

THE ROLE OF RURAL DEVELOPMENT ON POVERTY IN MOGADISHU, SOMALIA.

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Abstract

The objective of this study was to examine how rural development effects on poverty reduction in Somalia with a particular focus on highlighting the perspectives of residents in Afgoye. The study examined three specific objectives namely: education, microfinance, and infrastructure. The research methodology utilized in this study was descriptive study. A sample of fifty-two respondents was selected from sixty target population. The sampling procedure used was non-probability sampling. The findings of the study indicated that education, microfinance, and infrastructure could help poverty reduction in Somalia because most of the respondent agreed that these could reduce poverty and improve livelihood of the poor. The study also revealed the relationship between rural development and Poverty. Therefore, rural development has a positive effect on poverty reduction in Afgoye, Somalia. So, the researcher recommended to the FGS Minister of planning and economic development and other rural development stakeholders should develop a sustainable rural development strategy, which based economy that offers social and economic benefits to current and future generations by contributing to food security and poverty alleviation.

Keywords: Rural Development, Education, Microfinance, Infrastructure, Poverty Reduction.

1. INTRODUCTION

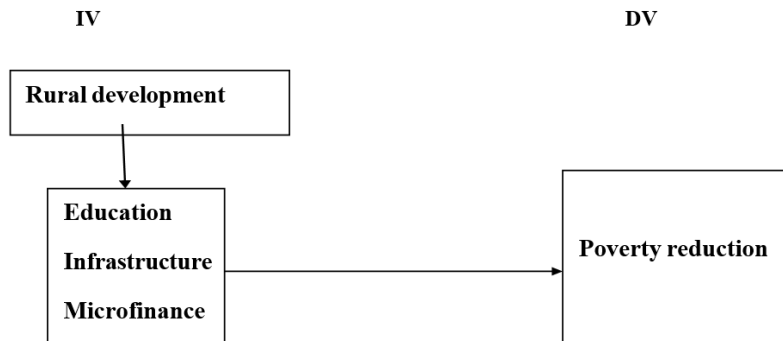
During the post-1978 reform period, China dramatically reduced large-scale poverty through specific government reform policies and rapid economic growth. Using the official poverty line, the number of poor people is estimated to have fallen from about two hundred million in 1981 to 28 million in 2002. Alternatively, using the World Bank's \$1/day income measure, the number of poor is estimated to have dropped from about 490 million to eighty-eight million over the same period, a decline in poverty incidence from 49 percent in 1981 to 6.9 percent in 2002. Chinese large-scale poverty reduction has been achieved mainly through rapid economic growth. Real GDP grew at an average of

9.4 percent per year in the period 1979-2003. Poverty in China is a rural phenomenon (at the beginning of the 1980s, absolute poverty in the urban population was 0.3 percent vs. 28 percent of the rural population.) Because rural-urban migration is limited, growth in rural areas has been most important to reducing poverty. In the early 1980s, when fast rural growth emerged from institutional reforms including institutional changes in land holding, production, distribution and procurement prices the poverty rate in China rapidly halved from 49 to 24 percent at the \$1/day income level, and the number of rural poor declined from 250 million in 1978 to 125 million in 1985, measured at the official povertyline.

After rural economic growth slowed, once the poverty effects of the early rural reforms were realized, China saw relatively slow progress in poverty reduction, and widening inequalities. By 1994, the poverty rate was at 18 percent at the \$1/day level. Measured at the official poverty line, eighty million of the rural population remained poor. Since the mid-1980s, overall progress in poverty reduction in China has been slower and even reversed in some years, coinciding with stagnation in the rural economy. Over the course of 22 years, Somalia's conflicts have engendered extreme poverty, vulnerability and a complex set of political and social grievances that remain a threat to the country's current positive transition. Most Somalis today live in poverty and vulnerability: 2.3 million live on the margins of food insecurity and 1.1 million are internally displaced. Poverty is estimated at 73 percent and extreme poverty at 43 percent. Gross Domestic Product (GDP) per capita is estimated to be only US\$288. On its own, however, humanitarian action cannot develop the sustainable livelihoods necessary for poverty reduction. The socio-economic situation of the country is extremely poor. Poverty cuts across sectors, location, group and gender, and its forms and causes vary. An understanding of Somalia's geography, recent trends in its economy and consequences of the civil strife is important to determining the nature and extent of its poverty. Approximately 69% of Somalia's population lives below the poverty line. Poverty in Somalia is more pronounced in the IDP camps estimated to be 88% followed by rural areas with 75% and urban areas with areas 67%. Two regional administrations are more stable regarding socioeconomic factors comparing to other parts of Somalia; namely Somaliland and Puntland located in the north and east, respectively conditions. Stability in the two areas may have contributed to some improvement in poverty reduction. On the other hands, southern regions Somalia are comparatively poorer due bad economic conditions and insecurity that destroy lives and hopes of many through displacement, conflicts, and persisted thoughts, which resulted food shortage and discourage farmers. One of the primary development goals for Somalia is to achieve a broad-based, sustainable improvement in the standards of welfare of all of Somalia. Years of conflict, insecurity and a lack of government have left Somalia one of the poorest countries in the world, with GDP per capita estimated at US\$ 435. Over the next three years, the NDP lays the foundations for a broad and sustained policy framework to address poverty and sheds light on the ways and means of creating a more equitable society. There is no single action that can realize poverty reduction. Poverty is a complex and multi-dimensional phenomenon that requires interrelated and complementary policy interventions (Federal Government of Somalia, 2017)

