



Determinants of Poverty on Household Lives in: Case Study of Mogadishu, Somalia

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Abstract

The study thought in-depth knowledge of the key factors that account for poverty in Mogadishu, Somalia as to contribute to a more focused targeting of programmers for the poor. The research objectives were to identify the key determinants of poverty and to derive policy implications for poverty alleviation in Mogadishu, Somalia. With the primary data from the survey, the study used econometric analysis where regression models were fitted and used to analyses the key determinants of poverty in Mogadishu. The Study involved a comprehensive social economic survey of the living standards of the households in Mogadishu. It provides information on household consumption, income of household head, household size, education level of household head, health status of household head and mortality. It therefore provided a strong base for establishing the determinants of poverty in Mogadishu, the survey revealed that Northern Mogadishu was found to be the poorest part of the region. It has the largest depth of poverty and worst inequality. It is characterized by the poor having large household sizes, least education, and highest concentration in slum areas. The education level of household head, household size, health status of household head and access to credit were found to be the significant determinants of poverty at multivariate levels. The broad policy recommendation identified five principle elements or objectives of a poverty reduction strategy for Somalia. These include Reduced numbers of dependents in households, Investments in education, Efforts to stimulate entrepreneurship and diversification of economic activity from agriculture to other sectors, Adoption of measures to raise agricultural productivity and Improved access to health care.

Keywords: Households, Health care, Dependence

Introduction

The ninth National Development Plan (NDP-9) for Somalia, which covers the years 2020–2024, lays out a course for the country that will result in economic growth and the eradication of poverty during the following five years. National planning has a lengthy history in Somalia that dates back many years. The ninth NDP (NDP-9) expands on the achievements and knowledge gained during the eighth NDP (NPD-8), which will terminate at the end of this year. By promoting inclusive economic growth and employment, enhancing security and the rule of law, and bolstering political stability, it seeks to eliminate poverty and inequality. One of the major economic issues in sub-Saharan Africa is unemployment, which in Somalia reached around 24.8 percent in 2014 and about 7.2 percent in 2017. Binary logistic regression and Blinder-Oaxaca decomposition models were used to examine data from the Somalia High Frequency Survey 2017 in order to explain differences in variance of unemployment status in rural and urban areas of Somalia. (MoPEID, 2020).

Conflict in Somalia's recent past is well recognized. Perhaps less widely known are the nation's development advancements throughout the previous seven years. In this sense, Somalia has made significant strides toward the development of a federal form of government as well as stablfiscal and monetary structures, all of which have supported the country's recent, moderate economic growth (an annual GDP growth rate of about 3% in 2018). In many areas of the country, a stronger administration has resulted in hopeful evidence of intercommunal harmony and improved local governance (MoPEID, 2020).

Although these developments are encouraging, there are still many problems. The level of poverty has not decreased much despite the recent economic growth. As a result, Somalia has some of the lowest critical measures of human development in the entire globe. As a result, NDP-9 presents a thorough examination of poverty that pinpoints many of its underlying causes, such as political unrest, armed conflict, natural disasters related to climate change, and a still-fragile economy. Significant foreign debt obligations that Somalia owes also pose a threat to growth and burden future generations. It will be possible for Somalia to apply for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative once NDP-9 has been completed as a compliant interim Poverty Reduction Strategy Paper (iPRSP), which in and of itself will mark a significant step in the nation's effort to eradicate poverty. NDP-9: In accordance with the criteria for iPRSPs (MoPEID, 2020).

National Development Plans have been created in Somalia regularly since 1962. Our most recent plan, NDP-8, covered the years 2017 to 2019 and has the subtitle "Towards Recovery, Democracy, and Prosperity." I'm delighted to announce that the country did indeed make progress toward these goals, giving us more stability as we start NDP-9. However, as a number of climatic, economic, and security issues have tried our determination over the past three years, we have occasionally taken one step back for every two strides ahead. I am happy to share that our country and (MoPEID, 2020).

As a participant in the Heavily Indebted Poor Countries (HIPC) Initiative, Somalia's current national development plan has been created to comply with the specifications for an interim Poverty Reduction Strategy Paper that will enable Somalia to apply for debt relief. The main goal of NDP-9, in contrast to previous development plans, is poverty reduction, which is a suitable and important goal when connected to debt forgiveness because carrying debt burdens our nation heavily, not only today but also as a burdensome duty placed on our children's future.

Building on the strong basis of earlier NDPs and the lessons learnt, NDP-9 has improved. The importance of thorough consultations was recognized in order to represent the voices of all Somalis. As a result, the procedure required 77 days of stakeholder consultation. Three rounds of meetings and workshops were held in seven areas with representatives of every government and sector, as well as the judiciary and each Federal Line Ministry. The strategy has been shaped by these perspectives on the root causes of poverty and the most important responses to it. The Cabinet unanimously approved NDP-9 in September 2019, and the National Development Council owns and oversees it. (MoPEID, 2020).

