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Assessing the Impact of Poverty on Household Livelihoods in Somalia.

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Introduction

According to the World Bank (2000), “poverty is pronounced deprivation in wellbeing.”

This of course begs the questions of what is meant by well-being and of what is the reference point against which to measure deprivation. One approach is to think of well-being as the command over commodities in general, so people are better off if they have a greater command over resources. The main focus is on whether households or individuals have enough resources to meet their needs. Typically, poverty is then measured by comparing individuals’ income or consumption with some (Bank)defined threshold below which they are considered to be poor. This is the most conventional view poverty is seen largely in monetary terms and is the starting point for most analyses of poverty.

Poverty is a pervasive challenge in Somalia, with a large segment of the population living in conditions of deprivation and insecurity. Urban centers, where the majority of the population resides, often bear the brunt of poverty, characterized by inadequate access to basic services, high levels of unemployment, and limited economic opportunities. The prevalence of poverty is exacerbated by factors such as displacement, lack of infrastructure, and food insecurity. In the realm of global economic disparities, Somalia stands as a poignant case study, characterized by a complex interplay of factors ranging from historical challenges to contemporary socio-political dynamics. The nation's journey through civil strife, economic instability, and environmental adversities has not only shaped its economic landscape but also significantly influenced the distribution of income and prevalence of poverty within its borders. Understanding the nuances of income inequality and poverty in Somalia is not merely an academic pursuit but a crucial step towards formulating targeted policies and interventions that could potentially uplift vulnerable populations and foster sustainable development.

Somalia, a nation in the Horn of Africa, grapples with a complex web of challenges surrounding income, poverty, and inequality. Against a backdrop of historical conflict, governance issues, and environmental vulnerabilities, Somalia's socio-economic landscape is characterized by significant disparities that hinder sustainable development and well-being for its population. Income generation in Somalia is primarily shaped by traditional sectors such as agriculture, livestock, and remittances. Despite the potential wealth derived from these sectors, the economy faces considerable constraints due to prolonged conflict, weak institutional frameworks, and environmental shocks. The reliance on subsistence farming and pastoralism underscores the vulnerabilities of livelihoods in the face of instability and climatic uncertainties.

¹World Bank. (2000). *World development report 2000/2001: Attacking poverty*. The World Bank.

Objectives

The primary objective of this research is to assess the impact of poverty on the livelihoods of individuals and households in Somalia, with a particular focus on how economic disparities influence various aspects of daily life. This study aims to explore the socio-economic conditions faced by different regions, examining the connections between poverty, inequality, and well-being. Specifically, the research will achieve the following objectives:

- To assess the current levels of poverty and income inequality in Somalia, analyzing their impact on household livelihoods, access to essential services, and overall quality of life.
- To identify the key factors contributing to poverty and livelihood challenges in Somalia, including economic, social, and environmental determinants that exacerbate poverty and inequality.
- To evaluate the consequences of poverty and inequality on different population groups, with particular attention to vulnerable sectors, such as rural, urban, and nomadic communities, and their access to basic utilities, education, and healthcare.
- To propose targeted policy recommendations aimed at addressing poverty and promoting sustainable livelihoods, including strategies for improving economic opportunities, increasing access to services, and reducing regional disparities within Somalia.

Methodology

The research utilized secondary data sourced from the Somali National Bureau of Statistics (SNBS) and various United Nations (UN) agencies. Both quantitative and qualitative data analysis techniques were employed to examine patterns, trends, and relationships within the data. Statistical tools, charts, and graphs were also utilized to effectively visualize and present key findings.

Literature Review

Poverty and inequality are deeply intertwined, with poverty often being a key driver of inequality (Acemoglu & Robinson, 2012). Poverty refers to a state of being without sufficient resources, including income, assets, and access to basic needs such as food, water, shelter, and healthcare (World Bank, 2020). Inequality, on the other hand, refers to the unequal distribution of wealth, opportunities, and resources within a society (Atkinson, 2015). Research has shown that poverty and inequality can have far-reaching consequences, including poor health outcomes, lower educational attainment, and reduced economic mobility (Wilkinson & Pickett, 2009). In addition, poverty and inequality can perpetuate social and economic disparities, leading to social unrest, conflict, and instability (Gurr, 1970). Somalia is marked by vast social inequality: the share of national income held by the highest ten percent of the population is more than 50 percent. Around 70 per cent of Somalia's population live in extreme poverty. Life expectancy is 58 years, which is one of the lowest in the world. More than seven million people – almost half the country's inhabitants – were facing a food crisis in the early summer of 2022 as a result of a protracted drought. The UN Humanitarian Coordinator in Somalia, Adam Abdelmoula, warned in June 2022 that more than 200,000 people were facing starvation. It is estimated that 1.5 million children under the age of five are acutely malnourished¹. The economy has shown signs of recovery in recent years after exposure to many shocks. In December 2023, Somalia achieved a historic HIPC completion point, with external debt falling to 6 percent of GDP in 2023, and in March 2024, Somalia joined the East African Community. However, growth has been insufficient to increase GDP per capita, while the economy remains dependent on imports for basic commodities. The country continues to work towards a political settlement and still faces high levels of insecurity and high exposure to climatic shocks. Over half of the population lives below the national poverty line (54%), with the highest poverty rate among the nomadic population (78%) and the lowest rate in urban areas (46%). However, given the high rate of urbanization, poverty is concentrated in urban areas. Spatially, poverty is higher in regions in Central and Southern Somalia. In line with the stagnation of GDP per capita, the national poverty rate has also remained unchanged between 2017 and 2022. However, while the urban poverty rate did not change, poverty increased in rural and nomadic areas. The movement of population from nomadic to urban areas, or rather from high poverty to low poverty, countered the negative consumption growth and poverty increase in rural and nomadic areas. Without the population movement, poverty would have increased by around 2 percentage points, largely due to increased rural poverty. Certain demographic variables are associated with higher poverty rates, such as being an IDP, having a larger household size, and having a larger share of children. In contrast, the household head's education is associated with lower poverty levels, especially higher levels of education, as is the self-reported literacy level of the household head. The presence of a household enterprise or remittances from abroad are also associated with lower poverty. In contrast, in rural and nomadic areas, having a wage earner in the household is associated with higher poverty. Finally, location also shapes the spatial pattern of poverty; areas with lower population density and limited transportation access tend to experience higher poverty. Over three-quarters of the population are considered non-

¹ <https://www.bmz.de/en/countries/somalia/social-situation-147224>

Acemoglu, D., & Robinson, J. A. (2012). Why Nations Fail. ASEAN Economic Bulletin, 168.

monetary poor, ranging from 73% in urban areas to almost universal among the nomadic population (95%). This is largely driven by deprivations in education, followed by sanitation and flooring. Just under half the population is considered chronic poor (47%), i.e., both monetary and non-monetary poor, with

the highest rates among the nomadic population (74%). Only 15 percent of the Somali population is either monetary or non-monetary poor. Secondary education has the largest inequality based on circumstances, driven by household poverty status and region. Enrolment in primary education is less unequal, although it remains more unequal than access to services such as electricity, water, and sanitation. However, the inequality in primary education is largely driven by region and less so by poverty status. Further, while there is limited difference in primary school enrolment by gender, this gap widens for secondary schooling.²

Women and girls in Somalia face significant challenges in accessing education, healthcare, and economic opportunities (UNICEF, 2020). Women have a significantly lower literacy rate than men, with only 34% of women aged 15-24 able to read and write (World Bank, 2020). Women are disproportionately affected by poverty, with 62% of women living in poverty compared to 45% of men (World Bank, 2020).

