sample of 233 respondents was selected to participate in the study. This study used two instruments for the collection of data;- these included questionnaire and interview Guide. The study established the Effect of development aid on post war social service reconstruction in Mogadishu Somalia. Its findings indicated that there was a significant effect of post war social service reconstruction. Even though the effect Development aid on Post war social service reconstruction may have been rather weak, its significance was undisputable. More so the study established the effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia. Its findings indicated that there was a significant effect of post war Economic institutions reconstruction. Even though the effect Development aid on post war Economic institutions reconstruction may have been rather weak, its significance was undisputable. Thus qualitative results revealed that the goal is to have institutional reforms that result in formation of the same expected order or adherence to the same convention, where everyone will be better off. Clear rules of the game sets the scope for influencing altruism in the cooperation or social, economic and political interaction will be cooperative rather than conflicting". More so the findings established that the effect of development aid on post war political institutions reconstruction in Mogadishu Somalia. Its findings indicated that there was a significant effect of post war political institutions reconstruction. From the study findings the researcher concluded that Development aid had a significant effect on post war social service reconstruction in Mogadishu Somalia. The study concludes that post-war reconstruction needs to focus more on rebuilding infrastructure than on reconstructing institutions and strengthen the social fabric of the society. Secondly the study concludes that Development aid were rarely prevailing towards post war Economic institutions reconstruction, however the study concludes that aid disbursed after attainment of peace is effective in reducing physical miseries such as infant mortality, and this may have favorable long-term effects on Economic growth. From the research findings and conclusions made the researcher recommends that there is need for the donors to consider supporting comprehensive programs to assess the impact of war on children, to train teachers and parents to recognize the symptoms of stress, anxiety, trauma and depression in the most vulnerable.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Introduction**

This chapter is concerned with background of the study, statement of the problem, purpose of the study, objectives, research questions, hypothesis and scope, significance of the study and operational definitions of key terms.

### **1.1 Background of the study**

#### **1.1.1 Historical Perspective**

Across the world armed conflicts have become increasingly relevant to the development debate. Fearon and Laitin (2011) report that between 1945 and 1999 there were 127 civil conflicts, 25 of which were ongoing in 1999. These civil conflicts caused 6.2 million deaths, which is about five times higher than the death toll caused by interstate conflicts. Only during the 1990s, they led to around 13 million refugees and 38 million displaced persons around the world. By causing economic and humanitarian disasters, civil conflicts have become major impediments to the development of conflict affected countries. They have taken place in developing countries and have disproportionately affected the Sub-Saharan Africa. Peace in these countries has been fragile as the estimated risk of reversing into conflict increases at about 40 percent in the first years of peace (Bigombe, Collier and Sambanis, 2000). The role of development aid in countries affected by conflict is controversial as there seems to be no consensus whether aid has a stabilizing effect on the risks of conflict. Since post-conflict environments are prone to new conflicts, the task of sustaining peace is harder than that of achieving it. This in turn raises questions regarding the impact of aid in post-conflict societies. Since the end of the Cold War, the development debate and the donor community has increased their focus on armed conflicts. In 1997 the World Bank established its Post-Conflict Fund (now fragile and Conflict Affected Countries Program) to be able to respond more quickly and support effectively the immediate needs of post-conflict countries. Accordingly, in 2004, the World Bank assistance to post-conflict countries comprised about 25 percent of its total current lending (Flores and Nooruddin, 2008).

The beginning of modern development aid is rooted in the context of Post-World War II and the Cold War. Launched as a large-scale aid program by the United States in 1948, the European Recovery Program, or Marshall Plan, was concerned with strengthening the ties to the West European states to contain the influence of the USSR. Implemented by the Economic Cooperation Administration (ECA), the Marshall Plan also expanded its reconstruction finance to strategic parts of the Middle East and Asia. Although Marshall aid was initially offered to Europe in general, the Soviet Union forbade its neighboring states from accepting it. This has been described as "the moment of truth" in the post-World War II division of Europe (Bideleux and Ian, 1998) Soviet Union provided aid to countries in the communist bloc; for instance, on Poland's abstention from the Marshall Plan, Stalin promised a \$450 credit and 200,000 tons of grain.

Africa in the 1990s witnessed dramatic and profound changes throughout the continent. With the conclusion of the Cold War, some of the major tensions between East and West over the African battleground were markedly eased. South Africa and Namibia installed democratically elected governments. Relative peace and stability was established in Mozambique after three decades of confrontation between the warring parties. Several dozen of African countries held democratic elections. Unquestionably, all these were positive and significant signs of peace, stability and development. However, while many parts of the world moved toward greater stability and political and economic cooperation, Africa remained one of the cauldrons of instability. The African continent's image as a war-prone region with bleak economic prospects is changing. Most of the conflicts that raged in the 1980s and 1990s have ended. For the first time in 50 years, there are currently more cases of post-conflict than conflict countries. The countries such as Somalia, South Sudan among others are in attempts to ensure the post war reconstruction in a bid to re-establish themselves in the war situation (Brown, 2018).

In Africa, post-conflict reconstruction has become more prominent because of the peace processes in the Democratic Republic of Congo (DRC), Sudan, Burundi, Sierra Leone, Liberia, and the Comoros, among others. As a result, the United Nations (UN), African Union (AU), New Partnership for African Development (NEPAD), and other regional organisations have formulated policy frameworks or are in the process of doing so, to deal with post- conflict reconstruction and development. According to the former UN Secretary General Kofi Annan in

his 'Supplement to an Agenda for Peace (1995: 47), post- conflict reconstruction is “the comprehensive efforts to identify and support structures which will tend to consolidate peace and advance a sense of confidence and well being among people.” Through agreements ending civil strife, these efforts are aimed at disarming the previously warring parties and the restoration of order, the custody and possible destruction of weapons, repatriating refugees, advisory and training support for security personnel, monitoring elections, advancing efforts to protect human rights, restoring or strengthening governmental institutions and promoting formal and informal processes of political participation (African Union, 2007).

Following a brutal civil war and the downfall of the central government in 1991, the public infrastructure was left in ruins, social services collapsed, livelihoods and lives were shattered and scores of thousands of people were displaced. Despite this, the remarkable resilience of the Somali people has led to civil society, NGOs, religious groups, and the private sector doing an impressive job of maintaining certain services such as education, health, and water. Though these services fall short of what is needed and many of them are working better in urban than in rural areas, the overall situation would have been even worse without them (UNDP, 2017). Moreover, Somali ingenuity, together with large remittances, has been instrumental in creating new private sector initiatives in this uncertain situation and in preventing even deeper poverty. Even when development aid is provided to the people aimed at reducing the effect of the war and reconstruct the Somalia environment.

With the complete collapse of state institutions in 1991, Somalia represents one of the modern world's most protracted cases of statelessness. Since 2012, the country has had an internationally recognized government, albeit with limited capacity to rule. While the central and southern parts of the county have since the 1990s been affected by intermittent violent conflicts, northern Somalia has developed differently. In the northwest, the Republic of Somaliland declared independence in May 1991 and has gradually rebuilt basic state structures. Although Somaliland has developed a modest capacity to govern and has continued along a path toward democratization, it has not received international recognition (DANIDA, 2015).



### 1.1.2 Theoretical Perspective

The study employed the Harrod-Domar developed by Roy F. Harrod in 1939 and the two gap analysis of Cheney and Strout (1966).

The Harrod-Domar model is a Keynesian model of economic growth. It is used in development economics to explain an economy's growth rate in terms of the level of saving and of capital. It suggests that there is no natural reason for an economy to have balanced growth. The model was developed independently by Roy F. Harrod in 1939,(Harrod,1939) and Evsey Domar in 1946, (Domar, 1946) although a similar model had been proposed by Gustav Cassel in 1924 (Cassel, 1967). The Harrod–Domar model was the precursor to the exogenous growth model (Hagemann, 2009).

According to Scarfe, (1977), Neoclassical economists claimed shortcomings in the Harrod–Domar model—in particular the instability of its solution—and, by the late 1950s, started an academic dialogue that led to the development of the Solow–Swan model (Sato, 1964).

According to the Harrod–Domar model there are three kinds of growth: warranted growth, actual growth and natural rate of growth.

Warranted growth rate is the rate of growth at which the economy does not expand indefinitely or go into recession. Actual growth is the real rate increase in a country's GDP per year. (See also: Gross domestic product and Natural gross domestic product). Natural growth is the growth an economy requires to maintain full employment. For example, If the labor force grows at 3 percent per year, then to maintain full employment, the economy's annual growth rate must be 3 percent.

The underlying conception of the Harrod-Domar growth equation is that foreign aid is invested to achieve a target growth ( $g$ ). Therefore, a country that receives foreign aid ( $a$ ) is expected to increase the growth rate to  $g=(s+a)k$ ; where  $s$ =savings,  $k$ =output-capital ratio. If  $g^*$  is the planned (target) growth rate of a developing economy, where output-capital ratio ( $k$ ) is assumed to be constant and capital accumulation is  $c=s+a$ , then it is conceivable that a savings gap will occur. That is, the difference between  $s$  and  $c$ , which is the amount of foreign aid ( $a$ ) required to attain the target growth. A savings gap arises when the amount of domestic savings in the recipient economy is less than the planned investment to achieve the target growth. Foreign aid is

also conceived of as promoting economic growth by lifting foreign exchange constraints. The theory argues that foreign aid displaces domestic savings because a greater portion of it is increasingly utilized for consumption rather than investment in developing economies. He contended that there are instances where expenditure on investment goods may exhibit adverse returns, while those expenditures specified as consumption often indicate a positive return. Development aid is an inducement to the generation of better reconstruction of post conflict states.

This study therefore utilized the Harrod-Domar model because it the model carries implications for less economically developed countries like Somalia, where labour is in plentiful supply in these countries but physical capital is not, slowing down economic progress. LDCs do not have sufficiently high incomes to enable sufficient rates of saving; therefore, accumulation of physical-capital stock through investment is low. This model further signifies that economic development depends on policies to increase investment, by increasing saving, and using that investment more efficiently through technological advances. The model concludes that an economy does not "naturally" find full employment and stable growth rates.

### **1.1.3 Conceptual Perspective**

Development aid is aid given by governments and other agencies to support the economic, environmental, social, and political development of developing countries (Gulrajani, 2016). Crost and Johnston (2014) contend that development aid is not usually understood as including remittances received from migrants working or living in diaspora even though these form a significant amount of international transfer as the recipients of remittances are usually individuals and families rather than formal projects and programs. Some governments also include military assistance in the notion of "foreign aid, although the international community does not usually regard military aid as development aid.

Developmental aid is an expression sometimes used to indicate aid that is more genuinely or effectively oriented to development than what is commonly regarded as development aid. Development assistance (2014) Contend that development aid often used in international forums such as the UN and the OECD. Official Development Assistance (ODA) is aid given by OECD-member governments that specifically targets the economic development and welfare of countries with the lowest per capita incomes.

The relationship between foreign aid and development aid is that development aid is a vital category of foreign aid while the scenarios for foreign aid are described involving meeting immediate needs, development aid focuses on meeting longterm needs. It goes deep to identify and address underlying causes and helps to create foundations to improve conditions over the long term. Generally, development aid includes monetary assistance in the form of direct grants, programs or training to support a developing country's (Gulrajani, 2016). Mainly the researcher concentrated on development aid because development aid is thus widely seen as a major way to meet Sustainable Development Goal 1 (end poverty in all its forms everywhere) mainly for the mother country Somalia.

According to Camelia & Sanjay, (2019), development aid is aid given by governments and other agencies to support the economic, environmental, social, and political development of developing countries. Closely-related concepts include: foreign aid, international aid, overseas aid, developmental aid, development assistance, official development assistance (ODA), development cooperation and technical assistance. It is distinguished from humanitarian aid by aiming at a sustained improvement in the conditions in a developing country, rather than short-term relief (Camelia & Sanjay, 2019).

Development aid is not usually understood as including remittances received from migrants working or living in diaspora—even though these form a significant amount of international transfer—as the recipients of remittances are usually individuals and families rather than formal projects and programmes. Some governments also include military assistance in the notion of "foreign aid", although the international community does not usually regard military aid as development aid (Bekeh, 2014).

The dependent variable is post war reconstruction. Post-conflict refers to the period following the end of a conflict in a given country. Despite its apparent simplicity, this concept has two definitional problems. The first is the determination of the beginning of a post-conflict period. It is often impossible to determine a precise date when a conflict is supposed to have ended (Sawyer, 2008). Penfold (2012) argued that post-conflict reconstruction is broadly understood as a complex, holistic and multidimensional process encompassing effort to simultaneously improve military (restoration of law and order), political (governance), economic (rehabilitation and development) and social conditions (justice and reconciliation).

The economic dimension of post-conflict reconstruction usually involves tasks such as distribution of relief assistance, restoration of physical infrastructure and facilities, reestablishment of social services, creation of appropriate conditions for the private sector development, and implementation of essential structural reforms for macroeconomic stability and sustainable growth. Peters, (2006) viewed post-conflict reconstruction (PCR) is a complex process that incorporates simultaneous short-, medium- and long-term programs to prevent disputes from escalating, avoid relapses and build sustainable peace. PCR processes must be locally owned rather than externally driven.

#### **1.1.4 Contextual Perspective**

The role of development aid in countries affected by conflict is controversial as there seems to be no consensus whether aid has a stabilizing effect on the risks of conflict. Since post-conflict environments are prone to new conflicts, the task of sustaining peace is harder than that of achieving it.

Since the end of the Cold War, the development debate and the donor community has increased their focus on armed conflicts. In 1997 the World Bank established its Post-Conflict Fund (now fragile and Conflict Affected Countries Program) to be able to respond more quickly and support effectively the immediate needs of post-conflict countries. Accordingly, in 2004, the World Bank assistance to post-conflict countries comprised about 25 percent of its total current lending (Flores and Nooruddin, 2008).

According to Fukuda-Parr (2010), the majority of worst-performing countries in terms of meeting their MDGs have been affected by conflict directly or indirectly and these countries are in greatest need of foreign aid. In light of this debate, it is of crucial importance to sharpen the focus on the role of post-conflict aid as a tool for peace recovery and development. Since all the developing countries, including those affected by conflict, attract aid from the same pool of donor funding (Collier and Hoeffler, 2004), investigation of the patterns and the determinants that drive aid to post-conflict countries is warranted.

However for the case of Somalia is experiencing the challenges of two-decades-plus of peace building efforts; challenges that come through protracted conflict. It is recovering from state collapse and moving into a unique post-conflict situation. The same can be said for the Somali

mentality. The need, therefore, is not only for rebuilding institutions but also transforming peoples' attitudes. Post-Conflict Reconstruction (PCR) is not a new phenomenon, but can be linked historically to the US-led Marshall Plan for the reconstruction and development of post-war Europe, and with reconstruction efforts in the Balkans, Afghanistan, and in Iraq thus the revival of the concept in the early twenty-first century.

Although gains have been made in promoting peace and stability, Somalia's political landscape remains extremely tenuous due to the following main challenges: i) high levels of insecurity exacerbated by the continuing activities of the Al-Shabaab terrorist group, the large stocks of weapons held by the civilian population, and ineffective law enforcement mechanisms; ii) weak capacity of state institutions and human resources; iii) high incidence of poverty; and iv) high unemployment, especially among youths. Clannism, which is at the heart of deep political divisions and a major contributor to low levels of trust, continues to play a central role in perpetuating political instability in Somalia. Clans continuously contest the current and future distribution of resources and power. These contestations engender grievances, lack of social cohesion, inter-clan tensions and, sometimes, violence (ADB, 2020).

Somalia has experienced moderate real GDP growth over the past four years. Due to the ongoing drought, real GDP growth in 2017 (based on IMF estimates), is projected to decelerate to about 2%, while inflation is expected to increase to above 3%. The projected slower GDP growth rate in 2017 will be due to reduced agricultural production, the main driver of Somalia's economic growth. Meanwhile, construction, telecommunications, and the service sectors are projected to continue registering decent growth. The Somali economy relies heavily on the agriculture sector, remittances and investments in telecoms for its foreign exchange inflows, with no apparent contribution from the manufacturing and industrial sectors<sup>8</sup>. Without a manufacturing or industrial sector, very little value is added to the agricultural and livestock products before they are either exported or consumed internally.

Somalia is a country in which the reconstruction in the post war issues is experiencing the challenges. The status of the reconstructions are provided and aimed in assessing the degree of existence of the means for enabling and attaining the development gains. The occurrence is despite the development aid provided in form of multi-lateral and bilateral aid has not yet attained values for the proper reconstruction as the situation still remain fragile (ADB, 2020).

