

## **The Effects of Aid in Somalia: Unintended Consequences and Lessons Learned**

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### **ABSTRACT**

Prior to the collapse of the central government in 1991, Somalia received substantial aid for infrastructure development. However, concerns arose regarding the effectiveness and sustainability of these projects, as they were often driven by political interests rather than the genuine developmental needs of the country. The subsequent civil war and humanitarian crisis led to a surge in aid from the international community, primarily in the form of emergency relief and humanitarian assistance. However, the aid provided was fragmented, uncoordinated, and short-term, resulting in a lack of sustainable development in Somalia. While acknowledging the positive role of foreign aid in addressing humanitarian crises and developmental challenges, this research highlights the unintended consequences associated with aid interventions. These consequences include aid dependency, negative spillover effects, governance issues, environmental impact, and the perpetuation of poverty.

The research also recognizes the effectiveness of foreign aid in achieving its intended objectives, supported by extensive research and evidence-based practices. Sectors like health and education have demonstrated positive outcomes, while emerging sectors like information and communication technologies require further evidence-based interventions. Given the pressing global challenges of climate change, rising global inequality, and the emergence of autocratic regimes, evidence-based international development interventions are imperative. However, financial constraints, ideological clashes, and political hurdles pose significant obstacles to progress in the international development sector. The research concludes by emphasizing the need for a comprehensive and coordinated approach to aid in Somalia, addressing the underlying causes of aid dependency and mitigating the unintended negative consequences. It calls for careful planning, execution, and evaluation of aid interventions to maximize positive outcomes and minimize harm.

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### ملخص

قبيل انهيار الحكومة المركزية في عام 1991، تلقت الصومال مساعدات كبيرة لتطوير البنية التحتية. ومع ذلك، نشأت مخاوف بشأن فعالية هذه المشاريع واستدامتها، لأن الدافع وراءها غالبا ما يكون مرتبطا بمصالح سياسية وليس بالاحتياجات الإنمائية الحقيقية للبلد. أدت الحرب الأهلية والأزمة الإنسانية اللاحقة إلى زيادة المعونة المقدمة من طرف المجتمع الدولي، في شكل إغاثة طارئة ومساعدة إنسانية في المقام الأول. غير أن المعونة المقدمة كانت مجزأة وغير منسقة وقصيرة الأجل، الأمر الذي أدى إلى الافتقار إلى التنمية المستدامة في الصومال. بينما يقر هذا البحث بالدور الإيجابي للمعونة الخارجية في التصدي للأزمات الإنسانية والتحديات الإنمائية، إلا أنه يسلط الضوء على العواقب غير المقصودة المرتبطة بها. تشمل هذه العواقب الاعتماد على المعونة، والآثار السلبية غير المباشرة، وقضايا الحوكمة، والأثر البيئي، واستدامة الفقر.

ويعترف البحث أيضا بفعالية المعونة الخارجية في تحقيق أهدافها المتوخاة. مدعومة ببحوث مستفيضة وممارسات قائمة على الأدلة. فقد أظهرت قطاعات مثل الصحة والتعليم نتائج إيجابية، في حين أن القطاعات الناشئة مثل تكنولوجيا المعلومات والاتصالات تتطلب المزيد من التدخلات القائمة على الأدلة. نظرا للتحديات العالمية الملحة المتعلقة بتغير المناخ، وتنامي التفاوت على الصعيد العالمي، وظهور الأنظمة الاستبدادية، فإن التدخلات الإنمائية الدولية القائمة على الأدلة ضرورية. ومع ذلك، فإن القيود المالية والصدمات الأيديولوجية والعقبات السياسية تشكل عقبات كبيرة أمام التقدم في قطاع التنمية الدولية. يخلص البحث بالتأكيد على ضرورة اتباع نهج شامل ومنسق إزاء المعونة في الصومال، ومعالجة الأسباب الكامنة وراء زيادة الاعتماد عليها والتخفيف من آثارها السلبية غير المقصودة. يدعو البحث إلى التخطيط الدقيق لتقديم المعونة وتنفيذها وتقييمها من أجل تحقيق النتائج الإيجابية وتقليل الضرر إلى أدنى حد.

### RESUME

Avant l'effondrement du gouvernement central en 1991, la Somalie a reçu une aide substantielle pour le développement des infrastructures. Toutefois, l'efficacité et la durabilité de ces projets ont suscité des inquiétudes, car ils étaient souvent motivés par des intérêts politiques plutôt que par les véritables besoins de développement du pays. La guerre civile et la crise humanitaire qui ont suivi ont entraîné un afflux d'aide de la part de la communauté internationale, principalement sous la forme de secours d'urgence et d'assistance humanitaire. Toutefois, l'aide fournie était fragmentée, non coordonnée et à court terme, ce qui a entraîné l'absence de développement durable en Somalie. Tout en reconnaissant le rôle positif de l'aide étrangère dans la résolution des crises humanitaires et des problèmes de développement, cette recherche met en évidence les conséquences imprévues associées aux interventions d'aide. Ces conséquences comprennent la dépendance à l'égard de l'aide, les retombées négatives, les problèmes de gouvernance, l'impact sur l'environnement et la perpétuation de la pauvreté.

