

**IMPACT OF FOREIGN AID ON POVERTY REDUCTION IN SELECTED URBAN
AREAS OF MOGADISHU, SOMALIA.**

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BY

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DECLARATION

This research is my original work and has not been presented for a degree or any other academic award in any university or institution of learning.

Miss. AMINA ALI NOR GEDDI.....

DATE...12...June 2015

APPROVAL

I confirm that the work reported in this dissertation was carried out by the candidate under
My/our supervision.


Supervisor

DR. ONGODIA A. EKOMOLOT

Date. 

DEDICATION

This work was dedicated to the memory of my mother Deeqa khalif Farah and my Lovely Future husband A/Karin Dahir Abdulla without whose moral and financial support that I would not be able to complete.

ACKNOWLEDGEMENT

I would like to express my deepest gratitude to Allah who enabled me to complete this work. I also wish to thank my supervisor, Dr.Ongodia for his guidance, advice and support during the process of this work worth to be recognized.

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ABSTRACT

Since there has been a lot of foreign aid to Somalia and most of this aid directed to urban population, poverty levels remain to be high. The research was based on a sample size of 242 respondents; the samples were randomly selected from Xamarwayne, Hodan and Wardhiigley. The sample age was between 5 up to above 65 years, 115 male and 127 Female. All the respondents were ethnic Somalis. The researcher was use both quantitative and qualitative approaches in data collection, however, quantitative method of data collection was dominate or was be largely used in the collection of data because it is more accurate in terms of data collection and yet again more reliable in terms of research results. The researcher used probability sampling method and in particular stratified sampling. In probability of being selected; divided the population into sub populations such that elements within these sub populations were homogeneous. Then selected a simple random sample independently from each sub population. Data was obtained using self-administered questionnaires containing indicators on each research question. Data obtained was presented and analyzed in tables and charts. Despite large amount of foreign Aid being channeled to these areas, the poverty levels are still generally high as compared to other cities in Africa. Motility rates are at 60%, Nutritional levels at 52%, though above average but they are still relatively low. School enrollment 38%, Years of schooling 43%. Most household rely on Dung, charcoal and wood for cooking 93%. Household with electricity 24%. More than one; phones 79%, Television 15%, Radio 30% and Telephone 15%. Urban areas of Mogadishu have been receiving foreign Aid on Large scale, yet there are minimal changes on the poverty index. Military Aid has been the most visible Aid playing a role in poverty reduction. Development Aid; which is expected to have a greater impact on poverty level, is not causing any meaningfully impact. Humanitarian Aid has played a considerable role but it's mainly upkeep and sustainability of lives, its impact on poverty index is minimal.

CHAPTER ONE:

INTRODUCTION

This chapter presents the background of the study, statement of the problem, purpose, objectives, Research questions, scope and significance of the study.

1.1 Background of the study

1.1.1 Historical perspective

Majority of people in Mogadishu Urban areas live in extreme poverty regardless of the areas continuing to receive foreign aid. The researcher was aim at establishing how the aid received in the urban areas was utilized and therefore establish its impact on poverty levels. This will help improve on the utilization of aid in order to alleviate poverty levels. Primary responsibility for reducing the level of poverty in urban population rests with the governments which fail to pursue a much broader based growth strategy for the poor to benefit from increases in economic activity. Many studies have been carried out on the impact of foreign aid on rural poverty reduction and little has been studied on the impact of foreign aid on urban poverty reduction. It's often assumed that urban population is well endowed economically and therefore has low levels of poverty index. In contrast Mogadishu urban population has high levels of poverty index as compared to rural areas despite being targeted by most Donors in the country. Half of the foreign aid is directed to the urban population of Mogadishu as development aid to alleviate poverty. Despite these efforts there seems the poverty levels are not anywhere close to reducing.

The macroeconomic environment where development efforts take place in the government has an impact on the success of foreign aid. Aid was be successful in those countries where there is economic and fiscal stability and not the opposite. The recipient country should have the capacity and be willing to use aid effectively and further integrate it into its government strategy which is found wanting in Somalia. Moreover, "the recipient country needs to have ownership over the programmers' and projects so that aid is targeted to the required area and it is able to implement, monitor and evaluate the programmers' in the context of its own planning and budgeting." Jerker Carlson, Gloria, Somolekae & Nicolas vande Walle. (1997).

1.1.2 Theoretical perspective

Aid and Growth: The Current Debate and Some New Evidence Steve Radelet, Michael Clemens, and Rikhil Bhavnani, Center for Global Development February, 2004 Controversies about the effectiveness of foreign aid go back decades. Milton Friedman (1958), Peter Bauer (1972), William Easterly (2001) and other economists have leveled stinging critiques at aid, charging that it has enlarged government bureaucracies, perpetuated bad governments, enriched the elite in poor countries, or just been wasted. They cite the widespread poverty in Africa and South Asia despite three decades of aid, and point to countries that have received significant amounts of aid and have had disastrous growth records, including the Central African Republic, the Democratic Republic of the Congo, Haiti, Papua New Guinea, and Somalia. Critics call for aid programs to be dramatically reformed, substantially curtailed, or eliminated altogether.

Supporters counter that these arguments, while partially correct, are overstated. Jeffrey Sachs (2004) Joseph Stiglitz (2002), Nicholas Stern (2002) and others have argued that although aid has sometimes failed, it has supported poverty reduction and growth in some countries and prevented even worse performance in others. Advocates argue that many of the weaknesses of aid have more to do with donors than recipients, especially since much aid is given to political allies rather than to support development. They point to a range of successful aid recipients such as Botswana, Korea, Taiwan, Indonesia, and (more recently) Uganda and Mozambique, along with broader aid-financed initiatives such as the Green Revolution, the campaign against river blindness, and the introduction of oral rehydration therapy. They note that in the 40 years since aid became widespread in the 1960s, poverty indicators have fallen in many countries around the world. Foreign aid is also a long-term strategy for violence prevention. To provide a stable business environment to international financial institutions and multinational corporations, which are typically foreign based. Donors have used their economic and political powers to support friendly to them regimes on the account of human rights. Moreover, large projects or financial strategies systematically fail to help the vulnerable populations as a large part of the multilateral aid in fact directly goes to foreign multinational corporations, Stiglitz (2002). Every dollar of aid the financial institutions give to the recipients approximately generate a three dollar net return, Stern (2002). Thus, foreign aid has made the poor poorer and dependent of the North. The cases of Somalia and Ethiopia are

examples of how foreign aid is being part of the problem, not the solution to rural hunger and poverty. The fact that most aid does not actually go to the poorest who would need it the most increases the urgency of reform of northern institutions and reform within South states.

1.1.3 Conceptual Perspective

Osborne (2006) says that domestic pressure groups (corporate lobby groups, etc) “have also proven quite adept at steering aid to their favored recipients.” And so, “If aid is not particularly given with the intention to foster economic growth, it is perhaps not surprising that it does not achieve it.”

Evan Osborne, writing for the Cato Institute, also questioning the effectiveness of foreign aid and noted the interests of a number of other donor countries, as well as the U.S., in their aid strategies in past years. For example: The US has directed aid to regions where it has concerns related to its national security, e.g. Middle East, and in Cold War times in particular, Central America and the Caribbean; Sweden has targeted aid to “progressive societies”; France has sought to promote maintenance or preserve and spread of French culture, language, and influence, especially in West Africa, while disproportionately giving aid to those that have extensive commercial ties with France; Japan has also heavily skewed aid towards those in East Asia with extensive commercial ties together with conditions of Japanese purchases; Aid appears to have established as a priority the importance of influencing domestic policy in the recipient countries. Benjamin (1997).

One of the root causes of poverty lies in the powerful nations that have formulated most of the trade and aid policies today, which are more to do with maintaining dependency on industrialized nations, providing sources of cheap labor and cheaper goods for populations back home and increasing personal wealth, and maintaining power over others in various ways.

This in turn reduces the impact of aid on urban poverty, since a larger percentage of the aid benefits people from the donor countries.

Aid is used to promote economic development in urban areas. According to the economic rational, aid is given both because it increases the living standards of citizens in the receiving area and also because it is in the long term economic interest of the donor state. Although the immediate aim of economic assistance is to stimulate economic expansion in the receiving state.

aid is also given because the prosperity of developing nations encourages new markets for the donor's exports.

1.1.4 Contextual perspective

Throughout the 1980s, Somalia's urban population has become increasingly dependent upon economic aid from the conservative, wealthy Arab oil-exporting states of Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates. This dependence was a crucial factor in the Siad Barre regime's decision to side with the United States-led coalition of Arab states that opposed Iraq following that country's invasion of Kuwait in 1990. Support for the coalition brought economic dividends: Qatar canceled further repayment of all principal and interest on outstanding loans, and Saudi Arabia offered Somalia a US\$70 million grant and promised to sell it oil at below prevailing international market prices.

In 2012, Somalia received US\$627 million in international humanitarian assistance, making it the fourth largest recipient. Initial estimates for 2013 total US\$713 million. Somalia has been in the top 10 recipients of humanitarian assistance in seven of the last 10 years. Humanitarian assistance peaked at US\$1.1 billion in 2011, when it was the second largest recipient of humanitarian assistance. Somalia has appeared twice in ECHO's Forgotten Crisis Index since 2004. It scored 'high' in the 2012–13 Index the United States (US\$181 million) was the largest donor of humanitarian assistance to Somalia in 2012, followed by the EU institutions (US\$83 million) and the United Kingdom (US\$82million).