## **1.2 Statement of the Problem**

Somalia, is among the countries where conflicts have rocked over now 3 decades since 1991. The conflict in Somalia is now in a post construction stage with pockets of conflicts still existing (Gulrajani, 2016), the establishment of the central federal government of Somalia and the elections in 2012 and 2017 providing that the country that had no governance for a period of more than a decade now has hopes of improving themselves in form of reconstruction. The post construction period in Somalia experiences the a lot of mess-ups with the challenging social service reconstruction were roads, health centers and education institutions are still in poor state (UNDP, 2018). The state of the economic and political institutions are also still struggling with the political parties space and democracy still being very limited in operations further more economic institutions such as central bank of Somalia are still under performing with the currency depreciation being on high existence (ADB, 2020). All post-civil reconstruction challenges occur despite the presence of development aid both multilateral and bilateral channeled to Somalia. The existence of development aid is supposed to have made the country attain proper post war reconstruction mechanisms without challenges. The status situation leaves worries that the situation of the post war construction could continue to be highly challenged, its incumbent to this that a study to assess the effect of development aid and post-civil war reconstruction challenges in Mogadishu Somalia, is eminent to address the hurdle and attain a properly post war reconstruction situation.

## **1.3 Purpose of the study**

The purpose of the study is to assess the effect of development on post-war reconstruction in Mogadishu Somalia.

## **1.4 Specific Objectives of the study**

- 1) To identify the effect of development aid on post war social service reconstruction in Mogadishu Somalia.
- 2) To examine the effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia.
- 3) To establish the effect of development aid on post war political institutions reconstruction in Mogadishu Somalia.

## **1.5 Research Questions**

- 1) What is the effect of development aid on post war social service reconstruction in Mogadishu Somalia?
- 2) What is effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia?
- 3) What is the effect of development aid on post war political institutions reconstruction in Mogadishu Somalia?

## **1.6 Research Hypothesis**

H<sub>01</sub>: There is no significant relationship between of development aid on post war social service reconstruction in Mogadishu Somalia.

H<sub>02</sub>: There is no significant relationship between development aid on post war Economic institutions reconstruction in Mogadishu Somalia.

H<sub>02</sub>: There is no significant relationship between development aid on post war political institutions reconstruction in Mogadishu Somalia.

## **1.7 Scope of the study**

### **1.7.1 Geographical Scope**

The study was conducted in Wardhiigley district one of the districts of Mogadishu , a capital city and most populous city of Somalia. The city has served as an important port connecting with traders all-round the Indian Ocean for millennia and has an estimated population of 2,185,000 (2020). Mogadishu is located in the coastal Banadir region on the Indian Ocean, which unlike other Somali regions, is considered a municipality rather than a maamul gobaleed (federal state). The district is chosen because it's a central business district housing all the government installations that the study has interest in.

### **1.7.2 Thematic Scope**

The purpose of the study is to assess the effect of development on post-war reconstruction. The focus was to determine the effect of development aid on post war social service reconstruction, examine the effect of development aid on post war Economic institutions reconstruction and assess the effect of development aid on post war political institutions reconstruction in Mogadishu Somalia.

### **1.7.3 Time scope**

The research covered a period of 2015- 2020. This time is chosen because it was during this period that conflicts in Mogadishu were reducing and the need for helping people was increasing.

### **1.7 Significance for the study**

The study provides literature on relationship between development aid and post conflict reconstruction physical capital aid on foreign direct investment in post-conflicts that will be employed by future researchers in conducting researches in future.

The study will explore mechanisms through which development aid can be developed, invested and provided to ensure a successful post war construction situation not only in Somalia but other countries that are in conflict or will be in future conflicts.

The research will guide policy makers in Somalia on avenues necessary for developing and enhancing the proper stakes in development and effective handling for the development aid in political and social reconstructions.

The study will explore avenues that donor agencies and countries can embark on in developing mechanisms necessary for handling or effectively monitoring the development aid to countries such as Somalia.

### **1.8 Operational Definitions**

Development aid is aid given by governments and other agencies to support the economic, environmental, social, and political development of developing countries.

Development Assistance (ODA) is aid given by OECD-member governments that specifically targets the economic development and welfare of countries with the lowest per capita incomes.

Post-conflict refers to the period following the end of a conflict in a given country. Despite its apparent simplicity, this concept has two definitional problems

Post-conflict reconstruction is complex, holistic and multidimensional process encompassing effort to simultaneously improve military (restoration of law and order), political (governance), economic (rehabilitation and development) and social conditions (justice and reconciliation



Post-conflict refers to the period following the end of a conflict in a given country. Despite its apparent simplicity, this concept has two definitional problems. The first is the determination of the beginning of a post-conflict period. It is often impossible to determine a precise date when a conflict is supposed to have ended

Economic dimension of post-conflict reconstruction usually involves tasks such as distribution of relief assistance, restoration of physical infrastructure and facilities, reestablishment of social services, creation of appropriate conditions for the private sector development, and implementation of essential structural reforms for macroeconomic stability and sustainable growth

Social dimension of post conflict construction involve the social environment concerned with the mechanism that are responsible for the provision of social services to the communities and people around there.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter provides evidence on the development aid and post-civil war reconstruction challenges, the issues of the review are done by reviewing the authors works done on the topic. The review is done based on theoretical review, conceptual review and review of related literature based on the specific objectives of the study.

#### 2.1 Theoretical Review

The study employed the Harrod-Domar developed by Roy F. Harrod in 1939 and the two gap analysis of Cheney and Strout (1966).

##### 2.1.1 Harrod-Domar Growth Model

The Harrod-Domar model is a Keynesian model of economic growth. It is used in development economics to explain an economy's growth rate in terms of the level of saving and of capital. It suggests that there is no natural reason for an economy to have balanced growth. The model was developed independently by Roy F. Harrod in 1939,(Harrod,1939) and Evsey Domar in 1946, (Domar, 1946) although a similar model had been proposed by Gustav Cassel in 1924 (Cassel, 1967). The Harrod–Domar model was the precursor to the exogenous growth model (Hagemann, 2009).

The underlying conception of the Harrod-Domar growth equation is that foreign aid is invested to achieve a target growth ( $g$ ). Therefore, a country that receives foreign aid ( $a$ ) is expected to increase the growth rate to  $g=(s+a)k$ ; where  $s$ =savings,  $k$ =output-capital ratio. If  $g^*$  is the planned (target) growth rate of a developing economy, where output-capital ratio ( $k$ ) is assumed to be constant and capital accumulation is  $c=s+a$ , then it is conceivable that a savings gap will occur. That is, the difference between  $s$  and  $c$ , which is the amount of foreign aid ( $a$ ) required to attain the target growth. A savings gap arises when the amount of domestic savings in the recipient economy is less than the planned investment to achieve the target growth. Foreign aid is also conceived of as promoting economic growth by lifting foreign exchange constraints. The theory argues that foreign aid displaces domestic savings because a greater portion of it is increasingly utilized for consumption rather than investment in developing economies. He contended that there are instances where expenditure on investment goods may exhibit adverse

returns, while those expenditures specified as consumption often indicate a positive return. Development aid is an inducement to the generation of better reconstruction of post conflict states.

Griffin's (1970) argued that, in most developing countries, foreign aid designated for specific investment projects is often spent by recipient countries on unproductive projects rather than the one intended by the donors or used for consumption. That is, foreign aid is not used by recipient countries to finance intended investment projects, but instead is spent on those on the margins, which are likely to be unproductive or used for consumption. Fungibility is defined as the ability of recipient governments to divert some amount of the funds designated to specific projects for their own use other than the way intended by the donor. The recipient government can spend such funds on other projects or utilized them for tax relief, which subsequently affects its efforts towards domestic revenue mobilization. Arguably, such behavior by a recipient government can render such funds as substitutes to domestic resources, thus leading to higher fungibility, which in turn undermines the effectiveness of foreign aid in such economies.

Griffin (1970) argued that the effectiveness of foreign assistance requires an understanding of the behaviour of recipient governments in terms of current as well as future consumption in relation to investment. This is because it is likely that some amount of foreign aid provided can be used to increase consumption regardless of the intention for which it was provided by donors (Griffin 1970). In this respect, Griffin (1970) presented a theoretical explanation to show how foreign aid can be used to increase consumption in recipient countries, which involved a simple indifference curve and a budget line to mirror the decision making (choice) of recipient countries (governments) concerning current ( $Ct$ ) and future consumption.

### **2.1.2 Two-Gap Models**

This study further utilized the Two-Gap Models developed by Chenery and Strout (1966).

Two-Gap Models of development are contained in the Post-Keynesian growth models for closed economies as designed by Harrod (1939) and Domar (1946). They tried to identify the pre-conditions for the economic growth of market economies. These two preconditions are essentially rooted in the Somalian economy and these are (1) Internally: inadequate savings would definitely translate to investment. The GAP between these two is called saving constraints

(SAVING GAP). Closing this gap requires foreign direct investment (FDI). (2) Externally: inadequate foreign exchange arising from inability to export vis-à-vis high importation will lead to short fall in foreign exchange. The GAP between this duo is called foreign exchange constraints (TRADE GAP) which can be corrected by foreign aid.

Somalian leaders resorted to foreign aid assistance from developed countries, multilateral and bilateral international organizations to salvage the economy from total collapse. Therefore, to emphasize the need for economic growth and development, there is need to diversify the economy from oil exploration and exploitation to productive effort of agricultural and other real sectors. However, inability to revive these sectors spells doom to the trade and investment platform of Somalia.

The two-gap model of growth has been adopted as a tool to bring the economy to bear on the path of growth and if possible, salvage the economy.

In some of the work done on the two-gap model, it is suggested not only that they exist but that, most often; the trade gap exceeds the savings gap. This suggests that the trade gap is more powerful - i.e. is the binding constraint. An early UNCTAD study suggests that the two gaps are about equal.

It has been observed that domestic savings, if properly mobilized, can encourage an improvement in the economic activities through investment. One of the major economic problems of any developing and underdeveloped countries is inadequate savings. Inadequate domestic savings or inappropriate mobilization of savings for investment purposes is what is termed in the literature as savings constraint (SAVING GAP). This gap can be corrected by encouraging the foreign direct investment (FDI) otherwise known as foreign capital inflow. The major focus of this section is to indicate the effect of FDI on economic growth in Somalia. Attracting foreign direct investment would tend to improve economic conditions while its volatility can trigger macro-economic instability in the country, especially Somalia. From the literature, FDI is an investment made to acquire a lasting management interest (normally 10% of voting stock) in a business enterprise operating in a country other than that of the investor as defined by the residency (World Bank,1996). One of the purposes for which the New Partnership for Africa's development (NEPAD) was established is to encourage the inflow of FDI inform of

new technology, refined marketing strategy and management. Asiedu (2001) submits that the determinants of FDI in one region may not be the same for other regions. In that case, the major source of FDI in countries within a region may be different from one another with time variance.

When external finance either grants or loans supplement domestic resources, then we have “the Two-Gap model” the major assumption of this model is that most developing countries either face a shortage of domestic savings to augment for investment opportunities or they (developing countries) are faced with foreign exchange constraints to finance the needed capital and intermediate goods. In their book, *Economic Development* Todaro and Smith (2004) claimed that most Two-Gap models assume that the savings gap and the foreign-exchange gap are unequal in magnitude and independent in nature. The implication of this is that one of the Two-Gaps would be “binding” or “dominant” for any less developed country at any point in time.

McKinnon (1964), Chenery and Strout (1966), Findlay (1973), and others applied the Harrod-Domar growth model to show that foreign capital can raise the growth rate by raising the availability of capital for production, where the capital-output ratio is held constant. The two-gap approach introduces the assumption that an imported commodity not produced domestically is essential for the production of investment goods. On one hand, if the availability of foreign exchange (if trade gap exist) to purchase these imported capital goods constrains or expands (when the economy has human resources and technology of its own) the growth of the economy, the growth would be exogenous of foreign exchange, since it does not depends on foreign investment goods and technology. On the other hand, foreign capital can be introduced in the form of official flows, or FDI (provided saving gap exist). If the availability of foreign capital to compensate for the lack of domestic savings constrains or expands the growth of the economy, we may call the growth endogenous of FDI, since the economy does not have technology and human resources of its own.

McKinnon (1964), Chenery and Strout (1966), Findlay (1973), and others applied the Harrod-Domar growth model to show that foreign capital can raise the growth rate by raising the availability of capital for production, where the capital-output ratio is held constant. The two-gap approach introduces the assumption that an imported commodity not produced domestically is essential for the production of investment goods. On one hand, if the availability of foreign exchange (if trade gap exist) to purchase these imported capital goods constrains or expands

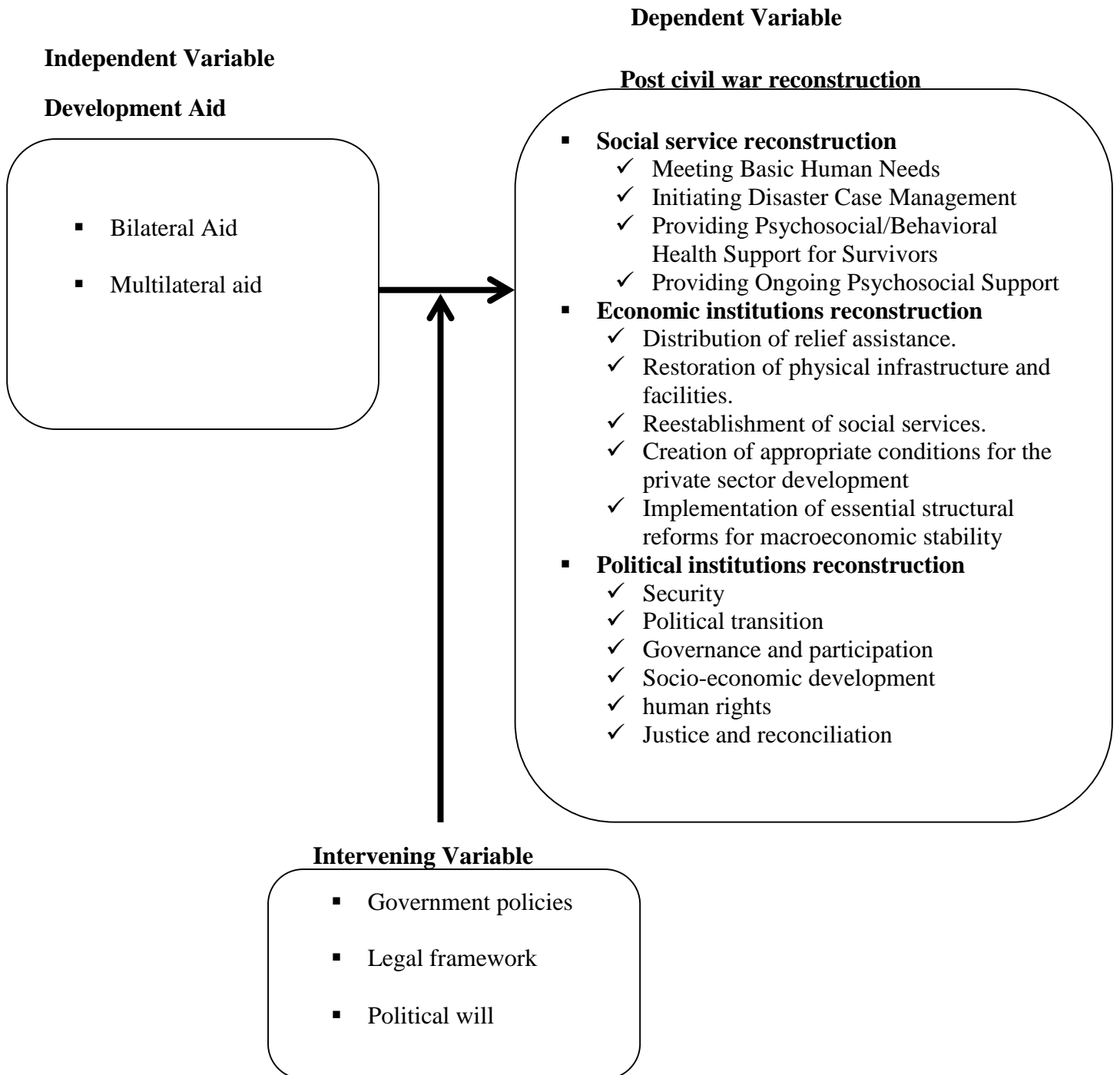
(when the economy has human resources and technology of its own) the growth of the economy, the growth would be exogenous of foreign exchange, since it does not depend on foreign investment goods and technology. On the other hand, foreign capital can be introduced in the form of official flows, or FDI (provided a saving gap exists). If the availability of foreign capital to compensate for the lack of domestic savings constrains or expands the growth of the economy, we may call the growth endogenous to FDI, since the economy does not have technology and human resources of its own.