However, there is a gap in the study area. Therefore, this study is intended to bridge the gap and find out the role of rural development on poverty reduction in Mogadishu Somalia.

Figure 1.1 conceptual frameworks



2.0 LITERATURE REVIEW

The general objective of this research is to assess how rural development can be used to reduce poverty and enhance development. The paper specifically focused on three concepts (education, microfinance, and infrastructure).

2.1 The Role of Education on Poverty Reduction

Education is one of the mechanisms to empower people to take part in poverty reduction. A set up of appropriate education system can be a good strategy for rural development because it solves rural challenges and enhances the well-being of rural people to development (Lasker, Weiss, & Miller, 2001). Education provides a foundation for eradicating poverty and fostering economic development. Education is the key to increasing economic efficiency and social consistency, by increasing the value and efficiency of the labor force and consequently raises the poor from poverty. Education increases the overall productivity and intellectual flexibility of the labor force and ensures that a country is competitive in world market now characterized by changing technologies and production methods (M. Ph, 2013). The basic determinants of living standard and overall country development depend on how develops and utilizes the knowledge, skills, and technology (Roberts, 2011).

Education is one of the most important tools which provides a foundation for poverty eradication and fosters economic development. It lays down the fundamental basis on which most of the economic and social well-being of citizens are built and developed. Education is essential if significant progress is to be achieved in terms of economic and social development. Thus, education increases the value and productivity of the labor force which subsequently leads to poverty reduction levels (Omoniyi, 2013 & Addai-boateng, 2019). According to (Lucas, 1998), the key factors that determines the standard of living in any given country is embedded in how well the country manages, develops, and utilize the skills and knowledge it possesses as well as ensuring good and quality education for its population. Lucas in his writings further posits that through education, the overall efficiency and intellectual abilities of a country's labor force increases and ensures that the country stays competitive in our ever- changing and

highly technological world. As argued by (Pelinescu, 2015), significant investment in education and human capital of a country's population is of utmost importance if the country is to attain constant or progressive economic development. Mounting evidence by researchers have shown valuable returns to several forms of human capital development through education, research, training, and aptitude building (Goldin, 2016, & Addai-boateng, 2019)

The lack of education among a country's population tends to have an adverse effect on the country's per capita income which tend to increase poverty levels, especially in developing economies of which Ghana is no exception. According to the United Nations Educational, Scientific and Cultural Organization (UNESCO, 2012) report, education results in higher wages for individuals. Thus, well educated people have a greater probability of being employed, are economically more productive and therefore earn higher income. It is a common phenomenon that the country with quality and high rate of educated populations, both employment opportunities and earnings increase. Hence, households with highly educated individuals are less likely to be poor. The report further indicated that a 10% increase in wage-earning is associated with a one year of education and on average schooling returns are very high in Sub-Saharan Africa emphasizing the urgency for devoted investment in education in the region (Addai-boateng, 2019).