The US provided 18% (US\$678 million) of all humanitarian assistance to the country between 2003 and 2012. In 2013, Somalia had a UN-coordinated appeal of US\$1.2 billion, of which 51% of requirements were met. The country's Strategic Response Plan requested US\$933 million for 2014 (as of November 2014). Between 2003 and 2012 Somalia received US\$5.4 billion in official development assistance (ODA), making it the 43rd largest recipient. In the same 10-year period the proportion of ODA given as humanitarian assistance averaged 68%, ranging from 49% in 2010 to 77% in 2011. Somalia received the equivalent of 15% of its gross national income (GNI). 50% of the aid was used to the urban population to fight poverty.

Aid has traditionally played a critical role in creating and sustaining war and poverty in Somalia for over two decades. Foreign aid financed armed groups in Somalia throughout the civil war

period, and is a key reason that the conflict endured for so long. Aid in Somalia is very much an industry, with strong ties to the criminal business elite. There are multitudes of methods to monetize aid, from swindling the highest offices to pillaging the poorest end users. Because aid is such a lucrative industry, both governmental and nongovernmental actors have been socialized to utilize crises to generate rents from foreign resources. The aid generated to solve these crises is overwhelmingly diverted to private pockets. Every analyst, politician and tea seller on the streets of Mogadishu knows that aid is not the solution to Somalia's problems. And every powerful business elite in the country knows that the only way that Somalia will be stable and politically free from foreign domination is if all business elites agree to pay taxes. If the New Deal doesn't fiercely aim to reduce aid and increase legitimate local revenue generation, it is guaranteed to worsen corruption, dependency and state weakness. There is need to understand how aid contributes to alleviation of poverty.

1.2 Problem Statement

Since there has been a lot of foreign aid to Somalia and most of this aid directed to urban population, poverty levels remain to be high. Somalia, because of its strategic location, threat of the country being a terrorist hub and increased humanitarian needs has attracted funding in form of aid the most as compared to any other country in the region.

In 2012, Somalia received US\$627 million in international humanitarian assistance, making it the fourth largest recipient. Initial estimates for 2013 total US\$713 million. Somalia has been in the top 10 recipients of humanitarian assistance in seven of the last 10 years. Humanitarian assistance peaked at US\$1.1 billion in 2011, when it was the second largest recipient of humanitarian assistance. Somalia has appeared twice in ECHO's Forgotten Crisis Index since 2004. It scored 'high' in the 2012–13 Index The United States (US\$181 million) was the largest donor of humanitarian assistance to Somalia in 2012, followed by the EU institutions (US\$83 million) and the United Kingdom (US\$82million).

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the proportion of ODA given as humanitarian assistance averaged 68%, ranging from 49% in 2010 to 77% in 2011. Somalia received the equivalent of 15% of its gross national income (GNI). Despite the influx of aid, the urban population is showing little improvement in the standards of living in relation to poverty levels. Little is known on how the aid is utilized and how it affects poverty levels among the urban population.

Of the billions of dollars received in the country, above 50% is utilized in Mogadishu and mainly on programmes related to economic development which in turn is meant to alleviate poverty levels. Seemingly this objective has not been realized prompting the researcher to establish the foreign aid, utilization and its effect on poverty levels among the urban population in selected urban areas of Mogadishu.

1.3 Purpose of the study

The purpose of the study is to assess the impact of Foreign Aid on poverty reduction in urban areas of Mogadishu.

1.4 Objectives of the study

- i. To examine Foreign Aid Given to alleviate poverty in Mogadishu.
- ii. To establish how the foreign Aid to the Urban Population of Mogadishu is utilized.
- iii. To establish the contribution of the Aid on Poverty Index in the Urban Population of Mogadishu.

1.5 Research Questions

- i. What types of foreign aid are given to Alleviate Poverty in Mogadishu?
- ii. How is the foreign to the urban population of Mogadishu utilized?
- iii. What is the effect of foreign aid on poverty index among the urban population of Mogadishu?

1.6 Scope of the study

1.6.1 Geographical scope

The research was concentrated in the selected urban areas of in Mogadishu City such as, Hodan, Xamarwayne and Wardhiigley.

1.6. 2 Time scope

The research was carried out for a period of 10 months, as from June 2014 to march 2015, concentrating on assessing the impact of Foreign Aid on poverty reduction in urban areas of Mogadishu.

1.6.3 Content scope

The research was concentrate on investigating the impact of foreign aid, how it is utilized and to establish weather aid has an impact on poverty levels among the urban population.

1.7 Hypothesis

- a) Foreign aid has contributed to reduction of poverty levels in urban areas of Mogadishu.
- b) Foreign aid has contributed to increased poverty levels in urban areas of Mogadishu.

1.8 Significance of the study

- i. The research was provided information that will help to understand the foreign aid received by the urban population and how it's utilized. This was enable the community develop proper ways of utilizing foreign aid to enhance poverty eradication.
- ii. The research will enable the Donor countries and Government to establish policies that will enhance proper utilization of foreign aid.
- iii. The research is a fulfillment of an academic award. The researcher will submit this research report as Partial Fulfillment of the Requirement for the Degree in Master of International Relations at Kampala International University.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter is devoted to Literature review. The chapter is structured to include; Theoretical review, conceptual framework and related Literature.

2.1 Theoretical Review

Over the past decade, the urge to increase foreign aid's effectiveness has motivated numerous empirical studies to identify why aid programs succeed or fail. These studies underpinned the donor community's attempts in the late 1990s to reform aid delivery, from predominantly stand-alone projects and conditionality-led structural adjustment programs toward partnerships and mutual accountability, World Bank (1998). Besides research on the determinants of growth, recent work has examined the importance of institutions, and good governance for aid effectiveness in recipient countries for example, Svensson(1999); Burnside and Dollar (2000), (2004) and Dollar and S'ensson (2000), finding, among other things, that the way aid is delivered is influential Dollar (2003) and Cord & la and Dell' Ariccia(2002), (2003). Other questions investigated by the empirical literature are how and why aid is allocated across countries (for example, Alesina and Dollar (2000); Collier and Dollar (2002) and Dollar and Levin (2004) and what the macroeconomic impacts of aid are, for example, Jan and Subramanian (2005) and Laplagne et al. (2001).

But, while activists and social scientists have long argued that aid performance is not determined only by the individual circumstances of the aid program and the recipient country, but also, and predominantly, by the incentives embedded in the aid agencies' institutional environments and delivery processes, economic research in these latter areas has only,' Martens et al. (2002); Wane (2004); Nack and Rahman (2009) and Je Renzio et al. (2005). The empirical work on aid effectiveness has not clear cut conclusions, perhaps because it is not based on solid theoretical grounds. Yet, some streams of economic theory, especially institutional economics and the theory of incentives, are potentially extremely helpful in explaining features of the aid relationship.

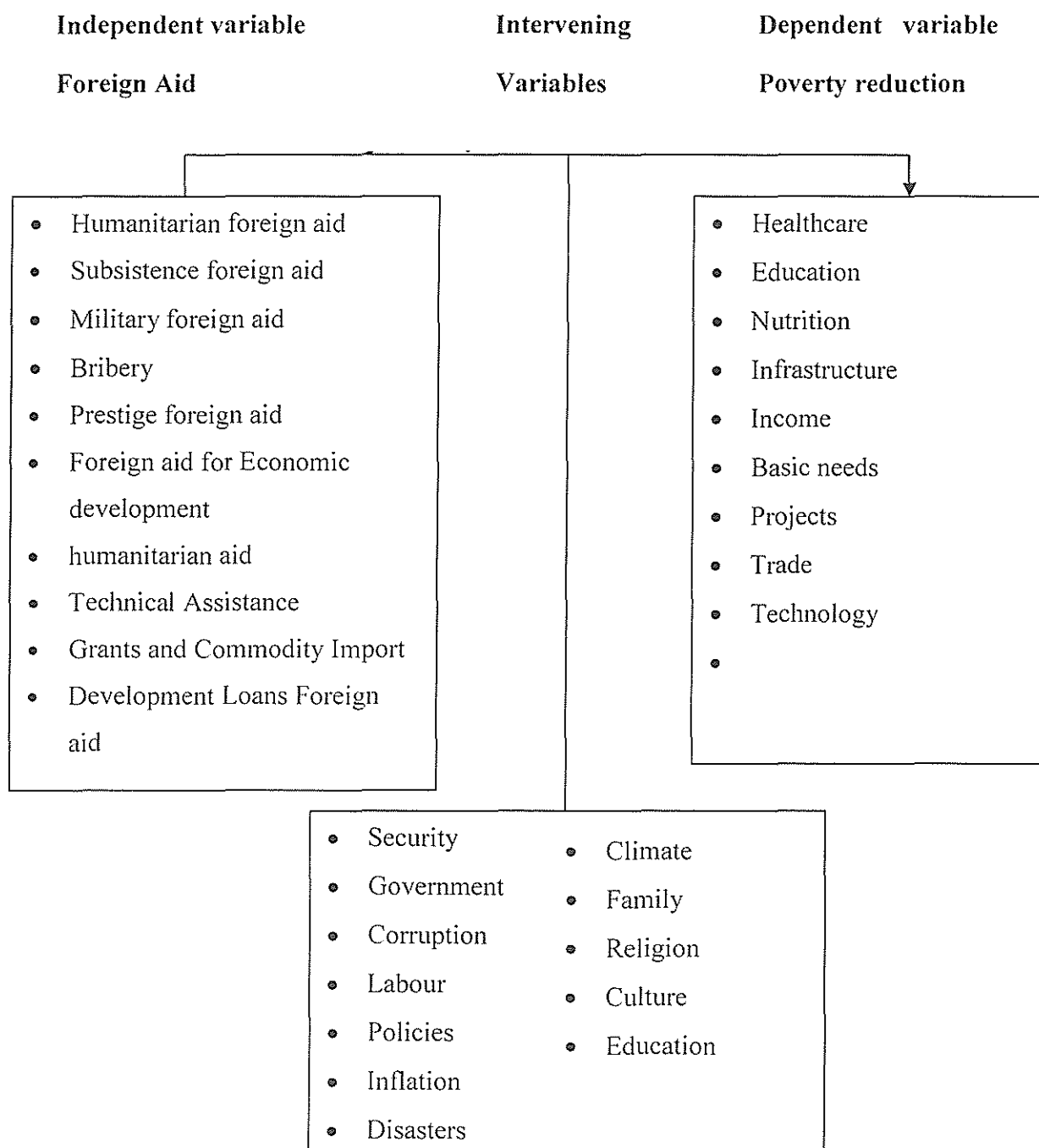
But here also the literature is very heterogeneous and deals with many aspects of aid, making it difficult to draw general conclusions.