This study used the two-gap model of Chenery and Strout (1966) because it shows that developing countries like Somalia are constrained with little domestic savings and foreign exchange earnings. The model predicted that foreign aid and foreign direct investment are an optimal means to break the poverty circle and solve the two gaps simultaneously. Except for the fundamental rigidities which include, among other things, inappropriate economic policies, corruption, mismanagement of resources and overreliance on oil resources, the vicious circle of poverty in the Somalia economy cannot be broken by attracting foreign aid and foreign direct investment alone.

## 2.2 Conceptual Framework

The conceptual framework illustrates the relationship that exists between the development aid and post-civil war reconstruction. The presentation is anchored on two variables, independent and dependent variable.

**Figure 2.1: Showing conceptual framework.**



**Source; Adopted from Flores & Nooruddin, (2008), and Modified by Researcher 2021.**

The conceptual framework illustrates the relationship that exists between the development aid and post-civil war reconstruction. The independent variable for the study is bilateral and multilateral aid while the dependent variable is Post civil war reconstruction challenges, this are measured through social service reconstruction in terms of (Meeting Basic Human Needs, Initiating Disaster Case Management, Providing Psychosocial/Behavioral Health Support for Survivors, and Providing Ongoing Psychosocial Support), Economic institutions reconstruction in terms of (Distribution of relief assistance, Restoration of physical infrastructure and facilities, Reestablishment of social services, Creation of appropriate conditions for the private sector development, and Implementation of essential structural reforms for macroeconomic stability) and political institutions reconstruction with constructs such as (Security, Political transition, Governance and participation, Socio-economic development, human rights, Justice and reconciliation. However there are some intervening variables such as the Government policies, Legal framework and Political will. The prevalence of the development aid is assumed to provide an inducement or reduction of the post reconstruction issues occurring in the country and low or no development aid is insignificant and does not provide or contribute to the construction in the post war situation.

## **2.3 Review of related literature**

### **2.3.1 Effect of development aid on post war social service reconstruction**

Clemans, Radelet and Bhavnani (2014) examined the short term relationship between development aid and post war social service reconstruction using panel regression. Their study sample was 67 countries and included 22 African countries for the period 1974-2001. The two stage least squares (2SLS) and the generalized method of movements (GMM) were the estimation techniques used with disaggregated aid data being employed. The results from using this data show that aid has a positive and statistically significant association with economic growth and this holds even after some robustness checks. Further results reveal a negative relationship between debt repayment and growth for other categories of aid. The use of disaggregated aid data provided more comprehensive results than were it otherwise, nevertheless the research, to some degree, overlooked the issue of long term development aid.

Asiedu (2012) investigated the determinants of development aid in developing countries by comparing Sub-Saharan Africa and non-Sub-Saharan countries in social service reconstruction.



The author used OLS, cross-sectional and panel regression estimation techniques to determine the above for data taken from the period 1988 to 1997. The results suggest that infrastructural development and higher returns on investment have a positive association with foreign direct investment for non-Sub-Saharan countries. However, in the case of Sub-Saharan Africa, the findings for both these variables did not show any evidence. Nevertheless, the results regarding trade openness revealed a positive association with foreign direct investment for both categories of nations.

Kimura and Todo (2010) argued that aid for infrastructure is more likely to generate an infrastructural effect, which arises when aid geared towards social and economic infrastructural development increases the marginal productivity of capital, which in turn, attracts more FDI. In contrast, a rent seeking effect occurs when aid is geared towards unproductive activities which results in a decline in marginal productivity and hence, a negative effect on FDI. However, the findings from their study generally suggested that foreign aid has no significant association with foreign direct investment. The evidence also showed that the relationship of foreign aid for both infrastructure and non-infrastructure is insignificant.

Earnest (2015) contend that there is often not enough funding to meet the post-conflict reconstruction needs, and local-led projects are often sacrificed. As a result, projects often operate according to the priorities of the donors, rather than the development needs of the local community. It is therefore important that donors support local-led projects and ensure that investment matches the needs of the population rather than the goals of the donor.

International businesses and aid agencies focus their attention on post-conflict reconstruction at different times of the recovery. Following the end of the conflict there is much publicity and international goodwill, which leads to an increase in aid in the first two years. However, this initial enthusiasm, and the aid and support that comes with it, begins to wane by the third or fourth year. The decline in support is counter-productive, as it is argued by Bray (2005) that the host country's ability to absorb and make best use of the aid at its peak toward the middle of the first decade after the conflict has ended. International businesses (apart from construction companies) on the other hand tend to have limited involvement directly following the conflict's ending, and rather begin investing when it becomes more stable (Bray, 2005).

According to Saul (2014) popular involvement in decision-making is crucial for creating appropriate and effective reconstruction initiatives. After all, the people that are affected have clearest understanding of what a situation needs. Additionally, the more a population has been directly involved in decision-making, the greater the awareness and understanding of the different components of the reconstruction there is. This then allows for the population to more fully experience the intended benefits of the reconstruction program. Awareness can also help to prevent certain elements of the population who are against the reconstruction from disrupting it. However, in order for this to work in the long-term, the national government has to support reconstruction empowering the population.

Development aid encourages rent-seeking, which is when government officials and leaders, use their position and authority to increase their personal wealth without creating additional wealth, at the expense of the citizens. Most African leaders and official are able to amass huge sums of personal wealth for themselves from the foreign aid received - they enrich themselves and do not use the aid provided for its intended purpose. It has been argued that much government-to-government aid was ineffective because it was merely a way to support strategically important leaders.

Lee and Aye (2015) argues that aid does not lead to development, but rather creates problems including corruption, dependency, limitations on exports and dutch disease, which negatively affect the economic growth and development of most African countries and other poor countries across the globe. Moyo devotes a section of her book, *Dead Aid* to rethinking the aid dependency model. She cautions that although “weaning governments off aid won’t be easy, it is necessary. Primary among her prescriptions is a “capital solution” where African countries must enter the bond market to raise their capital for development, the interconnectedness that globalization has provided for in social reconstructions in post war times.

Bandow (2018) contend that development aid has a strong and favorable effect on development through promoting investments in infrastructure and human capital. According to a study conducted among 36 sub-Saharan African countries in 2013, 27 out of these 36 countries have experienced strong and favorable effects of aid on GDP and investments. Another study showed that aid per capita supports economic growth for low income African countries such as Tanzania,

Mozambique and Ethiopia, while aid per capita does not have a significant effect on the economic growth of middle income African countries such as Botswana and Morocco. Aid is most beneficial to low income countries because such countries use aid received for to provide education and healthcare for citizens, which eventually improves economic growth in the long run.

Blum, Fotini and Daniel (2016) argued that foreign aid in the form of food aid that is given to poor countries or underdeveloped countries is responsible for the death of local farm industries in poor countries. Local farmers end up going out of business because they cannot compete with the abundance of cheap imported aid food that is brought into poor countries as a response to humanitarian crisis and natural disasters. Large inflows of money that come into developing countries, from the developed world, in a foreign aid, increases the price of locally produced goods and products.

According to me effect of development aid on post war social service reconstruction in Mogadishu Somalia Using disaggregated aid, including aid grants and loans, bilateral and multilateral aid, and technical and non-technical assistance to aid Mogadishu Somalia has association with economic growth in the development sector. The outcomes provide evidence of total aid being positively associated with growth in the focal countries.

### **2.3.2 Effect of development aid on post war Economic institutions reconstruction**

Karras (2006) found a positive and significant relationship between aid and growth after employing annual data from 1960 to 1997 with a sample of 71 developing recipient countries. The econometric techniques used in the study included both OLS cross-sectional regression and panel data fixed effects, with total net overseas development assistance (hereafter ODA) receipts per capita and total net ODA as a fraction of GDP being the two measures of foreign aid. The author found foreign aid to be positively associated with growth, and contended that increasing foreign aid by \$20 per person in a recipient country would lead to growth in GDP per capita of approximately by 0.16 per cent. An alternative measure used for the research discovered that an increase in aid by 1 percent would increase per capita growth rate in the recipient country by between 0.14 and 0.26 percent. Despite the study data covering a substantial historical period, the use of a limited number of variables in the model was obvious.

Similarly, Feeny (2007) examined the relationship between development aid and economic growth in the rural sector of five Melanesian countries using an annual panel data for the period 1980 to 2001. The OLS as well as panel data of fixed and random effects approaches comprised the econometric techniques for the model estimations. The study also involved using disaggregated aid, including aid grants and loans, bilateral and multilateral aid, and technical and non-technical assistance to determine whether these types of aid have any association with economic growth in the rural sector. The outcomes provided evidence of total aid being positively associated with growth in the focal countries. Regarding the disaggregated aid data, it emerged that aid grants, bilateral aid and technical assistance showed some evidence of a positive relationship with economic growth in these countries, whilst other forms appeared to show no evidence of this. Feeny's study was to some extent pioneering because of the disaggregation of aid into various types, but the issue of data unavailability was a challenge

Arndt, Jones and Tarp (2015) also argued that, in as much as examining the effect of development aid on macroeconomic growth institutions growth in post war reconstructions, it can be vital, it is also essential to investigate the contribution of foreign aid to social sectors, such as health and education. According to these authors, the inclusion of these outcomes can provide a significant insight into understanding the role of foreign aid towards growth and development. In this respect, these authors examined the effect of foreign aid using a broad range of economic outcomes for a cross-section of countries (i.e. 78 developing countries) over the period 1970 to 2007, and this, contributes to extant work in the following ways: (a) an expansion of the Arndt et al. (2010) dataset, (b) examining the long-run effect of foreign aid on growth through changes in intermediate outcomes (i.e. investment, consumption and tax) and social outcomes (i.e. health and education), (c) using separate reduced form regressions (OLS, LIML and inverse probability weighted least squares-IPWLS) to assess the effect of foreign aid on final and intermediate outcomes, (d) using aggregated aid to unravel the effect on growth, (e) examining a long-run static effect of development aid using averaging in some equations and finally, (f) employing sensitivity and falsification tests

Harms and Lutz (2006) investigated whether development aid to developing countries can attract more private foreign investment in post war period. To this end, they explored the relationship

between aid, governance and private foreign investment by using a panel data set for the period 1988 to 1999 for developing and emerging countries, which was classified into low-income and middle-income economies. They employed various estimation techniques, including OLS (using cluster adjusted standard errors), two stage least squares (2SLS) and the generalized method of moments (GMM) to estimate the above relationship. Moreover, in their analysis they incorporated key variables, such as ODA (official development assistance and official aid) and its disaggregates (grants, technical cooperation grant, bilateral and multilateral aid), governance indicators to control for the political and institutional environment and other instrumental variables that formed part of a robust check

Kimura and Todo (2007) empirically investigated whether development aid can lead to an inflow of FDI in less developed countries by using a dataset from 1995 to 2002 for each source-recipient country pair. Their study incorporated OLS estimation with standard errors adjusted for correlation within each country-pair and a system GMM to unravel the relationship. They made a significant advance in the field by differentiating the effects of aid on FDI, namely the: infrastructural effect, rent-seeking effect and the vanguard effect. However, the results of their work inferred that foreign aid, in general, has no infrastructural, rent-seeking or vanguard effect,

The economic argument against aid to post-conflict countries and fragile states is based on the premise that the gains from aid arise from alleviating market failures, especially through the provision of public goods. Post-conflict countries and fragile states face government failures which are adverse consequences of government action or inaction rather than market failures. These failures, so the argument goes, cannot be addressed by injection of foreign aid. The implication is that donors are better off focusing on countries which combine demonstrated high needs and good governance. Indeed, since the 1990s, there was evidence that donors tended to focus on stable low-income countries where they felt 'comfortable working' and where they had 'established significant experience' (Chandy 2011).

Heydemann (2018) argued that economic development in post-conflict countries therefore involves not just the resumption of growth and wealth accumulation, but fundamental transformation of key features of society that require sustained institutional engineering and adaptation to shocks and change. The question is what role aid plays or can play in achieving

these objectives. O'Driscoll (2018) contend that economic development that fits our question, i.e., the role of aid in post-conflict countries, is provided by who consider economic development as 'a cumulative historical process whereby economies grow through enhanced productivity, prevailing political systems represent the aggregate preferences of citizens, rights and opportunities are extended to all social groups, and organizations function according to meritocratic standards and professional norms.' Seen through these lenses, economic development involves progress in a nation's capacity to manage its economy, polity, society, and public administration.

According to me has a researcher I believe that effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia brings about the economic argument against aid to post-conflict in Somalia based on the premise that the gains from aid arise from alleviating market failures, especially through the provision of public goods. Post-conflict in Somalia faces government failures which are adverse consequences of government action or inaction rather than market failures. These failures, so the argument goes, cannot be addressed by injection of development aid. The implication is that donors are better off focusing on Somalia which will help combine demonstrated high needs and good governance.

### **2.3.3 Effect of development aid on post war political institutions reconstruction**

Busse and Gronings (2009) examined the relationship between foreign aid and governance using a large country sample of 106 countries for the period 1984 to 2004 and the dynamic panel econometrics (system-GMM) used revealed that the former has a negative association with the latter. One key limitation of the study, however, was the use of aggregated data for ODA, as various categories of aid may have a differential impact on governance.

Kimura and Todo (2010) also explored the relationship between foreign aid and foreign direct investment using a source-recipient country pair's gravity equation approach. The study used OLS and system GMM estimation techniques to investigate the above relationship for 98 recipient countries for the period 1990 to 2002. They elicited that, in addition to an "infrastructure effect" and "rent-seeking effect", foreign aid has a "vanguard effect" through which it affects foreign direct investment. Their argument was that foreign aid from a specific donor country can foster foreign direct investment when the aid comes from the same country

(referred to as the “vanguard effect”). Moreover, they claimed that the provision of foreign aid can facilitate the dissemination of information on business activities of the recipient country to donor firms.

Blancheton and Opara-Opimba (2010) investigated the determinants of foreign direct investment in Africa in addition to the attraction of natural resources. The study focused empirically on factors likely to have an influence on the credibility of African countries in terms of attracting more foreign direct investment. In this regard, these scholars explored whether anticipation linked to economic prospects for African countries has a positive association with the inflow of foreign direct investment. They used a sample of 28 African countries for the period 1980 to 2007 and used the Hausman-Taylor method of instrumental variable to estimate the results. The authors claim that abundance of raw materials, perceptions of new opportunities and how close countries to the developed nations are likely to attract foreign investment in Africa. They contended that economic and human competencies are often overlooked by investors especially in countries where there is an abundance of natural resources. In terms of credibility, the authors claim that investors’ yard stick depends on the country’s economic abilities due to its nearness to developed countries.

Collier and Hoeffler (2000, 2002) were among the early researchers that conducted empirical analysis on aid, policy and growth in countries emerging from conflict. They used 27 post-conflict countries in their data set and found aid to be positively associated with growth. In addition, they incorporated various policies in order to determine which one is more important in the post-conflict environment. Although sectoral and macroeconomic policies were found to be useful, their findings indicate that social policies are most important in the aftermath of conflict. Other scholars have also highlighted the indirect role of foreign aid in civil war situations and have argued that it can indirectly reduce the possibility of civil war. For instance, Collier and Hoeffler (2000) analyzed the effect of foreign aid and policy on the risk of civil war. Although, their results did not show any direct association with risk of civil war, they argued that aid can have an indirect relationship with risk of civil war through its association with growth, and dependence on raw commodity exports. It can also have an influence through a rise in government military capacity. However, the authors argue that such a military expenditure can

sometime lead to fungibility [Collier and Hoeffler (2007)]. Fungibility refers to a situation whereby foreign aid provided by a donor for designated purpose, is being used or spent by a recipient country on other projects not intended (which might be unproductive) or used for consumption.

Ree and Nillesen (2009) also examined the effect of development aid using a linear probability model (LPM) approach to investigate the probability of the risk of civil conflict in Sub-Saharan Africa. The results did not show any significant relationship between foreign aid and the likelihood of civil conflict occurrence; and that aid can contribute to the decline of war duration. They ascribe this being possible if the state arguments its military expenditure, which will subsequently enhance government's capability to counter any rebellious activities. Whilst the above studies reveal an indirect relationship with aid regarding the risk of civil war, a work by Nielsen et al. (2010), found a direct relationship between changes of foreign aid and the likelihood of armed conflict

Chandy (2011) argued that micro-level evidence suggests that successful donor interventions in post-conflict countries and fragile states have either built on existing local institutional strengths or found ways to skillfully circumvent local institutional deficiencies. An example of the first scenario is the program funded by Save the Children Norway in Ethiopia, the Alternative Basic Education for Children out of School (ABEC) which leverages the organizational sophistication of local administration, enabling to build domestic support and ensure sustainability (NORAD 2004; Baird 2010). An example of the second scenario is the provision of health services in the rural sector in Afghanistan through NGOs and private actors. A key to the success of the program was the use of 'a bidding process that results in signed, time-limited performance-based partnership agreements. The evidence clearly showed that the quality and scope of service delivery exceeded expectations.