La recherche reconnaît également l'efficacité de l'aide étrangère dans la réalisation des objectifs visés, étayée par des recherches approfondies et des pratiques fondées sur des données probantes. Des secteurs comme la santé et l'éducation ont montré des résultats positifs, tandis que des secteurs émergents comme les technologies de l'information et de la communication nécessitent des interventions plus poussées et fondées sur des données probantes. Compte tenu des défis mondiaux pressants que sont le changement climatique, l'augmentation des inégalités dans le monde et l'émergence de régimes autocratiques, il est impératif que les interventions en matière de développement international soient fondées sur des données probantes. Toutefois, les contraintes financières, les conflits idéologiques et les obstacles politiques constituent des freins importants au progrès dans le secteur du développement international. L'étude conclut en soulignant la nécessité d'une approche globale et coordonnée de l'aide en Somalie, en s'attaquant aux causes sous-jacentes de la dépendance à l'égard de l'aide et en atténuant les conséquences négatives involontaires. Elle appelle à une planification, une exécution et une évaluation minutieuses des interventions d'aide afin de maximiser les résultats positifs et de minimiser les dommages.

**Key Words:** Foreign aid, Somalia, unintended consequences, aid dependency, diversion of aid

**JEL Classification:** C23, R41 (up to 5 codes)

## 1. Introduction

Foreign aid has played a significant role in Somalia, a country plagued by political instability, armed conflict, and widespread poverty. Since the collapse of the central government in 1991, Somalia has relied heavily on international assistance to meet its basic needs and rebuild its shattered economy. However, the impact of aid in Somalia has been a subject of debate, with concerns arising regarding its unintended consequences and long-term effectiveness.

This research paper titled *"The Negative Effects of Aid in Somalia: Unintended Consequences and Lessons Learned"* aims to examine the adverse effects of foreign aid in Somalia, shedding light on the complexities and lessons derived from past experiences. It explores the historical background of aid dependency in the country, highlighting the challenges posed by political instability and armed conflict.

Prior to the civil war, Somalia received substantial aid for infrastructure development from various international actors. However, questions were raised about the effectiveness and sustainability of these projects, as they

often served political interests rather than addressing the genuine developmental needs of the nation.

The subsequent civil war and humanitarian crisis led to a surge in aid from the international community, primarily in the form of emergency relief and humanitarian assistance. However, the aid provided was fragmented, uncoordinated, and short-term, resulting in a lack of sustainable development in Somalia.

While acknowledging the positive role of foreign aid in addressing humanitarian crises and developmental challenges, it is crucial to highlight the unintended consequences associated with aid interventions. These consequences include aid dependency, negative spillover effects, governance issues, environmental impact, and the perpetuation of poverty.

This research recognizes the effectiveness of foreign aid in achieving its intended objectives, supported by extensive research and evidence-based practices. Sectors such as health and education have demonstrated positive outcomes, while emerging sectors like information and communication technologies require further evidence-based interventions.

Given the pressing global challenges of climate change, rising global inequality, and the emergence of autocratic regimes, evidence-based international development interventions are imperative. However, financial constraints, ideological clashes, and political hurdles pose significant obstacles to progress in the international development sector.

The research concludes by emphasizing the need for a comprehensive and coordinated approach to aid in Somalia, addressing the underlying causes of aid dependency and mitigating the unintended negative consequences. It calls for careful planning, execution, and evaluation of aid interventions to maximize positive outcomes and minimize harm.

By examining the negative effects of aid in Somalia and drawing lessons from past experiences, this research aims to contribute to the ongoing discourse on aid effectiveness and inform future policies and practices in the international development arena.

## 2. Literature Review

Much has been written on the positive impacts of foreign aid in Somalia, whether intended or unintended. Foreign aid has had positive impacts in Somalia, particularly in the following areas. Firstly, humanitarian assistance provided through foreign aid has been crucial in delivering immediate relief and saving lives during humanitarian crises. This aid takes the form of food aid, medical supplies, and emergency response, effectively alleviating suffering and meeting the basic needs of the population (World Bank, 2013).

Infrastructure development has also been a focus of foreign aid in Somalia. Prior to the civil war, significant aid was directed towards projects aimed at improving transportation, trade, and agricultural productivity. This aid supported the construction of roads, ports, and irrigation systems, laying the foundation for enhanced infrastructure and economic development (World Bank, 2013).

Healthcare services and education have also benefited from foreign aid in Somalia. Aid investments in healthcare have contributed to strengthening healthcare systems, providing essential medicines, and combating infectious diseases. Similarly, aid in the education sector has facilitated the establishment of schools, teacher training programs, and improved access to quality education for Somali children (World Bank, 2013).

Livelihood support has been a focus of aid programs in Somalia, aimed at creating economic opportunities and reducing poverty. Through initiatives like microfinance, vocational training programs, and support for small-scale businesses, aid has helped individuals and communities generate income and improve their livelihoods (World Bank, 2013).