The purpose of this paper is to offer a (partial) survey of the way in which foreign aid has been studied in the theoretical economic literature and to draw out the main results, which may provide a guide to more appropriate aid delivery in the design of appropriate aid modalities. The survey is not intended to be exhaustive, but rather is designed to discuss some seminal papers on key themes as well as more recent contributions.

For context, it is useful to recall how ideas about development and the role and instruments of foreign aid have evolved since the 1950s. Initially, underdevelopment was thought to be a product of capital shortage, a problem that could be easily resolved. Thus, aid was principally channeled through capital transfers and investment projects. Following the failure in many developing countries of growth- oriented (and later anti-poverty) programs based on this strategy, the diagnosis of problems turned in the 1980s to policy failures the solution to which lay, from the donors' perspective, in conditional programs. More recently, following the failure of the structural adjustment programs, the international community has identified institutional failure as the basic problem to be tackled. Thus, process conditionality and monitoring are now widely recommended. Adam and O'Connell (1999) and Thorbecke (2009).

2.2 Conceptual Framework

It takes a range of identifiable initials through which the variables both independent and dependent are measured or viewed. It also indicates the transformation factors (intervening variables) factors external to the two variables that negatively or positively affects the operation of either variable.



2.3 Related literature

2.3.1 Types of Foreign Aid

Military Aid. It is the traditionalist technique for buttressing alliances. The donors supplied money and material, while the recipients provided most of the manpower. During Cold War, United States and Soviet Union have spent more resources on military aid than on their foreign economic program- and the objective has been the traditional one of safeguarding their own

security by strengthening the military capabilities of allies. Military aid is used to create local power balances or preponderance, thus reducing the likelihood that the donor will have to station troops abroad or intervene militarily to protect its interests. Most forms of military aid have the advantages of build-in-controls. Not only are the recipients dependent upon the donors for creating a modern military force, but they cannot operate the force effectively unless the donor is willing to provide the necessary training support, replacement parts, and maintenance. Thus, the controls provide a partial guarantee that the recipient will use its military forces in a manner compatible with the interest of the donors-unless the recipient can obtain ammunition, spare parts, and training from alternative sources. Radelet(July 2006)

Technical Assistance. Technical assistance is designed to disseminate knowledge and skills rather than goods or funds. Personal with special skills from industrialized countries go abroad to advice on a wide variety of projects. Malaria controls, agriculture mechanization, public administration, development of fisheries, teaching programs land reclamation, road construction, and development of medical and sanitary facilities. Niwagaba (Feb 2009). Grants and Commodity Import Programs. Grants or gifts for which no economic repayment was expected are the most preferred method. But outright gifts of this type always create problems for the donor and recipient, as the governments of the major power have replaced grants with long term loans.

Development Loans. Foreign aid in the form of loans is not, strictly speaking, aid at all. Loans represent a short-term transfer of funds, but since recipients pay back principle and interest, the transfer is only temporary. Only to the extent that bilateral and multilateral loans are made to recipients with 8very poor credit ratings, or at interest rates lower tan prevailing in international financial markets. Bilateral loans are often “tied”, that is recipients are required to use loan funds to buy products from the donor. Often these are at costs above market rates, or the goods are of inferior quality. Tied loans are, in fact, primarily a subsidy by the donor’s government to its own business and shipping interests, despite these negative features of loans, they can be and have been used to wield political influence over recipients.

Morgenthau (2003) There are six types of Foreign aid which deals with the transfer of money, goods and services from one nation to another. They are: Humanitarian foreign aid, Subsistence

foreign aid, Military foreign aid, Bribery, Prestige foreign aid, Foreign aid for Economic development. Only humanitarian aid is per se non political. The aid which governments have traditionally extended to nations which are victims of natural disasters, such as floods, famines and epidemics falls in that category. So do the services, especially in the fields of medicine and agriculture, which private organizations, such as churches and foundations, have traditionally provided in Asia, Africa, and Latin America. While humanitarian aid is per se nonpolitical, it can indeed perform a political function when it operates within a political context.

The foreign aid that private organizations provides will be reattributed for better or worse to their respective governments insofar as humanitarian aid emanating from a foreign country is recognized by the recipient country or its inhabitants to perform a political function. Thus the agriculture aid which the Rockefeller Foundation has provided for many years to certain Latin American countries. Humanitarian aid extended by governments may have a political function. Subsistence foreign aid is extended to governments which do not command the resources to maintain minimal public services. The giving nation makes up the deficit in the budget of the recipient nation. Subsistence foreign aid is akin to the humanitarian type in that it seeks to prevent the breakdown of order and the disintegration of organized society. But it also performs the political function of maintaining the status quo, without, however, as a rule, increasing its viability. Bribes proffered by one government to another for political advantage were until the beginning of the nineteenth century an integral part of the armory of diplomacy. No statesman hesitated to acknowledge the general practice of giving and accepting bribes, however anxious he might be to hide a particular transaction.

Much of what goes by the name of foreign aid today is in the nature of bribes. The transfer of money and services from one government to another performs here the function of price paid for political services rendered or to be rendered.

Steven (July 2006) Foreign aid for military purposes is a traditional way by which nations buttress their alliances. In contrast to traditional practice, military aid today is extended not only to allies but also to certain uncommitted nations. The purpose is here not so much military as political. It seeks political advantage in exchange for military aid. It obligates by implication, the recipient toward the giver. The latter expects the former to abstain from a political course which might put in jeopardy the continuation of military aid. Military aid is here really in the nature of

a bribe. What happens as military aid may also be actually in the nature of prestige aid, to be discussed below. The provision of jet fighters and other modern weapons for certain underdeveloped nations can obviously perform no genuine military function. It increases the prestige of the recipient nation both at home and abroad. Being in the possession of some of the more spectacular instruments of modern warfare, a nation can at least enjoy the illusion of having become a modern military power. As bribery appears today in the guise of aid for economic development, so does aid for economic development appear in the guise of military assistance. The purposes of aid for economic development are likely to suffer when they are disguised as military assistance, as we can say that the purpose of bribery suffer when disguised as aid for economic development. The military context with in which aid is bound to operate, even though its direct administration is in the hands of the civilian authorities, is likely to deflect such aid from its genuine purposes.

2.3.2 The Purpose of Foreign Aid

States provide foreign Assistance due to different reasons such as political, economic, and strategic or due to moral values. Political. Foreign aid is a tool of statecraft; it can be used to influence and reward regimes, it can be used to influence and reward regimes and to promote friendly relations. In the United States, national security considerations often influence foreign-aid decisions. During the 1980s, Cold War considerations caused a sharp escalation in U.S. aid to Central America and the Caribbean even, as aid to Africa declined.

More recently concern over Middle East instability has made Israel, Egypt, and Jordan the largest recipients of U.S. foreign aid. Other donors have their own objectives. For many years Sweden targeted aid toward 'progressive' societies. In France, governments have sought to promote the maintenance and spread of French culture and the French language as well as the preservation of French influence. In Japan, aid has historically flowed disproportionately to neighboring Asian nations in which Japan has the greatest commercial interests, and has often been tied to purchases of Japanese products. A second reason why states provide aid is to promote economic development in the poor nations.

According to the economic rational, aid is given both because it increases the living standards of Citizens in the receiving state and also because it is in the long term economic interest of the donor state. Although the immediate aim of economic assistance is to stimulate economic expansion in the receiving state, aid is also given because the prosperity of developing nations encourages new markets for the donor's exports.

Providing aid to Less Developed Countries, (LDCs) ensures that the savings gap and the foreign exchange gap are filled. For domestic investment to take place domestic savings must also occur. If these are absent then a flow of development assistance can help finance investment projects. Strategic. Donor may grant economic or military aid enabling the recipients to fulfill more easily their foreign policy goals. This would include military aid to help deter a threat from an external enemy, enhance the recipient's international prestige, or build up its military capabilities to prosecute expansionist policies. Moral values also provide justification for giving aid. Moral norms are an important element in the development and implementation of foreign policy. According to the moral arguments, countries with bountiful resources have a moral obligation to assist countries that are poor and destitute, regardless of the causes and sources of their poverty. Donor can also manipulate economic and military aid program to change the internal politics of recipients. A regime can be rewarded through increased aid allotments if it promises to institute political reforms, or it can be threatened with a reduction in aid if reforms are not carried out. Amstutz (1995) .

Joan (1999) Lists some other ways in which aid can be used to affect the internal political processes- in the short run- of recipients: Aid, usually in the form of financial subsidies of commodity import programs, can be used to buy time. Sometimes, a new government takes office only to find that it is faced with extreme inflation, a depleted treasury, or an untenable balance-of-payment situation. A financial subsidy from a donor can relieve the government of a crises situation and give it time to formulate programs to control the economy. A donor can also supply funds to help a government cope with specific economic or political problems, such as unemployment. Occasionally, a grant of aid can be given at strange time so to affect the outcome of an election. Aid can be suspended following a coup d'etate. Mark (1998).

