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*Agricultural cooperatives
in Somalia
opportunities and
challenges*



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EDITORIAL

The opportunities for natural resources in Somalia country are very huge such as, the abundance of livestock, arable land, longest coast in Africa along with a wind that can be generated a renewable energy, and also there are Challenges ,Somalia is categorized as a young nation, since 70% of its population being under the age of thirty So, this youth to become the engine of the growth in the country, government, universities, and businesspeople must come up with the right mechanism to utilize such opportunity.

Impact of Information Technology in to the business opportunity in generally the information Technology knowledge are the key of the productivity, competitive, and wealth. IT user's human transformation since it creates peace and brotherhood, and facilities the communication of the world. Also, the world became as a one single village or apartment, so this century the learning of Information Technology is compulsory to develop yourself, country, and community. Thus, the usage of the IT is spread widely in the universal.

Financial sector development is very important for achieving economic growth in any country. But, before the article underlines the importance of financial sector development, let the writer present, what is financial sector is all about. Thus, according to the World Bank (2016) Financial sector "is the set of institutions, instruments, markets, as well as the legal and regulatory framework that permit transactions to be made by extending credit."

Entrepreneurship education is an important element for colleges and universities. It provides a motivation for students in building career options to think about starting their own business ventures. Students' entrepreneurial intentions may be impacted by the training, guidance, and education. Being an entrepreneur and starting a new venture depends on the attitude and intention of the student, as usual, most of the university level students are normally considering employment after their graduation of the university.

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TAPPING SOMALIA NATURAL AND CAPITAL RESOURCES: OPPORTUNITIES AND CHALLENGES

Dr. Amina Sheikh Omar Mohamud

INTRODUCTION

Somalia is a country that Almighty Allah endowed numerous natural resources such as, the abundance of livestock, arable land, longest coast in Africa along with a wind that can be generated a renewable energy, etc. However, almost the entire negative words that can cross into your minds (fail state, famine, drought, malnutrition, corruption, etc.) are associated with Somalia, and its people. Luckily, the country is headed towards the road of recovery, after two decades of chaos, and political unrest. To achieve this recuperation, it is essential for the Somalis to utilize the natural resources in the country. In this article, the writer will shed the light the key opportunities, as well as, the challenges surrounding the natural resources and investing the country. This article will present introduction at the beginning, followed by the opportunities and challenges, then recommendation and conclusion.

INVESTMENT OPPORTUNITIES IN THE COUNTRY

Everywhere in the country, there are unexploited or underutilized opportunities. Taking advantage of those opportunities, economic growth in countless ways can be attained by the society. Thus, this section will highlight some of those opportunities, which are:

1. Somalia is categorized as a young nation, since 70% of its population being under the age of thirty (UNDP: Somalia, 2012). So, this youth to become the engine of the growth in the country, government, universities, and businesspeople must come up with the right mechanism to utilize such opportunity.
2. The abundance of natural resources in the country is countless and there are several sectors that are underutilized include but not limited to agriculture, pastoral, and fishing sector. If Somalia is expected to recover from

the political unrest that lasted almost two decades, its people must invest it collectively.

3. In Somalia 50% of the land, has wind that can be generated a renewable energy (Fortune of Africa, n.d.). Thus, investing renewable, and clean energy generation sector, will protect the environment, and, it will usher another industries to propel, such as manufacturing industry, which eventually will lead to economic evolution in the country.

4. In terms of real estate development, there are also, several investment opportunities in the country. To mention few of those opportunities, shopping complex, townships, car parking, and resorts comes at the top of the list. Hence, if the businesspeople target those areas, it will lead to economic expansion in the country, also, it will generate employment opportunities.

5. Another lucrative investment opportunity in the country, is the meat export industry. According to the Workman, (2018) beef export was \$44 billion in the year 2017. Furthermore, to boost the economic growth of the country businesspeople can take advantage from the meat export sector to other countries. Another sector in relevance with this is the leather industry that leads to additional investment opportunity, which is shoes manufacturing, and other leather items that is direly needed sector in the country.

INVESTMENT CHALLENGES IN SOMALIA

Tapping natural resources of the country is difficult; and there are several challenges that hinder investment opportunities in Somalia. In this part the writer will underscore some of the major challenges, which are:

1. Dearth of government certification for local goods, and products, which hinders exporting the local goods to other nations under the name of Somalia. And, the locals will not be persuaded by the meager profits they are generating from their profession if it is fishery, farmer, or pastoral. And, that undermines the initiative of persuading more export and less import notion.
2. Another challenge, is almost the absence of regulatory framework, and law enforcement, potential investors are concerned by with this issue, and lack/weak of the regulations to be used as a reference point if anything goes awry. Investors will abstain investing the country, which hinders the economic development of the Somalia.
3. Another obstacle that hampers economic expansion in country is the absence of investment banks, and financial markets. One of the main services that investment banks provide is the security underwriting. In layman term, these institutions enable firms to raise fund from the market; with these raised fund companies can enlarge their business activities or create new one. Financial market allows the investors

to sell or buy those financial securities, besides this market establishes security price base on demand and supply.

4. All the citizens did not get equal opportunity for education; also, there is shortage of vocational training centers in the country. And, if this issue is not addressed properly it will create financial dependence trap.

5. Shortage of network among innovators, and investors. Subsequently, there is almost no platform that unities or they can meet these two (innovators and investors), except a conference, training or talk held in one or two days.

6. Almost the Absence of collective Social responsibility among the Society. In the nature of Somali society are considered generous, and helpful towards one another. But the assistance that the article is addressing is helping each other at larger scale not individual basis, and rebuilding the country for the common good.

RECOMMENDATION

The article proposes the following recommendations, which are:

1. Establishing vocational training centers to enhance the skills and the knowledge of pastoral, farmers, and fishery communities.
2. Establishing institution/s by the government and universities that advocates, and exports natural resources of the country such as

livestock, agricultural food, and fish solely to the other nations.

3. Developing comprehensive regulatory framework, along with law enforcement, in order to increase investment opportunities in the country as well as property rights.

4. Campaign through social media, TVs and Radios, must be launched to enhance society awareness, regarding Somalia natural resources, and the role they can play for the country to thrive.


5. Establishing investment banks, and financial markets in the country, so that they can facilitate raising fund from the market.

6. Launching awareness campaign that “together society can achieve more”, and “can move mountains as well”. Also, to build their confidence and apply the concept in unity can be attained more.

CONCLUSION

Tapping those opportunities, and overcoming the challenges, it is a beginning, and it paves the way, rebranding the country from the negative names into a positive one. But success never had been triumphed without an effort, and applying risk taking behavior. Thus, going back is not an option, and standing still is not enough, but moving forward is the solution if the Somalis went a brighter future.





IMPACT OF INFORMATION TECHNOLOGY ON HIGHER EDUCATION SECTOR IN SOMALIA

Lul Farah Abdullahi

Generally, the information Technology knowledge are the key of the productivity, competitive, and wealth. IT user's human transformation since it creates peace and brotherhood, and facilities the communication of the world. Also, the world became as a one single village or apartment, so this century the learning of Information Technology is compulsory to develop yourself, country, and community. Thus, the usage of the IT is spread widely in the universal. Roles of the information system for education is to ensure that we can provide the necessary information when it is needed, information system cover all the society problems, like reporting, transferring, administrative issue, and communication skills, in IT you can develop your own specific system or application according to your requirement.

Information Technology is using computer software to keep, and manage information instead of traditional files, which is used storing

information before decades that Computer was not very valid for us because we did not have enough understandable of the computer. Hence, due to our underdevelopment stage, and availability of any kind to the computer like-desktop, and laptop, but now the modern technology, availability of qualified electronic, and young minds enable themselves to discover surrounding information to make decision of any later stage of life, which is enlighten to accept new ideas expose creativity, and develop. So, Information Technology has more influence significantly on learning teaching, research, and higher Education management in a number of ways. Therefore, information technologies use for accessing, processing, gathering, manipulating, and presenting or communicating information all these things are very basic factors of the education.

In Somalia, the state of higher education was disrupted since the civil war in 1988 and the subsequent collapse of the central state in 1991,

unfortunately, all public social services in Somalia collapsed. The education system in Somalia was entirely destroyed. The Prolonged periods of instability and intermittent conflict constrained the ability of local populations and the international community to rehabilitate the country's educational facilities and resources. Destruction of this sector went far beyond the deterioration of physical infrastructure. It is estimated that more than 80% of the educated elite left the country since the conflict began. This extended period of insecurity and instability has robbed a generation of young Somali men and women the chance to attend formal education. Somalia now suffers from one of the lowest literacy rates in the world (The State of Higher Education in Somalia, 2013).