It is widely believed that education plays a vital role in poverty reduction and the achievement of economic development. Education has provided a reliable grasp for development in many countries. As described by (Jaiyeoba, 2009), education serves as both private and public good. Thus, it is an investment that has the potential of reaping great rewards with some externalities. Education has come out as a key prerequisite for poverty reduction and improving the living standards or livelihoods of developing countries including Ghana (Abdulahi, 2008). Mounting evidence of recent research shows that educational improvement boosts development prospects locally (Echeverría, 1998). Similarly, more studies have proven that the levels of economic growth in a country positively correlates with the educational level of its population (Oxaal, 1997). (Psacharopoulos & Woodhall, 1993), in their study of education for development showed that education has a direct impact on the growth and development of a nation's income if, the skills and productive labor of its people are improved. This was a critical finding which led to genuine concern and research on the contribution of education in development. Access to education is severe in developing countries most especially in the rural areas and to be able to eradicate poverty and hence achieve development, ensuring education for all must be of great concern Addai-boateng, 2019).

The thought that education and human capital are essential for economic growth (and finally, for poverty reduction) gained much importance in the mid-1990s because the economic progress of East Asian countries (Singapore, Hong Kong, The Republic of Korea, and Taiwan) in 1970s and 1980s was primarily due to their investment in education and human capital formation. Education and poverty are inversely related. The direct effect of education on poverty reduction is through increasing the

earnings/income or wages. The indirect effect of education on poverty is important with respect to 'human poverty' because as education improves the income, the fulfillment of necessities becomes easier and raises the living standard which surely means the fall in human poverty. It is understood that such basic need's presence increases the productivity and wages consequently putting people one above the poverty line. The linkages between education and poverty broadly can be seen in two ways: Firstly, investment in education increases the skills and productivity of poor households. Secondly, poverty is also a big impediment in educational attainment. Poverty affects the educational achievement in three dimensions. The very first one is from resource-side (learning and financial resources), second one is the generation of such social pressures which mutilates the mindset of poor student and lastly when poverty grabs any institution it deteriorates the teaching standards.

In Pakistan, 6.5 million out-of-school children are present in which 80% never enrolled in the schools (Sarwar, 2011). Male children are considered as source of income in the form of child labor; girls are supportive to mothers in household work and in caring younger brothers and sisters. Moreover, some useless social norms and so-called religious doctrine ardently restrain girl's education. Hence the lack of education is a cause of low earning potential of any person and poverty persists in even next generations of that household. Pakistan is second among the world countries with highest number of children out of schools and it is because of severe poverty in Pakistan where more than 60 percent of the population lives on \$2 a day. It is noteworthy that the 'education poverty' (lack of education) and 'income poverty' have a mutually reinforcing relationship with each other both at macro and micro levels. Lack of education is a key factor of income poverty and absence of sufficient income/earnings cannot overcome the education poverty. Moreover, education helps in the fulfillment of basic needs (eradicating poverty) and basic needs themselves include the education availability, hence provision of education and fulfillment of basic needs both reinforce each other (Sarwar, 2011).

The inverse relationship between education and poverty has been recognized but there is a debate relating to the educational levels; whether primary education is enough for the ultimate outcomes, or all educational levels (primary, secondary, and higher education) have to be focused simultaneously. Even the Millennium Development Goals (MDGs) of the United Nations and the Poverty Reduction Strategy Papers (PRSP) recommended by the World Bank focuses primarily upon the primary education and girls' education. The other notable thing regarding the education's significant role in poverty reduction is the direct linear relationship between education and earnings. In Pakistan, it has been found that monthly earnings of an individual worker increased by 7.3 percent with an additional year of schooling. Moreover, each additional year of schooling level increased earnings by 3 percent at primary level, by 5 percent at secondary level, and by 7.1 to 8.2 percent at higher/tertiary level. Each additional year of technical training increased earnings by 2.5 percent. The educational attainment of household head is the critical determinant of household poverty in Pakistan. An increase in the educational level of the head of the household significantly reduces the

chances of the household being poor.

2.2 The Role of Microfinance on Poverty Reduction

Microfinance, or the provision of small loans to the poor with the aim of lifting them out of poverty, is a key poverty reduction strategy that has spread rapidly and widely over the last 20 years, currently operating in more than sixty countries (Bateman, 2010). According to many researchers and policy makers, microfinance encourages entrepreneurship, increases income generating activity thus reducing poverty, empowers the poor (especially women in developing countries), increases access to health and education, and builds social capital among poor and vulnerable communities (Khandker, 2005; Westover, 2008). Studies of market-based measures to alleviate poverty are also gaining considerable traction in the management literature where scholars have developed concepts like ‘base-of-pyramid’ and ‘creating shared value’ to address what businesses can do to alleviate poverty and enhance social welfare (Porter and Kramer, 2011; Prahalad, 2004; (Banerjee, 2016). Microfinance components such as revolving credits, small loans, and well-established financial inclusion remains good vehicle for reducing poverty level.