Education is a critical factor in reducing poverty and improving living standards, but in Somalia, education disparities remain significant (World Bank, 2020). The country has made progress in increasing access to education, but the quality of education is often poor, and many children drop out of school due to poverty, conflict, and other challenges (World Bank, 2020). Only 43% of children aged 5-14 are enrolled in school, and the literacy rate is only 34% (World Bank, 2020).

Income disparities are a significant challenge in Somalia, with a small elite controlling a disproportionate share of the country's wealth and resources (World Bank, 2020). The top 10% of the population holds over 40% of the country's income, while the bottom 10% holds less than 1% (World Bank, 2020).

² World Bank. 2024. Somalia Poverty and Equity Assessment. Washington DC. © World Bank.

Human Development and Inequality Indices

	Human Development Index (HDI)	Life expectancy at birth	Expected years of schooling	Mean years of schooling	Gross national income (GNI) per capita	GNI per capita rank minus HDI rank	Inequality in life expectancy	Inequality-adjusted life expectancy index	Inequality in income	Inequality-adjusted income index
Years	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022
Somalia	0.380	56.1	7.6	1.9	1,072	-3	36.8	0.351	47.4	0.188

Source: Human Development Report 2023-2024

The table above presents a comprehensive view of the country's current developmental challenges, reflecting its low Human Development Index (HDI) score of 0.380. This low score places Somalia in the "low human development" category, indicating that the country faces significant barriers to progress in health, education, and income.

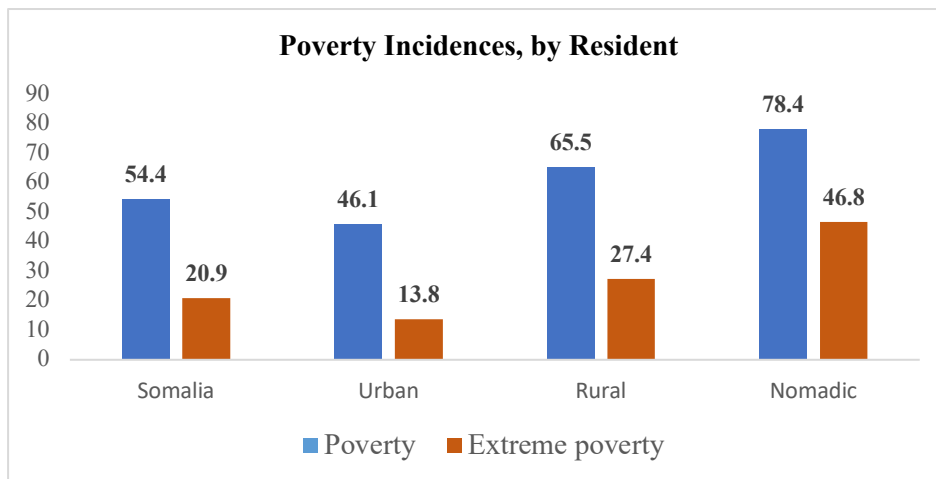
Life expectancy at birth in Somalia is 56.1 years, which is considerably below the global average. This suggests that many people in Somalia face limited access to healthcare, high rates of preventable diseases, and poor living conditions. The inequality in life expectancy is 36.8%, and the inequality-adjusted life expectancy index is 0.351, reflecting a substantial disparity in life expectancy across different demographic groups in the country. The inequality-adjusted index shows that life expectancy is even lower for disadvantaged populations, which exacerbates the already poor health outcomes.

In terms of education, the expected years of schooling for children in Somalia is 7.6 years, which is relatively low, indicating that many children might not have access to a full education. The mean years of schooling (the average number of years of education received by adults) is just 1.9 years, which points to widespread illiteracy and limited educational attainment among the adult population. This low level of education restricts employment opportunities and economic mobility for most Somalis, further contributing to the country's low HDI score.

From an economic perspective, the Gross National Income (GNI) per capita is \$1,072, reflecting widespread poverty and limited economic growth. The inequality in income is 47.4%, indicating that income distribution is highly unequal, with a large disparity between the wealthiest and the poorest individuals. Additionally, the inequality-adjusted income index is just 0.188, showing that inequality further erodes the already low-income levels, limiting the potential for economic advancement for much of the population. The GNI per capita rank minus HDI rank is -3, which suggests that Somalia's income is slightly lower than what might be expected based on its HDI rank, further highlighting the economic challenges faced by the country.

Overall, Somalia faces deep-seated issues across health, education, and income, with substantial inequalities affecting all these areas. The country's low HDI score, coupled with significant disparities in life expectancy, education, and income, underscores the need for targeted interventions to improve access to healthcare, enhance educational opportunities, and promote more equitable economic growth. These challenges are compounded by ongoing political instability and conflict, making development efforts even more difficult to implement effectively.

Poverty Incidences, by Resident



Source: SNBS

Poverty Rate in Somalia: 54.4%, Extreme Poverty Rate: 20.9%. The statistics reveal a stark reality where over half of Somalia's population grapples with poverty, painting a picture of economic hardship for a significant portion of the country. Furthermore, the data indicates that nearly one in five individuals in Somalia are enduring extreme poverty, struggling to meet even their most basic needs. Poverty Rate in Urban Areas: 46.1%, Extreme Poverty Rate: 13.8%. Urban centers in Somalia present a slightly more optimistic picture compared to the national average, with a lower poverty rate.

The urban population faces fewer instances of extreme poverty, suggesting better access to resources and opportunities that contribute to improved living conditions compared to the country at large. Poverty Rate in Nomadic Areas: 78.4%, Extreme Poverty Rate: 46.8%

Rural regions of Somalia bear the brunt of poverty, with a significantly higher prevalence compared to urban areas. The data underscores the challenges faced by rural communities in terms of development and access to essential resources, indicating a pressing need for targeted interventions to uplift these areas economically.