The sustainability of the any nation is the backbone of the quality of any stage for education, and any other factor of the life, Somalia was paralyzed with sequences problems that disabled several types of country internally and externally, mostly that was affected the brain of the young teenage like-physical and mental growth, security, education, and society interact After that the Somali intellectual were stand the responsibility of the young generation, and restart the educational resources of the country as privately, the situation of the country and people understand for the knowledge was better slowly day by day until now, today some of the higher education collages makes some adaptation of Information

Technology. But not yet enough, the gap of lack of information technology exists in Somalia, and the modern world, the Information Technology become compulsory for any student, teacher and researcher or any level of education sector. Therefore, information technology is backbone of the institution of higher education, it plays a vital role to the rank of the institution, because technology facilitates learning approach and giving people the chance to study for a qualification or a new career in their extra time, so that Information Technology is very vital in every field of life.

IT has played an important role in extending the spread of the education sector; people can now access career training and even degree courses online. Each person who has a computer and has the interesting for learning can study for any level he/she needs and/or a career change, IT is an easy way to learn without going to School, and also learning like project-based in which teachers don't give lecture but give students problems to answer. For example, online lectures and internet give us good help to discovery the answer on our computers at home, as the Teachers help students find answers on their own through internet and through online system. Computers and the Internet give student's easy way to research materials that they need to complete such projects and works, also technology uses social communication issue like- texting, audience one needed to talk to them in their own language. The information

society challenges the education system. In current years, both nationwide and international the quick, effective, and global communication of knowledge has created a new foundation for co-operation and teamwork by information technology.

INTEGRATION OF IT ON QUALITY OF EDUCATION

There are several available skills which can be utilized IT for the knowledge creation and distribution in the modern world, such as training for teachers and students as online. Thus, the creation of quality education environment, the main conditions for training are for the teachers to recognize IT is very necessary in to their classroom. Teachers should trust the success of technology and its usage will not cause any disturbances, and finally teachers should believe that they have control over technology. And the institute gets accessibility for unlimited online source if the institution has the following information technology tools, internet, mobile phone, computer, laptop, tablets, and many other hardware, also have ICT center, software center, and professional techniques.

CONCLUSION AND RECOMMENDATION

The information Technology has advantages on higher education institutes, therefore it is very important to fill the Information Technology gap that exist in Somalia, as we recognized IT has a positive impact on education. So, the education institutes must develop software

systems applications, web application to get suitable database, like digital library that supported their researchers, instructors, and students. Also, to improve their capability, and make extra training to their teachers and academic staff to adept their methods in order to make best use of IT. Then, the purpose of using IT becomes defeated, also the attitude of the educational establishment seems to have a greater effect, when the people running them do not have the knowledge and experience, or often the money, to enable widespread of effective use of ICT in their schools, it becomes a disadvantage.

Finally, IT has more effective and efficient influence of the society issue, and also has large impact of developing country such, education, social communication, and perceive good qualification, thus how effectively it is used. The higher education institutions get good invitation where the government encourages information technology usage, and where the majority of the country uses Information Technology as a daily life. To make better use of IT in education as well as in the larger society, it has been argued that IT is a principal driver of economic development and social change worldwide.





THE ECONOMIC IMPACT OF PACK DONKEYS IN MOGADISHU, SOMALI

Stephen kapolon Asangai

INTRODUCTION

This paper reviews the economic effects of the introduction of donkeys and equates their cost efficiency with other transport interventions undertaken in the region. The use of donkeys generated larger economic benefits than the construction of a feeder road. Regarding cost efficiency donkeys were comparable with road investments. The donkeys in Mogadishu-Somalia were only used for production-related transport tasks on the farm. The benefits would be higher if the donkeys were also used for domestic transport purposes. Domestic transport is traditionally a female task, but the animals were owned exclusively by men. The study showed that lack of cash was the main constraint to the purchase of donkeys. It is stressed that investment in donkeys may be as efficient as investment in roads.

The Growth of The Donkey Population

In Mogadishu three donkey centers can be set-up to promote the dissemination of donkeys, animals that were rare in the city before. Even though the animals were promoted all over the city, most were sold in Somalia regions. This is due to the stronger market orientation of the rural farmers compared to the remainder of the city.

The high mortality rates were compensated for by the high levels of reproduction, which probably increased the number of donkeys in Mogadishu more than the importing of animals from outside.

Donkey-Owning Households Are Better Off

The most obvious observation in other regions is that households that own a donkey are much more prosperous than comparable households without donkeys (Figure 1). The donkeys enable their owners to cultivate bigger plots.

On top of this the farmers use more fertilizer because it can be carried to the plots with less effort. Bigger fields and higher inputs enable farmers to double harvests and sales and thus the revenue received from marketing activities. The increased income results in higher spending and a better endowment of the ‘donkey households’ with kerosene lamps, radios, sewing machines and tin roofs.

Benefits of Increased Agricultural Production

The greatest economic effects can be seen in agricultural production. While ‘non-donkey households’ marketed on average only 2.1 tons of agricultural products per year (worth US\$ 120), the ‘donkey households’ marketed 5.1 tones (US\$ 240). This increase in production was only possible with the growing use of agricultural inputs. A much higher proportion (90%) of ‘donkey-households’ used fertilizer, compared to ‘non-donkey households’ (67%). The donkeys carried 87% of all the fertilizer purchased by ‘donkey households.



It is important to consider the incomes of households before and after the purchase of a

donkey. Odawa and Dirie (1991) stated that the donkey owners were already relatively wealthy when they purchased their animals. Nevertheless, this study concluded that buying a donkey generated an estimated net benefit to households of US\$ 400–1100 per year by increased marketing.

Case Study: A Donkey Owner in Wabeeri

A farmer from the village of Wabeeri bought a donkey in 2010. Although the donkey died quite soon, the owner obtained replacements and eventually owned three donkeys, which he used for transport purposes. They carried 4.2 tons of crops home from the field and another four tons to the collection points. The owner did not use the donkeys for transport to the grinding mill or the water point because both were located close to the house. He also, used the donkeys to transport products to the nearby market in Wabeeri, which he visited weekly. The donkeys transported 18 ton-kilometers annually, and saved about 285 hours of arduous work and drudgery. This enabled the farmer to cultivate more plots that are further away from the homestead and collection points. He doubled his cultivation area and increased his annual income to US\$ 168. His children can now attend secondary school.

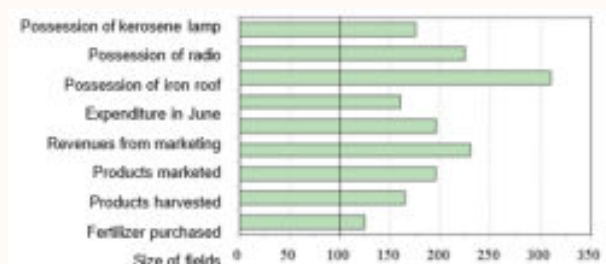


Figure 1: Comparison of donkey-owning and non-donkey-owning households in 2017. Index: non-donkey owners = 100%

Donkeys Were Mainly Used for Production-Related Transport

The donkeys in Mogadishu were used only as pack animals. Each animal made nearly 100 trips a year and carried a total of 8 ton-km. Even though the donkeys generated an increase in market activity, only 3% of their trips were to markets, while 77% were undertaken to carry crops from the fields and 7% were for carrying grain to the mill (Figure 2). Thirteen per cent of the trips were transport services for other farmers or members of the family. The main effect of the donkeys seems to be that crops were quickly transported from the fields to the collection points. Not a single household used donkeys to collect water or firewood. People claimed there were no suitable containers to transport water and firewood was transported in long pieces, which could not easily be loaded on a donkey.

Donkeys were used to carry 15% of the household's total transport burden measured in ton-kilometers. They reduced the amount of work, especially for women. These economic benefits could be assessed by estimating the amount of time saved. Assuming that the average load of a donkey was three times that of a human being, a donkey could reduce the annual transport burden by 93 trips which amounts to 133 hours per year.

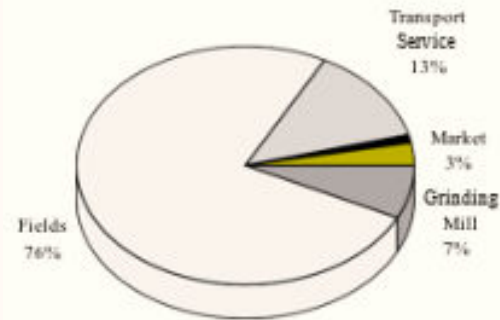


Figure 2: Trips undertaken with donkeys (total of 98 trips per year)

A monetary value of the time savings could be attributed by using the opportunity costs of time that was represented by the income increase generated by working the saved time in their fields. The annual monetary benefits for time savings amounted to US\$ 10 per household. More time could be saved if donkeys were used for water and firewood collection: but men own the animals, while women have the tasks of carrying most of the domestic transport volume.

