

**EFFECTS OF TELECOMMUNICATION ON ECONOMIC GROWTH IN
HORMUUD TELECOM, MOGADISHU, SOMALIA**

BY

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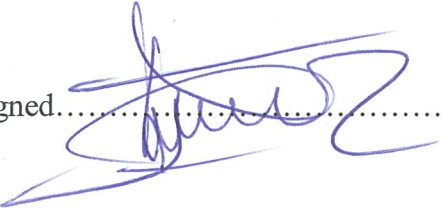
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**A RESEARCH REPORT SUBMITTED TO THE DEPARTMENT OF ECONOMICS,
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DECLARATION


I Jama Hassan Salad, declare that to the best of my knowledge and wisdom this research is original and has never been presented before to higher institution of learning for any academic award.

Signed..........Date.....28-08-2012.....

Jama Hassan Salad

APPROVAL

This research report by Jama Hassan Salad has been under my supervision and is now ready for submission to the college of applied economics and management science of Kampala international university.

Sign.  Date. 

Mr. Mutumba Geoffrey

(Supervisor)

DEDICATION

This piece of work is dedicated my dear parents Mr. Ahmed Mohamed Ismail and Mrs. Halima Mohamed who first hatched the idea of education and introduced me to this wonderful formal education during my childhood.

I also wish to dedicate this vital academic document to my uncle Abdirahman Abshir for his wonderful contribution and encouragement in my academic career.

ACKNOWLEDGEMENTS

I wish to express my sincere appreciation and profound gratitude to my dear parents my Mother Halima Mohamed, and my Uncle Ahmed Mohamed for having introduced me to this wonderful formal education during my infancy and their countless prayers and encouragement during my degree programme.

Special thanks are owed to my uncles more specially Ahmed Mohamed Ismail for his great financial contribution and professional advice to pursue of my academic career.

My sincere appreciation and thanks go to the management and staffs of Hormuud telecommunication who did everything possible to avail me with the necessary information I needed for my research.

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LIST OF ACRONYMS

CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
GDP	Gross Domestic Product
ICT	Information Communication Technology
ITU	International telecommunication Union
KIU	Kampala international university
MDGS	Millennium Development Goals
PIDAM	Puntland institute and development administration
STA	Somali Telecom Association
UN	United Nations
UNCTAD	United Notation Conference on trade development
UNDP	United Nations Development Programme

ABSTRACT

The study of the effects of telecommunication on economic growth Mogadishu state of Somalia was carried out on Hormuud Telecom.

The study had three objectives.

To examine the impact of Hormuud Telecommunication Company on improving people's standard of living in Mogadishu.

To establish the contribution of Hormuud Telecommunication Company on employment creation in Mogadishu of Somalia.

To assess the relationship between Telecommunication and economic growth in Somalia

The study findings revealed that the telecommunication company has brought about an improved standard of living in the community by; improving the performance of business through improved communication created awareness by promoting people's access to information through internet and has also enabled people to learn some ICT application.

The study revealed that the telecommunication company has created direct and indirect jobs. Additionally, the company has also enhanced the capacities of youth to train, develop and empower them with skills fit to compete in the advancing technological world.

Telecommunication sector has produced a position impact on the economy and society.

The telecommunication sector is indispensable for economic development. This is because Telecommunication infrastructural investment can lead to economic growth in several ways: transaction costs of data collection, placing and receiving orders have greatly reduced due to the availability of advanced telecommunication infrastructure.

The study findings showed a significant relationship between telecommunication and economic growth with a significant level of 1%. This was an indication that Hormuud Telecom has played a significant role in the economic growth of Mogadishu in Somalia.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Telecommunication is the exchange of information over significant distances by electronic means. The simplest form of telecommunications takes place between two stations. However, it is common for multiple transmitting and receiving stations to exchange data among them. Such an arrangement is called a telecommunications network. The Internet is the largest example. Telecommunication sector comprises of six major segments; Mobile Sector, Fixed Line Sector, Wireless Local Loop Sector, Payphone Services, Internet Services, Voice over.

1.1 Background to the Study

Somalia is one of the world's poorest and least developed countries, Somalia has few resources and much of its economy has been devastated by the civil war. Somalia's economic development has been mixed. Somalia continues to be in a delicate state due to several civil war outbreaks and floods, which have left thousands of people homeless (CIA fact book, 2005).

The formal economy has largely ceased to function. Much of the informal economy is based upon livestock, market stalls, and remittances which enter the country through unofficial sources as the banking system is not well developed. The modest industrial sector, which was concentrated in food processing, has been severely undermined by lack of spare parts and looting. Many of the markets are filled with smuggled goods (UNDP, 2007).

Agriculture is the most important sector, with livestock accounting for about 40% of GDP and about 65% of export earnings. Nomads and semi-nomads, who are dependent upon livestock for their livelihood, make up a large portion of the population. After livestock, bananas are the principal export; sugar, sorghum, maize, and fish are products for the domestic market. The small industrial sector, based on the processing of agricultural products, accounts for 10% of GDP; most facilities have been shut down because of the civil strife. There is no reliable up to date accurate data on unemployment and for that matter, there is no reliable data for any of the major economic indicators. The unemployment rate has been estimated at 66% for urban areas and 41% for rural areas (UNCTAD, 2009).

The main problem affecting social-economic development is the lack of economic progress. Socio-economic development is the process of human change and development in a society. It's measured with indicators, such as income, life expectancy, literacy and levels of employment. Changes in less-tangible factors are also considered, such as personal dignity, freedom of association, personal safety and freedom from fear of physical harm, and the extent of participation in civil society (Todaro, 1994).

In this study, Socio- economic development is the increase in the standard of living in a nation's population with sustained growth from a simple, low-income economy to a modern, high-income economy also, if the local quality of life could be improved, economic development would be enhanced. Its scope is included in the process and policies by which a nation improves the economic, political, and social well-being of its people.

HORMUUD Telecom was founded in the year 2002 with an objective of serving the country with its activities – Telephone Service, Fixed-line Service and Internet. The Company's service oriented schemes are committed and dedicated to all the citizens of the country. The service includes local and long distance calls. HORMUUD Telecom also provides internet services. The use of internet has become very popular in the Country. The secondary service carried out by HORMUUD Telecom is the electric power supply in some HORMUUD Telecom Center-Towns operated by the Company.

HORMUUD Telecom is the largest telecom operator in Mogadishu, this is an effort at creating a cashless free society received a major boost from Hormuud, with the introduction of a new service called Sahal Mobile Money. According to the CEO of Hormuud, Mohammed Aden the product will greatly facilitate payment across the country it also Contributed from Hormuud Telecom that have assisted in the implementation of many projects including construction of roads, airport terminals, schools, health facilities sanitation and environmental projects and Job opportunities offering direct and indirect to the communities has generated income for over six thousand individuals. Many of those affected by such initiatives are Hormuud telecom employees who developed boldness to raise big families. Others include people who curve out satisfactory livelihoods from the services that Hormuud provides. People from different walks of life including telephone booth operators, airtime agents and many others earn their livelihood from opportunities rendered to the public by the company hence leads economic development in the country (Hormuud report ,2009).