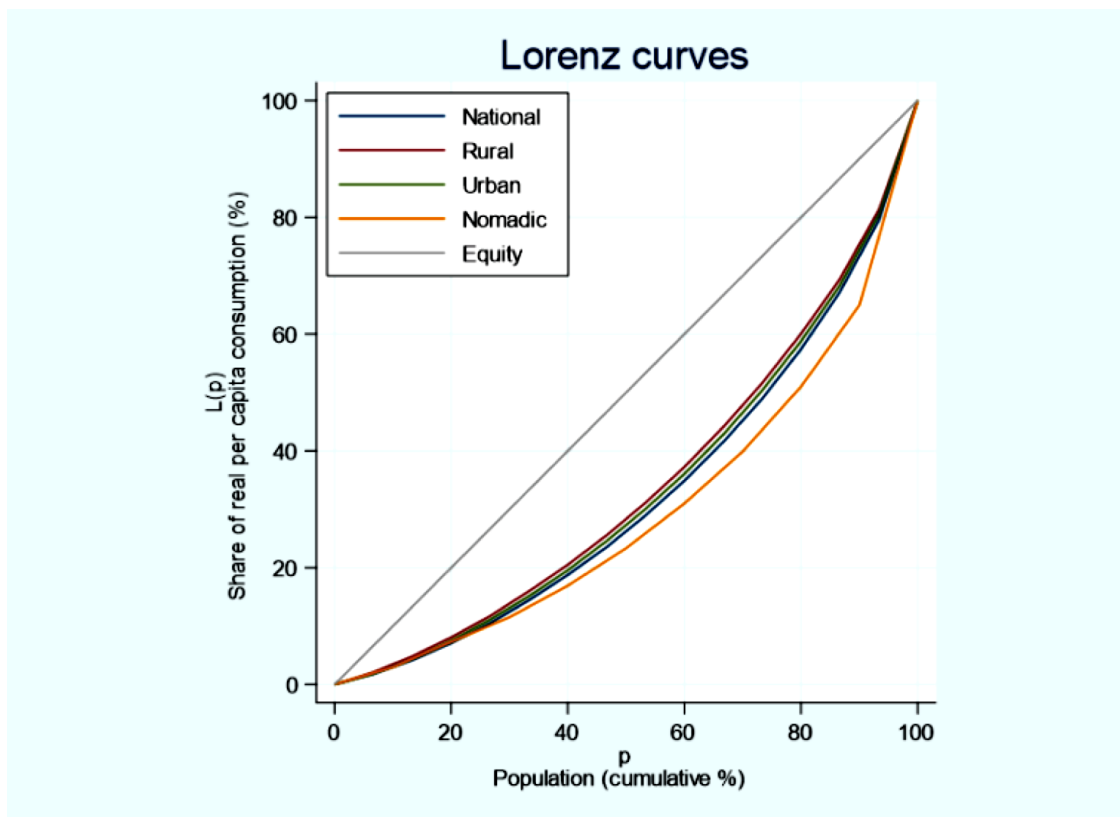
Poverty Rate in Nomadic Communities: 78.4%, Extreme Poverty Rate: 46.8%. The statistics paint a grim picture for nomadic communities in Somalia, revealing staggering levels of poverty and extreme deprivation. These communities face the highest hurdles in terms of economic hardship, highlighting the urgent need for tailored support and sustainable development initiatives to address their unique challenges and improve their livelihoods.

Inequality estimates - Gini Index by residence

Place of Residences	Gini
Urban	33.6
Rural	31.9
Nomadic	41.7
Total	35.2

Source: SNBS

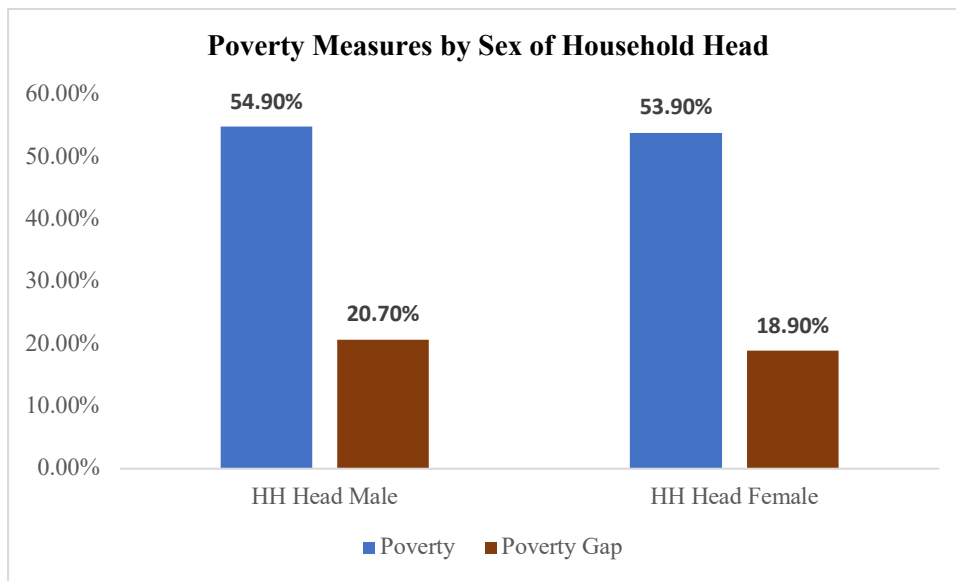
Lorenz Curve by residence



Source: SNBS

The Gini Index data suggests that while Somalia faces moderate overall inequality (35.2), the country's regional differences are significant. Nomadic communities 41.7, often the most economically vulnerable, face the highest inequality, followed by urban centers 33.6, where economic opportunities are more abundant but not equally distributed. Rural areas 31.9, while also facing challenges, have relatively more equal income distribution compared to urban and nomadic areas. This highlights the uneven development and access to resources across Somalia.

Households Headed by Gender



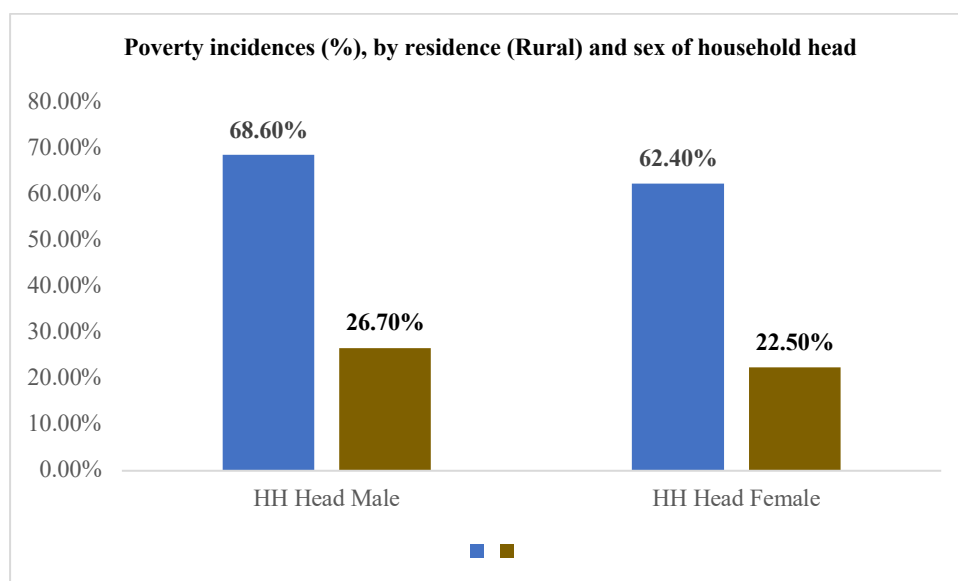
Source: SNBS

The data indicates that within households led by males, a significant proportion, totalling 54.90%, are currently experiencing poverty. This statistic sheds light on the economic challenges faced by these households, where a substantial number struggle to meet basic needs and access essential resources. The poverty gap of 20.70% further emphasizes the depth of impoverishment, highlighting the average income shortfall from the poverty line for these households.

