

Labour Market Analysis Somaliland



**Understanding sectors for growth in
Somaliland and economic opportunities for
Migrants**

Table of Contents

Summary	3
Overview of Markets in Somaliland	6
Somaliland’s Economy.....	7
Current labour market trends based on secondary literature.....	8
Methodology.....	9
Labour Market Analysis.....	12
Socio-Demographic Mapping.....	12
Profile of Respondents	12
Country of Origin for the respondent	12
Status of the respondents.....	13
Respondent’s literacy level	16
Expenditure patterns, employment status and livelihood sources	18
Expenditure patterns.....	19
Overview of market and key sectors based on location	22
Livelihood sources.....	23
Livelihood sources breakdown per location	26
Skill based livelihood sources.....	30
Overview of skills.....	31
Skills in demand and in need.....	32
Employment practices.....	33
Ease of doing business in Somaliland.....	34
Overview of challenges by business vendors and employees	35
Overview of vocational training programs in Somaliland.....	36
Migrants and their economic landscape in Somaliland	37
Migration and intentions.....	37
Practices around employment of migrants	37
Migrant needs	38
Assessing skills for migrants.....	38
Opportunities for migrants	40
Challenges for Migrants.....	40

Recommendations 42

Summary

The Danish Refugee Council with support from Danida carried out a labour market assessment (LMA) in Somaliland intending to provide a comprehensive understanding of the region's labour and market dynamics, focusing specifically on key economic centers including Berbera, Burao, Borama, Hargeisa, Ainabo, and Wajaale. The primary objective of the assessment is to gain detailed knowledge about employment trends in the region, key sectors for growth and identify gaps in the job market. Additionally, the assessment seeks to determine market needs by examining the demand for various skills and occupations. By analyzing the existing labour market, the assessment aims to identify potential areas for expanding labour opportunities and promoting economic growth. It also aims to create an updated profile of in-demand skills, ensuring alignment between the available workforce and job market requirements. Furthermore, the assessment focuses on identifying and addressing barriers that hinder access to decent and productive employment in Somaliland, particularly for migrants and refugees. The findings of the assessment will inform targeted interventions to overcome employment challenges faced by migrants and refugees and enhance their access to livelihood opportunities.

The Labour Market Assessment will play a vital role in strengthening the DRC's programmatic strategic goals in Somaliland by providing a comprehensive understanding of local labour market dynamics. The assessment aims to achieve several objectives:

Understand the economic landscape in Somaliland, gaining insights into the different sectors and financial landscape. Identify high-demand sectors, skills and competencies as well as areas with skill gaps within the local labour market. This information will guide the design of training programs and skill development initiatives to improve employability and bridge existing skill gaps.

Identify livelihood opportunities for migrants and refugees within the local labour market by examining sectors and industries for existing job prospects and areas of potential growth. This understanding will inform effective strategies to integrate migrants and refugees into available employment opportunities.

To achieve these goals, the LMA actively engages with stakeholders in Burao, Berbera, Borama, Odweyne, Hargeisa, and Wajaale in Somaliland. This inclusive approach involves close collaboration with local communities, employers, government agencies, local NGOs, and other relevant stakeholders. By involving these stakeholders, the assessment ensures that their perspectives and experiences are considered, providing a comprehensive understanding of the labour market dynamics. Engaging with employers and government agencies allows valuable insights into employment trends, market needs, and potential opportunities. The involvement of relevant stakeholders also enables a comprehensive understanding of the challenges faced by migrants and refugees in their pursuit of employment and livelihood opportunities, as well as their integration into the broader job market.

Data collection for the assessment relied on a combination of primary and secondary sources. Primary data was collected through surveys, key informant interviews, and focus group discussions with stakeholders, including local communities, employers, government agencies, and organizations. Secondary data was gathered from existing sources such as government reports and publications from other organizations.