Economic Benefits from Donkeys Were Comparable to Roads

The total annual benefit generated by donkeys ranged between US\$ 55 and US\$ 124 per household. This can be compared to a low-cost feeder road in Mogadishu, whose rehabilitation generated annual benefits of only US\$ 17–20 per household. Absolute benefits only tell half the truth if they are not compared to their costs: the benefit/cost ratio of donkeys and of feeder roads were mainly in the range 5 to 10 (Figure 3).

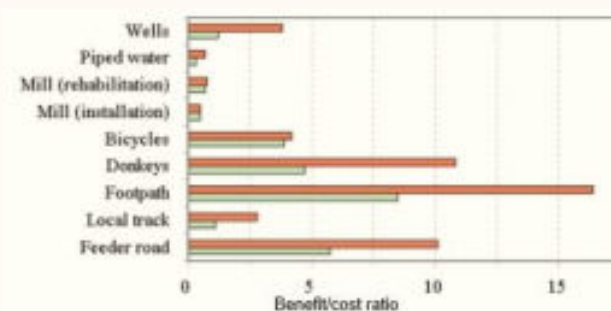


Figure 3: Range of benefit/cost ratio of transport interventions in Mogadishu: optimistic (upper) and pessimistic (lower) views

Most of the other transport interventions examined in Mogadishu had lower ratios. Only the construction of footpaths generated a higher cost efficiency.

Reasons for Donkey Purchase and Possible Price Constraints

People in Mogadishu bought donkeys because of the burden they faced transporting heavy crops, (especially bananas) from the fields to the collection points. Donkeys were bought only if their use resulted in increase in revenues, which quickly compensated for the big investment costs. The purchase of a donkey was rational behavior only in regions with a strong market orientation such as Lower Shebelle.

Another restriction was the low cash income in many parts of the city. At the beginning of the project, the price for the donkeys was subsidized to accelerate their adoption. After the cessation of the subsidies very few donkeys were bought.

Without subsidies a donkey cost US\$ 88. In a survey of household's half of them said that they could not pay more than US\$ 10, a quarter said they could pay US\$ 20, and less than 10% said they could afford US\$ 40. Without access to credit, none of the households would be able to buy a donkey at current prices. A credit scheme could increase the number of donkeys sold. If 80% of the price for a donkey was financed by a credit scheme then more than 40% of the said households would be able to purchase an animal.

Conclusions

Donkeys in Mogadishu were mainly purchased for production-related transport tasks and they considerably reduced the transport burden of rural households. However, donkeys were only bought if they enabled farmers to increase revenues, which quickly compensated for the high investment costs. Benefits could be much higher if donkeys were used as well for water and firewood collection. The poverty of the households was the main constraint to purchase and without subsidized credit the demand for donkeys could be zero.



The conventional focus of transport planners on farm-to-market roads overlooks farm transport constraints. This study demonstrates that the use of donkeys on the farm may generate greater economic benefits than the construction of a feeder road. With regard to cost efficiency, donkeys were comparable with road investments. There is no economic reason therefore, why donors and governments should spend large sums for feeder roads and do very little to promote donkeys. The experience of Mogadishu shows that bottlenecks in production-related transports can be reduced efficiently by the introduction of donkeys as pack animals.



ENTREPRENEURSHIP LEARNING AND NEW VENTURE CREATION

Nasra Ahmed Mohamed

INTRODUCTION

Entrepreneurship is important for country's economy; it enhances job creation and boosts employment. An entrepreneur is an individual who creates a new business by facing risk and uncertainty.

Entrepreneurship education is an important element for colleges and universities. It provides a motivation for students in building career options to think about starting their own business ventures. Students' entrepreneurial intentions may be impacted by the training, guidance and education. Being an entrepreneur and starting a new venture depends on the attitude and intention of the student, as usual, most of the university level students are normally considering employment after their graduation of the university. The most important thing is changing the students' mindset of employment to new venture creation and employing other fellow graduates.

The question is whether the entrepreneurship education effects student's involvement of entrepreneurship, there are inferences for the policy makers, strategists, educators, scholars, researchers and the entrepreneurs themselves indicating that entrepreneurship education is found to be determinant of early entrepreneurial intents.



As part of the effective small business management course, a practical new venture has been created inside SIMAD University the idea was to enhance self-confidence or increase their level of entrepreneurial self-efficacy and also see the challenges and opportunities of starting new venture. The practical business creation also improves the students' perceptions regarding desire to initiate their new enterprise.

Motivation among students and Enterprise Creation

Changing the students' thinking from job seeking to job creating is an important issue that the entrepreneurship can motivate to the students and it will also have a positive effect to the nation in general. The motivation gives students a technique to work collaboratively and enhance creativity. Entrepreneurial motivation is an energy that encourages individual doing activities leading to attainment of the needs, contributing satisfaction, and reducing imbalance by opening an enterprise or a business (Zimmer et al., 2008). The student who obtained enterprise creation education and practice is expected to have high motivation of creating new ventures.

Entrepreneurial motivation is a self-encouragement as contribution of either internal or external factors that allow to develop entrepreneurial intentions. The entrepreneurial intention is considered as a starting stage for students before they carry out of establishing new ventures and taking role as new starters.

Study conducted by Guerrero et al. (2008) revealed that intrinsic motivation and normative environment have positive impact on entrepreneurial intentions. Likewise, the environment and the capacity of the person have positive impact on the possibility of starting new businesses.

This is relevant with the theory of planned behavior as mentioned by Ajzen (1991, 2005), where an entrepreneur is a person who is attempting with resolution and drive of his/her business to grow.

Motivating the students by starting their own businesses and practicing to see the real venture will supposedly affect their intention and learn the risk and uncertainties involves in starting new venture. Therefore, Knowledge learned during the semester taking the course is expected enable boosting students' motivation and attitude from inside becoming an entrepreneur.



Conclusion

The narrow perspective of entrepreneurship education is teaching venture creation, but the field is supposed to develop entrepreneurial mind-sets, behavior and intention. Enterprise development is essential to generating business activities, reducing unemployment and for the economic development. Entrepreneurship Education motivates and stimulates the graduates to become entrepreneurs. It enhances their desirability and self-efficacy for starting the new venture.

SIMAD University management students made a success for creating and managing their new ventures (fruits and drinks) but before starting they discussed into groups about what kind of ventures they would like to start, and each class started one business idea while every group have a role to play in that business. The students were amazed on the experience of starting a new business and they were busy on solving the problems they face and running the businesses smoothly.





THE EFFECT OF DOLLARIZATION ON SOMALI

Sadak Adan Osman

INTRODUCTION

For the last two decades, the East African countries widely accepted in the use of foreign currency, mainly US Dollar, alongside with local currencies. This procedure is known as the dollarization trend. The adoption of the country for foreign currency mostly US Dollar along with its national currency to serve for one or all of the money functions; unit of account, store of value and, the medium of payments in domestic transactions is called dollarization. On the other hand, it is well-known to be as informal dollarization in the East African countries, there are some sorts of causes that encourage a nation to dollarize its economy. High inflation or hyperinflation is found to be of the dollarization derivars. Additionally, US dollar is intended to be used to serve in the domestic market for the purpose of payments of some imported goods with high value and the payment of some private school fees.

On the other side, although dollarization has some advantages for the businesses and in some certain levels provides price stability in a high inflation country, it has an adverse effect on Somali local currency which in turn has a negative impact on Somali businesses. The negative effect is that dollarization discourages the dependence of Somali local currency and if this happens purchasing locally produced goods and services will be lesser and also be discouraged as well.

Local currency helps to keep money within the community and encourages the community to purchase goods and services produced within the country which is beneficial for businesses in our country, Somalia. The greater the circulation of money within the community, the larger businesses prospect and people who live in that country. Additionally, US dollar is intended to be used to serve in the domestic market for the purpose of payments of some

imported goods with high value and the payment of some private school fees. However, in Somalia, the use of foreign currency was turned to 1991, when the collapse of Somalia government led to a complete breakdown of the formal financial system in the country. It was the first time when Somali shilling (So.Sh) began circulating in the market without the supervision of central bank of Somalia (CBS).

The CBS was totally out of operation for more than two decades, and the country's financial system was run by informal financial institutions mainly Hawallah (System or Money Transfer) for companies. Even until today, the CBS is an inactive and not yet ready to take its responsibilities toward country's monetary policies. In the past, in the post-war period, there were numbers of Somali Shilling banknotes such as 5, 10, 20, 50, 100, 500, and 1000 Shillings in the circulation serving as money with its full functions. However, the recently there was only one single Somali shilling note, which is 1000 (So.Sh) in the circulation.