Aid has also played a role in supporting peacebuilding efforts and enhancing security in Somalia. Investments in peacebuilding programs, including disarmament, demobilization, and reintegration (DDR) initiatives, have contributed to stabilizing conflict-affected areas and promoting peace (United Nations, 2015).

Furthermore, aid has supported capacity building efforts in Somalia. Training programs for government officials, civil society organizations, and community leaders have been implemented to enhance governance, institutional capacity, and promote sustainable development in the country (United Nations, 2015).

These positive effects of aid in Somalia highlight the importance of foreign assistance in addressing critical needs, improving infrastructure, healthcare, education, livelihoods, peacebuilding, and capacity building. However, it is essential to continue evaluating aid effectiveness and ensuring that aid interventions are sustainable, coordinated, and aligned with the long-term development goals of Somalia.

Despite the positive impacts of foreign aid in Somalia, it also has its negative consequences. Several studies have been conducted on aid dependency in Somalia, with most of them focusing on the impact of aid on the country's development. A study by the World Bank (2013) found that aid had a positive impact on economic growth in Somalia, but there were concerns about the sustainability of this growth due to the high levels of dependence on aid. Another study by the Overseas Development Institute (2017) highlighted the need for a more comprehensive and coordinated approach to aid in Somalia to address the underlying causes of aid dependency.

The concept of aid dependency refers to the extent to which a country relies on foreign aid as a source of income or as a means of financing its development projects. It is a complex issue that involves economic, political, and social factors. Aid dependency can have both positive and negative impacts on a country's development, and it is often a source of debate among policymakers and development practitioners.

"The Lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business" by Graham Hancock is a critical examination of the global aid industry. The book sheds light on the inner workings, motivations, and shortcomings of international aid efforts.

Hancock argues that the aid business, which includes governments, non-governmental organizations (NGOs), and various international institutions, operates within a complex web of power, prestige, and corruption. He contends that despite the noble intentions of many involved, the aid industry often falls short of its goals and perpetuates poverty rather than alleviating it.

The author highlights the phenomenon of "disaster capitalism," where crises and emergencies are seen as opportunities for profit and influence. He criticizes the tendency for aid organizations to prioritize their own interests and self-preservation over the needs of the people they are supposed to help. Hancock suggests that the aid industry has become a

self-perpetuating system, benefiting those at the top while the intended beneficiaries remain trapped in poverty.

Hancock also explores the role of Western governments and their geopolitical interests in shaping aid policies. He argues that aid is often used as a tool for political influence, maintaining control over developing nations, and advancing economic interests. The author raises concerns about the lack of transparency, accountability, and effectiveness in aid delivery, as well as the negative consequences of misguided interventions.

Another remarkable book about the unintended impact of aid is "Foreign Aid and Its Unintended Consequences" by Dirk-Jan Koch which delves into the various unintended consequences, both negative and positive, that arise from foreign aid and international development. The author presents a comprehensive guide to understanding and addressing these consequences.

The author explores the ten most prevalent types of unintended effects of foreign aid. These include backlash effects, conflict effects, migration and resettlement effects, price effects, marginalization effects, behavioral effects, negative spillover effects, governance effects, environmental effects, and ripple effects.

The book offers practical suggestions and strategies for policymakers, practitioners, and evaluators to address negative side effects and maximize positive side effects. It emphasizes the importance of careful planning, execution, and evaluation of aid interventions to anticipate and mitigate unintended consequences.

There is a substantial body of academic evidence, derived from rigorous impact evaluations and meta-analyses, that demonstrates the effectiveness of foreign aid in achieving its intended objectives. Over the past fifteen years, independent research organizations have compiled extensive data and reports that provide a comprehensive overview of aid effectiveness. These reports highlight an increasing number of interventions that are grounded in evidence-based practices. Notably, sectors such as health and education have accumulated robust evidence on what interventions work, when and where they work, and equally important, what interventions are less effective. While the evidence for the effectiveness of aid in emerging

sectors like information and communication technologies is still limited, numerous interventions can now be classified as evidence-based.<sup>2</sup>

In light of the tremendous global challenges we currently confront, the imperative for evidence-based international development interventions has become undeniable. Climate change is spiraling out of control, global inequality is reaching alarming heights, and autocratic regimes are on the rise. These problems are interconnected, requiring the engagement of a broad range of actors, governments, and individuals to address these pressing global challenges.

However, at a time when we need a forward-thinking, comprehensive, and ambitious international development sector to tackle these issues, the sector itself is encountering formidable obstacles from multiple fronts. Financial constraints, ideological clashes, and political hurdles are increasingly impeding the progress of international development efforts.

### **2.1. Aid before the civil war (before 1990)**

Aid has played a significant role in Somalia's economy, both historically and presently. In 1987, it accounted for a substantial portion of Somalia's Gross National Product (GNP), reaching up to 57 percent (Menkhaus, 2014: 156). The increase in food aid to Somalia can be traced back to the 1970s when drought struck the region in 1974. Subsequently, a larger influx of refugees followed the Ogaden war with Ethiopia in 1978, leading to a substantial rise in food aid quantities. Prior to these events, food aid had been utilized to resettle nomads, and program food aid was sold on the market (Thomson, 1983: 212).