The most complete look at the various ways that 1.3 billion people experience poverty on a daily basis may be found in the 2018 Multidimensional Poverty Index. 20 September 2018 in New York According to estimates from the 2018 global Multidimensional Poverty Index (MPI), which was issued today by the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI), half of all individuals living in poverty are under Approximately 1.3 billion people, or over 25% of the 104 nations included in the 2018 MPI calculation, are estimated to be living in multidimensional poverty. Nearly half of these 1.3 billion people, or 46%, are believed to be living in extreme poverty and experiencing deprivation in at least half of the MPI's measured dimensions. Nearly half of

these 1.3 billion people, or 46%, are believed to be living in extreme poverty and experiencing deprivation in at least half of the MPI's measurement categories. (UNDP, 2018)

Even though there is still much to be done, there are encouraging indications that this poverty can be - and is being - addressed. Between 2005–2006 and 2015–2016, 271 million people in India, the first nation for which development through time has been assessed, were able to escape poverty. Over the course of ten years, the poverty rate there decreased by almost half, from 55 percent to 28 percent. Although the extent of poverty, especially among children, is shocking, there is yet room for improvement. In just ten years, 271 million people in India alone have been able to overcome multidimensional poverty, according to UNDP Administrator Achim Steiner. "The Multidimensional Poverty Index provides insights that are essential for comprehending the various ways in which people experience poverty. It also offers a fresh viewpoint on the scope and character of global poverty while reassuring us that its total eradication is far from insurmountable. (UNDP, 2018)

The most recent data from the UNDP's Human Development Index, which was released last week, reveals significant development improvement in all areas, including many Sub-Saharan African nations. However, equivalent comparisons over time have not yet been made for other countries. The rise in life expectancy between 2006 and 2017 was almost 7 years in Sub-Saharan Africa and almost 4 years in South Asia, while primary enrollment rates have reached 100% in both regions. This is encouraging for reductions in multidimensional poverty. Sub-Saharan Africa and South Asia are home to 83 percent of the world's multidimensionality poor.

Although multidimensional poverty exists in all developing nations, it is particularly severe and important in South Asia and Sub-Saharan Africa. An estimated 560 million people (58 percent of the population) in Sub-Saharan Africa, for example, live in multidimensional poverty, 342 million of whom (61 percent of those living in multidimensional poverty) are severely impoverished. 200 million of the 546 million multidimensionality poor persons in South Asia (UNDP, 2018)

The numbers for the other regions are less alarming and range from two percent of individuals living in nations included in the dataset in Europe and Central Asia to 19 percent of people in the Arab States experiencing multidimensional poverty. There are also big differences between nations. For 1,101 subnational regions in 87 countries, the 2018 MPI is available, displaying within-country variations in multidimensional poverty levels.

According to the most recent data, 1.1 billion of the world's 1.1 billion multidimensional poor reside in rural areas, where the poverty rate is 36 An effective instrument for assessing global poverty and disseminating important information is the Multidimensional Poverty Index. As the director of OPHI, Sabina Alkire remarked, "It not only enables us to comprehend how other nations are faring in their fight against poverty, but it also helps us to better understand who the poor are, where they are, and the numerous ways in which they experience poverty.

Traditional poverty metrics, which are frequently based on the number of people who make less than \$1.90 per day, provide information about how little The Sustainable Development Goals demand that all types of poverty be eliminated worldwide. Selim Jahan, Director of the Human

Development Report Office at UNDP, stated that the Multidimensional Poverty Index "helps answer that call, providing immensely valuable information for all those seeking to understand what poverty looks like for a particular place or group of people, and for those working on the policies to help people escape poverty now and into the future. (UNDP, 2018)

Ending extreme poverty and fostering shared prosperity are the objectives of the World Bank Group. Our analytical, operational, and convening work in over 140 client nations is supported by this mission. For thirty years, fewer individuals were living in extreme poverty, which is defined as having a daily income of less than \$2.15 per person at purchasing power parity in 2017. However, the COVID-19 crisis' disruption in 2020 led poverty to increase, breaking the trend. More than 700 million people now live in extreme poverty, an increase of 70 million. The rate of extreme poverty in the world increased to 9.3% from 8.4% in 2019.

