

**AN EVALUATION OF YOUTH PARTICIPATION IN ECONOMIC DEVELOPMENT AND
POVERTY REDUCTION ACTIVITIES: THE CASE OF GAROWE DISTRICT,
PUNTLAND STATE OF SOMALIA.**

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**A RESEARCH PROJECT REPORT SUBMITTED IN THE PARTIAL FULFILLMENT
FOR THE AWARD OF THE MASTER OF ARTS DEGREE IN PROJECT PLANNING AND
MANAGEMENT OF THE UNIVERSITY OF NAIROBI.**

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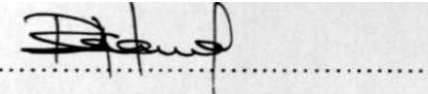
2009

DECLARATION

This research project report is my original work and has not been presented for an award of a degree in any other University.

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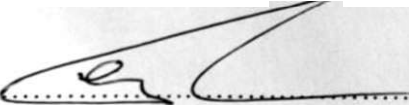
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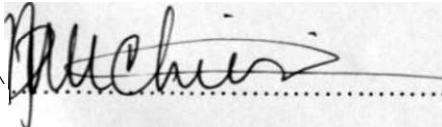
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DEDICATION

I dedicate this work to my father, Mr. Salama Kairu for the great motivation he gave during the project period. Special thanks go to my research assistants Dorcas, Norman and Mohamoud who worked to great lengths towards the successful completion of this project.

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TABLE OF CONTENTS

	Page
Declaration	"
Dedication	iii
Acknowledgement.....	> ^v
Table of contents.....	v
List of table's.....	vii
List of figures	
Abbreviation/Acronyms.....	ix
Abstract.....	x
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the study.....	1
1.2 Statement of the problem.....	3
1.3 Purpose of the study.....	4
1.4 Objectives.....	4
1.5 Research Questions.....	4
1.6 Significance of the study.....	4
1.7 Assumptions of the study.....	5
1.8 Study limitations.....	5
1.9 List of significant terms.....	6
CHAPTER TWO: LITERATURE REVIEW	7
2.1 Introduction.....	7
2.2 Youth Participation in economies development activities.....	7
2.3 Youth and society.....	8
2.4 Possible credit access for youths in Islamic Nations.....	8
2.5 Empowerment of the youth.....	10
2.6 Importance of education in development.....	12
2.7 Conceptual framework.....	16

CHAPTER THREE: RESEARCH METHODOLOGY.....	17
3.1 Introduction.....	17
3.2 Research Design.....	17
3.3 Target population.....	17
3.4 Sampling Procedure.....	17
3.5 Methods of data collection.....	19
3.6 Validity, reliability and minimization of bias and errors.....	19
3.7 Methods of data analysis.....	20
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION ...	21
4.1 Introduction.....	21
4.2 General Information.....	21
4.3 Data Analysis.....	21
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	32
5.1 Introduction.....	32
5.2 Summary of findings.....	32
5.3 Discussion of the study.....	32
5.4 Conclusions.....	36
5.5 Recommendations.....	37
5.4 Suggestions for further readings.....	37
REFERENCES.....	38
APPENDICES.....	44

LIST OF TABLES

Table 1: Respondents by gender.....	21
Table 2: Age range of respondents.....	21
Table 3: Gender variation in poverty reduction activities.....	23
Table 4: Age range and youth participation in poverty reduction activities.....	25
Table 5: Chi-square tests.....	25
Table 6: Level of education and the types of activities involved in.....	27
Table 7: Chi-square tests	28
Table 8: KMO and Bartletfs test.....	29
Table 9: Communalities.....	29
Table 10: Factor matrix.....	30
Table 11: Summary of study findings.....	33

LIST OF FIGURES

Figure 1: Conceptual Framework.....	16
Figure 2: Scree plot on factors for government policy.....	31

ABBREVIATION AND ACRONYMS

Gross domestic product

Islamic Development Bank

International labour organization

Islamic micro finance institutions

The Organisation for Economic Cooperation and Development

Puntland Development and Research Center

Poverty reduction strategy papers

United Nations

United Nations Development Program

United States Dollar

Universal Primary Education

World Bank

Principal Axis Factoring

Puntland State University

ABSTRACT

The main objective for this research project was to evaluate the level of participation of youths in economic development activities and poverty reduction in Puntland State of Somalia. The specific objectives included; to identify the economic activities that the youths were participating in, in order to contribute to poverty reduction, identifying how educational level/ type influenced the youth's level of participation in poverty reduction and examining existing government policies on youth participation in poverty reduction. The literature review focused on the youth empowerment through participation/ inclusion, government's deliberate affirmative policies education, and access to credit facilities. It specifically touched on the success stories in Kenya and Nepal where deliberate government affirmative action policies biased towards youths and marginalized groups in the respective societies have borne fruits. The specific lending practices amongst Muslim nations that can be applicable in Somalia were also exhaustively dealt with. The sample population was selected from households around Garowe. Data was collected by combining both qualitative and quantitative procedures. Once collected, both qualitative and quantitative data was analyzed using the Principal Analysis Factoring (PAF) via SPSS. Presentation of the analyzed data was done using descriptive statistics in form of frequencies cross tabulation with chi-square tests.

The study found out that there was a significant number of female youths that engaged in business activities and that there was least youth participation in economic development and poverty reduction activities between the 40-49 age bracket.

The research further found out that the level of youth participation through formal job placements was low, while practice of youth groupings into business ventures was high and that the level of youth education did not determine their level of participation in business activities. The study provides the following recommendations to government and researchers: Establishment of policies {affirmative action policies} to help female youths' engagement in economic and poverty reduction activities; create conducive environment for local and foreign investment; empower the youth groupings through enactment of cooperative and Microfinance statutes. It proposes further research on the level of effectiveness of government policies in promoting youth participation in economic and poverty reduction activities.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

According to UN 2007, Poverty' has two dimensions - low income, which is insufficient to maintain a dignified life; and low level of human capabilities, which restricts a people's options to lead a life of his or her choosing. Poverty is a form of deprivation with strong interactive linkages to other forms such as physical weakness, isolation, vulnerability, and powerlessness. It is a state of economic, social and psychological deprivation occurring among people or countries lacking sufficient ownership, control or access to resources to maintain minimal acceptable standards of living. It represents an exclusionary relationship where individuals or states are denied access to an adequate package of resource.

The 1995 world summit on social development led to nations agreeing upon the need to create an enabling environment for increased equity and empowerment of all people at all levels of society through sound governance, participation and enhanced capacity.

Bwalya (1985) states that the conventional wisdom of local level participation is that, first it increases the quality and relevance of decisions: secondly it increases the chances of success and of mobilization and it tends to motivate a sense of self reliance and wider and more efficient use of local resources by the people.

According to Blau (1964), people's participation in development activities is a good oriented phenomenon. Popular participation in development programs is contingent on attainment of benefits. People take part in projects which deliver or are likely to deliver direct and immediate benefits. This is an argument upheld by social change theorists.