Telecommunication is the exchange of information over significant distances by electronic means. Single telecommunication circuit consists of two stations, each equipped with a transmitter and receiver. The transmitter and receiver at any station may be combined into a single device called a transceiver. The medium of signal transmission can be electrical wire or cable (also known as “copper”), optical fiber or electronic field. The free-space transmission and reception of data by means of electromagnetic fields is called wireless, (Fuchs, 1997).

The positive relationship between telecommunication and economic growth is evident given the various studies that abound. For instance, Jorgenson (2001) study of the United States showed that investment in information technology (IT) contributed more than one-half of the recent increase in the US economic growth. His study was collaborated by Kraemer and Dedrick (2001) who, using data from 43 countries, upheld the view that the growth in IT investment is correlated with productivity growth.

Oulton (2001) study of the United Kingdom showed that in the beginning and later part of 1990s, Information and Communication Technology’s (ICT) contribution to GDP growth was 0.36% and 0.57% respectively.

For Van Zandweghe, (2002) found that the accumulation of ICT capital has a significant impact on output growth and average labor productivity growth. CEPII (2003) study on France showed that in the early 1990s to the mid 1990s, ICT’s contribution to capital growth has increased from 0.25 percent to 0.45 percent.

1.2 Statement of the Problem

Information and communication technologies are now widely believed to have a significant part to play in promoting economic development, including the improvement of individual livelihoods, community prosperity and the achievement of the UN Millennium Development Goals (MDGS). This can only occur amidst a stable political and macroeconomic environment.

Hormuud telecommunication company signifies the extensive network coverage area where services are being provided in almost all major districts of Mogadishu Region thus the services of the company is being utilized by largest number of telephone users and increasing

number of population are attracted day by day services due to the never ending efforts by the Hormuud Telecom teams to satisfy their customers as well as prospective customers.

Hormuud Telecommunication Company provides telephone service and fixed-line, and mobile service. Both services types render local as well as long distance call services. Hormuud Telecom also provides internet services utilized by a large segment of customers since the internet is part and parcel of today's life.

However, given the social –political and economic conditions in Somalia, Hormuud has continued to offer services to Somali communities as it is equally important to asses it's impact in such an environment so that appropriate measures can be reached for further better telecom performance especially towards the economic growth of Somalia.

1.3.1 General objective

The main aim of the study is to determine the effects of telecommunication on economic growth with reference to Hormuud telecom

1.3.2 Specific objectives

- i. To examine the impact of Hormuud Telecommunication Company on improving people's standard of living.
- ii. To establish the contribution of Hormuud Telecommunication Company on employment creation in Mogadishu of Somalia.
- iii. To assess the relationship between Telecommunication and economic growth in Somalia

1.4 Research Questions

- i. What is the impact of Hormuud Telecommunication Company on improving people's standard of living in Mogadishu?
- ii. What is the contribution of Hormuud Telecommunication Company on employment creation in Mogadishu of Somalia?
- iii. What is the relationship between Telecommunication and economic growth in Mogadishu of Somalia?

1.5 Hypothesis

According to James (2009), a research hypothesis is defined as the researcher's prediction regarding the outcome of the study. It states possible difference, relationships or causes between two variables or concepts. Therefore, the researcher predicts that;

H₀ Telecommunications have positive relationship with the economic growth.

H₁ Telecommunications have a negative relationship with the economic growth.

Telecommunications have positive relationship with employment.

Telecommunications have positive relationship with the standard of living.

1.6 Scope of the Study

The study was restricted to Hormuud Telecommunication Company in Mogadishu state of Somalia. Hormuud telecom has its head office in Mogadishu. The researcher focused on effects of telecommunication on economic growth in Mogadishu, and its contribution in improving people's standard of living, creation of employment and finally determined the relationship between Telecommunication and economic growth in Mogadishu of Somalia

1.7 Significance of the Study

The Government of Somalia and the policy makers benefited from the findings of this study in terms of policies concerning telecommunication sector.

The findings of this study were also of great importance for the company itself to further contribute the socio-economic development in the region.

The findings of this study formed a baseline for future studies in such a war torn country.

The study highlighted the economic effects of the telecommunication industry in the region as a whole.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This literature review introduces the theoretical framework and the related literature by the study specific variables. It presents already existing literature and available research materials by other scholars on the same study.

2.1 Telecommunication Companies and Improvement of People's Standard of Living

According to Balogun (2000), telecommunications facilitate economic development as it provides easy and effective communication need to stimulate and promote trade between individual countries and their foreign partners in the world. Balogun indicates that, it plays a cynical role in communicating government programmes thereby linking to entire sectors of the economy together in order to achieve a common goal and above all encourages investment which in the long run promotes employment opportunities. This study is yet to find out if these are the real impacts of telecommunication companies in improving people's standards of living in Mogadishu.

Balogun (2000) adds that telecommunication has attracted foreign direct investment of about billions in many countries which has created employment opportunities and supported service sectors such as banking, insurance, consultancies, shipping and IT, as well as the small and medium scale Enterprises (SME) which have also witnessed very significant levels of increased activity.

According to a report in Nigeria Tribune Newspaper of July 16, 2004, government treasury has been boosted by payment of over 200 billion naira in taxes and levies by telecommunication companies. National productivity has also been enhanced as travel times and associated risks have been reduced, business communications have been improved and the rural-urban divide has been narrowed down. The report further indicates that social and family relationship and the security situation have also been significantly enhanced and a significant number of not-profit corporate social responsibility (CRS) initiatives are being sponsored by the operators of telecommunication companies.

Adeyeye in Wojuade (2000) indicates that Telecommunication has discouraged rural-urban migration, unlike before when rural dwellers were always eager to visit the cities. Now with Telecommunication they travel to cities without boarding a vehicle. The introduction of Telecommunication has also shown a potential for reducing crime whereby crime detection and report to law enforcement agencies have improved. In fact a particular mobile phone operator provides a service that could help trace stolen vehicles in the country. This service has led to the recovery of many stolen cars in the country. Accessibility to phone services ensure quick calls to security operations when the need arises as well as informing the first stations during fire incidents to save live and properties

The findings of the study by Jensen (2007) showed that the introduction of mobile phones was associated with a substantial decrease in price dispersion (convergence towards “one price”) and the elimination of waste due to unsold perishable fish. Informed fishermen diverted their catch to places with excess demand, creating thereby also a positive externality to un informed fishermen. The adoption of mobile telecommunications led to a Pareto welfare improvement. Fishermen and wholesalers profits increased along with consumer welfare. Access to information and possibility of coordination as a result of mobile telecommunications allowed markets work better, resulting in improved welfare. Jensen in his conclusion points out that information and communication technologies are often considered a low priority for developing countries relative to health and education. Nevertheless these technologies reduce search costs and improve market coordination, and therefore can increase earnings and indirectly lead to significant performance improvements in these sectors which are partly key to people’s livelihood.

