

# LASER PULSE

## Long-term Assistance and Services for Research (LASER) Partners for University-Led Solutions Engine (PULSE)

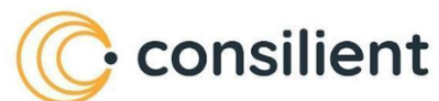
### USAID/BHA/TPQ/SPADe Somalia Private Sector Landscape Assessment: Annotated Bibliography

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**ABOUT LASER PULSE**

LASER (Long-term Assistance and Services for Research) PULSE (Partners for University-Led Solutions Engine) is a \$70M program funded through USAID's Innovation, Technology, and Research Hub, that delivers research-driven solutions to field-sourced development challenges in USAID partner countries. A consortium led by Purdue University, with core partners Catholic Relief Services, Indiana University, Makerere University, and the University of Notre Dame, implements the LASER PULSE program through a growing network of 3,700+ researchers and development practitioners in 86 countries. LASER PULSE collaborates with USAID missions, bureaus, independent offices, and other local stakeholders to identify research needs for critical development challenges and funds and strengthens the capacity of researcher-practitioner teams to co-design solutions that translate into policy and practice.

**ABOUT THE PROJECT**

The USAID/BHA/TPQ/SPADe Somalia Private Sector Landscape Assessment: Annotated Bibliography is one of the key deliverables from the USAID/BHA/TPQ/SPADe Somalia RFSA Design: Private Sector Landscape Assessment project.

The project is supported through a buy-in from USAID's BHA/TPQ/SPADe into the Long-Term Assistance and Services for Research (LASER) program, which is currently in place between USAID/IPI/ITR/R and Purdue Applied Research Institute, LLC (PARI) under a cooperative agreement # 7200AA18CA00009.

The project has been executed by Consilient Research under a sub-agreement with PARI. The research conducted as part of this project aims to inform the design of future multi-year Resilience Food Security Activities (RFSA) in Somalia.

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## ACRONYMS

BHA	Bureau of Humanitarian Assistance
DACs	Displacement-affected Communities
FAO	United Nations Food and Agriculture Organization
IDMC	Internal Displacement Monitoring Centre
IDP	Internally displaced person
IFC	International Finance Corporation
ILO	International Labour Organization
LASER PULSE	Long-term Assistance and Services for Research Partners for University-Led Solutions Engine
NGO	Non-governmental organization
ODI	Overseas Development Institute
PTSD	Post-Traumatic Stress Disorder
PSLA	Private Sector Landscape Analysis
RFSA	Resilience Food Security Activities
SMEs	Small and Medium-sized Enterprises
SPADe	Strategic Planning and Activity Design
TPQ	Office of Technical Program Quality
UN	United Nations
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
USAID	United States Agency for International Development

## EXECUTIVE SUMMARY

### Purpose

The USAID Bureau of Humanitarian Assistance (BHA) Office of Technical and Program Quality (TPQ) Strategic Planning and Activity Design (SPADe) has engaged Consilient Research through the Long-term Assistance and Services for Research Partners for University-led Solutions Engine (LASER PULSE) mechanism to support the design of the forthcoming Resilience Food Security Activity (RFSA) in Somalia. Under this project, Consilient Research will undertake a series of research activities that will inform the design of a future multi-year RFSA in Somalia, which will serve the needs of rural Somali communities affected by chronic food insecurity. The scope of work includes this study: a Private Sector Landscape Analysis (PSLA).

The purpose of this Annotated Bibliography is primarily to provide LASER PULSE and USAID/BHA/TPQ/SPADe teams with a summary of literature under consideration for the desk-based portion of the two research studies. Based on this review, LASER PULSE and SPADe teams will be able to highlight any gaps and suggest new sources that can complement those reviewed already. In parallel, this Annotated Bibliography will also serve as an important internal resource for the Consilient Research team as they move to the analysis and report writing stages of the project. This document may also be used by other researchers, program design teams, and implementing organizations interested in understanding the current extent of literature focused on the status quo of the private sector in Somalia. The study teams have reviewed over 40 sources related to various aspects of the Somali private sector and employment prospects for historically marginalized groups. These sources include peer-reviewed literature from academic journals, “gray” literature published by development organizations such as the United Nations (UN) and bilateral development agencies, discussion papers, market studies, and context assessments.

### Organizational Structure

This annotated bibliography is organized by the major thematic topics to be addressed during the research (listed below). We note that literature listed under each thematic topic is not exclusively relevant to that section/topic.

### Approach to Geographic and Thematic Tags

All sources cited in the Annotated Bibliography are tagged with relevant geographic and thematic areas of interest. These tags are not intended to comprehensively describe each source, but rather to indicate the ways in which each source is relevant to the current research. Below, we list the thematic topics and the most relevant tags. Many of the thematic tags are secondary in the sense that they are not used as subheadings but are useful for the overall research process.

#### Thematic Tags:

- Sectoral Overviews
  - Fishing
  - Livestock
  - Agriculture
  - Agribusiness
  - Construction
  - Construction
  - Economic Growth

- Exports
- Transnational Businesses
- Investment
- Resilience
- Diversification
- Urban Development
- Inequality
- Corruption
- Climate Change Weak State Institutions
- Access to Livelihoods Opportunities
  - (Female) Employment
  - Youth Unemployment
  - Livelihoods
  - Entrepreneurship
    - SMEs
  - Self-reliance
  - Economic Growth
  - Poverty
  - Social Capital
  - Financial Inclusion
  - Internal Displacement
  - Urbanization
- Social Context
  - Urbanization
  - Inequality
  - Poverty
  - Insecurity
  - Clans/ Nepotism
  - Violent Extremism
  - Mental Health
    - Depression
    - PTSD
  - Internal Displacement
  - Migration
  - Public Health
  - Human Capital
  - Social Protection
  - Resilience
- Political Context
  - Al-Shabab
  - Federal Government of Somalia
  - Taxes
  - Insecurity
  - Violent Extremism
- Shocks
  - COVID-19
  - Russia's War on Ukraine

- Food Insecurity
- Famine
- Al-Shabab
- Climate Change
- Climate Resilience
- Droughts
- Insurance

**Geographic Tags:**

- Africa
- Global South
- Sub-Saharan Africa
- Kenya
- Somalia
- District and city levels:
  - Galmudug
  - Hirshabelle
  - Jubaland
  - Mogadishu
    - Hodan
    - Kahda
  - Puntland
  - Somaliland
  - Baidoa,
  - Beletweyne
  - Garowe
  - Banadir

## ANNOTATED BIBLIOGRAPHY

### SECTORAL OVERVIEWS

**Bahadur, J. "Fishy Business: Illegal Fishing in Somalia and the Capture of State Institutions,"** Global Initiative against Transnational Organized Crime. Geneva: Switzerland. 2021. Retrieved from: <https://globalinitiative.net/wp-content/uploads/2021/07/GITOC-ESAObs-Fishy-Business-Illegal-fishing-in-Somalia-and-the-capture-of-state-institutions.pdf>.

**Summary:** Boasting an expansive coastline, home to a variety of different high-value fish species, Somalia's fishing industry holds enormous economic potential. However, this potential is not fully exploited. Illegal, unreported and unregulated fishing practices are one reason for this. Following the decrease in Somali pirate attacks since 2012, foreign fishing vessels have gradually returned to Somalia's coastline. Many of these vessels engage in unreported or unregulated fishing. Widespread corruption and weak state institutions undermine ongoing reform efforts. Illegal fishing operations by foreign vessels continue to be facilitated by Somali agents who issue fishing licenses against a fee and falsified export documentation. The environmentally destructive impact of these fishing practices threatens to have long-term consequences for the country's marine ecosystem and fishing industry. In order to limit the scope and scale of corruption and ensure a better management of marine resources, the process for issuing fishing licenses needs to be streamlined. Otherwise, unreported and unregulated fishing practices will remain frequent.