As such, all stake holders must play their part in eradicating poverty and improving the quality of people's lives. Without all people's participation in development and without people's ownership of the development process poverty will perpetuate itself.

Puntland State of Somalia was established in August 1998 in an all inclusive general consultative and constitutional conference held in Garowe the current capital of the state and it is an autonomous part of the envisioned Federal Somali Republic. It covers an area of 212,510 square kilometers with an estimated population of 3.96 million (PDRC, 2007).

Puntland State of Somalia has managed to maintain relative peace and security in recent years, which has enabled it to establish political and administrative institutions, basic social services, an active civil society, and a growing private enterprise community. Out of a population of 3.96 million, 52 percent is nomadic.

The main sources of livelihood for the Puntland people are livestock, agriculture (especially the production of frankincense), and Fishing. It is estimated that livestock exports contribute to around eighty percent of foreign exchange earnings, forty percent of the gross domestic product (GDP), and 60 percent of employment opportunities (PDRC, 2007)

Puntland State of Somalia is thus heavily dependent on the livestock sector; however, it is fragile even at the best of times, due to the semi-arid and arid climatic conditions. The carrying capacity of land is low, especially in the context of recurrent droughts. Remittances from the Diaspora contribute significantly to household incomes and provide substantial funding for small businesses and basic service provision in and around towns. Although there is no precise and clear-cut data, it is estimated that 1-5 percent of the rural households receive remittances, while these figures are as high as 20 percent in some towns (UNDP, IL02005).

Per capita incomes range from \$150 to \$300 per annum across the regions with high inequalities (UNDP and the World Bank, 2002). The average per capita income in Mudug and Nugaal is US\$150-200 per annum, while in Bari, Sool, and Sanaag it is estimated at US\$250-300 per annum. Urban centres tend to be wealthier than rural areas, with better services (Puntland Annual Development Plan 2007).

1.2. Statement of the Problem

Kanji (2003) asserts that, in many countries, the degree to which youth can contribute to the possibilities of their countries in particular and the African continent in general is constrained by circumscribed life chances, with the lack of job opportunities being one of the major circumscriptions. The countless number of youth loitering around and peddling the streets of major African cities bears ample witness to the limited job opportunities that the youth of the continent have. Yet the development of the continent rests squarely on them. And it is through them that Africa can make progress towards the realization of the Millennium Development Goals, especially the goal of halving extreme poverty by 2015 (UNDP 2007).

The Millennium Development Goals Report for Somalia (2007) states that before the civil war, free education, availability of employment in the public sector, the implementation of the externally funded projects and an active agriculture and livestock sector all provided jobs to the Somali youths. With the collapse of the central government, these income employment and opportunities diminished.

Currently, there are structural constraints to generating productive employment for the Puntland youth including: the youth's low level of skills, and the low percentage among them who have had formal schooling due to civil war and forced displacement. Such factors have forced majority of Somali youth to be idle or take casual jobs in the informal sector and attraction to join illegal activities such as piracy, drug and substance abuse and recruitment in insurgency army in the South/ Central Somalia.

Other factors affecting youth participation in economic and poverty reduction activities in Puntland include but not limited to: economic slump as result of ban on livestock export from Somalia to Arabian nations, drug and substance abuse, lack of coordinated vocational training and entrepreneurial skills training, non conventional credit facilities, prolonged drought and poor infrastructures

13 Purpose of the study

The purpose of this study was to evaluate the participation of youths in economic activities and the reduction of poverty in Puntland State of Somalia.

1.4 Objectives of the study.

The main objective for this research was to evaluate the youth participation in economic activities and reduction of poverty in Puntland. Specific objectives that guided the study-are as under.

1. To identify economic activities that the youths are participating in. in order to contribute to poverty reduction
2. To identify how educational level/ type influence the youth's participation in poverty reduction.
3. To examine existing government policies on youth participation in poverty reduction.

1.5 Research Questions

The research was guided by the following questions:

1. What are the economic activities that the youths are participating in. in order to contribute to poverty reduction?
2. How do education level/ type affect youth participation in poverty reduction?
3. Which existing government policies are there on youth participation in economic activities for poverty reduction?

1.6. Significance of the Study

The study results are of great importance particularly in Puntland partly because a significant part of its population is made up of youths and children and is coming out of prolonged civil strife; hence. it can use this report to maximize gains from its most productive group of people.

The study can help the youths to participate more in economic activities since they got empowered through information dissemination during the study and on presentation of the final study report.

It can also enable the government of Puntland to seek to improve on its policies to support youth programmes more.

The study results are a useful ingredient to Economic Development Researchers in the preparation of the Puntland Human Development Report with special focus on youth.

1.7 Assumptions of the study

The study assumed that the information given by the survey respondents and interviewees was accurate and that the existing relative peace in Puntland district of Garowe prevailed.

The study also assumed that the researcher's contractual arrangements were valid to the conclusion of the research.

1.8 Limitations of the study

The main limitation of this study was the volatility of the region under coverage due to insecurity. Time and financial availability was a limitation especially when covering the rural households. To overcome the above limitations, the study collected data from urban youth in the City of Garowe and the rural youth from the surrounding pastoral villages thus enhancing representativeness of the findings for general conclusions to be made. Since the main researcher was 50% based in Garowe, local administration and assistant researchers were readily sourced to cover the logistical gap when the main researcher was not in the field.

1.9 Definitions of Significant Terms:

Youth: For the purpose of this study the word youth refers to the male and female members of the society aged between 20- 49 years.

Research assistants / Data collectors: Refers to individuals trained by the study to assist the research in the collection of both quantitative and qualitative data.

Division: This an administrative unit composed of several villages covering a specified geographical: several divisions constitute a district.

Economic activities: These refer to daily undertakings by individuals that provide a source of livelihood.

Participation: Participation refers to active involvement in an undertaking either at the individual, community, national or international level.

Formal Education refers to the planned conventional school set up where pupils/ students come together in under instruction of qualified individual usually called a teacher. Under formal education, students graduate from one level to the next in order of a planned succession.

Informal education entails a situation where a learner does not necessarily go through the planned conventional classroom to learn. Instead, learners learn through association or apprenticeship. For the purpose of this study religious studies under the Madrassah/ Quranic classes did not feature as a form of education either formally or informally.

People: In this study, the word people refer to youth, aged, the physically disadvantaged women, and children.

Miscellaneous activities refers to the situation where an employed youth in order augment on the monthly salary engages in many part-time jobs and self employment activities such as operating a food kiosk in the evening, laundry, and part time teaching in the evenings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presents a review of literature on the evaluation of the level of youth participation in economic development and poverty reduction activities.

The chapter is then divided into the activities that the youths are engaged into in order to contribute to poverty reduction: factors that are affecting their level of participation in poverty reduction and whether they get support through policies for poverty reduction.

2.2 Youth participation in economic development activities

Wallerstein (2005) states that meaningful participation and engagement goes beyond simply being present at school or community based activities. Engagement in community service and / or community change is only part of the process of the meaning of participation in economic activities. According to Mokwena (2000), the concept of youth participation is emerging as a central idea in the youth development discourse. It is a fresh way of engaging young people as central actors in the development equation - architects of their own personal development and in that of their communities and society in general.