According to Muto (2008), who uses panel data from Uganda to test the effects of mobile phone coverage on remote farmers that produce perishable crops. He observes that mobile phone coverage expansion allows information to flow resulting in reduced cost of crop marketing. Muto’s findings show that banana farmers located farther away from district centers participated more in the market and increased their income after the coverage by the mobile phone network. He therefore concludes that mobile telecommunications improves access to information, which again are an essential ingredient for well functioning markets, and improving standard of living.

The introduction of mobile phone facilitates the access to financial services to persons that previously were unable to have them. For instance, Safaricom – the largest mobile operator in Kenya – launched the *M-PESA*, a mobile service for money transfer in 2007 (Hughes and Lonie, 2007; Mbogo, 2010). At that time only 10% of the population - approximately 3 millions - had access to financial services (Demirguc-Kunt et al, 2007). This new service allowed customers without bank accounts to transfer money to mobile users and non-users alike, turn cash into airtime at local dealers and make payments through their M-PESA accounts.

2.2 The Impact of Telecommunication Companies on Employment

The telecommunications industry employment rapidly grew in the late 1990s into early 2001 and ever changing technology and advances in wireless technology resulted in the telecommunications progress (Muellbauer, 1980).

Samuel, (2007) indicates that Telecommunication investments affect social economic development in the same general way as other infrastructure investment. It can reduce the cost of production. It can increase revenues. Finally, it can increase employment through both direct and indirect effects.

According to Meshi and Fuss (2005), telecommunication generates economic growth through generation of direct and indirect employment. The direct employment include those that work in service provider companies, those that deal in retail and whole sale trading of recharge cards, handsets, batteries, chargers, etc. it also include those that provide repairs and engineering services. Telecommunication therefore provides employment opportunities for the unemployed graduates and school leavers.

Ndukwe (2004) also adds that majority of school leavers, who hitherto have been idle and jobless now engage themselves in retailing of GSM materials and as local service providers. In most parts of the urban cities, town and villages in many countries, there have sprung up services centres for pay phones. Due to the small capital required to set up such a business, many who were employed hitherto now enter into such businesses. This has reduced the number of unemployed youths in cities and rural communities across the world.

2.3 Telecommunication and Economic Growth

The role of telecommunication infrastructure in enhancing economic growth has been a subject for discourse in the economic literature. Arguments are that the development of a modern nation to its full potential in contemporary world can never be attained without adequate telecommunications infrastructure. This implies that the development of telecommunication infrastructure will significantly boost economic growth and development. In fact, information tools such as telephones, personal computers, and the internet are increasingly critical to economic success and personal advancement. All these help to encourage economic growth (Garnet, 2001).

According to Belaid (2002), fewer studies focus on specific telecommunications infrastructure and their role in economic performance. The main ones concentrate on a contribution of telecommunications in reducing transaction cost, increasing TFP (Total Factor Productivity) of the private sector and diffusion of new technologies, which will remedy the problem of the developing countries.

Rickets (2002) indicates that telecommunications help the coordination of information flow, provides opportunities for increasing the efficiency of interaction and coordination, and in this manner influences the success of economic activities. Therefore economic activities require significant levels of interaction and coordination in order for them to be conducted successfully and efficiently.

According to Taylor et al (2004), a modern telecommunication infrastructure is not only essential for domestic economic growth, but also a prerequisite for participating in increasingly competitive world markets and for attracting new investments. Governments and private agencies in both developed and less developed countries spend large sums of capital on infrastructure investment so as to positively influence economic activities in terms of employment, value added, productivity, capital formation and income. Furthermore, investing in telecommunication like other infrastructure investments will increase the demand for the goods and services used in their production and increase total national output. And most telecoms investment positively affects economy in reduce the cost of production, increases revenue and increases employment through both direct and indirect effects.

Vuong (2008), reported how mobile phones promotes economic growth through an example of Fishermen in the South of Indian by communicating through mobile phones, they were able to sell their fish in markets where the demand is high. This resulted in less waste of fish, higher benefits and lower cost of doing business. More access to information therefore leads to more efficient operations which in the end affect the economic growth.

Ndukwe (2004) asserts that in today's world, modern digital telecommunications networks are as necessary to economic growth and to attracting foreign investment as are programs dedicated to promoting healthcare, electricity, transportation and agriculture. Furthermore, a reliable telecommunications networks can improve the productivity and efficiency of other sectors of the economy and enhance the quality of life generally.

According to Roller and waverman (2001), telecommunications affect revenues and costs in more indirect ways than many other types of infrastructure investment. The reason is that much of the benefits of increased telephone service are derived from increases in information and knowledge. For example, industrial development requires cooperation and coordination of a series of operations. Increases in information and knowledge result in more efficient cooperation and coordination. Commerce is essentially an information processing activity. Effective buying, selling and brokerage rely on access to current information on the availability and price of goods and services. Telecommunications increases the available information thereby, increases the efficiency of commercial activity hence economic growth.

Studies have also shown that there is a positive relationship between telecommunication infrastructure development and economic growth. Among these studies are International Telecommunications Union (ITU) (2003), the World Bank (2003), Sridhar and Sridhar (2003 and 2004) and Noll (2000). These studies showed that there is a direct correlation between telephone penetration and economic growth.

Kraemer and Dedrick (1994) confirmed that IT investment is positively correlated with gross domestic product (GDP) and productivity growth. Various studies have also found varying degree of ICT's contribution to economic growth, especially with respect to developing and developed countries.

Garbade and Silber (1978) found that there was statistical evidence that the two innovations in communication technology (the telegraph and Trans-Atlantic cable) led to efficient market places world wide through significant and rapid narrowing on inter-market price differentials.

Bayes *et. al.* (1999) in their study found out that half of all telephone calls involve economic purposes such as discussing employment opportunities, prices of the commodities, land transactions, remittances and other business items. They also reported that the average prices of agricultural commodities were higher in villages with phones than in villages without phones.

Leff (1984) argues that firms can also have more physically dispersed activity with increased telecom services (for instance, encourage telecommuting of their employees) and enjoy economy of scale and scope and Sridhar and Sridhar (2003) in their studies on the impact of telecommunication infrastructure and the telecommuting in the United States shows that technology is a complement, not a substitute, for face-to-face interaction.

The tests for the non-causality of teledensity to real GDP and real GDP to teledensity can then be conducted using the hypotheses.

These two hypotheses correspond to H1 = teledensity does not Granger-cause real GDP, and H2 = real GDP does not Granger cause teledensity.

