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Public Support for Reintroducing the Somali Shilling in Relation to Perceived Institutional Readiness Central Bank Trust and Economic Perceptions in Somalia

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Abstract

Background: Reintroducing the Somali Shilling is an important monetary reform initiative in Somalia, where prolonged institutional disruption, widespread dollarization and limited confidence in monetary governance have complicated efforts to restore a credible national currency. This study examines public support for reintroducing the Somali Shilling, focusing on perceived institutional readiness, trust in the Central Bank of Somalia and economic perceptions. Methods: A quantitative, cross-sectional survey was conducted among 384 respondents selected through convenience sampling. Data were collected using a structured questionnaire covering socio-demographic characteristics, institutional readiness, Central Bank trust, economic perceptions and public support for currency reintroduction. Descriptive statistics, bivariable logistic regression and multivariable logistic regression were employed to examine associations, with results reported as odds ratios (ORs), adjusted odds ratios (AORs) and 95% confidence intervals (CIs). Results: Respondents expressed generally favorable economic expectations, with 74.22% anticipating currency stability, 73.70% expecting reduced dollar dependence and 72.40% believing reintroduction would strengthen the economy. Bivariable analysis revealed significant positive associations between public support and institutional capacity (OR = 3.13), Central Bank transparency (OR = 4.56) and anticipated currency stability (OR = 6.61). In the multivariable analysis, confidence in government transition management (AOR = 8.30, 95% CI: 1.77–38.90) and confidence that the Central Bank acts in Somalia's economic interest (AOR = 4.49, 95% CI: 1.19–16.94) were positively associated with support. Conversely, anticipated reductions in dollar dependence and currency stability showed unexpected negative adjusted associations, requiring cautious interpretation.Conclusion: Public support for reintroducing the Somali Shilling is associated with perceptions of institutional preparedness, Central Bank credibility and anticipated economic outcomes. Sustainable currency reform requires transparent monetary governance, effective transition management, currency-security measures and gradual integration with existing financial and mobile-money systems. The inconsistent adjusted associations and limitations of convenience sampling highlight the need for further research before drawing definitive policy conclusions.

Keywords: Somali Shilling; Currency Reintroduction; Public Support; Institutional Readiness; Central Bank Trust; Economic Perceptions; Dollarization; Somalia.

1.Introduction

Currency reform is not only a technical monetary exercise; it is also a problem of credibility, coordination, and public belief. In highly dollarized economies, residents may shift toward foreign currency when they expect the domestic currency to lose value or when domestic monetary institutions appear unable to preserve purchasing power, regulate issuance, or stabilize exchange rates (Abdi et al., 2024). Currency Substitution Theory provides a basis for understanding how perceptions of domestic-currency reliability, stability, and convenience may shape attitudes toward currency reform, particularly where foreign-currency use has become established. A complementary monetary credibility perspective reaches a similar conclusion: central banks derive legitimacy partly from public trust, and that trust conditions whether monetary authority is accepted as consistent with prevailing understandings of value, stability, and state responsibility (Braun, 2016). These challenges are particularly pronounced in post-conflict settings because currency reform must operate within fragmented markets, weak enforcement, and coping systems that emerged during periods of state breakdown. Comparative post-conflict research shows that central banks can contribute to recovery through price stability and credit conditions, although their effectiveness depends on broader state–market coordination and institutional reconstruction (Polchanov, 2017;Coombs & Thiemann, 2022). Public acceptance may influence the implementation and sustainability of monetary reforms, particularly when citizens question the credibility of the issuing authority, anticipate inflation, or perceive alternative currencies as more convenient and less risky. Evidence beyond Somalia likewise suggests that support for currency reform may be shaped by institutional trust and perceived economic consequences, indicating the importance of examining these factors separately (Biten Butorac et al., 2026).

Somalia presents a notable contemporary case in which these questions are empirically and policy relevant. Following the collapse of the central government and financial system in 1991, official issuance of Somali shilling banknotes was interrupted, while the foreign-exchange market and much of monetary circulation continued without effective formal regulation (Mohamoud, 2023). Despite the interruption of formal issuance, the Somali shilling continued to circulate, sustained by informal institutions, trade networks, and habitual use, particularly in low-value transactions and some rural markets (Nor, 2025). This persistence of currency circulation occurred in the absence of effective central monetary control. Concurrently, prolonged institutional weakness enabled the circulation of old, damaged, and counterfeit notes, contributing to an unregulated exchange environment characterized by volatility and limited monetary oversight (Abdi et al., 2024).

This environment was also associated with extensive dollarization. Recent Somalia-focused studies describe widespread use of the US dollar in trade, financial activity, public payments, and larger transactions, while the Somali shilling remains more common in smaller and poorer-market segments where dollar divisibility is impractical (Harun, 2023). Dollarization appears to reflect both macroeconomic incentives and precautionary household behavior: when exchange rates are volatile and confidence in local currency is weak, economic actors tend to prefer the dollar as a store of value and unit of account (Harun, 2023). Somalia is not, however, exclusively a cash-dollar economy. Mobile money has expanded rapidly and now structures everyday payment systems for a large share of the population (Chonka et al., 2025). This expansion is associated with improved transaction efficiency, household consumption, and financial inclusion, and some evidence links mobile money to exchange-rate stability and price-level maintenance (Mohamed & Nor, 2023). However, mobile money in Somalia is also closely linked to de facto dollarization because many digital transactions are denominated in US dollars, potentially reducing demand for physical shillings and complicating formal monetary control (Hilowle, 2023). The result is a layered monetary system in which continued shilling circulation, physical and digital dollarization, remittance dependence, and private payment infrastructures coexist without consolidating into a unified monetary framework (Elmi & Ngwenyama, 2019).

Recent literature suggests that Somalia's monetary challenges involve contested institutional credibility in practice. The Central Bank of Somalia has been rebuilding, yet studies describe incomplete regulatory control over note issuance, foreign exchange, and segments of digital finance (Hilowle, 2023). Research on Somalia's stateless money argues that persistence of the Somali shilling is partly a product of social trust embedded in existing usage patterns, while skepticism toward a newly reintroduced official shilling reflects doubts about whether the federal state can ensure its value (Little, 2021). Perceived institutional capacity refers to citizens' assessment of the Central Bank of Somalia's organizational and regulatory ability to perform core monetary functions, including issuing currency, managing supply, and overseeing exchange operations. Perceived institutional readiness is distinct from capacity and denotes citizens' judgment that the operational and administrative conditions for reintroducing the Somali Shilling are sufficiently prepared at present. Trust in the Central Bank of Somalia refers to citizens' confidence in the institution's reliability, credibility, and competence in carrying out its monetary responsibilities, a form of institution-specific trust conceptually separate from generalized trust in government (Brouwer & de Haan, 2022; Bursian & Faia, 2013; Hayo & Neumeier, 2021). Economic perceptions refer to citizens' subjective evaluations and expectations regarding economic conditions and their anticipated evolution, encompassing both macro-level assessments of the national economy and micro-level assessments of household economic circumstances as belief-based interpretations that need not coincide with objective indicators (Fernandez-Urbano & Kulic, 2020; Schmalor & Heine, 2022).

The recent policy context makes these perceptions especially salient. Somalia's monetary literature has framed currency reform as relevant to exchange-rate stabilization, price control, and post-conflict recovery, including calls for the central bank to reclaim sole issuance authority, regulate foreign exchange, expand operational reach, and replace privately issued or counterfeit notes (Abdi et al., 2024). More recent Somalia-focused accounts indicate that reform discussions did not end with the 2016 relaunch announcement, pointing to continuing official plans to redesign or print shilling notes and to ongoing uncertainty over whether state commitments will be translated into implementation (Little, 2021). That uncertainty underscores the importance of measuring public support: when reform remains active but incomplete, expectations about inflation, convenience, exchange-rate stability, and state competence may be associated with whether the public views reintroduction as credible or risky.

These considerations map onto the study's three explanatory factors. First, perceived institutional readiness may be associated with public support because individuals may be more inclined to support a reintroduced shilling if they believe the state can print secure notes, control counterfeit issuance, supervise financial intermediaries, manage supply, and sustain convertibility and payments infrastructure (Harun, 2023). Second, trust in the Central Bank of Somalia is theoretically relevant to public support because monetary legitimacy is associated with confidence that the issuing authority acts competently and in the public interest, particularly where fiat institutions are fragile (Koziuk, 2021). Third, economic perceptions may be associated with public support because citizens evaluate currency change through expected effects on inflation, purchasing power, exchange-rate stability, transaction costs, and daily usability. In Somalia, these perceptions may be especially pertinent because exchange-rate depreciation has been associated with price changes, dollarization has in some contexts moderated inflationary pressure, and mobile money has provided convenience benefits that constitute practical conditions relevant to any physical-currency reform (Mohamed & Nor, 2023).