O'Malley (2004) says that participation is not something given to youths, rather it is created. Through participation youths cease to be passive recipients of services or passive victims of indomitable social and political forces and they start being seen as social stakeholders with distinct and legitimate interests and thus are entitled to share in the exercise of power at all levels.

The United Nations Youth Unit (1997) asserts that youth participation in development is one of the greatest hopes for lasting social transformation and it lies at the core of the mission to create compassionate, sustainable and equitable societies where all people can thrive.

2J Youths and society

The World Youth Report 2007 roughly estimates that there are 1.2 billion young people between the ages of 15 and 24 in the world. Today's youth are a tremendous resource for national development. This clear evidence of the determination of today's youth for self improvement and their commitment to improving the social, political and economic fabric of society through individual and group action.

The benefits that can be harnessed from the large and dynamic youth population do not accrue automatically. However when societies provide adequate guidance and opportunities for youth to build their capacity to contribute to development by investing in their education, health employment, sports and leisure activities, young peoples abilities and capabilities can be unleashed early and their contribution to development realized early Escobar (1995).

The world youth report (2007) argues that to benefit from young peoples capabilities, societies must ensure that opportunities for youth to be engaged in development processes are nurtured and protected. The report notes that the ability of youth to contribute to the development of their societies can be constrained not only by lack of capacity of youth but also by limited opportunities for participation in development as the global economy and social and political institutions undergo maior change.

2.4 Possible credit facilities for youths in Islamic nations

In Islam, charging interest (*Riba*) on liquid cash is prohibited because by Islamic teachings, money is not an asset for earning profit (Dhumale. Sapcanin, 2008).Islam emphasizes on social, ethical, moral factors for distribution of wealth and guide towards social and economic justice. Islam rather than interest, encourage profit because earning profit evolve productive activity and involvement in profit and risk sharing between lender and borrower (Dhumale. Sapcanin. 2008). Basic motive behind this approach is more than profitability, repository of wealth but collective wisdom of development of business, sharing profit and loss and collective struggle for business development. So the final gain from this is social benefit rather than profit gain and maximization which is

helpful to microfinance and micro entrepreneurship. Microfinance -interest free can be handled in many ways but this study will discuss three famous methods which are *Mudaraba*, *Khusharaka* and *Murabahah* (Segrado, 2005).

Mudaraba (Participation financing): Mudaraba means a transaction between a financial institution and a borrower. Both the capital provider and entrepreneur have no pre-determined amount as interest on top of principal amount but are worked out on basis of profit sharing ratio.

According to Zaher. Kaber (Segrado. 2005)."Mudaraba is a trust based financing agreement whereby an investor (Islamic bank) entrusts capital to an agent (Mudarib) for a given project. Profits are based on a pre-arranged and agreed on a ratio. This agreement is akin to the Western style limited partnership, with one party contributing capital while the other runs the business and profit is distributed based on a negotiated percentage of ownership. In case of a loss, the bank earns no return or negative return on its investment and the agent receives no compensation for his (her) effort".

Musharaka: This is same like as joint venture between two or more persons or institutions. According to *Segrado (2005)*, "Two parties can provide capital for a project which both may manage. Profits are then shared according to pre-agreed ratios but losses are borne in proportion to equity participation". Thus, it is not being based on profit sharing ideology but it depends on decision making and management capacity and the role played by the parties in the business.

Murabahah: In this model. Micro Finance Institutions (MFIs) first buy items and then resell it to borrowers by adding some reasonable profit/markup (Habib. 2005). After this, agreement will be established to return the borrowed amount to lender. Installment will then make over, and duration of payment will be decided. Ownership of good will remain in name of the MFI until all credit is cleared.

The markup or profit added on the borrowed actual amount by MFIs is considered as an administrative cost, and it is a general rule in Islamic practices that the profit margin should be kept at minimal.

Dhumale. Sapcanin (2008) compares Murabahah to the Western Financial practices and says, "The Murabahah contract is similar to trade finance in the context of working capital loans and to leasing in the context of fixed capital loans."

As such, Murabahah is therefore considered as the most suitable method in Islamic Micro Finance Institutions (IMFIs) due to its clear and easy to understand methodology.

Qard-e-Hassan: The Prophet Muhammad says "the inmates of Paradise are of three types: one who wields authority and is just and fair; one who is truthful and has been endowed with power to do good deeds and the person who is merciful and kindhearted towards his relatives and to every pious Muslim, and who does not stretch out of his hand in spite of having a large family to support. (Hossain. 2004). The teaching of Islam encourages the rich to help poor so that the poor can also benefit from social services and uplift their standards of life.

Qard Hassan's principal is that the lenders give loan to borrowers without any profit/extra amount or interest. The debtor is then supposed to return back the lend amount as soon or on a pre-decided date without the lender pressing for prompt payback (Mirakhor. Iqbal, 2007).

Qard -e-Hassan's working is same as conventional MFIs but there are some differences such as: no interest will be charged and there will be no strict fine or charges on default or delay on payment of the borrowed amount.

While expressing the rules regarding Qard -e-Hassan. Hossain (2004) outlined the following guidelines: there should be proper contract between lender(s) and borrowers in which all terms and conditions will be clearly written, date of payment must be specified, loan contract should written, getting two witnesses, charging membership or administrative fee.

2.5 Empowerment of the youth

According to Maxwell (2003). poverty effects not only on individual's life but also the society as a whole. Poverty is one of the main reasons to low empowerment among the poor especially in developing countries. Empowerment is a broad concept to define because many elements are involved in it definition. These elements affect the political.

social and power system in the country. According to PREM.WB (2002) these elements are. self-strength, control, self-power, self reliance, own choice, life of dignity, fighting for rights, independence, decision making, being free, capability". access to basic human needs etc.

Misra (n.d.) describes empowerment as a power to the people and self governance. He asserts that. "Empowerment builds self-reliance and strength in women, preparing them towards gathering the ability to determine the choice of life. This adds to the command over resources, outright insubordination and signifies their social role".

Due to different social, political, economical conditions, this study will not give a single definition for empowerment.

"Empowerment is the expansion of assets and capabilities of poor people to participate in. negotiate with, influence, control, and hold accountable institutions that affect their lives." PREM. WB (2002).

According to Makombe. (2006). empowerment means to "take control over material assets, intellectual resources, and ideology. The material assets over which control can exercised may be physical, human, or financial, as land water, forests, people's bodies and labour, money and access to money. Intellectual resources include knowledge information, and ideas. Control over ideology signifies the ability to generate, propagate, sustain, and institutionalize specific sets beliefs, values, attitudes, and behavior-virtually determining how people perceive and function within a given socio-economic and political environment".

PREM. WB (2002) claims that strategies for empowerment are taken at individual, government, civil society and private sector level. Usually these efforts lead to empower people in context of sharing of power, freedom of information, access to resources and health and education services.