**Geographic Tags:** Somalia

**Thematic Tags:** Corruption, Weak State Institutions, Fishing, Economic Growth

**International Finance Corporation/ World Bank. 2024. Creating Markets in Somalia – Unlocking Private Sector-led Growth at a Critical Juncture of Somalia's Development.** Retrieved from: <https://www.ifc.org/content/dam/ifc/doc/2024/somalia-country-private-sector-diagnostic-en.pdf>.

**Summary:** Despite data limitations, this provides an overview of the status quo of Somalia's private sector. Given the relative weakness of the public sector, private businesses act as an engine for economic growth, accounting for an estimated 95% of total employment. After years of armed conflict, the country has very low economic complexity, with Somalia's small manufacturing and export sector limited to low-value-added products such as livestock, fishery and crop goods. Hence, most business activity is concentrated in commerce and consumption-driven services such as retail and wholesale trade. This consumption-driven economic growth has advantaged a small number of transnational firms that have captured the market. For example, the service sectors are effectively controlled by a few Somali-owned transnational businesses, and so is the import-export industry - according to a recent study, fewer than a dozen traders make up more than 50% of revenues collected at the Mogadishu port. Conglomerates also leverage their dominant position to consolidate the existing power dynamics even further, using their influence to shape the political environment in their favour. Conglomerates achieve this through their central position in the provision of social services and public goods and by channeling significant funds into the public sphere. In this environment, most small and medium-sized enterprises (SMEs) are disadvantaged and fail to scale up, which has negative repercussions for job creation and the sector's overall productivity.

**Geographic Tags:** Somalia

**Thematic Tags:** Private Sector, Economic Growth, Exports, Transnational Businesses



**Mohamed, H. *Somali Real Estate Gives Mogadishu Residents Money Headaches*. *Aljazeera News Article*, July 12, 2022. Retrieved from:**

**<https://www.aljazeera.com/news/2022/7/12/mogadishu-residents-real-estate-boom-making-city-unaffordable>.**

**Summary:** Ever since Al-Shabab was pushed out of Mogadishu in 2011, the city has enjoyed a relative sense of calm and security. This has led to a real estate boom, in part fuelled by the capital of the returning diaspora. However, not everyone benefits from urban development and economic growth. Many newly built apartments are beyond the financial reach of Mogadishu residents. They are forced to move out of Mogadishu and commute into town. Others face forced evictions. If urban development is not made more inclusive, poor and already overcrowded neighbourhoods on the outskirts of Mogadishu will continue to grow. The influx of newcomers will put an additional strain on already overstretched services and resources, potentially leading to intercommunal tensions and conflicts.

**Geographic Tags:** Mogadishu

**Thematic Tags:** Construction, Inequality, Urban Development

**Sominvest. *Priority Sector Investment Study. Agribusiness Opportunities in Somalia's Food Production Sector*. 2022. Retrieved from:**

**<https://sominvest.gov.so/wp-content/uploads/Agribusiness-and-Food-Security-Study.pdf>.**

**Summary:** This study highlights the investment opportunities and risks in Somalia's agribusiness and food sector. Recovering from political instability and armed conflict, Somalia provides potential investors with a first-mover advantage. In order to achieve food security, Somalia needs to shift from being a net food importer to becoming a net food producer and processor. Other possible investment advantages include, amongst other things, Somalia's strategic location, favourable climate conditions, the sector's under-investment and hence potential, and the country's ports and access to the sea. Using a variety of different case studies, this report also highlights investment opportunities for specific parts of the agricultural value chain such as grain processing, banana production, and sesame processing.

**Geographic Tags:** Somalia

**Thematic Tags:** Agribusiness, Investment, Economic Growth

**World Bank. 2020. *Trade as an Engine of Growth in Somalia: Constraints and Opportunities*. Retrieved from:**

**<https://documents1.worldbank.org/curated/en/180601637185175535/pdf/Trade-as-an-Engine-of-Growth-in-Somalia-Constraints-and-Opportunities.pdf>.**

**Summary:** This report identifies trade and export as important building blocks for Somalia's economic development and poverty reduction. The country only supplies a limited number of exports, mostly dominated by livestock. Export destinations are also limited and mostly comprise the United Arab Emirates, Oman and Saudi Arabia. This trade profile makes Somalia's export industry highly susceptible to shocks. The paper highlights that the country's trade strategy should expand export opportunities for some products it already exports, such as sesame and fish, while also diversifying into new products with greater complexity and linkages to other sectors. The authors see the most potential for diversification in agro-food products such as processed fish, sesame oil and processed fruits.

**Geographic Tags:** Somalia

**Thematic Tags:** Export, Livestock, Diversification, Economic Growth

World Bank/ Food and Agriculture Organization of the United Nations. *Rebuilding Resilient and Sustainable Agriculture*. Washington D.C., USA: World Bank Group and UN Food and Agriculture Organization. 2018. Retrieved

from: <https://documents1.worldbank.org/curated/en/781281522164647812/pdf/124651-REVISED-Somalia-CEM-Agriculture-Report-Main-Report-Revised-July-2018.pdf>.

**Summary:** Acknowledging that agriculture is vital for Somalia's economic development and poverty reduction, this paper assesses how the sector can be made more sustainable and resilient in the long run. In the face of accelerating climate change and armed conflict, the agricultural sector faces enormous challenges. That said, the livestock and crop subsectors continue to be the country's economic engine in terms of economic activity, employment and export. This is also evidenced by the following statistics: 46% of employed people work in agriculture and another 25% in crop cultivation. 93% of the country's exports are agricultural in nature, with the livestock subsector demonstrating an astonishing resilience in recent decades. Although the performance of the crop-subsector is currently weak, the report identifies high growth potential, especially in relation to bananas. Somalia's banana production is now lower than before the war. An expansion of the sector would also create significant employment opportunities, especially for marginalized groups such as local farmers and internally displaced people who already know how to grow high-quality bananas. With the longest coastline in Africa, the growth potential for the fishery subsector also appears promising. As a result of urbanization and the return of the diaspora, the domestic market for fish products has expanded. Despite its potential, the fishery subsector continues to face challenges such as poorly functioning cold-chain facilities and weak transport links. More generally, the recovery of Somalia's agricultural sector depends on the strengthening of public and community institutions, an improvement of infrastructure and transport links and climate adaptation.

**Geographic Tags:** Somalia

**Thematic Tags:** Economic Growth, Agriculture, Resilience, Climate Change

World Bank and United Nations Food and Agriculture Organization. *Somalia Country Economic Memorandum Volume 1: Rebuilding Resilient and Sustainable Agriculture in Somalia*. Washington, D.C.: World Bank, 2018. Retrieved from

<https://documents1.worldbank.org/curated/en/781281522164647812/pdf/124651-REVISED-Somalia-CEM-Agriculture-Report-Main-Report-Revised-July-2018.pdf>.

**Summary:** This report covers the historical performance of all major agricultural subsectors (livestock, crops, forestry, and fishing) and the status of agro-processing. It also analyzes the subsectors' key medium- and long-term development constraints, challenges, potential for growth, and policy and investment options. Key among these constraints are poor infrastructure and low level of agriculture-related technical skills among the labor force. The report also highlights the detrimental effects of continued insecurity and weak institutions in Somalia, further aggravated by climate change-related challenges. Unlike the live animals sub-sector, which the report highlights as having comparatively high performance, the animal products sub-sector demonstrated weaker performance. The performance of the crop subsector is identified as weak, but the report stresses its high growth potential. Finally, widespread losses to assets, income and livelihoods stemming from the current drought attest to the sector's acute vulnerability to extreme weather events and climate change.