During this period, aid played a crucial role in sustaining the government of Siad Barre, who utilized it, along with associated aid contracts, as a means to reward his supporters. Shockingly, it was reported that approximately 85 percent of aid destined for refugees was diverted (Askin, 1987, as referenced in De Waal, 1997). Although this diversion of aid was arguably one of the most egregious instances in history, Somalia's strategic importance as an ally during the Cold War prevented Western aid donors from suspending assistance. Aware of this, the Somali government skilfully played its weak hand, effectively threatening Western aid donors with the potential collapse of the regime should they withhold assistance (Lefebvre, 1992)

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<sup>2</sup> Foreign Aid and Its Unintended Consequences Dirk-Jan Koch





**Figure 1:** Net official development assistance and official aid received (current US\$) - Somalia (World Bank)

## 2.2. Aid after the civil war

After the collapse of the central government in 1991, Somalia experienced a prolonged period of political instability, armed conflict, and humanitarian crisis. The absence of a functioning government led to a significant increase in the need for international aid to address the country's pressing challenges.

Foreign aid in Somalia after 1991 primarily consisted of emergency relief and humanitarian assistance. The international community mobilized resources to provide food aid, medical supplies, shelter, and other essential relief items to address the immediate needs of the population affected by the conflict and displacement.

Various international organizations, such as the United Nations and non-governmental organizations (NGOs), played a key role in delivering aid to Somalia. Humanitarian agencies focused on providing life-saving assistance, including food distribution, healthcare services, clean water, and sanitation facilities, to mitigate the impact of the crisis on the population.

It is important to note that aid provision in Somalia faced significant challenges due to the complex security situation, limited infrastructure, and difficulties in accessing remote and conflict-affected areas. Aid delivery often faced obstacles such as insecurity, logistical constraints, and interference by armed groups. Furthermore, the fragmented and

uncoordinated nature of aid efforts in Somalia presented challenges in achieving sustainable development outcomes. The short-term nature of emergency relief and the lack of long-term development strategies hindered the country's progress towards recovery and self-reliance.

### **2.3. Theoretical Perspectives on Aid Dependency**

The topic of aid dependency is often discussed within the field of development studies and international relations. Various theoretical perspectives have emerged to explain the dynamics and implications of aid dependency. Modernization theory posits that aid dependency is a temporary phase in the process of economic development. According to this perspective, developing countries require external assistance, including aid, to overcome initial barriers and stimulate economic growth. The theory suggests that with successful modernization, aid dependency will decrease over time as countries become self-sufficient and achieve higher levels of economic development.

Another theory is dependency theory that offers a critical perspective on aid dependency. It argues that aid can perpetuate and deepen the structural inequalities between developed and developing countries. According to this view, aid dependency is a manifestation of a global economic system that benefits developed countries and multinational corporations at the expense of developing nations. Dependency theorists argue that aid can create a cycle of dependence, as recipient countries become reliant on external resources and fail to develop their own productive capacities.

Dependency theory is a critical perspective that originated in the 1950s and 1960s, primarily in Latin America, and has influenced subsequent analyses of aid dependency. While I cannot provide specific references as my training data only goes up until September 2021, I can outline some key scholars and works associated with dependency theory.

Raul Prebisch, an Argentine economist, is often credited as one of the founding figures of dependency theory. Prebisch's work focused on the idea that the global economic system perpetuates structural inequalities between developed and developing countries. His influential 1950s study, "The Economic Development of Latin America and Its Principal Problems," challenged the notion that developing countries could achieve economic development through export-oriented growth.

Andre Gunder Frank, a German-American sociologist and economist, further developed the ideas of dependency theory. In his book "Capitalism and Underdevelopment in Latin America" (1967), Frank argued that the underdevelopment of Latin America was a result of its economic integration into the global capitalist system. He emphasized the role of colonialism and unequal exchange between core and periphery countries in perpetuating dependency.

Fernando Cardoso, later President of Brazil, and Enzo Faletto, a Chilean sociologist, co-authored the book "Dependency and Development in Latin America" (1969). They analyzed the relationship between dependence and development, highlighting the impact of external factors, such as international trade and foreign investment, on the economic and social structures of developing countries.

Immanuel Wallerstein: Immanuel Wallerstein, an American sociologist, expanded on the ideas of dependency theory and developed the world-systems theory. In his influential work "The Modern World-System" (1974), Wallerstein argued that the global capitalist system is characterized by a hierarchical division of labor, with core countries dominating and exploiting the periphery. He examined the historical development of this world-system and its implications for economic development.

Additionally, the political economy perspective emphasizes the power dynamics and interests underlying aid relationships. It suggests that aid can be used as a tool for advancing the political and economic interests of donor countries. From this perspective, aid dependency arises when donor countries exert influence over recipient countries, shaping their policies and decision-making processes. The political economy perspective highlights the importance of examining the conditions and motivations behind aid provision, as well as the potential implications for recipient countries' sovereignty and development.