These strategies normally share four types of elements as under: Access to information; all citizens including poor have direct access to information because information is power: Inclusion/participation, there should be opportunities for poor that they can participate in decision making and they should be included in ail financial and political

policies: Accountability, officials, public servants, private actors should be accountable not only to some specific institutions but to their citizens for performance; Local organizational capacity, people can work together, organize themselves, mobilize and utilize resources and solve problems at community level.

Types of empowerment.

Spicker (2003) says that economic empowerment, the element which most of us are most familiar with, concerns the expansion of access to productive assets, including physical and financial opportunities, to pursue economic gains.

Although this component of empowerment necessarily involves the distribution of capital and of income generating opportunities, economic empowerment also entails ensuring that the workings of the market and relative prices can enhance the economic agency.

Political empowerment on the hand involves enlarging the capabilities associated with democratic self-governance. It ensures not only respect for the fundamental dignity of the human person and the basic rights set out by international norms, but equitable representation in decision making processes and institutions - especially those that can demand accountability from public servants and the private sector bodies entrusted with public resources. It includes freedom to participate in political dialogue, to dissent from majority or accepted views, and to mobilize for change - a crucial agency function of this sphere. Political empowerment also encompasses legal empowerment, generally understood as the process of acquiring the knowledge essential to protect one's rights and to assert them under the law.

Socio-cultural empowerment entails strengthening the social fabric by augmenting a complex network of human qualities - both individual and collective- whole sum and synergies often referred to as the "social capital"¹. It is the process through which people and groups become aware of the interplay of societal and cultural forces at work in their lives and learn how they can act individually and jointly to influence and eventually control the dynamics of these factors.

Socio-cultural empowerment therefore spans a broad spectrum of human development parameters, from access to safe water, primary health care and basic education through skill acquisition, including the ability to use communication media. In addition, it encompasses social status, cultural expression and the sense of belonging to social entities that range from households through youth clubs and religious congregations to ethnic groups and a national polity. This sense of belonging engenders the trust that allows societies to function and enables individuals to act together to secure, safeguard and further what they value.

2.6 Importance of Education in economic development

IDB (1997) avows that a forward-looking approach to poverty eradication must recognize the central role of education, while promoting the need for economic growth. Poor and vulnerable groups should not be the objects of programmes, but should be actively engaged in the process of poverty eradication, so that the outcomes address their real needs.

Undoubtedly education is an important key for breaking the poverty cycle, and releasing the potential of children everywhere. It permits the preparation of youths to enter the labour market, and adapt to its frequent changes. It also has the potential for decreasing income inequality that is a constant source of disaffection, and sometimes conflict and destabilization. It influences health, as educated parents tend to take better care of their own health and that of their children, with positive influences on their communities, their societies and their countries. Further, education contributes to the establishment of stable and peaceful societies, permits youths to discharge their responsibilities as citizens, and participate more actively and effectively in the management of the affairs of their countries.

In this period of global awareness, when an individual youth development is regarded as a human right, then there is an overriding need for macroeconomic progress to have an impact at the micro level. Otherwise the plight of the poorest youths may remain hidden

in reports that show significant progress in Universal Primary Education (UPE) and country's positive Gross Domestic Products.

The benefits of education are widely recognized, but many countries have been constrained in implementing appropriate education policies due to; limited financial resources, trained personnel, and inadequate management capacity.

Short-term strategies should focus on taking action, so that millions of youths can be helped. This will require national movement to mobilize all services that reach the poorest people, religious groups, NGOs, entertainers, ministries of education, youth, sports, social welfare, agriculture, health, parliamentarians, the business community and service clubs. In short, an effective programme for reaching the poorest youths must be led by the Head of State, with a single message that all poor youth must be fed, clothed, housed and educated.

Success stories of youth empowerment to participate in economic development activities for poverty reduction have been cited in the Nepalese empowerment of vulnerable people including women, indigenous people (UNDP 2004) and the Kenya's "Kazi kwa Vijana". Youth Enterprise Fund and the Women Enterprise Fund Programmes. (Kenya Government Website 2009)

In Nepal the government set up policies enacted via the country's constitution that removed discrimination against minorities and vulnerable groups (indigenous people are 37.2 % of the Nepalese population) thus enhancing their participation in economic activities leading to a significant drop in numerical terms of poor people.

The Kenyan government, in order to contain the high number of unemployment among the youths launched the "Kazi kwa Vijana" Programme - a state's expansionist move publicized by the president and the prime minister whose aim is employment creation through engaging the youths in the provision of social goods. In addition to promoting entrepreneurial spirit among the youth, the Kenyan government established the Youth and Women Enterprise Funds to help youths access cheaper and easier credit facilities.

The Promotion of Employment Through Training (PETT) Programme conducted at the Puntland State University (PSU), Garowe (PSU Vocational Training Report 2007), show that many youths from Puntland gained valuable entrepreneurial skills that has helped them in self employment ventures.

CONCEPTUAL FRAMEWORK

In this study, the dependent variable is the poverty reduction which the researcher is out to verify whether it depends on: the level of youth participation in economic activities such as livestock rearing, small businesses (Income Generating Activities), fishing, farming, welding, masonry etc; the youth's education level / type skills acquisition from either formal school system or informal (vocational) schools or both: or the existence of government policies enhancing youth participation in economic activities.

Poverty reduction amongst the youth population will be checked by indicators such as increased income levels of youth, reduced unemployment, reduction in crime, decreased number of illegal activities, improved housing, and health.

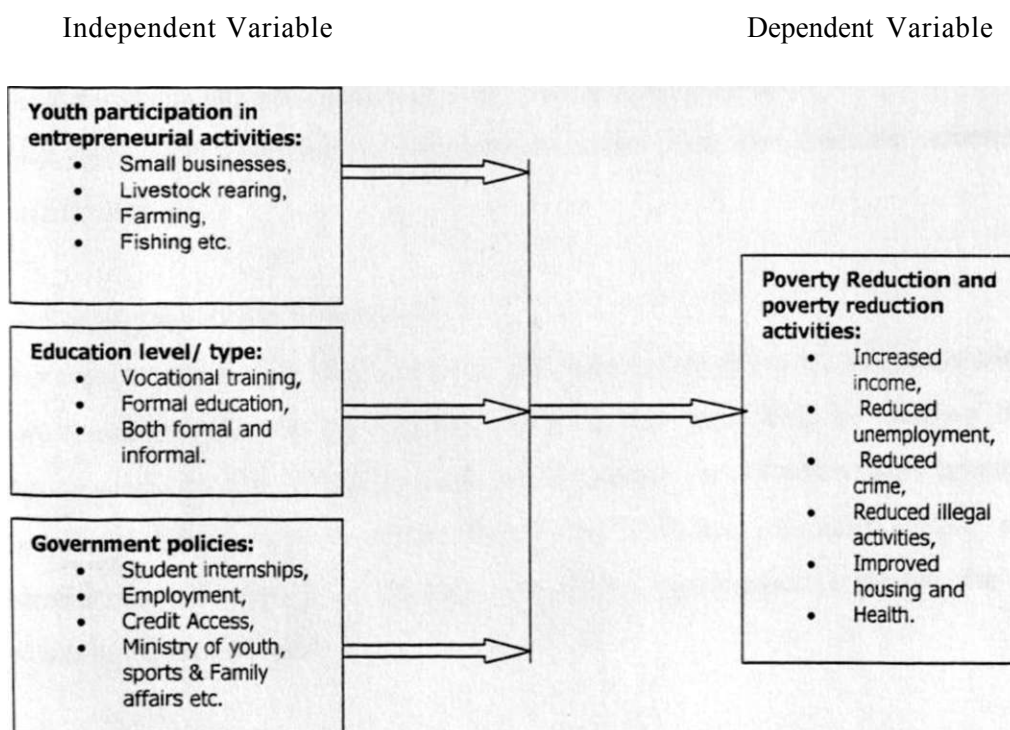


Figure 2.1 Conceptual framework of the evaluation of youth participation in economic and poverty reduction activities: The case of Garowe district Puntland State of Somalia.