The pandemic cost the poorest individuals in the world the most. Their income losses were twice as great as those of the richest people on earth, and for the first time in decades, inequality worldwide increased. The poorest also experienced significant losses in health and education, which, if left unattended by policy action, will have long-term effects on their prospects for a lifelong income. Since then, the recovery has been inconsistent. A quick recovery has been hampered by rising food and energy prices, which are partly due to the crisis in Ukraine as well as to climate shocks and violence. Up to 685 million people may still be living in extreme poverty by the end of 2022. (Bank, 2022)

According to World Bank 2022, the most recent failures occurred at a time when global economic development was declining and the rate of progress toward ending poverty was already slowing. The world is now further away from its aim of eradicating severe poverty by 2030 as a result of recent disasters. In 2030, 574 million people, or about 7% of the world's population, will still be subsisting on less than \$2.15 per day, according to current statistics. Furthermore, the problem is made more difficult by the fact that Sub-Saharan Africa, conflict-affected regions, and rural areas are where the majority of the world's extreme poverty is found. (Bank, 2022)

According to World Bank (2012), the government of Somalia and the World Bank have made eradicating poverty their top priority. A number of strategies were presented under the 2010 Somalia National Development Plan with the goal of doing this, including peace and conflict resolution, demilitarization, and disarmament. According to UNDP (2012), a number of intervention measures have been created to reduce poverty among Somali communities, involving the project approach, sectoral approach, and program approach. When it comes to availability and access to fundamental infrastructure, Somalia lags behind the majority of low-income African nations. The level of development in every region of Somalia, especially in rural areas, would significantly rise if all areas had access to basic infrastructure including roads, water, sewage, electricity, and other utilities. Only 58 percent and 10 percent, respectively, of Somalis have access to better water sources and sanitation.

Compared to 69 and 25% on average in low-income Sub-Saharan nations. For economic and social development, access to water and sanitary facilities must be improved. Both the individual's health and their productive pursuits, such as agriculture, depend on access to clean water and sanitary

facilities.

Children are more likely to contract waterborne infections when there are inadequate water and sanitation facilities. Additionally, the amount of time children must spend to meet their basic needs for water and sanitation is impacted by the lack of accessibility to such services. Poor water and sanitation services have a negative impact on children's educational success through affecting their health and time management

According to World Bank Poverty is widespread with every second Somali living in poverty in 2016 before the onset of the current shock. Poverty, defined as having a total consumption expenditure lower than the International poverty line of US\$1.90 at 2011 PPP, also varies considerably across the Somali Population, ranging from 26 to 70 percent. Regional differences in poverty between the North East (27 percent) and the North West (50 percent) are much larger than urban/rural variation (45/52 percent). In urban areas, poverty ranges from 26 (North East) to 57 percent (Mogadishu). In rural areas, poverty ranges from 34 percent (North East) to 61 percent (North West). Poverty incidence is highest in IDP settlements where seven out of ten people are poor, while more than 1.1 million Somalis, roughly 9 percent of the population, considered internally displaced. (Bank W. , 2017)

Inequality is lower than in low-income Sub-Saharan countries. The Gini-index, measuring inequality as the dispersion in consumption expenditure among the population, is 37, compared to an average value of 42 in low-income Sub-Saharan countries. Inequality in low-income Sub-Saharan countries ranges from 33 (Mali) to 56 (Central African Republic), with 16 of 26 countries having an inequality index between 35 and 49. Within the Somali population,

Inequality is more pronounced for urban than rural households. When taking into account urban and rural areas separately, poverty and inequality are positively correlated: The North East region, where poverty incidence is lowest, has the lowest level of inequality, followed by North West and Mogadishu, and poverty and inequality in IDP (Bank W. , 2017)

Purpose of the study

The purpose of the study is to identify the determinants of poverty in Somalia.

Specific objectives

1. To establish why poverty has persisted in Somalia despite the numerous efforts undertaken
2. To assess the impact of poverty on the people of Somalia
3. To identify solutions to reduce poverty in Somalia.

Hypothesis

The study tested the following hypothesis

The major determinants of poverty in Somalia are low education levels of household heads, large household sizes, and age of the household heads

Significance of the Study

The study's findings could be an important source of information about Somalia's rural households' levels of welfare. Therefore, it is anticipated that the results will aid in identifying, creating, formulating, evaluating, and putting into practice the appropriate rural development strategies for

planners, policy makers, and other stakeholders, such as non-governmental organizations. Additionally, a suitable program for combating rural poverty is created to aid local district administrations in their efforts to improve educational outcomes.

Scope of Study

Content scope-the study assessed the determinants of poverty in Somalia.

Geographical/ area scope-this study was conducted in Mogadishu

Time scope-the study concentrated on the period between July and August 2023.

Definition of key terms

Poverty: According to the 2015 global income poverty line of \$1.90 per day, about 900 million people live in severe poverty. . Poverty levels are still high worldwide, with South Asia and sub-Saharan Africa having the highest concentrations. . Lower middle-income nations, nations depending on natural resources, fragile and conflict-affected states, as well as countries, are where the majority of the world's poor live. . Taking into account factors other than income, 1.6 billion people are categorized as poor globally in terms of security and access to social services, with South Asia and sub-Saharan Africa having the greatest rates of poverty globally. A significant obstacle to reducing poverty in sub-Saharan Africa is demographic increase, among other things. 6. In order to eradicate poverty by 2030, economic policies must take into account income distributional patterns in addition to environmental considerations. . By the middle of the century, there may be close to 10.1 million extra poor people as a result of climate change. 8. The Sustainable Development Goal 1 will not be achieved even if the world achieves its aim of 3% poverty by 2030 since deep pockets of poverty will still exist in some regions of the world and security, with South Asia having the highest concentration of the world's poor and sub-Saharan Africa having the highest level of poverty.