Geographically, Somaliland serves as an important part in the economic dynamics in the Horn of Africa, serving as a transit point for goods moving to Ethiopia and especially for livestock being sold in the Middle East. Findings from the assessment indicate private sector stakeholders dominate the market, dotted with Small and Medium-sized enterprises (SMEs), which apart from trade livestock and remittances remain the backbone of the economy. The financial sector includes both formal and informal financial services, challenges for accessing service are due to the high cost of collaterals. The sample size from the respondent's population group indicates a large presence of migrants within the economy and a demand for highly skilled migrants remains.

Findings indicate a versatility in the skill and technical proficiency profile of the labour market especially in urban centers ranging from construction to computer-related skills. However, the labour market can be expanded in line with private sector demands. Lack of large-scale industries especially manufacturing and dependency on imports for food remain a hindrance to the economy, but sustained investments in improved physical and social infrastructure along with improving the transport systems can further assist with strengthening the economic structure.

The potential to build vocational and technical skills can further sustain the vibrancy of SMEs, sectors such as construction craftsmanship, hospitality and service sector remain vital in the short and medium terms. While there is untapped potential in the fishery sector and value addition of livestock and agriculture, with sustained investments these sectors can positively support livelihood development.

Findings indicate that there is ease of access to both main markets and mini-markets, indicating a diversified approach to obtaining goods and services. The ownership of the markets is primarily from within the community, with some markets owned by individuals from other communities. This suggests a combination of local entrepreneurship and external market participation, contributing to a dynamic marketplace within the community.

The challenges faced by businesses in the market are multifaceted, encompassing financial, regulatory, economic, and skill-related difficulties. Financial challenges, include a lack of credit and difficulties in obtaining loans, hinder businesses' stability and growth prospects. High cost of inputs remains a concern as there are no local manufacturing units. Economic challenges, notably inflation, high rent, and electricity costs, and a decrease in consumer purchasing power were regularly reported during the assessment. Regulatory compliance issues, such as legal documentation and business registrations were also mentioned by businesses during the assessment.

A significant finding is that the main difficulty reported by respondents in finding employment is the lack of skills. This suggests that, for a portion of the community, the key barrier to employment is a deficiency in specific skills rather than formal education.

Furthermore, concerns were raised during the assessment about the fairness of job distribution, suggesting potential disparities in employment practices.

One notable challenge noted is the unavailability of career counseling, with all respondents indicating its absence during the assessment.

The assessment presents a mixed picture regarding the support and challenges faced by migrants and refugees in the surveyed areas. While there are no successful examples cited of incorporating migrants into existing livelihoods, a positive perception of employing migrants was commonly reported during the assessment.

During the assessment, migrants and refugees shared perceptions about the challenges of identifying self-employment opportunities and the risks associated with starting a business, including issues with business permits, language barriers, and doubts about benefits, highlighting areas for intervention and support to foster a more conducive environment for migrants and refugees in their entrepreneurial endeavors.

There needs to be an emphasis on providing legal documentation and skill development through Technical and Vocational Education and Training programs to enhance the prospects of migrants and refugees in accessing employment and self-employment opportunities.

Overview of Markets in Somaliland

Somaliland's economy heavily relies on agriculture and livestock production, with a particular focus on camels, sheep, and goats. Livestock exports to the Arabian Peninsula play a significant role in the region's economy. Pastoralism is a traditional way of life for many Somalilanders, and the livestock sector supports a large portion of the population's livelihoods. Trade and commerce are crucial drivers of the Somaliland economy, with major trading centers located in cities such as Hargeisa, Burao, Wajaale, and Berbera. Informal trade, both within the region and across borders, is prevalent. The port of Berbera, situated on the Gulf of Aden, serves as a trade gateway, particularly for landlocked neighboring countries like Ethiopia. However, limited infrastructure, including road networks and customs procedures, poses challenges to the expansion of trade activities. It is worth noting that the involvement of DP World in the port's operations has brought about changes in the past two to three years.