The F test is then carried out for these hypotheses. If the F statistic is greater than the critical value for an F distribution in either H1 or H2 or both, then we can reject the null hypotheses and conclude that there is a causal relationship between telecommunications development and economic growth.

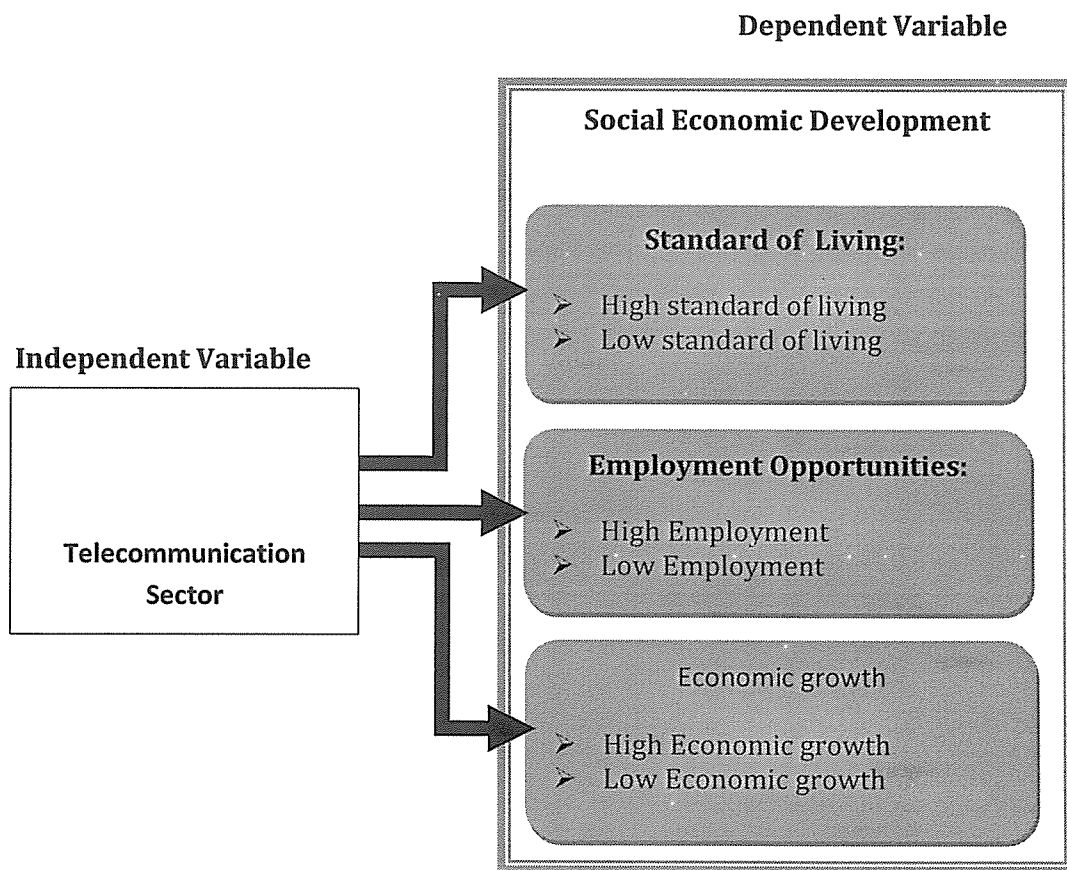
2.4 Conceptual Frame Work

According to James (2009), conceptual framework provides a model for linking categories of possible variables or concepts in the study as perceived by the researcher. It represents the concepts or variables of the study and shows how they are connected (Amin, 2005).

The independent variable in this study is the telecommunication which refers to transmission of information, over significant distances, for the purpose of communication, it also includes

the use of electrical devices such as telegraphs, telephones, and teletypes, the use of radio and microwave communications, as well as fiber optics and their associated electronics, plus the use of the orbiting satellites and the Internet, while the dependent variable is economic growth, which is the increase or improvement of standard of living, which the researcher has broken down into three aspects;

- 1) Improving people's standard of living
- 2) Employment creation of,
- 3) And its role in economic growth that has been conceptualized as illustrated below in figure



Economic growth and development in its simplest form is the creation of economic wealth for all citizens within the diverse layers of society so that all people have access to potential increased quality of life. Job creation, economic output, Labor force; infrastructure such as accessibility, capacity, and service of basic utilities, as well as transportation and telecommunications; business and community facilities; colleges/universities, sports/tourist facilities; environment, and increase in taxable basis are the most common measurement tools (Malcolm, 1996)

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the methodology and procedures by which this study was conducted. It covers the research design, study area and sample size. It also highlights the methods and instruments of data collection, research procedure, data analysis and interpretation under which qualitative and quantitative data are considered.

3.1 Research Design

The research employed a cross sectional survey design using qualitative and quantitative approaches and analysis because data was collected at one point in time from a sample selected to represent a large population (Linda 2005). Survey design is useful in describing the characteristics of a large population by generalizing.

3.2 Target Population

The target population of this study was departmental heads, employees and clients of Golis Telecom.

3.3 Sample and Sampling Technique

The study used purposive and random sampling to select respondents. Up to a total of 5 departmental heads of Hormuud Telecom was purposely selected because they head the different departments at the telecommunication company and are aware of any developments and contributions that the company makes towards the community therefore equipped with information necessary for building the research. 30 employees were also purposely selected because they work with the telecom company and are versed with company policy and on the other hand random sampling was used to select 65 clients of Hormuud Telecom because of the inability to cover all in the study area and also to give each client an equal chance of representation. Clients were selected because they live in the community within which the telecommunication company operates. Therefore the total sample size of the study was 100 respondents.

3.4 Data Type and Collection Methods

To achieve the objectives of this study, the researcher used methods of primary data collection such as Questionnaires and interviews to gather information on employment and welfare. Secondary data on telecommunication companies and economic growth was collected. Economic growth is measured by GDP while Telecommunication is measured by teledensity. Teledensity is defined as the number of fixed- line and mobile phone subscribers per 100 persons. The methods generated enough information which enabled the researcher to draw conclusions on the findings.

3.4.1 Questionnaire Survey

The researcher short-listed and prepared questions, all of which were organized and structured properly for use during the whole time of research. These helped the researcher to get data in a simple way. Open ended and close ended questions were developed for employees of the Telecom Company as well as clients purposely because they seek personal views of the respondents and thus were in position to use their knowledge in providing a wide range of data as the element of This method was purposely used to avoid repetition of questions and basically to provide guidelines to the research objectives. A pre-test was made to make them free from ambiguity and leading questions in order to give quality to the data.