It serves only as a medium for small transaction payments across the nation, while the rest of banknotes have disappeared. Furthermore, the Somali Shilling has become a victim of being misused by some state governments, warlords and businessmen in printing a huge Somali Shilling and injecting it into the economy on the cost of public interest.

This significantly intends to depreciate or devalue Somali Shilling, volatilizes exchange rate and increasingly, the high inflation in the country. Meanwhile, there is a growing feeling from the public toward the credibility of Somali Shilling as a stable currency. Therefore, this gradually leads them to lose their confidence in all business. Consequently, the US Dollar has found a window opportunity and intended to fill this gap to serve as medium of exchange, unit of account and store of value in the domestic market across the country.

THE CAUSES OF DOLLARIZATION

It is generally believed that the main causes of dollarization in Somalia are: the implementation of the Hawallah (money transfer) system, which has not been closely monitored by the authorities, a remarkable absence of the central bank and other monitoring financial authorities, the increasing misbalance of exports and imports of the Somalia business, a loss of confidence in the local Somalia Shilling, and the latter is considered to be relatively easier to be printed and manipulated by selected market players, mobile money (EVC PLUS) the fore every country have mobile money base on their currency, but in our country base in U.S.

In contrast, the US Dollar has gained momentum in the country and probably the whole region, due to its international status and recognition not only in the region but worldwide.

EFFECT OF DOLLARIZATION IN SOMALIA

Besides that, dollarization led a great loss of effective monetary, fiscal, foreign trade policies as well as macroeconomic instability respectively, under the dollarization, countries are likely to lose an ability to devalue our currency and control their monetary policies and also is financial instability in dollarized economies. Generally speaking, dollarization is often due to high or hyperinflation; however, consequently, they become totally dependent on U.S. monetary policies. This is due to that the majority of the local transactions are taken place in US Dollar. On the other hand, the impact of deposit dollarization on the financial depth. In the small business of Somalia around the road always price base in U.S this is a risk because when oncoming on small business assigned everything in dollar depends on other country.

CONCLUSIONS AND RECOMMENDATIONS

Some key consequences have been resulted in the existence of the dollarization over years in Somalia. For instance, it is clear that foreign traders are taking advantage of the depreciated shilling Somali by buying goods in Somalia against with international currencies.

Thus, this will affect the economy of Somalia adversely. This will result in the increase of US dollar which will lead to the increase of the level of inflation. Future forecasts, the adoption of foreign currency will be the main cause for the disappearance of the national currency in the domestic market. Moreover, the disappearance of national currencies led an abandonment of monetary sovereignty and a loss of a powerful symbol of national identity.

Besides these effects, dollarization motivated the depreciation of the local currencies as well as it increased the exchange rate variability. This high reliance and continuing of US dollar supply caused relatively loss of monetary and financial independence, especially in establishing rules, policies and regulations. This renders the Somalia economy subject to international developments. This applies to governments financial situation, businesses and individual savers as well as. This would negatively affect the Somali economy, without the possibility of appreciating the local currency as it is heavily relying on US Dollar. This journal recommends to the reduction of high reliance of dollar by the Somali people. The journal also recommends on further investigation in the issue of dollarization in Somalia and the effect of dollarization on Somalia businesses in the context of Somalia.





FINANCIAL SECTOR DEVELOPMENT AND ECONOMIC GROWTH IN SOMALIA

Dr. Amina Sheikh Omar Mohamud

INTRODUCTION

Financial development is vital to the economic growth in any country.

Furthermore, according to the Mishkin (2016), stated modern China resemblances a lot like the old Soviet Union. Underutilized labor forces, higher saving among the society, are the fuel of China's growth like their former Soviet counterpart he states. Moreover, modern China is powerhouse but awkwardly; its financial development is primitive. Thus, unless China addresses this issue, the repetition of the Soviet Union history is likely. Since, no one considers Russia as a success financial story, so China will follow the same path unless it addresses financial sector development issue.

The writer presented the above analysis to establish the legitimacy and the importance of the article. As well as, to underline attaining strong financial sector development in Somalia or any other country is prerequisite for achieving high economic growth. Also, it is

worth mentioning, this article serves as preface for the components of the financial system, to be delve deeper in the forthcoming articles. Thus, the contents of the article will present introduction at the beginning, then the importance of the financial sector development to attain economic growth, followed by conclusion and recommendation.

THE IMPORTANCE OF FINANCIAL SECTOR DEVELOPMENT TO THE ECONOMIC GROWTH

Financial sector development is very important for achieving economic growth in any country. But, before the article underlines the importance of financial sector development, let the writer present, what is financial sector is all about. Thus, according to the World Bank (2016) Financial sector "is the set of institutions, instruments, markets, as well as the legal and regulatory framework that permit transactions to be made by extending credit."

Besides, scholars like Ceccetti, & Schoenholtz, add the above-mentioned set, two more components, which are money and Central Bank.

Financial intermediary is one of the financial systems components, thus, these institutions present several advantages over individual lenders. Therefore, financial intermediaries' advantages include but not limited to risk diversification, less transaction cost, screening and monitoring of the borrower. Therefore, offering all the support needed by these institutions is important for the economic growth. Hence, financial sector development is one of the mechanisms that governments use to reduce poverty.

The functions of financial system are various, however, the most essential among all of them is the resource allocation function. Thus, different complementary institutions such as financial intermediaries, financial markets, and financial instruments simultaneously carry out this function. On top of this, establishing deposit Insurance Corporation will reduce the probabilities of a bank failure. Also, it will reimburse depositors money at certain percentage in case if the bank declares bankruptcy.

In relevance with economic growth, one of the main triggers of the innovation among the society is the availability of the credit to personal level as well as business wise. So,

Well-developed financial system contributes resources allocation to the most productive investment area. Luckily, several local universities offer bank and finance specialization, which is part of human capital development in the financial sector progress in the country. Furthermore, this human capital development is considered the foundation of this sector development specifically, and other sectors in general. Hence, financial sector developments advantages cannot be discussed and summarized in this article, but will highlight some of those advantages, in the following section.

Financial sector development will enable:

- Resources allocation to the most productive investment sectors will be realized further through the introduction of new institutions to the economy. And such institutions are included but not limited to investment banks, financial markets, and financial instruments.
- Establishing above-mentioned institutions will enable society to have financial access, and then the result will be poverty reduction among the society and per capita income to increase.
- Moreover, due to the stiff competition among financial institutions, the introduction or the innovation of various financial services will be high. And, that will enable customer to become price makers, with wider selection, and high-quality products and services.

- Currently, most of the businesspeople they do not know how to utilize their idle money. Furthermore, the purchasing power of their idle money diminishes each time due to lack of highly liquid investment. Thus, by developing financial system it will enable also, the velocity of money circulation in the system to increase. Therefore, investment opportunities and highly liquid investment will be numerous as well.

CONCLUSION

Financial system development is the foundation for achieving higher economic growth. Thus, to triumph this growth developing all the six components of the financial system is vital along with supporting institutions such as deposit insurance corporations. By doing it so, resource allocation can be attained, which will result poverty eradication to propel and per capita income to increase among the society and business sector alike.

RECOMMENDATION

The article presents the following recommendations:

- Somalia youth suffer massive unemployment, thus, well-developed financial system in the country will enable, Small and Medium Enterprises (SMEs) to get access to finance sector. Then, SMEs will generate more entrepreneurs and more jobs.
- For the Somalia government, to realize above-mentioned advantages, establishing strong financial regulatory framework is vital, along with contract enforcement. Moreover, these rules and regulations are expected to be inclusive enough so it will address all the financial institutions in the country alike.





AGRICULTURAL COOPERATIVES IN SOMALIA OPPORTUNITIES AND CHALLENGES

Abdiaziz Ahmed Ali and Abdiweli Asad Abdi

INTRODUCTION

Agriculture cooperatives is an essential tool for farmers and self-directed association group of people who united to meet their economic and social needs furthermore, it is a main source of income and employment in rural areas. Agriculture cooperatives can improve the life of community groups such as youth and women to share resources and bring value to their products, in addition it covers unavoidable expenditure, reduces operational costs, increases quality of their output and their management skills.

Somalia depends on agriculture production. Agriculture contributes 12% of the GDP of the country; more than 25% of the populations are farmers so it is not only in terms of food needs but also is a source of generating income through crop sells and agricultural labor opportunities.

Italians dominated export production of Somalia in the colonization period, but in 1973 the Somali government approved the national law of agricultural cooperatives to enhance the development of small farmers and other communities in Somalia. The law categorized the cooperative into three parts; multitasked cooperatives, assembly farm cooperatives and productive cooperative. The first cooperatives were made in agreement between farmers and government in Gibley district named by Tacabwadaag and agriculture were increased 10% to 29% in one year. (Spring, 2012).