In households headed by females, the poverty rate is marginally lower at 53.90% compared to male-headed households. However, this figure still underscores a significant portion of female-led households grappling with poverty. The poverty gap of 18.90% indicates the financial distance these households need to cover to reach the poverty threshold, signifying the economic hardships faced by women leading households.

These statistics illuminate the nuanced dynamics of poverty within households led by males and females, emphasizing the importance of gender-sensitive approaches in poverty alleviation efforts. Addressing the distinct challenges faced by both groups is crucial for fostering inclusive development and ensuring equitable access to opportunities for all members of society, irrespective of gender.

Poverty Incidences (%) by Rural Areas and Sex of Household Head



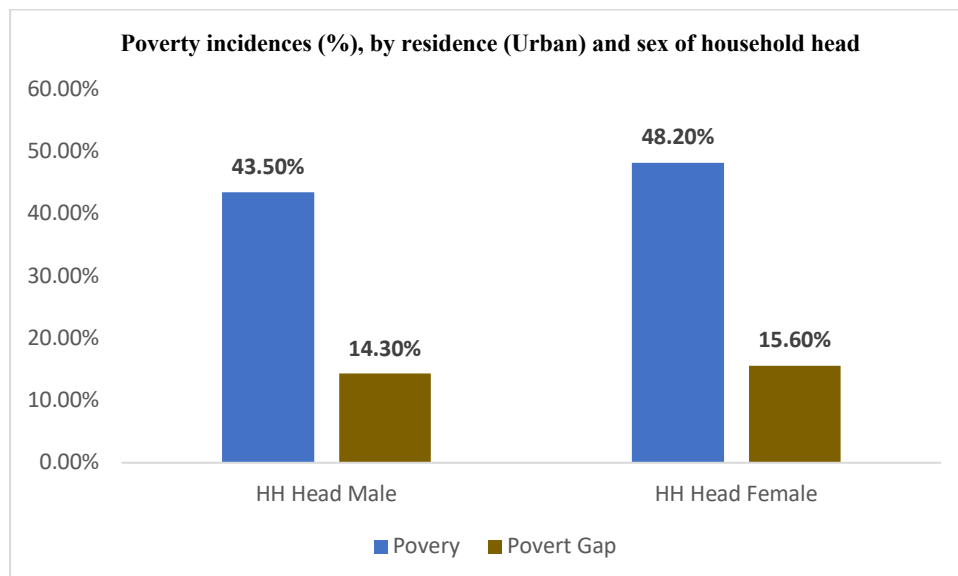
Source: SNBS

In rural areas, households headed by males face a stark reality, with a high poverty rate of 68.60%. This figure highlights the significant economic challenges prevalent in these households, where a vast majority are struggling to meet basic needs. The poverty gap of 26.70% emphasizes the substantial income deficit these households experience in comparison to the poverty line, underlining the depth of impoverishment.

Similarly, households led by females in rural areas exhibit a notable poverty rate of 62.40%. This data underscores the economic vulnerability of female-headed households in rural settings, where a considerable portion are living below the poverty line. The poverty gap of 22.50% signifies the income shortfall these households face, emphasizing the financial challenges and limitations experienced by women leading households in rural communities.

When focusing solely on rural areas, these statistics reveal the pressing need for targeted interventions and support mechanisms to alleviate poverty, address gender disparities, and promote sustainable development in these regions. Strategies tailored to the specific needs of rural households, especially those led by women, are essential for fostering inclusive growth and enhancing the well-being of individuals and families in rural communities.

Poverty Incidences (%) by Urban Gender of Household Head



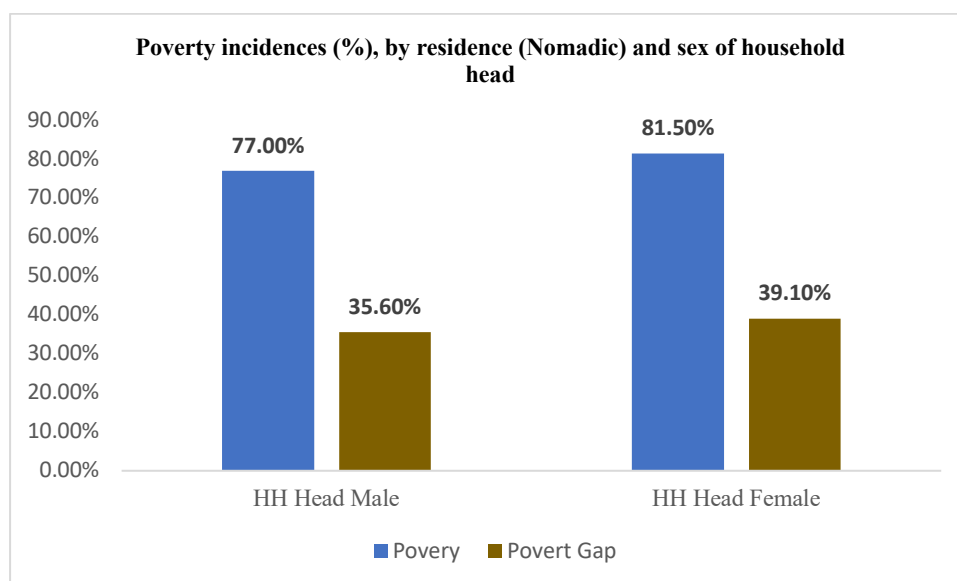
Source: SNBS

In urban areas, households led by males exhibit a poverty rate of 43.50%. This figure suggests that a significant proportion of male-headed households in urban settings are grappling with economic challenges, highlighting the prevalence of poverty within this demographic. The poverty gap of 14.30% indicates the average income deficit these households face in relation to the poverty line, emphasizing the financial hardships experienced by urban male-headed households.

Similarly, households headed by females in urban areas face a poverty rate of 48.20%. This statistic underscores the economic vulnerability of female-led households in urban settings, where a notable percentage are living below the poverty line. The poverty gap of 15.60% signifies the income gap these households need to bridge to reach the poverty threshold, highlighting the financial constraints and challenges faced by women heading households in urban environments.

When examining urban areas exclusively, these figures emphasize the need for targeted interventions and policies tailored to address poverty and promote economic empowerment within urban communities. Strategies aimed at reducing poverty rates and narrowing the poverty gap, particularly for female-headed households, are crucial for fostering inclusive development and improving the well-being of individuals and families residing in urban settings.