Review of Literature

The literature review looked at post-World War II development around the world, worries about poverty in newly formed nation states, and early attempts to address it. The development theory was created to provide direction for the developing world (Sen. 1986).The state will be at the center of economic development, with a focus on investments in physical capital, infrastructure, and technology. According to the research, even though the development theory predicts some growth, poverty has increased in many developing nations. The 'trickle down' effects that were anticipated did not occur (Piertese 2001, Soetjatmoko 1986,-; Wee and Heyzer 1995). The most significant obstacle to developing evidence-based policies and programs in Somalia is the dearth of household and sectoral data. But during the past few years, the National Directorate of Statistics (NDS) has made substantial progress. In 2015–16 and 2017–18, the World Bank worked with the Government of Somalia to conduct a novel set of household surveys. The thorough poverty analysis for NDP-9 was built on an analysis of the data from these High Frequency Surveys¹ (SHFS). down' impacts did not manifest (Piertese. 2001, Soetjatmoko. 1986,-; Wee and Heyzer. 1995). (Plane, 2020)

There are numerous hypotheses that explain why there is

poverty in less developed nations. The individual deficiency theory of poverty, the natural contextual theory of poverty, and theories that attribute the problem to more general social and economic processes were all considered in this study.

The theory of individual inadequacy of poverty is a more comprehensive, multidimensional body of ideas that emphasizes individuals as bearing the major blame for their impoverished circumstances. Many theorists contend that persons who are poor are to blame for their circumstances and that the only way to escape poverty is to put in more effort. Some additional theorists contend that poverty results from a lack of hereditary traits in people, such as intelligence, that are hard to overcome (Akeredolu-Ale, 1975: 66–68). Neo-classical, According to a study on the factors contributing to poverty, people make decisions in order to improve their well-being to the greatest extent possible. A person is accountable for their personal decisions (such as whether to pursue a college education or other training that will enable them to land better-paying employment in the future) if they decide to work sporadically and receive low payback returns. (Erol BULUT, 2020)

Age, natural catastrophes, inadequate natural resource endowment, mental and physical infirmities, among other factors, are the main fundamental explanatory variables for the existence of impoverished individuals in specific geographic places, according to the natural circumstantial theory of poverty. The argument contends that in order to end poverty, sectional welfare services, such as access to electricity, piped water, and health care, must be made available to the poor. Situation. Even though this theory's anti-poverty recommendations are thought to be crucial for eradicating poverty, some developing nations have been unable to implement an effective anti-poverty strategy. According to surveys, 50% of Somalis experienced acute food insecurity and over 1 million Somalis were displaced in 2017, as a result of multiple consecutive seasons of low rainfall. A severe drought occurred between April 2016 and December 2017 as a result of four consecutive years with insufficient rainfall caused by below-average.

Individuals, their culture, the social and economic system in which they are enmeshed, places of residency, and the linkages among the many factors are all addressed by the various theories of poverty from various angles. The intricacy of the causes of poverty gave rise to a variety of viewpoints. Severe drought was caused by minimal rainfall and rainy seasons that were below average, Somalis in rural areas, who were more likely to be poor, were severely impacted by the drought. The drought reduced rural household consumption. (MOHAMOUD, 2020)

Various aspects of poverty are looked at. Starting with financial indicators of poverty, the report examines multi-dimensional poverty as determined by four factors: finances, education, health, and living standards (based on housing quality and access to sanitary facilities and water).

The chapter also looks at larger risks related to impoverished Somali households with additional "missing dimensions" of poverty in addition to these four characteristics. Poverty's basic causes, intermediary causes, and effects are outlined in a framework (Plane, 2020)

. Because Somalia's poverty is multidimensional, very few homes or people are not impoverished in one or more specific ways. They serve as the foundation for the poverty alleviation initiatives called for by NDP-9, which are described in later pillar chapters. Internally displaced persons (IDPs), one of

the most vulnerable populations in the country, provide the clearest illustration of the effects of multi-dimensional deprivation. A little under 17 percent²⁹ of Somalis are considered internally displaced as of early 2019. This year's possibility of a new drought could increase the population. (Plane, 2020)

Definition of poverty

Fundamentally, poverty violates people's dignity by denying them options and chances. It denotes a lack of fundamental abilities necessary for effective social participation. It entails not having enough to feed and clothe a family, access to credit, a place to attend a clinic or school, a plot of land to raise one's own food, or a job to support oneself. It entails uncertainty, helplessness, and exclusion of people, homes, and communities. It denotes vulnerability to violence and frequently denotes living in impoverished or unstable circumstances without access to sanitary facilities. (Nation, 1998)