Despite a growing literature on Somalia's exchange-rate volatility, dollarization, informal monetary order, mobile money, and institutional weakness, limited evidence exists on how citizens themselves view Somali shilling reform. Existing studies have largely examined the persistence of the stateless shilling, macroeconomic drivers of volatility, the spread of dollarization, and regulatory constraints on monetary governance (Mohamoud, 2023). Few studies have directly examined citizen-level support for reintroducing the Somali shilling, or the extent to which such support is associated with perceived institutional readiness, trust in the Central Bank of Somalia, and economic perceptions. This gap is salient because Somalia combines continued shilling use, entrenched dollarization, mobile-money dominance, and ongoing state reconstruction in a single monetary setting (Nor, 2025). The gap is also policy-relevant because reform outcomes may

depend not only on technical design but on whether the public perceives a reintroduced shilling as trustworthy, usable, and economically beneficial relative to existing monetary arrangements. Accordingly, this study assesses public support for the reintroduction of the Somali shilling and examines the associations of perceived institutional readiness, trust in the Central Bank of Somalia, and economic perceptions with such support. This study contributes to the literature by providing original survey-based evidence on public support for Somali Shilling reintroduction in a fragile and highly dollarized monetary environment. Unlike studies that primarily examine macroeconomic determinants of currency substitution, exchange-rate instability or monetary reconstruction, the present study jointly investigates perceived institutional readiness, Central Bank trust and economic expectations at the respondent level. By distinguishing these explanatory domains and examining their associations with public support, the study provides a citizen-centered perspective on the institutional and economic considerations surrounding currency reform in Somalia.

1.1. Theoretical Foundations and Integration

Currency Substitution Theory provides the first analytical foundation for examining perceptions of Somali Shilling reintroduction. The theory explains how households and firms choose between domestic and foreign currency in response to expected purchasing-power stability, transaction usefulness and the risks associated with holding domestic money. In a setting where the US dollar is deeply embedded in transactions and savings, expectations about inflation, exchange-rate stability and practical usability are therefore relevant to citizens' stated support for the reintroduced shilling. This interpretation does not presume that surveyed expectations predict subsequent currency use. Instead, the study examines whether favorable economic perceptions and stated policy support are associated at the respondent level (Little, 2021;Koráb et al., 2023).

The monetary credibility perspective provides a complementary institutional explanation. Monetary authorities' policies and announcements can gain or lose credibility according to public perceptions of competence, predictability, integrity and the capacity to maintain currency value. From this perspective, perceived technical and administrative readiness and trust in the Central Bank of Somalia represent distinct but related judgments. Readiness concerns the practical ability to issue, protect and distribute currency and manage the transition. Trust concerns perceived reliability, transparency and orientation toward the public interest. Research on central bank credibility and communication supports the relevance of institutional expectations to monetary governance (Cepeda et al., 2025;Ehrmann et al., 2025).

The two perspectives are complementary rather than competing. Currency substitution explains the economic considerations that make existing dollar-denominated arrangements attractive or unattractive, while monetary credibility explains why citizens may be reluctant to support domestic-currency reform unless they believe the issuing authorities can implement it reliably. In Somalia, where older shilling notes, US-dollar transactions and mobile-money infrastructures coexist, citizens may evaluate the proposed reform through both expected economic outcomes and confidence in its institutions (Little, 2021;Chonka et al., 2025). Accordingly, this study examines three theoretically motivated associations: (1) favorable perceptions of institutional readiness and public support, (2) greater trust in the Central Bank of Somalia and public support and (3) favorable economic perceptions and public support. Because the data are cross-sectional and the measured variables are self-reported, these propositions represent anticipated associations rather than causal effects.

2. Methodology

2.1. Research Approach and Study Design

This study used a quantitative, cross-sectional survey design to examine public support for reintroducing the Somali Shilling. Fieldwork was conducted between June and September 2026, following approval of the study by the Benaadir Research, Consultancy and Evaluation Center (BRCE) Research Ethics Committee on 25 May 2026 (BRCE/ETH/2026/032). The dependent variable was stated support for reintroduction. The three principal explanatory domains were perceived institutional readiness, trust in the Central Bank of

Somalia and economic perceptions. Descriptive analyses summarized respondents and their views, while bivariable and multivariable logistic regression assessed associations. The observational, cross-sectional design does not establish temporal ordering or causality.

2.2. Study Population

The target population was adults residing in Somalia. The achieved sample comprised 384 respondents from Banaadir, Puntland, South West State, Galmudug, Hirshabeelle and Jubbaland. These locations describe the observed sample coverage; they were not selected through a national probability sampling frame. Consequently, the findings characterize the surveyed respondents and should not be treated as representative estimates of all Somali adults.

2.3. Sample Size Determination

Cochran's (1977) formula for a single population proportion was used for initial sample-size planning in the absence of a comprehensive sampling frame:

$$n_0 = Z^2pq / e^2$$

Here, n_0 is the initial calculated sample size, $Z = 1.96$ for a nominal 95% confidence level, $p = 0.50$ is the assumed population proportion, $q = 1 - p = 0.50$ and $e = 0.05$ is the nominal precision parameter. The value $p = 0.50$ was selected to maximize assumed binomial variability.

$$n_0 = (1.96^2 \times 0.50 \times 0.50) / 0.05^2 = 384.16$$

The achieved sample was 384 participants, approximately equal to the calculated planning value. Under conventional upward rounding, 384.16 would imply a target of 385; the achieved sample should therefore not be described as exactly satisfying an upward-rounded probability-sampling target. As convenience sampling was used, neither a 95% design-based confidence level nor a 5% population margin of error is established by this calculation.

2.4. Sampling Technique

Participants were selected by non-probability convenience sampling based on accessibility, eligibility and willingness to participate. Because respondents did not have known selection probabilities, the design is vulnerable to selection bias. The recruitment settings and distribution channels are not documented in the records supplied for this revision and require confirmation by the investigators; no probability-based population inference is claimed.

2.5. Data Collection Instrument

Primary data were obtained through a structured questionnaire organized into four sections: (I) sociodemographic characteristics (age, gender, education, marital status, employment, region and main income source), (II) perceived institutional readiness, (III) trust in the Central Bank of Somalia and (IV) economic perceptions of currency reintroduction. Each explanatory item offered Yes, No and Not sure responses. A separate binary question measured stated support for reintroducing the Somali Shilling (Support or Not support). The questionnaire is described in the available manuscript as self-administered; its language and paper-based or electronic delivery mode have not been documented in the accompanying materials.

2.6. Study Variables and Measurement

The study included one dependent variable and three principal explanatory domains: perceived institutional readiness, trust in the Central Bank of Somalia and economic perceptions. Socio-demographic characteristics were also included as explanatory covariates.

The dependent variable was public support for reintroducing the Somali Shilling, measured using a direct question assessing respondents' support for the proposed currency reintroduction. Responses were coded as a binary outcome, with 1 representing Support and 0 representing Not support.

Perceived institutional readiness refers to respondents' assessments of the institutional, technical and operational preparedness for reintroducing and managing the Somali Shilling. It was measured using five indicators: institutional capacity, Central Bank technical capacity, preparedness of commercial banks and financial institutions, adequacy of currency-protection mechanisms and the government's ability to manage the transition.

Trust in the Central Bank of Somalia refers to respondents' confidence in the institution's credibility, competence and monetary governance. It was assessed using five indicators covering trust in currency management, the ability to maintain currency stability, transparency in monetary-policy decisions, confidence in inflation control and whether the Central Bank acts in Somalia's economic interest.

Economic perceptions refer to respondents' expectations regarding the potential economic consequences of reintroducing the Somali Shilling. This domain was measured using five indicators: strengthening Somalia's economy, reducing dependence on foreign currency, strengthening the country's monetary position, whether anticipated economic benefits outweigh the risks and the potential for the Somali Shilling to become a stable currency over time.

Each explanatory indicator was measured using three response categories: Yes, No and Not sure. These responses were treated as categorical variables in the logistic regression analysis, with reference categories specified for individual indicators. Socio-demographic covariates included age, gender, educational attainment, marital status, employment status, region of residence and main source of income.

2.7. Questionnaire Measurement

Each of the three explanatory domains was represented by five distinct survey items, giving 15 perception indicators in total. Each indicator was analyzed separately as a nominal categorical variable with the response options Yes, No and Not sure; Not sure was not treated as a numerical midpoint. The reference category for each item is specified in the reported logistic-regression tables. The single dependent-variable item was coded 1 = Support and 0 = Not support. No domain-level composite score or latent-variable estimate was used in the reported analyses.

2.8. Validity and Reliability

Questionnaire items were developed to reflect the study objectives and the conceptual domains of institutional readiness, Central Bank trust and economic perceptions. The manuscript describes a review of item relevance, clarity and conceptual consistency and reports pilot testing among individuals similar to the intended respondents. However, the supporting materials do not state the pilot sample size, reviewer identities, questionnaire language or specific changes made after piloting. Accordingly, these procedures cannot be reported in greater detail or independently appraised without the original study records; no undocumented validation metrics are claimed.