Poverty Incidences (%) by Nomadic and Gender of Household Head



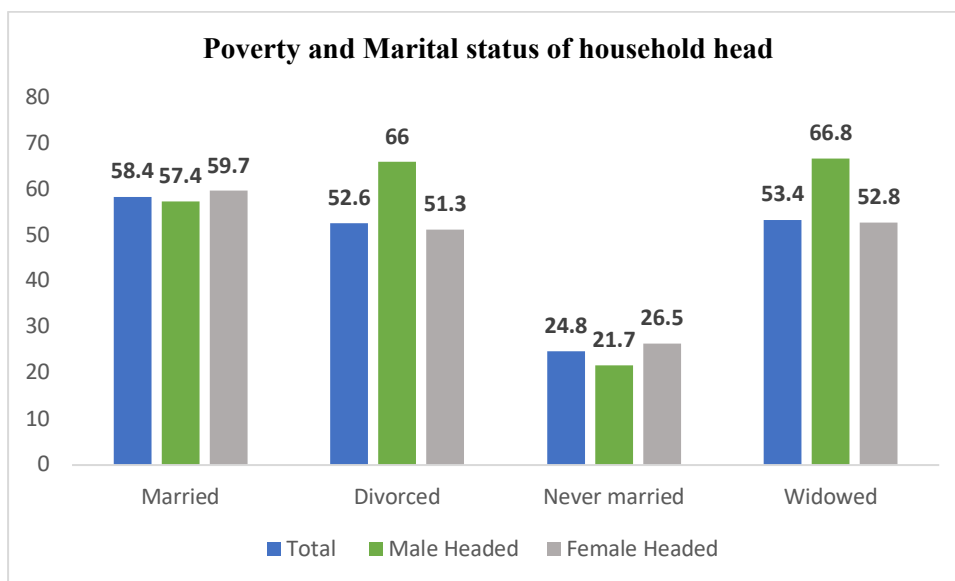
Source: SNBS

Within nomadic communities, households led by males face an alarming poverty rate of 77.00%. This figure underscores the severe economic challenges prevalent in these nomadic households, where a vast majority are struggling to meet basic needs and access essential resources. The poverty gap of 35.60% indicates the significant income deficit experienced by these households in comparison to the poverty line, highlighting the depth of impoverishment within nomadic communities led by males.

In nomadic communities led by females, the poverty rate is even higher at 81.50%. This data points to the heightened economic vulnerability of female-headed households in nomadic settings, where a substantial portion are living in poverty. The poverty gap of 39.10% signifies the substantial income shortfall experienced by these households, emphasizing the financial hardships and deprivation faced by women leading households in nomadic communities.

When considering nomadic communities, these statistics highlight the urgent need for targeted interventions and support mechanisms to address the profound levels of poverty and deprivation within these communities. Strategies tailored to the unique challenges faced by nomadic households, particularly those led by women, are essential for promoting sustainable development, reducing poverty rates, and improving the overall well-being of individuals and families in nomadic settings.

Poverty and Marital Status of Household Head



Source: SNBS

Married households, regardless of the gender of the household head, exhibit a relatively high overall poverty rate of 58.4%. The poverty rates for male-headed and female-headed married households are slightly lower and higher, respectively, with males at 57.4% and females at 59.7%. This suggests that marital status alone may not be a sole determining factor in poverty rates within households.

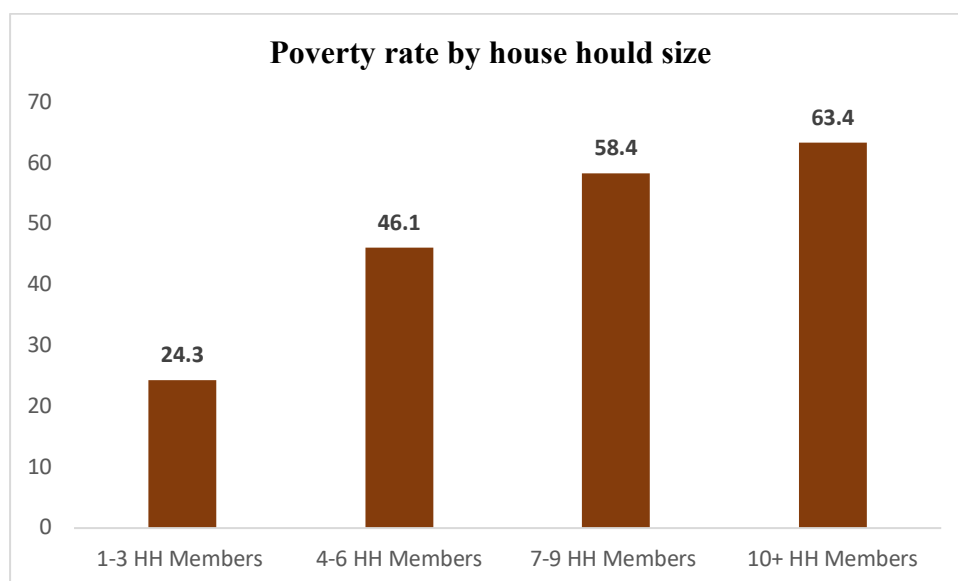
Divorced households present varying poverty rates based on the gender of the household head. While the total poverty rate stands at 52.6%, male-headed divorced households experience a notably higher poverty rate of 66.0% compared to female-headed households at 51.3%. This indicates a higher vulnerability to poverty among males heading divorced households.

Never married households demonstrate relatively lower poverty rates overall, with a total poverty rate of 24.8%. Interestingly, male-headed never married households have a slightly lower poverty rate at 21.7% compared to female-headed households at 26.5%. This suggests that the relationship between marital status, gender of the household head, and poverty rates is nuanced.

Widowed households exhibit a substantial overall poverty rate of 53.4%. Male-headed widowed households face a significantly higher poverty rate at 66.8% compared to female-headed households at 52.8%. This points to a heightened vulnerability to poverty among males heading widowed households.

Overall, these findings highlight the complex interplay between marital status, gender of the household head, and poverty rates. Understanding these nuances is essential for designing targeted interventions and support systems to address poverty effectively within different household structures and circumstances.

Poverty rate by Household Size



Source: SNBS

Smaller households comprising 1-3 members exhibit a relatively lower poverty rate of 24.3%. This suggests that in Somalia, smaller families may benefit from more manageable financial burdens and potentially better access to resources, contributing to a lower incidence of poverty.