Benthuisen (2015) argued that the development assistance profession, the search for improved aid effectiveness has enhanced the attention to the role of institutions and state capacity. Moving beyond conventional conditionalities, contemporary development frameworks prescribe directly or indirectly to foreign aid a role in strengthening state capacity. For example, under the Paris



Declaration, donors committed to use national systems in aid delivery rather than going around them as donors may be tempted to do in countries with weak institutions. Thus, donors committed to invest in strengthening national policy frameworks and project implementation systems (e.g., public procurement systems, monitoring and evaluation systems). In the case of post-conflict countries, national systems are particularly weak, which is a constraint to aid delivery. It is therefore in the interest of donors to invest in strengthening the capacity of the state and institutions in these countries if they seek to maximize aid effectiveness.

The interest in building state capacity also derives from international interest in advancing global security (Benthuisen 2015). Endemic political instability in weak and failed states provides potential breeding ground for negative forces including terrorist movements. Thus, using foreign aid to assist post-conflict countries in consolidating the capacity of the state can help achieve global security objectives.

Ndikumana (2012) contend that development aid can help build the capacity of the state to mobilize tax revenue by supporting reforms of tax administration and through technical capacity building. A good example of 'localized success' is the case of aid-funded establishment of autonomous tax authorities in post-conflict countries. In the case of Uganda, for example, the Uganda Revenue Authority was established in 1991 at a critical juncture in post-conflict reconstruction where the economy needed a boost to sustain the positive momentum (The reforms were accompanied by increased tax revenue resulting from enhanced effectiveness and broadening of the tax base. The reforms also helped to offset negative effects of trade liberalization on government revenue, thus increasing domestic tax revenue collection.

According to me the effect of development aid on post war political institutions reconstruction, thus this aid can contribute to the decline of war duration, this being possible if the state arguments with its military expenditure, which will subsequently enhance government's capability to counter any rebellious activities like Al-Shabab.

## 2.4 Empirical Review

According to British author Graham, (1989), one can get quite rich attending to the poor. His book, *Lords of Poverty*, is a scathing indictment of official "overseas development assistance," that collection of efforts of bilateral and multilateral organizations allegedly about the business of transferring resources from the rich, industrialized North to the poor, underdeveloped South. Hancock's thesis is blunt: foreign aid is "rotten," he says, rotten to the core and "utterly beyond reform." It should be terminated because it almost never helps the poor and often is grossly detrimental to them.

Such advice cuts across the prevailing wisdom in the relief and development (R&D) community and Hancock is undoubtedly correct to lament that foreign aid has become such a sacred cow that anyone who questions its value, or asks those in business of "being kind to others" just what they do and whether it works, is viewed as "churlish." Frankly, the description fits Mr. Hancock's biting approach rather well, though one can excuse his sarcasm considering how offensive are the tales of corruption and selfishness he tells.

According to Hancock (1989), some 80 percent of the overall expenditures of the various UN bodies engaged in "relief and development" work goes towards personnel and related costs. (Graham, 1989), He describes in excruciating detail the "perks" enjoyed by the staffers of "Development, Inc." (his term for the World Bank, and loosely, all the official development agencies) -- their first-class travel, their six-figure salaries, their lavish conferences. And there is something, well, discomfoting about World Bank President Barber Conable's lofty suggestions that the Bank's labors "will count for nothing if it cannot look at our world through the eyes of the most underprivileged" -- coming as they do after a \$200-a-plate catered four-course meal at the ritzy Sheraton-Washington.

After exposing just how little money is actually put into development projects, Hancock criticizes the way these projects are designed and executed. He asserts that development workers rarely approach the recipients of their "kindness" to elicit their concerns and suggestions. Rather development is nothing more than a transaction between bureaucrats-a deal that gets done, in the name of others by intermediaries and brokers.

The real principles in the affair-the taxpayers in the wealthy countries and the poor in the South- are treated as though they are somehow incidental to the main event (Graham, 1989),.

"Conspicuously absent" in the process of designing R&D projects are efforts to engage the knowledge or participation of local people.

According to a recent Federal Trade Commission survey, there are over 8,000 rent-to-own stores serving an estimated 3 million customers (Howard, 2001), by offering credit to consumers for a variety of merchandise, such as furniture and home electronics, for weekly or monthly payments that can be applied toward ownership. Lacking any other alternatives, rent-to-own customers routinely pay two to three times what merchandise would cost if they could afford to pay cash and only about one-fourth of rent-to-own customers achieve their goal. Poor families pay a lot to rent, for a long time, but rarely ever own (James & Schuetz (2001).

According to the United States Department of Health and Human Services report (2004), The tradition of child care provided by kin, prominent in many rural areas and low-income communities, is increasingly becoming more difficult as government work requirements and the sheer cost of getting by force nearly all adults into the job market. Although many families qualify for federally funded, state-administered Child Care Development Funds, it is estimated that only one in seven eligible families receives help. In a 14-state study of low-income rural families with children, although 50 percent of mothers reported they were working, 70 percent of those reported receiving no child care assistance (Jean, et al., 2002)

Burnside and Dollar (2000), who assert the role of good policy environment for aid effectiveness, sparked debates among scholars as well as donor community about aid selectivity criteria. As a result, donors have widely recognized the importance of good policy conditions for aid effectiveness and some of them have started to attach more emphasis on the importance of good policy environment.

Russett (1993) and Demirel-Pegg and Moskowitz (2009) argue that more democratic countries are expected to be more peaceful: they are less likely to engage in militarized disputes and even if they do so, the disputes are less likely to escalate. In this sense, it is important to consider the

extent to which donors attach significance to the regime type of recipient countries, in particular to those affected by conflict. This analysis tests whether countries that are more democratic and are undergoing a change in polity receive higher amounts of economic assistance.

Nye (1997) analyzes intervention, in its broad definition, as influencing domestic politics in another state through the use of different scales of coercion. While military action and invasion lies in the upper end of spectrum, economic aid lies more toward low coercion spectrum. This implies that both military and economic intervention may be means to the same end if aid is donor interest driven rather than humanitarian. Once a country has been the site of external military involvement, it is expected that it will also attract more donor attention.

From a more altruistic viewpoint, larger amounts of post-conflict aid might also mirror OECD commitment to successful post-conflict reconstruction and stable peace building process (e.g., Bosnia and Herzegovina, Kosovo, Afghanistan, and Iraq). In either case, it is expected that military intervention of one or more OECD countries in a conflict will be followed by higher attention among the OECD countries and hence larger aid shares.

UN peacekeeping operations are seen as important mechanisms to deal with conflicts. These missions are large and complex involving different components, such as military, police, humanitarian, and electoral (Howard, 2007). Scholars argue that with the end of the Cold War, there were more opportunities for the UN to get involved in solving conflicts albeit their performance results have been mixed. Similar to the case of OECD military involvement, it is expected that UN presence will also be complemented by high aid flows from donor countries.

According to Gleditsch et al. (2002) classifies conflicts based on their intensity of violence. The intensity variables are coded in the minor category with between 25 and 999 battle related deaths in a given year and war category with at least 1000 battle related deaths in a given year. This analysis tests the hypothesis that more intensive conflicts (with higher number of battle related deaths) will be followed by more donor assistance.

Incompatibility concerning governance or territory is one of the separate elements of the armed conflict definition. As Kang and Meernik (2004) assert, territorial conflicts are more likely to repeat as compared to those over governance and hence it is considered that they are more difficult to be resolved. This implies that donors might not want to commit high levels of economic assistance to countries with higher probability of recurring conflicts.

The beginning of 1990s recorded a decrease in foreign aid from many donors. At the same time, it has been argued that with the end of the Cold War, geopolitics received less importance in aid allocation while other developmental criteria received stronger emphasis (e.g., promotion of democracy, support for social and economic transitions, and mitigation of conflicts).

To account for the small country effect, I control for total population of recipient country whereby the inverse relationship between per capita aid and the population size is tested. Each country receives aid from a number of donors and the smaller ones benefit disproportionately (Dowling and Hiemenz, 1985). Since small countries tend to be more open, they are more vulnerable to external shocks and thus attract more aid. Also, smaller countries have a disproportional representation in international organizations and this could be used to buy favorable votes in UN (Claessens et al. 2009). Hence, the small country effect can be interpreted as reflection of donor interests.

The starting point for examining the effectiveness of post-conflict aid is the study by Collier and Hoeffler (2004), who examine the relationship between economic growth, policy, and aid in post-conflict countries. They claim to have provided the first systematic empirical analysis of aid and policy in post-conflict situations. Specifically, their study is based on a comprehensive listing of large civil wars and covers 17 countries in their first post-conflict decade.

By investigating the time-profile of post-conflict growth, Collier and Hoeffler (2004) suggest that aid is considerably more effective in augmenting growth in post-conflict situations since the absorptive capacity for aid is approximately double than in non-conflict countries. Thus, aid should be phased in gradually during the first four years after the conflict, and then ‘gradually taper back to normal levels by the end of the first post-conflict decade’.

Collier and Hoeffler's (2004) recommendations about aid sequencing are in line with economic recovery goals for growth but seem to conflict with other goals that have an immediate effect on peace dividends such as demobilization of soldiers and reconstruction of destroyed infrastructure. Demekas et al. (2002) suggest that aid has the greatest welfare effect immediately after the conflict whereas reconstruction aid takes time to act and hence needs to be designed with care. They recommend that in the post-conflict environment there is need for larger amounts of humanitarian aid over a shorter period of time instead of small amounts over a longer period of time.

Addison (2004) argues that Collier and Hoeffler (2004) overemphasize the growth objective, and he points to other important objectives of aid such as revenue recovery, poverty reduction, and the use of aid as a tactical instrument to secure peace. In the first years after the conflict, aid can finance recurrent spending and invest in reconstruction and institution building projects while keeping macroeconomic stability. By financing infrastructure and service delivery in rebel areas, aid can also provide a partial substitute for insufficient government resources; this investment provides a tactical case for higher aid flows in the first post-conflict years.

In light of this debate, two important issues can be summarized. First, aid seems to be more effective in post-conflict environments. As such, aid is an important tool for post-conflict recovery, if carefully designed. Second, proper sequencing of aid is contingent upon identification of recurring trade-offs and which objectives should receive higher priority, remains a point of contention. This unravels the issue of aid objectives in relation to countries' specific needs and the respective trajectory of aid inflows during the post-conflict: aid is given for a variety of purposes and consequently, it impacts growth and other outcomes in different ways at different points in time. These issues are crucial for successful post-conflict recovery, and will be subject of analysis in the present and the following chapter.

To this end, I trace aid's impact in relation to growth and non-growth outcome variables. The main focus lies in the link between post-conflict aid and the infant mortality rate for three reasons. First, infant mortality rates deteriorate substantially during and after the conflict (Hoeffler and Reynal-Querol, 2003). Second, it is a comprehensive indicator of changes in economic conditions of the poor encompassing access to medicines and health facilities, water

and sanitation, maternal health, female literacy, and fertility patterns (Boone, 1996; Mishra and Newhouse, 2007). Third, datasets on infant mortality have a broader coverage and are also considered to be more reliant than those on life expectancy (Mishra and Newhouse, 2007).

Another important aspect to be addressed in countries coming out of conflict is the state of their institutions and policies. To build post-conflict institutions, there is need for budgetary support, and aid can play a valuable role, if properly used. Institution building and better budgetary management enable countries to absorb aid more effectively (Addison, 2004; Addison and Brück, 2009). In this context, I use another outcome variable to test for aid's impact: the Economic International Country Risk Guide (ICRGE), which was proposed by Knack and Keefer (1995) and measures institutional quality in aid recipient countries.

Peacekeeping missions can play a vital role when there is need to rebuild political institutions and implement complex peace agreements (Sambanis, 2008). These missions enable governments to quickly downsize their militaries whereas commitments to maintain peacekeeping through the first decade can reassure potential investors and hence accelerate economic recovery (Collier, 2009).

I control for the presence of international peacekeeping troops and examine their effect on performance outcomes in post-conflict environments. This is done through dummy variables by denoting the presence of peacekeeping forces.

Perhaps even worse than this neglect (or arrogant dismissal, as is sometimes the case) of the concerns of the "beneficiaries" is the inappropriate nature of most of the projects undertaken. Hancock describes one after another inefficient, capital-intensive, unwieldy, high-technology prestige projects and "white elephants" that have wreaked havoc on the poor and the environment. He argues that such unrealistic, wasteful projects are more the norm than an aberration. The people at Development, Inc., he suggests, believe that "bigger is better," and recognize that the more expensive and complicated the project, the more benefits will accrue to the donor country. Moreover, in Hancock's account the staffers get starry-eyed over grandiose schemes that seek a total restructuring of impoverished communities. The harmful effects of these grand designs range from disappointment when a project flops because its expensive

equipment cannot be maintained to the complete disruption of traditional life when whole peoples are forced to relocate to participate in some "development" scheme that will allegedly improve their standard of living. Hancock cites the Indonesian government's "transmigration program" as a case point. The recipient of multimillion dollar support from the World Bank, this project has relocated six million Indonesians in an effort marred by human rights abuse and environmental destruction (Hancock 1989).

## **2.5 Research Gaps**

Several studies were conducted on the impact of development aid on social service, political and economic institutions reconstructions. For instance Clemans, Radelet and Bhavnani (2014) examined the short term relationship between development aid and post war social service reconstruction using panel regression and Kimura and Todo (2010) argued that aid for infrastructure is more likely to generate an infrastructural effect, which arises when aid geared towards social and economic infrastructural development increases the marginal productivity of capital, which in turn, attracts more FDI, Karras (2006) found a positive and significant relationship between aid and growth after employing annual data from 1960 to 1997 with a sample of 71 developing recipient countries and Arndt, Jones and Tarp (2015) also argued that, in as much as examining the effect of foreign aid on macroeconomic growth institutions growth in post war reconstructions, Busse and Gronings (2009) examined the relationship between foreign aid and governance using a large country sample of 106 countries for the period 1984 to 2004 and Chandy (2011) argued that micro-level evidence suggests that successful donor interventions in post-conflict countries and fragile states have either built on existing local institutional strengths or found ways to skillfully circumvent local institutional deficiencies. The traced studies were not done in the environments of Somalia, even some were not specifically done on development aid and post conflict reconstruction further more are not empirical, the study hence intend to fill the geographical, theoretical and time gaps since many were done before 2018 to fill gaps left on the study on development aid and post-civil war reconstruction challenges in Mogadishu Somalia.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter is dealt with the research methodology used in this study and provides a general framework for this research. The chapter presents details of the research design, target population, sample and sampling procedures, description of research instruments, validity and reliability of instruments, data collection procedures, data analysis techniques and ethical considerations while conducting the study.

#### **3.1 Research Design**

The researcher used a descriptive survey research design based on quantitative and qualitative research approaches. The reason of choosing this design is that, the researcher focus on the links among a smaller number of attributers across a sample of cases depending on the resources available and the size of the target population. The researcher quantified social phenomena particularly issues conduction and problems that are prevalent in the society. The researcher collected the information that described and helped the researcher in understanding social life. The design was based on both qualitative and quantitative approaches were data collection was done based on questionnaires and interview guides. This are intended to explore more detailed information and the aspects which remain unrevealed during quantitative analysis, qualitative data was also collected. This data/information was collected through key informant interviews technique. It is a useful technique which provides more useful and in-depth knowledge in less time and limited cost.

#### **3.2 Study Population**

According to Saunders (2005), a population refers to any group of institutions, people or objects that have common characteristics. For the purpose of the study, the researcher targets the ministry of internal affairs, ministry of finance, donor agencies such as USAID and local traditional leaders in the district of Wardhiigley in Mogadishu Somalia. The study population is targeted because it is deemed fit for the provision of information necessary for the study. These have a population of 560 people in the target population.

### 3.3 Sample Size

In order to attain the sample population, The Slovene's formula was used to determine minimum sample size provided in the formula below.

$$n = \frac{N}{1+Na^2}$$

Where, N= Total Population

n=sample size

a= correlation coefficient (0.05)

$$n = \frac{560}{1+560(0.05)^2}$$

$$n = \frac{560}{2.4}$$

$$n= 233$$

Therefore a sample of 233 respondents was selected to participate in the study.