2.3.3 Utilization of Foreign Aid

Political Foreign aid is a tool of statecraft; it can be used to influence and reward regimes, it can be used to influence and reward regimes and to promote friendly relations. In the United States, national security considerations often influence foreign-aid decisions. During the 1980s, Cold War considerations caused a sharp escalation in U.S. aid to Central America and the Caribbean even, as aid to Africa declined. More recently concern over Middle East instability has made Israel, Egypt, and Jordan the largest recipients of U.S. foreign aid. Other donors have their

own objectives. For many years Sweden targeted aid toward 'progressive' societies. In France, governments have sought to promote the maintenance and spread of French culture and the French language as well as the preservation of French influence. In Japan, aid has historically flowed disproportionately to neighboring Asian nations in which Japan has the greatest commercial interests, and has often been tied to purchases of Japanese products.

Economic Development A second reason why states provide aid is to promote economic development in the poor nations. According to the economic rational, aid is given both because it increases the living standards of citizens in the receiving state and also because it is in the long term economic interest of the donor state. Although the immediate aim of economic assistance is to stimulate economic expansion in the receiving state, aid is also given because the prosperity of developing nations encourages new markets for the donor's exports.

Providing aid to Less Developed Countries (LDCs) ensures that the savings gap and the foreign exchange gap are filled. For domestic investment to take place domestic savings must also occur. McGraw (1999) if these are absent then a flow of development assistance can help finance investment projects. Strategic Donor may grant economic or military aid enabling the recipients to fulfill more easily their foreign policy goals. This would include military aid to help deter a threat from an external enemy, enhance the recipient's international prestige, or build up its military capabilities to prosecute expansionist policies. Moral values also provide justification for giving aid. Moral norms are an important element in the development and implementation of foreign policy. According to the moral arguments, countries with bountiful resources have a moral obligation to assist countries that are poor and destitute, regardless of the causes and sources of their poverty. Donor can also manipulate economic and military aid program to change the internal politics of recipients. A regime can be rewarded through increased aid allotments if it promises to institute political reforms, or it can be threatened with a reduction in aid if reforms are not carried out.

2.3.4 Key Developments:

Foreign aid is also a long-term strategy for violence prevention. To provide stable business environment to international financial institutions and multinational corporations, which are typically North State-based, North States have used their economic and political powers to support friendly to them regimes on the account of human rights. Moreover, large projects or

financial strategies systematically fail to help the vulnerable populations as a large part of the multilateral aid in fact directly goes to northern multinational corporations. Stiglitz (2001). Every dollar of aid the financial institutions give to the South States approximately generates a three dollar net return. Thus, foreign aid has made the poor poorer and dependent of the North. The cases of Somalia and Ethiopia are examples of how foreign aid is being part of the problem, not the solution to rural hunger and poverty. The fact that most aid does not actually go to the poorest who would need it the most increases the urgency of reform of northern institutions and reform within South states.

Different in religion and culture, both neighboring Somalia and Ethiopia are affected by post-colonialism, the Cold War, and international financial aid. The countries "have been fighting each other on and off for centuries" and during the Cold War shifted their supporters (Economist). In 1974, there was a coup in Ethiopia which led to a Marxist-Leninist state, so the two superpowers, the United States and the Soviet Union switched their allegiances leaving the United States supporting Somalia and the Soviet Union supporting Ethiopia.

In the 1980s, the WB and the IMF became increasingly involved in the economic development of these South states from 1977 to 1992/4, for Somalia, most of the US support came in the form of arms to solidify the Barre regime and ensure strategic proximity to the Middle East (Somalia, in lecture, Jan.25.). There was no assistance for Somali people to build sustainable economy. With the collapse of the Soviet Union in 1991, the United States no longer needed Somalia as an ally in its battle against communism and withdrew its troops and aids from the country. Since 1991, Somalia has been without a functional central government and become one of the poorest nations in the world (ppp). The Transitional Federal Government was established in 2003, but in practice Somalia is governed by a system of clans (ppp). The prolonged bloody civil war has brought impoverishment, chaos, and pervasive impunity. Previously implemented structural adjustment programs the lack of governmental support, and the slow international respond to droughts resulted in severe rural hunger and poverty.

Somalia depends heavily on agriculture and livestock to sustain its economy (ppp). However, in 1980s, in the name of economic stability, the WB and IMF enforced structural adjustment programs which led to an undiversified economy (production of 2-3 cash crops) and dependency on imported grain (ppp). The destruction of food security, food prices speculations and

destruction of survival strategies contributed to exacerbating the crisis of Somali hunger and poverty in urban areas (ppp).

Pastoralist's livelihood depends on the provision of grassland and water resources. Climate change, caused by the long-term historic greenhouse gas emissions of North states, has brought prolonged droughts and floods. Reducing emissions and supporting indigenous survival strategies can help fight climate change, yet developed countries are unwilling to cut emissions nor are the international financial institutions providing effective help (Fault Lines). Although desertification severely impacted access to food and water supplies "local governments, foreign donors, policy makers, and humanitarian aid agencies" systematically have failed "to scale up their relief operations and to anticipate the impact that La Niña would have on rainfall" (Oxfam).

In addition, a half of Somalia's territory is controlled by Al Shabaab, an Islamic militant group that seeks to create an Islamic state in Somalia and persistently attacks the transitional government and blocks humanitarian aid from reaching the population Scott (2012). All resulted in hunger and poverty for rural populations.

Public Law 480, also known as the Food for Peace Program and designed to combat hunger and malnutrition and to promote sustainable development in developing countries, has not been successful in fighting famine in Ethiopia (PL480). Moreover, the Bureau of Investigative Journalism Food found that British food aid has been diverted and sold for weapons. The government of Ethiopia has utilized drought-related humanitarian aid of rural populations to fight insurgents Newsnight (1993).

Besides climate change, structural adjustment programs, and pocketing food aid, rural hunger and poverty in Ethiopia also have been exacerbated by large-scale hydro-dam development. Ethiopia's massive Gibe III hydropower project, funded by the World Bank and the Chinese state-owned bank, displaced and threatened the livelihoods of hundreds of thousands of rural people and the existence of animal and plant communities of Lake Turkana (Ethiopia). Furthermore, struggles over scarce resources and land have escalated ethnic conflicts, stealing livestock, and armed conflicts, which further deepened the hunger in the region (FL).

The World Commission on Dams' assessment of the development impacts of dams found that, while "dams have made an important and significant contribution to human development", in

“too many cases an unacceptable and often unnecessary price has been paid to secure those benefits”(FS). Furthermore, the right of indigenous people to free, prior informed consent has also been recognized by International Human Rights. However, the Ethiopian government has ignored the economic risk and the negative social and environmental impacts and is determined to generate power for export (Ethiopia).

The UN reports that conflict, limited humanitarian access, and insufficient funding during 2014 have led an estimated 3 million people in Somalia to currently require humanitarian assistance. This includes approximately 731,000 people that will likely experience Crisis—Integrated Food Security Phase Classification (IPC) 3—and Emergency—IPC 4—levels of food insecurity between January and June, reports the USAID-funded Famine Early Warning Systems Network.

On December 8, 2014, the UN launched the 2015 Humanitarian Response Plan (HRP) for Somalia, requesting nearly \$863 million to meet the needs of nearly 2.8 million Somalis in 2015. The 2015 HRP liappeal represents a 7 percent reduction from 2014, which does not reflect an improved humanitarian situation, but rather relates to both ongoing capacity and security challenges that constrain the scale of relief operations, as well as an anticipated increase in development programming. In FY 2014 and to date in FY2015, the U.S. government has provided nearly \$230 million to support humanitarian assistance in Somalia.

From the literature review and related studies can be deducted that there is no research examining the extent that foreign aid can affect the poverty reduction in Somalia conducted in Somalia. Based on that fact this research is going on to fill that contextual gap.

CHAPTER THREE: METHODOLOGY

3.0 Introduction

This chapter explains and describes how the research was carried out. It focuses on the research design, target population, sampled population, sample size data collection and data analysis.

3.1 Research design

The researcher was used both quantitative and qualitative approaches in data collection, however, quantitative method of data collection will dominate and emphasizes in the collection of data because it is more accurate in terms of data collection and yet again more reliable in terms of research results. This means that quantitative research design was only be used for expressing the numerical information captured during the study which cannot be easily be expressed in words. This comprised of mainly statistical information expressed in words.

3.2 Research population

A population can be defined as a complete collection of all elements (units) that are of interest to the researcher. A population is the aggregate or totality of objects or individual having one or more characteristics in common that are of interest to the researcher and the population of this study was 375 residents of Mogadishu City such Hodan , xamarweyn and Wardhiigley.

3.3 Sample frame work

This is a plan of action for obtaining a sample from the target population. A sample design was obtained through either of 3 basic methods, collecting data from the whole population, collecting data from a random sample of units or collecting data from a sample unit. For the purpose of this study, the sample design was obtained by collecting data from a sample unit.

3.3.1 Sample size

A sample is a portion of the population whose results can be generalized to the entire population. From an estimated population of about 375 respondents from the urban areas of Mogadishu City 242 was used for the purpose of this study. The researcher was utilizing the Slovenes formulae in determining sample size for research activities as follows.

$$n = \frac{N}{1 + N(0.05)}^2 = \frac{375}{1 + 375(0.05)}^2 = \frac{375}{1 + 375 \times 0.0025} = \frac{375}{1 + 0.9375} = \frac{375}{1.9375}$$

$$n = 241.8$$

$$n = 242$$

3.3.3 Sample Procedure

The researcher was used probability sampling method in particular stratified sampling (stratified sampling is a probability sampling technique wherein the researcher divides the entire population into different sub groups then randomly selects sample independently from each sub population). Therefore, the probability of being selected, the researcher was divided the population into sub populations such that elements within these sub populations are homogeneous.