Source: Adopted from Nepal Human Development Report 2004: conceptual framework of empowerment and human development.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter is divided into six parts that illustrates the methodology used in carrying out this study. The parts are research design, the study's target population, the sampling procedure, the data collection methods, data analysis and measures to enhance validity and reliability of the study findings.

3.2 The study research design

According to Cochran (1963) a research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The study employed both quantitative and qualitative methods to collect data from the youth and other stakeholders.

The study design for the household survey was cross-sectional.

Other quantitative secondary data was collected from the available sources in the available reports.

3.3 Target population of the study

The youth in youth associations, formal and informal employment and households within Garowe district formed the target population. The population of Garowe district is approximately 50,000 spread across 6,250 households out of which approximately 1,000 are youths (PDRC, 2007). Since there is no available population census report on Somalia over the last three decades, the above approximations guided the study in estimating the sample size.

3.4 Sampling procedure of the study

The study employed the stratified random sampling procedure as follows.

For the quantitative data, a two-stage sampling procedure was used. Four (4) regions of Garowe district were stratified according to their socio-economic and demographic characteristics.

From each stratum, a sample of villages was randomly selected. In total eight (8) villages were selected four (4) from the region hosting Garowe city and the remainder from surrounding pastoral regions. Within the selected villages two hundred and seventy eight (278) house holds were selected.

The research questionnaire was then administered to at least one eligible youth per household.

The **sample size** for the study was determined using the formula below.

$$n = Z^2 (p) (1 - p) / c^2$$

Where;

n = the sample size

Z = Z value (1.96 for 95% confidence level)

p = percentage picking a choice, expressed as decimal (.5 used for sample size needed)

c = confidence interval, expressed as decimal

Thus from the formula. 278 households from Garowe district were to participate in this study calculated as under;

$$n = (1.96)^2 (0.5) (0.5) / (0.05)^2 = 384.16$$

$$\text{Adjusted } n_1 = n \left(1 + \frac{n}{N} \right)$$

Where n_1 = adjusted sample size

N = approximate youth population in Garowe

$$\text{Therefore } n_1 = 385 - 1 + \frac{385}{1000} = 385 + (1 + 0.385) = 385 * 1.385 = 277.9$$

~ 278 youths

3.5 Methods of data collection used in the study

Fisher (2004) states that, the methods used for data collection are interviews, questionnaires, panels, observations, documents or databases etc. Surveys, questionnaires, databases are used as quantitative method while interviews, observation etc used as qualitative methods.

These methods are then categorized into two major streams which are qualitative and quantitative.

Generally we specify which methods are suitable for which research strategy but according to Fisher (2004). during research, researcher can use either qualitative or quantitative methods or combination of both. This study used the combination of both quantitative and qualitative data collection methods.

a) Qualitative data.

Qualitative data was collected through Key Informants Interviews mainly from the Ministry of Planning, Labour, and Gender, youth women and family affairs and available relevant reports by the researcher and the research assistants were trained in advance on the expectation of the study and key qualitative interview skills.

b) Quantitative data.

The data collectors were trained on the following key skills: Interview techniques . Step-by-step instructions of completing the questionnaire and discussion guides. Editing and validation of completed questionnaires and Preliminary analysis of the qualitative data.

The primary quantitative data was collected by data collectors who visited households, identified questionnaire respondents, administered the questionnaires through drop and pick technique.

3.6 Validity, reliability and minimization of bias and errors

The study was designed to utilize both qualitative and quantitative techniques to enrich the reliability of the data. The recall period was restricted to one month to minimize recall

errors. The random selection of villages and the systematic sampling of households for quantitative data minimized selection bias, while strict supervision of the research assistant (s) by the researcher ensured that reliable data is collected. To test stability of the instrument, Test-Retest Reliability test was administered at an interval of five weeks. In addition, the study in order to enhance validity of the findings pretested both the survey and the open ended questions.

Validity tests administered in this study included: Face value tests to test face validity of the questionnaire and content validity that ascertained whether the questionnaire provided adequate and representative coverage of the research problem.

3.7 Methods of data analysis to be used by the study

The study carried out all the preparatory work on data analysis and interpretation which included data cleaning, data coding, data reduction, data exploration, and identification of missing values.

Both quantitative and qualitative data were analyzed using the statistical packages for social sciences (SPSS) and represented in form of frequencies and cross tabulations. Content analysis was employed in the analysis of qualitative data. Descriptive statistics including frequency distribution tables, percentages and proportions were used to summarize and present data.

For quantitative data, principal analysis factoring (PAF) procedure was used wherever variables or objects to be considered were large or varied. The technique helped in identifying and ranking the respective influence of each of the dependent variable to the independent variable. Once the survey data was analyzed and interpreted, it was then summarized and synthesized in a report as per the University of Nairobi methods used in reporting of research projects.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction.

This chapter presents in summary the statistically analyzed data as collected in the study. The chapter is divided into four parts namely, the introduction, general information on the study, main findings of the study and discussion.

4.2 General information on the study.

This study was carried out in Garowe which has a population of about 50.000 inhabitants of which approximately 1000 are youths. The participants responded to 16 questions (variables) on various factors concerning youth participation in economic development and poverty alleviation viz a viz government policy. A total of two hundred and three participants responded to the survey questionnaire.

The researcher presents an analysis using frequencies cross tabulation with chi-square tests and further on factor analysis with Principal Analysis Factoring (PAF) method. The tables and figures used to analyze and interpret the findings are derived from the collected data.

4.3 Data analysis

A tally of the respondents in the survey is summarized below. From table 4.1. 61% of the respondents are male while 39% are female. This reflects the high male presence in responding to questions from other people.

An observation in Table 4.1 is to get the average age of people participating in the survey and out of the 203 participants. 106 were in the age range of 20-29 representing 52.2% which is more than half the population.

Table 4.1 Percentage of youth respondents by gender.

Respondents	Frequency	Percentage
Male	124	61.1
Female	79	38.9
Total	203	100.0

The study found that of the two hundred and three (203) respondents, one hundred and six (106) of them were aged between 20-29 years. This represented 52.2 % (more than half of the population).