The World Bank (1990) extends the concept of poverty to a consumption-based poverty line that takes into account "the expenditure required to buy a minimum standard of nutrition and other basic necessities and a further amount that varies from country to country, reflecting the cost of participating in the everyday life of society" (World Bank, 1990, p. 26). In addition to ownership and access to productive resources and assets, access to social services, particularly in the areas of health and education, a sense of insecurity, and risk exposure

Poverty Measures

The physiological deprivation model is typically used in income poverty measures to determine how many people lack access to the financial means to meet their fundamental material demands. If an individual's (or household's) income is insufficient to cover the cost of the basket of goods and services used to establish the poverty line, that individual or household is deemed to be poor. The population of people and households whose incomes are below this level is then determined using a head count. The monetary value of the basket represents the poverty line. (Naribi.devinit.org, 2016)

Indicator of Poverty

According to the poverty gap³⁴, recent survey data demonstrates that poverty in Somalia is both pervasive and severe. According to estimates, Somalia has a 29 percent average poverty gap (Fig. 18), meaning that the average income of a poor Somali household is 71 percent of the international poverty threshold. In contrast, Mogadishu (27%) and other metropolitan areas (24%) have lower poverty rates than rural households (pastoralist and agro-pastoralist) and IDP households. These results are supported by the poverty severity index (Fig. 18). With a 15% average poverty severity score, it is clear that there are disparities among the poor. Rural areas and IDP settlements have greater disparities. Regarding geographical variance, the data indicates that poverty incidence is highest in the Togdheer, Sanaag, and Bari areas in the north and Middle Juba, Gedo, and Bay regions in the southwest. (Plane, 2020)

According to recent survey data, Somalia suffers from deep and pervasive poverty (as indicated by the poverty . According to estimates, the average income of a poor Somali household is 71 percent of the international poverty line, with the average poverty gap in Somalia being 29 percent (Fig. 18). In contrast, Mogadishu (27%) and other metropolitan

areas (24%) have lower poverty rates than rural households (pastoralist and agro-pastoralist) and IDP households. These conclusions are supported by the measure of poverty severity (Fig. 18). An inequality among the poor is indicated by the average poverty severity index of 15%. In rural areas and IDP communities, these disparities are more pronounced. (Plane, 2020)

Poverty line

The poverty line can be viewed as the amount that must be spent by a person in order to meet both their fundamental food and non-food needs. Once the consumption of a household has been calculated, we must decide whether or not that quantity qualifies the household as poor. The poverty line is the cutoff point in this. The poverty line establishes the amount of spending (or income) necessary for a household to lift themselves out of poverty. The idea of a poverty line is frequently used to suggest a clear turning point in the welfare function. In other words, by moving from slightly below to slightly over the poverty line, families (and the people who live in them) shift from severe unhappiness to a sufficient minimal level of well-being. However, the idea of such a turning point is not appealing given that well-being is a continuum and given how arbitrary the poverty threshold is chosen (Bank W. , 2009)

Causes of Poverty

The literature reports a variety of reasons of poverty. One extreme theory, known as the "pathological model" of poverty causation or the "character deficiency" cause of poverty, attributes poverty to flaws in either the people or the societies in which they live. According to Alcock (1997), a person's genetic and psychological makeup might be used to account for their lack of performance. The main facts about poverty (and typically inequality) are outlined in a country's poverty profile. After that, the pattern of poverty is examined to see how it varies by geography (by region, urban or rural, mountain or plain, etc.), by community characteristics (for example, in communities with and without a school), and by household characteristics (for example, by education of the household head or by household size). Consequently, a poverty profile is a thorough assessment of poverty that demonstrates how poverty differs among societal subgroups. Even though it often uses simple tools like tables and graphs, it is incredibly helpful and informative in determining how the sectorial or regional pattern of economic change is expected to affect aggregate poverty. (Bank W. , 2009)

Research Design

The study was carried out using the primary and secondary qualitative data and quantitative data. This was used to establish the determinants of poverty in Somalia. The study was descriptive were both qualitative and quantitative data were used in the analysis. Qualitative approach was used because some of the possessions of the households and indicators of poverty were not easily be quantified

Study area and population

The study area for this study included Benadir region of Mogadishu, Somalia. The area has approximately population of 2.5 million people.

Data Source

The study collected primary data from the household in order to facilitate the study of the determinants of poverty in

Somalia. The Survey was a comprehensive socio economic survey of the living standards of the households in Somalia. It collected information on household consumption, income of household head, household size, and education level of household head, age of household head, and the economic characteristics of the household

Study sample

The survey used random sampling method when selecting the survey households and the study sample was 384 households where mainly the household heads were interviewed.

Research instruments

The main tool for data collection was the survey questionnaires. This instrument enabled the researcher to generate more information on the determinant of poverty in Somalia

Data Analysis

The survey generated both categorical and measurement data. The data was analyzed using Statistical package (IBM SPSS Statistics) where descriptive and regression analysis was carried out. With respect to the categorical data, the observations were summarized and described using frequencies and cross tabs. The chi-square test for relatedness will be applied to the analysis of relationship between the categorical variables. To interpret the chi-square print out, the Pearson statistic was examined using the 5 percent level of significance (0.05). Where two continuous variables were to be analyzed, linear relationships between them was checked using simple bivariate correlation.