The fifteen explanatory items were entered individually as categorical indicators rather than aggregated into internally consistent scales. Cronbach's alpha therefore was not presented as evidence of reliability for a composite score, and it is not applicable to the single-item binary support measure. The absence of a documented formal measurement-validation exercise should be considered when interpreting the constructs.

2.9. Data Collection Procedure

Data collection took place from June to September 2026, following ethical approval by the Benaadir Research, Consultancy and Evaluation Center (BRCE) Research Ethics Committee on 25 May 2026 (Approval No. BRCE/ETH/2026/032). Adult respondents were informed of the study objectives, voluntary participation and intended use of their data, and informed consent was obtained before questionnaire completion. Completed questionnaires were reviewed for completeness and internal consistency. The manuscript reports screening for duplicate entries, missing values and invalid or inconsistent responses before producing the final analysis sample of 384. The supplied documentation does not establish the number

approached, response rate, administration language or mode, recruitment channel, number excluded or detailed missing-data rules; these cannot be specified without the collection records.

2.10. Data Analysis

Data were analyzed using Stata/MP version 18. Descriptive statistics, including frequencies and percentages, were used to summarize respondents' socio-demographic characteristics, perceptions of institutional readiness, trust in the Central Bank of Somalia and anticipated economic consequences of currency reintroduction. Public support for reintroducing the Somali Shilling was treated as a binary dependent variable, coded as 1 = Support and 0 = Not support. Bivariable binary logistic regression was employed to examine the unadjusted association between each explanatory indicator and public support. Crude odds ratios (ORs), 95% confidence intervals (CIs) and p-values were reported. Multivariable binary logistic regression was subsequently used to examine associations after simultaneous adjustment for the socio-demographic characteristics and perception-based indicators included in the model. Adjusted odds ratios (AORs) with corresponding 95% CIs and p-values were estimated. All categorical explanatory variables were entered using indicator coding, with reference categories specified for each variable. Statistical significance was assessed using two-sided tests at the 5% level ($p < 0.05$). Given the cross-sectional design, all findings were interpreted as statistical associations rather than causal effects.

2.11. Ethical Considerations

The study received ethical approval from the Benaadir Research, Consultancy and Evaluation Center (BRCE) Research Ethics Committee, Mogadishu, Somalia (Approval No. BRCE/ETH/2026/032; approved on 25 May 2026). The approval certificate states that the committee reviewed the research proposal and accompanying documents and confirmed compliance with BRCE ethical standards and relevant national and international regulations. Informed consent was obtained before participation. Participation was voluntary, and participants were informed of the study objectives and their right to decline participation. Questionnaire responses were treated confidentially, and findings were reported in aggregate form without identifying individual respondents. The available documentation does not establish that data collection was fully anonymous; therefore, anonymity is not claimed.

2.12. Methodological Limitations

This study has several methodological limitations. First, the cross-sectional design prevents the establishment of temporal relationships or causal effects between institutional readiness, trust in the Central Bank, economic perceptions and public support for reintroducing the Somali Shilling. Second, the reliance on self-reported questionnaire data may introduce response bias, social-desirability bias and common-method influences. Third, the use of non-probability convenience sampling limits the representativeness of the sample and the generalizability of the findings to Somalia's broader adult population. Fourth, public support was measured using a single binary-response item, which may not fully capture the complexity of attitudes toward currency reintroduction and does not permit an assessment of internal consistency reliability. Finally, the inclusion of numerous categorical explanatory indicators in the multivariable logistic regression may have reduced estimation precision, particularly where response categories contained relatively few observations. The wide confidence intervals and substantial differences between crude and adjusted associations suggest potential sensitivity to model specification and overlapping explanatory information. Accordingly, the findings should be interpreted cautiously, particularly when assessing the independent associations of individual predictors with public support.

2.13 Summary of the Methodological Approach

This quantitative, cross-sectional survey included 384 respondents recruited by convenience sampling in six reported administrative areas of Somalia between June and September 2026. The questionnaire measured binary public support, 15 categorical indicators covering institutional readiness, Central Bank trust and economic perceptions and sociodemographic covariates. Descriptive statistics and bivariable and multivariable logistic regression were used to summarize the sample and estimate associations rather than

causal effects. The interpretation remains limited by non-probability recruitment, self-reported measures and the precision and specification issues described above.

Figure 1. Conceptual Framework of Public Support for Reintroducing the Somali Shilling in Somalia

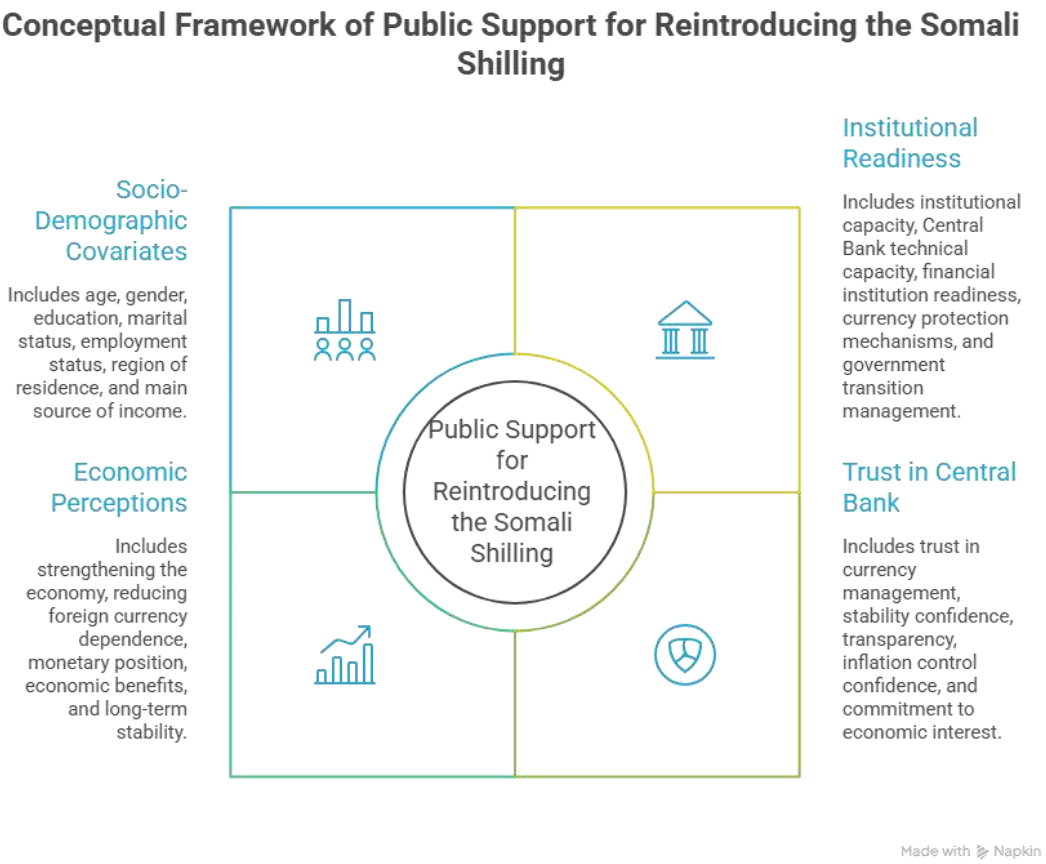


Figure 1 illustrates the conceptual framework linking three principal explanatory domains—perceived institutional readiness, trust in the Central Bank of Somalia and economic perceptions—to public support for reintroducing the Somali Shilling. Each domain comprises five indicators reflecting institutional preparedness, monetary governance and anticipated economic outcomes. Socio-demographic characteristics are included as covariates to account for differences among respondents. The framework proposes statistical associations between these factors and public support rather than causal relationships, consistent with the study's cross-sectional research design.

Empirical Results

As shown in Table 1, the respondents were predominantly young, with 36.20% aged 25-34 years and 33.07% aged 18-24 years. Males constituted 60.42% of the sample, while 39.58% were female. Regarding education, Bachelor's degree holders represented the largest group (40.10%). More than half of the respondents were single (54.69%). Self-employed respondents (24.22%) and students (22.92%) were the largest employment groups. Banaadir had the highest regional representation (29.95%), while other sources (34.64%) were the most commonly reported main source of income.

Table 1

Sociodemographic characteristics of respondents (N = 384)

Characteristic	Category	n	%
Age group	18-24	127	33.1
	25-34	139	36.2
	35-44	72	18.8
	45-54	25	6.5
	55 years and above	21	5.5
Gender	Male	232	60.4
	Female	152	39.6
Education	No formal education	83	21.6
	Primary	37	9.6
	Secondary	50	13.0
	Diploma	27	7.0
	Bachelor's degree	154	40.1
	Postgraduate	33	8.6
Marital status	Single	210	54.7
	Married	174	45.3
Employment status	Student	88	22.9
	Self-employed	93	24.2
	Private sector employee	64	16.7
	Unemployed	53	13.8
	Government employee	49	12.8
	Other	37	9.6
Region of residence	Banaadir	115	29.9
	Puntland	97	25.3
	South West State	89	23.2
	Galmudug	36	9.4
	Hirshabeelle	30	7.8
	Jubbaland	17	4.4
Main source of income	Other	133	34.6
	Salary	126	32.8
	Business	85	22.1
	Agriculture/Livestock	24	6.3
	Remittances	16	4.2

As shown in Table 2, positive responses were predominant across all institutional readiness indicators, with 55.21% believing that the government can manage a smooth transition, 54.95% reporting sufficient Central Bank technical capacity, and 54.17% reporting sufficient institutional capacity. However, confidence was lower regarding the preparedness of commercial banks and financial institutions (47.66%) and the existence of adequate systems to protect the Somali Shilling (45.57%), with 25.00% remaining unsure about currency protection (see Table 2).