This is followed closely by the 30-39 age group at 36.9% and finally the 40-49 age group at 11%.

Table 4.2 The age range of the respondents youth

Age range (years)	Frequency	Percentage
20-29	106	52.2
30-39	75	36.9
40-49	22	10.8
Total	203	100.0

4.2J. Youth participation in economic development and poverty reduction activities.

The question to deal with is how youths are participating in various activities as shown in Table 4.3. majority of males at 38.7% participated in miscellaneous activities closely followed by those who participated in business ventures at 37.1%. On their side, females also heavily participated in miscellaneous activities with a tally of 39.2% while 30.4% participate in business ventures. This is most likely due to the fact that most businesses

are male oriented and the society does not allow much female movement away from the home. Participation in formal job placement activities are very minimal at 10.5% for males and 11.4% for females.

Table 4. 3 Gender variation poverty reduction activities

		How participation in business activities helped to overcome poverty					
		Business	Job	Miscellaneous	None	Total	
Respondent gender	Male	Count	46	13	48	17	124
		% within Respondent gender	37.1%	10.5%	38.7%	13.7%	100.0%
	Female	Count	24	9	31	15	79
		% within Respondent gender	30.4%	11.4%	39.2%	19.0%	100.0%
	Total	Count	70		79	32	203
		% within Respondent gender	34.5%	10.8%	38.9%	15.8%	100.0%

Table 4.4 shows the level of youth participation in economic development activities and poverty reduction activities based on the age ranges. The findings indicate that age group 20-29 is heavily involved in miscellaneous activities with 44.3% of involvement while 23.6% of youths are in business ventures and a paltry 8.5% involved in job (formal employment) activities.

Table 4.4 also gives the impression that majority of youths in the 30-39 age bracket are involved in business activities with 53.3% indicating involvement while only 33% are in miscellaneous activities and a small number of 9.3% involved in formal job activities.

The figures are reversed again in the 40-49 age-group with a majority of 31.8% engaged in miscellaneous activities, 27.3% having formal jobs and 22.7% doing businesses. Thus the youth in age bracket of 20-29 are highly involved in miscellaneous activities, those at 30-39 years highly involved in business ventures, and those at 40-49 years highly involved in job/ employment activities respectively.

In general, the total youth population is mainly involved in miscellaneous activities with 38.9% of them participating, while those participating in business are a close second with 34.5%. The youths participating in formal job placements are the least with only 10.8% found by the study.

Table 4.4 Age range and participation in poverty reduction activities.

			How participation in business activities helped to overcome poverty				
			Business	Job	Miscellaneous	None	Total
Age range	20-29	Count	25	9	47	25	106
		% within Age range	23.6%	8.5%	44.3%	23.6%	100.0%
	30-39	Count	40	7	25	7	75
		% within Age range	53.3%	9.3%	33.3%	4.0%	100.0%
	40-49	Count	5	6	7	4	22
		% within Age range	22.7%	27.3%	31.8%	18.2%	100.0%
	Total	Count	70	22	79	32	203
		% within Age range	34.5%	10.8%	38.9%	15.8%	100.0%

Table 4.5 indicates the chi-square statistical test from which we see the Pearson significance is very close to zero at 0.000 to 0.003. According to this test, there is a strong relationship between age and activities the youths participate in.

Table 4.5 Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	30.906 ³	6	.000
Likelihood Ratio	31.077	6	.000
Linear-by-Linear Association	8.733	1	.003

Number of Valid Cases ' 203

4.2.4 Level of education and level of youth participation in economic development and poverty reduction activities

The study aimed to know how education levels were affecting the participation of youth in various business ventures. Although all youths were examined in categories of business, jobs and miscellaneous activities, they were found to be mainly involved in business and less formal jobs.

It is for this reason that an analysis of the youth-activities relationship appeared to be centered on business ventures and not the other two activities for which the respondents were interviewed as shown by the results analyzed from Tables 4.3. 4.4 and 4.5.

There were three groupings for education with the least having no education, followed by those who had some education including informal and primary school level and finally, those who have gone up to high school or completed formal informal college upon completion of secondary school. Each group had to show whether they had or did not have active role(s) in business operations.

From Table 4.6. 72.7% of those without any education had businesses while only 27.3% did not have any business. Those with some education recorded 6.8% with business and 23.2 without business. Finally, respondents with higher education recorded 82.8% business involvement and 17.2% without business involvement. Overall. 77.8% of the respondents had a business involvement and only 22.2% were without any business involvement.

Table 4. 6 Level of education and the level of youth participation in economic development activities.

			Business ventures as youth group		
			Yes	No	Total
Level of education	No education	Count	32	12	44
		% within Level of education	72.7%	27.3%	100.0%
	Some education	Count	73		95
		% within Level of education	76.8%	23.2%	100.0%
	Higher education	Count	53	11	64
		% within Level of education	82.8%	17.2%	100.0%
Total	Count	158	45	203	
	% within Level of education	77.8%	22.2%	100.0%	

From Table 4.7 for chi-square test, it is clear that the *Pearson s* statistic of significance is high and tending away from zero. These results shows some unrelatedness among the variables. This data is illustrating independence of the level of education and level business involvement variables since the figures are not closer to zero.

Table 4. 7 Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.639 ³	2	.441
Likelihood Ratio	1.662	2	.436
Linear-by-Linear Association	1.606	1	.205
N of Valid Cases	203		

4.2.5 Influence of government policy on youth participation in economic and poverty reduction activities

The survey tried to find out main factors that influence government youth policy in alleviating poverty or enhancing poverty reduction. The factors were tested using factor analysis with Principal Factor Analysis method. The aim of this method is to have the main factors that one can focus on in any future survey when dealing with a given question. From Table 4.8, testing for factors requires a Kaiser- Meyer- Olkin (KMO) sampling adequacy of at least 0.600 and in our case: we had 0.6-2 which qualified for a factoring test.

In Table 4.8, the significance level is very close to zero and hence proving that particular factors are closely related and could be further explored to determine which amongst them is pivotal in government decisions to make youth policy that is relevant to poverty reduction or income generating activities. A further look requires the assessment of all communalities which in this case are the various factors that were put in the form of questions to the survey respondents.

Table 4.8. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.642
Bartlett's Test of Sphericity	Approx. Chi-Square	1417.348
	Df	120.000
	Sig.	.000

In Table 4.9. the communalities with initial high significance to the respondents are as follows: Fairness in member contribution, membership to a youth group revolving fund or MFI. participation of a business venture as a youth group member and more government policies.

Table 4.9. Communalities

Variables	Initial	Extraction
Respondent gender	.364	
Age range	.466	.4~0
Type of business	.452	.466
Source of capital	.399	.402
Member of revolving fund or MFI	.571	.8"5
Member of Youth Group	.754	.764
Business ventures as youth group	.748	.753
How business helped overcome poverty'	.558	.564
Level of education	.085	.097
Location of school	.307	.310
Does education influence youth participation	.381	.394
What education mixture in youth group	.647	.658
Fairness in member contribution	.836	.847
Aware of any youth policies	.549	.567
Do policies influence youth activities	.458	.461
More policies needed?	.717	.728

Extraction Method: Principal Axis Factoring.

