Somali Immigrants and their participation in the American Economy

Name

Institution

**Preface**

Since its founding in 1776, United State has always been welcoming safe haven for the immigrants and refugees fleeing persecution and conflicts. Estimation indicates that since 1975, U.S has relocated by approximately three million refugees all over the world. 1980 was the year of peaked refugee settlement efforts when over 200,000 immigrants fleeing Communist Vietnam reached U.S. Today, U.S fulfills significant humanitarian mission to resettle refugees and at the same time, provides worthy economical advantages to the country (MDOH, 2014). Refugees participate in the economical growth of nation to a considerable extent; contributing billions of dollars every year through business start-ups and consumer spending in the community—resulting in net constructive fiscal consequences. Additionally, refugees empower the establishment of vibrant and diverse communities and revitalize the declining social and economical scenarios; making the place conductive and favorable for community living. However, since 1980, the annual refugee admissions to U.S have declined. Despite having settlement of the largest number of refugees in the country, far more refugees are now being admitted by Australia and Canada on per capita basis.

**History**

**Somalia**

Geographical location of Somalia indicates that it is located in the Horn of Africa—the east coast of the continent. Their agriculture system was developed through southern river valleys due to which they follow conventional nomadic pastoralist profession (Putman & Noor, 1993). A vital role in trade and industrial development is being played by its Capital Mogadishu and other urban cites.

The fishing industry is supported by approximately 1880 mile coastline of Somalia for centuries. In addition, these coastal areas also acted as transportation channels to Asia, Europe and Middle East for exploring educational and economical opportunities. Contemplating through the lens of history, the small group of Somali sailors reached and settled New York City in 1920s. This practice generated an endless thread of migration for fiscal and educational purposes and since 1960s, thousands of Somali students reached U.S for pursuing their educational activities (Putman & Noor, 1993).

Jumping to the twentieth century, Somali land was undertaken full-fledge control by European Governments and was divided in various areas. Northern Somalia was claimed by British government which is now called Somaliland whereas Southern Somalia was seized by Italian government including the capital Mogadishu. Northwestern Somalia was taken up by French government which is now called Djibouti (Putman & Noor, 1993).

As a result, Somali residents strongly resisted foreign invasion but could not counter this trend unfortunately. After World War I, England and Italy were pressurized by external forces to end colonial regimes in Africa, which resulted in independence of Somalia. After a peaceful power transition, Somalia became a democratic country in 1960. However, in 1969, a military coup was led by General Mohamed Siad Barre which forced Somali residents into social, economic and political turmoil. In response to this unacceptable coup, a resistance movement was escalated by many National groups of Somalia in late 1980s and forced him out of the office in 1990 (Putman & Noor, 1993).

The above mentioned description indicated that Somalia was engulfed by the civil war for more than two decades. After long history of instability and turmoil, the Transitional Federal Government powered by the African Union and United Nations Organization gained complete political control in Somalia in 2010. In 2012, internationally recognized federal Somali government was established after parliamentary elections (Putman & Noor, 1993).

**Resettlement and migration**

Since the beginning of civil war, more than one million Somali nationals tended to leave the country and migrated to various European countries, as reported by United Nations Organization. Even within the Somali territory, number of internally displaced people was estimated as 1.5 million. In 1992, Somali nationals were offered visa from United States for the first time (MDOH, 2014). Although, leaving their homeland, family and relationships was painful but their economical condition compelled them to acquire visa and settle in United States—many of them did so.

Minnesota is the place where most of the Somali refugees migrated in 1992. Some of them were refugees whereas migration of others was backed by the sponsorship of already residing family members. They also started relocating Minnesota from other parts of the United States (Afrah, 2004). Many government and non-government refugee resettlement agencies e.g., Somali-led organizations i.e., Somali Family Services, International Institute of Minnesota, non-profit faith-based service organizations like Catholic Charities and Lutheran Social Services, Confederation of Somali Community in Minnesota and World Relief Minnesota facilitated the resettlement and migration of Somalis in Minnesota (MSDC, 2008).