3.4 Data collection methods

The researcher obtained data from the field using the following important instruments:

3.4. 1 Questionnaires

These are inter-related questions designed by the researcher and given to the respondents in order to fill in data/information. Here, self-administered questionnaires will be employed containing both open-ended and close-ended question. This is intended to reduce costs of movement and also because the researcher is dealing with literate people who have the capacity of filling the forms.

3.4.2 Interviews

Here the researcher was conducted face-to-face interactions make conversations between the interviewee and the researcher the sole aim of soliciting data. The researcher was used both formal and informal interviews with the respondents.

This was enabled the researcher to get more information in greater depth. reduce resistance and also obtain personal information from the respondents.

3.5 Research procedure.

The researcher was chosen a topic containing appropriate variables upon selection of the supervisor who was approved it. After approval the researcher was acquire a letter of introduction from the department and present it to the officials in the case study area, which upon

approval shall grant the researcher approval to begin conducting and collecting data from the field.

3.6 Measuring the validity and reliability of the study.

To establish the validity of the instruments, the researcher was administering a questionnaire to the various officials; computation was done by the use of Microsoft excel for the case of questionnaire research instrument. The data was being analyzed and fed accordingly.

After data collection the researcher was conducted a check of the information by subjecting secondary questionnaire guides in form of pre- examination so as to identify the correlation in the information given.

Data validity was checked by the researcher comparing the written information in the reports concerning risk management and its correlation with performance. This is together with choosing a clear sample population that gives a representation of the entire population.

3.7 Data analysis

Data collected from the field was carefully edited, sorted and coded to eliminate the inconsistencies and errors that could be made during data collection. This was involved the use of simple tables and percentages, graphs and charts.

After processing it, data was being subjected to further analysis for easy understanding and interpretation. This involved the use of Excel computer package using statistical techniques such as charts, tables, and graphs.

3.8 Ethical considerations

- i) The questionnaires were not including the names of the respondents for issue of privacy and confidentiality of information attained.
- ii) Information was attained on free will without compulsion of forcing of respondents
- iii) After the collection of data questionnaires was destroyed so that collected information is not leaked.

3.9 Limitations of the Study

- i) Poverty and Aid received by respondents entails a high degree of sensitivity as some of the information may not be revealed by the respondents however this was backed up with help of the letter of introduction assuring the respondents that information attained is for academic purposes.
- ii) Financial constraints arising in the course of the research were counteracted with help of finances saved in advance on account separate from that used for domestic issues.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

The results obtained from the research instruments were presented in Tables in form of percentage responses, means representing the most responses in the indicator. The data in the tables was analyzed using pie charts to show percentages of a whole and Bar graphs.

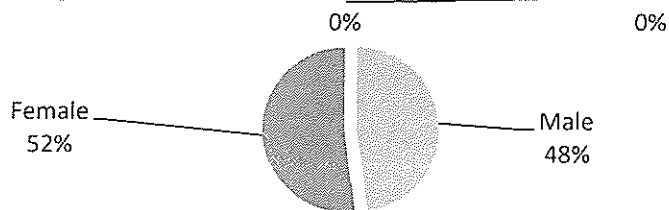
4.1 Presentations, Analysis and Interpretations

Table 1. Demographic Characteristic of the Respondents

Category	Frequency	Percentage
Gender		
Female	115	48
Male	127	52
Age		
6-15years	10	4
16-25years	25	10
26-35 years	32	13
36-45 years	50	21
46-55 years	105	44
Above 65 years	20	8
Number of years residing in the area		
Below 1 year	15	6
1-2 years	22	9
3-4 years	14	6
5-6 years	10	4
7-8 years	27	11
9-10 years	54	23
Above 10 years	100	41

Source: Field Results

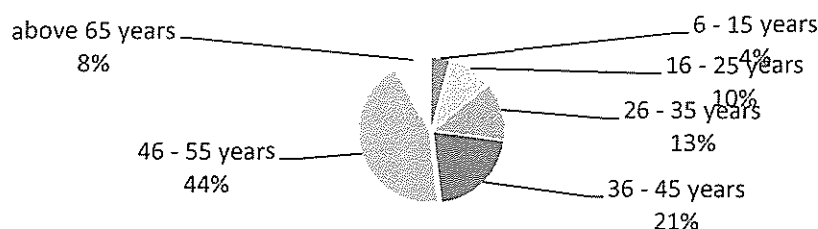
Figure 1A: Demographic Characteristics of Respondents. - Gender



Source: Field Results

Figure 1A shows the percentage of respondents in the category of gender. The female gender is represented at 52% slightly higher than the male gender which is at 48%. The residential urban areas of Mogadishu have higher.

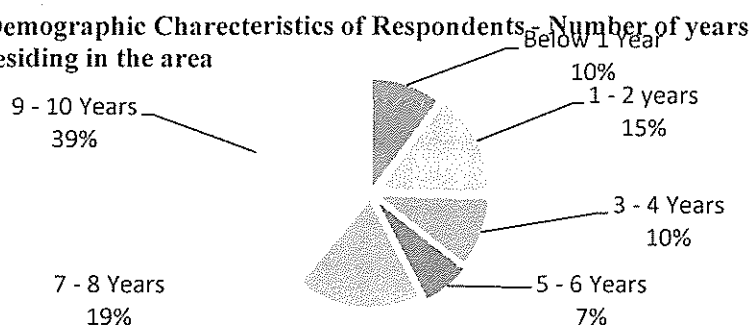
Figure 1B: Demographic Characteristics of Respondents - Age



Source: Field Results

Figure 1B Shows the percentage of respondents in the demographic category of Age. The adult age bracket has the highest percentage; age 36-45 has a percentage of 21% while 46-55 had the highest percentage in this category at 44%. The late adult age bracket had the least number of respondents at 8%. The early adult age bracket had a considerable number of the respondents at 16-25 ages had 10%, 26-35 had the highest percent in this category at 13%. The teenage age bracket had the least overall percentage representation, while 6-5 years, 16-25 years, had 4% and 10% respectively.

Figure 1C. Demographic Characteristics of Respondents - Number of years residing in the area



Source: Field Results

Figure 1C Shows the percentage of respondents in the demographic characteristic of Number of Years Residing in the Areas. Above 10 years had the highest percentage at 41%, 9-10 years at 23%, 7-8 years percentage at 11%, 1-2 years at 9%, below 1 year and 3-4 years had a percentage of 6%, finally 5-6 years had the least representation at 4%.

Table 2 A. Types of Foreign Aid (Humanitarian, Development)

Indicator	Mean	Interpretation	Rank
Humanitarian Aid			
Residents are provided with food	0.75	Always given	3
Medicine is provided	0.42	Sometimes given	7 ¹ / ₂
Treatment service are provided	0.32	Seldom	1
Medical personnel	0.37	Sometimes given	5
Immunization	0.42	Sometimes given	11
Basic health training	0.38	Seldom	7 ¹ / ₂
Basic needs are provided	0.65	Not given	11
Development Aid			
Aid to local authorities	0.46	Seldom	6
Loans	0.95	Not given	1
Grants	0.42	Sometimes given	7
Infrastructural funds	0.85	Seldom	2
Recruitment	0.55	Always given	5
technocrats	0.35	Sometimes given	13
Educational sponsorship	0.42	Seldom	7
Educational funds	0.35	Not given	13

Source: Field Results

Table 2A shows types of foreign aid, in the category of humanitarian aid and development aid. Humanitarian Aid had indicators; Residents are provided with food with a response mode of always given at the mean of 0.75. The respondents had a high response mode in not given at 0.65 on the basic needs are provided indicator. Many indicators had a response mode of sometimes given; medicine is provide 0.42, medical personnel 0.37, immunization 0.42. Treatment service and basic health training had a response mode of seldom at 0.32 and 0.38 respectively.

Development aid had the leading negative responses as compared to humanitarian Aid. The highest indicator with the mean of 0.95 was the indicator of loans 0.35 on educational fund with the response mode of not given. A high number of respondents felt that Aid to local authority, infrastructural funds, and educational sponsorship are seldom with mean of 0.46, 0.85, and 0.42

respectively. In this category, only recruitment had a positive response at a mean of 0.55 in the response mode of always given.

Table 2B.Types of Foreign Aid (Military)

Indicator	Mean	Interpretation	Rank
Personnel	0.76	Very many	2
Facilities	0.42	Few	5
Police and guards	0.38	Few	6
Surveillance services	0.65	Not available	3
Funding for local security teams	0.32	Few	7
Funds for information gathering	0.55	Not available	4
Rewards	0.29	Few	8
Training	0.85	Very many	1

Source: Field Results

Table 2B, Shows types of foreign Aid in the category of military Aid. Training indicator had the highest means on all indicators at 0.85, the respondents were completely satisfied, and the same response was on military personnel indicator at a mean of 0.76. Facilities, police and guards, funding for security teams and rewards received a fair response at a mean of 0.42, 0.38, and 0.32 respectively. Funding for information gathering and surveillance services indicators had the poor response at 0.65.