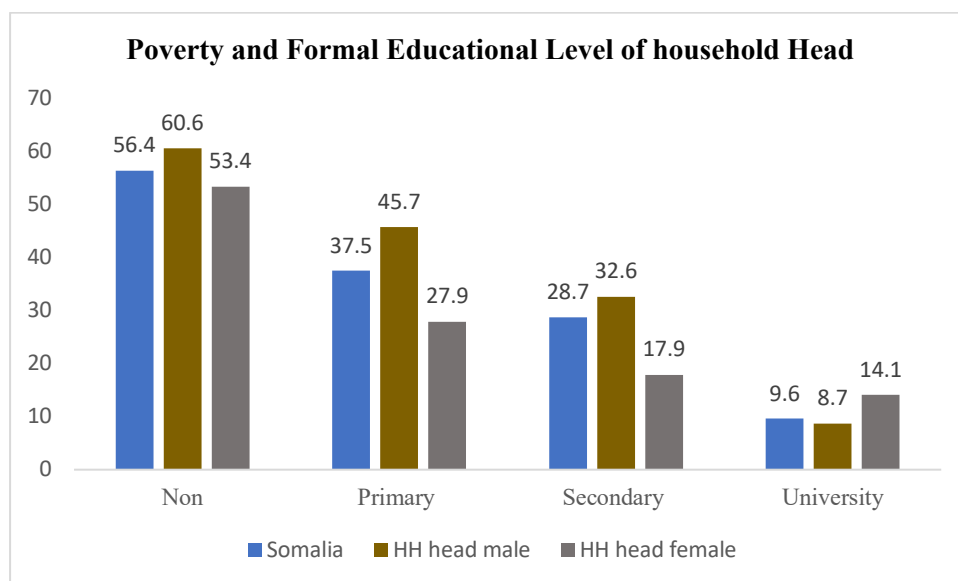
As household size increases to include 4-6 members, the poverty rate rises significantly to 46.1%. This indicates that medium-sized families face heightened economic challenges, possibly due to increased household expenses and limited income sources, leading to a higher prevalence of poverty within this group.

Larger households consisting of 7-9 members experience a substantial poverty rate of 58.4%. In Somalia, families with more members face considerable economic strain, potentially struggling to meet the needs of a larger household population, resulting in a higher likelihood of living below the poverty line.

The highest poverty rate of 63.4% is observed in households with 10 or more members. This data underscores the significant economic challenges faced by the largest families in Somalia, where the financial demands of a considerable household size may outstrip available resources, leading to a greater prevalence of poverty within these households.

Understanding the relationship between household size and poverty rates is crucial for policymakers and organizations working to address poverty in Somalia. Tailored interventions that consider the unique economic dynamics of different household sizes can help alleviate poverty and improve the well-being of families across varying demographic structures in the region.

Poverty and Formal Educational Level Household Head



Source: SNBS

In Somalia, the intersection of formal education levels and the gender of household heads reveals significant disparities in poverty rates, shedding light on the impact of education on economic well-being:

Household heads with no formal education experience high poverty rates, with males at 56.4% and females at 60.6%. This disparity underscores the vulnerability of households led by individuals without educational qualifications, emphasizing the importance of education in poverty alleviation.

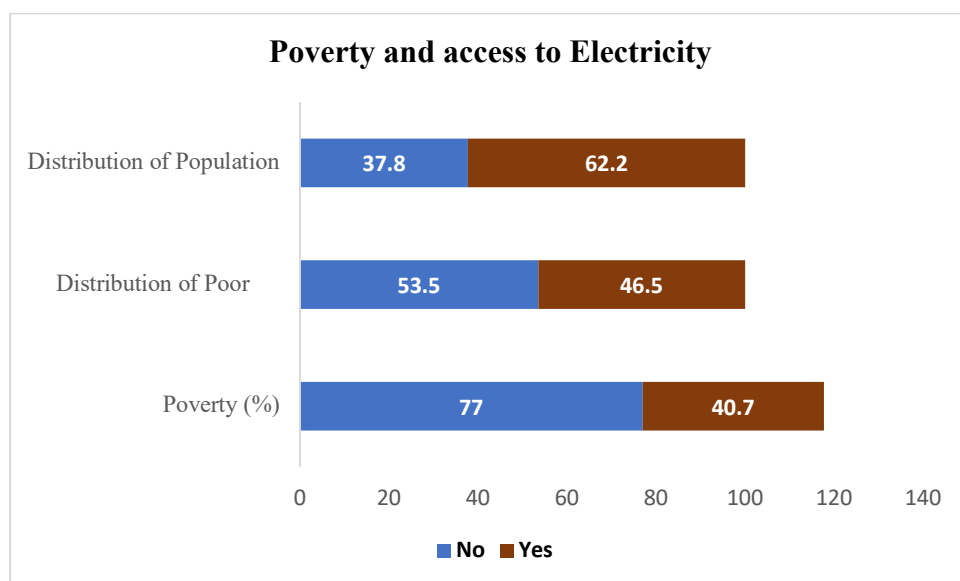
Those with primary education exhibit lower poverty rates compared to those with no formal education, with males at 37.5% and females at 45.7%. While primary education contributes to a reduction in poverty, there remains a gender gap in poverty rates at this educational level.

Household heads with secondary education experience further reductions in poverty rates, with males at 28.7% and females at 32.6%. Attainment of secondary education plays a crucial role in poverty reduction, although disparities persist between genders.

The data reveals significantly lower poverty rates among household heads with university education, with males at 9.6% and females at 8.7%. University education emerges as a key factor in poverty alleviation, demonstrating the profound impact of higher education on economic prosperity and household well-being.

These findings underscore the pivotal role of education in poverty reduction and highlight the gender disparities that persist across different educational levels in Somalia. Investing in education, particularly at higher levels, can be instrumental in addressing poverty and empowering individuals, ultimately leading to more equitable and prosperous communities in the region.

Poverty and Access to Electricity



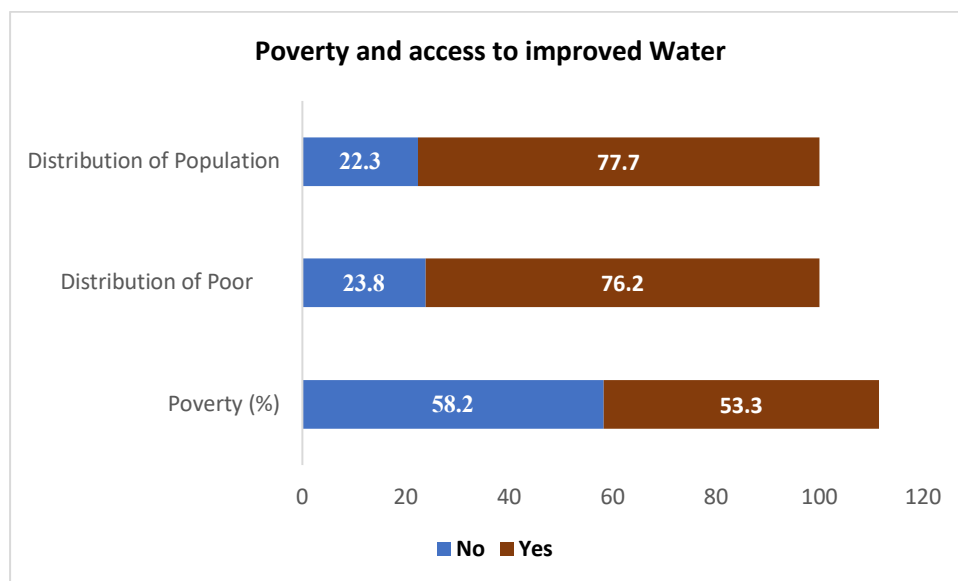
Source: SNBS

When individuals do not have access to electricity, the poverty rate is notably high at 77%. This highlights the significant impact of energy poverty on economic well-being, with a substantial portion (53.5%) of the poor falling within this category. Moreover, the distribution of the population without access to electricity stands at 37.8%, indicating a sizable portion of the population facing challenges related to energy access and potentially higher poverty rates.