3.4.2 Interviews

The interview method was purposely used in a face-to-face conversation and discussion with the respondents who enriched the study findings. This was directly carried out by the researcher who ensured that interviews were impressionistic in nature and free from suspicion. This was through a directive of an interview guide to directly ask the respondents questions which were answered as the researcher took note of the responses from the respondents. Structured and non-structured interview techniques were applied on the topical issues. The method was purposely chosen because it would allow for the flow of systematic information due to the order of questions. Interviews were also vital in getting information from the members who were illiterate particularly clients.

3.5 Data Processing

The processing of data was done for verification of the information gathered in order to attain accuracy and uniformity where editing of data involved checking the information for errors which was of an advantage to the researcher since it gave him a chance to delete and eliminate possible errors that may have possible influences on the results of the study. Data was analyzed concurrently to avoid duplication and this was guided by the entire aspect for a balanced and critical analysis. The researcher used tabulation and simple statistical percentages in the presentation, analysis and qualification of data.

3.6 Data Analysis

The researcher discussed and presented the study findings through guidance of the specific objectives and research questions. Results were arranged and grouped into sub-themes reflecting the whole theme for the study. Pearson correlation was used to determine the relationship between telecommunication and economic growth through use of Statistical Package for Social Scientists (SPSS).

3.7 Ethical Consideration

The researcher carried out the study with full knowledge and authority of the management of Golis Telecom. The researcher first of all acquired an introductory letter from the university, introducing and assigning him to the field. This was done for the purposes of erasing doubt and suspicious tendencies of the respondents. The researcher then went on to book respondents prior to date of administering questionnaires and interviews and assurance of the confidentiality was realised in the critical process of collecting and coding data, better still objectivity as principle of research was paramount in controlling bias and distortion of the findings.

In addition, however the research put into consideration the professional ethics particularly an economist trait of hardwork and respect for customers punctuality, integrity, honesty, privacy, confidentiality among others, all the necessary information to fully complete this piece of work.

3.8 Limitations of the Study

In the course of conducting the study, the researcher experienced the following challenges: Some interviews were rescheduled and the next appointments were not successful. However, the researcher managed to overcome this by conducting them through phone calls. The weather and climatic condition of areas where the researcher collects the data was not proper due to climatic changes condition of those areas.

The existence of financial and time constraints was not enabling the researcher to conduct the study in the way it supposed be conducted however the researcher limited the scope of the study to over come this constraints

CHAPTER FOUR

PRESENTATIONS, ANALYSIS AND DISCUSSIONS OF THE FINDINGS

4.0 Introduction

This chapter covers the presentation, analysis and discussion of the findings which were centered on three specific variables that is; the role of Telecommunication Company in improving standard of living; creation of employment and relationship between Telecommunication and economic growth.

4.1 Demographic Distribution of the Respondents

The demographic characteristics of the respondents that were analysed include sex, age, and number of years linked to the telecommunication and education level.

Table 1: Sex of the Respondents

Sex	No of respondents	Percentage
Male	60	40%
Female	40	60%
Total	100	100

Source: Field Research Findings (2012)

According to the study findings in Table 1, there was an unequal representation of the respondents in terms of sex. The males dominated the sample with 60% of responses whereas the females constituted of 40% of the total responses. This implies that males have benefited more from the telecommunication companies than females, thus company has promoted livelihoods of males more than it has, for females thus the inequality in the representative sample.

Table 1: No of Years of Linked to Telecommunication Company

No of Years	Total	Percentage (%)
One year and below	35	35%
2 – 4 years	43	43%
5 years +	22	22%
Total	100	100%

Source: Field Research Findings (2012)

In the study findings in Table 2. It was established that those who were linked to the telecommunication company for one year and below were 35%, the 2-4 years group comprised of 43% while those that had been linked to the company for 5 years and above were 22% of the total sample. The 2-4 years comprised of the majority indicating that there is an ongoing awareness on the application and usage of the telecommunication services, thus the increasing participation and application by the respondents. This reflects that the company is playing a positive role in the livelihoods of the people.

Table 3: Distribution of the Respondents by Educational Level

Education level	Total	Percentage (%)
Never been to school	12	12%
Primary	19	19%
Secondary Level	20	20%
Diploma	29	29%
Degree plus	20	20%
Total	100	100%

Source: *Field Research Findings (2012)*

According to table 3, 12% of the respondents had never been to school, 19% had acquired primary level, 20% had acquired secondary education and those that attained Diplomas were 29% whereas the remaining 20% had reached University level. The sample was dominated by respondents who had attained diplomas and degrees and thus telecommunication users according to the researcher were mainly the more educated group particularly because they have more insight on the usefulness of telecommunication services.

4.2 Role of Telecommunication in Improving Standard of Living

The study investigated the different roles that telecommunication companies play in the improvement of people's standard of living and the study findings are presented in table 4 below;

Table 4: Role of Telecommunication in Improving Standard of Living

Role played	Agree	Disagree	Total
Getting people closer to each other regardless of distance	69 (69%)	31(31%)	100
Strengthening social relationships	62(62%)	48(48%)	100
Promotes enhancement of research	66 (66%)	34 (34%)	100
Improving abilities to save	42 (42%)	58(58%)	100
Improving market opportunities	65(65%)	35(35%)	100
Improvement of business performances	71 (71%)	29 (29%)	100
Creating awareness	58(58%)	42(42%)	100
Improving the use and application of science	52(52%)	48(48%)	100

Source: *Field Research Findings (2012)*

According to table 4, it was established from the respondents that, there were different roles which the telecommunication company played in the improvement of the standard of living of the people and these included; improvement of business performances with (71%) of the total responses followed by getting people closer to each other irrespective of distance (69%), promoting enhancement of research (66%), improving market opportunities (65%), creation of awareness (58%), improved on the use and application of science (52 %), and improving the people's ability to save was the least significant as represented by (42%) of the total responses.

According to the study findings, it is submitted that the telecommunication company has helped in improving the performance of businesses. The respondents attested that, in the face of the endured hardships which culminated from the war that blazed the country, the area would still be far from socio-economic achievement if it was not for Golis. It was established that, the telecommunication company has enabled businesses to communicate and successfully carry on across and within the borders without much strain or pain. According to the study, Golis Telecom efforts have glowed and restored hope in the previously dying

businesses. Just as Chopra (2002) foresaw that, telecommunication is a hugely important aspect, not only for people around the world, but also for small and large businesses and that business would be lost without the current technological advancements and a lot of companies would cease to exist. Yet according to Wilkins (1997), having more advanced telephone system reduces individual firm's costs of doing business.

This implies that with an advancing telecommunication company like Hormuud, the businesses are in position limit as well as reduce on their transport costs and yet at the same time ensure fast and timely delivery of information; this promotes efficiency in the businesses thereby leading to socio-economic development of the community of Somalia.