**Geographic tags:** Somalia, Galmudug, Hirshabelle, Jubaland, Mogadishu, Puntland, Somaliland South West State

**Thematic tags:** Livestock, Agriculture, Fisheries, Climate Change, Resilience

## ACCESS TO LIVELIHOODS OPPORTUNITIES

**Abdi, M. *Access to Finance and Financial Inclusion in Somalia. National Economic Council of Somalia. Mogadishu, Somalia: National Economic Council. 2022. Retrieved from:***

**[https://nec.gov.so/wp-content/uploads/2023/05/1-Pillar-1-Access-to-Finance\\_Mustafe.pdf](https://nec.gov.so/wp-content/uploads/2023/05/1-Pillar-1-Access-to-Finance_Mustafe.pdf).**

**Summary:** In recent years, the role of access to finance for economic growth and poverty alleviation has received increased attention from researchers and development actors alike. Against this background, this report provides a detailed analysis of the status quo of access to finance and financial inclusion in Somalia. After years of armed conflict, the country's financial sector is at an early stage of development, with only a limited number of financial institutions providing financial products and services. A mere 15% of the population has a bank account. Instead, money transfer operators and mobile money networks dominate the financial sector. For people who fail to access the country's formal financial system, microfinance institutions can provide an alternative, offering a range of financial services, most notably microloans. Although the reach of the financial sector has increased in recent years, many SMEs continue to face significant barriers in accessing finance. Therefore, the majority of firms rely on internal funds. The challenges for financial inclusion are related to both demand- and supply-side factors, such as a lack of information about the available credit schemes, collateral requirements, high bank service charge rates, complexity of the loan procedure and religious reasons. To ease the observed difficulties in accessing finance, the report, therefore, recommends, amongst other things, increasing awareness about the existing financial services, establishing trust in financial institutions, and lowering administrative burdens. The report also notes that financial inclusion is particularly important for the empowerment of marginalized groups such as women. Without financial inclusion, these groups will continue to face economic marginalization, making it difficult to reach poverty alleviation targets.

**Geographic Tags:** Somalia

**Thematic Tags:** Financial Inclusion, Access to Finance, SMEs, Economic Growth

**Crawford, N., Holloway, K., Wasuge, M. et al. *The lives and livelihoods of forcibly displaced people in Mogadishu, Somalia. HPG case study. London: ODI. 2024. Retrieved from:***

**[www.odi.org](http://www.odi.org).**

**Summary:** Policymakers and development actors alike increasingly underline the importance of access to sustainable livelihoods and self-reliance in displacement contexts. That said, little is known about how displaced people themselves perceive the barriers they face in entering labour markets. This article tries to incorporate their perspectives by looking at the case of Mogadishu. It is a deep dive into the lived experiences of both internally displaced people and returnees. Both groups report facing numerous obstacles in accessing sustainable livelihoods, ranging from social capital, housing and transport, unpaid care work, and emotional and mental health issues. Predominantly working highly precarious low-skilled jobs in the informal sector economy, most IDPs struggle to make ends meet. While more recently displaced people tend to be the most vulnerable, even more long-term IDPs are often unable to improve their job and earning prospects significantly.

**Geographic Tags:** Mogadishu

**Thematic Tags:** Internal Displacement, Livelihoods, Urbanization, Self-Reliance

Food and Agriculture Organization of the United Nations/ United Nations Development Programme. *Sorghum, Maize, and Sesame Value Chains in Somalia*. UN FAO and UNDP. 2024. Retrieved from: [https://api.knack.com/v1/applications/5b23f04fd240aa37e01fa362/download/asset/66295617fbf88a0029941749/scala20reportfinal15mar\\_0.pdf](https://api.knack.com/v1/applications/5b23f04fd240aa37e01fa362/download/asset/66295617fbf88a0029941749/scala20reportfinal15mar_0.pdf).

**Summary:** This report provides a detailed overview of the sorghum, maize and sesame value chains in Somalia, emphasizing the need for climate adaptation to achieve resilience and sustained sectoral growth. The agriculture sector in Somalia is already heavily affected by the consequences of climate change – just the 2016/17 drought caused losses of US\$71.2 million in terms of crops’ output for maize, sorghum, cowpeas and sesame. Most Somali farmers try to protect themselves from external shocks and total crop failure by engaging in more than one value chain. However, this is insufficient as a risk mitigation strategy: cooperatives’ systems and structures are weak, appropriate facilities in short supply and management skills limited. The result is that value chain actors in the maize, sorghum and sesame sectors are not competitive. More effective climate adaptation strategies are needed. Some promising initiatives revolve, for example, around livelihood diversification, access to weather forecasts and early warning systems, land use planning and use of drought-tolerant crop seed varieties. The sector would also benefit from easier access to finance – production aspects in agriculture are under-financed, with less than 10% of microfinance institutions and bank investments earmarked for this cause. Furthermore, the growth potential of the agricultural sector is currently stymied by Somalia’s conservative gender norms. Although women comprise 50% of Somalia’s agricultural workforce, they usually do not own the land they cultivate, largely a result of traditional gender norms and the country’s patriarchal clan structure. Mainly having access and use rights via their husbands or male relatives, female agricultural workers find it difficult to access loans or other financing options as they cannot provide a collateral.

**Geographic Tags:** Somalia

**Thematic Tags:** Economic Growth, Climate Adaptation, Agricultural Sector, Employment

Hanmer, L. and Rubiano-Matulevich, E. *Want to keep internally displaced people out of poverty? – Increase women’s economic opportunities*. World Bank Blog. 2022. Retrieved from: <https://blogs.worldbank.org/en/african/want-keep-internally-displaced-people-somalia-out-poverty-increase-womens-economic>.

**Summary:** This blog post article looks at the link between gender and poverty among internally displaced people. The group that experiences the highest poverty risk are IDP families with children, particularly single female caregivers. Compared to IDP families without children, they are 17-20 percentage points more likely to live in poverty. The article points out that for IDP households the best protection against poverty is having more female earners. An increase in the number of female earners in a household is associated with a reduction in poverty risk across both IDP and non-IDP households. However, the above effect is most pronounced for IDP households. They, therefore, benefit the most from having additional female earners.

**Geographic Tags:** Somalia

**Thematic Tags:** Internal Displacement, Poverty, Female Employment

Heritage Institute. *Somalia’s Education Sector: Fostering Skills Through a Demand-driven Education System*. 2020. Retrieved from: <https://8v90f1.p3cdn1.secureserver.net/wp-content/uploads/2021/01/Education-HCDM-REPORT-.pdf>

**Summary:** A well-functioning education system is vital to a country’s development and economic growth. Equipping young people with the skills to succeed on the job market, it is an important predictor for an individual’s productivity and economic potential. With the above in mind, this report assesses the status quo of Somalia’s education sector, identifying key challenges and providing recommendations for

strategic interventions. The report notes that Somalia's education system suffers from a number of shortcomings and challenges. Firstly, high barriers to access mean that certain socio-economic groups are virtually excluded from formal schooling. Secondly, education provided tends to be of poor quality. There is not enough qualified teaching staff, curricula are not well-structured nor unified and the standard of educational infrastructure is overall poor. Thirdly, the education sector is not responsive to the skills needs of the private sector, failing to equip young people with labour market-relevant skills. This means that youth unemployment is rampant, with many young graduates struggling to secure qualified employment.