Table 3.Utilization of Foreign Aid, (Humanitarian, Military, Development)

Indicator	Mean	Interpretation	Rank
Humanitarian Aid			
Funding the hungry	0.75	Agree with no doubt at all	
Treatment of malnourished	0.42	Agree with some doubt	
Building sanitation facilities	0.35	Disagree with doubt	
Cleaning residential areas	0.65	Disagree with no doubt at all	
Provision of medicine	0.52	Agree with some doubt	
Immunization	0.42	Agree with some doubt	
Disease control	0.37	Disagree with no doubt at all	
Provision of medical services	0.57	Agree with some doubt	
Military Aid			

Preventing militants from launching attacks	0.73	Agree with no doubt at all	
Protecting lives and properties	0.65	Agree with no doubt at all	
Fostering reconciliation and justice	0.41	Disagree with no doubt at all	
Enhancing trust and unit	0.52	Agree with some doubt	
Payment on salaries for personnel	0.87	Agree with no doubt at all	
Recruitment and training security	0.85	Agree with no doubt	
Funding of local security teams	0.47	Disagree with some doubt	
Information and surveillance gathering	0.55	Disagree with no doubt at all	
Protecting aid workers government	0.49	Agree with no doubt at all	
Development Aid			
Service delivery	0.75	Disagree with no doubt at all	
Establishment of income projects	0.55	Disagrees with no doubt at all	
Loans to pursue education	0.95	Disagree with no doubt at all	
Provision of clean drinking water	0.47	Agree with some doubt	
Establishment of health facilities	0.53	Agree with some doubt	
Reconstruction	0.77	Disagree with no doubt at all	
Salaries for workers	0.62	Agree with no doubt at all	
Establishment of schools	0.38	Agree with no doubt at all	
Advisory service by experts	0.56	Disagree with some doubt	
Construction of roads	0.49	Disagree with some doubt	
Development of energy	0.72	Disagree with no doubt at all	

Source: Field Results

Table 3 Shows the response on utilization of foreign Aid in the category of humanitarian Aid, Military Aid and development Aid each category had indicators where the response modes were agree with no doubt at all, agree with some doubt, disagree with some doubt and disagree with no doubt at all. A total of 28 indicators were analyzed in the 3 categories, most respondents agreed with no doubt at all, with feeding the hungry, preventing of militant attacks, protection of lives and properties, payment of salaries of personnel, recruitment and training of security personnel, salaries for workers which registered the highest means of 0.75, 0.73, 0.65, 0.87, 0.85,

0.62. The utilization of military aid had the highest means in these indicators at 0.73, 0.65, 0.87, and 0.85

Utilization of Development Aid had the highest means on disagree with no doubt at all among others categories. Development Aid had the following means in this mode; Service delivery 0.75, Establishment of income projects 0.55, Loan to pursue education 0.95, Reconstruction 0.77, Development of energy 0.72. However Humanitarians and military had a disagree with no doubt at all with means as follows; Cleaning residential areas 0.65, Disease control 0.37, Information and surveillance gathering 0.55, was the only in military category.

Utilization of Humanitarian and development had most responses on agree with some doubt with the means as follows, Treatment of malnourished 0.42, Provision of medicine 0.52 and Immunization 0.42 in the category of how Humanitarian Aid is utilized, provision of drinking water 0.42, Establishment of health facilities 0.53, Establishment of schools 0.38, in the category of utilization of Development Aid surprisingly, there was no registered response of agree with some doubt in the utilization of Military Aid.

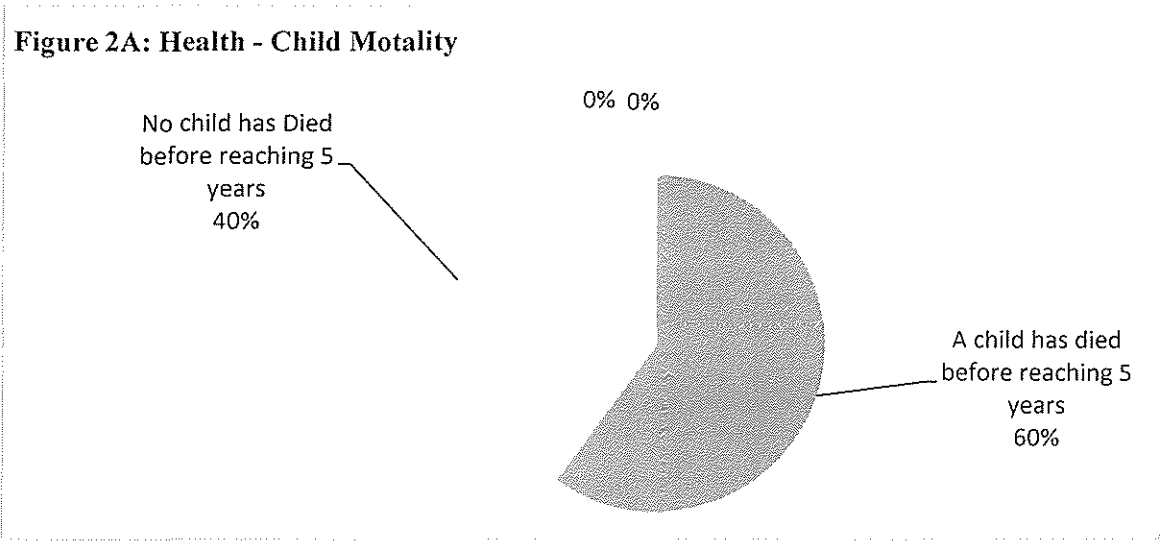
Table 4. Effect of Aid on Poverty Index

Category	Frequency	Percentage
Health		
No child has died in your family before reaching 5 years age.	97	40%
No member of your family is malnourished	125	52%
Education		
School aged children are attending school up to class 8.	93	38%
Family members have completed 5 years schooling.	105	43%
Living standards.		
Dung, charcoal or wood is used for cooking	223	92%
The house has electricity	59	24%
The Family owns more than one;	192	79%
Phone	36	15%
Television	72	30%
Radio	36	15%
Telephone		

Source: Field Results

Table 4 Shows the response on the effect of Aid on poverty index, in the categories on Health. Education and Living standards. 60% of respondents disagree with no child has died in your family before reaching 5 years of age and only 40% agreed with this, 52% agree that no member of their family is malnourished while 48% disagree.

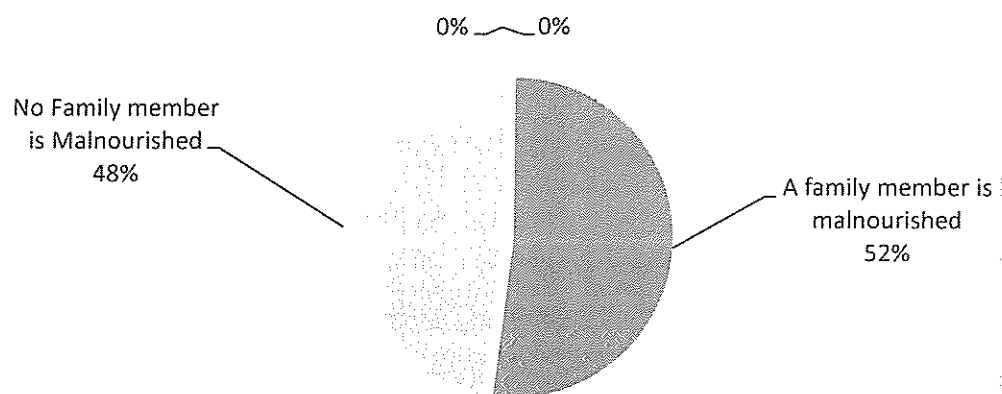
In the category of education, 38% agree that school aged children are attending school up to class 8 while 62% disagree with this. 43% of respondents agree that they have family members who have completed 5 years schooling while 57% disagreed. Living standards category had higher percentages in responses as follows; 92% agree that they use charcoal, ding and wood for cooking, 24% agreed that their houses have electricity while 6% do not have. Assets indicators have varied percentages, 79% agreed that they had more than one phone, 21% had only 1 phone. 5% did not own more than 1 TV and 15% owned more than 1 TV. 30% own more than 1 radio while 70% do not own more than one radio, lastly, only 15% owned more than 1 telephone while 85% either did not own any telephone or had one telephone.



Source: Field Results

Figure 2A, 40% of respondents agreed that they have not lost a child before reaching 5 years of age. On the other hand 60 percent of respondents disagreed, indicating that they have lost a child before reaching five years in their respective families.

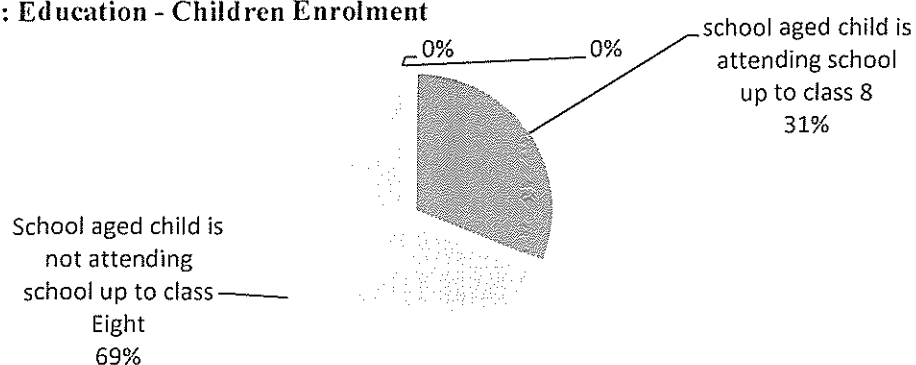
Figure 2B: Health - Nutrition



Source: Field Results

Figure 2B, Shows that 52% of respondents Disagreed indication that a family member is malnourished and only 48% agreed indicating that there do not have a malnourished family member.