If we can set up with a system which allows everybody access to credit while ensuring excellent repayment – I can give us a guarantee that poverty will not last long” (Muhammad, 1994). As a result of better credit facilities, technologies can be adopted by farmers and small- and micro-industry entrepreneurs. This will invariably lead to the diversification of economic activities and economic growth at local, regional, and even national levels. Credit facilities enables the households to improve their consumption, investment, and child education that will ultimately contribution to general economy. Furthermore, by reducing the severity of poverty, the rural poor are empowered, and their social exclusion is reduced. It must be noted that the overall impact of credit facilities on the regional and national economy will depend on other factors like good roads, market facilities and so on, as earlier mentioned in this study (Paper et al., 2005).

Attempts to alleviate poverty were carried out worldwide through micro finance programs that are aimed at helping the poor to accumulate their own capital and invest in employment generating activities. What is meant by poverty and how it is measured and who constitute the poor are aggressively contested issues. In the poverty discussion, the question whether poverty is largely about material needs or whether it is about a much broader set of needs that permit well-being. According to (Sida 2005), Poverty has a multiple and complex causes, the poor are not just deprived of basic resources but also they lack access to information that is vital to their lives and livelihoods that is: information about market prices for the goods they produce, information about health, information about the structure and services of public institutions, information about their rights, they lack political prominence and voice in the institutions and power relations that shapes up their lives, they lack access to knowledge, education and skills for development that could improve their livelihoods, they often lack access to markets and institutions, both governmental and societal that

could provide them with needed resources and services. They lack access to and information about income-earning opportunities (Mecha, 2017)

Most of the poor in developing countries especially women lack access to the basic financial services which are essential for them to manage their lives. Microfinance is therefore considered as a vital tool to break the vicious circle of poverty which is characterized by low incomes, low savings, and low investment. To generate higher incomes, high savings and more investments, Capital is only one ingredient in the mix of factors necessary for a successful enterprise. Most importantly it requires entrepreneurial skills and efficient markets to reduce poverty (Mecha, 2017). (Ismawan, 2000) calls for differentiation between two categories of the poor, some can increase their income by themselves, create business activities that would enable them to move above the poverty line. Those in the second category are unable to do so and would need permanent financial support from microfinance.

2.3 The Role of Infrastructure on Poverty Reduction

Infrastructure” is a broad concept that encompasses many of the obvious, physical features of civilization, such as roads, bridges, and highways; transport and ports; basic utilities such as power, water, and sanitation; schools, health care facilities and public buildings. But more relevant to the goal of poverty reduction are infrastructure services, which include the social and economic benefits associated with infrastructure. Infrastructure can be lumpy, huge, nationwide, but it can also be small, locally maintained and community-based (Jahan & McCleery, n.d.). The benefits from the first type of infrastructure may trickle down to poor people through generation of growth, but it is the small, local, and community-based infrastructure that may make a direct contribution in raising the well-being of poor people. Moreover, poor people should not only be beneficiaries of infrastructure, but should also be active participants in decision-making regarding the development and operations of the services infrastructure brings and small community-based infrastructures may be better suited for that (Jahan & McCleery, 2005).

Infrastructure growth and services can play a critical role in economic growth and poverty reduction-and also enhances human security, particularly of poor people, by contributing to their food security, job security, health security, community security, personal security, and environmental security. Yet the links between infrastructure growth and poverty reduction are neither automatic nor one-directional. And even in cases where infrastructure development and services have demonstrably contributed to economic growth, the benefits have often not been translated into improvements in the lives of poor people-partly because of design problems, partly because of the non-participation of poor people in formulation and implementation, partly because of adverse social and environmental impacts and largely because the initiatives were not local and community-based (Jahan & McCleery, 2005).

The infrastructure-poverty reduction-governance nexus is a complex one. Infrastructure impacts on human poverty reduction both directly and indirectly. It helps reducing

human poverty by directly improving access of people to health and educational services, by providing them with cleaner energy and by protecting them against natural disasters-contributing to non-income aspects of deprivations. But it also contributes to human poverty reduction indirectly by enhancing agricultural productivity, reducing transportation costs, generating more jobs and income-that is, by enhancing economic growth. These are some of the more purely economic aspects of impoverishment. These intended benefits cannot be reaped unless infrastructure is managed properly-from the design and location decision to implementation to operations and maintenance. All these issues interact with each other in a mutually reinforcing way and it is not always easy or even desirable to separate out each linkage. (Jahan & McCleery, 2005).