Table 2

Institutional Capacity and Preparedness (N = 384)

Institutional readiness indicator	Response	Frequency (n)	Percentage (%)
Sufficient institutional capacity	Yes	208	54.17
	No	92	23.96
	Not sure	84	21.88
Central Bank technical capacity	Yes	211	54.95
	No	109	28.39
	Not sure	64	16.67
Commercial banks and financial institutions prepared	Yes	183	47.66
	No	119	30.99
	Not sure	82	21.35
Adequate systems to protect the Somali Shilling	Yes	175	45.57
	No	113	29.43
	Not sure	96	25.00
Government can manage a smooth transition	Yes	212	55.21
	No	98	25.52
	Not sure	74	19.27

As shown in Table 3, respondents generally expressed positive perceptions of Central Bank trust and governance, with 61.20% believing that the Central Bank acts in the best interest of Somalia's economy and approximately 57% reporting trust in its management of the Somali Shilling, confidence in maintaining currency stability, transparency in monetary-policy making, and ability to control inflation. Nevertheless, between 23.44% and 27.08% of respondents selected “No” across these indicators, indicating that a notable minority remained concerned about the Central Bank's governance and capacity (see Table 3)

Table 3

Central Bank Trust and Governance (N = 384)

Central Bank trust and governance indicator	Response	Frequency (n)	Percentage (%)
Trust in Central Bank to manage the Somali Shilling	Yes	220	57.29
	No	101	26.30
	Not sure	63	16.41

Central Bank can maintain stability of the Somali Shilling	Yes	222	57.81
	No	101	26.30
	Not sure	61	15.89
Central Bank operates transparently in monetary-policy making	Yes	220	57.29
	No	90	23.44
	Not sure	74	19.27
Confidence in Central Bank's ability to control inflation	Yes	220	57.29
	No	104	27.08
	Not sure	60	15.63
Central Bank acts in the best interest of Somalia's economy	Yes	235	61.20
	No	94	24.48
	Not sure	55	14.32

As shown in Table 4, respondents had strongly positive perceptions of the potential economic effects of reintroducing the Somali Shilling. The highest proportion believed that the Somali Shilling could become a stable currency over time (74.22%), followed by reducing Somalia's dependence on foreign currency (73.70%) and strengthening the economy (72.40%). Similarly, 70.83% believed it would strengthen Somalia's monetary position, while 66.93% believed that the economic benefits would outweigh the risks (see Table 4).

Table 4

Economic Perceptions of Reintroducing the Somali Shilling (N = 384)

Economic perception indicator	**Response**	**Frequency (n)**	**Percentage (%)**
Strengthen Somalia's economy	Yes	278	72.40
	No	61	15.89
	Not sure	45	11.72
Reduce Somalia's dependence on foreign currency	Yes	283	73.70
	No	61	15.89
	Not sure	40	10.42
Strengthen Somalia's monetary position	Yes	272	70.83
	No	52	13.54
	Not sure	60	15.63

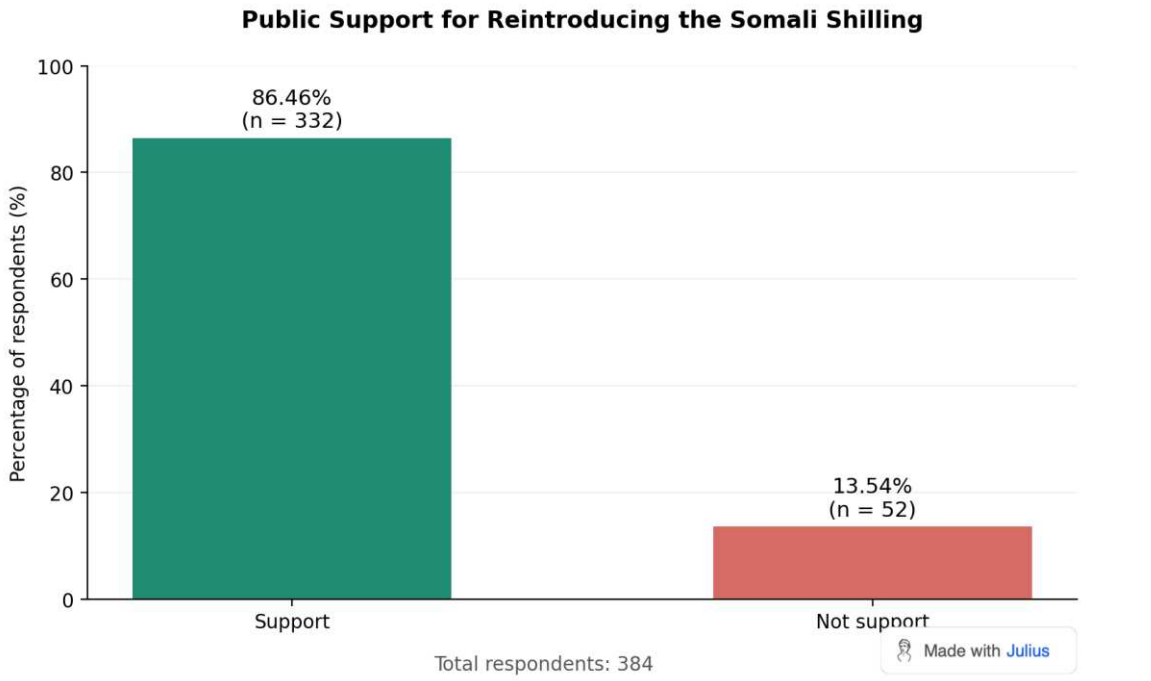
Economic benefits outweigh the risks	Yes	257	66.93
	No	58	15.10
	Not sure	69	17.97
Somali Shilling could become a stable currency over time	Yes	285	74.22
	No	53	13.80
	Not sure	46	11.98

Table 5

Distribution of Public Support for Reintroducing the Somali Shilling in Somalia (N = 384)

As shown in Table 5, the majority of respondents (86.46%) supported reintroducing the Somali Shilling, while 13.54% did not support the proposal. These findings indicate strong support for currency reintroduction among the surveyed respondents, although the convenience sampling approach limits their generalizability to the broader Somali population.

Public support	Response	Frequency (n)	Percentage (%)
Support for reintroducing the Somali Shilling	Support	332	86.46
	Not support	52	13.54
Total		384	100.00



As presented in Table 5 and Figure 2, the majority of respondents (86.46%, n = 332) supported reintroducing the Somali Shilling, while 13.54% (n = 52) did not support the proposal. These findings indicate strong support for currency reintroduction among the 384 surveyed respondents, although the convenience sampling approach limits the generalizability of the results to the broader Somali population.

Bivariable Analysis of Factors Associated with Public Support

As shown in Table 6, socio-demographic characteristics were generally not significantly associated with public support for reintroducing the Somali Shilling. However, respondents whose main income source was business had significantly lower odds of support compared with those receiving a salary (OR=0.40, 95% CI: 0.17-0.94, p=0.036). The strongest positive associations were observed for Hirshabeelle (OR=2.60) and South West State (OR=2.57), although these were not statistically significant at the 5% level.

Table 6

Bivariable Analysis of Socio-demographic Characteristics Associated with Public Support for Reintroducing the Somali Shilling

Socio-demographic variable	Category	OR	95% CI	p-value
Age	18-24 (Ref.)	1.00	-	-
	25-34	1.41	0.72-2.77	0.320
	35-44	2.30	0.89-5.98	0.086
	45-54	1.54	0.42-5.59	0.514
	55 years and above	1.26	0.34-4.64	0.731
Gender	Male (Ref.)	1.00	-	-
	Female	1.28	0.69-2.36	0.432
Education	No formal education (Ref.)	1.00	-	-
	Primary	0.88	0.25-3.13	0.843
	Secondary	1.67	0.42-6.62	0.465
	Diploma	0.47	0.14-1.58	0.222
	Bachelor's degree	0.50	0.22-1.16	0.107
	Postgraduate	0.60	0.18-1.98	0.399
Marital status	Single (Ref.)	1.00	-	-
	Married	1.67	0.91-3.08	0.098
Employment status	Student (Ref.)	1.00	-	-
	Self-employed	2.07	0.86-4.98	0.102
	Private sector employee	1.56	0.62-3.89	0.345
	Unemployed	1.46	0.56-3.82	0.441
	Government employee	2.50	0.79-7.95	0.121
	Other	0.81	0.31-2.09	0.656
Region	Banaadir (Ref.)	1.00	-	-
	Puntland	0.87	0.42-1.80	0.714
	South West State	2.57	0.97-6.77	0.057
	Galmudug	0.77	0.29-2.02	0.594

	Hirshabeelle	2.60	0.57-11.88	0.218
	Jubbaland	1.39	0.29-6.62	0.678
Main source of income	Salary (Ref.)	1.00	-	-
	Business	0.40	0.17-0.94	0.036
	Agriculture/Livestock	0.43	0.12-1.51	0.188
	Remittances	0.60	0.12-3.04	0.540
	Other	0.46	0.21-1.02	0.056

As shown in Table 7, institutional factors were generally positively associated with public support for reintroducing the Somali Shilling. Respondents who believed there was adequate institutional capacity had significantly higher odds of support (OR=3.13, 95% CI: 1.60-6.12, p=0.001). Significant positive associations were also observed for central bank capacity (OR=2.16, p=0.021), bank readiness (OR=2.60, p=0.005), and currency protection (OR=2.82, p=0.003). In contrast, transition management was not significantly associated with public support.