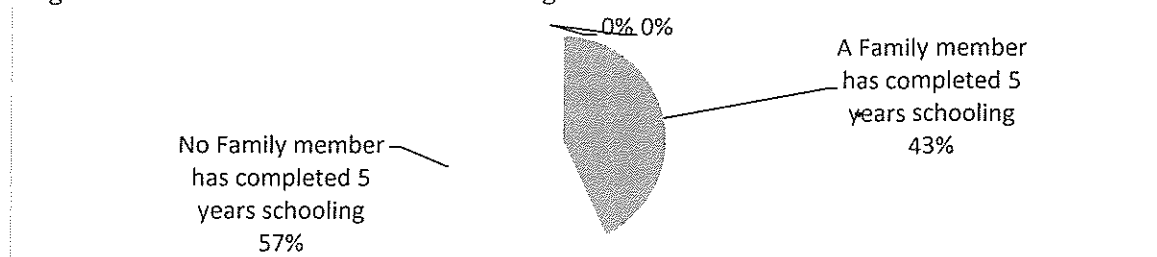
Figure 2C: Education - Children Enrolment



Source: Field Results

Figure 2C, Shows the comparison of percentages on Child enrolment in the indicator of Education. Many respondents disagreed indicating that school aged children are not attending school up to class Eight, 31% agreed that school aged children are attending class up to class eight.

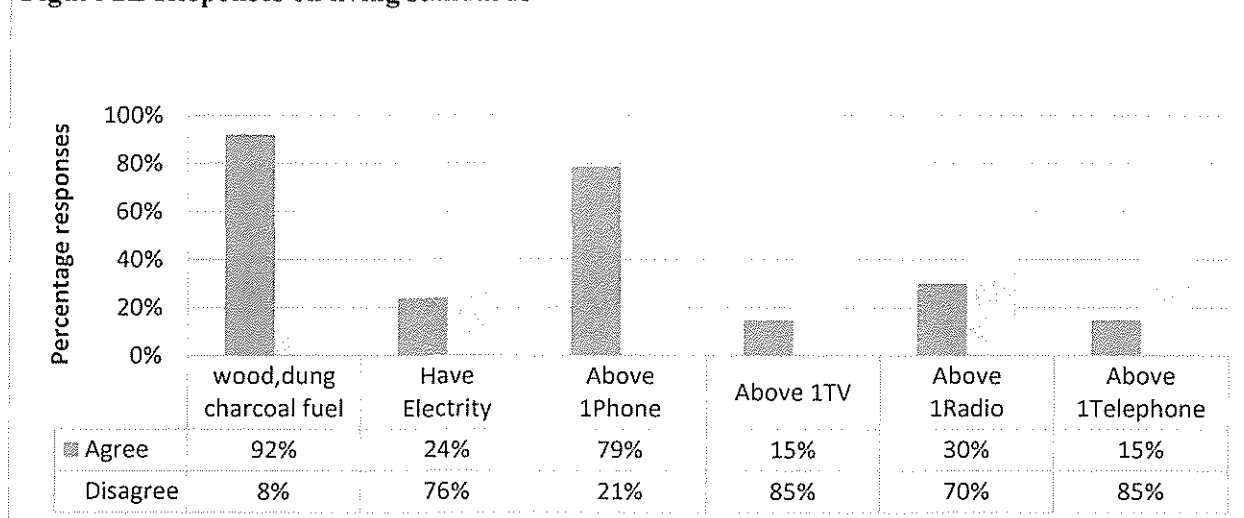
Figure 2D: Education - Years of Schooling



Source: Field Results

Figure 2D, Shows the responses on Family members who have completed 5 years schooling. 43% agreed that there is a family member who had completed 5 years schooling and 58% disagreed citing that they did not have a family member who has completed 5 years schooling.

Figure 2E Responses on living standards



Source: Field Results

Figure 2E Shows percentages of respondents on Poverty index of living Standards. 92% agreed that they rely on Dung, wood and charcoal for cooking and only 8% disagreed citing that they use electricity and gas for cooking. Respondents agreed that they have electricity in their home at 24% and 76% Disagreed to imply that they do not have Electricity. Respondents were assessed on the number of assets they own. Phone registered the highest percentage at 79% in this category, were respondents agreed that they own more than one phone in the Family. 21% disagreed which indicated that they own either one phone or none. The respondent's response on TV and Telephone were same with same percentages, those who agreed had a percentage of 15% and those who disagreed had a percentage of 85%. Lastly 30% of respondents agreed that they have more than one radio and 70% disagreed.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The chapter presents Discussions, Conclusions and Recommendations made on the results of the research on types of foreign Aid to alleviate poverty, utilization of the Aid to reduce poverty and the impact of the Aid on the Poverty Index among the urban Population of Mogadishu

5.1 Discussions

Types of foreign Aid given to Alleviate poverty in urban population; The population understands that Humanitarian, Development and Military Aids are the Aids that they receive and have a role in reducing poverty levels. Military Aid is the most visible Aid to the people, owing to the fact that Somalia especially Mogadishu Received considerable number of Military support from the African Union. The military is involved in Day to day security matters of the City, bringing Military services closer to the population. Military Aid caused considerable impact on poverty levels. They ensured security and protection of properties which could otherwise be lost to thieves. Improved security enhanced the establishment of businesses which contribute to the welfare of families, more jobs have been created and it has attracted investors. Improved security levels have enhanced the public's confidence which has improved the public's recruitment into security matters; many have been employed and trained as security personnel which have helped them to provide for their Families.

Development Aid was not well perceived by the respondents. This was due to the fact that development Aid is carried out between Governments which makes it hard for residents to see how it's utilized. This was reflected in the responses where the category had the highest negative responses. Another reason may be the fact that a large fraction of development Aid is channeled to Government operations and Subsistence funding which may not have a direct impact on the local's wellbeing.

Due to cultural believes and unstable nature of financial organization, Aid in form of Loans is rarely received. Grants were received on small scale. Technocrats were available to provide advisory services on small scale.

For the past 3 years, Mogadishu received large scale Humanitarian aid in form of food, medicine. Treatment services and training of Medical personnel. Food distribution was the most visible

Humanitarian Aid. This follows a collective Hunger appeal that followed a famine that threatened to wipe out a large population. There are many Non –Governmental Organizations distributing food in the urban areas.

The second objective was to establish how the Aid is Utilized; the researcher found out that Foreign Aid is well Utilized, Especially military Aid which had high overall means. The residents are able to see the benefits of the Aid, in areas of security, employment into Security, military hardware, funding of security teams and securing areas from militants.

Humanitarian Aid had strong acceptance of Food distribution. Feeding the hungry has been the main humanitarian Aid since the Famine which occurred the last 3 years, to add on that Food distribution comes hand in hand with medical facilities and personnel.

Development Aid is not well utilized to Target alleviation of poverty, like establishment of income generating activities, establishment of health facilities, development of energy, establishment of schools and educational facilities. Provision of clean drinking water and service delivery.

The threeeddy objective was to establish the contribution of the aid on poverty index, researcher set out to establish the Effect of Foreign Aid on Poverty Index; Health, Education, Sanitation and Living standards. Despite large amount of foreign Aid being channeled to these areas, the poverty levels are still generally high as compared to other cities in Africa. Motility rates are still very high in reference to international standards, Nutritional levels, though above average but they are still relatively low, where at least in five respondents one has a malnourished member.

Educational levels are still relatively low, enrollment is below average and Years of schooling are also below average. Most household rely on Dung, charcoal and wood for cooking. Few household have electricity. Many families have good asset base of phones as compared to Television, Radio and Telephone which are below average.

5.2 Conclusions

Urban areas of Mogadishu receive Aid in form of Humanitarian, Developmental and Military Aid towards poverty alleviation. Some of the Foreign Aid was utilized causing an impact on poverty index while others were not utilized to target poverty reduction.

Urban areas of Mogadishu have been receiving foreign Aid on Large scale, yet there are minimal changes on the poverty index. Military Aid has been the most visible Aid playing a role in poverty reduction. Development Aid; which is expected to have a greater impact on poverty level, is not causing any meaningful impact. Humanitarian Aid has played a considerable role but it's mainly upkeep and sustainability of lives, its impact on poverty index is minimal.

5.3 Recommendations.

The researcher recommended utilization of development needs to be re-evaluated to target poverty reduction. Clear monitoring is needed to ensure that development Aid reaches the people and is used for the intended purposes.

Also was recommended Military Aid should be increased, to ensure maximum protection of lives and property, recruitment of people to improve source of income.

The researcher recommended that is need to chance the utilization of Humanitarian Aid on Food provision to promote production of Food, this will economically empower the locals, and reduce overreliance on food Aid.

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APPENDICES
APPENDIX 1
TRANSMITTAL LETTER FOR THE RESPONDENTS

Dear Sir/ Madam

Greetings!

I am a Masters in International Relations candidate of Kampala international University. Part of the requirement for the award is a Thesis. My study is entitled, Impact of Foreign Aid in Poverty Reduction in selected urban areas of Mogadishu in Somalia. Within this context, may I request you to participate in this study by answering the questionnaires. Kindly do not leave any question unanswered. Any data you will provide shall be for academic purposes only and no information of such kind shall be disclosed to others.

May I retrieve the questionnaire within five days (5)?

Thank you very much in advance.

Yours faithfully,

Miss. Amina Ali NorGedi.