In contrast, when individuals have access to electricity, the poverty rate decreases to 40.7%. However, it is noteworthy that even with access to electricity, a significant proportion (46.5%) of the poor remains within this group. The distribution of the population with access to electricity is higher at 62.2%, indicating that a larger portion of the population has access to this essential service.

These findings underscore the critical role of access to electricity in poverty alleviation. While having access to electricity is associated with lower poverty rates, it does not guarantee complete economic security for all individuals. Efforts to expand electricity access to underserved populations, coupled with targeted poverty reduction strategies, are essential to improve overall well-being and promote inclusive economic growth within the population. Addressing energy poverty can contribute significantly to reducing overall poverty rates and enhancing the quality of life for individuals and communities.

Poverty and Access to Improved Water



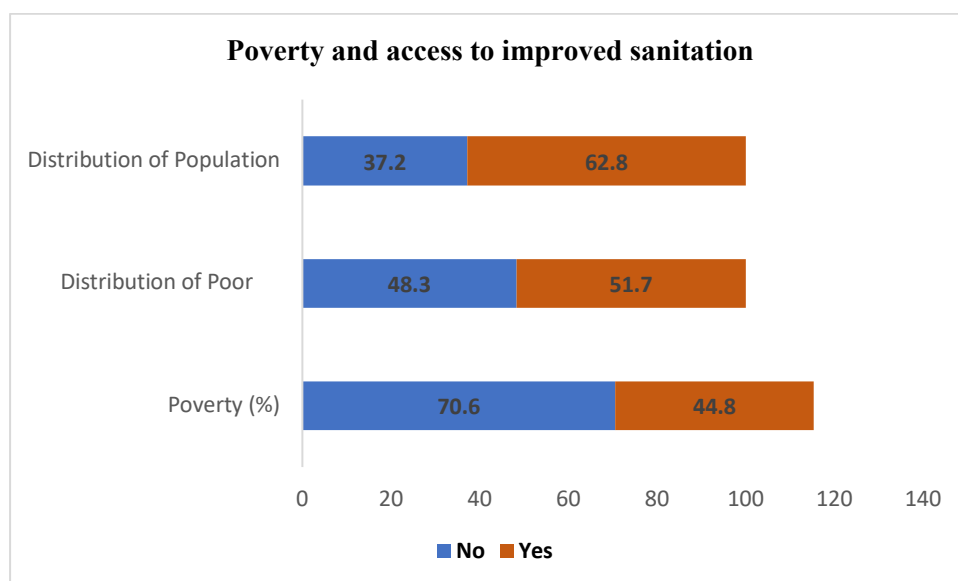
Source: SNBS

Individuals lacking access to improved water sources face a high poverty rate of 58.2%, highlighting the profound impact of water scarcity on economic conditions. Despite the high poverty rate, the distribution of the poor within this group is relatively lower at 23.8%, indicating that other factors may also influence poverty in this segment. The distribution of the population without access to improved water stands at 22.3%, emphasizing the prevalence of water-related challenges in this community.

In contrast, when individuals have access to improved water sources, the poverty rate decreases to 53.3%. Surprisingly, the distribution of the poor within this group is notably high at 76.2%, indicating that despite access to improved water, a significant proportion of the poor remains within this category. The distribution of the population with access to improved water is prevalent at 77.7%, signifying a relatively high coverage of this essential service within the population.

These findings underscore the complex relationship between access to improved water sources and poverty rates. While access to improved water is associated with a lower overall poverty rate, a considerable portion of the poor still resides within this group. Targeted interventions focusing on ensuring not just access to water but also addressing other factors contributing to poverty are essential to uplift marginalized populations and improve the overall well-being of communities. Efforts to provide sustainable and equitable access to improved water sources can play a vital role in poverty alleviation and promoting socio-economic development.

Poverty and Access to Improved Sanitation



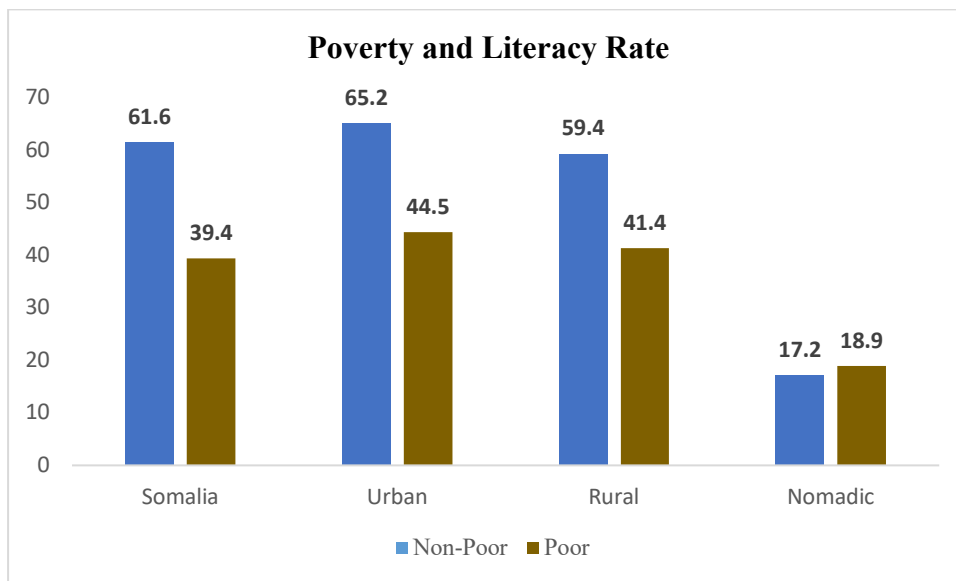
Source: SNBS

Individuals without access to improved sanitation facilities experience a significantly high poverty rate of 70.6%. This underscores the critical role of sanitation in economic well-being, with nearly half (48.3%) of the poor falling within this group. Lack of access to proper sanitation not only affects health but also contributes to economic challenges, indicating the urgent need for improved sanitation infrastructure in these communities.

Conversely, when individuals have access to improved sanitation facilities, the poverty rate decreases to 44.8%. Surprisingly, the distribution of the poor within this group is relatively higher at 51.7%, suggesting that although access to improved sanitation may reduce overall poverty rates, a significant proportion of the poor still resides in this segment. This highlights the multifaceted nature of poverty and the need for comprehensive poverty alleviation strategies that address various contributing factors beyond just sanitation access.