**Geographic Tags:** Somalia

**Thematic Tags:** Education, Youth, Youth Unemployment

**International Labor Organization. *Market Opportunity Mapping in Somalia – A value-chain analysis and rapid market assessment in Baidoa and Beletweyne Provinces*. Nairobi, Kenya: International Labor Organization and Samuel Hall. 2014. Retrieved from:**

<https://land.igad.int/index.php/documents-1/countries/somalia/investment-4/903-market-opportunity-mapping-in-somalia-a-value-chain-analysis-and-rapid-market-assessment-in-baidoa-and-beletweyne-provinces/file>.

**Summary:** This report assesses different strategies for fuelling domestic economic growth in Baidoa and Beletweyne with a view to enhancing employment opportunities for traditionally marginalized groups such as women, young people and IDPs. Barriers to employment are high in the Somali context. Economic sectors that represent the main source of employment are agriculture, retail trade, construction, wholesale trade, business services and transportation. In recent years, competition for these jobs has intensified even more, primarily because of frequent extreme weather events, continued insecurity and the loss of agricultural livelihoods, pushing people to migrate to urban settings. For marginalized groups, economic participation is often limited to low-paying work and activities. This problem is particularly acute for women, who are virtually excluded from the formal sector, with most being confined to the informal sector and engaging in petty trade. Low female economic participation in the formal sectors is not only the outcome of poor education levels, but also cultural prejudice and practices. However, the report also notes that cultural attitudes are currently shifting, calling into question the traditional gender norms – displacement, economic precarity and a dearth of employment opportunities have left many Somali women with no other option than to work to provide for their families.<sup>1</sup> In the absence of job opportunities, many are driven towards entrepreneurship as a mode of survival. These micro-entrepreneurs face numerous challenges such as a lack of credit, severely limiting their growth and earning potential. For IDPs, barriers to employment are particularly high, as most Somali employers recruit via personal networks. Furthermore, employers see hiring IDPs as a risky investment, noting that they are mobile and can therefore not necessarily be trusted with cash or other valuable items. The problems on the Somali labour market extend beyond mere job creation: the article also stresses that job candidates do not possess the relevant skills employers are looking for. The authors recommend redesigning and reorienting skills training to cater to emerging economic sectors with high growth potential, such as accounting or business administration. Skills training for traditional activities such as tailoring should not be scaled up as demand for these skills is expected to decline in the future.

**Geographic Tags:** Baidoa, Beletweyne, Somalia

**Thematic Tags:** Economic Growth, Female Employment, Poverty, Internal Displacement

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<sup>1</sup> For example, it has been estimated that up to 20% of the unskilled construction workforce in Baidoa are women.

**International Labor Organization. *Sectoral Assessment of Women's Entrepreneurship Development in the Agriculture and Renewable Energy Sectors in Somalia*. International Labor Organization. 2020.**

Retrieved from:

[https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed\\_emp/@emp\\_ent/@ifp\\_seed/documents/publication/wcms\\_757371.pdf](https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_emp/@emp_ent/@ifp_seed/documents/publication/wcms_757371.pdf).

**Summary:** This study discusses strategies to advance the economic empowerment of female entrepreneurs in Somalia, therein improving the group's potential to contribute to the country's socioeconomic growth. It is estimated that Somali women currently comprise 60% of business owners and represent roughly 70% of the informal economy. Within the informal sector, they mostly engage in petty trade. That said, some female entrepreneurs have also taken up economic activities that are typically male-dominated such as khat sales, currency exchange and fuel trade. The overwhelming majority of Somali businesswomen are necessity entrepreneurs, meaning that they were unable to obtain waged employment. Common products and services Somali businesswomen provide are food, clothes, cosmetics, vegetables/ fruits, charcoal and groceries. Many of their businesses are home-based. Only a minority (30%) uses market stalls or has access to business sites (18%). Female entrepreneurship in Somalia is characterized by numerous structural barriers such as traditional gender norms, difficult access to finance and low education levels. The report identifies two value chains judged particularly conducive to the integration of female entrepreneurs: milk and dairy and off-grid solar power. The milk and dairy value chain already provides employment for many Somali women. Additional value addition offers further opportunity for growth. The off-grid solar value chain, on the other hand, is an emerging sector that has the potential to integrate a high number of female entrepreneurs in the future. For women to realize their full entrepreneurial potential in these value chains, they must have better access to finance, markets and technologies and they must be represented in policy discussions.

Capacity-building interventions and mentoring programmes can also help develop their leadership and business management skills. For the off-grid solar value chain, building women entrepreneurs' technical skills will also be key, as this is an emerging sector, for which only few Somalis possess the relevant skills.

**Geographic Tags:** Garowe, Mogadishu, Somalia

**Thematic Tags:** Economic Growth, Entrepreneurship, Renewable Energy, Female Employment, Agriculture

**Karamba, W. *Improving Access to Jobs for the Poor and Vulnerable in Somalia*. Washington D.C., USA: World Bank. 2021. Retrieved from:**

<https://documents1.worldbank.org/curated/en/540261609935995160/pdf/Improving-Access-to-Jobs-for-the-Poor-and-Vulnerable-in-Somalia.pdf>.

**Summary:** Labour market participation rates for women and youth tend to be low. Therefore, these two groups exhibit a relatively high risk of permanent labour market exclusion. Self-employment is the predominant form of work, especially in the non-agricultural sector. Even for rural communities, non-farm revenues are an important source of income. Internal displacement and urbanization also have profound impacts on Somalia's employment landscape, with many IDPs opting for non-agricultural self-employment. These statistics underline the importance of promoting and investing in micro-entrepreneurship as an instrument to further labour market integration of vulnerable groups.

**Geographic Tags:** Somalia

**Thematic Tags:** Entrepreneurship, Urbanization, Poverty, Employment

**Kiboro, C. N. *Influence of Social Capital on Livelihood Outcomes for the Internally Displaced Persons in Kenya: A Social Capital Approach*. *European Scientific Journal, ESJ*, 13(26), 266. 2017. Retrieved from:**

<https://doi.org/10.19044/esj.2017.v13n26p266>.

**Summary:** Social networks are increasingly recognized as a determining factor for an individual's livelihood outcomes. Using membership to local level associations as a proxy for social capital, this study assesses the extent to which social connections impact on the livelihood outcomes of internally displaced people in Kenya. The study finds that households affiliated with local level associations were able to obtain services that influenced their livelihood outcomes in a positive way. Social capital can help protect marginalized communities from shocks and other unforeseen risks. The study therefore recommends implementing more projects that encourage and promote wider participation in local level associations with a view to increasing marginalized communities' social capital.

**Geographic Tags:** Kenya

**Thematic Tags:** Social Capital, Employment, Internal Displacement

**Sharma, N., Von der Goltz, J., Hassan, K.M., Phipps, V. Breaking the Cycle – Supporting Inclusive Access to More and Better Jobs in Somalia. World Bank Blog. 2022. Retrieved from:**

<https://blogs.worldbank.org>.

**Summary:** This blog post article looks at how labour market access in Somalia can be strengthened, with a particular emphasis on the situation of women. In general, poverty levels are high and labour market engagement limited. This is especially true for women. Furthermore, having a job does not protect against poverty. Many employment opportunities do not generate enough income to provide a pathway out of poverty. Therefore, both more and better jobs are needed for people to be lifted out of poverty. Compared to Somali men, women face additional, gender-related barriers in terms of accessing employment. Many remain outside the labour force due to deeply entrenched socio-cultural norms. Many only work, if they are widowed or their partner does not earn enough to provide for the family. Furthermore, women tend to be excluded from more profitable economic sectors or segments of the value chain. For example, the export sector or currency exchange are traditionally male dominated. While women are overrepresented among the self-employed, their lack of access to finance often limits profitability and earnings.