### **3. Research Objectives**

The research objectives of the paper "The Negative Effects of Aid in Somalia: Unintended Consequences and Lessons Learned" are as follows:

1. To examine the adverse effects of foreign aid in Somalia and shed light on the unintended consequences associated with aid interventions.
2. To analyse the historical background of aid dependency in Somalia, considering the challenges posed by political instability and armed conflict.
3. To propose strategies for addressing the unintended negative consequences of foreign aid in Somalia, focusing on careful planning, execution, and evaluation of aid interventions.
4. To emphasize the need for a comprehensive and coordinated approach to aid in Somalia, addressing the underlying causes of aid dependency and maximizing positive outcomes while minimizing harm.
5. To contribute to the ongoing discourse on aid effectiveness and inform future policies and practices in the international development arena.

#### **4. Data and Methodology**

Lorem Ipsum is simply dummy text of the printing and typesetting industry. Lorem Ipsum has been the industry's standard dummy text ever since the 1500s, when an unknown printer took a galley of type and scrambled it to make a type specimen book. It has survived not only five centuries, but also the leap into electronic typesetting, remaining essentially unchanged. It was popularised in the 1960s with the release of Letraset sheets containing Lorem Ipsum passages, and more recently with desktop publishing software like Aldus PageMaker including versions of Lorem Ipsum.

The methodology employed in this study involved a combination of research methods to analyze the negative effects of aid in Somalia and derive lessons from past experiences. By employing a multidimensional approach that combined literature review, personal experience, key interviews, and discussion forums, this study aimed to provide a comprehensive analysis of the negative effects of aid in Somalia. The methodology enabled the researchers to gather a wide range of data, perspectives, and insights, contributing to a nuanced understanding of the topic and deriving valuable lessons for future aid interventions.

**Literature Review:** A comprehensive review of existing literature, including academic papers, reports, books, and relevant documents, was conducted to gather information on the topic. This helped in establishing a theoretical framework and understanding the key concepts related to aid dependency and its consequences in Somalia.

**Personal Experience:** The study incorporated the personal experience of the researcher, who had more than ten years of working experience with humanitarian actors in Somalia and the Middle East. This experiential knowledge provided practical insights and firsthand observations of the aid landscape in Somalia, further enriching the analysis.

**Key Interviews:** Key interviews were conducted with the affected population in Mogadishu, involving 50 individuals. These interviews aimed to capture the perspectives, experiences, and opinions of the local population regarding the negative effects of aid in Somalia. The insights gathered from these interviews added a qualitative dimension to the study, providing a deeper understanding of the on-the-ground realities.

**Discussion Forums:** The researcher attended sessions (online and physical) discussion forums that were organized to facilitate dialogue and exchange of ideas among experts, policymakers, and practitioners working in the field of international development and humanitarian aid. These forums provided an opportunity to explore different viewpoints, debate key issues, and gain diverse perspectives on the unintended consequences of aid in Somalia.

## **5. Heading 1 (Empirical Results)**

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### **5.1. Forms of aid in Somalia**

As of 2020, Somalia received a total of 3.04 billion USD as Net official development assistance and official aid. This aid takes the following forms:

**Infrastructure Development Projects:** One of the key areas of aid in Somalia has been infrastructure development, including road

construction, water supply, and electricity projects. While these projects have contributed to the country's development, there have been concerns about their sustainability and local ownership.

**Humanitarian Assistance Programs:** Humanitarian assistance has been a significant form of aid in Somalia, especially in response to the recurrent droughts and conflicts. While these programs have provided lifesaving support to the affected population, there have been challenges in coordinating aid efforts and ensuring its effectiveness.

## **5.2. Aid Dependency in Somalia**

Aid dependency can be defined as a situation where a country relies heavily on foreign aid to meet its development needs. It is often measured by the ratio of aid to Gross Domestic Product (GDP) or the proportion of aid in the government budget. In the case of Somalia, aid dependency is particularly high, with aid accounting for more than 50% of the country's GDP.

There are various theoretical perspectives on aid dependency, including the dependency theory, the modernization theory, and the aid effectiveness approach. The dependency theory argues that aid can create a vicious cycle of dependence, where aid inflows discourage domestic investment and lead to economic stagnation. On the other hand, the modernization theory emphasizes the role of aid in promoting economic growth and development. The aid effectiveness approach focuses on the effectiveness of aid in achieving development goals.

According to Dirk-Jan Koch in the "Foreign Aid and Its Unintended Consequences" many of his colleagues from developing countries, who are actively involved in the field of development, share a common suspicion. They express their concerns about the underlying hypocrisy in contemporary international development efforts. According to the author, the aid workers criticize the lack of true ownership in aid, where priorities are often conceived in Western capitals and implemented by agencies predominantly staffed by individuals from privileged backgrounds, driving fancy cars and residing in large compounds. The writer also points out the double standards exhibited by donors, who lecture some governments about human rights while providing financial support to others with similar human rights records, simply because they are deemed important in the fight against terrorism or illegal migration.