These findings emphasize the importance of adequate sanitation infrastructure in poverty reduction efforts. While access to improved sanitation is associated with lower poverty rates, there remains a significant portion of the poor within this group. Addressing sanitation-related issues through sustainable and inclusive interventions is crucial for improving economic conditions, public health, and overall quality of life for communities. Holistic approaches that combine sanitation improvements with targeted poverty alleviation measures can lead to more effective and lasting outcomes in combating poverty and promoting sustainable development.

Poverty and Literacy Rate



Source: SNBS

Countrywide the literacy rate stands at 61.6% among non-poor individuals, significantly higher than the 39.4% literacy rate among the poor. Urban Areas: Non-poor individuals exhibit a higher literacy rate of 65.2%, contrasting with the 44.5% literacy rate observed among the poor in urban settings.

Rural Regions: Similarly, in rural areas, non-poor individuals demonstrate a higher literacy rate of 59.4% compared to the 41.4% literacy rate among the poor. Even within the nomadic population, the literacy rate among the non-poor subgroup is 17.2%, surpassing the 18.9% literacy rate among the poor.

The data implies a clear association between literacy rates and poverty levels in Somalia. Higher literacy rates are evidently linked to lower poverty levels. The disparity in literacy rates between non-poor and poor populations suggests a correlation between educational attainment and economic status.

The data underscores the pivotal role of education in poverty alleviation. Increased literacy rates among non-poor groups signify better access to education and enhanced economic opportunities, potentially leading to reduced poverty rates.

Investing in education and literacy initiatives is crucial for narrowing the literacy gap and combating poverty in Somalia. By addressing educational disparities and enhancing access to quality education, policymakers can foster economic empowerment and sustainable development across all segments of society.

Recommendations

• **Agricultural Innovation and Productivity Enhancement Program:**

- In Somalia, agriculture stands as the cornerstone of economic progress, offering a transformative pathway towards poverty alleviation, food security, sustainable livelihoods, and enhanced socio-economic resilience. Recognizing that poverty cannot be effectively eliminated without significant improvements in the agricultural sector, prioritizing agricultural development becomes imperative. By investing in modern farming techniques, improved seeds, and sustainable land management practices, Somalia can not only enhance agricultural productivity but also create a ripple effect that uplifts rural communities, strengthens food security, and paves the way for sustainable economic growth and poverty reduction.
- Establish agricultural extension services to provide farmers with technical support and training on best practices.

• **Fisheries Development and Management Strategy:**

- Develop a comprehensive fisheries management plan to promote sustainable fishing practices, protect country's marine resources, and enhance value addition in the fisheries sector.
- Illegal fishing along Somalia's coast has led to piracy, increased poverty, and forced displacement of coastal communities. To address this, the government should strengthen monitoring and enforcement mechanisms to combat illegal fishing and ensure compliance with regulations, thereby protecting local livelihoods and reducing the economic impact on these communities.

• **Livestock Health and Value Chain Improvement Initiative:**

- To boost economic growth and reduce poverty, the Somali government should enhance livestock health services and strengthen disease control measures. By improving the quality and marketability of livestock products, Somalia can capitalize on its strong agricultural sector, which is a key driver of trade and income generation. Focusing on the health of livestock will not only increase domestic productivity but also open up new export opportunities, benefiting farmers, traders, and local communities while contributing to national economic stability.
- The Somali government should facilitate the development of livestock value chains to enhance the competitiveness of Somali livestock in both regional and international markets. By improving processing, storage, transportation, and marketing infrastructure, Somalia can add value to its livestock products, increasing their appeal in global markets.

• **Revenue Generation and Anti-Corruption Framework:**

- To enhance financial sustainability and reduce dependence on external aid, it is crucial for the Somali government to strengthen its tax system and practices, ensuring the comprehensive collection of all forms of taxation. Public trust in the tax system has been significantly undermined due to concerns over the misuse of funds. Therefore, the government should prioritize rebuilding public trust by ensuring transparency and

accountability in the management of tax revenues. Establishing clear mechanisms for the effective use of collected taxes, such as investing in public services and infrastructure, will encourage greater tax compliance and foster a culture of responsible civic participation, ultimately contributing to long-term economic stability.

- To effectively combat corruption, it is crucial for the Somali government to strengthen anti-corruption measures by promoting transparency, conducting regular audits, and imposing strict penalties for corrupt practices. Recent actions, such as bringing corruption cases identified by the Auditor General to court and publicly streaming the proceedings, demonstrate a positive step towards accountability. Building on this, the government should continue to make audit results publicly available and ensure that those involved in corruption face strict legal consequences. Publicly broadcasting these proceedings will enhance transparency, foster public trust, and create a deterrent effect, as the population witnesses that corrupt practices will be met with severe penalties. This approach will help build a culture of accountability and encourage greater confidence in government institutions.

- **Governance Reform and Capacity Building:**

- Enhance governance structures by improving public financial management systems, strengthening institutional capacity, and promoting ethical leadership.
- Invest in training programs for government officials to enhance their skills in governance, accountability, and effective service delivery.

- **Public-Private Partnerships in Agriculture and Fisheries:**

- Foster partnerships between the public and private sectors to promote investment in agriculture and fisheries infrastructure, technology, and value chain development.
- Create a conducive business environment through policy reforms and incentives to attract private sector investments in these sectors.

- **Market Access and Trade Promotion:**

- Facilitate access to domestic and international markets for agricultural, fisheries, and livestock products through trade agreements, market linkages, and quality standards compliance.
- Support the development of export-oriented enterprises in these sectors to increase foreign exchange earnings.

Conclusion

The study reveals that poverty in Somalia is not just a consequence of low income, but also of limited access to essential services such as education, healthcare, clean water, and electricity. This multidimensional nature of poverty calls for a holistic approach to poverty alleviation, with special attention to regional disparities and the unique challenges faced by different populations.

Understanding the distribution of poverty and extreme poverty across different residence types in Somalia provides valuable insights into the varying socioeconomic conditions and challenges faced by different segments of the population. Addressing these disparities effectively requires targeted interventions and policies tailored to the specific needs of each residence type. In response to these challenges, this report strongly recommends that both the Somali government and international stakeholders invest in sectors that can drive long-term economic growth, particularly agriculture and fisheries.

With Somalia's vast coastline the longest in Africa, the fisheries sector presents an untapped opportunity for sustainable economic development. Investing in agricultural productivity, especially through the promotion of sustainable farming practices, can significantly reduce rural poverty, enhance food security, and improve livelihoods.

Furthermore, enhancing tax collection systems and promoting efficient fiscal policies are crucial for the country's economic sustainability. A robust tax system would not only enable better government services and infrastructure but also provide the government with the necessary resources to invest in social welfare programs that address the root causes of poverty and inequality.

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