**Geographic Tags:** Somalia

**Thematic Tags:** Poverty, Inclusive Economic Growth, Female Employment

**Spencer, J., Yusuf, B., Riungu, E., Alden, S., Hubert, G., Untethered Impact, Raagsan. *Understanding livelihood-related urban-rural connections for women from Displacement-Affected Communities (DACs) in South-West State of Somalia: Women's DACs' lives, livelihoods and linkages*. 2023. Retrieved from:**

<https://www.nrc.no/globalassets/pdf/reports/women-dacs-lives/womens-lives-livelihoods-and-linkages.pdf>.

**Summary:** This report looks at the socio-economic lives of female IDPs with a view to developing recommendations on how they can be better supported in accessing sustainable livelihoods. Most of the surveyed women rely on trade-based micro-enterprises to make a living. Despite being economically active, many women reported not earning enough money to meet their families' basic needs. Their self-employment tends to be limited to sectors with low barriers to entry and low operating costs such as selling vegetables. Capital constraints further limit the profitability of their businesses. While access to financial service products has increased in recent years, some women still struggle to secure commercial loans to grow their business. In this situation, Village Savings and Loan Associations can provide an alternative source of financing.

**Geographic Tags:** Baidoa, Somalia

**Thematic Tags:** Poverty, Internal Displacement, Financial Inclusion

UN Women. *Gender, Climate and Conflict Analysis in Somalia and Assessment of Opportunities for Climate Agriculture and Livelihood Opportunities for Crisis-affected and At-risk Women in Somalia*. Nairobi, Kenya: UN Women. 2022. Retrieved from:

<https://africa.unwomen.org/sites/default/files/2022-04/Gender%2C%20Climate%20and%20Conflict%20Analysis%20in%20Somalia%20%20%28WEB%29.pdf>.

**Summary:** This report argues that climate-smart agriculture may provide an innovative strategy to increase agricultural productivity in Somalia. Currently, the crop farming and livestock rearing sectors are confronted with numerous challenges that include but are not limited to climate-related issues, inadequate use of modern farm equipment and technology, pests and diseases and gender imbalances. A successful transition to climate-smart agriculture entails growing climate-resilient crops, investing in farming tools/technologies and improving farming techniques (strategic irrigation, high-quality seeds, organic fertilizers etc.). Gender imbalances in agriculture must also be addressed for climate-smart agriculture to lead to the envisioned productivity gains. Based on the study's survey, more men than women are involved in agriculture. While 41.7% of males reported undertaking crop farming or livestock rearing, only 24.9% of women reported doing so. One of the reasons for women's relatively low participation in agriculture is tied to their difficulty of accessing financial services -- 74.1% of surveyed women did not have access to financial services from lending institutions. The share of women in IDP camps engaging in agriculture is low. Those who do have limited access to agricultural training, and are less likely to use good agricultural practices, ultimately limiting their earning potential. To address gender barriers in agriculture, the report recommends supporting women's organizations' efforts to promote gender equality, and that Somali men must become an integral part of this effort.

**Geographic Tags:** Somalia

**Thematic Tags:** Climate Change, Economic Growth, Female Employment

World Bank. *Somalia Country Economic Memorandum: Towards an Inclusive Jobs Agenda* Washington, DC: World Bank. 2021. Retrieved from:

<https://documents1.worldbank.org/curated/en/474611625138312966/pdf/Somalia-Country-Economic-Memorandum-Towards-an-Inclusive-Jobs-Agenda.pdf>.

**Summary:** This paper provides a detailed overview of the challenges on the Somali labour market, arguing that achieving inclusive economic growth is essential for sustained peace and stability. Currently, Somalia suffers from low levels of labour force participation, low productivity and persistently high levels of poverty. Certain socio-economic groups are particularly marginalized on the labour market. This is the case for IDPs, women and youth. One of the reasons as to why many Somalis face permanent labour market exclusion relates to the lack of jobs. Economic growth has been insufficient to generate enough employment opportunities for a rapidly expanding population. Economic growth is not just modest, but also volatile, subject to frequent external shocks. In this regard, it should be noted that accelerating climate change risks making rural livelihoods in the agricultural sector completely untenable. Competition for scarce livelihood opportunities is further compounded by large-scale displacement and heightened levels of rural-urban migration. This rapid urbanization has had a negative impact on agricultural value chains, and should be interpreted as a coping mechanism by households rather than a sign of economic transformation. For the Somali economy to achieve a jobs-rich, inclusive economic growth, the productive sectors need to be invested in so that they can grow and absorb many of the country's jobseekers. In this regard, continued political stability is key.

**Geographic Tags:** Somalia

**Thematic Tags:** Livelihoods, Employment, Poverty



**World Bank. Collection of Policy Notes for the New Somali Government—Unlocking Somalia’s Potential to Stabilize, Grow and Prosper. Washington, DC: World Bank. 2022. Retrieved from: <https://documents1.worldbank.org/curated/en/099500006282221939/pdf/P1775040e575fc036094170aca16ab29e5f.pdf>.**

**Summary:** This report states that current poverty levels in Somalia are too high and, if left unaddressed, threaten to undermine political stability. Therefore, job creation must be made a priority for any Somali government. Certain socio-economic groups would particularly benefit from this such as women and young people. If jobs growth was sufficiently high, young people could significantly contribute to the country’s economic development. However, in present-day Somalia, 40 percent of young people are not in employment, education or training. This number exceeds the average across Sub-Saharan Africa. For more and better jobs to be created, the economy must grow at a faster pace than currently. Sustained economic growth and job creation will also require significant investments in climate adaptation. Somalia’s economy is increasingly exposed to economic losses and contractions as a result of climate change. If unaddressed, accelerating climate change threatens to undermine the country’s long-term growth and prosperity.

**Geographic Tags:** Somalia

**Thematic Tags:** Economic Growth, Livelihoods, Climate Change

## SOCIAL CONTEXT

**Bafo, S. A. *As Mogadishu’s Skyline transforms, the Urban Poor call for Economic Inclusion. The New Humanitarian. 2024. Retrieved from:***

**<https://www.thenewhumanitarian.org/feature/2024/09/11/somalia-mogadishu-skyline-transforms-urban-poor-call-economic-inclusion>.**

**Summary:** After years of political instability and armed conflict, Mogadishu has entered a phase of reconstruction, with new development projects transforming the city’s skyline. However, Mogadishu’s real estate boom does not benefit everyone. Inequality is widening. Lacking proper documentation and legal protections, disadvantaged communities increasingly face forced evictions from their homes in the city. Those with money and the right clan connections can largely act with impunity. While the urban poor appreciate the increase in employment opportunities that came with the city’s development, they lament that growth is not inclusive. Marginalized groups, including IDPs, continue to live on the margins of society, with little prospects for improvement.

**Geographic Tags:** Mogadishu

**Thematic Tags:** Urbanization, Inequality, Internal Displacement, Poverty

**Chonka, P., Wasuge, M. and Mohamud, F. *Safety and security in Mogadishu. Mogadishu: Somali Public Agenda. 2023. Retrieved from:***

**<https://somalipublicagenda.org/safety-and-security-in-mogadishu>**  
**Summary:** This study examines how persistently high levels of insecurity impact on the lives of residents in two different districts of Mogadishu, namely Hodan and Kahda. While Hodan is a relatively central and affluent district, subject to frequent Al-Shabab attacks, Kahda is a neighbourhood on the city’s outskirts, featuring a relatively high number of IDP camps. Residents in this district voiced concern over high crime rates and robberies. For women living in the district’s ill-secured IDP camps, sexual and gender-based violence is an additional major issue. The report also notes that neither Hodan nor Kahda are homogenous. In both districts, there are multiple forms of inequality relating to gender, social class, and clan belonging. Communities that are exposed to multiple forms of inequality such as IDPs face particularly high levels of insecurity.