Furthermore, the author criticizes the hidden agendas of donors. Western governments and companies proudly publicize their vaccine donations and humanitarian aid but simultaneously hinder patent reform, which is crucial for broader access to vaccines, and impede arms export treaties that could prevent humanitarian emergencies. While acknowledging the aid provided to address extreme weather events, the author rightfully questions whether a stronger commitment to reducing luxury emissions in the Global North would be more impactful and necessary.

### **5.3. Trends and Patterns in Aid Dependency**

This section will highlight the trends and patterns in aid dependency in Somalia, including changes in donor assistance, sectoral allocation of aid, and shifts in aid modalities and approaches.

**Changes in Donor Assistance over Time:** There have been significant changes in the sources and types of aid received by Somalia over the past three decades. While the United States and European countries were the main donors in the pre-1991 period, there has been an increase in aid from Arab and Gulf countries in recent years.

**Sectoral Allocation of Aid:** The majority of aid in Somalia has been directed towards emergency relief and humanitarian assistance, with a smaller proportion allocated to development projects. There is a need for a more balanced allocation of aid to ensure sustainable development in the country.

**Shifts in Aid Modalities and Approaches:** There has been a shift in aid modalities and approaches in Somalia, with an increasing focus on cash-based and multi-year funding. This has been driven by the need for more flexible and adaptive aid programs to respond to the country's dynamic context.

### **5.4. What instigates aid dependency?**

The following factors contribute to aid dependency in Somalia:

**Political Instability and Conflict:** The ongoing political instability and armed conflict in Somalia have been significant causes of aid dependency. The lack of a functioning government has resulted in a weak economy, limited domestic resources, and a high demand for humanitarian assistance.

**Economic Factors:** Somalia's economy is largely based on agriculture, which has been severely affected by the civil war and recurrent droughts. The lack of economic diversification and low levels of investment have also contributed to the country's aid dependency.

**Institutional Weaknesses:** The absence of a strong government and institutions has made it challenging to effectively manage aid in Somalia. There have been concerns about corruption, mismanagement, and lack of accountability in the use of aid funds.

**Donor Priorities and Policies:** Donor priorities and policies also play a significant role in aid dependency in Somalia. The focus on short-term emergency assistance and the lack of coordination among donors have hindered the country's long-term development.

### **5.5. Consequences of Aid Dependency in Somalia**

This section will discuss the consequences of aid dependency in Somalia, including its impact on the country's socio-economic development, governance, and accountability.

**Dependency Syndrome and Market Distortions:** One of the main challenges associated with aid in Somalia is the potential creation of a dependency syndrome. Prolonged reliance on external assistance can hinder local capacity building and discourage self-sufficiency. When aid becomes a primary source of income or livelihood, it can undermine local initiatives and perpetuate a cycle of dependency. Additionally, aid influx can disrupt local markets in Somalia. The distribution of free or heavily subsidized goods can undercut local producers and businesses, leading to market distortions and economic imbalances. This can hinder the long-term development of sustainable local industries and create an unsustainable reliance on aid imports.

Foreign aid has been criticized for creating dependency among the Somali population, as it can discourage self-reliance and hinder the development of local institutions and economies (Mawdsley, 2012).

**Corruption, Conflict and Cultural Insensitivity:** The presence of significant aid resources can create opportunities for corruption and mismanagement. In Somalia, where governance structures are fragile, the influx of aid can exacerbate existing challenges. Weak accountability mechanisms and lack of transparency increase the risk of



misappropriation of funds, diverting aid resources away from their intended recipients and exacerbating inequality and socio-political tensions. Moreover, aid operations in conflict-affected regions, such as Somalia, can inadvertently contribute to security risks. The presence of aid organizations and the distribution of resources can become a target for armed groups seeking to exploit the aid system for their own gain. Aid convoys and personnel may also become caught in the crossfire of ongoing conflicts, endangering both aid workers and local communities.

Aid inflows can sometimes be subject to corruption and mismanagement, with resources being diverted away from their intended beneficiaries (Menkhaus, 2016). Besides, Aid can inadvertently contribute to conflict dynamics by fueling competition over resources, exacerbating inequalities, and creating tensions between different groups (Bradbury, 2016). Furthermore, Aid interventions can sometimes overlook or disregard local cultural norms and practices, leading to unintended social and cultural disruptions (Bradbury, 2016).

Additionally, aid interventions must take into account the cultural and social context of the recipient country. Failure to do so can lead to unintended negative consequences. In Somalia, for example, the distribution of certain items or implementation of projects without considering cultural norms and values can lead to social tensions, backlash, and resistance from local communities.

**Socio-Economic Impacts and Aid Effectiveness:** While aid has provided much-needed relief to the people of Somalia, it has also had negative consequences on the country's development. The heavy reliance on aid has hindered the growth of domestic industries and led to a lack of sustainable economic development. The fragmented and short-term nature of aid in Somalia has made it challenging to achieve long-term development goals. There have been concerns about the effectiveness and sustainability of aid projects, as they often do not address the underlying causes of poverty and underdevelopment.