**Table 3.1: Showing the study population with their represented sample size**

Category	Population	Sample
<b>Quantitative Sample</b>		
Government Ministries (Internal Affairs)	78	32
Ministry of finance	87	36
Donors	45	19
Traditional Leaders	350	146
<b>Total</b>	<b>560</b>	<b>233</b>
<b>Qualitative Sample</b>		
Donor administrators	<b>5</b>	<b>5</b>
Ministry heads	<b>4</b>	<b>4</b>
	<b>9</b>	

Source: Ministry of information and communication, 2020

### **3.4 Sampling Techniques**

The researcher shall employ two sampling techniques: Random sampling and purposive sampling. Simple random sampling was used in selection of the ministry staff, donor staff and traditional leaders. Random sampling is a strategy that adds credibility to a sample when the potential purposeful sample is larger than one can handle whereby it uses small sample sizes, thus the goal is credibility, not representativeness or the ability to generalize. Random sampling also known as probability or chance sampling offers all units in the population equal chances of inclusion in the sample and ensures the law of statistical regularity which states that if on average, the sample chosen is random, it had the same composition, and characteristics as the universe population (Kothari, 2004). Random Sampling was used to select the members of auditors and technical staff on the other hand was used to select the administrative staff of the ministries and donor agencies were selected using purposive. Purposive sampling involves identifying and selecting individuals or groups of individuals that are knowledgeable about or experienced with a phenomenon of interest.

### **3.5 Sources of data**

Data was got through primary data.

#### **3.5.1 Primary data**

Primary data is that data collected afresh and for the first time, has not been processed (Mugenda, 2006). Primary Data used questionnaires and interview as common research tools to collect data. This aimed at collecting primary data from the selected respondents.

### **3.6 Data Collection Instruments**

This study used two instruments for the collection of data;- these included questionnaire and interview Guide.

#### **3.6.1 Questionnaires**

This was used to collect primary data from the respondents and was by self-administered questionnaires. Therefore administering of questionnaire was a method while questionnaires were instruments to be employed. The method of survey using questionnaire was deemed appropriate since part of the questionnaire provided respondents a choice of picking their answers from a given set of alternatives while the other part of the questionnaire allowed them to qualify their responses (Amin, 2005). Questionnaires were advantageous since they can reach to

thousands of people all at once. The questionnaire collected information from government Ministries (Internal Affairs), ministry of finance and donors and traditional Leaders Self-administered questionnaires was advantageous because it was answered anonymously; this means that sensitive and personal questions was more likely to be answered.

### **3.6.2 Interview**

This was used to collect primary data from the Donor administrators, Ministry heads, and Traditional leaders. It involved the use of a semi-structured interview schedule/guide as an instrument while interviewing was a method. The method of interview using interview guide was deemed appropriate since the mentioned categories of respondents has vital information yet may fail to get enough time to fill in questionnaires (Saunders, 2000).

## **3.7 Validity and reliability**

### **3.7.1 Validity**

Validity refers to how accurately the instruments capture data that gives meaningful inferences (Mugenda & Mugenda, 2003). Instrument validity was ascertained in the following ways; discussing the questionnaire with the colleagues, there after adjustments was done before submission to the supervisor who assessed the face validity. The instruments were then pre-tested, after which the content validity was measured. This helped to assess the appropriateness of sentence construction, comprehensiveness of instruments and language clarity. Comments were received on the acceptability of the instrument in terms of; length and the privacy of respondents. These comments were helpful in designing the final instrument that was used to generate data. To measure the validity of variables and the relationship between internal audit practices and quality financial reporting validity test were carried out using Content Validity Index (CVI) prior to the administration of the research instruments.

According to Amin (2005) validity of instrument is determined by the formula:

$$CVI = \frac{RQ}{TQ}$$

**Legends:** CVI = Content Validity Index

RQ = Relevant Questions

TQ = Total number of Questions

The attainment of the figure of 0.7 indicated that the instrument is valid.

If the CVI is greater than the minimum value of valid instrument which is 0.7 implying that the instrument is valid.

### **3.7.2 Reliability**

Gall (1996), defines reliability as the degree of consistency of the measuring instrument. This agrees with Mugenda and Mugenda (2003) who stated that reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials. The social sciences research accepts variables scoring a coefficient above 0.70. Reliability was ensured through test-retest procedure of both the questionnaire and the interview guide. The supervisors also reviewed the questionnaire and the interview guide to ensure that they are capable of capturing the required data. The questionnaires were pilot tested on 20 respondents and the result subjected to Cronbach alpha method, which is a test of internal consistency according to Amin (2005). The Cronbach's Alpha reliability Coefficient ( $\alpha$ ) was calculated by running a statistical test using Statistical Package for Social Scientists (SPSS) computer program.

The coefficient ranges between  $\alpha = 0.00$  for no reliability,  $\alpha = 1.00$  for perfect reliability. The closer alpha gets to 1.0 the better. According to Amin (2005), all the measurements in the instrument that show adequate levels of internal consistency of Cronbach's alpha of 0.7 and above are acceptable as reliable.

## **3.8 Data analysis**

### **3.8.1 Quantitative data analysis**

Quantitative data analysis involved the use of both descriptive and inferential statistics in the Statistical Package for Social Scientists (SPSS). Descriptive statistics entailed determination of measures of central tendency such as mean and measures of dispersion such as standard deviation and percentages. Data analysis on the first to the third objective took into consideration the analysis of the constructs on the variables.

<b>Mean range</b>	<b>Respondent</b>	<b>Interpretation</b>
4.22 - 5.00	Strongly agree	Very Good
3.42 - 4.21	Agree	Good
2.62 – 3.41	Not Sure	Fair
1.81 - 2.61	Disagree	Poor
1.00 - 1.80	Strongly disagree	Very poor

The bio-data was analyzed using frequency and percentages while objectives were analyzed using mean and standard deviation. The effect was assessed using regression analysis to prove the nature of effect between independent and dependent variable at 0.05 level of significance. The hypothesis were tested at 0.05 level of significance were the rejection criteria was to reject the null hypothesis if the value of significance is above 0.05 and accept hypothesis if the value is below 0.05.

### **3.8.2 Qualitative data analysis**

Under qualitative method, data was thematically analyzed from the themes and sub themes developed from the research objectives.

Qualitative data was collected using interview discussions with other authorized respondents. Content analysis was used to alter the information and re-sort out it into significant shorter sentences. The data was investigated and sorted out dependent on examples, redundancies, and shared traits into topics dependent on the examination factors. The information at that point was utilized to fortify data got from polls to reach inferences and suggestions.

### **3.9 Ethical Consideration**

The researcher respected anonymity of the respondents by ensuring confidentiality of the respondents and the data provided. This was done through assurance that the information they provided was purely for academic purposes and that their identity was disclosed to anyone. This was highlighted in the introductory part of the questionnaire.

All the sources of literature have been acknowledged through citations and referencing. Lastly, objectivity was considered during report writing to avoid personal bias

The researcher sought clearance from the University to be able to collect data in the targeted area. The researcher ensured and assured the respondents that all their responses were treated in strict confidentiality.

The researcher obtained informed consent from authorities to interview their citizens and also interviewed the care takers. The researcher explained to the people in the study area the objectives of the study, introduced him he explained why the particular respondents were chosen, the benefits, discomforts and harms of the study, and requested to also ask questions in relation to the study.

## CHAPTER FOUR

### DATA PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

#### 4.0 Introduction

The chapter discusses major findings as per the research objectives. The researcher utilized a quantitative and qualitative approach to analyze data. The output was presented in Figures and Tables form summarized in percentages, frequencies and descriptive statistics.

#### 4.1. Response Rate

The study sought to determine the response rate and the findings were as shown in table 4.1.

**Table 4.1: Response Rate**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Filled in questionnaires	233	100
Non response	0	00
<b>Total</b>	<b>233</b>	<b>100.0</b>

*Source: Primary Data 2021*

The study targeted a sample of 233 respondents. However, out of 233 questionnaires distributed 233 respondents completely filled in and returned the questionnaires, this represented a 100% response rate. This is a reliable response rate for analysis as Mugenda and Mugenda (2003) showed that 50% of response rate is sufficient for analysis and presentation of the data, 60% is reliable and 70% of response rate and over is excellent. However, 0% of the respondent was reluctant to respond to the questionnaire this was due to reasons like, the respondent was not available to fill them in at the required time and even after subsequent follow-up there were no positive reactions from him/her.

#### 4.2 Demographic Characteristics

The study aimed to establish the general information about the respondent. The study used this information to base the study finding on the experience of the respondents and familiarity of the respondent to the information that the study sought. The research sought to analyze respondents



basing on gender, age group, marital status, education levels and years spent in the organization and the following tables, graphs and figures diagrammatically presents the same.

#### **4.2.1 Respondents by gender**

The gender of respondents was collected and respondents were categorized in male and female in order to get respondents gender presentation has shown in table 4.2 below.

**Table 4.2: Respondents by gender**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Male	136	58.4%
Female	97	41.6%
<b>Total</b>	<b>233</b>	<b>100.0</b>

**Source: Primary Data, 2021**

The findings about gender in Mogadishu Somalia show that the researcher maintained gender equality in a sense that each category was relatively given an equal chance to be represented among the respondents. This is because 136 male and 97 female were selected representing 58.4% and 41.6% respectively each. The same results also indicate that there is gender equality in Mogadishu, Somalia. This state of affairs agrees with Yohannes, Ayako and Musyoki (2016) who established that firms should embrace gender diversity if they are to enhance their performance.

### 4.2.2 Age Bracket

The age of the respondents was collected and respondents were categorized to falling in the ages of 20-29, 30-39, 40-49, and 50+

**Table 4.3: Showing age bracket**

Age Bracket	Frequency	Percentage
20 - 29	38	16.3%
30 – 39	76	32.6%
40 – 49	92	39.5%
50+	27	11.6%
<b>Total</b>	<b>233</b>	<b>100%</b>

*Source: Primary Data 2021*

From the study table 4.3 shows that respondents age bracket was 20 – 29 years had 16.3%, 30 – 39 years had 32.6%, 40 – 49years had 39.5% and finally only 11.6% were of 50+years of age. This depicts that majority of the respondents were aged between 40 – 49 years as shown by a total of 42% within the categories. This further shows that the majorities of the respondents were middle aged adults and thus had proper understanding of the Development aid and post-civil war reconstruction in Mogadishu Somalia.

### 4.2.3 Education level of respondents

Respondents were asked to indicate their education level. This was aimed at enabling the researcher to describe the level of education of the respondents which could also affect study variables. In this study, level of education was categorized into; Certificate, Diploma, Bachelors degree and Other.

**Table 4.4: Response on education background**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Certificate	40	17.2%
Diploma	72	30.9%
Bachelor degree	80	34.3%
Master degree	29	12.4%
Other	12	5.2%
<b>Total</b>	<b>233</b>	<b>100%</b>

**Source: Primary Data (2021)**

The responses from above table indicate that 40(17.2%) were of certificate holders, 72 (30.9%) were Diploma holders, 80(34.3%) were at Bachelor level, 29 (12.4%) were of Master holder and lastly only 12(5.2%) were categorized has others such has tertiary. This shows that most respondents were university level. This further shows that most of them had proper understanding of the Development aid and post-civil war reconstruction in Mogadishu Somalia. This state of affairs was supported by Yohannes, Ayako and Musyoki (2016) who stressed that it is important for a study to use people with high education levels since such people have high conceptual and technical skills, and could be more creative and innovative for the study.

### 4.2.3 Marital Status

Data was collected from the respondents about their marital status which was in the types of the married, single, widow and divorced.

**Table 4.5: Showing marital status**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Single	80	34.3%
Married	95	40.8%
Widow	30	12.9%
Divorced	28	12.0%
<b>Total</b>	<b>233</b>	<b>100</b>

**Source: Primary Data, 2021**

The findings from Table 4.4 shows that out of the 158 respondents, 80(34.3%) of the respondents reported being single, 95(40.8%) reported being married, 30(12.9%) reported being Widow, 28(12)% were divorced. The findings inculcated that all the categories of the respondents were all covered in regard to their Marital Status and the majority of the respondents were Married because they secured the highest percentage (40.8%).

#### 4.2.4 Respondents Occupation

**Table 4.6: Respondents occupation**

<b>Occupation</b>	<b>Frequency</b>	<b>Percentage</b>
Farmer	50	21.5%
Business	70	30.0%
Formal employment	90	38.6%
Others	23	9.9%
<b>Total</b>	<b>233</b>	<b>100</b>

**Source: Primary Data 2021**

The researchers requested the respondent to indicate their occupation. From study results most of respondents (38.6%) said that their main occupation is Formal employment, 30.0% said their main occupation is Business, 21.5% of the respondents said that they are farmers and lastly those who indicated that they have other occupation such as brick making, boada boda etc. were represented by 9.9%.

### 4.3. Findings on the Effect of development aid on post war social service reconstruction

Objective number one of the study was to examine the Effect of development aid on post war social service reconstruction. Several questions were asked in this regard. The responses are in respect of this question as shown below:

**Table 4.7: Responses about Effect of development aid on post war social service reconstruction.**

<b>The Effect of development aid on post war social service reconstruction</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Interpretation</b>
There is establishment of education system back to functionality	233	3.35	1.830	Very Good
The system of government universities have been put back into functioning	233	3.05	1.746	Good
The system of health system infrastructures have been upgraded	233	2.78	1.667	Good
There is road infrastructure in the country is being constructed by government	233	2.46	1.568	Poor
The services public service sector for the country is being revitalized	233	3.134	1.168	Good
<b>Average Mean</b>		<b>2.96</b>	<b>1.534</b>	<b>Good</b>

**Source: Primary Data 2021**

The following mean ranges were used to arrive at the mean of the individual indicators and interpretation: For the Effect of development aid on post war social service reconstruction.

<b>Mean Range</b>	<b>Response Mode</b>	<b>Interpretation</b>
3.26-4.00	Strongly agree	Very good
2.51-3.25	Agree	Good
1.76-2.50	Disagree	Poor
1.00-1.75	Strongly disagree	Very poor

Results in table 4.7 indicated that the Effect of development aid on post war social service reconstruction was rated good and this was indicated by the overall mean of 2.96, implying that there is a formalized system intended to help the post war social service reconstruction on how plans are drawn after consulting the members. And this increases on the development aid on post war social service reconstruction, the respondents rated there is establishment of education system back to functionality as very good and this was indicated by the average mean of 3.35, implying that there is a formal, precise targeting of a program and result in education implementation in some subnational units but not in others. Examples of these types of constraints are reconstruction projects that are by design only implemented in subnational constituencies that experienced high levels of violence during wartime.

Still results in table 4.7 indicated that the system of government universities have been put back into functioning this was rated good with an average mean of 3.05, this implies that the system of government universities have been put back into functioning which is helpful to the way of increasing its effectiveness in development aid on post war social service reconstruction.

Results indicated that the system of health system infrastructures have been upgraded and this was rated good (mean=2.78), this therefore implies that there have been health centre infrastructure development in the district due to the development aid from donor countries.

Results however indicated that whether there is road infrastructure in the country is being constructed by government, and this was rated poor (mean=2.46), this implies that which means that either the respondents were not sure of the statement or disagreed, hence implying that the government has not been able to work upon the road infrastructure in the country this could be because of corruption, or embezzlement of these funds from the top officials.

Lastly the study results indicated that whether the services public service sector for the country is being revitalized, this was rated good by the average mean of 3.13, hence implying that the services public service sector for the country is being revitalized, do take by the government has an important thing whereby they make sure that they help to pay public servants hence strengthening the ground level of leadership of the district.

Results from the interview indicated that;

*Most of the Donor administrators who were interviewed revealed that Smooth aid coordination is particularly important in post-conflict situations. Due to the massive and urgent need and the presence of many donors eager to provide support, each with its own agenda, it is imperative to provide effective and efficient coordination. At the same time, the overwhelming mix of emergency needs of post-conflict societies like Somalia (e.g. for justice, knowledge, and capacity) demands a high degree of collaboration, coordination, coherence and complementarity. Counterproductive individual donor agendas should be neutralized.*

*One of the Ministry heads interviewed agreed that “The country requires a range of responses from the international community to facilitate the transition from war to sustainable peace, and to support the resumption of economic and social development. As pointed out earlier, both Rwanda’s marginal strategic importance to the major powers and conflicting attitudes”.*

*One of the top administrators stated that “it was necessary to channel international assistance through NGOs, private contractors and international agencies in the absence of any functional state or societal institutional structures. Strangely enough, even with the transition of the Rwandan Patriotic Front into the government and the consolidation of civil society organizations, donors were frequently reluctant to recognize the legitimacy of the government and to provide it with the resources necessary to rebuild its institutional capacity and to establish modalities of mutual policy dialogue and coordination”.*



#### 4.4 Findings on the Effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia.

Objective number two of the study was to establish the Effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia. Several questions were asked and the responses are summarized, analyzed and interpreted below:

**Table 4.8 Response on whether the Effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia.**

<b>The Effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Interpretation</b>
There is establishment of central monetary authority in Somalia	233	3.27	1.808	Very Good
There is the establishment of ministry of finance and economic systems in country	233	3.21	1.792	Good
The economic management systems for the country are viably established	233	2.82	1.679	Good
There is a fiscal policy on the management of finances in the country	233	2.18	1.476	Poor
The country has established a system of economic reforms to guide the country	233	2.87	1.694	Good
<b>Average Mean</b>		<b>2.81</b>	<b>1.556</b>	<b>Good</b>

**Source: Primary Data 2021**

The following mean ranges were used to arrive at the mean of the individual indicators and interpretation: For the Effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia.