Table 7

Bivariable Analysis of Institutional Factors Associated with Public Support for Reintroducing the Somali Shilling

Institutional factor	**Category**	**OR**	**95% CI**	**p-value**
Institutional capacity	No (Ref.)	1.00	-	-
	Not sure	2.09	0.94-4.62	0.070
	Yes	3.13	1.60-6.12	0.001
Central bank capacity	No (Ref.)	1.00	-	-
	Not sure	1.29	0.56-2.94	0.547
	Yes	2.16	1.12-4.16	0.021
Bank readiness	No (Ref.)	1.00	-	-
	Not sure	1.91	0.86-4.24	0.109
	Yes	2.60	1.33-5.06	0.005
Currency protection	No (Ref.)	1.00	-	-
	Not sure	2.20	1.02-4.74	0.045
	Yes	2.82	1.43-5.57	0.003
Transition management	No (Ref.)	1.00	-	-
	Not sure	0.60	0.27-1.36	0.221
	Yes	1.20	0.58-2.47	0.624

As shown in Table 8, positive perceptions of central bank factors were generally associated with higher odds of public support for reintroducing the Somali Shilling. The strongest association was observed for central bank transparency, where respondents answering Yes had more than four times the odds of support (OR=4.56, 95% CI: 2.35-8.85, p<0.001). Significant positive associations were also found for central bank

trust, stability, inflation, and interest, while the Not sure category was significant for transparency and interest.

Table 8

Bivariable Analysis of Central Bank Factors Associated with Public Support for Reintroducing the Somali Shilling

Central bank factor	Category	OR	95% CI	p-value
Central bank trust	No (Ref.)	1.00	-	-
	Not sure	1.24	0.55-2.79	0.601
	Yes	2.63	1.35-5.10	0.004
Central bank stability	No (Ref.)	1.00	-	-
	Not sure	1.61	0.69-3.77	0.273
	Yes	2.67	1.39-5.12	0.003
Central bank transparency	No (Ref.)	1.00	-	-
	Not sure	3.35	1.41-7.95	0.006
	Yes	4.56	2.35-8.85	<0.001
Central bank inflation	No (Ref.)	1.00	-	-
	Not sure	0.97	0.45-2.10	0.938
	Yes	3.20	1.62-6.34	0.001
Central bank interest	No (Ref.)	1.00	-	-
	Not sure	3.06	1.08-8.61	0.035
	Yes	2.57	1.36-4.83	0.003

As shown in Table 9, all five positive economic perceptions were significantly associated with higher odds of public support for reintroducing the Somali Shilling. The strongest association was observed among respondents who believed the currency would become stable over time (OR=6.61, 95% CI: 3.15-13.87, p<0.001). Significant positive associations were also observed for reducing dollar dependence (OR=4.97), economic benefits (OR=4.91), economic strength (OR=4.50), and monetary strength (OR=4.19), all with p<0.001.

Table 9

Bivariable Analysis of Economic Perceptions Associated with Public Support for Reintroducing the Somali Shilling

Economic perception	Category	OR	95% CI	p-value
Economic strength	No (Ref.)	1.00	-	-
	Not sure	0.95	0.40-2.23	0.908
	Yes	4.50	2.21-9.14	<0.001
Reduce dollar dependence	No (Ref.)	1.00	-	-

	Not sure	0.98	0.41-2.34	0.958
	Yes	4.97	2.46-10.02	<0.001
Monetary strength	No (Ref.)	1.00	-	-
	Not sure	1.47	0.62-3.46	0.383
	Yes	4.19	2.02-8.71	<0.001
Economic benefit	No (Ref.)	1.00	-	-
	Not sure	1.49	0.67-3.34	0.329
	Yes	4.91	2.38-10.16	<0.001
Currency stability	No (Ref.)	1.00	-	-
	Not sure	0.89	0.38-2.05	0.776
	Yes	6.61	3.15-13.87	<0.001

As shown in Table 10, several socio-demographic, institutional, central bank and economic factors remained significantly associated with public support for reintroducing the Somali Shilling after adjustment for the other variables in the model. The strongest positive association was observed for economic strength, where respondents who were Not sure had nearly nine times the odds of support compared with the reference category (AOR=8.76, 95% CI: 1.83–41.98, p=0.007). Similarly, respondents classified under other employment had significantly higher odds of support (AOR=8.70, 95% CI: 1.15–65.59, p=0.036), while those who believed the government could successfully manage the transition had more than eight times the odds of support (AOR=8.30, 95% CI: 1.77–38.90, p=0.007). The Not sure category for transition management was also positively associated with support (AOR=7.42, 95% CI: 1.25–44.16, p=0.028), while respondents expressing confidence that the Central Bank acts in the country's economic interest had significantly higher odds of support (AOR=4.49, 95% CI: 1.19–16.94, p=0.027). In contrast, significantly lower odds of support were observed for secondary education (AOR=0.07, 95% CI: 0.01–0.53, p=0.010), salary income (AOR=0.09, 95% CI: 0.01–0.89, p=0.039), uncertainty regarding institutional capacity (AOR=0.19, 95% CI: 0.04–0.97, p=0.045), uncertainty regarding central bank transparency (AOR=0.18, 95% CI: 0.04–0.85, p=0.030), perceived reduction in dollar dependence (AOR=0.12, 95% CI: 0.03–0.53, p=0.005) and perceived currency stability (AOR=0.20, 95% CI: 0.06–0.71, p=0.013). Other factors were not statistically significant at the 5% level.

Table 10

Multivariable Logistic Regression Analysis of Factors Associated with Public Support for Reintroducing the Somali Shilling

Variable	Category	AOR	95% CI	p-value
Age	18–24 (Ref.)	1.00	–	–
	25–34	0.41	0.10–1.63	0.205
	35–44	0.16	0.02–1.33	0.090
	45–54	0.56	0.05–6.74	0.645
	55 years and above	0.17	0.01–3.99	0.268
Gender	Male (Ref.)	1.00	–	–
	Female	0.36	0.12–1.08	0.068
Education	Bachelor's degree (Ref.)	1.00	–	–
	Diploma	1.88	0.23–15.34	0.556

	No formal education	2.13	0.38–12.02	0.390
	Postgraduate	3.12	0.53–18.30	0.208
	Primary	0.58	0.11–2.97	0.515
	Secondary	0.07	0.01–0.53	0.010
Marital status	Married (Ref.)	1.00	–	–
	Single	1.83	0.45–7.45	0.397
Employment status	Self-employed (Ref.)	1.00	–	–
	Government employee	2.61	0.33–20.76	0.363
	Other	8.70	1.15–65.59	0.036
	Private sector employee	2.85	0.50–16.28	0.238
	Student	3.48	0.65–18.53	0.144
	Unemployed	0.75	0.13–4.26	0.746
Region	Banaadir (Ref.)	1.00	–	–
	Galmudug	1.18	0.23–6.10	0.842
	Hirshabeelle	4.34	0.47–39.96	0.195
	Jubbaland	1.11	0.13–9.43	0.923
	Puntland	2.84	0.73–11.14	0.134
	South West State	1.01	0.19–5.31	0.987
Main source of income	Agriculture/Livestock (Ref.)	1.00	–	–
	Business	1.73	0.21–14.12	0.611
	Other	1.46	0.22–9.86	0.696
	Remittances	1.47	0.07–30.00	0.803
	Salary	0.09	0.01–0.89	0.039
Institutional capacity	No (Ref.)	1.00	–	–
	Not sure	0.19	0.04–0.97	0.045
	Yes	0.57	0.13–2.55	0.461
Central bank capacity	Not sure (Ref.)	1.00	–	–
	Yes	0.64	0.13–3.05	0.570
	No	0.75	0.14–4.05	0.741
Bank readiness	No (Ref.)	1.00	–	–
	Yes	0.65	0.19–2.27	0.504
	Not sure	1.03	0.26–4.04	0.967
Currency protection	Not sure (Ref.)	1.00	–	–
	No	5.15	0.95–28.02	0.058