In 1991 after the downfall of the government the civil war spread rural areas and many farmers were forced them to immigrate from rural to urban areas while others fled to the neighboring countries and that shifted to decline agricultural production, according to the FOA in 2011 people died for hunger were estimated more than 300,000 people. So, this article identifies the opportunities and challenges faced by Somali agricultural cooperatives.

Opportunities of agricultural cooperatives

Agriculture remains main source of income and employment in Somalia, currently agricultural production represents 93% of the total export, mostly linked to the robust livestock export Sesame is the largest export among crops flowed by dried lemon, in the wake of total collapse of banana exports. it has a land that suitable for farming, So agricultural cooperatives is a best mechanism and opportunity that can increase social welfare, food security of household and self-sufficiently, in addition it facilitates exchange of skills, experience and may improve the productivity of small farmers which enables them to export high quality and cheap products in domestic and international markets .

One of the experiments in 1968 at agricultural research Centre at Afgoi addressed by using new technique, that one farmer produces nearly 6,200 pounds of rice 3.7 acres with no fertilizer because of using new land and concluded that if rice growers use this technique Somalia will reach self- sufficient (Cartle, 2004). Hence, agricultural cooperatives will have opportunity to generate more marginal productivity than one producer.

Challenges of agricultural cooperatives

Every business requires finance to purchase assets and working capital, agricultural cooperatives is similar to other business, so that the main challenge that behinds the failure of Somali agricultural cooperatives is there is lack of capital and investment, furthermore there is uncertainty of creditors to invest this kind of cooperatives. The only source that Somali agricultural cooperatives can generate capital is to collect amongst members, and this type of funding is not enough to cover the expenditure.

According to the World Bank report the last three decades Somalis livestock and crops have been affected and on increasingly fragile and degraded natural environment more frequent severe cycles of drought and floods these factors caused by insecurity ,weak institutions, poor infrastructure, weak human capital and lack of access ready market which leads reducing returns to scale and the use of assets ineffectively which has led a severe decrease in crop yields in the context of the agriculture in Somalia.

Deforestation of the land is one of the current environmental problem that face agricultural sector because the practice of deforestation will predictably effect the nomadic community who depend on entirely on grazing, moreover cutting the trees and changing them as charcoal to trade and export gulf states is a series challenge that causes erosion of fertile soil,

which have long term impact on agriculture ecosystems.

Conclusion

Finally, in order to remove these constraints government is not only required to develop strategic ways that solve the problems but it must directly support and promote agricultural cooperatives to increase both local production and exports. The state should reform financial sector to mobilize required finance of agricultural cooperatives, public services should be another priority for the government in order to reduce transaction costs and help them to build the career skills. The nation should promote the benefits of education to send out effective signals to encourage people to alter the behavior and to stop environmental deforestation.





HOW IMPORTANT IS CUSTOMER SATISFACTION?

Nasra Ahmed Mohamed

INTRODUCTION

Customer satisfaction had become increasingly important aspect to the retail industries, and greater customer satisfaction can enhance profit gain. Customer satisfaction is a substantial component to the retail companies and increases marketing performance, it is an essential marketing concept. The strategy of customer satisfaction had been given a great deal of consideration because, it is believed that satisfying customers can lead to customer loyalty, which will result the customers to make repeated purchases.

Retail industries serve the same customers, service quality is one of the main things that can differentiate and create customer satisfaction. The retail service combined a mix between services and goods wherefore it is crucial to look at service quality from the angle of services and from the angle of products, and develop a set of items that correctly measure this construct.

There are a lot of retail companies in Holwadag district, some retail companies have more customers than others. Human beings are hedonic and hence they seek pleasure and avoid pain, so giving satisfaction while shopping can lead repeated customer.

The Effect of Service Quality on Customer Satisfaction

The qualities of service and customer satisfaction are the general concepts that companies must understand if they want the ability to compete and grow. Thus, providing high quality service is the key to sustainable competitive advantage. Customer satisfaction is not only a positive effect on the profitability of the enterprise, but also, the foundation of any successful business and can lead to repeat purchase and brand loyalty (Biliana & Jusuf, 2011).

Service quality is regarded as a key source of competitive advantage, as it helps retain and attract customers. Some of the retail companies in Bar_Ubax compete with the same products but their main difference is the service quality for the customer. I have seen that some shops have many customers while other do not have anyone just because; these employees serve their customers effectively and give a quick response to the customer. Researchers indicated that the satisfaction with product and service quality simultaneously affects the intention. There is evidence that customer service quality directly affects satisfaction; and satisfaction directly affects the positive behavioral intentions.

Customer Loyalty and Customer Satisfaction

Several studies have reported that customers' satisfaction is a crucial requirement for the achievement of customers' loyalty. Holding loyal customers is an important factor for the sustainable success of the companies, because the paradigm in marketing has shifted from acquiring new customers to maintaining and keeping current customers. Acquiring new customers is much more expensive than keeping the existing customer.

Customer satisfaction is the outcome of the customer's perception of the value received in a transaction or relationships, where value equals perceived service quality, compared to the value expected from transactions or relationships with competing vendors (Zeithaml, et al., 1990).

In order to be successful, especially in the retail industry, the shops must focus on retaining existing customers by implementing effective strategies towards customer satisfaction and loyalty, since the cost of attracting new customers is higher than the cost of retaining existing ones.

Factors That Affect Customer Satisfaction:

There are many factors that affect customer satisfaction these factors include (politeness of staff, accuracy invoices and timing, competitive prices, service quality, quick Service, trust). Whereas Zeithaml, parasuraman (1990) that there are a range of factors that affect the satisfaction or Customer expectations, which are:

- ❖ Personal contact with the surrounding,
- ❖ Personal needs,
- ❖ Previous experience,
- ❖ External communication, and
- ❖ Intended for those messages that institution send to the customer audience.

Conclusion

Customer satisfaction is important because the satisfaction of the customer is the main reason for the company to sustain. Since the retail shops especially those in Bar-Ubax area are selling the same product they must find a way to differentiate itself so it can stand apart from other retailers and drive more consumers to its store. Service quality is one way to accomplish this. The focus on customer retention in this area of business is one of the right strategies to generate profits. Employee motivation is one thing that can drive to satisfied customers.





CAMEL, A SMALL BUSINESS BIG MARKETING

Stephen kapolon Asangai

INTRODUCTION

What can you learn about business from a camel wrangler? Quite a lot, as it turns out! This article is all about “big picture” business strategy and how to overcome fear to create the business of your dreams.

In this article of small business big marketing, you’ll discover (5 tips for a camel business):

1. The number one thing stopping small business owners achieve their goals
2. Why focusing on money is the worst thing you can focus on and where you should put your energy instead
3. How to use mental visualization to achieve your business (and personal) goals
4. Why making a decision – any decision – is often the key to overcoming “analysis paralysis” and being stuck in a rut
5. Why facing your fears is a MUST, and how you can overcome the niggling doubts and

worries we all face every day, “your market is endless”...

Camel production is a major source of livelihood for the pastoralists in the arid and semi-arid lands of Somalia, which hosts 10% of the African camel population.

Increasing human population in the world has arisen the issue of food security. In order to combat with this issue, there is need to explore a new world of resources. Camel can serve the best useful addition to the food supply chain in terms of milk, meat and other products.

Dromedary camel in Somalia and its population is highest. Camels are of vital socio-economic importance in the country as people use it for drawing water from wells, ploughing and leveling land, working mini-mills for oil extraction, grinding wheat, corn and other grains and for crushing sugarcane, and pulling carts for the transportation of goods as well as people. Well-fed camel can yield 10-15L milk per day.

Camel milk can also be used for making yogurt, and butter. Meat, hides and hair are useful by-products of camel.

Camels have been referred to as the desert dairy due to the important roles they play in the community. They are able to survive well in the arid and semi-arid due to their biological and physiological adaptations which help them cope with harsh environmental conditions. They drink less water as compared to other livestock species, and they have the ability to stay for many days without water, an ability which they owe to their remarkable tolerance of dehydration while keeping the blood volume normal.

Field estimated that the volume of milk produced by camels is six times that produced by indigenous cattle found in the dry lands. Despite the important roles played by camels in the pastoral communities in Somalia, they have been neglected by scientists, by policymakers and by the government. Farm Africa has observed that camels have been neglected and underused for a long time. Observations have been made that, despite the advantages the camel has over other domestic animals, it has been neglected, with most research efforts being directed to cattle, goats and sheep among others.