The final decision on the factors to concentrate on as a government on youth policy is also emphasized by the factor matrix in Table 4.10 which will give a clear indication of the iterated items and their strengths according to the interviewed participants.

Table 4.10 Factor matrix

Variables	Factor extraction	
	1	3
Fairness in member contribution	0.836	.117
Member of Youth Group	0.754	
Business ventures as youth group	0.748	.342
More policies needed?	0.717	.623
What education mixture in youth group	0.647	.422
Member of revolving fund or MFI	0.571	.276
How business helped overcome poverty	0.558	.452
Aware of any youth policies	0.549	
Age range	0.466	
Do policies influence youth activities	0.458	
Type of business	0.452	.317
Source of capital	0.399	
Does education influence youth participation	0.381	
Respondent gender	0.364	.245
Location of school	0.307	
Level of education	0.085	.019

However, from our scree plot in Figure 4.2. it is clear that the eigen value for six factors are well over 1 and those are the factors that the government needs to put in place for a proper policy on youth while carefully comparing them to the above four (4) communalities found in Table 4.9 and Figure 4.2 on factors that government will consider in youth policy designs.

Scree Plot

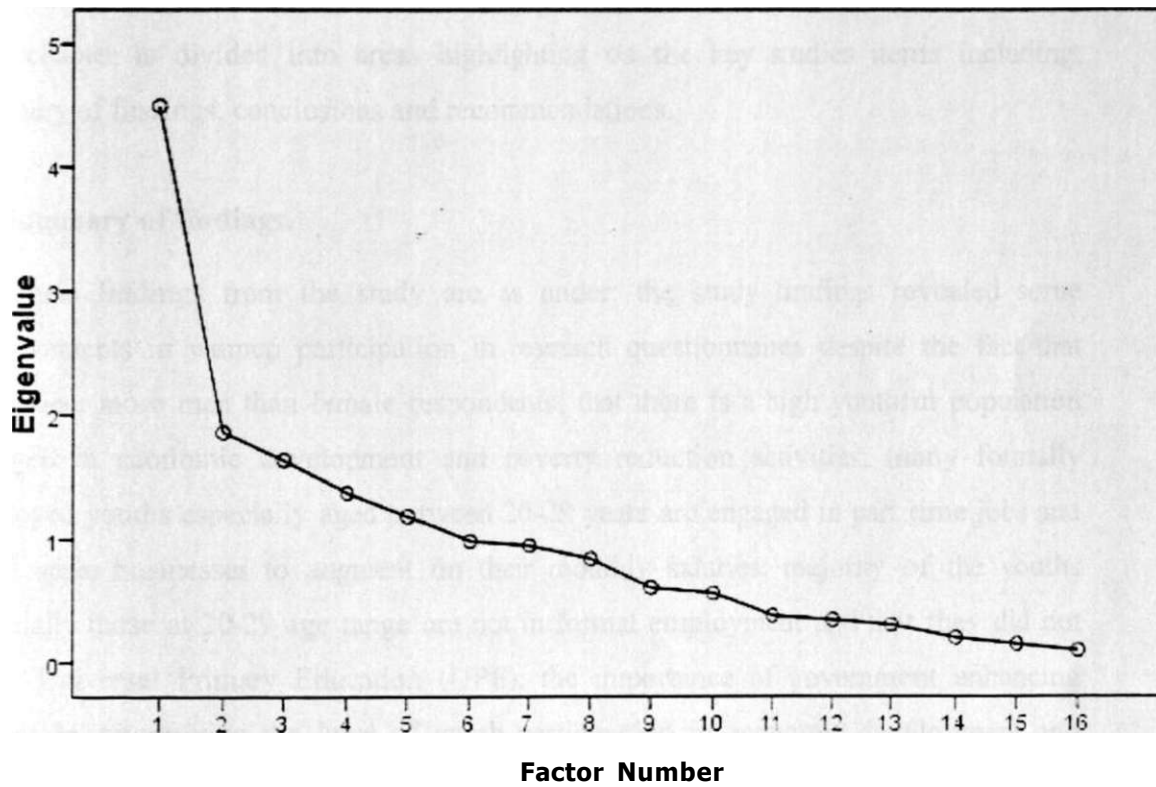


Figure 4.1 Scree plot of rank of factors to consider when formulating government policies on youth empowerment to participate in economic and poverty reduction activities per their relative eigen values.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.

5.1 Introduction.

This chapter is divided into areas highlighting on the key studies items including; summary of findings, conclusions and recommendations.

5.2 Summary of findings.

The main findings from the study are as under: the study findings revealed some improvements in women participation in research questionnaires despite the fact that there were more men than female respondents: that there is a high youthful population engaged in economic development and poverty reduction activities: many formally employed youths especially aged between 20-29 years are engaged in part time jobs and small scale businesses to augment on their monthly salaries: majority of the youths especially those at 20-29 age range are not in formal employment and that they did not enjoy Universal Primary Education (UPE): the importance of government enhancing polices in determining the level of youth participation in economic development and poverty reduction activities.

5.3 Discussion on the study findings.

Table 5.3 shows a summary in tabular form of the research objectives, research questions, study findings and recommendations. These are further extrapolated as under.

Table 5.1 Summary of study findings

Research objectives	Research questions	Findings	Recommendations
To identify economic activities that the youths are participating in, in order to contribute to poverty reduction	What are the economic activities that the youths are participating in. in order to contribute to poverty reduction?	1.Job / formal employment, 2.Business ventures 3.Miscellaneous undertakings	1.Creation of a conducive environment for both local and foreign investors 2. legislation on MFI/ Cooperatives/ partnerships 3.more research on appropriate government policy on the enhancing youth participation in business ventures
To identify how educational level/ type influence the youth's level of participation in poverty reduction.	How do education level/ type affect youth participation in poverty reduction?	Educational level does not influence the youth's level of participation in poverty reduction	At whatever level of education, youths can adequately participate in poverty reduction activities provided there are right incentives such as strong youth groups, government support, and availability of easy and cheap financing.
To examine existing government policies on youth participation in poverty reduction	Which existing government policies are there on youth participation in economic activities for poverty reduction?	Setting up of the ministries of labour youth and sports; Gender and family affairs. Registration of youth groups. Provision of internships to youths	Legislation and functioning of Micro finance initiative- musharaka, murabahah and Mudaraba in addition to the establishment of legal framework and institutions on youth.

The study findings reveal that there were more male respondents at 61% compared to females at 39%. This shows some improvements in women participation in research questionnaires from foreigners without much local presence unlike in the past when for instance for one to conduct survey in Garowe. long administrative bottlenecks had to be settled first. The figures also concurs with the UNDP Somalia Report on millennium development goals (2007) that avows that despite their high population, women and girls participation in economic development activities is not at par with that of boys and men .