<b>Mean Range</b>	<b>Response Mode</b>	<b>Interpretation</b>
3.26-4.00	Strongly agree	Very good
2.51-3.25	Agree	Good
1.76-2.50	Disagree	Poor
1.00-1.75	Strongly disagree	Very poor

From table 4.8 with respect to the Effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia, this rated good and this was indicated by the average mean of 2.87, hence implying that post war Economic institutions reconstruction is implemented and always assessed well in order to improve Economic sector of the district and the country at large. On whether there is establishment of central monetary authority in Somalia (mean=3.27), this was rated very good implying that development aid does actually help in the establishment of central monetary authority in Somalia hence reconstructing of the Economic institutions in Mogadishu Somalia. On whether there is the establishment of ministry of finance and economic systems in country (mean=3.21), this was rated good thus this implies that the country has a well-established ministry of finance and economic systems, hence leading to the budgeting of country and proper utilization of the funds.

Concerning whether the economic management systems for the country are viably established and this was rated good by the average mean of 2.82, thus this indicates that development aid does help in establishment of economic management systems for the country, thus implying that communities participating in development projects could be assisted to access financial services to improve the country's economic management systems. However the results also shown that whether there is a fiscal policy on the management of finances in the country and was rated poor with a mean of 2.18 and this indicated that either the respondents were not sure or disagreed on the statement that there is a fiscal policy on the management of finances in the country.

More so for the issue of the country has established a system of economic reforms to guide the country and how much to pay this was rated good by the average mean of 2.87, this implies that development aid does provide the strategy focusing on creating conducive conditions for the country's established system of economic reforms to guide the country to be able to participate actively in decision-making regarding their development .

### **The interview revealed that**

According to one of the Donor authority mentioned that

*“The goal is to have institutional reforms that result in formation of the same expected order or adherence to the same convention, where everyone will be better off. Clear rules of the game sets the scope for influencing altruism in the*

*cooperation or social, economic and political interaction will be cooperative rather than conflicting.*

*He continued has said that I also observe that post-war reconstruction succeeds where strategies are able to turn the game of violent conflict to a game of coordination, where relations of confrontation give way to dialogue and mutual cooperation. Sustainable cooperation requires durable institutions such as trust and shared norms and beliefs to enhance organization and coordination between members in the same transacting group or between the different groups.*

Another Donor authority also stated that

*The public sector is not the only external actor that can facilitate strategic coordination. NGOs or producer or processors or trade associations have high stakes and potential capacities to undertake strategic coordination when government and private sector ordering is weak or have negative impacts on the poor. The roles of NGOs in post-war recovery have primarily concentrated on supporting livelihoods development to mitigate the vulnerability against shock of civil war. They have for a long time worked in the development arena on the tenets of 'not-for-profit' organizations with purely pro-social, community-led motivation, integrating survival mechanisms through collective actions, all grounded on grant de-dependency;*

*He farther added on that In order to promote the revitalization of the post war Economic institutions reconstruction information and communication is very important. Of the roles CDO plays is continuous education and sensitization of the citizens on cotton sector liberalization policy. CDO uses a number of communication strategies to under-take this role. CDO regularly publishes price information to stakeholders on the electronic and print media. The most notable and accessible to rural farmers are the use community FM radio stations.*

#### 4.5 Findings on the Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia

Objective number three of the study was to find out Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia the responses in this area are presented, analyzed and discussed below:

**Table 4.9: Response on the Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia**

<b>The Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Interpretation</b>
There has been establishment of parliament systems in the country	233	2.52	1.587	Good
There has been established political party systems for the politics	233	2.76	1.661	Good
The presidential elections systems in the country is established	233	2.40	1.549	Poor
There is established governance institutions for the government ministries	233	2.85	1.688	Good
There is established political system on the federal governments in Somalia	233	3.68	1.918	Very Good
<b>Average Mean</b>		<b>2.87</b>	<b>1.592</b>	<b>Good</b>

**Source: Primary Data 2021**

The following mean ranges were used to interpret the means: For the Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia.

<b>Mean Range</b>	<b>Response Mode</b>	<b>Interpretation</b>
3.26-4.00	Strongly agree	Very good
2.51-3.25	Agree	Good
1.76-2.50	Disagree	Poor
1.00-1.75	Strongly disagree	Very poor

From table 4.9 with respect to the Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia, this rated good and this was indicated by the average mean of 2.87, hence implying that there is a strong and effective utilization of development aid on post war political institutions reconstruction in Mogadishu, Somalia hence leading to the effectiveness of its activities. Results in table 4.8 indicated that there has been establishment of parliament systems in the country and this was rated good and indicated by the mean of 2.52, which implies that development aid has been utilized in the establishment of parliament systems in the country. And this becomes an advantage to the management of development aid when conducting post war political institutions reconstruction.

Study results concerning whether There has been established political party systems for the politics and this was rated good (mean=2.76), this implies that the utilization of donor funds has led to the establishment of political party systems for the politics and a success, and it also implies that the focus on political parties development with the objective of reaching all political parties and challenging them to enhance their voter outreach, define their policies, and strengthen their internal structures..

More so concerning whether the presidential elections systems in the country is established was ranked as poor (mean=2.40), however this indicates that the respondents are not well happy the presidential elections systems in the country which is being established, this statement disagrees with USAID (2010), Endemic political instability in weak and failed states provides potential breeding ground for negative forces including terrorist movements. Thus, using foreign aid to assist post-conflict countries in consolidating the capacity of the state can help achieve global security objectives.

Results further indicated that there is established governance institutions for the government ministries was rated Good (mean=2.85), however this implies that the country has an established governance institutions for the government ministries, thus states transform the police from a predatory institution into one with the capacity to serve and protect its people uniformly and help establish the order that might spur local and national economic development.

Lastly concerning whether there is established political system on the federal governments in Somalia and was rated very good as (mean=3.68), this showed that the respondents agree on the

established political system on federal governments in Somalia due to the well utilization of the development aid.

### **Interview responses;**

One of the officials of Ministry heads who were interviewed mentioned that;

*“Given the recent turbulence, it is not entirely surprising that politics and issues of political power remain contentious. By 1998, there were no functioning opposition party, the media was strictly controlled and social organizations had little room for maneuver in political realm. However, political commentators think Somalia’s longer-term stability would be better served by greater latitude for informal and formal political pluralism, in order to restore trust and ensure reconciliation and reconstruction of its social fabric.....”*

(Ministry heads, Field Supervisor, Wednesday 5<sup>th</sup> July (2021)

*“He continued and said that More often than not, post-conflict reconstruction tends to focus more on rebuilding infrastructure than on reconstructing institutions and strengthening the social fabric. The brutal nature and the extent of the slaughter, and by the ensuing mass migration”*

(Ministry heads, Field Supervisor, Wednesday 5<sup>th</sup> July (2021)

Furthermore, according to interview session with a top authority of from the Donor administrators in Mogadishu Somalia, He reported that;

*“I am greatly to the performance of WFP and UNHCR, the two largest agencies within the UN humanitarian system, was of critical importance to the overall response to the Somalia crisis. The relationship between them was undermined by unproductive tensions stemming from their peculiar mandates. Despite the existence of a detailed Memorandum of Understanding between them, these tensions persist and are likely to continue, given their different perspectives on the same problems and the inherent difficulty of splitting such a critical function between the two largest agencies.”*

(Wardhiigley District in Mogadishu Somalia Coordinator, 16<sup>th</sup> July 2021)

#### 4.6 Objective One; The Effect of development aid on post war social service reconstruction in Mogadishu Somalia.

The first research objective of the study was to determine the Effect of development aid on post war social service reconstruction in Mogadishu Somalia. The results based on simple regression analysis are presented below.

**Table 4.10: Effect of development aid on post war social service reconstruction**

##### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.186 <sup>a</sup>	.035	.032	.46011

a. Predictors: (Constant), Development aid

##### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.804	1	2.804	13.245	.000 <sup>b</sup>
	Residual	78.119	232	.212		
	Total	80.923	233			

a. Dependent Variable: Post war social service reconstruction

b. Predictors: (Constant), Development aid

##### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.748	.104		26.400	.000
	Development aid	.143	.039	.186	3.639	.000

a. Dependent Variable: Post war social service reconstruction

**Source: Field Data, 2021**

Results in table above regarding the effect of development aid on Post war social service reconstruction in Mogadishu Somalia present the R-square value of .186 the value indicate that

development aid affect Post war Economic institutions reconstruction in Mogadishu Somalia by 18.6%.The presence of the error estimate reveal that .46011 reveal the closer scatter of data.

The ANOVA table reveal that there was a significant effect of development aid on Post war social service reconstruction in Mogadishu Somalia, and the Sig value of 0.020 indicate that there was a significant effect between development aid and Post war social service reconstruction in Mogadishu Somalia.

Concerning the coefficients the study reveal that both coefficients of significance are below the level of significance with the constant at 000 and that of development aid was at 0.000. The results imply that there is a significant effect of development aid on Post war social service reconstruction. The researcher rejects the null hypothesis and concludes that there was a significant effect of development aid and Post war social service reconstruction in Mogadishu Somalia. It means that improving the state of development aid enhances Post war social service reconstruction and support local-led projects and with investment that matches the needs of the population rather than the goals of the donor.

#### **4.7 Objective two: Effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia**

The second research objective was to examine the effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia. The data collected based on the field findings is presented in the regression analysis below.



**Table 4.11: Effect of Development aid on post war Economic institutions reconstruction**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.164 <sup>a</sup>	.027	.024	.46197

a. Predictors: (Constant), Development aid

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.174	1	2.174	10.185	.002 <sup>b</sup>
	Residual	78.749	232	.213		
	Total	80.923	233			

a. Dependent Variable: Post war Economic institutions reconstruction

b. Predictors: (Constant), Development aid

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.481	.117		29.840	.000
	Humanitarian Livelihood services	.147	.046	.164	3.191	.002

a. Dependent Variable: Post war Economic institutions reconstruction

**Source: Field Data, 2021**

Results in table above regarding the Effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia present the R-square value of .164<sup>a</sup> the value indicate that development aid affect Post war Economic institutions reconstruction in Mogadishu Somalia by 16.4%.The presence of the error estimate reveal that .46197 reveal the closer scatter of data.

The ANOVA table reveal that there was a significant Effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia, and the Sig value of 0.002 indicate that there was a significant effect between development aid and Post war Economic institutions reconstruction in Mogadishu Somalia.

Concerning the coefficients the study revealed that both coefficients of significance are below the level of significance with the constant at 000 and that of Development aid was at 0.000. The results imply that there is a significant effect of development aid on Post war Economic institutions reconstruction. The researcher rejects the null hypothesis and concludes that there was a strong positive significant effect of Development aid on Post war Economic institutions reconstruction in Mogadishu Somalia. It means that improving the state of development aid can enhance Post war Economic institutions reconstruction. This was in line with Feeny (2007), who examined the relationship between development aid and economic growth in the rural sector of five Melanesian countries using an annual panel data for the period 1980 to 2001. The OLS as well as panel data of fixed and random effects approaches comprised the econometric techniques for the model estimations. The study also involved using disaggregated aid, including aid grants and loans, bilateral and multilateral aid, and technical and non-technical assistance to determine whether these types of aid have any association with economic growth in the rural sector. The outcomes provided evidence of total aid being positively associated with growth in the focal countries. Regarding the disaggregated aid data, it emerged that aid grants, bilateral aid and technical assistance showed some evidence of a positive relationship with economic growth in these countries, whilst other forms appeared to show no evidence of this. Feeny's study was to some extent pioneering because of the disaggregation of aid into various types, but the issue of data unavailability was a challenge

#### 4.8 Objective three: Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia.

The third research objective was to establish the Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia. The data collected based on simple regression analysis is presented in the findings below

**Table 4.12: Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia.**

##### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.117 <sup>a</sup>	.014	.011	.46510

a. Predictors: (Constant), Development aid

##### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.103	1	1.103	5.100	.025 <sup>b</sup>
	Residual	79.820	232	.216		
	Total	80.923	233			

a. Dependent Variable: Post war political institutions reconstruction

b. Predictors: (Constant), Development aid

##### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.805	.140		20.022	.000
	Development aid	.103	.045	.117	2.258	.025

a. Dependent Variable: Post war political institutions reconstruction

**Source: Field Data, 2021**

Results in table above regarding the Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia present the R-square value of .014, the value indicate that Development aid affect post war political institutions reconstruction in Mogadishu Somalia by 1.4%.The presence of the error estimate reveal that .46510 reveal the closer scatter of data.

The ANOVA table reveal that there was a significant Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia, and the Sig value of 0.025 indicate that there was a significant effect between Development aid and Post war political institutions reconstruction in Mogadishu Somalia.

Concerning the coefficients the study reveals that both coefficients of significance are below the level of significance with the constant at 000 and that of Development aid was at 0.025. The results imply that there is a significant Effect of development aid on post war political institutions reconstruction. The researcher rejects the null hypothesis and concludes that there was a significant effect of Development aid and Post war political institutions reconstruction in Mogadishu Somalia. It means that improving the state of Development aid can influence Post war political institutions reconstruction in Mogadishu Somalia.

## CHAPTER FIVE

### DISCUSSION, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter discusses, concludes and recommends reflecting on the study findings presented in the previous chapter.

#### 5.2 Discussions of findings

##### 5.2.1 The Effect of development aid on post war social service reconstruction in Mogadishu Somalia

The study established the Effect of development aid on post war social service reconstruction in Mogadishu Somalia. Its findings indicated that there was a significant effect of post war social service reconstruction. Even though the effect Development aid on Post war social service reconstruction may have been rather weak, its significance was undisputable. These findings are backed by previous research studies that undertook to establish a similar purpose as elaborated below

Clemans, et al., (2014) examined the short term relationship between development aid and post war social service reconstruction using panel regression. Their study sample was 67 countries and included 22 African countries for the period 1974-2001. The two stage least squares (2SLS) and the generalized method of movements (GMM) were the estimation techniques used with disaggregated aid data being employed. The results from using this data show that aid has a positive and statistically significant association with economic growth and this holds even after some robustness checks. Further results reveal a negative relationship between debt repayment and growth for other categories of aid. The use of disaggregated aid data provided more comprehensive results than were it otherwise, nevertheless the research, to some degree, overlooked the issue of long term development aid.

Furthermore more from the study findings it was evidenced that the Results in table 4.7 indicated that the Effect of development aid on post war social service reconstruction was rated good and this was indicated by the overall mean of 2.96, implying that there is a formalized system intended to help the post war social service reconstruction on how plans are drawn after

consulting the members. And this increases on the development aid on post war social service reconstruction, the respondents rated there is establishment of education system back to functionality as very good and this was indicated by the average mean of 3.35, implying that there is a formal, precise targeting of a program and result in education implementation in some subnational units but not in others. Examples of these types of constraints are reconstruction projects that are by design only implemented in subnational constituencies that experienced high levels of violence during wartime. More so from the qualitative findings one of the respondents stated that “that Smooth aid coordination is particularly important in post-conflict situations. Due to the massive and urgent need and the presence of many donors eager to provide support, each with its own agenda, it is imperative to provide effective and efficient coordination. At the same time, the overwhelming mix of emergency needs of post-conflict societies like Somalia (e.g. for justice, knowledge, and capacity) demands a high degree of collaboration, coordination, coherence and complementarity. Counterproductive individual donor agendas should be neutralized”.

These findings were in line with Asiedu (2012) who argued that investigated the determinants of development aid in developing countries by comparing Sub-Saharan Africa and non-Sub-Saharan countries in social service reconstruction. The author used OLS, cross-sectional and panel regression estimation techniques to determine the above for data taken from the period 1988 to 1997. The results suggest that infrastructural development and higher returns on investment have a positive association with foreign direct investment for non-Sub-Saharan countries. However, in the case of Sub-Saharan Africa, the findings for both these variables did not show any evidence. Nevertheless, the results regarding trade openness revealed a positive association with foreign direct investment for both categories of nations.