Furthermore, aid dependency can have a negative impact on governance and accountability in a country. In Somalia, the lack of effective institutions and weak governance systems have made it challenging to ensure transparency and accountability in the use of aid funds.

**Disruption of Local Markets and Aid as a Tool for Control:** One of the most significant negative effects of aid in Somalia was the disruption of local markets. With so much food and supplies being brought in for free, local farmers and businesses were unable to compete with the influx of goods. As a result, many lost their livelihoods, and the already struggling economy took a further hit. In the long run, this led to an increase in dependency on aid rather than finding sustainable solutions to empower the local economy. Additionally, the constant supply of free food created a cycle of dependency among the population, hindering the development of self-sustaining communities and preventing individuals from taking responsibility for their own future. Therefore, the influx of free or heavily subsidized goods through aid interventions can disrupt local markets, undercutting local producers and businesses (Bradbury, 2016).

Furthermore, the distribution of aid was often politicized, with powerful warlords and corrupt officials controlling the flow of resources. This not only reinforced existing power dynamics but also led to aid being used as a tool for control and manipulation. In some cases, aid was even diverted to fund militias and prolong the conflict, causing more harm than good.

### **5.6. Addressing the Unintended Consequences of Foreign Aid**

Addressing the unintended consequences of foreign aid requires a comprehensive and strategic approach from policymakers and practitioners. By implementing these strategies, policymakers and practitioners can work towards minimizing the unintended consequences of foreign aid and maximizing its positive impact on communities served. It requires a commitment to continuous improvement, adaptability, and a genuine focus on the well-being and empowerment of the people being served by aid interventions. Here are some strategies that can be employed:

**Comprehensive planning and evaluation:** Policymakers and practitioners should engage in thorough planning and evaluation processes before implementing aid interventions. This includes conducting rigorous needs assessments, understanding the local context, and considering potential unintended consequences. By anticipating and addressing potential pitfalls in the early stages, the likelihood of negative unintended consequences can be reduced.

**Contextual understanding:** It is crucial to have a deep understanding of the local context, including cultural, social, economic, and political factors. This understanding helps in crafting aid interventions that are sensitive to the specific needs and dynamics of the recipient communities. It also minimizes the risk of inadvertently causing harm or exacerbating existing problems. Therefore, Aid interventions should be conflict-sensitive and context-specific. Efforts should be made to understand and address the underlying causes of conflict and ensure that aid does not inadvertently exacerbate divisions or contribute to conflict dynamics (Lewis, 2013).

**Collaboration and engagement:** Policymakers and practitioners should actively engage local communities, civil society organizations, and other stakeholders throughout the aid process. This participatory approach ensures that the perspectives and priorities of the beneficiaries are considered, which helps to align interventions with local needs and aspirations. It also facilitates a sense of ownership and sustainability.

**Flexibility and adaptive management:** Recognizing that the aid landscape is dynamic and complex, policymakers and practitioners should adopt flexible and adaptive management approaches. This involves continuously monitoring and evaluating the outcomes and unintended consequences of interventions, and making necessary adjustments in real-time. This iterative process allows for course correction and the ability to respond to emerging challenges and opportunities.

**Capacity building and local empowerment:** Investing in the capacity building of local institutions, organizations, and individuals is essential for sustainable development. By empowering local actors, they can take a more active role in designing and implementing aid initiatives, which increases the likelihood of positive outcomes and reduces dependency on external assistance.

**Transparency and accountability:** Promoting transparency and accountability in aid delivery is crucial for mitigating unintended consequences. Policymakers and practitioners should ensure that aid processes and decision-making are transparent, and that mechanisms for monitoring and evaluation are in place. This fosters trust, helps identify and rectify issues early on, and holds all stakeholders accountable for their actions.

**Learning and knowledge sharing:** Policymakers and practitioners should actively engage in learning and knowledge sharing initiatives within the aid community. This includes sharing best practices, lessons learned, and evidence-based approaches. By learning from past experiences and the experiences of others, the sector can collectively improve its understanding of unintended consequences and develop more effective strategies.

**Co-design and co-creation:** Encourage a co-design and co-creation approach where local communities actively participate in shaping the design and implementation of aid interventions. This involves involving community members in decision-making, planning, and implementation processes, allowing them to have ownership and agency over the interventions. It is important to recognize and respect the knowledge and expertise of the local community.

**Feedback mechanisms and accountability:** Establish feedback mechanisms to enable continuous communication and accountability between policymakers, practitioners, and the local community. This can include complaint mechanisms, suggestion boxes, community meetings, and regular progress updates. Actively seeking and responding to feedback demonstrates a commitment to accountability and fosters a sense of trust and engagement.

**Long-term engagement and sustainability:** Foster long-term engagement with the local community beyond the duration of specific aid interventions. This involves building relationships, investing in local capacity development, and supporting community-led initiatives. Long-term engagement ensures that interventions are sustainable, and local communities are empowered to continue driving their own development.

