ABSTRACT

Financial remittances from Somalis living outside the country are an outstanding feature of the Somali economy, and have for long been crucial to the economy. Today, the new diaspora in the West has assumed a very important role as a source of remittances to family members in Somalia or in refugee camps. The first migrant workers who went to the Arabian Gulf during the 1970s began to send back remittances, using the so-called franco-valuta system. People from the Isaaq clan in particular utilized this system, in which foreign exchange was transferred to traders who would import commodities for the Somali markets, and then give the cash to the families of the migrants. This system worked only because the traders had strong linkages to their clan lineages inside Somalia. Thus, this article intends to shed some light on contemporary migration processes and the possible linkages between the diasporas and the social and economic development in their country of origin. The case study describes the main flows of migration in modern Somali history, and how the emerging Somali diaspora maintains links to their kin via inventive remittance systems. The possible impact of remittances on local development in Somalia is addressed in the paper, and it concludes that the linkages between aid and migration–related resource transfers are multidimensional and that development can lead to migration and vice versa.