Will I send as much money home to Somalia as my Mum does?

LSE's Adil Garane examines the culture of remittances among Somali migrants in London and how likely the practice is to continue with successive generations in the diaspora.

In a podcast of the LSE public lecture featuring University of Oxford’s Paul Collier discussing the mass exodus and the effects of migration from the poor south to the rich north in response to extreme global inequality, he examined both the challenges and possibilities for societies of origin and host countries. However he did not go as far as testing his view against the challenge of time. For my Masters dissertation, I researched the effects on motivation for migrants to send money back – in my case – within the Somali diaspora.

My central premise was whether or how origin-destination relationships will be sustained inter-generationally with regards to sending money back home.

Somalia is the fourth most remittance dependent country in the world. Photo:AU/UN IST

Remittances play in key role in the development of many countries, and may even represent a significant proportion of some nations’ GDP. The levels of remittances sent to Somalia greatly outweigh that of international donor aid. Between US$750 million and US$1 billion enters Somalia each year “making it the fourth most remittance dependent country in the world, contributing between 20% and 50% of the country’s GDP”.

Somalis are traditionally nomadic people, travelling with herds of camels or cattle in search of grazing land. In contemporary history, we have witnessed wider migration due to domestic turmoil and upheaval. The diaspora community here in London includes the oldest and newest migrants to have left Somalia (the earliest dating back to seamen in the merchant navy, and most recently, relatives brought back together as part of family reunification programmes). It is estimated that between 1 and 1.5 million Somalis live outside their country of origin.

The idea of community is very strong in Somali culture; this is extended to all features of this culture, beginning with family, religion, clan, region and finally the Somali state. This strong level of affiliation has led to a large volume of support in the form of remittances from emigrants to their loved ones who still live in Somalia, unable to leave. Within the Somalia diaspora, it is common to see nearly all members sending money back on a regular basis as well as at times of crisis or celebration. However, the motivations and perceptions for remittances may not be making the transition to younger age groups within the diaspora.
The subsequent generation, who do not have direct relationships or frequent contact with relatives back home, do not demonstrate the same behaviour as those in the older generation with regards to remittances. Whereas those who came to London with a strong connection to Somalia are committed to send money to relatives and for other cultural obligations such as Qaraan (the tribal system of co-insurance), those who did not grow up in Somalia are less concerned with the needs and obligation to those relatives or clans. The younger generation holds different perceptions on why money is sent and ultimately how it is spent by the recipients. They seem less interested in the individualistic approach in supporting relatives and communities and more interested in seeking a united front from all Somali diaspora communities to develop the country. Their motivations for remittances also seem to be different, as they show greater interest in collective action which is not necessarily based on money transfers. Evidence seems to suggest that they believe the financial support which is sent regularly (Bill) may be hindering the developmental process, and now see a need for a change of strategy.

With the nation on the path to recovery after two decades of civil conflict, remittances are playing a vital role in this process. However political and corporate interests are now beginning to view these channels of transferring money as a risk to their larger operations. Barclays, the last major bank providing remittance services to Somalia, announced in May 2013 that it would shut down the accounts of about 250 money-service businesses, citing concern over falling foul of money-laundering regulations.

What does this all mean for Somalia and its future progress? One very worrying insight from my study into the motivations for remittances is how money sent back to Somalia is used. Younger cohorts reflect on the fact that a lack of opportunity due to remittances has helped to create the widespread addiction to qaad (Khat) which has devastated families, households and communities.

Much of the money is used to pay for basic needs and maintain a very basic standard of living. If younger diaspora migrants do not feel as compelled as their parents to send money and the Somali state is not able to shift away from being heavily reliant on remittances – who will provide the millions of families with basic incomes to support themselves?

If the situation does not improve within Somalia, and remittances reduce as the economic activity of the older generation declines, this could prove devastating for the survival of so many families.