Limitations of the study

The study only revealed the determinants of poverty in Somalia and not the severity of poverty. Because Somalia had no effective government for the past 30 years, there has been no statistical institution to effectively gather statistical information on the trend of poverty for the last 30 years which makes it hard to study the trend and severity of poverty because this requires time series data which is unavailable.

Discussion and Findings

This part is a presentation and interpretation of findings of the study. The findings were used to answer the research questions or to prove the hypothesis

Presentation of Findings

According to Mackay (2006), household requirements and income-generating opportunities are reflected in the living standards of the household. With this method, the factors that are primarily household characteristics that result in households having low income levels or welfare in relation to their requirements are identified as the determinants of poverty. One might anticipate that demographic factors, such as household size, composition, and dependence ratios, which are the main determinants of household demands, will be relevant for all types of households. Although here the influence is not just on household requirements but may also be on the earning potential of households, the features of the economic head of the household, including educational level, gender, and marital status, may also be significant for the determination of living standards.

The characteristics of the economic head of the household, including educational level, gender and marital status may also be important for the determination of living standards though here the influence is not exclusively on household needs but perhaps also on the earning potential of households. Characteristics of Households' Respondents

These included the characteristics that described the respondents of the study

Gender of the Respondents

Table 1: Gender composition

Sex	Frequency	Percent	Cumulative
Male	189	49.21	49.21
Female	195	50.78	100.00
Total	384	100.00	

Source: Primary Data

Results from the study indicate that 50.78 percent of the respondents sampled in Somalia were females and 49 percent were males.

Marital Status of Respondents

Table 2: Marital Status of Respondents

Marital status	Frequency	Percent	Cumulative
Married Monogamously	80	20.83	20.83
Married Polygamous	255	66.4	87.23
Single	49	12.76	100
Total	384	100.00	

Source: Primary Data

The study indicated that 20.83 percent of the respondents were monogamously married, 66.4 percent were engaged in polygamous marriages and 12.76 percent were single. These results from the study indicated that majority of the respondents were engaged in polygamous marriage where the men had at least more than 1 spouse.

Literacy Level of Respondents

Education is essential for increasing human factor productivity and increasing people's awareness of opportunities for employment. According to research, a one-year increase in the typical length of education might boost GDP by 3%. (2007) Groataert

In Somalia, the majority of households with heads who were illiterate or uneducated were impoverished. Based on the various degrees of educational attainment of the households throughout all regions, there is a considerable disparity in the poverty status of households. Higher levels of education are associated with a higher percentage of non-poor households. While the central region of Mogadishu had the highest percentage of household heads who could read and write and was the region with the lowest levels of poor households, the northern region of the city had the greatest number of households whose heads could not read or write. The results appear to support Groataert's (2007) findings that a certain degree of education is necessary for raising household productivity and income generating potential.

The study's findings when participants were questioned if they had ever attended formal school were as follows:

Formal educational attainment of respondents

Table 3: Formal educational attainment of respondents

Have you ever attended any formal school	Frequency	Percent	Cumulative
Never attended	145	37.78	37.78
Attended school in the Past	77	20.00	57.78
Currently attending school	162	42.18	100.00
Total	384	100.00	

Source: Primary data

Results from the survey indicate that 37.78 percent of the respondents had never attended formal school; this was seen as a very significant factor responsible for the persistence of poverty in rural Somalia as this population cannot at any point compete with those who are educated in the job market hence rendering them poor.

Showing the Literacy Level of Household Heads

Table 4: Showing the Literacy Level of Household Heads

Able to read and write English	Frequency	Present	Cumulative
No	315	82.03	82.03
Yes	69	17.96	100.00
Total	384	100	

Source: Primary data

Literacy is a very important strategy in eradicating poverty, Literacy is defined as one's ability to read with understanding and to write meaningfully in any language. The ability to read and write English is an important personal asset, allowing individuals increased opportunities in life. Knowing the literacy status of the population can help those involved in communicating policies from fields that are linked to poverty alleviation for example health, agriculture, education and environment. A literate person can read and understand basic instructions that are in written form and can help the household move out of poverty.

When asked if they can read and write, the results from the survey indicated that 82.03 percent were not able to read and

write English in which many of the poverty reduction information is written and used in the job market while only 17.96 percent were able to read and write English. This indicated that 82 percent were unable to understand relevant information and strategies provided by the government and Non government organisations that are aimed at poverty alleviation and this has contributed to the persistence of poverty in Mogadishu and the entire country at large.

Because of being disadvantaged in the society, those who cannot read and write tend to develop a feeling of fear which limits their accessibility to government programs aimed at poverty alleviation which involve reading and writing. This has greatly contributed to the persistence of poverty in the country.