These are priced low, are subject to public control or regulation and investment therein is characterized by lumpiness. Rural infrastructure, therefore, includes investments that directly and indirectly affect productivity in agriculture and other rural non-farm activities. The main categories of economic infrastructural activity are investments in rural electrification, rural credit institutions, scientific agricultural research and extension, flood control and drainage, irrigation works, rural roads, rural transport, markets for inputs and outputs, storage structures and warehousing facilities, common property resources, and watershed development. In addition, it includes infrastructure for developing allied and non-farm activities like dairy development (i.e., improvement of milch animals, milk collection and chilling centers) and Agro-processing and other village industries and crafts. While some infrastructures like irrigation, credit and agricultural research enable the adoption of modern technology, some others, like transport, provide intermediate services to facilitate interaction between productive activities.

The enhanced mobility of labor induced by infrastructural development, such as the opening up of rural roads, helps the rural poor in commuting to work and travelling to jobs where the wages are relatively higher. It also helps small and marginal farmers in moving away from their villages, where manual work is looked down upon, away places where they enjoy relative freedom from such inhibitions. Transport development also helps the small and marginal farmers to grow vegetables and other high value crops on their tiny plots and to find a market for these in nearby towns. Linkages also help the richer sections to divert their investment from limited credit markets to non-agricultural activities in rural areas or in towns. This also helps in providing additional employment to rural labor. The reduction of marketing margins has far-reaching consequences for the comparative advantage enjoyed by a country and for its competitive strength in the world economy. Again, access to institutional services like health care, education and credit becomes much easier. This helps not only in increasing productivity but also in reducing credit constraints which are the main instrument of exploitation in the rural setting. Thus, by increasing the income of the rural people, infrastructural development can also be instrumental in breaking the stranglehold of moneylenders and reducing the impact of interlocking between land, labor, and credit markets (Ahmed and Hossain 1990).

Poverty is generally seen as the state of poverty continuing over a long period of time. In order to reduce this type of poverty, continuous intervention by the government is needed to raise the productivity of economic activities of the poor households (Lipton & Ravallion, 1995). The development of physical infrastructure increases agricultural production and the return on human and physical assets through the provision of public goods by the government. Infrastructure development is also believed to ultimately raise permanent household incomes. Consequently, infrastructure development has the effect to reduce poverty. (Deno & Eberts, 1989) found a significant increase in personal income when infrastructure was constructed. However, they conclude that most of the effects last less than one year.

3. DATA ANALYSIS AND INTERPRETATION

This paper was present results of the study through descriptive analysis and present the study results. This paper comprised two sections, the first section was presented the demographic data about respondents, and the second section was discussed about data presentation and analysis.

3.1 Demographic Profile of Respondents

This part was present the background information of the respondents who contributed to this Study; the main aim of this background information was to find out the basic features of the respondents. The demographic/personal information of the respondent comprised Gender of the respondent, Age, Marital status, educational level, and Occupational level. The demography shows that (37) of the respondents were male which presents (71.2%) while (15) of them were female that represents (28.8%). Therefore, most of the respondents were male. Marital status shows that most of the respondents (84.6%) were single, while (15.4%) were married. Therefore, the research indicated that majority of the respondent's marital status were single. The age of respondents also shows that most of the respondents (80.8%) were aged 15-25 old, (13.5%) were aged 26-35 old, (5.8%) were aged 36-40 years, therefore, implying that majority of the respondent's age were 18-25 years. Education background also revealed most of the respondents (1.9%) were primary. Also (63.5%) of them were Secondary, (34.6%) were informal education, Therefore, the findings indicated that majority of the respondents were secondary. Employment status also indicated that (17) of the respondents were employed which presents (32.7%), and (20) of them were unemployed which presents (38.5%), and (15) of them were seeking for employment which presents (28.8%) so that the research findings indicated most of the respondent were employed.