Additionally, the study findings established from the respondents that, the telecommunication company has helped to bring people closer irrespective of the distances that exist between them. According to the respondents, families previously torn apart by war have been reunited through telecom services. That is to say, many family members have managed to get contact with their missing relatives at an arm's reach, through Hormuud telecom services. In addition many of the found missing relatives have assisted their kins with money remittances as facilitated by Hormuud telecom through Hawala company (mobile money agent). The finding further suggests that, communities and firms far away from each other, have been able to link up, communicate and coordinate as well as clear business transactions as if they were next door neighbors. This same situation was earlier envisaged by Dick (2000), who noted that, telephone service and internet enables people to communicate more regularly over bigger distances, it is for this reason that Chopra (2002) explained telecommunication to be the mean of exchange of information over significant distances by electronic means.

In the researcher's opinion, this implies that telecommunication closes off the gap or distance between people, communities, organizations among others. In other words telecommunication makes it possible for people to relate and communicate with each other within a split of a second, without having to spend exorbitantly on transport.

This is significant of reduced operational costs and increased disposable incomes. That is to say, the money that would be spent on traveling is spared for some other use thus contributing to the socio-economic development of Somalia.

It was also pointed out by the respondents that the telecommunication company has promoted growth through propagating and disseminating research information. According to the

respondents, a number of concerns have been unveiled and addressed. For instance Hormuud Telecom has pioneered a project of Road Traffic Signs from Mogadishu to Galkaio and also from Kismayu to Jowhar as a way of keeping in mind a Corporate Social Responsibility. According to the study respondents, this sensitiveness to public concerns has generated for Hormuud a big clientele base which has helped in increasing its profitability, in retaliation to which Hormuud has given back to the public, an almost next to free decreased cost of calls. For instance Ilahadal service (by Hormuud) was mentioned as contributing to bringing the diaspora closer to their families at cheapest possible costs in addition to gaining access to media. Wilkins (1997) was not different, when he held that, having more advanced telephone systems reduces individual firm costs of doing business; cost of research; as well as increase information availability.

According to the researcher, this implies that, the more advanced the telecom company gets the cheaper it becomes, for the communities and individual firms to gain access to cheap services and products, thus company contributing to the socio-economic development of the community, when everybody is able to access information.

It was further established in the study that the telecommunication company has improved the abilities of the people to save. This has been reported as possible in the study by way of, high pay that Hormuud offers. According to the respondents, the company was noted to be offering reasonable pay to its employees and high discounting rates to its clients. This makes it possible for employees and clients to save as a result of the surpluses created in incomes. Thus gives both a better opportunity to save, yet at the same time meeting their basic requirements.

This is contention with Farzin (1988) who held a similar view on how, Hormuud telecom being the highest paying private company in the whole region of Banadir has led to increased income and saving. In the researcher's opinion, it can be submitted that, the higher the incomes, the better the saving levels of individuals. In other words, high incomes reduce the possibility of scarcity, leading to improved standard of living.

It was further submitted by the respondents that, the telecommunication company has created awareness among the community members. The community has gained access to information necessary for their survival. For instance as nomads, they are fully dependent on rain because it grows pastures for their livestock. However with Hormuud the tedious long journeys in

search of pasture have come to an end. The pastoralists are no longer living on guesswork but merely call Hormuud to find out which areas are dry and which ones are receiving rain. Thus aimless and arbitrary wandering in search for pasture is reduced and time is managed more effectively thereby increasing productivity and improving standard of living from the benefits reaped.

This same view was earlier envisaged by Wilkins (1997), who realized that telecommunication lowers costs of search and increases information availability. In the researcher's opinion therefore, this implies that when information is available, communities become knowledgeable which reduces wastage of time and resources when less mistakes are committed, thus socio-economic development is experienced.

It was further established from the respondents that the telecommunication company has helped in building and strengthening social relationships. That the individuals have gone as far as finding partners through telecommunication for instance by help of web. In addition individual firms have also been able to identify their trade partners, suppliers, distributors through the company's help. In addition to this it was pointed out that Hormuud has through such initiatives like the Ilahadal service managed to bring Diasporas closer to their families to strengthen family ties without actually meeting a burden of telephone bills. According to the respondents, this possibility is a result of improved access to information over the internet whereby individuals and individual firms have been able to communicate and build their relationship with others. This is similarly held by Garnet (2001) who realized the importance of telecommunication in social conversations and social relationships and how it has allowed users to communicate with each other.

In the researcher's opinion this implies that, telecommunication is helpful in understanding, cementing and building of relationships, whether social, business or otherwise. Thus as a binding factor, it leads to togetherness and buildings teams which are key factors to development.

In addition the study also establishes that the telecommunication company has been in position to cause a socio-economic change in terms of making Information Communication Technology accessible and promoting its use. According to the respondents, different people learned or unlearned are now able to operate within the scope of advancing technology. Just as the Golis (2009) report indicates that, people from different walks of life are earning their livelihood from opportunities rendered such as operating phone booths.

In the researcher's opinion, this is indicative of the fact that, the telecommunication company has promoted usage and application of scientific knowledge, thus with an advancing world, technological advancement is the way forward to development.

4.3 The Role Telecommunication in Creating Job Opportunities

The study also examined the role played by the telecommunication company in creating jobs for the community of Mogadishu and the study findings are shown in table 5 below.

Table 5: Telecommunication Company in Creation of Job Opportunities

Creation of Jobs	Agree	Disagree	Total
Recruitment is on merit	73(73%)	27 (27%)	100
Developing ICT	52(52%)	28 (28%)	100
Building capacities of the young people	70 (70%)	30 (30%)	100
Indirect and Direct job creation	67(67%)	33(33%)	100

Source: Field Research Findings (2012)

According to the respondents, it was submitted that telecommunication companies help in job creation in the following forms; by recruiting on merit (73%), building capacities of the young people (70%), direct job creation (67%) and developing ICT (52%).

According to the study findings, it was established that, the telecommunication company has helped in creation of jobs by providing and enhancing measures of recruiting on merit. This has made it possible for individuals to attain jobs without discrimination. According to the respondents Hormuud telecom is playing a model role in the recruiting of staff by observing the universally accepted procedures of recruitment with sound recruitment policies independent of partiality and kinship.

In the researcher's opinion, this implies that, Hormuud has promoted socio-economic development by exercising equal employment opportunities, putting the right man in the right position. Those that are able are the ones that assume positions, thus by putting their abilities into practice, development is attained.

In relation to the above it was also pointed out that the telecommunication company has improved ICT and provided avenues for employment. For instance the operators of phone

booths and technical equipments have been in position to receive orientation and training which has improved their abilities to apply and use information communication technologies. Thus individuals have used their developed abilities to earn a living for instance operating a phone booth, and machines. This corresponds with Muellbauer (1980) envisage that, the telecommunication industry employment rapidly grew in the 1990s following advancing technology.

In the researcher's opinion this implies that as the telecommunication company technologically advances, more avenues for employments come up. This reducing on the unemployment levels in the community, leading to low dependency ratios and improved standard of living.