Now in 2018, one of the largest Somali communities is hosted by Minnesota. Although, it is difficult to determine the exact number of Somali refugees living in Minnesota, yet the estimation ranges from 35,000 to 100,000 whereas data from 2015 census estimated their number as 57,000 (MSDC, 2017). The exact location where Somalis reside in Minnesota is Twin Cities Metropolitan area whereas others settled to the small rural areas of the state.

Most of the Somalis prefer Minnesota for residence because they find a wide ranged social network there with all the employment and educational facilities and access to number of social and healthcare services (Lee, 1982). They also acquire Minnesota’s outclass living standard and reputation for hospitality. Typically, they arrive there to synchronize their cultural resources with the pool of residents having same national background.

In addition, their extensive social and community network helps them find employment, education, housing and all the essential community resources and ensure their quality living. However, despite having excellent community support, they encounter many challenges in the practical life including family and belongingness separation, maintenance of religious and cultural practices in multicultural environment and acquiring proficiency in English language and at the same preserving national language (Lee 1982).

As far as economical contributions are concerned, in the American labor market, refugee men and women demonstrate active participation to a great extent, fulfilling the labor gap and contributing to the economical growth of States. In the initial years, refugees are paid less but their wages follow gradual progression with the passing time and increasing experience (Horst and Nick 2002). This is because they learn to adopt new culture, improvise their language skills, develop more extensive community networks and gain more experience in the labor market.

Estimations indicated that Somali refugee women start their work with the low rates of labor force participation but after 10 years, their degree of participation, performance and production exceeds the labor force of Native American counterparts (Parks 2011). Both Somali men and women report increase in their average yearly wages when they gain enough experience in the labor market. Based on the statistics, the U.S born men with prime working age contribute 80% of the labor force participation whereas participation of Somali men was comparatively higher than U.S born men i.e., 84%. However, these rates are substantially lower for Somali women i.e., 64% because of their religious customs which allow less participation of women outside the home. This analysis was done using 25-64 years as the prime working ages because the standard definition of prime working age i.e., 16+ encapsulates retired individuals that act as a threat to the validity of results (Portes and Minn 1993).

Over time, the rate of participation follows transitional trend for men and women however, their growing integration in the labor market is always constant. Even in the first ten years, migrated men and women in the labor market demonstrated more active participation than U.S born workforce. During initial years in labor market, rate of labor force participation of Somali men was 56% whereas the rate demonstrated upward transition in the upcoming years by 84%. Interestingly, the transition of labor force of Somali women and U.S born women followed similar trends i.e., 71% (Caps et. al., 2015).

A recent development in the settlement of Somali refugees is Migration Policy Institute that was aimed at contemplating how refugees were managed in the short run. It demonstrated that key goal of the Refugee Settlement Program in promoting the early employment of migrated individuals is now being achieved (Hammond 2013). Along with the short term picture, this report helped to clarify the idea about what happens to the refugees in long run.

In the long run, refugees retrospect and utilize their internal strengths and resources to cope with the multicultural environment. Over time, they gradually overcome cultural, language and employment barriers for integrating into the American labor market. Their professional and economical development is inspected through wage data obtained at various intervals (Jeanne 2008). This data provides a profound comprehension of how refugee men and women struggle to enhance their quality of life and improve their living conditions with the passing time. Data obtained from the Somali refugees who are just about to get a foothold in the market or working for less than 10 years and those who are working since last ten years indicates that their annual earnings rose from $24,000-$40,000 (Capps 2015).

Researchers attempted to inspect the underlying causes behind economical progress of Somali refugees and came up with the predictable results i.e., with the passing time, they learn other cultures and languages and advance their skills due to which they can easily shift their working place instead of sticking to one market for longer time (Zamora, 2014). Moreover, they fly where there are better opportunities for them to grow economically. They become more established in the communities first, develop new communities at the newer workplaces that help them moving up to the occupational ladders.