3.2 Results

The respondents of this study were asked fifteen poverty related questions with special focus on the role of education, microfinancing, and rural infrastructure development in poverty reduction. Five questions were given to each of three categories. Education comes first, microfinancing follows, and rural infrastructure comes last. Education

increases the value and productivity of the labor force which subsequently leads to poverty reduction levels. Result shows that (61.5%) of the respondents strongly agreed that the Education increases the value and productivity of the labor force which subsequently leads to poverty reduction levels., (34.6%) among the respondents agreed, (1.9%) were disagree and (1.9%) strongly disagreed, so most of the respondents strongly agreed to this statement. Lack of education among a country's population tends to have an adverse effect on the country's per capita income which tends to increase poverty levels. It shows that (44.2%) of the respondents strongly agreed that the lack of education among a country's population tends to have an adverse effect on the country's per capita income which tends to increase poverty levels, (46.2%) among the respondents agreed, (7.7%) were neutral and (1.9%) strongly disagreed, so most of the respondents agreed to this statement.

Education is one of the most important tools which provides a foundation for poverty eradication and fosters economic development. Response shows that (50.0%) of the respondents strongly agreed that the Education is one of the most important tools which provides a foundation for poverty eradication and fosters economic development, (32.7%) among the respondents agreed, (13.5%) were neutral and (3.8%) disagreed, so most of the respondents strongly agreed to this statement. An increase in the educational levels of the households reduces the chances of household being poor. it indicated that (23.1%) of the respondents strongly agreed that an increase in the educational level of the household significantly reduces the chances of household being poor, (57.7%) among the respondents agreed, (9.6%) were neutral, (7.7%) were disagreed, and (1.9%) strongly disagreed, so most of the respondents agreed to this statement. Educated people have higher probability of employment opportunities and becoming economically more productive, and therefore will earn higher income. It also shows that (42.3%) of the respondents strongly agreed that the Educated people have greater probability of being employed and economically more productive and therefore earn higher income, (44.2%) among the respondents agreed, (11.5%) were neutral and (1.9%) strongly disagreed, so most of the respondents agreed to this statement.

Microfinance programs are aimed at helping the poor to accumulate their own capital and invest in employment generating activities. The results show that (28.8%) of the respondents strongly agreed that the microfinance programs are aimed at helping the poor to accumulate their own capital and invest in employment generating activities, (55.8%) among the respondents agreed, and (15.4%) were neutral so most of the respondents agreed to this statement. Microfinance encourages entrepreneurship, increases income generating activity thus reducing poverty. Shows that (34.6%) of the respondents strongly agreed that the Microfinance encourages entrepreneurship, increases income generating activity thus reducing poverty, (51.9%) among the respondents agreed, (11.5%) were neutral, and (1.9%) were disagreed so most of the respondents agreed to this statement. Enabling poor households' access to credit helps households begin micro entrepreneurship which would enable them to improve their incomes and eventually escape poverty. Shows that (17.3%) of the respondents strongly agreed that the Enabling poor households access to credit helps households

begin micro entrepreneurship which would enable them to improve their incomes and eventually escape poverty. (50.0%) among the respondents agreed, (23.1%) were neutral, (7.7%) were disagreed, and (1.9%) strongly disagreed, so most of the respondents agreed to this statement.

A microfinance service protects the poor against the often-severe consequences of fluctuating incomes, ill health, death, and other emergency expenditures. Shows that (25.0%) of the respondents strongly agreed that the A microfinance service protects the poor against the often-severe consequences of fluctuating incomes, ill health, death and other emergency expenditures, (48.1%) among the respondents agreed, (15.4%) were neutral, (7.7%) were disagreed, and (3.8%) strongly disagreed, so the majority of the respondents agreed to this statement. Government should set microfinance institutions which in turn help poor households to improve their incomes and eventually escape poverty. Shows that (38.5%) of the respondents strongly agreed that the Government should set microfinance institutions which in turn help poor households to improve their incomes and eventually escape poverty, (42.3%) among the respondents agreed, (17.3%) were neutral, and (1.9%) were disagreed so most of the respondents agreed to this statement.

The rural development infrastructure contributes human poverty reduction indirectly by enhancing agricultural productivity, reducing transportation costs, generating more jobs and income by enhancing economic growth. It shows that (42.3%) of the respondents strongly agreed that the rural development infrastructure contributes human poverty reduction indirectly by enhancing agricultural productivity, reducing transportation costs, generating more jobs and income by enhancing economic growth, (36.5%) among the respondents agreed, (15.4%) were neutral, and (5.8%) were disagreed so the majority of the respondents strongly agreed to this statement. Infrastructure development such as opening of rural roads helps the rural poor in commuting to work and travelling to jobs where the wages are higher. Shows that (32.7%) of the respondents strongly agreed that the Infrastructure development such as opening up of rural roads helps the rural poor in commuting to work and travelling to jobs where the wages are relatively higher, (53.8%) among the respondents agreed, (7.7%) were neutral, and (5.8%) were disagreed so the majority of the respondents agreed to this statement.