## **5.7. Lessons Learned and the Way Forward**

The negative effects of aid in Somalia have not gone unnoticed, and lessons have been learned from this experience. International organizations and donors are now implementing new strategies, such as investing in local businesses and empowering communities to become more self-sufficient. They are also taking a more holistic approach, addressing the root causes of poverty and conflict rather than just providing short-term solutions.

On a local level, Somalis have also realized the need to take a more active role in their own development. Non-governmental organizations and community-based initiatives have been working to promote self-reliance and empower individuals to take charge of their lives. With this shift in mindset, communities are starting to see positive changes, such as increased economic stability and improved access to education and healthcare.

Foreign aid in Somalia has had its fair share of negative consequences, but it has also taught important lessons. It has shown that simply providing aid is not enough to bring about lasting change and that a more comprehensive approach is needed. Most importantly, it has emphasized the need for collaboration between the international community and local actors for aid to be effective.

As Somalia continues to rebuild and recover from decades of conflict, it is essential to keep in mind the lessons learned from the negative effects of aid. Together, with a more sustainable and inclusive approach, we can help Somalia thrive and break free from the cycle of dependency. To mitigate the negative effects of aid in Somalia, it is crucial to adopt a more holistic and sustainable approach such as:

**Local Ownership and Empowerment:** Aid programs should prioritize local ownership, participation, and capacity building. Engaging local communities and institutions in decision-making processes fosters empowerment and self-reliance. Aid interventions should prioritize capacity building and empower local communities and institutions to take ownership of their development. This involves supporting initiatives that promote self-sufficiency and economic empowerment (Reno, 2015).

**Long-Term Development:** Aid efforts should focus on long-term development strategies rather than short-term relief. Investments in education, infrastructure, and job creation can help break the cycle of dependency and promote self-sufficiency.

**Strengthening Governance and Accountability:** Aid agencies must prioritize good governance, transparency, and accountability. By supporting effective governance structures and promoting anti-corruption measures, aid resources can be utilized more efficiently and effectively. Therefore, efforts should be made to enhance transparency and accountability in aid delivery. Strengthening oversight mechanisms,

promoting anti-corruption measures, and supporting local civil society organizations can help mitigate these risks (Bradbury, 2016).

**Contextual Sensitivity:** Aid interventions should be culturally sensitive and context-specific. Understanding the local dynamics, needs, and aspirations of the Somali people is essential to ensure that aid initiatives align with their values and contribute to sustainable development (Abiye, 2017).

**Local purchase of aid:** Aid interventions should consider the potential impacts on local markets and economies. Whenever possible, aid should be procured locally to support local businesses and stimulate economic growth (Reno, 2015).

## **6. Conclusion**

The research on the negative effects of aid in Somalia has shed light on the complexities and unintended consequences associated with foreign assistance. The findings indicate that while foreign aid has played a crucial role in addressing humanitarian crises and developmental challenges, it has also resulted in negative outcomes and perpetuated aid dependency in Somalia.

One significant finding is the issue of aid dependency in Somalia. The country's reliance on international assistance has hindered its ability to achieve sustainable development. The fragmented and short-term nature of aid interventions has contributed to the perpetuation of poverty and lack of long-term progress. The study highlights the need for a comprehensive and coordinated approach to aid in Somalia, addressing the underlying causes of aid dependency.

Another key finding is the unintended consequences of aid interventions. Aid projects driven by political interests rather than genuine developmental needs have often resulted in ineffective and unsustainable outcomes. Negative spillover effects, governance issues, and environmental impacts have further complicated the aid landscape in Somalia. These unintended consequences call for a careful evaluation and planning of aid interventions to maximize positive outcomes and minimize harm.

The research also acknowledges the positive role of foreign aid in certain sectors such as health and education, where evidence-based practices have

demonstrated significant impact. However, there is a need for further research and evidence-based interventions in emerging sectors like information and communication technologies to ensure effective use of aid resources.

In conclusion, the research on the negative effects of aid in Somalia highlights the need for a comprehensive and coordinated approach to address the unintended consequences of foreign assistance. While foreign aid has played a crucial role in addressing immediate humanitarian needs, it has also resulted in aid dependency, negative spillover effects, governance issues, environmental impacts, and the perpetuation of poverty.

To mitigate these negative effects, careful planning, execution, and evaluation of aid interventions are essential. Aid programs should focus on addressing the underlying causes of aid dependency, promoting sustainable development, and maximizing positive outcomes. The research emphasizes the importance of evidence-based practices and rigorous evaluation to ensure the effectiveness and efficiency of aid interventions.

Furthermore, the international development sector must overcome challenges such as financial constraints, ideological clashes, and political hurdles to effectively tackle global challenges. Collaboration among governments, organizations, and individuals is crucial in addressing issues like climate change, global inequality, and the rise of autocratic regimes.

In summary, while foreign aid has the potential to bring positive change, it is essential to recognize and address the unintended consequences. By learning from past experiences and implementing evidence-based interventions, aid in Somalia can be transformed to have a more sustainable and impactful effect, ultimately contributing to the long-term development and well-being of the Somali people.

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