The fishing industry in Somaliland has potential due to the long coastline along the Gulf of Aden and the Red Sea. However, it faces challenges such as, a lack of skills among those working in the industry, illegal fishing, and limited infrastructure. Remittances from the Somaliland diaspora play a crucial role in supporting the economy by providing financial assistance to households and funding various economic activities. While the official currency is the Somaliland shilling (SL. Sh), the US dollar is commonly used for larger purchases and international trade. Somaliland's economic landscape is in a developmental stage, with the Somaliland shilling (SL.Sh) as its main currency, regulated by the Bank of Somaliland since its constitutional establishment in 1994. However, the coexistence of the local currency and the US dollar affects the exchange rate and inflation in Somaliland. The exchange rate between the two currencies fluctuates based on market forces and supply and demand dynamics.

In Hargeisa, the markets play a pivotal role in the local economy, reflecting the diverse commercial landscape and the significance of various sectors. Alongside the renowned Livestock Market and the bustling Central Market (Waheen Markat), Hargeisa also hosts thriving hubs such as the Agriculture Market and SMEs Market, Construction Market, and the Electronics Market. Hargeisa serves as a pivotal connection between the seaport of Berbera and the border town of Wajaale.

Berbera, is a vital port city in Somaliland, which hosts a diverse market system that's greatly affected by how trade happens in the region as it facilitates movement of goods into Ethiopia, Somalia and Somaliland. Berbera hosts the biggest fish market in the Horn of Africa, and demonstrates a potential for expanding the fishing industry.

Burao boasts a diverse market system deeply influenced by local livelihood practices such as livestock, agriculture and construction. Burao's markets significantly contribute to the city's economic dynamics,

as demonstrated by the bustling Livestock Market where traders actively participate in the buying and selling of camels, goats, sheep, and cattle.

Wajaale is a vibrant commercial center in Somaliland, which stands as a vital cross-border trading hub, serving both locals and migrants from neighboring Ethiopia. The market's strategic location at the border between Somaliland and Ethiopia makes it a crucial point for trade and commerce. Wajaale Market offers a diverse array of products, reflecting the cultural and economic ties between the two regions. From locally sourced fruits, vegetables, and grains to imported goods, textiles, electronics, and household items, the market showcases a wide variety of merchandise. Wajaale Market plays a vital role in the local economy, providing livelihoods to many through trade, business opportunities, and employment in various sectors.

Boorame market's profile is similar to Burao, where market systems are interlinked by local livelihood practices such as livestock, agriculture and construction. These markets play a pivotal role in catering to the needs of the local community and other migrant communities from Ethiopia and Djibouti.

Somaliland's Economy

With a population of approximately 3.8 million, Somaliland has a GDP of nearly USD 23 billion and a GDP per capita of USD 700 (current prices). Household expenditure dominates, with major contributions from livestock, wholesale and retail trade, and real estate. Remittances, valued at USD 1.4 billion in 2020, make Somaliland one of the most remittance-dependent countries in Sub-Saharan Africa. Approximately USD 1 billion in remittances reach Somalia annually. Dahabshiil, an international money transfer application, handles a substantial portion, with possibly half directed to Somaliland. Foreign aid also significantly contributes.

Crucial to the economy is agriculture, particularly livestock, with an estimated 24 million total livestock. Mining potential exists, but current operations are limited to quarrying. Despite its economic potential, challenges hinder new investments, including monopolies, limited access to credit, poorly implemented legal frameworks, and the lack of international recognition. In addition, Somaliland's economy is not isolated from global economic trends. Literature suggests that external factors, such as changes in commodity prices and international trade dynamics, influence local markets. The private sector, constituting less than 10% of the GDP, is the primary driver of the economy.

The non-recognized sovereign status affects Somaliland's monetary and fiscal policy, with Somaliland issuing its currency, the Somaliland Shilling, and operating a de-facto dollarized system. The fiscal policy relies on a balanced budget approach, with limited borrowing. In 2020, the tax-to-GDP ratio was nearly 10%, and the annual budget was USD 287 million, prioritizing security, governance, economy, education, and health sectors.

Somaliland's Vision 2030 Strategic Plan outlines economic and employment growth opportunities, with livestock contributing over 50% to the GDP, followed by retail trade. Climate change and COVID-19 effects impacted economic growth, with Somaliland showcasing a GDP estimate of around USD 720 million.