In addition it was noted from the respondents that the telecommunication company has provided for direct and indirect job opportunities to the communities and that it is generating income for over 15000 individuals.

Indirectly it was revealed that the company has provided for avenues for individuals and individual organizations to carve out of the satisfactory livelihoods from the services provided for instance mobile money agents who subscribe to use Hormuud network in sending and receiving money.

It was also established through interviews that the company directly employs over 500 people excluding booth operators and airtime agents. Thus Simuel (2007) contends that telecommunication investment affects socio-economic development by increasing employment directly and indirectly.

In the researcher's opinion, this implies that as the telecommunication company grows, more job opportunities are generated in the company because its expansion calls for more people to accomplish tasks. On the other side if it grows other firms indirectly affiliated to it also grow resulting in indirect creation of more job opportunities.

Additionally it was also established that in creating jobs the telecommunication company has tried to enhance the capacities of the young people through skill building. This was explained from the point of the Shaqodoon project, according to the respondents, this is a jointly implemented project by Hormuud telecom and EDC which has modernized job seeking methods in the light of technological advances made in telecommunications; helped young

people in developing their careers; bridged gaps between employers and potential employees through information sharing and built self confidence among new generations.

4.4 The Relationship between Telecommunication and Economic Growth

The researcher used teledensity (or the penetration rate) as a proxy to measure the development of the telecommunications sector. Teledensity is defined as the number of fixed-line and mobile phone subscribers per 100 persons.

In view of the explosive growth of mobile communications in the past decade, we believe that including the number of mobile phone subscribers in the definition of teledensity is a better proxy to reflect telecommunications development in the world.

Economic growth is measured by GDP in U.S. dollars at constant (2000) prices, using the purchasing power parity (PPP) exchange rates for currency conversion.

Pearson's correlation was used to determine the relationship between telecommunication and economic growth in Mogadishu of Somalia and the results are indicated in table 6 below.

Table 6: Pearson's Correlation Results between Telecommunication and Economic Growth

		Telecommunication	Economic growth
Telecommunication	Pearson Correlation	1	.365
	Sig. (2-tailed)		.001
	No	100	100
Economic growth	Pearson Correlation	.365	1
	Sig. (2-tailed)	.001	
	No	100	100

Source: Field Research Findings (2012)

It can be deduced from the Table above that there is a significant relationship between Telecommunication and Economic Growth in Mogadishu of Somalia. This is because the

level of significance 0.001 is less than the level of significance 0.05. Therefore the null hypothesis which states that there is a significant relationship between telecommunication and economic growth was retained. It is concluded that the variables are significantly related. This finding is in agreement with Belaid (2002; Ricketts, 2002; Alleman, Rappoport and Taylor 2004) who indicate that telecommunication is an important tool in leading to economic growth of any nation. Important observations made by them indicate that modern telecommunication infrastructure is not only essential for domestic economic growth, but also a prerequisite for participating in increasingly competitive world markets and for attracting new investments.

This finding is also supported by the findings of Kraemer and Dedrick (1994) who confirmed that IT investment is positively correlated with gross domestic product (GDP) and productivity growth. Various studies have also found varying degree of ICT's contribution to economic growth, especially with respect to developing and developed countries. According to the researcher's observation; use of telecommunication has generally reduced transaction costs of business companies leading to economic growth of the state.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter summarizes the study findings with respect to the objectives, makes conclusions based on the findings, makes recommendations for possible improvements and suggests areas of further research.

5.1 Summary of the Findings

5.1.1 Telecommunication Companies in Improving Standard of Living

The study findings revealed that the telecommunication company has brought about an improved standard of living in the community by; improving the performance of business through improved communication which makes it possible for business partners to coordinate with other swiftly as they cut costs.

In addition it has also contributed to building connections of people that is parent and business connections. In other words it is ensuring that individual families and business are in position to connect and communicate with other whenever need arises. Market opportunities have also been improved upon because individual teams or families are able to explore their business demands through e-commerce thus experiencing low cost of goods.

The telecommunication company has also created awareness by promoting people's access to information through internet and connecting them to their required sources of information. The company has also enabled people of all walks of life to learn some ICT application thus even the illiterate are in position to load their own airtime, operate phone booth and many others in other words it has also led to increased savings by paying the employees adequately, thus the opportunity of the community to save, is increased.

5.1.2 The Role of Telecommunication in Creating Employment

The study revealed that the telecommunication company has created jobs such as operating of phone booths by putting many of them at different centers in the community and getting different, but willing people to operate them. The company has also been revealed in the previous chapter to create opportunities for job recruitment by offering vacancies to those that can better serve with the required job specifications indiscriminately.

Additionally, the company has also enhanced the capacities of youth to train, develop and empower them with skills fit to compete in the advancing technological world, being the leaders of tomorrow. On the other hand the company has also gone ahead to create both indirect and direct jobs for instance airtime selling, mobile phone selling and phone booth and indirectly for road construction companies. On top of this the company is also participating in training and equipping the youth with information communication technology for active participation in the technological world.

5.1.3 Relationship between Telecommunication and Economic Growth

The study findings showed a significant relationship between telecommunication and economic growth with a significant level of 0.001. This was an indication that Hormuud Telecom has played a significant role in the economic growth of Mogadishu in Somalia.

The fast-paced growth of telecommunications services can be explained by a number of factors, such as advancements in technology, market liberalization, and privatization.. Development in telecommunications is considered to be one of the driving forces behind globalization and the rapid growth of the world's economy.

In general, studies have found that investment in telecommunications infrastructure is one of the significant factors in the economic growth of a country, alongside with other factors such as gross fixed investment, education, energy, and transportation networks (e.g., Dholakia and Harlam, 1994)

5.2 Conclusion

The study concludes that, although Hormuud Telecommunication Company is providing opportunities and avenues for improving the standard of living of the people through simplifying their communication, it should also ensure that, it develops a policy helpful of controlling possible crime detection in the usage of her services. This calls for widening the individual scope in the usage and application of ICT to anticipate likely shortfalls.

The study as established that Hormuud through its expansion policy has opened and is still creating job opportunities which have aided socio-economic development because of their indiscriminate nature, however, the company needs to focus on creating jobs which are economically sustaining than duplicating jobs because in end the competition may become stiff in the face of a few customers available for instance duplicating airtime selling.

The study also concluded that telecommunication and economic growth are significantly related. Economic growth cannot be achieved without use of good communication system and thus stressing that telecommunication is a very important tool in economic growth of any nation.

The study showed that as a country's income level and standard of living increase, the demand for telecommunications services follows suit.

5.3 Recommendations

On summarizing the findings and drawing conclusions of the findings, the researcher made the following recommendations;

There is need to open more lines for the telecommunication companies to support a wider outreach given the nature of the good work the telecommunication company is playing to the community.