**Geographic Tags:** Hodan, Kahda, Mogadishu

**Thematic Tags:** Insecurity, Inequality, Internal Displacement, Urbanization

**Heritage Institute. *Youth Unemployment and Security in Somalia. Prioritizing Jobs for Achieving Stability*. 2022. Retrieved from:**

<https://heritageinstitute.org/wp-content/uploads/2022/04/Final-Final-Youth-Unemployment-Report-April-10-English-Version.pdf>.

**Summary:** This report explores the depth and drivers of youth unemployment in Somalia. Of the Somalis surveyed for this study, 70 percent were unemployed. Young women were particularly affected. Respondents cited nepotism and a structurally weak labour market as the main reasons for the country's youth unemployment woes. In addition, a poor education system that fails to equip young people with the right skills poses further problems. The lack of economic opportunities for young people give rise to feelings of injustice and marginalization. The report cautions that consistently high youth unemployment rates have the potential to further undermine the country's prospects for peace and stability – terrorist organizations like Al-Shabab can capitalize on young people's economic frustrations to recruit them into violent extremism.

**Geographic Tags:** Somalia

**Thematic Tags:** Youth Unemployment, Nepotism, Lack of Jobs, Violent Extremism

**IDMC. *5 key findings on internal displacement and mental health*. 2021. Retrieved from:**

<https://www.internal-displacement.org/expert-analysis/5-key-findings-on-internal-displacement-and-mental-health>.

**Summary:** This blog post article looks at the link between mental health and displacement. Traumatic flight experiences can cause or exacerbate pre-existing mental health conditions. Therefore, it is not surprising that 14.4 million IDPs suffer from posttraumatic stress disorder (PTSD) or depression. Those who have experienced displacement are also more likely to have mental health problems. The prevalence of depression in displaced communities is nine times higher than in the global population. The mental health of children and youth is also affected by displacement, with attempted suicide rates particularly elevated. While mental health support may be useful, persistent access challenges mean that many displaced communities cannot benefit from these services.

**Geographic Tags:** Global South

**Thematic Tags:** Internal Displacement, Mental Health, Depression, PTSD

**IDMC. *Global report on internal displacement 2023*. Geneva: IDMC. 2023. Retrieved from:**

[www.internal-displacement.org/global-report/grid2023](http://www.internal-displacement.org/global-report/grid2023).

**Summary:** This report provides an overview of internal displacement dynamics at the global level in 2022. Worldwide over 70 million people were affected by internal displacement, which represented the highest number ever recorded. In Somalia, displacement is not just triggered by armed conflicts but also increasingly by climate shocks. In 2022 alone, over 1 million internal displacements were caused by one of the country's most severe and long-lasting droughts. Most IDPs move to urban centres, where they hope to find easier access to basic services, employment and aid. However, unprecedented levels of rural-urban migration put an additional strain on already stretched resources in cities, with some newcomers facing forced evictions, secondary urban displacement and extreme poverty.

**Geographic Tags:** Somalia

**Thematic Tags:** Internal Displacement, Urbanization, Climate Shocks, Droughts

**IDMC. *Measuring the Costs of Internal Displacement on IDPs and Hosts: Case Studies in Eswatini, Ethiopia, Kenya and Somalia*. IDMC. 2020. Retrieved from:**

**<https://api.internal-displacement.org/sites/default/files/publications/documents/202001-cost-of-displacement-africa-case-studies.pdf>.**

**Summary:** With over 2.6 million IDPs by the end of 2018, Somalia had one of the highest internal displacement rates in all of sub-Saharan Africa. The economic costs of internal displacement are high, amounting to an estimated \$4 billion a year in sub-Saharan Africa alone. In the IDMC study, the authors developed a new methodology for assessing the consequences of internal displacement on the livelihood, health, education, housing and security of IDPs and their host communities. Poverty levels among IDPs in Somalia are particularly high, with some facing “near-famine conditions” (p. 30). Despite increasing levels of urbanization and a diversification of employment opportunities, many IDPs struggle to obtain employment. The reasons for this are diverse. Given the relative scarcity of job opportunities and concerns over competition, local city dwellers have organized themselves into informal unions to stifle competition from IDPs. Furthermore, some jobs that are available in the urban context align more closely with the skill set of locals rather than IDPs. For example, this is the case for construction work. Having previously earned a living as agro-pastoralists, IDPs may not be best placed to work on a construction site. The lack of personal and professional networks further complicates the job search for IDPs - most Somali employers recruit through this channel. Most IDPs find temporary manual work, such as washing clothes, cleaning houses and collecting garbage. Some families also resort to child labour to make ends meet. Others survive through food assistance from NGOs. Therefore, humanitarian protection and assistance are crucial, providing IDPs with access to food, water, health services, education and shelter.

**Geographic Tags:** Banadir, Mogadishu, Somalia

**Thematic Tags:** Internal Displacement, Poverty, Humanitarian Assistance, Urbanization

**Somali Public Agenda. *Marginalization and Social Cohesion among Minoritized Clan Groups and Dominant Groups, Aid Actors, and Local Authorities in Mogadishu*. 2023. Retrieved from:**

**<https://somalipublicagenda.org>.**

**Summary:** Clan connections and networks form an important aspect of everyday life in Somalia, including by structuring access to resources, services and livelihoods. Following their displacement, most IDPs belong to minority clans. Their minority status exposes them to heightened levels of exclusion and marginalization. This commentary argues that bonding social capital is insufficient for the long-term integration of IDPs. Relying on networks developed in IDPs’ places of origin is insufficient to overcome the multi-faceted vulnerabilities the displaced face in Mogadishu. Their long-term integration requires stronger and deeper ties with majority clans as these clans tend to control access to resources, services and livelihoods.

**Geographic Tags:** Mogadishu

**Thematic Tags:** Clans, Poverty, Exclusion, Livelihoods

**UNFPA. *Somali Adolescent and Youth – Boom or Gloom? Vol. 7*. 2019. Retrieved from:**

**<https://somalia.unfpa.org/sites/default/files/pub-pdf/Youth%20Report.pdf>.**

**Summary:** Somalia is a very young country. A substantial share of its population is adolescents and youth. This country’s demographic structure carries both risks and opportunities. If well educated and gainfully employed, Somalia’s youth have the potential to accelerate the country’s economic growth and development. However, the indicators in this report paint a more mixed picture. While education outcomes for urban youth have improved significantly, rural and marginalized youth continue to face significant access challenges in terms of formal schooling and education. Furthermore, education

outcomes remain gendered, even in the urban context. This is particularly true at higher levels of education. Lastly, Somalia's economy has not generated enough jobs for its young and more educated workforce, with many university graduates remaining unemployed or trapped in jobs not commensurate with their qualification levels.

**Geographic Tags:** Somalia

**Thematic Tags:** Youth, Education, Employment, Gender

**Villa, V. and Belli, A. Youth on the Move in Somalia: Perspectives, Vulnerabilities, and Horizons. IOM Blog Post. 2024. Retrieved from:**

<https://environmentalmigration.iom.int/blogs/youth-move-somalia-perspectives-vulnerabilities-and-horizons>.