	Yes	2.61	0.52–13.14	0.244
Transition management	No (Ref.)	1.00	–	–
	Not sure	7.42	1.25–44.16	0.028
	Yes	8.30	1.77–38.90	0.007
Central bank trust	Not sure (Ref.)	1.00	–	–
	No	0.42	0.07–2.50	0.344
	Yes	0.24	0.04–1.51	0.128
Central bank stability	Not sure (Ref.)	1.00	–	–
	Yes	4.01	0.48–33.22	0.198
	No	4.46	0.68–29.31	0.119
Central bank transparency	No (Ref.)	1.00	–	–
	Not sure	0.18	0.04–0.85	0.030
	Yes	0.30	0.07–1.41	0.129
Central bank inflation	No (Ref.)	1.00	–	–
	Not sure	1.59	0.36–7.09	0.544
	Yes	0.64	0.13–3.07	0.573
Central bank interest	No (Ref.)	1.00	–	–
	Not sure	0.15	0.02–1.08	0.060
	Yes	4.49	1.19–16.94	0.027
Economic strength	Yes (Ref.)	1.00	–	–
	No	2.71	0.73–10.03	0.135
	Not sure	8.76	1.83–41.98	0.007
Reduce dollar dependence	Not sure (Ref.)	1.00	–	–
	No	0.88	0.19–4.04	0.868
	Yes	0.12	0.03–0.53	0.005
Monetary strength	No (Ref.)	1.00	–	–
	Not sure	4.27	0.77–23.57	0.096
	Yes	4.30	0.84–22.19	0.081
Economic benefit	No (Ref.)	1.00	–	–
	Not sure	0.24	0.05–1.15	0.074
	Yes	0.41	0.11–1.57	0.193
Currency stability	No (Ref.)	1.00	–	–
	Not sure	2.93	0.67–12.82	0.154
	Yes	0.20	0.06–0.71	0.013

Discussion Somali Shilling Reintroduction

The findings suggest that public support for reintroducing the Somali Shilling is associated primarily with how respondents evaluate institutional preparedness, the credibility of the Central Bank, and the likely economic consequences of reform, while most socio-demographic characteristics appear less consistently related once these perceptions are considered. This broad pattern is plausible in a highly dollarized and institutionally fragile setting, where support for monetary reform depends less on abstract preference for a national symbol than on whether citizens believe the issuing authority can make the currency usable, trustworthy, and economically meaningful (Cachanosky et al., 2023;Koráb et al., 2023;Nor, 2025) .

The crude associations for institutional capacity, Central Bank technical competence, commercial-bank readiness, and currency protection indicate that respondents who perceived stronger administrative and operational readiness were more likely to support reintroduction. In substantive terms, this suggests that monetary reform is being judged as a problem of implementation as much as a question of national identity. That interpretation fits comparative work showing that monetary institutions shape incentives and expectations, and that the central bank remains the pivotal institution through which money supply rules, inflation control, and payment confidence are coordinated (Cachanosky et al., 2023) . It also fits Somalia's history of prolonged monetary interruption, because official state capacity in this domain collapsed after 1991, existing banknotes physically deteriorated, and new issuance has repeatedly been delayed, leaving citizens to evaluate any proposed reintroduction through a practical lens of whether the state can now do what it previously could not (Chonka et al., 2025; Nor, 2025) .

Within that institutional domain, the adjusted prominence of transition management is especially noteworthy, but it should be interpreted cautiously. A large adjusted odds ratio for confidence in transition management implies that support may be most strongly tied to whether respondents believe the process of moving from the current monetary mix to a reintroduced shilling can be organized without disruption. In Somalia, this is a credible concern because monetary life is not governed by a single cash system: it is distributed across deteriorated shilling notes, U.S. dollars, remittance channels, exchange bureaus, and mobile-money platforms that function as virtual currency in urban settings (Chonka et al., 2025) . A transition that fails to coordinate these infrastructures could create instability rather than confidence. At the same time, the wide confidence interval around this estimate means that the apparent strength of association is imprecise and may partly reflect sparse data or instability arising from many overlapping predictors. It therefore signals an important possibility rather than a precisely measured effect.

The loss of significance for several other institutional indicators in the adjusted model is also analytically important. It does not necessarily mean that institutional capacity, bank readiness, technical competence, or currency protection are irrelevant. A more cautious interpretation is that these variables likely capture closely related aspects of a common latent judgment about state preparedness. When such correlated indicators enter the same model, each coefficient reflects only its residual association conditional on the others, so attenuation or instability is unsurprising. In logistic models, adjusted odds ratios may also differ from crude odds ratios even without classic confounding because odds ratios are non-collapsible; changes in magnitude can therefore reflect model structure as well as substantive overlap. These patterns are consistent with overparameterization risks in a perception-based dataset that includes multiple conceptually adjacent predictors, and they caution against ranking these institutional items too confidently as separate drivers of support.

The trust-related findings point in a similar direction but add an important distinction between general perceptions of transparency and more politically grounded confidence in the Central Bank's orientation toward the national interest. The strong crude association for transparency is consistent with a broad literature showing that transparency is a central component of monetary credibility and tends to improve the effectiveness of monetary policy by strengthening expectations management (Cepeda et al., 2025;Mackiewicz-Łyziak & Mętrak, 2025) . Yet the disappearance of this association after adjustment, and especially the coefficient reversal below unity, suggests that transparency as measured in the survey likely overlaps with related beliefs about competence, inflation control, and institutional trustworthiness. In other

words, respondents who say the Central Bank is transparent may also be those who think it can stabilize prices or act in the country's interest, making the isolated adjusted coefficient unstable once these adjacent perceptions are modeled simultaneously.

By contrast, the adjusted significance of confidence that the Central Bank acts in Somalia's economic interest appears more robust and substantively revealing. This item captures not only technical credibility but institutional legitimacy. Monetary authority depends on more than policy tools; it also depends on whether the public believes the institution is oriented toward collective welfare rather than political capture, private gain, or administrative symbolism. Comparative research treats credibility as one of the most valuable assets of a central bank because present economic behavior is shaped by beliefs about future policy consistency and integrity (Cepeda et al., 2025;Mackiewicz-Łyziak & Mętrak, 2025) . Research on public communication likewise shows that clearly explained monetary objectives can raise confidence in future price stability, including among less financially literate groups (Ehrmann et al., 2025) . In Somalia, where formal monetary authority was absent or ineffective for decades, legitimacy may therefore matter as much as institutional engineering: citizens may support reintroduction when they believe the reconstructed Central Bank is not merely present, but acts credibly in the national economic interest.

The associations involving inflation control and currency stability should be read through this same credibility lens. A domestic currency can only regain wide acceptance if users believe its value will be defended. Theoretical work shows that central bank interventions that support the use of money can help stabilize its value, while broader credibility literature emphasizes that future-oriented beliefs about inflation and exchange-rate management are integral to monetary effectiveness (Cepeda et al., 2025;Iwasaki, 2024) . This is especially salient in Somalia because the exchange environment remains vulnerable to external shocks, with climate disturbances contributing to shilling depreciation and remittance inflows arriving only with a lag, thereby exposing weaknesses in unregulated exchange structures (Nor, 2025) . In such conditions, trust in inflation control or currency stabilization is not an abstract macroeconomic preference; it is tied to everyday concerns about whether the reintroduced shilling would preserve purchasing power in a shock-prone economy.

The economic-perception findings further reinforce the interpretation that support for reintroduction is conditional on expected performance. Strong crude associations for beliefs that the Somali Shilling would stabilize the currency, reduce dollar dependence, and generate economic benefits indicate that respondents tend to support reform when they expect the domestic currency to improve economic outcomes. This pattern aligns with Currency Substitution Theory, which predicts that people move toward foreign currency when they perceive domestic money as unreliable and return only when domestic monetary arrangements appear more credible and useful. Both theoretical and empirical studies show that currency substitution is positively related to inflationary and fiscal imbalances, while persistent foreign-currency use weakens central banks' ability to conduct policy and absorb shocks (Koráb et al., 2023;Madison, 2024) . Other work suggests that dollarized economies often experience lower inflation but slower or more volatile growth, underscoring why respondents may see reduced dollar dependence as economically desirable even while recognizing that dollarization has served protective functions (Koráb et al., 2023; Missaglia, 2021) .

The adjusted reversals for currency stability and reduced dollar dependence, however, should not be glossed over. Once multiple economic expectations, trust variables, and readiness indicators are included together, the direction of these two coefficients changes despite strong crude associations. Such reversals can arise when highly correlated variables compete to explain the same variation, when reference categories create asymmetric contrasts, or when sparse cells produce unstable maximum-likelihood estimates. They can also reflect suppression, whereby the inclusion of related predictors changes the residual meaning of a given variable from broad optimism about reform to a narrower and less stable contrast. The unusually high adjusted estimate for uncertainty about whether reintroduction would strengthen the economy should be treated with the same caution. Rather than concluding that uncertainty itself strongly increases support, a more defensible interpretation is that the model may be capturing a small or heterogeneous subgroup whose responses do not align neatly with the other expectation variables. Wide intervals and coefficient reversals

indicate that these adjusted estimates are not well suited for strong substantive ranking, even if some remain statistically significant.