Infrastructural development helps reducing human poverty by directly improving access of people to health and educational services 'by providing them cleaner energy. Shows that (25.0%) of the respondents strongly agreed that the Infrastructural development helps reducing human poverty by directly improving access of people to health and educational services 'by providing them cleaner energy, (57.7%) among the respondents agreed, (13.5%) were neutral, and (3.8%) were disagreed so most of the respondents agreed to this statement. Infrastructure growth can play critical role in economic growth and poverty reduction particularly of poor people by contributing to their food security, job security and health security. Shows that (34.6%) of the respondents strongly agreed that the infrastructure growth can play critical role in economic growth and poverty reduction particularly of poor people by contributing to

their food security, job security and health security, (50.0%) among the respondents agreed, (7.7%) were neutral, (5.8%) were disagreed, and (1.9%) strongly disagreed, so the majority of the respondents agreed to this statement. The rural physical infrastructure causes accelerated delivery of farm input and enhances spatial agricultural production efficiency. Shows that (25.0%) of the respondents strongly agreed that the rural physical infrastructure causes accelerated delivery of farm input and enhances spatial agricultural production efficiency, (44.2%) among the respondents agreed, (23.1%) were neutral, and (7.7%) were disagreed so many of the respondents agreed to this statement. Finally, reliability Statistics indicates the reliability of the study, Cronbach's Alpha is 70.9%, which is very reliable because it is over 70%.

The researcher utilizes primary data to conduct this paper. The research population who participated in this study was sixty in number. The sampling method used in this study was non- probability sampling, and this means everyone within the population group have not equal chance of being selected as a study unit. First objective of this study is to determine the role of education on poverty reduction, the study found that most of the respondents assigned strongly agree, which indicates that education have positive effects on poverty reduction. The second objective of this study is to identify the role of microfinance on poverty reduction. The study found that the most of respondents assigned agree, which shows the microfinance have positive effects on poverty reduction. The third objective of study is to assess the role of infrastructure on poverty reduction. The study discovered that most of the respondents assigned agree, which shows the infrastructure have positive effects on poverty reduction.

4.0 CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

In this study, the research explained the role of rural development on poverty reduction. In order to concise this broad topic, the researcher analyze three specific objectives which could help to reduce poverty. In this research, primary data was collected using questionnaire as a research instrument. Descriptive was used. This study targeted sixty populations and randomly selected fifty-two respondents through non-random sampling. The study was intended to investigate the role of rural development on poverty reduction. The study has shown that education, microfinance, physical infrastructure has positive effect on poverty reduction.

4.2 Recommendations

- 1) At the national level infrastructure development should be directed at rural areas in an organized and sustained manner.
- 2) Decentralization should be used by regional governments to focus on developing the physical and non-physical infrastructure in rural areas.
- 3) The community and private individuals should maintain, upgrade, and complement government efforts in infrastructural provision.

- 4) Government through the ministry of education should improve their measures in ensuring quality education such as reasonable class sizes, adequate hours of instruction, adequate supplies of learning materials and accommodating learning environment to enhance higher learning achievements.
- 5) The wider social and development role of the school system should be strengthened, to give clear links between education, poverty, and development
- 6) Government should maintain macroeconomic stability and to avoid interest rate caps that prevent microfinance institutions from covering their costs and operating sustainable.
- 7) The microfinance should enlarge their territories so as to reach more poor people this will in return create more opportunities thus bringing about an increase in income thus economic empowerment
- 8) Microfinance institutions should provide training skills and knowledge in time in order to equip their clients in advance and this will enable the clients to better utilize their loans effectively.
- 9) The microfinance institutions should simplify their application forms and procedures so that the forms should be easily understood, and take be less time consuming.
- 10) The country's Curriculum should be relevant to social progress with focused on practical
- 11) Education. Most of the curriculum used in teaching some subjects are fully theoretical and does not relate entirely to what is being done in the real
- 12) The government should gradually capacity of public schools and implement free and mandatory basic education.

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