Results however indicated that whether there is road infrastructure in the country is being constructed by government, and this was rated poor (mean=2.46), this implies that which means that either the respondents were not sure of the statement or disagreed, hence implying that the government has not been able to work upon the road infrastructure in the country this could be because of corruption, or embezzlement of these funds from the top officials. This finding was in line with Earnest (2015), who contend that there is often not enough funding to meet the post-conflict reconstruction needs, and local-led projects are often sacrificed. As a result, projects often operate according to the priorities of the donors, rather than the development needs of the

local community. It is therefore important that donors support local-led projects and ensure that investment matches the needs of the population rather than the goals of the donor.

Saul (2014), added on that popular involvement in decision-making is crucial for creating appropriate and effective reconstruction initiatives. After all, the people that are affected have clearest understanding of what a situation needs. Additionally, the more a population has been directly involved in decision-making, the greater the awareness and understanding of the different components of the reconstruction there is. This then allows for the population to more fully experience the intended benefits of the reconstruction program. Awareness can also help to prevent certain elements of the population who are against the reconstruction from disrupting it. However, in order for this to work in the long-term, the national government has to support reconstruction empowering the population.

### **5.2.2 Effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia.**

The study established the effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia. Its findings indicated that there was a significant effect of post war Economic institutions reconstruction. Even though the effect Development aid on post war Economic institutions reconstruction may have been rather weak, its significance was undisputable. Thus qualitative results revealed that the goal is to have institutional reforms that result in formation of the same expected order or adherence to the same convention, where everyone will be better off. Clear rules of the game set the scope for influencing altruism in the cooperation or social, economic and political interaction will be cooperative rather than conflicting”. These findings are backed by previous research studies that undertook to establish a similar purpose as elaborated below.

Karras (2006) found a positive and significant relationship between aid and growth after employing annual data from 1960 to 1997 with a sample of 71 developing recipient countries. The econometric techniques used in the study included both OLS cross-sectional regression and panel data fixed effects, with total net overseas development assistance (hereafter ODA) receipts per capita and total net ODA as a fraction of GDP being the two measures of foreign aid. The author found foreign aid to be positively associated with growth, and contended that increasing

foreign aid by \$20 per person in a recipient country would lead to growth in GDP per capita of approximately by 0.16 per cent. An alternative measure used for the research discovered that an increase in aid by 1 percent would increase per capita growth rate in the recipient country by between 0.14 and 0.26 percent. Despite the study data covering a substantial historical period, the use of a limited number of variables in the model was obvious.

From the study findings with respect to the Effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia, this rated good and this was indicated by the average mean of 2.87, hence implying that post war Economic institutions reconstruction is implemented and always assessed well in order to improve Economic sector of the district and the country at large. On whether there is establishment of central monetary authority in Somalia (mean=3.27), this was rated very good implying that development aid does actually help in the establishment of central monetary authority in Somalia hence reconstructing of the Economic institutions in Mogadishu Somalia. On whether there is the establishment of ministry of finance and economic systems in country (mean=3.21), this was rated good thus this implies that the country has a well-established ministry of finance and economic systems, hence leading to the budgeting of country and proper utilization of the funds. These findings were in line with Feeny (2007), who examined the relationship between foreign aid and economic growth in the rural sector of five Melanesian countries using an annual panel data for the period 1980 to 2001. The OLS as well as panel data of fixed and random effects approaches comprised the econometric techniques for the model estimations. The study also involved using disaggregated aid, including aid grants and loans, bilateral and multilateral aid, and technical and non-technical assistance to determine whether these types of aid have any association with economic growth in the rural sector. The outcomes provided evidence of total aid being positively associated with growth in the focal countries. Regarding the disaggregated aid data, it emerged that aid grants, bilateral aid and technical assistance showed some evidence of a positive relationship with economic growth in these countries, whilst other forms appeared to show no evidence of this. Feeny's study was to some extent pioneering because of the disaggregation of aid into various types, but the issue of data unavailability was a challenge.



Arndt, et al., (2015) also argued that, in as much as examining the effect of foreign aid on macroeconomic growth institutions growth in post war reconstructions, it can be vital, it is also essential to investigate the contribution of foreign aid to social sectors, such as health and education. According to these authors, the inclusion of these outcomes can provide a significant insight into understanding the role of foreign aid towards growth and development. In this respect, these authors examined the effect of foreign aid using a broad range of economic outcomes for a cross-section of countries (i.e. 78 developing countries) over the period 1970 to 2007, and this, contributes to extant work in the following ways: (a) an expansion of the Arndt et al. (2010) dataset, (b) examining the long-run effect of foreign aid on growth through changes in intermediate outcomes (i.e. investment, consumption and tax) and social outcomes (i.e. health and education), (c) using separate reduced form regressions (OLS, LIML and inverse probability weighted least squares-IPWLS) to assess the effect of foreign aid on final and intermediate outcomes, (d) using aggregated aid to unravel the effect on growth, (e) examining a long-run static effect of foreign aid using averaging in some equations and finally, (f) employing sensitivity and falsification tests.

### **5.2.3 Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia**

The study established the effect of development aid on post war political institutions reconstruction in Mogadishu Somalia. Its findings indicated that there was a significant effect of post war political institutions reconstruction. Even though the effect Development aid on post war political institutions reconstruction may have been rather weak, its significance was undisputable. Thus during an interview with one of the respondents it was revealed that given the recent turbulence, it is not entirely surprising that politics and issues of political power remain contentious. By 1998, there were no functioning opposition party, the media was strictly controlled and social organizations had little room for maneuver in political realm. However, political commentators think Somalia's longer-term stability would be better served by greater latitude for informal and formal political pluralism, in order to restore trust and ensure reconciliation and reconstruction of its social fabric. These findings are backed by previous research studies that undertook to establish a similar purpose as elaborated below.

Busse and Gronings (2009) examined the relationship between foreign aid and governance using a large country sample of 106 countries for the period 1984 to 2004 and the dynamic panel econometrics (system-GMM) used revealed that the former has a negative association with the latter. One key limitation of the study, however, was the use of aggregated data for ODA, as various categories of aid may have a differential impact on governance. Even Kimura and Todo (2010) also explored the relationship between foreign aid and foreign direct investment using a source-recipient country pair's gravity equation approach. The study used OLS and system GMM estimation techniques to investigate the above relationship for 98 recipient countries for the period 1990 to 2002. They elicited that, in addition to an "infrastructure effect" and "rent-seeking effect", foreign aid has a "vanguard effect" through which it affects foreign direct investment. Then Blancheton and Opara-Opimba (2010) investigated the determinants of foreign direct investment in Africa in addition to the attraction of natural resources. The study focused empirically on factors likely to have an influence on the credibility of African countries in terms of attracting more foreign direct investment. In this regard, these scholars explored whether anticipation linked to economic prospects for African countries has a positive association with the inflow of foreign direct investment.

Furthermore the study findings also revealed there is established political system on the federal governments in Somalia and was rated very good as (mean=3.68), this showed that the respondents agree on the established political system on federal governments in Somalia due to the well utilization of the development aid. This finding was in line with Collier and Hoeffler (2000, 2002) were among the early researchers that conducted empirical analysis on aid, policy and growth in countries emerging from conflict. They used 27 post-conflict countries in their data set and found aid to be positively associated with growth. In addition, they incorporated various policies in order to determine which one is more important in the post-conflict environment. Although sectoral and macroeconomic policies were found to be useful, their findings indicate that social policies are most important in the aftermath of conflict. Other scholars have also highlighted the indirect role of foreign aid in civil war situations and have argued that it can indirectly reduce the possibility of civil war.

More so concerning whether the presidential elections systems in the country is established was ranked as poor (mean=2.40), however this indicates that the respondents are not well happy the

presidential elections systems in the country which is being established, this statement disagrees with USAID (2010), Endemic political instability in weak and failed states provides potential breeding ground for negative forces including terrorist movements. Thus, using foreign aid to assist post-conflict countries in consolidating the capacity of the state can help achieve global security objectives.

### **5.3 Conclusions**

#### **5.3.1 The Effect of development aid on post war social service reconstruction in Mogadishu Somalia**

The study based on the first objective concluded that Development aid had a significant strong positive effect on post war social service reconstruction in Mogadishu Somalia. It means that improving the state of development aid enhances Post war social service reconstruction on infrastructure and support local-led projects with investment that matches the needs of the population rather than the goals of the donor.

The study also concludes that post-war reconstruction needs to focus more on rebuilding infrastructure than on reconstructing institutions and strengthen the social fabric of the society. The brutal nature and extent of the slaughter, along with the ensuing mass migration, profoundly affected Somalia's social foundations. Vast segments of the population were uprooted, thousands of families lost at least one adult, and tens of thousands of children were separated from their parents. Because neighbors, teachers, doctors and religious leaders took part in the carnage, essential trust in social institutions were destroyed, replaced by fear, hostility and insecurity. War militarized society, disrupted existing social organizations and created others. Relatively little attention has been paid to strengthening the social capital.

#### **5.2.2 Effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia.**

Secondly the study concludes that there was a strong positive significant effect of Development aid on Post war Economic institutions reconstruction in Mogadishu Somalia. It means that improving the state of development aid can enhance Post war Economic institutions reconstruction since the results revealed that both coefficients of significance are below the level

of significance with the constant at 000 and that of Development aid was at 0.000, hence rejecting the null hypothesis, It means that improving the state of development aid enhances Post war Economic institutions reconstruction, which brings about the economic argument against aid to post-conflict in Somalia based on the premise that the gains from aid arise from alleviating market failures, especially through the provision of public goods. Post-conflict in Somalia faces government failures which are adverse consequences of government action or inaction rather than market failures. These failures, so the argument goes, cannot be addressed by injection of development aid. The implication is that donors are better off focusing on Somalia which will help combine demonstrated high needs and good governance.

The study also concludes that Development aid were rarely prevailing towards post war Economic institutions reconstruction, however the study concludes that aid disbursed after attainment of peace is effective in reducing physical miseries such as infant mortality, and this may have favorable long-term effects on Economic growth. In the short-term, there is some evidence that post-war aid supports higher Economic growth attainment in the second post-war period but the results are not completely robust. Aid also supports the adoption of sound policies and this effect is positively correlated with the presence of peacekeeping missions.

Further, the econometric results on foreign aid allocation confirm concerns about donor fatigue and impact of donor interests in giving aid. Aid flows are not significantly different from aid to non-conflict countries beyond the fifth post-conflict year, and more of bilateral aid tends to flow to countries of geostrategical and political interests. The peak of aid inflows is recorded around the first post-conflict years (from the second to fifth years), although the results are not entirely robust and fixed effects estimates exhibit a marginal significance level.

### **5.3.3 Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia**

From the study results in objective three, the study concludes that there is a strong positive significant Effect of development aid on post war political institutions reconstruction. The researcher rejects the null hypothesis and concludes that there was a significant effect of Development aid and Post war political institutions reconstruction in Mogadishu Somalia, since the coefficients of the study reveals that both coefficients of significance are below the level of significance with the constant at 000 and that of Development aid was at 0.025. The results

imply that improving the state of Development aid can influence the Post war political institutions reconstruction in Mogadishu Somalia because there is need for budgetary support, and aid can play a valuable role, if properly used. Political Institution building and better budgetary management will enable Somalia to absorb aid more effectively.

The study also concludes that Development aid improvements were much needed to post war political institutions reconstruction was to be enhanced. The study concludes that the presence and authority of the state with its machinery still played important role in providing the political direction and oversight for all programmes, providing legitimacy for non-government actors. People may resent the state but they have little choice not to refer certain matters to the state. Issues related to security state have the mandate and legitimacy to address them as a public good.

## **5.4 Recommendations**

### **5.4.1 The Effect of development aid on post war social service reconstruction in Mogadishu Somalia**

The study recommend for there is need for the donors to consider supporting comprehensive programs to assess the impact of war on children, to train teachers and parents to recognize the symptoms of stress, anxiety, trauma and depression in the most vulnerable.

The also recommends that there is need for information sharing with indigenous counterparts and for specialized research networks, which possess invaluable knowledge about contextual variables: historical, social, cultural, political, economic and even linguistic among donor, NGO, technical and managerial staff in the field. In this regard, the post-conflict support unit at the donors would also be mandated to assemble such informational briefs.

### **5.4.2 Effect of Development aid on post war Economic institutions reconstruction in Mogadishu Somalia.**

This study makes three recommends. First, it calls on the development aid community to follow a well-formulated code of conduct in their operations. Second, it recommends that donors should consider entering into formal partnerships with some NGOs that are in the broad business promoting capacity building in Somalia. Third, in Somalia, the civil society needs more than simply financial resources, but rather political space in which to develop. After well over a

decade, a democratization conditionality on the Somali economic institutions reconstructions by government would be in order.

### **5.4.3 Effect of development aid on post war political institutions reconstruction in Mogadishu Somalia**

The study recommends that there is a need to take a long-term perspective giving top priority to building an effective judicial system based on the rule of law, ensuring physical security to returning refugees and survivors of genocide, promoting rapid economic growth and to seek a regional approach to conflict resolution.

The study also recommends that there is an urgent need, therefore, to change not only the judicial guidelines and legal interpretations of laws pertaining to property, land and women rights but, most importantly, undertake short-term initiatives to focus on (i) enabling poor households to increase their agricultural output and market their produce at fair prices; (ii) improve the quality of primary education and lowering the costs for the poor; and, (iii) improving access of poor households to basic medical care. Donors-supported studies should be able to identify men and women's differing vulnerabilities and sensibilities to war as well as their different capacities and coping strategies. Additionally, such studies should be able to identify unequal power relations underlying social organizations in order to ensure that post-war interventions do not instigate, exacerbate or further marginalize women.

### **5.4 Areas of further research**

More research needs to be done on the following;

- Impact of international organizations towards Post Civil War Reconstruction in Somalia
- Effect of CSOs on Post-Civil War Reconstruction in Somalia

## REFERENCES

- ADB (2020) African Development Bank Group Bank Group Country Brief 2017-2020
- Addison, T. (2004). 'Perspective Paper 3.2'. In B. Lomborg (ed.), *Global Crises, Global Solutions*. Cambridge: Cambridge University Press.
- Addison, T. and T. Brück (2009). 'Achieving Peace, Participation and Prosperity'. In T. Addison, and T. Brück (eds), *Making Peace Work: The Challenges of Social and Economic Reconstruction*. New York: Palgrave Macmillan.
- African Union, (2007) Memorandum of Understanding on Cooperation in the Area of Peace and Security between the African Union, the Regional Economic Communities and the Coordinating mechanism of the Regional Standby Brigades of Eastern Africa and Northern Africa.
- Harrod, R. F. (1939). "An Essay in Dynamic Theory". *The Economic Journal*. **49** (193): 14–33. doi:10.2307/2225181. JSTOR 2225181
- Domar, E. (1946). "Capital Expansion, Rate of Growth, and Employment". *Econometrica*. **14** (2): 137–147. doi:10.2307/1905364. JSTOR 1905364
- Cassel, G. (1967) [1924]. "Capital and Income in the Money Economy". *The Theory of Social Economy* (PDF). New York: Augustus M. Kelley. pp. 51–63.
- Hagemann, H. (2009). "Solow's 1956 Contribution in the Context of the Harrod-Domar Model". *History of Political Economy*. **41** (Suppl 1): 67–87. doi:10.1215/00182702-2009-017
- Scarfe, B. L. (1977). "The Harrod Model and the 'Knife Edge' Problem". *Cycles, Growth, and Inflation: A Survey of Contemporary Macrodynamics*. New York: McGraw-Hill. pp. 63–66. ISBN 0-07-055039-5.
- Sato, R. (1964). "The Harrod-Domar Model vs the Neo-Classical Growth Model". *The Economic Journal*. **74** (294): 380–387. doi:10.2307/2228485. JSTOR 2228485

- Anderlini, S. and Bushra, J. (2005) *Post Conflict Reconstruction*. Available from: <http://unjobs>.
- Arndt, C., Jones, S. and Tarp, F. (2015). Assessing Foreign Aid's Long-Run Contribution to Growth and Development. *World Development* (69), pp.6-18.
- Asiedu, E. (2012). On the Determinants of Foreign Direct Investment to Developing Countries: Is Africa Different? *World Development*, 30 (1), pp.107-119.
- Baird, M. (2010). 'Service Delivery in Fragile and Conflict-Afflicted States'. Background paper to the World Development Report 2011. Washington, DC: The World Bank.
- Bandow, D (2018), "Foreign Aid, Or Foreign Hindrance". Forbes. Retrieved 2019-04-05
- Bekeh U. (2014), *Planning Development: International Experts, Agricultural Policy, and the Modernization of Somalia, 1945-1967* (Ph.D Thesis), West Virginia University, Morgantown, 2014, p. 38.
- Benthuisen, J.V. (2015). 'In-Between Anarchy and Interdependence: From State Death to fragile and Failing States'. *Third World Quarterly*, 36/1: 22–39
- Bideleux, R and Ian J (1998) *A History of Eastern Europe: Crisis and Change*, Routledge, 1998, ISBN 0-415-16111-8
- Bigombe, B., P. Collier, and N. Sambanis (2000). 'Policies for Building Post-Conflict Peace'. *Journal of African Economics*, 9(3): 323-48.
- Blancheton, B. and Opara-Opimba, L. (2010). Foreign Direct Investment in Africa: What are the Key Factors of Attraction aside from Natural Resources? *Working Paper of GREThA, no 2010-14*, Université de Bordeaux.
- Blum, J, Fotini C and Daniel R (2016). "Public Service Reform in Post-Conflict Societies." World Bank: Fragile and Conflict State Impact Evaluation Research Program paper.
- Boone, P. (1996). 'Politics and the effectiveness of foreign aid'. *European Economic Review*, 40(2): 289-329.