The cow is the most important farm animal in parts of Africa. But climate change is threatening the existence of cattle. The difficulties of raising cattle when rainfall is

scarce have seen some pastoralists across the entire country, not only in the traditional arid areas of Somalia, adopt camel husbandry in the last few years. The value of camels is now becoming increasingly acknowledged by Somalis policymakers and researchers since climate variability has become a big challenge. The drought of 2005 to 2006 led to a 70% fall in the size of pastoralists' herds of cattle, goats and sheep. This situation left many pastoralists poor and, as a result, become dependent on relief food.

This has led some Somalis in northern and southern to abandon cattle rearing in favor of camels. Camels can contribute to food security, given the lower ability of cattle to withstand the harsh climatic conditions associated with climate variability. It was important to try and understand whether the Somali communities were ready to let go their cattle culture and embrace camel production, which could be the best bet option for reducing poverty and food insecurity in the dry lands of Somalia.

This study indicated that the Somali community had recently diversified their livestock; they now reared cattle, camels, goats and sheep. They used this as a coping strategy against disasters and calamities, as different herds have different water and pasture requirements and different resilience to drought and diseases. The diversity of the herds ensures risk distribution.

For example, small stock - goats and sheep - have high fecundity and hardiness to drought, which make them suitable for post-drought reconstitution strategies.

The most preferred livestock species

The respondents were asked about the most preferred livestock species in the region. The majority of the respondents (71.5%) replied that they preferred camels, giving as their reasons that camels are most suited for the region, as they can stay for many days without water and food (Figure 2). Focus group discussions and key informant responses confirmed that camels have multiple purposes among the pastoral communities, which included providing transport in the desert, so many communities refer to camels as ‘lorries’ (trucks). Camels are also used for ecotourism and fulfil many social, religious as well as economic functions. Among other respondents, 22.3%

Indicated that they would prefer goats and sheep because they can give birth twice per year, and they have twin births.

They also noted that sheep and goat milk is used as medicine for ulcers and stomach-related problems. Goats were compared to camels as they are both in the category of browsers, especially goats. Focus group discussions noted that shoats are easy and cheap to restock after a disaster. Only a small percentage (4.5%) of respondents indicated they preferred rearing cattle. The reason given for this was that when

cattle were sold, they were able to get more income as compared to selling other livestock species in the region.

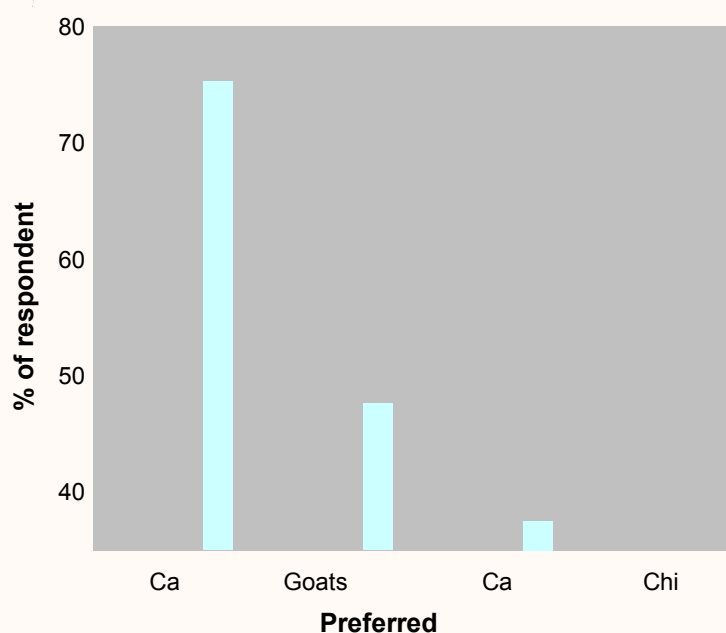


Figure 1 Preferred livestock

Adoption of camel culture by the Somali pastoralists

This study found a trend among the Somali towards camel rearing. There is a shift from an old strategy that was socially and culturally centered on cattle pastoralism to new livelihoods that are more dependent on camels and small stock. According to the focus group discussions and responses from key informants, the Somali pastoralists used to be referred to as ‘cattle owners’ due to the attachment they had to cattle. Traditionally it was mandatory for every Somali household to own cattle and wealth was measured according to the number of cattle one had.

Those who did not own cattle were considered the poorest and their relatives used to loan them female cows so as to build a herd. The Somali used to have a negative attitude towards the practice of rearing camels and used to associate it with inferior cultures. Focus groups and key informants reported that two clans among the Somali, used to consider it taboo for a person to have camels and to eat its products, namely milk and meat. This study found now that nowadays those two clans rear camels and use their products.

Factors that lead to the popularity of camel production

From the focus group and key informant discussions, this study found that camels are preferred due to many factors. Their adaptation makes them survive rainless seasons on the scantiest feed and exist in areas where other livestock species cannot survive. Camels and their products fulfil many socio-economic functions among the livestock keepers. Camel meat and milk is consumed by the pastoral communities, especially during the time of drought. Although camels are rarely slaughtered, during the dry season they are slaughtered and their meat is preserved, so that many households depend on the dry meat for a longer period. Camels produce 4 to 6l of milk per day, which is consumed by camel keepers whenever the camels are near the home sites, during dry and drought periods and some is sold which brings income to the households. When milk is

plentiful, it is fermented into a product. Camel milk is highly regarded by the camel keepers as it is believed to have medicinal value to cure various diseases such as diabetes, ulcers and stomach-related problems.

This study found that camel hides were important products, used both for domestic purposes and for sale. The hides were used to build the roofs for traditional pastoral houses. They were also used for making ropes, guards, drums, seats, sandals, prayer mats used by Muslims and water and milk containers. Camels are used as means of transport for camel keepers. They offer good means of transport to the pastoralists when migrating as they carry their household goods and the materials of their traditional houses. Camels carry old people, the ill, toddlers, pregnant women and those who have just given birth.

Constraints associated with camel rearing

The respondents in this study reported that camel production is affected by diseases such as trypanosomiasis, camel pox, pneumonia and ectoparasites. They also indicated that mastitis frequently interfered with milk production.

It's noted that the Somali persist in keeping indigenous camels which have low milk yields compared to Pakistan camels and breeds which are considered to be superior to the local Somali camels. Their camels also take longer time to mature than the Pakistan camels and exotics.

Little attention has been given to the improvement of camel husbandry in order to increase milk and meat production.

Another constraint to camel production which was identified by the study was insecurity in the study area. Livestock rustling, a cultural practice which has been used by most pastoral communities, has become frequent and more violent than it used to be, and this has led to increased fear among the Somali who complained that they produce camels for raiders to steal. This is very discouraging.

Furthermore, this study revealed that camels and their products have limited markets as compared to other livestock such as cattle and small ruminants. The reason for this is that there is very little domestic demand for camel products and most of the products are consumed by the camel-producing communities, while consumption of camel products by non-camel producing communities is limited. The Non-Existence of Meat Commission, which should be dealing with livestock meat production camel meat.

Recommendations

The study has shown the new role played by camel production in food security, response to climate variability and income generation. However, some factors interfere with the Somali community realizing the full social and economic importance of the camel. These factors include prevalence of camel diseases and the pastoralists' retention of less productive breeds. This study recommends that more resources be allocated towards disease control and introduction of improved breeds. Since camel products have limited markets as compared to other livestock species, the Somali government should expand its market to accommodate camel meat, in addition to cattle and small ruminant meat. Insecurity was also identified by respondents as a big problem, and this should be solved by the policymakers promoting peace between the Somalis and other livestock keepers.





WATER ACCOUNTING FOR GOVERNANCE AND SUSTAINABLE DEVELOPMENT IN SOMALIA

Sadam Isak Hassan

INTRODUCTION

In our everyday life, household accounting is common. Due to the importance of money it is very crucial to know from where money is earned, and to where it has been spent as money is considered a valuable, precious, and limited asset. Households keep an eye on their cash flow closely... Businesses need accounting information to measure the profitability and sustainability of the business in this rapidly changing competitive market. It is understandable that we do not give and shift our detailed attention and priority to water accounting (WA). It is a precious resource and water scarcity is increasing at any time in everywhere across the globe. Estimates suggest that if we continue water management in this current approach, water demand will increase the water supply by over 40% (WEF, 2015).

In our daily life experiences, we hear much more about water scarcity and shortage of water repeatedly. Issues of water stress are experienced in rivers and many large

populations live within inadequate level of water security. Water accounting has been a topic of discussions and research for over the past 20 years so that this could mean water accounting is not a new concept. It is yet an evolving area of study but with the increasing concerns, worries and uncertainties over the future of the inadequate water resources means that it is the time to look at proper ways of putting it into practice (Marseille, 2018). Many international attempts have been made to solve water scarcity crisis but to date, however, progress in moving beyond conceptual thinking towards practical implementation of natural capital valuation such as water resources has been slowing down. Lack of internationally-agreed methodologies for water valuation and measuring it are one of the barriers for practical implementation.