Markets in Somaliland serve as vibrant hubs of economic activity, community interaction, and cultural exchange. Recent events, such as fires in the Waheen Market in Hargeisa and the Togwajaale Market, have unveiled the resilience and vulnerability of these economic centers. Despite challenges, efforts to rebuild and revive these markets showcase the spirit of determination within the communities.

Somaliland's economy heavily relies on agriculture and livestock production, particularly camels, sheep, and goats, with livestock exports playing a significant role. The fishing industry has potential, but challenges such as lack of skills among those employed in the industry and limited infrastructure hinder its growth. SMEs are a significant sector, fostering economic growth, generating employment opportunities, and alleviating poverty. However, challenges include limited access to financial resources and legal barriers.

Somaliland's economic landscape, while rich in potential, faces multifaceted challenges. Resilience, innovation, and community unity remain crucial in overcoming these obstacles. Addressing infrastructure gaps, promoting stability, enhancing education and vocational training, and fostering an enabling environment for SMEs are pivotal steps toward sustainable economic development. As these markets rise from adversity, they stand as symbols of resilience, highlighting the determination of Somaliland's communities to rebuild pathways to economic prosperity.

Current labour market trends based on secondary literature

The labour market in Somaliland is largely characterized by informal employment on account of limited opportunities in formal employment. Employment creation is a multifaceted challenge involving various stakeholders, including government ministries, regional and local authorities, the private sector, employers, workers' organizations, development partners, NGOs, and civil society organizations.

The National Employment Policy for Somaliland Report (2020) indicates that approximately 40% of households in both rural and urban areas lack economically active individuals aged 15 to 54. Urban households heavily rely on wages and remittances, while self-employment in non-agricultural activities is the primary income source for many rural households. Despite a majority of rural households owning livestock, less than a quarter considers animals as a source of income. This highlights a potential mismatch between asset ownership and income-generating activities.

Employment and unemployment ratios tend to increase with educational level attainment, while inactivity decreases with higher levels of education. Access to accurate and updated labour information is a key constraint, affecting decision-making processes.

The Somaliland Industrial Enterprises Survey (2020) reveals an active manufacturing sector, with 63 firms registered at the Ministry of Investment and Industrial Development (MolID). This suggests potential growth and diversification within the industrial landscape.

Challenges in the labour market include a lack of systems for documenting, disseminating, and promoting best practices in Labour Market Information. There is a need to enhance the capacity of Ministry of Employment Social Affairs and Family (MESAF) to serve as the national and regional depository for labour and employment management information that contributes to this constraint.

Overall, the labour market in Somaliland faces complexities associated with informal employment, economic activity distribution, livestock utilization, education-employment dynamics, and the need for robust labour market information systems. These challenges are compounded by high unemployment rates among youth and recent graduates, limited investment and inadequate infrastructure exacerbate the issue, necessitating a focus on education and vocational training to bridge the skills gap. Addressing these challenges requires coordinated efforts from various stakeholders to foster inclusive and sustainable economic development.

Methodology

The Labour Market Assessment (LMA) was carried out in six districts in Somaliland, namely Burao, Berbera, Borama, Ainabo,¹ Hargeisa, and Wajaale. The assessment employed a mixed-method approach, combining qualitative and quantitative methods.

Quantitative data was collected through a structured household survey, using predefined questions to gather specific and measurable information on employment patterns and trends from individuals in the communities. Qualitative data was obtained through 148 key informant interviews (KII) with government officials, business owners, and Technical and Vocational Education and Training (TVET) centers. Additionally, 12 focused group discussions (FGDs) were conducted with community members, including host communities, internally displaced persons (IDPs), and migrants and refugees.

¹ Odweyne was selected as one of the assessment locations, but due to localised conflict in the area, Ainabo was included as a replacement.