- Bray, J. (2005). *International companies and post-conflict reconstruction*. Social Development Papers22.[https://www.internationalalert.org/sites/default/files/publications/Int\\_companies%26post-conflict.pdf](https://www.internationalalert.org/sites/default/files/publications/Int_companies%26post-conflict.pdf)
- Brown, F. (2018). Seeing Like a State-builder: Replication of Donor Reconstruction Dilemmas in Syria. *POMEPS*, 30, 8-13.[https://pomeps.org/wpcontent/uploads/2018/09/POMEPS\\_Studies\\_30\\_Post-Conflict\\_Web.pdf](https://pomeps.org/wpcontent/uploads/2018/09/POMEPS_Studies_30_Post-Conflict_Web.pdf)
- Burnside, C., and D. Dollar (2000). 'Aid, Policies, and Growth'. *American Economic Review*, 90(4): 847–68.
- Busse, M. and Gronings, S. (2009). Does foreign aid improve governance? *Economics Letters*, 104 (2), pp.76–78
- Camelia M. and Sanjay G. R., (2019) "*Development Aid and Economic Growth: A Positive Long-Run Relation*". Retrieved 2020-01-02.
- Chandy, L. (2011). 'Aiding Stability: Improving Foreign Assistance in Fragile States'. *Global*
- Chenery, H., Strout. S. (1966). Foreign assistance and economic development. *American Economic Review* 56(4), pp. 679-733.
- Claessens, S., D. Cassimon, and B.van Campenhout (2009). 'Evidence on Changes in Aid Allocation Criteria'. *The World Bank Economic Review*, 23(2): 185-208.
- Claessens, S., D. Cassimon, and B.van Campenhout (2009). 'Evidence on Changes in Aid Allocation Criteria'. *The World Bank Economic Review*, 23(2): 185-208.
- Clemens, M. A., Radelet, S. and Bhavnani, R. (2014): Counting Chickens When they Hatch: The Short-Term Effect of Aid on Growth. Centre for Global Development. *Working Paper* No. 44, Centre for Global Development, Washington DC
- Collier, P. (2009). 'Post-Conflict Recovery: How Should Strategies Be Distinctive?'. *Journal of African Economies*, 18(1): 53-76.

- Collier, P. and Hoeffler, A. (2000). Aid, Policy and Peace. First draft: August 17.  
Available:<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.16.9825&rep=rep1&type=pdf> [Cited 20 June 2020].
- Collier, P. and Hoeffler, A. (2002a). Aid, Policy and Peace: Reducing the Risks of Civil Conflict, *Defence and Peace Economics*, 13 (6), pp.435-450.
- Collier, P. and Hoeffler, A. (2007). Unintended Consequences: Does Aid Promote Arms Races? Centre for the Study of African Economies, Department of Economics, Oxford University.
- Collier, P., and A. Hoeffler (2002). 'Aid, Policy and Peace: Reducing the Risks of Civil Conflict'. *Defence and Peace Economics*, 13(6): 435-50.
- Crost, F and Johnston (2014). Aid Under Fire: Development Projects and Civil Conflict". *American Economic Review*. 1833–1856 (6): 1833–1856. doi:10.1257/aer.104.6.1833
- DANIDA (2015) Somalia Country Programme New Deal Compact Support Country Programme Document2015-2018(<http://somalia.um.dk/en/danida-en/developmentsomalia/Documents/Other/Final%20SCP%20Main%20Programme%20Document.pdf>).
- Demekas, D., J. McHugh, and T. Kosma (2002). 'The Economics of Post Conflict Aid'. *IMF Working Paper 02/198*, International Monetary Fund.
- Demirel-Pegg, T. and J. Moskowitz (2009). 'US Aid Allocation: The Nexus of Human Rights, Democracy, and Development'. *Journal of Peace Research*, (46)2: 181-98.
- Dowling, J.M. and U. Hiemenz (1985). 'Biases in the Allocation of Foreign Aid: Some New Evidence'. *World Development*, 13(4): 535-41.
- Earnest, J. (2015). Post-conflict reconstruction—a case study in Kosovo: The complexity of planning and implementing infrastructure projects. *International Journal of Emergency Services*, 4(1), 103-128

- Fearon, J.D., and D.D. Laitin (2001). 'Ethnicity, Insurgency, and Civil War'. *American Political Science Review*, 97(1): 75-90.
- Feeny, S. (2007). Impact of Foreign Aid to Melanesia, *Journal of the Asia Pacific Economy*, 12 (1), pp. 34-60
- Flores, T.E., and I. Nooruddin (2009). 'Financing the peace: Evaluating World Bank post-conflict assistance programs'. *The Review of International Organizations* 4(1): 1-27.
- Francis, D.J. (2016). *Timing and sequencing of post-conflict reconstruction and peacebuilding efforts in South Sudan*. In: Langer A and Brown GK (Eds.) *Building sustainable peace: timing and sequencing of post-conflict reconstruction and peace building*. Oxford: Oxford University Press.
- Fukuda-Parr, Sakiko (2010). 'Conflict Prevention as a Policy Objective of Development Aid'. In G. Mavrotas (ed.), *Foreign Aid for Development: Issues, Challenges, and the New Agenda*. New York: Oxford University Press
- Gleditsch, N. P., P.Wallenstein, M. Eriksson, M. Sollenberg, and H. Strand (2002). 'Armed Conflict 1946–2001: A New Dataset'. *Journal of Peace Research*, 39(5): 615–37.
- Graham H., (1989), *Lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business*. New York: Atlantic Monthly Press, 234 pp.
- Griffin, K. (1970). Foreign Capital, Domestic Savings and Economic Development. *Bulletin of the Oxford University Institute of Economics and Statistics*, 32(2), pp.99-112
- Gulrajani, N (2016). *Bilateral versus multilateral aid channels: Strategic choices for donors*. *Overseas Development Institute*. p. 7.
- Hancock G, (1989), *Lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business*. New York: Atlantic Monthly Press, 234 pp.
- Harms, P. and Lutz, M. (2006). Aid, Governance and Private Foreign Investment: Some Puzzling Findings for the 1990s. *Economic Journal*, 116 (513), pp.773-90.

- Hermann, T. and Yuchtman-Yaar, E. (2002). Divided yet United: Israeli-Jewish Attitudes Toward the Oslo Process. *Journal of Peace Research*, 39 (5), pp. 597-613.
- Heydemann, S. (2018). Reconstructing Authoritarianism: The Politics and Political Economy of Postconflict Reconstruction in Syria. *POMEPS*, 30, 14-20. [https://pomeps.org/wpcontent/uploads/2018/09/POMEPS\\_Studies\\_30\\_Post-Conflict\\_Web.pdf](https://pomeps.org/wpcontent/uploads/2018/09/POMEPS_Studies_30_Post-Conflict_Web.pdf)
- Hoeffler, A., and M. Reynal-Querol (2003). *Measuring the Costs of Conflict*. Centre for the Study of African Economies and St Antony's College, University of Oxford.
- Howard B. (2001), *Prepared Statement of the Federal Trade Commission before the Financial Institutions and Consumer Credit Subcommittee, House Financial Services Committee on Rent-to-Own Transactions*, July 12, 2001. Online at [www.ftc.gov/os/2001/07/rtotestimony.htm](http://www.ftc.gov/os/2001/07/rtotestimony.htm). (Accessed March 2003.)
- James H. Carr and Schuetz J., (2001), *Financial Services in Distressed Communities: Framing the Issue, Finding Solutions*, The Fannie Mae Foundation, August, p. 7.
- Jean W. Bauer and Bonnie Braun (2002), *Rural Families and Welfare Issues*, Rural Families Speak Research Project, November.
- Kang, S., and J. Meernik (2004). *Determinants of Post-Conflict Economic Assistance*. *Journal of Peace Research*, 41(2): 149-66.
- Karras, G. (2006). Foreign Aid and Long-run Economic Growth: Empirical Evidence for A panel of Developing Countries. *Journal of International Development*, 18(1), pp. 15–28.
- Kimura, H. and Todo, Y. (2010). Is Foreign Aid a Vanguard of Foreign Direct Investment? A Gravity-Equation Approach. *World Development*, 38 (4), pp. 482–497.
- Knack, S., and P. Keefer (1995). *Institutions and Economic Performance: Cross-Country Tests Using Alternative Institutional Measures*. *Economics and Politics*, 7(3):207-27.
- Lee, J A and Aye M (2015). "Foreign aid on economic growth in Africa: A comparison of low and middle-income countries". *South African Journal of Economic and*

Management Sciences.18 (4): 449–462. doi:10.4102/sajems.v18i4.737.  
ISSN 2222-3436

- Mishra, P., and D. L. Newhouse (2007). ‘Health Aid and Infant Mortality’. *IMF Working Paper*, 07/100, International Monetary Fund.
- Ndikumana, L. (2012). ‘Applying Evaluation to Development and Aid: Can Evaluation Bridge
- Nielsen, R., Findley, M., Davis, Z. S., Candland, T. and Nielson, D. (2010). Foreign Aid Shocks as a Cause of Violent Armed Conflict. Available at SSRN: <http://ssrn.com/abstract=1759410> [cited 12th Feb. 2012].
- NORAD (2004). *Study of the Impact of the Work of Save the Children Norway in Ethiopia: Building Civil Society Evaluation* (Vol. Study 6). Oslo: NORAD
- Nye, J.S. Jr (1997) *Understanding International Conflicts: An Introduction to Theory and History*. New York: Addison Wesley Longman.
- O’Driscoll, D. (2018). Physical and Societal (Re)construction in Nineveh post Islamic State. *POMEPS*, 30, 28-33.
- OECD (2014). *Fragile States 2014: Domestic Revenue Mobilisation*. Paris: OECD org/tags/post-conflict-reconstruction. (accessed, 15/04/10).
- Penfold, P. (2012). *Atrocities, Diamonds and Diplomacy. The Inside Story of the Conflict in Sierra Leone*. United Kingdom: Pen and Sword Ltd.
- Peters, K. (2006). *Footpaths to Reintegration: Armed Conflict, Youth and the Rural Crisis in Sierra Leone*. Wageningen University PhD thesis
- Ree, J. and Nillesen, E. (2009). Aiding violent or peace? The Impact of Foreign Aid on the Risk of Civil Conflict in Sub-Sahara Africa. *Journal of Development Economics*, 88(2), pp. 301-313.
- Russett, B. (1993). *Grasping the Democratic Peace*. Princeton, NJ: Princeton University Press.

- Sakalasuriya, M. M., Haigh, R. P., & Amaratunga, D. (2018). A Conceptual framework to analyse consequences of post conflict reconstruction interventions. *Procedia Engineering*, 212, 894-901. doi:<https://doi.org/10.1016/j.proeng.2018.01.115>
- Sambanis, N. (2008). ‘Short- and Long-Term Effects of United Nations Peace Operations’. *The World Bank Economic Review*, 22(1): 9-32
- Saul, M. (2014). *Popular Governance of Post-Conflict Reconstruction: The Role of International Law*. Cambridge: Cambridge University Press.
- Saul, M. (2014). *Popular Governance of Post-Conflict Reconstruction: The Role of International Law*. Cambridge: Cambridge University Press.
- Sawyer, E. (2008). Remove or Reform: A Case for Restructuring Chiefdom Governance in Post-Conflict Sierra Leone. *African Affairs*, 107 (428), pp.387-404.
- UNDP (2017) Somalia Human Development Report: Empowering Youth for Peace and Development([http://hdr.undp.org/sites/default/files/reports/242/somalia\\_report\\_2012.pdf](http://hdr.undp.org/sites/default/files/reports/242/somalia_report_2012.pdf)) *Views, Policy Brief 2011-09*.
- United States Department of Health and Human Services, (2004), “Access to Child Care for Low-Income Working Families.” Online at [www.acf.dhhs.gov/programs/ccb/research/ccreport/ccreport.htm](http://www.acf.dhhs.gov/programs/ccb/research/ccreport/ccreport.htm). (Accessed September 3, 2004.)

**APPENDICES**

**Appendix I: Questionnaire**

Dear respondent,

I am **ABDIRAZAK ALI ELMI, Reg. No 1174-06286-14396** a student at Kampala International University, studying a Master of Arts in conflict resolutions and peace building. This questionnaire is intended to collect information on “Development aid and post civil war reconstruction in Mogadishu Somalia. The information obtained will be strictly for academic purposes and it will be treated with at most confidentiality. I kindly request you to fill this questionnaire.

Yours faithfully .....

**SECTION A: Socio Demographic Data**

- 1. Gender
  - a) Male
  - b) Female
  
- 2. Age
  - a) 20-29
  - b) 30-39
  - c) 40-49
  - d) Above 50
  
- 3. Marital status
  - a) Single
  - b) Married
  - c) Divorced
  - d) Widowed
  
- 4. Education level
  - a) Certificate
  - b) Diploma
  - c) Bachelor degree
  - d) Master degree
  - e) others

5. Occupation

- a) Farmer
- b) Business
- c) Formal employment
- d) Others (Specify)

**Section B: Development Aid**

**Under the following sections, please tick according to your level of agreement**

5. SA Strongly Agree
4. Agree
3. Not Sure
2. Disagree
1. Strongly Disagree

Please evaluate the statement by ticking in the box with the number that best suits you.

<b>N0</b>	<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	We attained aid from development patterns for the health services sufficiently					
2	There is aid attained from the development funders on education services					
3	There is education development aid geared towards education capacity building					
4	We attain aid from the development agencies that support training for teachers					
5	The country attain aid for the roads projects in Somalia					
6	The country attain development aid sufficient for the establishment of communication infrastructures					
7	We get aid from the development patterns that support community development projects					
8	The country attain sufficient aid to support peace development efforts					



9	There is aid provided for development of reconciliation efforts in the country					
10	There is aid provided to the stimulation of economic capacity for the country					

### Section C: Post Civil war reconstruction

Please evaluate the statement by ticking in the box with the number that best suits you.

N0	Scale	1	2	3	4	5
	<b>Social Service Reconstruction</b>					
1	There is establishment of education system back to functionality					
2	The system of government universities have been put back into functioning					
3	The system of health system infrastructures have been upgraded					
4	There is road infrastructure in the country is being constructed by government					
5	The services public service sector for the country is being revitalized					
	<b>Economic Institutions Reconstruction</b>					
6	There is establishment of central monetary authority in Somalia					
7	There is the establishment of ministry of finance and economic systems in country					
8	The economic management systems for the country are viably established					
9	There is a fiscal policy on the management of finances in the country					

10	The country has established a system of economic reforms to guide the country					
	<b>Political Institutions Reconstruction</b>					
11	There has been establishment of parliament systems in the country					
12	There has been established political party systems for the politics					
13	The presidential elections systems in the country is established					
14	There is established governance institutions for the government ministries					
15	There is established political system on the federal governments in Somalia					

## **Appendix II: Interview Guide**

- 1) What is the state of development aid amongst the people in Mogadishu Somalia?
- 2) What is the effect of development aid on post war social service reconstruction in Mogadishu Somalia?
- 3) What is the functionality of the economic institutions reconstruction in Mogadishu Somalia?
- 4) What is effect of development aid on post war Economic institutions reconstruction in Mogadishu Somalia?
- 5) What is the state of political institutions reconstructions in Mogadishu Somalia?
- 6) What is the effect of development aid on post war political institutions reconstruction in Mogadishu Somalia?
- 7) What are the challenges encountered in development aid systems in Mogadishu Somalia?