While developing Information Communication Technology the concerned actors should seek not only to develop the capacities of the youth but should involve young and old because the old are also living in the same technologically advancing world.

Telecommunication companies should develop an implementation base linked to local problems, specifically to poverty alleviation not merely browsing the internet and finding producers and suppliers. This linkage must be direct, showing stakeholders the benefits of using telecommunication for economic growth.

There is need to find a way of protecting individual enterprises and institutions on the possible loopholes of hackers who may pretend and dig into their accounts to fraudulently obtain money or those that may obtain money through laundering.

While teaching the youth to carry out businesses as well as socializing through internet, there is need to advise them on the possible challenges that they may encounter because not all internet dealers may be the right kinds of persons to deal with, be it academically or businesswise.

There is need for the telecommunication company to extensively do and facilitate research programmes for the improvement of the company performance other than relying on the

There is need for the telecommunication company to find out about its rivals to better place them by solving the rival identified weaknesses.

There is need for company to know about the size of its potential market in order to clearly identify how it can lay future prospects depending on target group identified. Other wise a company needs not undermine the potential of another company however small it may be.

Implementation must occur within a policy context guided by participatory action research, where all stakeholders in an interactive manner define their needs, goals and concerns.

It is important for governments to develop and enhance other complementary factors, such as the business environment, transportation network, education, and manpower training, to make the best use of their telecommunications systems. In the absence of a parallel development in these factors, the potential gains from telecommunications development will be limited.

5.4 Area of Further Research

This study looked at the impact of telecommunication on the economic growth and development. The researcher therefore suggested more study to be conducted on specific subjects especially on how to boost telecommunication companies to build their Corporate Social Responsibility profile.

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APPENDIX I
QUESTIONNAIRE FOR EMPLOYEES

Dear Respondent,

I am conducting a research on “the contribution of telecommunication companies on economic growths of Mogadishu of Somalia: A case study of Hormuud telecommunication company.

PART A: Background Information, Please tick where appropriate

1) Sex:

a) Female a) male

2) How long have you worked with Hormuud telecommunication company?

a) Less than one year b) 1-4 years c) 5 years plus

3) Level of education:

a) Not been to school b) Primary c) Secondary

d) Diploma e) Degree+

PART B: Telecommunication Company in Improving Standard of Living

4) In your own opinion, how would you explain the term telecommunication?

.....
.....

5) Telecommunication has improved the standard of living of the people

a) Agree b) Disagree

If you agree/disagree please state your opinion

.....
.....

6) We are paid regularly on a monthly/weekly basis.

- a) Agree [] b) Disagree []

If you agree/disagree, why do you think you are paid regularly/irregularly, justify your opinion.....

7) We are paid adequate salary.

- a) Agree [] b) Disagree []

If not adequate how much do you feel is equitable pay?

- 1) Below 100 \$ 2) 100 – 250 \$ 3) 250 – 400 \$
4) 400 – 600 \$ 5) 600 and above \$

8) Do your receive any form of rewards from the company?

- a)Yes b) No

If yes/no Which methods of rewarding employees does the company use/why do you think there are no rewards?

PART C: Role of Telecommunication Company in Creation of Jobs

9) Is the company’s policy providing avenues for creating job opportunities?

- a)Yes b) No

If yes, what are the different forms of jobs that it has created?

If no, being a big company why is it failing to secure job opportunities for the community?.....

10) What do you advise the company on its criteria for job creation?

.....
.....
.....

Part D: Telecommunication and Economic growth

11) Do you think Telecommunication Company has led to economic growth of your country?

- a) Yes b) No

If yes, what are the indicators?

.....
.....

Thanks for you cooperation.

APPENDIX II
QUESTIONNAIRE FOR CLIENTS

Dear respondents,

Greetings!

I am student of Kampala International University (KIU) pursuing a Bachelor of Arts in Economics. My study is entitled, telecommunication companies and economic growth in Mogadishu of Somalia: A case study of Hormuud telecommunication company, with this context, May I request you to participate in this study by answering the questionnaires. Kindly do not leave any option unanswered. Any data you will provide shall be for academic purposes only and I assure you utmost confidentiality.

INSTRUCTIONS

Please answer the following questions to the best of your knowledge. The information given will be treated with utmost confidentiality.

PART A: Background Information, Please tick where appropriate

1) **Sex:**

a) Female a) male

2) **Level of education:**

a) Secondary b) diploma c) Bachelors degree & higher

3) **How long have u been linked to Hormuud telecommunication company?**

a) Less than one year b) 1-4 years c) 5 years plus

4) **Designation/position**

.....

PART B: Telecommunication Company in Improving Standard of Living

5) **In your own opinion, explain what you understand by telecommunication?**

.....

.....

6) Telecommunication has improved the community's standard of living

a) Agree [] b) Disagree []

If you agree/disagree please state your opinion

.....
.....

7) We receive bonuses and promotional benefits regularly.

a) Agree [] b) Disagree []

If you agree/disagree, why do you think you are given/not given bonuses or promotional benefits? Please explain.

.....
.....
.....

8) The telecommunication charges are fair.

a) Agree [] b) Disagree []

If not fair how much do you feel is an equitable charge?.....

.....
.....

9) Do you think you have attained benefits in form of socio-economic from the company's operation?

a) Yes b) No

If yes which are these benefits?

.....
.....

PART C: Role of Telecommunication Company in Creation of Jobs

10) Is the company's policy providing avenues for creating job opportunities?

- a) Yes
- b) No

If yes, what are the different forms of jobs that it has created in this community?

.....
.....

If no, being a big company why is it failing to secure job opportunities for the community?.....

.....

11) What do advise the company on its criteria for job creation?

.....
.....
.....

Part D: Telecommunication and Economic growth

12 Do you think Telecommunication Company has led to economic growth of your country?

- a) Yes
- b) No

If yes, what are the indicators?

.....
.....

Thanks for you cooperation

APPENDIX III
INTERVIEW GUIDE FOR DEPARTMENTAL HEADS

IDENTIFYING INFORMATION

E) Interviewing Date:.....

F) Interview number 1-5

G) Survey Interview

H) Telecommunication companies contribute to the socio-economic improvement of communities; they create jobs and promote economic growth and economic development. However, despite these positive contributions the companies are faced with a number of challenges. This is therefore a realized need to revisit the operation of the telecommunication company for better results.

Guiding areas;

Have you given any donation to any institutions or community?

Which form of grant have you given?

Has Hormuud played any Corporate Social Responsibility Role in any institution or community?

How has this been of benefit?

Explain circumstances under which, Hormuud is contributing to the improvement of the state of affairs in institutions and the community at large.?

How has Hormuud created job opportunities in the community?

What challenges do you think it is encountering by doing so?

What advice would you give to Hormuud to overcome these challenges?

Comment on the overall contribution of Hormuud to institutions and the community at large.