We all fed up of what is happening in Somalia about the scarcity of water. On the top of that, we have seasonal variations and periodic rainfalls.

Droughts, conflicts of water and water trade-offs are everywhere. Most importantly, there might not be actual information of demand and supply of water, which is available for the society. Therefore, water accounting (WA) help the governmental bodies to know how much water is available and how much is allocated to make sure the taps do not run empty. This article intends to persuade and bring the attention of the highest governmental authorities and policy makers on the vital role of water accounting can play. Also, the prospects it can bring to manage scarce water resources and achieving goals of sustainable development for the entire country.

Contribution of water accounting to the water governance

Water is increasingly becoming a scarce resource because of the continuous economic, demographic pressures and developments. Water Scarcity is defined as when life and livelihoods of people is threatened because of the inaccessibility and unavailability of safe water for washing, drinking, sanitation, cooking, and production as well. There is an increasing interest in water accounting (WA), what advantages it can bring, the role it can play, the reason for using it and how to put it successfully into practice. Water accounting (WA) is not a new concept, its quantifying, measuring, and assessing water resources and uses of water like financial accounts that give income and expenditure information. However, giving the current focus on water accounting as precious

limited resource, the extreme risks of floods and droughts, it is difficult to understand why little attention is given to water accounting to make sure enough water is available for all users. In this case, water accounting is widely needed in our country as we experienced years of countless droughts, famine, and conflicts of water.

Although we do not even have normal foundation of accounting standards for the country and lacking water professionals still, we do need water accounting to be taken into the consideration. Generally, it is the governments' responsibility for managing and planning the number of water lands and water resources we have on hand. In Somalia we do not have rules, regulations and laws that dictate the public what to do about the precious and valuable water resources, and how to allocate the blue water efficiently to the all-different users of water. Many worldwide developing nations around the globe have decrees, rules, regulations, authorities, and laws that allow them to report water resources availability and accessibility in all areas of the country.

Water governance and sustainable development can be reached through proper balance between water allocation for economic development, food security and energy. The state of water accounting can be expressed in terms of data, tables, maps, and sheets.

While water problems across the globe are significantly rising, information useful for decision makers in the sector of water and other related sectors seemed decreasing. Saving water, using canals, and building dams can promote water sustainable developments and can take us toward water governance in both short run and long run. Flows in rivers, canals in different sizes, utilities and renewable water resources are all important so that water accounting focuses on this important field. Every country and society need much more accurate, reliable, and timely data about the assessment and measurement of water available.

Water accounting (WA) gives us essential basis of good water governance which is known as one of the weakness in water resources management of the most developing countries. Most importantly, water accounting (WA) can serve and be used as a tool for resolving and understanding problems of water resource crisis. What makes water governance according to the World Bank more challenging is the uncertainty of the quantity of the limited water resource and quality available from year to year in terms of stocks and flows. But the important question to be asked is, how water accounting can be associated to water governance? The answer truly lies in water auditing because, both water accounting and water auditing together can improve, polish the understanding level of good foundation of water governance needed to

deliver all water services, and the implications of delivery.

Why to adopt water accounting?

There are many factors that contribute to the adoption of water accounting such as to build sustainable development through significant contribution of policy makers and other governmental bodies. Another motivation to adopt water accounting is resolving conflicts that arise due to the water allocations and trade-offs. The primary responsibility and role of the governments is to administer excessive demand of water and negotiating trade-offs. Water accounting adoption is also important to preparing for droughts and emergencies. Water accounting (WA) can assist the government and other governmental authorities in drought preparedness, readiness, and awareness. This is significant to give attention and focus on it because rivers and its inhabitants are facing severe risks of floods, famine and droughts which may be a product of starvation and the death of the poor people.

Conclusion Remarks

The economic growth that the country experience in some different areas such as towns, large cities, villages, and regions provide us economic and social repayment such as job creation opportunities, social wellbeing and generating more taxes to be further spent on schools, hospitals and medical care institutions and transportation as well.

However, things are not all advantageous there are also disadvantages which mean economic growth can create excessive demand of water beyond the current level. But water accounting can help the public and the government the information needed to steadiness among the water available and the demand of the water resources and encourage the government not to plan without knowing supply and demand of water. How water is managed, measured, assessed, and quantified determine the usefulness of water accounting for water governance and sustainable development for all. However, water accounting alone itself cannot be a solution for the problems of water governance but it can give us the necessary information needed in order to help us to making a sound decision and improve the pathway towards good water governance.

Recommendations

In this article, policy makers are mainly recommended to give much more attention to the importance role and practice of water accounting. This article also, suggests to the researchers to further explore the issue water scarcity and water accounting, and how to put into practice successfully to overcome scarcity of water resources and barriers of developing and establishing laws for water accounting and putting it into practice.





THE POWER OF GOOD COMMUNICATION SKILLS IN THE WORKPLACE SUCCESS

Dr. Amina Sheikh Omar Mohamud

INTRODUCTION

Communication if it's in writing, reading, listening and speaking is considered core for human success in life and business. It allows us to share knowledge, information, and experience with other people. The most important skill that the managers demand in the workplace is communication skill. This article does not claim it will solve all the communication problems. But, it will assist the reader to sharpen their communication skills by communicating in smarter way, getting promotion, and achieving your goals. Also, the article would aims to reawaken the importance of communication skills in the organization, and would shed the light the methods of improving it.

THE IMPORTANCE OF COMMUNICATION SKILLS IN THE WORKPLACE

Communication skills have always been considered a crucial skill in life and career success. But before the article discusses the importance of communication, let us see the definition of communication. According to business dictionary it defines as:

“Two-way process of reaching mutual understanding, in which participants not only exchange (encode-decode) information, news, ideas and feelings but also create and share meaning.... In business, it is a key function of management--an organization cannot operate without communication between levels, departments and employees.”

After you understand the definition of communication, let the article discuss some of the importance of communication skills in the workplace, which are:

- ❖ Effective communication is considered much more important than money, since communication can help you get promotion and career development in the corporate.
- ❖ Having effective communication skills can help you become a leader. Thus, leaders influence followers through communication and action. Therefore, leaders can set goals and encourages subordinated to achieve more.
- ❖ Communication skills empower the employees to feel secure, since they consider through effective communication, they have a voice. Furthermore, employees also become innovative, which leads the organization to gain competitive advantage over other firms.
- ❖ Communication skills also, are strongly related with resilient management system in the organization. Because managers can delegate the task at hand, manage conflict, besides build strong culture and trust among the organization members.

TIPS TO ENHANCE COMMUNICATION SKILLS IN THE WORKPLACE

Communication is crucial in the workplace and it can assist you to become more effective and efficient. In this section article will present various tips to enhance communication skills in the workplace (manager and employees) as well as for the customers.

In this section the writer cannot present all the methods for enhancing communication skills in the workplace, but a selected tip, which are:

B. Selected Tips for manager to communicate effectively in the workplace:

- a. Make sure as a manger you define your expectation from the employee and set the goals clearly. Hence, never assume that the employees know what you expect from them, simply they are not mind readers, and also they don't have crystal ball. Therefore, the manager is expected from him/her to deliver the message to the followers clearly.
- b. Try to practice Management by Objective (MBO) theory by making sure you and your employees set the target together. Because, by keeping everyone involved in target setting and informed from the beginning, the implementation will be less complicated.
- c. Focus on problems, not the personalities, as manager unexpected event might occur, unless is a pressing matter never hurry your decision-making under any circumstance. Managers they are the beacons for the firm members, thus, analyze the situation before taking any action by gathering all relevant information. Do not let emotions dictate your actions, make sure you see the bigger picture
- d. Dedicate a time for your employees so that they can share their concerns and thoughts with you. Besides, by doing so, make sure, you listen well and show empathy if necessary.

e. Be mindful when you are giving feedback to your employees. Be human, never undermine or crash the spirit of your subordinates, especially in front of other people or their co-workers.

A. Selected Tips for employees to communicate effectively in the workplace are:

- a. If you were assigned a task, make sure you understand the requirement before delving deeper into finding a solution. If it is possible, ask your managers the task and the expected outcome, afterwards try to search a solution.
- b. Remember your tongue is two-sided weapon either you can use to create friends or enemies. Therefore, be careful how you use it, and weight your words before you said it.
- c. Never personalize a criticism, if your boss criticize you try to be open mind, by understanding the situation. Analyze the situation; try to step-up into the shoes of manager. Then analyze if you deserve the blame, what is the source of the problem, etc.
- d. Mistakes are valuable lessons if you only learn from it. Part of being human is to make a mistake; basically, you are not a perfect. So, embrace your mistake, and make sure you never repeat the same mistake under your watch. Hence, continues learning sends the message you are committed to develop yourself as well as the organization.

e. To communicate effectively, always make sure you read the message to yourself before you send it. Also, weight your words before you say it.