Moving to the nature of jobs that Somali refugees tend to acquire; it becomes evident that five broad categories of occupational choices are widely embraced by them; blue collar, white collar, service, farming and related jobs. There has been inspected a huge shift in the acquisition of jobs from initial steps in the occupational life and after ten years of working (Zamora, 2014). Their altered occupational choices overtime are the justified indication of how refugees became more established in the economical scenario.

Here are presented some statistics about the proportion of Somali refugees working in the varying nature of jobs; approximately 23% of the men and women are performing white-collar jobs in United States when they are working for nearly ten years in the market. This rate gains additional 6% increase when their working years become greater than ten (Zamora, 2014).

Most of the Somalis are working as professors, artists, social activists, librarians, teachers and social scientists and their share becomes 4-9% when they spend more than ten years in the working class. As far as farming is concerned, limited numbers of Somali men go for agriculture and poultry i.e., only 2-3%, for example, in San Diego, grow lablab beans and pumpkin leaves that are otherwise unavailable. Somali refugees also helped the local farmers to reinvigorate traditional farming methods (Capps et. al., 2015). Interestingly, U.S born farming professionals gravitate away from farming as more refugees take part in the traditional farming practices in United States. American Community Survey indicates that approximately 3-5% Somali refugees are currently working in farms.

Moving towards trading and business statistics; estimation indicates that refugees (from different part of the world) are more likely to acquire business as their way of income than U.S born individuals. For example, there are total of 34 business owners per 1000 refugees whereas the number reduces to 30 per 1000 for U.S born individuals. On the other hand, there are about 15 Somali owners per 1000 people and they are more likely to be travel agents, shop owners and transportation owners (Capps et. al., 2015). Other independently working Somali refugees encapsulate engineers, architects and scientific consultants. Business owner can be defined as a person who has incorporated business in possession or whose exclusive job is to maintain or run a business.

When new immigrant communities undergo economic inclusion, the opportunities for upward economical mobility are enhanced to a great degree. It not only proves to be advantageous for immigrant community but also for the ones who are receiving their services through economic incorporation. This point will be clarified quoting a ground breaking example of economic recovery in Lewiston which has the potential to stand as a case in point. Low-skilled labor force was lacking in Lewiston with an overabundance of untenanted rental units, prior to the arrival of Somali immigrants (Zamora, 2014). Both of these problems get resolved when Somali residents arrived in the area that not only filled the employment gap but also helped altering perception of U.S born residents about Somalis—as an intimidation for the class of productive stakeholders.

Like other refugee communities, Somalis too, arrive in the US with the substantial ability to acquire legal employment instantaneously. However, majority of Somali refugees does not possess advanced educational qualification and degree along with limited English language proficiency skills. This situation acts as a barrier for their economical development and attempts to limit their upward economical mobility; as a result, most of the refugees get low-wage and low skilled jobs that ordinarily do not provide them with the opportunities of advancements. However, passing time relieves their economic hardships (Zamora, 2014).

Because of the ongoing war in Somalia, it lacks reliable and functional economical structure. Hence, Somali refugees tend to support their family financially through gaining upward development in the economical scenario of United States (Horst, 2002). Due to these reasons, majority of the Somali refugees send money, food or other resources to their families, deducing a definite portion of their earnings every month. The common reasons of remittance include paying for medicines, food, shelter, and education for their children, siblings or relatives.

Due to these reasons, a super colossal burden is placed on their shoulders which might raise significant concerns regarding their physical, mental and emotional health. A study (Horst, 2002) conducted on this issue addressed the difficulties regarding new restrictions on remittance for the Somali refugees. They feel exaggerated economic pressure to remit their families back in Somalia due to which their economic incorporation in the United States is over shadowed.