This tension between crude and adjusted results is itself informative. The bivariable findings show that positive views of economic strengthening, sovereignty, currency stability, and reduced dollar dependence cluster strongly with support for reintroduction. The multivariable results show that these beliefs are not independent in a statistical sense. In a setting like Somalia's, that is unsurprising. Individuals who expect a restored shilling to reduce dollar dependence may also expect it to increase sovereignty, strengthen the economy, and stabilize prices; these are not clearly separable attitudes, but different expressions of a broader perception that national currency restoration would improve monetary order. The persistence of dollarization literature is useful here because it emphasizes that foreign-currency use often outlasts stabilization precisely because expectations are path dependent and shaped by credibility concerns rather than by single macroeconomic indicators alone (Alawin, 2026) . The current findings are compatible with that view: support for reintroduction appears to emerge from an interconnected belief system rather than from isolated opinions about one economic benefit.

Somalia-specific conditions provide a strong contextual explanation for why these expectations matter so much. Since the collapse of the central government, the Somali Shilling has continued to circulate despite the absence of sustained legal backing, largely through informal institutions, cross-border trade, and remittances (Nor, 2025) . At the same time, physical-cash scarcity and the failure to print replacement notes have accelerated the rise of mobile money, now used regularly by a large majority of adults and deeply integrated into both everyday transactions and humanitarian delivery systems (Chonka et al., 2025) . This hybrid monetary order means that reintroducing the Somali Shilling is not simply a matter of replacing the dollar. It requires reconstructing a domestic currency within a system where telecom firms already perform state-like transactional functions and where existing payment practices vary across urban and rural contexts (Chonka et al., 2025) . That helps explain why respondents place weight on institutional readiness and orderly transition management: they are evaluating whether the reintroduced currency could become practically usable across this fragmented monetary landscape.

The study therefore contributes to the literature by offering citizen-level evidence on monetary reform in a fragile and highly dollarized economy, where public acceptance cannot be assumed even if policymakers frame reform as a sovereignty project. Comparative research supports the importance of public legitimacy in monetary regimes. In Latin America, public opinion has been identified as a key defense of dollarized arrangements against reversal, while European evidence shows that support for a monetary regime varies with citizens' perceptions of its distributional consequences and constraints on national adjustment (Cachanosky et al., 2023;Nones & Scholten, 2026) . Survey-experimental evidence from Italy similarly shows that support for a common currency can decline when citizens expect painful policy conditionality, indicating that legitimacy depends on anticipated economic experience rather than on currency symbolism alone (Baccaro et al., 2021) . Historical evidence from French Somaliland adds a further cautionary parallel: externally stabilized currency arrangements can produce "stability without sovereignty" when technical reform lacks local legitimacy or genuine autonomy (Aman, 2025) . The present findings fit these broader patterns by suggesting that Somali citizens evaluate currency reform through a combined lens of institutional trust, practical feasibility, and expected material consequences.

The results also refine theoretical understanding by showing how Currency Substitution Theory and the monetary credibility perspective complement one another in a fragile-state context. Currency substitution highlights why households and firms adopt foreign currency when domestic money is perceived as unreliable, especially under inflation, depreciation, or fiscal weakness (Alawin, 2026;Madison, 2024) . The credibility perspective explains why technical stabilization alone may be insufficient if people doubt the durability, honesty, or competence of the issuing institution (Alawin, 2026; Mackiewicz-Łyziak & Mętrak, 2025) . Research on financial dollarization further suggests that foreign-currency use can serve as an insurance arrangement against recession-linked depreciation, which helps explain why dedollarization is difficult even when national sovereignty arguments are politically appealing (Dalgic, 2024). Taken together, these

perspectives imply that support for reintroducing the Somali Shilling is likely to depend on whether citizens believe the restored currency can protect purchasing power, function reliably in daily transactions, and compete credibly with the insurance and convenience currently provided by dollars and mobile money.

The policy implications are therefore less about symbolic relaunch than about sequenced credibility building. First, institutional strengthening should precede or at least accompany reintroduction. Respondents' emphasis on capacity, technical competence, counterfeiting protection, and transition management supports investment in secure note design, reserve and issuance governance, operational payment infrastructure, and supervisory coordination across the Central Bank, commercial banks, exchange bureaus, and telecom operators. Broader literature likewise indicates that price stability, central bank independence, and intelligible procedures are foundational to durable monetary order (Cachanosky et al., 2023;Schnabl, 2024) . Second, transparency and public communication should be treated as operational policy tools rather than public-relations add-ons. Evidence shows that transparency strengthens monetary effectiveness and that communication targeted to non-experts can improve perceived price stability (Aslam et al., 2025; Ehrmann et al., 2025) . In Somalia, such communication would need to explain how new notes will be protected against fraud, how exchange conversion will occur, how inflation risks will be managed, and how the shilling will interface with mobile-money systems.

Third, any transition strategy should be gradual and interoperability-focused. Existing research on Somalia shows that mobile money has become the dominant urban medium of exchange and an infrastructure for humanitarian and potentially welfare transfers (Chonka et al., 2025) . Abrupt re-monetization through paper currency alone would therefore ignore the practical architecture of everyday payments. A more realistic path would allow the reintroduced shilling to coexist with current systems while progressively expanding its reliability and acceptance through coordinated digital and cash channels. The broader comparative literature supports caution here: reforms that shift risk onto households without adequate credibility can produce social fragilization and weaken predictable expectations of governance (Jebraily, 2026) . Likewise, public support for monetary arrangements tends to respond to visible signals of stabilization and competence, not merely formal institutional announcements (Park & Shim, 2026) .

Several limitations temper the interpretation of these findings. The cross-sectional design precludes conclusions about temporal ordering, so it cannot establish whether trust and readiness perceptions increase support or whether supportive respondents retrospectively evaluate institutions more favorably. Convenience sampling limits generalizability in a country marked by regional heterogeneity, urban-rural monetary differences, and unequal access to dollars, shillings, and digital finance (Chonka et al., 2025) . The measures are self-reported and therefore vulnerable to response bias, framing effects, and common-method inflation, particularly because public support for a national currency can carry symbolic and political meanings beyond technical monetary judgment (Baccaro et al., 2021) . The use of many categorical predictors relative to likely cell sizes may also have contributed to wide confidence intervals, loss of precision, and unstable adjusted estimates. The coefficient reversals and unusually large adjusted odds ratios should therefore be treated as signals for further inquiry rather than as definitive evidence of counterintuitive substantive relationships.

Future research should address these limitations with larger, nationally representative samples that deliberately capture regional, rural-urban, and livelihood-based monetary variation. Longitudinal designs would be especially valuable for tracking whether public support changes as institutional reforms, public communication, or pilot reintroduction measures unfold. Mixed-method work could clarify how households, traders, remittance recipients, bankers, and mobile-money users interpret monetary sovereignty, inflation risk, and transaction convenience in practice. More refined measurement would also help distinguish overlapping constructs such as institutional trust, technical capacity, transparency, and economic optimism. Finally, future quantitative studies should consider more parsimonious model specification, diagnostic assessment of sparse cells and collinearity, and validated multi-item scales for the main latent constructs.

Overall, the study indicates that support for reintroducing the Somali Shilling is associated less with fixed socio-demographic profiles than with whether respondents judge the reform to be institutionally credible, economically beneficial, and manageable in practice. The inconsistent adjusted estimates qualify any simple

ranking of determinants, but they do not undermine the central message that public acceptance of monetary reform in Somalia depends on confidence in both the institutions that would govern the currency and the long-term stability the currency is expected to provide. In that sense, sustainable reintroduction of the Somali Shilling appears to require not only technical preparedness but also a credible public belief that the restored currency will be protected, usable, and aligned with Somalia's broader economic interests.

Policy Recommendations

Based on the findings, this study recommends that the Central Bank of Somalia, in collaboration with the Federal Government and relevant financial institutions, adopt a carefully sequenced, transparent and institutionally coordinated strategy for reintroducing the Somali Shilling. The findings highlight the relevance of perceived institutional preparedness, monetary credibility and economic expectations to public support for currency reform. In particular, confidence in the government's ability to manage the transition was positively associated with public support in the adjusted analysis (AOR = 8.30, 95% CI: 1.77–38.90, p = 0.007), although the wide confidence interval indicates considerable estimation uncertainty. Accordingly, currency reintroduction should be guided by a comprehensive implementation framework specifying institutional responsibilities, operational requirements, currency-distribution procedures, conversion arrangements and mechanisms for managing potential disruptions. Before implementation, the monetary authorities should assess the preparedness of commercial banks, money-transfer businesses and other financial intermediaries to facilitate the circulation and exchange of newly issued banknotes. A phased implementation strategy, supported by clearly defined operational milestones and periodic assessments, would provide opportunities to address institutional weaknesses while minimizing risks to households and businesses.