C. Selected Tips to communicate effectively with for customers, are:

- a. Make sure the information that you provide to the customer is accurate and be honesty with him/her. By doing so, you are in the process of establishing a trust between your company and potential loyal customer.
- b. Remember that the customer will reach to you when he/she is confused or unsure about product/services, process, information, etc. Thus, it is expected from you to have patience and try to solve the customer's problem. Furthermore, go extra mile by doing/offering more then what the customer is expecting from you.
- c. Be active listener, always avoid interrupting the customer while he/she is complaining or talking to you. May be, what the customer is looking is a sympathetic person that listens to him/her that can step into his/her shoes.
- d. Show confidence when you are dealing with the customer such knowing your products inside out, anticipating customer questions. Also, being confident shows what you can do for the customer instead of what you cannot.

e. If you see the customer is finding difficult to understand the solution you are offering, try to use analogy. Analogy assists you to deliver your message to the customer clearly and easily.

CONCLUSION

Employees deem having effective communication skill is much more important than money, since it is the stepping-stone for getting promotion and achieving their target. Also, from employers' perspective communication skills are considered one of the crucial skills that they demand from their current or potential employees to have. If you are a manager or employee you can sharpen your communication skills anytime. Also, you need to remember that communication skills are part of renewable knowledge.

RECOMMENDATION

The article recommends the following:

o Selecting appropriate communication channel is vital since it conveys a message between the sender and the receiver. As a sender make sure that the message contents and communication channel are proportioned. E.g. if the manager wishes to confirm a meeting with several employees, the best choice will be sending an email or message to the employees instead of calling each and every one of them.

- Organizational structure plays a vital role the percentage of information loss with in the organizational hierarchy. Thus, the article recommends if you are trying to curb this issue the solution will be by reducing the tallness of the organizational structure (making it flat or close to it).

Therefore, communication equation portrays that 90% of the communication message is through non-verbal, thus, it is expected from you to match between the verbal and the non-verbal message.

o with effective communication the firm can become bounder-less organization whereby there is no barriers to information flow. Thus, the firm members will work together for the common good of the organization and its member, which leads to organizational success.



A photograph of a busy fish market. In the foreground, a man in a dark t-shirt with 'BDO Remit' on it is cutting a large fish on a wooden table. Several other large fish are on the table, some already cut into pieces. In the background, many other people are working at similar tables, processing fish. The scene is crowded and active.

THE EFFECT OF THE ILLEGAL FISHING ON THE SOMALI FISHERS

Abdullahi Hussein Abdi

INTRODUCTION

The global population outburst, despite being a blessing, has come with sensitive challenges. Significant amongst them is the notion of food security. Natural food sources world over has been exploited to the core, depleted and others completely extinct. However, the need for natural food supplements especially proteins has inevitably risen. Since fish is one major contributor to protein generation. Today, a significant portion of fish stocks are now depleted and incapable of providing a sufficient and sustainable fish supply to quench the global demand.

Some (if not most) of the activities affecting the global fishing industry are illegal and thus have no tangible economic benefit to the respective states where they are conducted. Illegal fishing refers to the illegal activities performed by countries or foreign vessels in waters under the jurisdiction of a state and without the permission of that state or in violation of the laws and

regulations by vessels using the flags of states that are parties to a relevant regional fisheries management organization.

Fortunately, the eight east African coastal countries including Comoros, Kenya, Madagascar, Mauritania, Mozambique, Seychelles, Tanzania, and Somalia have been doing a magnificent job in combating this vice. There is a need however for such regional fisheries management organizations to operate within the unilateral protection and management procedures and other suitable applicable international laws. The decrease of illegal fishing in the western Indian Ocean shows gradually surge control overtime by coastal states, particularly countries of the southern African Development Community and those are in the extreme north and decrease in unreported catches assessed by the Indian Ocean Tuna Commission (IOTC).

For instance, in Indonesia a large amount of unreported catch (over 1.5 million annually) has presently been revealed by a FAO study of the Arafura Sea (PLOS 2009). Before 1991 civil war, the industrial fisheries along with the Somali coast developed much earlier than artisanal fishers due to the rich fish resources of the region, fishing activities were carried out by foreign vessels under license to the Somali government but now there is no functioning governmental authority at all. There are presently at least 50 fishing centers scattered along the Somali coastline, most of which are fairly small and geared exclusively towards artisanal inshore fishing activities.

The number of fishers is difficult to verify, but it is estimated to be 4,500 active artisanal fishers and 5,000 temporary fishers (Lovatelli 1996, Tello 2005). However there have also been estimates of as many as 30,000 people actively involved in the various aspects of the fishing business in Somali coastal communities and another 60,000 may be engaged on seasonal basis (African Union 2016). Somalia's announcement of its Exclusive Economic Zone (EEZ) as of July 3, 2014 recognized by the United Nations division for Ocean Affairs and the law of the sea and office of Legal Affairs.

Impact of the Illegal Fishing

In overall, there is very little available information about the social effects associated with illegal fishing in Somalia.

Economically the impacts are largely concerned with the losses to the economy from revenue generated from landed catches, taxes, licensing and landing fees, and job losses in the fishery and associated industries. The Illegal, unreported, and unregulated IUU, catches are estimated to remove more than US\$450 million in fish value out of Somalia annually (Waldo 2009).

On the other hand, it is believed that each year the European Union alone take IUU catches out of Somalia which is five times the value of its aid to Somalia (Waldo 2009). Furthermore, the Estimates of revenue losses from IUU fishing are about US\$ 300 million a year (Stop Illegal Fishing 2008).

After the civil war of Somalia in 1991, the illegal fishing continued to go on in Somali waters, according to the United Nations, local accounts officially pronounced foreign-flagged industrial trawlers regularly involved in intentional collisions with local fishermen in Somali waters, which overtime has caused destruction of fishing gear, injuries and even deaths of local existent fishers. This among other factors led to the emergence of what would later be considered piracy by artisanal fishers who had armed themselves and with a strong support of local militias. Since the collapse of the central government many of the foreign fishing vessels were attacked, hijacking had been occurring as well as ransom demand and payment.

In addition to illegal fishing, there have also been reports by local fishers of foreign ships dumping toxic and nuclear waste (e.g. radioactive uranium, heavy metals such as cadmium and mercury, hospital waste) off Somalia's shores (UNEP 2005, Tharoor 2009). According to the United Nation's 2005 report, it cost European companies US\$ 2.50 per ton to dump toxic waste off the Horn of Africa – a significant 100-fold decrease from the legal method of disposing within Europe (UNEP 2005).

Conclusion

After the collapse of the central government of Somalia in 1991, systems and infrastructure collapsed with it as well. All regulations, policies and laws have been also ruined including the laws that protect the country against illegal fishing. The absence of the well-designed and functioning laws has caused illegal fishing activities to occur repeatedly at Somali coasts. The illegal fishing activities in Somali waters had and still have negative consequences including economic strain, social and environmental burdens as well.

An absurd effect of illegal fishing on the Somali fishers is that the illegal fishing has encouraged the Somali fishers to arm themselves and attempt to attack foreign commercial fishing vessels and hijacking and asking to pay ransoms. In other words, this means that the illegal fishing creates piracy too. Onshore political instability,

weak government, extreme under-development, and absence of the Somali fisheries law are the most crucial drivers of piracy.

Somalia is considered as one of the poorest countries in Africa and yet it has one of the longest coastlines in Africa. This misalignment of the country and the economy can be fixed through the establishment of the fishing laws in Somalia and full awareness of the judiciary consequences to ensure the violators of the laws should not escape the judicial prosecution.

In order to reduce the illegal fishing activities and take advantage of the fish stocks in Somalia, many international attempts have been and still being made to restore sanity in the fishing industry. Such attempts include the European Union (EU) missions against illegal fishing in Somali waters, among others.

Recommendations

In order to promote economic growth, social welfare and protect the environment of the country, eradicate the degree of poverty, reduce illegal fishing in Somalia and steer the country toward sustainable development and this article recommends;

1. The establishment of strong, effective, and efficient laws regarding illegal fishing.
2. Training and improvement on the knowledge and experience on illegal fishing investigators.

3. To establish navy whose primary responsibility is to effectively and continuously monitor the Somali waters.

4. Also, worth considering is strengthening the working relationship between the national police and the fishing authorities to engage in international illegal fishing activities investigations.

5. Lastly and most importantly, proper, and effective implementation of fishing laws to tackle all negative effects brought by illegal fishing in Somali waters.

Concisely, ultimately, this article recommends further investigation on the issues of illegal fishing activities in Somali waters.