APPENDIX II
CLEARANCE FROM THE ETHICS COMMITTEE

Date _____

Candidate's Data

Name _____

Reg. _____

Course _____

Title of the study _____

Ethical review checklist

The study reviewed considered the following:

- ____ Physical safety of Human Subjects
- ____ Psychological Safety
- ____ Emotional Security
- ____ Privacy
- ____ Written Request for Author of Standardized Instrument
- ____ Coding of Questionnaires/anonymity/ Confidentiality
- ____ Permission to conduct the Study
- ____ Informed Consent
- ____ Citations/ Authors Recognized

Results of Ethical Review

- ____ Approved
- ____ Conditional (to provide the Ethical Committee with corrections)
- ____ Disapproved/ Resubmit Proposal

Ethics Committee (Name and Signature)

Chairperson _____

Members _____

APPENDIX III
INFORMED CONSENT

I am giving my consent to be part of the research study of Miss. Amina Ali NorGedi that will focus on The Impact of Foreign Aid on Poverty Reduction.

I shall be assured of privacy, anonymity and confidentiality and that I will be given the option to refuse participation and right to withdraw my participation anytime.

I have been informed that the research is voluntary and that the results will be given to me if I ask for it.

Initials: _____

Date _____

APPENDIX IVA

FACE SHEET: DEMOGRAPHIC CHARECTERISTICS OF THE RESPONDENTS

1. Gender

____ Male

____ Female

2. Age

____ 6 – 15 years

____ 16 – 25 years

____ 26 – 35 years

____ 36 – 45 years

____ 46 – 55 years

____ Above 56 years

3. Number of years as a resident of Mogadishu

____ Below 1 year

____ 1 – 2 years

____ 3 – 4 Years

____ 5 – 6 years

____ Above 7 years

APPENDIX IVB
QUESTIONNAIRE TO DETERMINE TYPES OF FOREIGN AID.

Direction 1: Please write your writing on the space before each option which corresponds to your best choice in terms of **types of foreign aid given to alleviate poverty** in Mogadishu.

Kindly use the scoring system below:

Response Mode	Rating	Description	Legend
Always given	(4)	Very satisfactory	VM
Sometimes given	(3)	Satisfactory	E
Seldom	(2)	Fair	F
Not given	(1)	Poor	NA

HUMANITARIAN AID

- ___ 1. The residents are provided with food
- ___ 2. Medicine is provided
- ___ 3. Treatment services are provide
- ___ 4. Medical personnel are provided
- ___ 5. Immunization services are given
- ___ 6. Residents are given basic health training
- ___ 7. People are provided with basic needs like clothing and shelter

DEVELOPMENT AID

- ___ 1. Aid is given to local authorities to provide services
- ___ 2. Loans are advance to groups
- ___ 3. Grants are given to local Authorities
- ___ 4. Infrastructural fund is provided
- ___ 5. Recruitment of people to other countries
- ___ 6. The area receives technocrats from other countries
- ___ 7. Sponsorship for education is provided
- ___ 8. Provision of education funds for schools and learners

Direction 2: Please use the rating guide provided below with reference to **Military aid**. Kindly write your scoring on the space provided before each option.

Response Mode	Rating	Description	Legend
Very many	(4)	Very satisfactory	VM
Enough	(3)	Satisfactory	E
Few	(2)	Fair	F
Not available	(1)	Poor	NA

MILITARY AID

- ____ 1. Military personnel are provided
- ____ 2. Military facilities are provided
- ____ 3. Security personnel like the police and guards are provided
- ____ 4. Surveillance facilities and services are provide
- ____ 5. The area receives funds for local security teams
- ____ 6. Money is given locals to gather information
- ____ 7. Rewards are given to informers
- ____ 8. Training of security personnel

APPENDIX IVC
QUESTIONNAIRE TO DETERMINE UTILIZATION OF AID.

Direction: Please write your writing on the space before each option which corresponds to your best choice in terms of **how the foreign aid received is utilized** in Mogadishu. Kindly use the scoring system below:

Response Mode	Rating	Description	Legend
Strongly agree	(4)	You agree with no doubt at all	SA
Agree	(3)	You agree with some doubt	A
Disagree	(2)	You disagree with some doubt	D
Strongly disagree	(1)	You disagree with no doubt at all	SD

HUMANITARIAN AID

Humanitarian aid is used in the following ways:

- ___ 1. Feeding the hungry
- ___ 2. Treating the malnourished
- ___ 3. Building of sanitation facilities like toilets
- ___ 4. Cleaning of residential areas
- ___ 5. Provision of medicine
- ___ 6. Immunization
- ___ 7. Disease control
- ___ 8. Provision of medical services by the personnel

MILITARY AID

Military Aid is used in the following ways:

- ___ 1. Preventing militants from launching attacks on locals
- ___ 2. Protecting lives and properties
- ___ 3. Fostering reconciliation and justice
- ___ 4. Enhancing trust and unity
- ___ 5. Salaries to security personnel

- ____ 6. Recruitment of locals into the security machinery
- ____ 7. Establishment of local security teams
- ____ 8. Enhance surveillance and information gathering
- ____ 9. Protection of Aid workers to enhance service delivery

DEVELOPMENT AID

Development Aid is used in the following ways:

- ____ 1. Local Authorities are funded to provide minimum services to the residents
- ____ 2. Loans are used to do income generating programs for the residents
- ____ 3. Students are given loans to pursue education
- ____ 4. Provision of clean drinking water
- ____ 5. Establishment of medical care facilities
- ____ 6. Reconstruction of areas destroyed by war
- ____ 7. Employment of teachers
- ____ 8. Payment of workers' salaries
- ____ 9. Establishment of schools
- ____ 10. Provision of advisory services by the experts
- ____ 11. Construction of roads
- ____ 12. Development of energy

APPENDIX IVD

QUESTIONNAIRE TO DETERMINE EFFECT OF AID ON POVERTY INDEX.

Direction: Please write your writing on the space before each option which corresponds to your best choice in terms of **the effect of Aid on Poverty Index** in Mogadishu. Kindly use the scoring system below:

Response Mode	Rating	Description	Legend
Strongly agree	(4)	You agree with no doubt at all	SA
Agree	(3)	You agree with some doubt	A
Disagree	(2)	You disagree with some doubt	D
Strongly disagree	(1)	You disagree with no doubt at all	SD

EFFECT OF AID ON POVERTY INDEX

Health

____ 1.No child has died in your family before reaching 5 years of age

____ 2.No member of your family is Malnourished

Education

____ 1.School aged children are attending class up to class 8

____ 2.Family members have completed 5 years schooling

Living standards

____ 1. Dung, charcoal or wood is used for cooking

____ 2. Gas or electricity is used for cooking

____ 3. The house has electricity

____ 4. Your family owns more than one asset:

____ 4.1. Phone

____ 4.2. Television

____ 4.3. Radio

____ 4.4. Telephone

Sanitation

____ 1. The area has garbage collection system

____ 2. The house has its own Toilet

- ____ 3. The toilet is shared with other families.
- ____ 4. The toilet is improved
- ____ 5. The toilets are connected to the sewer system
- ____ 6. The floor of the house is of dirt, sand or dung

Access to drinking water

- ____ 1. The house is fitted with clean water system
- ____ 2. Clean water is less than 30 minutes walk from the house
- ____ 3. Clean water is more than 30 minutes walk from the house

APPENDIX V

REQUEST LETTER



**KAMPALA
INTERNATIONAL
UNIVERSITY**

Ggaba Road-Kansanga,
P.O. Box 20000, Kampala, Uganda.
Tel: +256-414-266813, +256-414-267634
Fax: +256-414-501974. Cel: +256-706-251084
E-mail: admin@kiu.ac.ug
Website: www.kiu.ac.ug

**COLLEGE OF HIGHER DEGREES AND RESEARCH
DEPARTMENT OF SOCIAL SCIENCES**

March, 24, 2015

**INTRODUCTION LETTER FOR AMINA ALI NOR GEDI REG.
MIR/41874/133/DF TO CONDUCT RESEARCH IN YOUR ORGANIZATION**

The above mentioned candidate is a student of Kampala international University pursuing a Masters of International Relations and Diplomacy.


She is currently conducting a field research for her dissertation titled "**Impact of Foreign Aid on Poverty Reduction in Somalia in selected Urban Areas of Mogadishu**".

Your organization has been identified as valuable source of information pertaining to his research Project. The purpose of this letter then is to request you to avail him with pertinent information he may need.

Any information shared with him will be used for academic purposes only and shall be kept with utmost confidentiality.

Any assistance rendered to him will be highly appreciated.

Yours truly,


Dr. ES Kasenene
Deputy Principal, CHDR.

"Exploring Heights"

APPENDIX VI

RESEARCHER'S CURRICULUM VITAE

To document the details of the researcher, his competency in writing a research and to recognize his efforts and qualifications, this part of the research report is thus meant.

PERSONAL DATA

Name : Amina Ali nor geddi

Gender : Female

Nationality : Somali

Religion : Muslim

Date of birth : 2nd February, 1990

Marital status : single

Tel : 0793996475

Email : mandeeq2015@gmail.com

Educational back ground

2013-2015 Master of international relation and diplomacy in Kampala
International University Uganda Kampala

2009-2012 Bachelor of business and accounting at simad university
.Mogadishu Somalia

2006- 2008 Secondary school at al ma,mun al azhari Sharif

2000- 2006 primary school at al ma, mun al azhari Sharif

SHORT COURSES CERTIFICATES 2013-2014

- Research writing at Kampala international university
- Report writing at Kampala international university
- Project proposal writing at Kampala international university
- Communication skills at Kampala international university
- conflict resolution and peace building at Makerere university
- Monitoring and evaluation at Makerere university

Languages

Listening	speaking	writing	Reading
Englishvery good	very good	excellent	excellent
somali	mother language		

I declare that the information given in this curriculum vitae is correct and to the best of my knowledge as per 2015.

Name: Amina Ali Nor

sign:.....