**Summary:** This blog post article looks at the vulnerabilities and perspectives of young people in Somalia. Many of those leaving Somalia illegally are young people. In 2021, 33 percent of migrants registered by IOM were between 18 and 29 years of age. Compared to other groups in Somali society, young people face a unique set of challenges, including but not limited to lack of employment opportunities, societal marginalization and increased exposure to recruitment into violent extremism. Unskilled and semi-skilled youth were particularly overrepresented among the youth registered by IOM. This seems to indicate that much of the irregular migration out of Somalia is motivated by the search for better employment opportunities abroad.

**Geographic Tags:** Somalia

**Thematic Tags:** Youth, Migration, Employment Opportunities

**World Bank. 2014. Analysis of Displacement in Somalia. Retrieved from:**

<https://documents1.worldbank.org/curated/en/889591468321538763/pdf/932380WPOP12640t0DC0edits009012014.pdf>.

**Summary:** This paper provides an analysis of present-day displacement trends in Somalia. One of the key takeaways is displacement has become a defining feature of Somali society after years of political fragility and armed conflict. Accelerating climate change further exacerbates these dynamics. Given the scale and duration of displacement, targeted programming needs to be in place. Internally displaced people face heightened levels of marginalization and exclusion. They, therefore, need to be supported in gaining access to resources, services and sustainable livelihoods. As the displaced tend to seek shelter in urban contexts, efforts should be directed towards cities and peri-urban settings.

**Geographic Tags:** Somalia

**Thematic Tags:** Internal Displacement, Poverty, Marginalization, Urbanization

**World Bank. *Investing in Health to Anchor Growth. SEU6\_Full Draft May 12- Decision Meeting.***

**Washington D.C., USA: World Bank Group. 2021. Retrieved from:**

<https://documents1.worldbank.org/curated/en/926051631552941734/pdf/Somalia-Economic-Update-Investing-in-Health-to-Anchor-Growth.pdf>.

**Summary:** This report argues that large-scale investments in Somalia's public health care infrastructure are needed for the country to achieve sustained economic growth and resilience. The COVID-19 pandemic and ensuing lockdowns underlined the importance of robust health care systems for a country's economic performance. It is estimated that every dollar invested in health in a developing country yields between two and four dollars in economic returns. Improved health outcomes are demonstrated to increase life expectancy and productivity, resulting in growth in Gross Domestic Product (GDP) and economic development. Building a robust health care infrastructure in Somalia may be

particularly important as the country's health outcomes lag in comparison to neighbouring countries. Life expectancy is low and fertility rates and maternal mortality high.

**Geographic Tags:** Somalia

**Thematic Tags:** Public Health, Resilience, Economic Growth

**World Bank. *Somalia Economic Update, Fourth Edition: Building Education to Boost Human Capital.***

Washington D.C., USA: World Bank Group. 2019. Retrieved from:

<https://documents1.worldbank.org/curated/en/811231567610111001/pdf/Somalia-Economic-Update-Building-Education-to-Boost-Human-Capital.pdf>.

**Summary:** Despite a moderate GDP growth in recent years, the Somali economy continues to face significant challenges. One of the greatest concerns in terms of sustained economic growth relates to the country's education sector. Following years of instability and under-investment, 3 million Somali children are out of school. About half of the country's population is illiterate. The paper argues that the country's education sector must be rebuilt to boost human capital - globally, between 10 to 30 percent of cross-country differences in GDP per capita are the result of differences in human capital. There are some positive signs that the reconstruction of the education sector in Somalia is already under way. In recent years, the Ministry of Education, Culture and Higher Education has initiated the rollout of a national curriculum based on the Somali language. The report also states that the reform process of the education sector can be complemented and improved further through innovative partnerships with the private sector. Private actors already play an important role in the Somali education system, with over 50% of primary school students and 70% of secondary school students attending non-state schools. This is particularly true in regions that experience heightened levels of insecurity and in which the public sector has been unable to operate. One strategy to strengthen the country's education infrastructure and increase enrollment rates would be to provide incentives to the private sector to open more schools. This could work particularly well in peri-urban and urban areas, targeting IDPs and other marginalized communities.

**Geographic Tags:** Somalia

**Thematic Tags:** Human Capital, Resilience, Economic Growth

**World Bank. *Somalia Economic Update, Seventh Edition: Investing in Social Protection to Boost Resilience for Economic Growth.***

Washington D.C., USA: World Bank Group. 2022. Retrieved from:

<https://documents1.worldbank.org/curated/en/099645010242215445/pdf/P17502402429f50e708a6408e3872dbb193.pdf>.

**Summary:** The 2022 Somalia Economic Update provides a detailed overview of the country's latest economic developments and growth prospects, arguing that sustained economic growth will necessitate large-scale investments in building and institutionalizing social protection systems. Poverty rates in Somalia are high, with an estimated 70% of the country's population living below the poverty line. Rural households and IDPs are particularly affected. Recurrent natural disasters further exacerbate people's socio-economic vulnerabilities. In times of economic hardship, Somalis currently rely on traditional clan-based safety nets, most often involving loans, financial assistance and remittances from family and friends. However, such a social protection system is insufficient as coverage is not universal: some households do not receive remittances and others do not have access to these traditional clan-based safety nets such as IDPs and minority clan members. Against this background, the report makes an economic case for the institutionalization of social protection systems. In the long run, such a process would, amongst other things, entail a wide coverage and effective service delivery, active labour market programmes for young people and women, a pension system and livestock insurance. These systems

would provide vulnerable and disadvantaged households with socio-economic opportunities, therein addressing poverty and inequality, ultimately laying the groundwork for resilient economic growth.

**Geographic Tags:** Somalia

**Thematic Tags:** Poverty, Social Protection, Resilience, Economic Growth

## POLITICAL CONTEXT

**Hiraal Institute. *A Losing Game: Countering Al-Shabab's Financial System*. Mogadishu, Somalia: Hiraal Institute. 2020. Retrieved from:**

<https://hiraalinstitute.org/wp-content/uploads/2020/10/A-Losing-Game.pdf>.

**Summary:** This study tries to understand the reasons that are behind Al-Shabab's growing reach and improved tax collection system. In general, all major companies are taxed by Al-Shabab, mostly in the form of the annual Zakah. Tax collection is enabled by a weak state security apparatus that ultimately fails to provide security to the private sector in Somalia. Even businesses operating in areas that are not directly controlled by Al-Shabab are often coerced to oblige with the group's demands, therefore paying two parallel governments: the federal government of Somalia and Al-Shabab. In regions where the insurgents have an armed presence, they can be the only entity to collect taxes. Furthermore, Al-Shabab has concentrated their tax collection efforts on industries that currently experience an economic boom such as the lucrative real estate market.

**Geographic Tags:** Somalia

**Thematic Tags:** Al-Shabab, Federal Government of Somalia, Taxes, Insecurity

**USAID. *Exploring the Connections between Poverty, Lack of Economic Opportunity and Violent Extremism in Sub-Saharan Africa*. 2017. Retrieved from:**

[https://pdf.usaid.gov/pdf\\_docs/PA00WQ7X.pdf](https://pdf.usaid.gov/pdf_docs/PA00WQ7X.pdf).

**Summary:** This paper revisits the role of poverty and lack of economic opportunities in the rise of violent extremism across Sub-Saharan Africa. There is no consensus across policymakers and practitioners to what extent economic factors fuel violent extremism. Some claim that ideology, the appeal of particular leaders, and emotional and spiritual benefits play a much bigger role than purely economic factors. In other words, while some see poverty as "probabilistic" and "contributory", others see it as "deterministic" and "singular." This paper provides an updated theoretical framework for radicalization processes, arguing that there is both a primarily ideological and a primarily opportunistic pathway.