Household Size

Evidence from other studies point to the link between poverty and household size, the larger the household size the higher the dependency ratio, hence the tendency to perpetuate poverty in the long run. In a subsistence economy, the large household size tends to increase competition for land resource use between food crops and cash crops which may be coupled with declining soil productivity. This may result in low output, low household income and welfare and the perpetuation of poverty. A regression analysis to determine the effect of household size on welfare or poverty status yielded the following results Number of observations=384

Consumption	Coefficient	P>/t/	[95% conf. interval		
Size	0.5497	0.000	0.05140	0.05855	
Const	1.06282		0.000	1.04254	1.08309

Household size is a major determinant of the welfare of the household members as it reflects the household consumption per capita. Large household sizes are mostly characterised by very low consumption per capita which served as an indicator that they are poor and this proves that household size is a major determinant of poverty. Results from the survey indicate that the household sizes significantly impacts on the welfare or poverty status of the households in Somalia. The larger the household, the lower the consumption per capita of that household and the poorer that household is. From the results above therefore, the researcher concludes that at a 5% level of significance we accept the null hypothesis which states that the household sizes is a significant determinant of poverty in Somalia. This is indicated by Prob > F = 0.0000 as it shows that it is highly significant that household size is a determinant of household consumption per capita or welfare. It is because of having large household sizes in Somalia that has contributed to the persistence of poverty in

the country.

Health Status of all Household Members.

The health status of an individual is a major determinant of his or her welfare as this affects the saving rate of that person, which is a major determinant of the investment rate. The health status also determines the productivity of an individual as this determines the number of health days available for that individual to work and earn income to improve his or her welfare. Good health status increases on the number of these working days available, this helps the individual to improve on his or her welfare while poor health reduces the number of health days available for the individual to work and this increases the poverty levels as there is will be no earned income while the savings will be used to treat the illnesses which will negatively impact on welfare. When asked if they have suffered from a particular illness during the passed 30 days, the survey yielded the following results.

Showing prevalence of illness

Table 5: Showing prevalence of illness

During the past 30 days, did you suffer from any illness	Frequency	Percent	Cumulative
Yes	250	65.1	65.1
No	134	34.89	100
Total	384	100	

Source: Primary Data

Results from the survey indicate that 65.1 percent of the respondent had fallen sick during the past 30 days before the interview was conducted. This was an indicator that there is a high prevalence of diseases among the population of Somalia which impacts on the country's productivity and the reason why there has been persistence of poverty. The numbers of health working days are reduced by the illnesses and the little earned income available is spent on medical bills which negatively impacts on the savings capacity of the citizens rendering them poor.

Accessibility to Credit Facilities

Credit is a powerful instrument to fight poverty. Credit

creates opportunities for self-employment rather than waiting for employment to be created, it liberates the poor household from the clutches of poverty as it brings the poor into the income stream. Given the access to credit under an appropriate institutional structure and arrangement, one can do whatever he/she does best and earn money from it and as a result one can overcome poverty. Due to accessibility to credit one can become the architect of his/her destiny and the agent of change not only for one's family but also for the society. When asked whether they have ever applied for a credit facility from any formal financial institution, the study produced the following results.

Table 6: Showing Respondents Accessibility to Credit

Have you ever applied for a loan from any financial institution	Frequency	Percent	Cumulative
Yes	14	3.64	3.64
No	370	96.35	100.00
Total	384	100	

Source: Primary Data

Results from the survey indicated that 96 percent of the respondents revealed that they had never applied for a credit facility from any financial institution. This inaccessibility to credit by the population has limited the country's capacity to alleviate poverty as the population's potential to establish employment is hindered by lack of capital and inaccessibility to credit. This inaccessibility to credit facilities has revealed to be one of the major determinants of the persistence of poverty in rural Somalia and the entire country as a whole

Ownership of Productive Assets

An asset is identified as a stock of financial, human, natural or social resources that can be acquired, developed, improved

and transferred across generations. It generates flows or consumption, as well as additional stock (Ford 2004). The concept of assets includes both tangible and intangible assets, with the capital assets of the poor commonly identified as natural, physical, social, financial and human capital. The study however concentrated on physical capital/ assets which included the stock of plant, equipment, infrastructure and other productive sources owned by the individuals. Looking at the assets of the household members is essential in understanding upward mobility and particularly transition out of poverty. When asked whether any member of the household owned any productive asset at present, the survey revealed the following results.

Table 7: Showing asset ownership of the respondents

Asset ownership	Frequency	Percent	Cumulative
Yes	107	27.86	27.86
No	277	72.1	100.00
Total	384	100	

Source: Primary data

Result from the survey indicated that 72 percent of the respondents had no productive asset which has significantly contributed to the persistence of poverty among these households because of limited productive power. It was established by Andrew Gamble (2005) that every citizen should be able to have an individual property stake for a country to counter huge inequality and poverty. The lack of productive assets is a major cause of all other inequalities in society and contributes greatly to poverty levels. Individuals are only able to acquire personal income and wealth because they own productive assets as this facilitates their earnings for consumption and then take part of that wealth back to give opportunities to other citizens through investments which

helps in eradicating poverty. Therefore it is because of the lack of productive assets among household members that there has been persistent poverty among the population of Somalia as domestic investment is curtailed by the inadequate income or wealth.