From the study we also find that the population of youth aged between 20-29 years was more represented than any other age bracket. From this, we can therefore infer that there may be a high population of people aged 20 years and below thus making the youthful population to more than double in coming ten years. This concern has also been pointed by PDRC (2004) where it cited high birth rates in Somalia with an average of eight (8) children per household.

The study shows that many formally employed youths especially aged between 20-29 years are engaged in part time jobs and small scale businesses to augmen: on their monthly salaries. This may be partly due to the high cost of living brought about by the global economic crunch or due to low salaries from formal employment. PDRC (2006) has cited low salaries of government employees as a major hindrance to attraction of qualified personnel by the government department in Puntland.

There are few respondents with formal employment especially at age brackets of 20-29 and most respondents at ages 40- 49. This may be attributed to early access to education opportunities provided freely by then Somalia central government before it collapsed in the 1990s to people now aged between 40-50 years compared to their counterparts at 20-29 who never enjoyed Universal Primary Education (UPE).

The finds great involvement in business activities through youth groups. This success despite the lack of security and weak legal structures can be attributed to religious and traditional norms in the community. The religious norms have restructured Islamic

Banking's notion of mudaraba and musharakah through revolving funds provided by LMFs though not sanctioned by the government legislations have provided some start up capital for youth businesses. The traditional norms have bound youth together through clan loyalty where youths from same clan have been able to set and manage businesses with utmost success.

The study further found that the level of education does not affect youth's participation in economic development and poverty reduction activities. This was shown by the chi square statistical test that found out pearsons significance tending away from zero (0.000) at 0.205. We can therefore infer that the concerned variables are a bit independent. This confers with the success stories in Kenya and Nepal where youth and vulnerable group members have through government intervention participated immensely in economic development and poverty reduction activities in the society.

The K\10 test for factors on government policy towards youth participation in economic development and poverty reduction activities found a significance level that was very close to zero (0) implying a high dependency of youth participation in economic development and poverty reduction activities and the existence or "enhancing government polices. On factor extraction using PAF. the study found factors such as fairness in member contribution, membership to a youth group, participation of a business venture as a youth group member and more government policies whose eigen values were significant (greater than one)

These factors by implication are very crucial in determining the youth participation in economic development and poverty reduction activities and hence government polices should be geared toward enacting and making them functional. Such legislations have been passed by an Act of Parliament in Kenya for instance there is the Youth Enterprise Fund, Micro-Finance Act, Women Enterprise Fund and the "Kazi Kwa Vijana" all institutionalized via the vision 2030 initiative and in Nepal where the affirmative action on the empowerment of the indigenous Nepalese was entrenched in the country's constitution (Nepal Human Development Report 2004).

5.4 Conclusions

From the study results, it is evident that there is significant number of female youths participating in economic development and poverty reduction activities in Garowe, Puntland State. This may be attributed to a slow change in cultural beliefs and practices amongst Somalis that confined women and girls to tend to home chores while provision for the family was deemed to be sphere for males.

The migration of middle aged Somalis from Somalia alter the collapse of the central government in the early 1990s may explain the low number of youth aged between 40-49 years participating in economic and poverty reduction activities in Garowe. Puntland State.

Puntland State is part of the wider Federal Republic Somalia whose investment environment is not conducive. As such, both foreign and local investors are wary of investing heavily due to insecurity. This explains the low number of youths in formal job placements.

Education structures together with other state provided services collapsed with the failure of the central government in Somalia. Civil society organizations took over major roles of the government leading to poor enforcement. In lieu of this, youths between ages 20-29 years did not enjoy government sanctioned education facilities thus partly attributing to the finding that the level of education amongst the youth group members did not affect their participation in economic and poverty reduction activities.

From the findings, the study found out that youths aged 20-29 years are very active in multitasking/ diversifying their income generating activities by engaging in miscellaneous activities unlike their counterparts in other age brackets. We can therefore infer from the above that there is a high dependency burden and a high cost of living reigning heavily on youths at this age bracket in Garowe. Puntland State.

Finally, this study concludes that the success of youth groups in business ventures in Puntland may be attributed to the close knit social fabric built along clan affiliations

amongst the Somali populace. Due to weak legal structures clan trust and loyalty binds a group of youth together for a common business objective.

5.5 Recommendations.

This study proposes based on the findings, the following recommendations to the government and all other stakeholders: Establishment of policies (affirmative action policies) to help female youths' engagement in economic and poverty reduction activities: creation of conducive environment for local and foreign investment for job creation: empowerment the youth groupings through enactment and operationalization of cooperative society and Microfinance statutes/ policies.

5.6 Suggestions for further research study

This study proposes that further research on the level of effectiveness of government policies in promoting youth participation in economic and poverty reduction activities.

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APPENDICES

APPENDIX 1

LETTER OF INTRODUCTION

**University of Nairobi,
Department of Extra-Mural Studies
PO Box 3097-00100,
Nairobi.
August 6, 2009**

Dear Respondent.

REF: REQUEST FOR RESEARCH DATA.

I am a post graduate student at the University of Nairobi. Department of Extra-Mural Studies. In partial fulfillment of the requirements for the award of the degree in Master of Arts- Project Planning and Management. I am conducting a study entitled "**An Evaluation of the Level of Youth Participation in Economic Development and Poverty Reduction Activities: The case of Garowe district, Puntland State of Somalia**".

You have been selected to form part of this study. I kindly therefore, request you assist me in filling in the attached questionnaire. The questionnaire is in three parts. Kindly till in all the questions in all the three parts.

The information you give is to be purely used for the purpose of this research. It will be treated with the strictest confidence. In no way will your name (if avialble) appear in the final report.

Thank you in anticipation of your cooperation.

Salama Romano Murimi, L50/ 70768/2007

b. NO

5. Do you have any business ventures as a youth group?

_J a. Yes 0 b. No

6.1 If yes how has the business helped you to overcome poverty in your life?

Please explain

a. Business

b. Job

c. Miscellaneous

d. None

PART2. EDUCATION

6. What level of education have you gone through?

a. NO education

b. Some education

c. Higher education

If b. or c. above state school/ college/ university

7. If formal state where

a. Garowe town

b. Other towns

8. Do you think education influences your participation in youth activities?

a. Yes

b. No

9. If no please give reasons. ^

10. In your youth group are all of you of the same education or are there more educated and less educated people than you?

a. Lower (primary) education

b. Medium (secondary) education

c. Higher (University/ College) education

d. No youth group

11. Do all members get an equal chance to contribute to the group activities despite the level of education?

- a. Yes**

- b. No**

- c. Balanced**

- d. No Youth group**

Part3. POLICIES

12. Are there policies that enable youths to participate in activities that help in poverty reduction?

- a. Yes** • **b. No**

- c. Not sure of any**

if yes name a few

13. Do you think policies influence youth participation in poverty reduction activities?

- a. Yes**
- b. No**
- c. I don't know**

14 (i) If yes please state how

(ii) If no please give reasons

15. Do you think that these policies are enough or there is more that needs to be done?

- a) Yes
- b) NO

16. If no, what do you think should be done?