There was found a huge difference between the refugees and immigrants with respect to challenges that they encounter economically (Horst, 2004). For the immigrants who come to Unite States specifically for finding work and sending money back to their homes are more likely to be psychologically deteriorated and often suffer from chronic stress if they get limited earnings; inadequate to meet the expected level of remittance (Horst, 2004). However, for the immigrants who travel along the family and have least concerns about financial support for their families are less likely to have physical, psychological or emotional issues (Horst, 2004).

The potential barriers in the remittance practices are well documented. Most of the Somali refugees send money to their families who are suspected to flow monetary resources to terrorist organizations e.g., al-shabaab which resulted in substantial remittance barriers for them. According to the report of refugee settlement (2013), approximately $1.3 billion enters Somali economy each years in form of remittance from migrant and refugee Somalis, out of which 16% amount flows from United States (Orozco and Julia, 2013).

Before the 1991 Somalia Civil War, remittance amounts were primordially sent for helping family and relatives with economic ventures, school fees, weddings and investments. Somali network that aid remittance practices is known as “xawilaad” which emerged in 1980s in order to establish fast, secure and reliable channels for funds transfer (Horst, 2002). After 1991, initiation of civil war led the xawilaad to set out a more climacteric purpose; revolving around the survival of family members back in Somalia and in the refugee camps of other countries (Ali 2011).

Dahabshil is a Somali remittance company which plays vital role in the distribution of monetary resources because as mentioned above, Somalia lacks stable government and banking system due to which unemployment is highly prevalent in country. Moreover, neither World Bank nor International Monetary Fund (IMF) provides financial aid to the Somali nationals due to country’s economical and political instability (Ali 2011). Hence, the only way to uplift economy is financial remittance.

During the past few years, United States has changed its remittance policies for Somali refugees as a post 9/11 reaction. These changes were powered by the concerns that Somali nationals are involved in money laundering to support terrorist organization Al-Qaeda. U.S government also identified some instances where Somali remittance organizations were found involved in the financial funding of terrorist organization (James and Shetre, 2012). In 2011, it was revealed that two Somali women had provided money directly to the terrorist organization al-Shabaab, due to which Barclays Banks ended their contract with the Somali remittance companies (Hatcher, 2015). In 2015, there was only one state bank that continued working with Somali Remittance Companies—the Merchants Bank in California—but it ended its contract with organizations in February 6, 2015 which was called by the congressman Keith Ellison a “catastrophic decision.”

**The final word**

Researchers argued that for the economic advancements of Somalis, their economic incorporation is inextricably irrevocable. Ideally, the business structure of economic opportunity is open and welcoming for new comers but for only those who are willing to take advantage from the available conditions. With the technological advancements, it has become more laborious today to earn a good living as compared to that of previous generations, particularly for immigrants. Hence, immigrant community is expected to show development towards economic self-efficacy after considerable period of time.

In a nutshell, the above presented textual activity not only demonstrates the statistics about the economical placement of Somali refugees in the United States but also the economical and political position of Somalia and significance of remittance practices for their families back in country. Although refugees are provided with the employment opportunities yet due to lacking qualification and language skills, they initially do not get high skilled jobs with handsome amount of money. Moreover, during the post 9/11 era, they encountered more economic hardships particularly in carrying remittance practices as they were allegedly found guilty in providing financial aids to terrorist organizations. This paper pointed the economic challenges that Somalis encounter and identified the areas which require consideration from policy makers, educationalists and private-sector leaders to ensure their economical growth.

Three strategies proposed by sociologists for uplifting their financial conditions are: Targeted Recruiting of Somalis, Public Sector Employment and provision of Occupational Training Opportunities (Rumberger, 1982; Eisinger 1986; Guajardo 1999; Boyd 1994; Parks 2011). This model of strategies will give fruitful result not only for Somali immigrants but for other refugees as well. Need of the hour is to develop new strategies and implement already developed strategies aimed at exhilarating their fiscal growth.

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