Working Members of the Household

According to the survey, persons were considered to be employed if they are of specified age (14-64 years) and they performed any work at all for pay or profit or pay in kind during a specified brief period (one week), or were temporary absent from the job for such reasons as illness, holidays. When the household heads were asked whether they had

working members, the survey revealed the following results.

Table 1: Showing Household dependency

Do you have some employed members in your Household	Frequency	Percentage	Cumulative
Yes	70	18.2	18.2
No	314	81.77	100
Total	384	100	

Source: Primary Data

Results from the survey indicated that 18 percent of the households had family members other than the household who were working and they contributed to household expenditure. The findings further revealed that 82 percent of the households had no other working family members; this revealed a large dependence rate in these households. Additionally it was further discovered that the household that had larger dependency ratios had lower consumption levels hence increased poverty levels.

Table 2: Showing Household expenditure level on food

Household expenditure on food a day	Frequency	Percentage	Cumulative
1-3 Dollars	330	86	86
4-6 Dollars	48	12.5	98.5
>6 Dollars	6	1.5	100
Total	384	100	

Source: Primary data

The survey used the expenditure on as the major indicator of the poverty status of the household. When the household heads were asked how much they spend on food per day, the study revealed the following results. Results from the study indicated that 86 percent of the respondents spent between 1-3 dollars a day, which when compared with the household size, the study revealed worrying results. These household have large number of members that the per person expenditure on food was too far below the minimum standard. This therefore was used as the measure indicator of the household poverty status.

Table 3: Showing Respondents' view on the likely causes of poverty

Cause of Poverty	Frequency	Percentage	Cumulative
Lack of Education	30	8	8
Political Instability	234	61	39
Humanitarian Aid	120	31	100
Total	384	100	

Source: Primary data

When the respondents were asked to establish the reasons responsible for poverty in Somalia, the survey revealed that 61 percent of the respondents believe that poverty is a result of political instability in the country. The study also revealed that 31 percent of the respondents believe that poverty is as a result of humanitarian aid provided by the

donors. Their major reason is that, when people are provided with aid, they do not want to think of other strategies that they can use to drive themselves out of poverty. This indicated that the humanitarian aid has created an aid dependency mentality among the population of Somalia and it is the major cause of poverty in the country.

Conclusion and Recommendation

Conclusion

This report has sought to improve our understanding of the determinants of poverty in Somalia by creating an analytical model for household welfare and by using available quantitative information in a bivariate and multiple regression frame work. This concluding section summarizes the results and provides key implications.

The results of the determinants of poverty in Somalia indicate that poor households are characterised by large household sizes, large dependency ratio, low levels of human capital, limited access to credit and lack of productive assets. Northern and Eastern region of Mogadishu are characterised by the poor having large household sizes, least education, low access to credit and high prevalence of illness.

At the multivariate level, education of household head, household size, place of residence, health status of household head, ownership of assets and access to credit were found to be significant in determining household poverty status in Somalia. Households with heads who could read and write were less poor than those whose heads could not read and write or uneducated. In many instances, the poor households concentrated more in specific regions. There were much poor households in the Northern and Eastern regions. These results provide policy makers with reasonably objective measures of the potential poverty reduction impacts that may be realized from well-designed poverty alleviation programs.

Recommendations

The results from the study provide policy makers with reasonably objective measures of the potential poverty reduction impacts that may be realized from well-designed poverty alleviation programs. Drawing upon the above analysis presented, it is possible to identify five principle elements or objectives of a poverty reduction strategy for Somalia. These include (1) Reduced numbers of dependants in households, (2) Investments in education, (3) Efforts to stimulate entrepreneurship and diversification of economic activity from agriculture to other sectors, (4) Adoption of measures to raise agricultural productivity and (5) Improved access to health care.

The in-depth analysis of the region dimension of poverty in Somalia also provides some indication for policy, as well as highlighting the need for further research. It is clear that poverty is concentrated much in specific regions. However the study indicates that poverty is mainly due to lack of access to certain factors of production and the surrounding environmental factors, notably education, credit facilities, productive assets, and health care. Once these affected households in these regions have access to these resources, they are capable of using them for productive activities at least as well as the other regions with low poverty concentration. Since active government and donor policies can be used to stimulate access to resources, alleviation of regional poverty is within the scope of active policies.

Generally, large households are poor and have limited access to health care service. There is need therefore to increase

provision of health care services, including family planning services to the poor.

The study has found that the majority of poor households had low education and the households with heads who could read and write were less likely to be poor. This therefore calls for improving access to education by the poor households.

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