**Geographic Tags:** Sub-Saharan Africa

**Thematic Tags:** Violent Extremism, Youth, Poverty, Lack of Economic Opportunities

## SHOCKS

**Georgetown Security Studies Review. *Globalized Crises: The War in Ukraine and COVID-19's Impact on Al-Shabab Recruitment*. Washington D.C.: Georgetown University. 2023. Retrieved from:**

<https://georgetownsecuritystudiesreview.org/2023/04/12/globalized-crises-the-war-in-ukraine-and-covid-19s-impact-on-al-shabaab-recruitment>.

**Summary:** This article looks at international shocks and their economic consequences as a driver of recruitment for the terror group Al-Shabab. Following COVID-19 and Russia's war on Ukraine, the economic conditions in Somalia worsened significantly. As a result of the pandemic and lockdown restrictions, 75% of households reported resorting to negative coping mechanisms, especially in the form of reduced food intake. The war in Ukraine further exacerbated food insecurity, diminishing supply levels – Somalia used to import up to 90% of grain from Ukraine. The worsening economic conditions coincided

with a change in motivation for joining Al-Shabab. The promise of employment opportunities rather than ideological proximity was the main reason for becoming an Al-Shabab fighter in 2023.

**Geographic Tags:** Somalia

**Thematic Tags:** COVID-19, Russia's War on Ukraine, Poverty, Al-Shabaab

**Keogh, B. "Somalia Is Facing Another Food Crisis: Here's Why—And What Can Be Done to Stop the Cycle," *The Conversation*, 2021. Retrieved from:**

<https://theconversation.com/somalia-is-facing-another-food-crisis-heres-why-and-what-can-be-done-to-stop-the-cycle-159240#:~:text=Improving%20domestic%20cereal%20production%20in,cereal%20production%20in%20the%20country.>

**Summary:** Since the collapse of Siad Barre's regime in 1991, Somalia has experienced heightened levels of food insecurity. This article argues that food insecurity in Somalia can only be reduced if domestic food production increases. In recent decades, the production of key cereals such as maize and sorghum has decreased significantly, falling from over 90kg per capita in 1972 to 30kg per capita in 2012. The reasons for this decrease are complex. Conflict, corruption, bad governance and a rapidly expanding population all have a role to play. Nowadays, most cereals consumed are imported. The country relies on imports. This is problematic as many Somalis live in poverty and cannot afford to pay for food. Hence, improving domestic cereal production must be an integral part of poverty alleviation efforts. The authors argue that the implementation of modern farming practices could help with this.

**Geographic Tags:** Somalia

**Thematic Tags:** Cereal production, poverty, food insecurity

**Maxwell, D. and Fitzpatrick, M. "The 2011 Somalia Famine: Context, Causes and Complications," *Global Food Security*, Vol. 1. 2012. Retrieved from:**

<https://www.sciencedirect.com/science/article/abs/pii/S221191241200003X#:~:text=%E2%96%BA%20We%20describe%20the%20context,agencies%20further%20complicated%20the%20response.>

**Summary:** This article explores the complex reasons behind the 2011 Somalia famine. In July 2011, the UN declared a famine in Somalia. Over 3 million people were affected. Commonly portrayed as being caused by drought, the authors disagree with this assessment, arguing against monocausal explanations. While drought was the main reason behind the famine, other long-standing, structural factors also contributed. These included rising food prices, an underlying livelihood crisis and conflict. Furthermore, the presence of Al-Shabab exacerbated the scale and scope of the famine. Humanitarian access to affected areas was constrained by insecurity and armed conflict.

**Geographic Tags:** Somalia

**Thematic Tags:** Famine, Food Insecurity, Poverty, Al-Shabab

**ODI. *Security and Climate Change Implications for Humanitarian, Development and Peace-building Programmes in Somalia*. 2024. Retrieved from:**

[https://media.odi.org/documents/ODI\\_Meeting\\_Report\\_Security\\_and\\_climate\\_implications\\_for\\_HDP\\_programmes\\_in\\_Somalia.pdf.](https://media.odi.org/documents/ODI_Meeting_Report_Security_and_climate_implications_for_HDP_programmes_in_Somalia.pdf)

**Summary:** This article looks at how to make humanitarian assistance and development programming more sensitive to accelerating climate change and volatile security dynamics. After years of political instability, Somalia has entered a fragile but sustained path of stabilization and reconstruction. That said, climate change and its negative long-term consequences threaten to undo much of the recent progress. Increasingly extreme weather events make rural livelihoods more and more untenable, leading to loss of livelihoods and large-scale displacement. Rural-urban migration has reached historically unprecedented levels, putting an additional strain on an already poor and overstretched service infrastructure in urban

contexts. A climate-resilient future for Somalia is possible, if and only if development, humanitarian and climate change adaptation policies enable the country to better respond to security and climate challenges. However, in practice it is not always clear what that would entail. For example, for some a climate-resilient Somalia needs to diversify away from inherently precarious agropastoral livelihoods. For others, this would be counterproductive. The agricultural sector continues to be the backbone of Somalia's economy, constituting an important source of employment and income for the rural population. Furthermore, in order to achieve food security domestic food production must increase. With this in mind, some argue that agropastoral livelihoods will have to be made more climate resilient for Somalia to prosper in the future.

**Geographic Tags:** Somalia

**Thematic Tags:** Climate Resilience, Agriculture, Urbanization

**Plaza, S. and Cerruti, C. *How Drought Insurance and Value Chains Can Support Somalia's Livestock Economy*. World Bank Blogs. 2022. Retrieved from:**

<https://blogs.worldbank.org/africacan/how-drought-insurance-and-value-chainscan-support-somalias-livestock-economy>

**Summary:** Somalia has a long tradition of pastoralism, with the country's export sector being dominated by the livestock sector. That said, many of Somalia's pastoralists live in poverty. Accelerating climate change only further exacerbates their situation. With each drought, animals die or have to be sold at very low prices. For the livestock sector to become more climate-resilient, policymakers and development actors must find an effective response to increasingly severe and long-lasting droughts. In this regard, the project *De-Risking, Inclusion and Value Enhancement of Pastoral Economies in the Horn of Africa Project (DRIVE)* provides useful insights. As part of the project, pastoralists have access to drought insurance, savings and digital accounts. In case of a drought, they can use their savings or receive insurance payouts to keep their animals alive. Previous studies have underlined the effectiveness and importance of early intervention strategies. Post-mitigation measures such as restocking tend to be more expensive.

**Geographic Tags:** Somalia

**Thematic Tags:** Droughts, Climate Change, Insurance, Livestock

**Quervedo, A., Kazmi, B.A., Loyaan, F., Gulati, M., Spearing, M., Vazquez, M., Balfour, N., Opitz-Stapleton, S. and Cao, Y. *Financing Climate Adaptation in Fragile States: A Case of Somalia*. 2023. Retrieved from:**

<https://www.sparc-knowledge.org/publications-resources/financing-climate-adaptation-fragile-states-case-somalia>.

**Summary:** Somalia is very vulnerable to climate shocks and extreme weather events. Current levels of climate finance are insufficient to meet climate adaptation targets. In light of this, this policy brief considers some of the measures policymakers and development actors can take to advance climate action in Somalia. Strengthening government capacity and improving the quality and relevance of climate adaptation are key. Amongst other things, the report recommends and advocates for bolstering the role and capacity of relevant government ministries, establishing knowledge-sharing platforms, and enhancing coordination and collaboration between stakeholders working in the field of climate adaptation.

**Geographic Tags:** Somalia

**Thematic Tags:** Climate Change, Climate Adaptation, Finance, Resilience