The assessment involved participants from various ministries, including the Ministry of Trade (MoTT), the Ministry of Livestock and Fishery Development (MoLFD), and the Ministry of Education (MoE). Representatives from organizations such as the Chamber of Commerce, Trade Unions, and TVET centers were also involved in the assessment. When it came to the business sector, interviews were conducted with a diverse range of businesses, including micro, small, and medium-scale enterprises (SMEs). These encompassed various sectors such as retail and wholesale businesses, vegetable vendors, coffee shops, restaurants, livestock farming, construction companies, fishing enterprises, and manufacturing SMEs. Purposive sampling was used to select respondents for the study, choosing individuals who possessed specific characteristics or qualities relevant to the research’s objectives.

In addition to primary data collection, the assessment also relied on secondary sources such as reports published by other organizations involved in humanitarian efforts in Somaliland, particularly those related to labour and market assessments.

The LMA focused on the viability of some of the livelihood activities that are currently practiced or that can potentially be practiced by examining their gross profits and looking at some of the significant limitations and hurdles that may affect hosts, migrants, returnees, IDPs and refugees from the undertaking. For example, we found that most agricultural enterprises, and livestock activities may not be feasible for refugees who do not have access to land. This information is important for understanding the economic power of the refugees and hosts, and identifying some constraints and recommendations to improve their participation in livelihood activities.

Table 1: Overview of respondent groups

<p>Quantitative Surveys: 192 Survey in Total</p>	<p>Status of the respondents: Host Community (85), IDP (14), Migrants (92), Diaspora (1).</p>
<p>Key Informant Interview: 148 Focus Group Discussion: 12</p>	<p>SMEs: Chamber of Commerce, Ministry of employment and labour, Trade Unions, TVET Centers, Community members, Migrants</p>



Image 1: DRC staff collecting data

Labour Market Analysis

Socio-Demographic Mapping

Profile of Respondents

A total of 192 individuals participated in the quantitative assessment where the majority of respondents (72%) were male, while the remaining 28% were female.

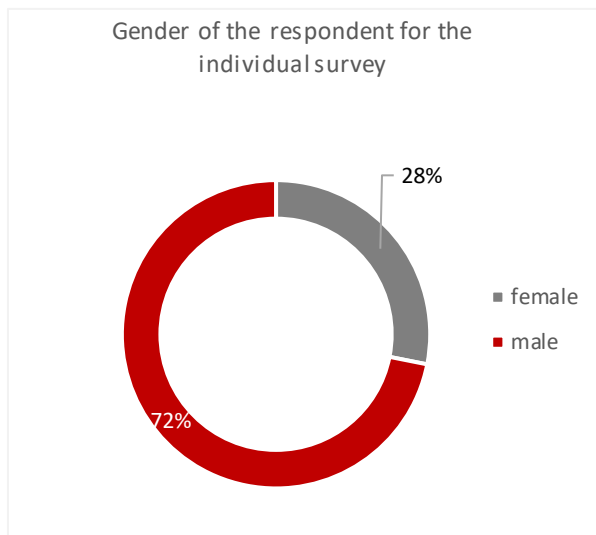
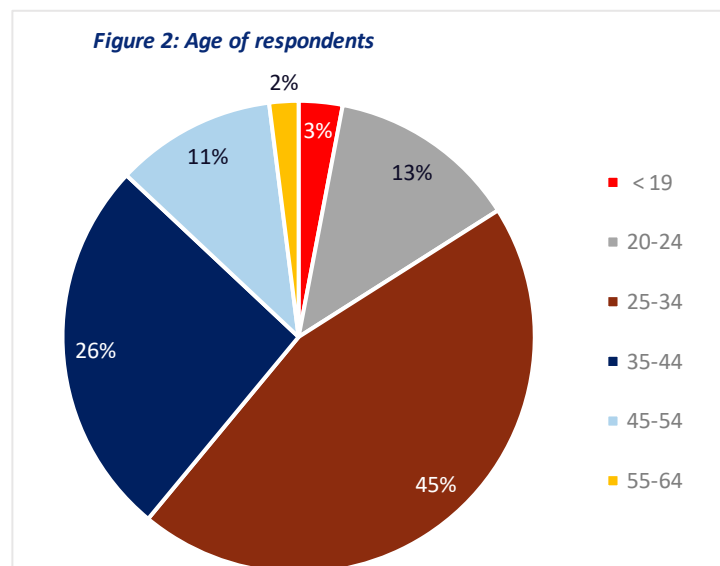


Figure 1: Gender of respondents

The majority of respondents (45%) interviewed fell within the age range of 25 to 34 years and 35 to 44 years (27%). Notably, 3% of the participants were under the age of nineteen, while 2% were aged 54 years and above. The age range of the sampled population provides a good indication that the majority workforce in Somaliland is under the age of 34 years.