Strengthening the credibility, transparency and accountability of the Central Bank of Somalia should constitute another central policy priority. The study found that respondents who believed the Central Bank acted in Somalia's economic interest had higher adjusted odds of supporting currency reintroduction (AOR = 4.49, 95% CI: 1.19–16.94, p = 0.027). Although this association does not establish causality, it highlights the policy relevance of public perceptions of institutional integrity and monetary governance. The Central Bank should therefore strengthen public communication concerning the objectives, implementation stages and expected economic implications of currency reform. Regular publication of accessible information on currency issuance, monetary conditions, exchange arrangements and institutional safeguards could improve transparency and enable citizens to evaluate the reform using reliable information. Public communication should extend beyond formal policy announcements to include consultations, educational materials and accessible explanations in Somali, particularly for populations with limited financial literacy. Establishing transparent feedback and complaint-resolution mechanisms would further support accountability and allow monetary authorities to identify public concerns throughout the transition.

The findings also point to the importance of strengthening currency-security arrangements and protecting the integrity of the monetary system. Less than half of the respondents expressed confidence in the adequacy of existing mechanisms to protect the Somali Shilling, while one-quarter remained uncertain about currency protection. These perceptions suggest that currency authenticity and institutional safeguards deserve particular attention in the reform process. The Central Bank should therefore prioritize secure banknote design, reliable authentication procedures, effective currency-distribution controls and mechanisms for detecting and withdrawing counterfeit or unauthorized notes. Commercial banks, exchange bureaus, retailers and other institutions involved in currency circulation should receive appropriate operational guidance and authentication training. Public education should explain how genuine banknotes can be identified, where damaged or suspicious notes can be exchanged and how suspected counterfeiting can be reported. Such measures would address practical concerns about currency reliability while strengthening the institutional foundations necessary for public acceptance.

Maintaining monetary stability and protecting purchasing power should also remain central to the currency-reintroduction strategy. The descriptive findings indicate that respondents generally anticipated favorable economic outcomes, with 74.22% believing that the Somali Shilling could become stable over time, 73.70% expecting reduced dependence on foreign currency and 72.40% anticipating economic strengthening. Nevertheless, the significant negative adjusted associations observed for anticipated currency stability and reduced dollar dependence, despite their positive bivariable associations, demonstrate that these relationships are sensitive to model specification and require further investigation. Policymakers should therefore avoid interpreting favorable public expectations as evidence that currency reintroduction will automatically generate macroeconomic stability or reverse dollarization. Instead, the reform should be supported by credible monetary-management arrangements, disciplined currency issuance, inflation monitoring and transparent exchange procedures. Particular attention should be paid to protecting the purchasing power of low-income households and minimizing uncertainty surrounding the value and convertibility of the reintroduced currency. Monetary sovereignty should be pursued alongside price stability and public confidence rather than treated as an immediate substitute for existing foreign-currency arrangements.

Given Somalia's extensive dollarization and widespread use of digital payment systems, currency reintroduction should also be integrated with the country's existing financial infrastructure. The Central Bank should coordinate closely with commercial banks, mobile-money operators, money-transfer businesses and exchange-service providers to develop technically feasible arrangements for transactions involving the Somali Shilling. These arrangements should address exchange-rate transparency, transaction settlement, liquidity management and consumer protection. Because many households and businesses rely on US-dollar-denominated mobile-money services, an abrupt shift toward physical domestic currency could introduce transaction costs and operational disruptions. A gradual approach that permits coexistence between the reintroduced Somali Shilling and established payment mechanisms during an appropriately managed transition would be more consistent with the country's monetary environment. Policymakers should also evaluate the feasibility of integrating Somali Shilling-denominated transactions into regulated digital payment platforms, subject to adequate technological infrastructure, financial supervision and consumer safeguards. Such integration could improve the practical usefulness of the national currency without undermining the efficiency of existing payment services.

The reform process should further incorporate inclusive public consultation and targeted measures addressing the needs of different socio-economic groups. The bivariable analysis found that respondents whose main source of income was business had significantly lower odds of supporting currency reintroduction than salaried respondents (OR = 0.40, 95% CI: 0.17–0.94, p = 0.036), although this association was not maintained under the different adjustment and reference-category specification. This finding provides a reason to investigate commercial concerns without assuming that business operators uniformly oppose reform. The monetary authorities should engage traders, small businesses, importers, livestock producers, remittance-dependent households and other groups whose transactions may be particularly sensitive to exchange-rate movements and currency conversion. Consultations should identify concerns relating to pricing, liquidity, transaction costs, savings protection and the continuity of commercial activities. Implementation arrangements should also account for regional differences in access to banking services, mobile-money networks and physical currency. Particular attention should be given to rural communities, low-income households and individuals with limited access to formal financial institutions to ensure that the benefits and costs of currency reform are distributed as fairly as possible.

Finally, the study recommends establishing a systematic monitoring and evaluation framework to assess institutional readiness, public confidence and the economic performance of currency reintroduction. Before implementation, the Central Bank and relevant authorities should establish measurable indicators covering operational preparedness, currency availability, counterfeit detection, exchange-rate conditions, payment-system functionality, public awareness and consumer complaints. These indicators should be monitored throughout the transition to identify emerging challenges and guide timely policy adjustments. Periodic public perception surveys would also help determine whether confidence in the Central Bank, expectations

regarding currency stability and willingness to use the Somali Shilling change as reform measures are introduced. Given the study's cross-sectional design, convenience sampling and imprecise adjusted estimates, subsequent assessments should employ more representative sampling approaches and stronger statistical designs to distinguish changes in public attitudes from changes in actual currency adoption. Overall, the recommended policy approach emphasizes that sustainable reintroduction of the Somali Shilling requires coordinated institutional reconstruction, credible monetary safeguards, financial-system integration and sustained public engagement. Restoring confidence in the national currency should therefore be treated as a gradual process of demonstrating institutional competence and monetary reliability rather than merely introducing new banknotes.

6. Conclusion

This study examined public support for reintroducing the Somali Shilling, focusing on perceived institutional readiness, trust in the Central Bank of Somalia and economic perceptions. Using cross-sectional survey data from 384 respondents, the findings revealed generally favorable expectations regarding the potential economic benefits of currency reintroduction, particularly its ability to strengthen the economy, reduce dependence on foreign currency and promote monetary stability. However, respondents expressed comparatively lower confidence in financial-sector preparedness and currency-protection mechanisms, highlighting the importance of institutional readiness alongside positive economic expectations.

The bivariable analysis identified significant positive associations between public support and institutional capacity, Central Bank credibility, transparency and anticipated economic benefits. In the multivariable analysis, confidence in government transition management (AOR = 8.30) and confidence that the Central Bank acts in Somalia's economic interest (AOR = 4.49) remained positively associated with support. Conversely, anticipated currency stability and reduced dollar dependence exhibited unexpected negative adjusted associations despite their positive bivariable relationships. These inconsistencies, together with wide confidence intervals, require cautious interpretation and further statistical investigation.

The findings suggest that sustainable currency reintroduction requires more than issuing new banknotes. Policymakers should prioritize credible monetary governance, institutional preparedness, transparent communication, effective currency-protection mechanisms and a gradual transition that accommodates existing dollar-based transactions and mobile-money systems. Nevertheless, the cross-sectional design, convenience sampling and potential instability of some regression estimates limit causal interpretation and generalizability. Future research should employ representative samples, longitudinal approaches and more parsimonious statistical models. Overall, the study contributes citizen-level evidence to understanding monetary reform in fragile, highly dollarized economies and concludes that restoring the Somali Shilling's credibility will depend on strengthening public confidence in the institutions responsible for ensuring its stability, security and practical usability.

Declarations

Ethics Approval and Consent to Participate

The study received ethical approval from the Benaadir Research, Consultancy and Evaluation Center (BRCE) Research Ethics Committee, Mogadishu, Somalia (Approval No. BRCE/ETH/2026/032; approved on 25 May 2026). The committee confirmed that the research complied with BRCE ethical standards and relevant national and international regulations. Informed consent was obtained from participants before data collection. Participation was voluntary, and participants were informed about the study’s objectives and their right to decline participation. Questionnaire responses were handled confidentially, and findings were reported in aggregate form without identifying individual respondents.

Consent for Publication

Not applicable. The manuscript does not contain identifiable personal information, individual photographs or other materials requiring consent for publication.

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Data Availability Statement

The data analysed in this study were collected through a structured questionnaire administered to 384 respondents in Somalia. The anonymized participant-level dataset is not publicly available. Requests for access may be directed to the corresponding author, Mumin Yusuf Mohamed (mouminshiiq92@gmail.com). Any disclosure is subject to confirmation of participant consent, ethics committee conditions, applicable institutional policies and the feasibility of protecting respondent confidentiality. Data access is not guaranteed.

Clinical Trial Number

Clinical trial number: not applicable.

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