

MARKET OPPORTUNITY MAPPING IN SOMALIA:



Value Chain and Rapid Market Assessment

Under the context of protracted conflict, geo-political upheaval and severe drought, traditional markets have been disrupted and critical infrastructure has been eroded. The newly created Federal Government of Somalia (FGS) has outlined economic growth as a central policy but has had little opportunity to invest in it. However local markets are still suffering from external shocks such as:

- Drought and conflict affecting informal agricultural and rural economy.
- Mass internal displacement towards rapid urbanization
- Repatriation programs for refugees in neighbouring countries

This document provides highlights from a market and value chain research conducted by Samuel Hall Consulting for the International Labour Organisation (ILO) in 2014 in Biadoa and Beletweyne districts in Somalia.

What is the problem?

54% of the population in the working age cohort of 15-64 years are unemployed and weak education credentials exacerbate the problems¹.

Who is at risk?

1/ Youth between the ages of 15-24 who are likely to be drawn towards criminal or

terrorist elements in the absence of gainful employment

2/ Women due to strong negative social customs forcing them to take on unpaid home based jobs

3/ Internally Displaced Persons (IDPs) who due to the nature of displacement are at a greater disadvantage due to loss of assets and networks

Why is there unemployment?

1/ No work, 81% of the respondents of the survey indicated a fundamental lack of jobs as the main reason for unemployment

2/ Closed labour market, the labour market operates on personal social networks and people without such networks or from outside are not allowed in

3/ Skills gap, Employers indicate that the lack of skill is the main obstacle to not finding work as they struggle with finding skilled people to work for them.

What are the key findings of the research?

The study highlights some key features of the market derived from the market rapid assessment

1/ Female participation is restricted to low-value activities such as kiosk or open air trade

2/ Small-scale entrepreneurship is often the only coping mechanism in the absence of formal jobs and skill, especially for women

3/ Poor physical and services infrastructure are causing discontent, also indicating an opportunity for training

¹ Somalia has one of the poorest HDI for education (0.118) with average schooling per person estimated at 1.8 years during lifetime.

labour in construction, food production and supply and services

What is the outlook?

Programming in Somalia in livelihood and economic development has focused towards current market demand but has failed to anticipate market changes due social and economic transformation in the country. For instance, training women to cook and sew only serves to reinforce traditional gender roles. Macro-economic trends in Somalia today show that areas like IT and telecommunications are steadily growing.

Against this backdrop, the overarching theme of our intervention strategy is that the ILO should avoid the well-trodden path. Although demand for traditional skills such as tailoring and farming is high, numerous initiatives have already been undertaken in these areas. Our recommendations encourage the ILO to move beyond these traditional interventions.

What needs to be done?

General Market Interventions

As part of the rapid market assessment, some overarching recommendations were formulated to improve the labour market and generate employment:

- ✚ Encourage youth/female participation in traditional economic activities such as agriculture and livestock.
- ✚ Strengthen capacity of public sector to promote economic development
- ✚ Equip market entrants with modern business skills

Samuel Hall specialises in public sector consulting, socio-economic research and aid and development analysis. We work primarily with humanitarian and development partners, donors, private sector partners and academic institutions.



- ✚ Strengthen provision of transportation and rebuild core infrastructure

- ✚ Increase market performance through improved access of market information

Value Chain interventions

The sorghum and onion value chains were surveyed in the two districts and specific recommendations were built to generate employment

- ✚ Equip value chain actors with tailored business management and commercial expertise.
- ✚ Increase the sale and distribution through marketing and advertising.
- ✚ Strengthen and build community level producer groups, cooperatives and trade associations
- ✚ Improve access to irrigation, credit (microfinance) and storage system to improve production and delivery

For the summary and full-length report, visit our website: samuelhall.org



Market Opportunity Mapping in Somalia
A value-chain analysis and rapid market assessment in
Baidoa and Jubbada Hauda Provinces



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