Country of Origin for the respondent

Most of the respondents (53%) identified themselves as nationals of Somaliland. This demonstrates a significant representation of Somalilanders within the assessment, but other nationalities were purposively sampled to understand economic activities pursued by the different population groups.

Approximately one-fifth of the sample, accounting for 22%, comprised individuals originally from Ethiopia. Similar to Ethiopian nationals, individuals from Yemen constituted 22% of the surveyed population. The remaining 2% of respondents were from Syria, Djibouti, and Kenya. While constituting a smaller percentage, these groups contributed to the overall diversity of the assessment sample.

Among respondents surveyed for this assessment, Somaliland nationals demonstrate a dominant presence in the market ecosystem, comprising more than half of the respondents followed by Ethiopian and Yemeni respondents. This was in addition to a small number of respondents from other countries, highlighting the multicultural nature of markets in Somaliland where opportunities are available not just for the local populations but also for other migrant population groups. In addition, the diversity among assessment participants underscores the importance of considering multiple perspectives and backgrounds when understanding labour market dynamics in Somaliland.

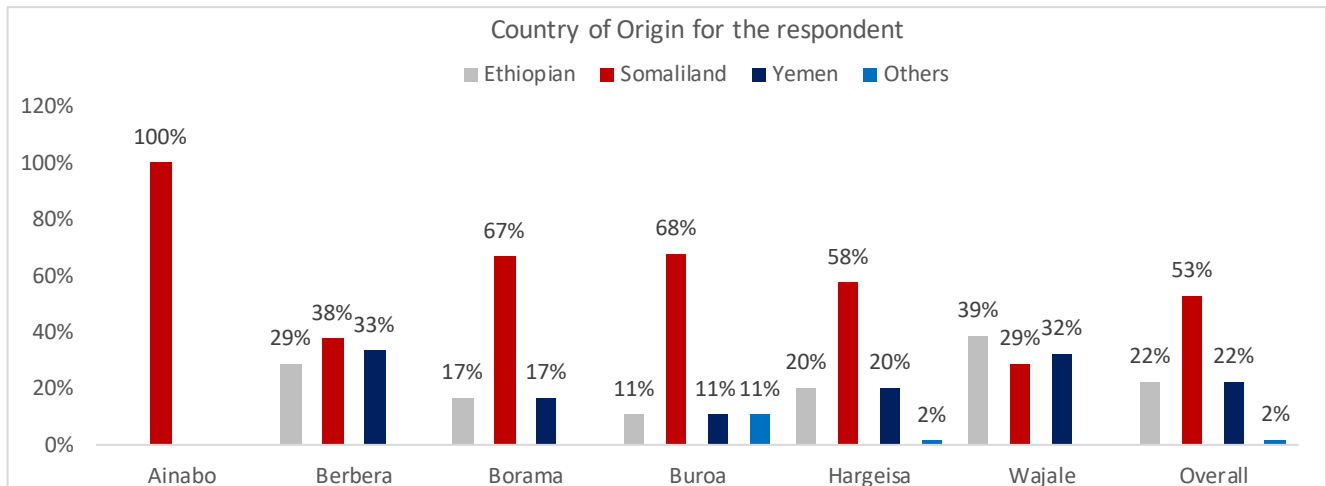


Figure 2: Respondent's nationality

Status of the respondents

The core focus of the report is to understand ways to enhance the labour market environment in Somaliland and explore economic opportunities for all people, including migrants. An analysis of the residency status of individuals interviewed delves light on the living arrangements, or their perceptions of their status as individuals and markets per location where their presence is noted.

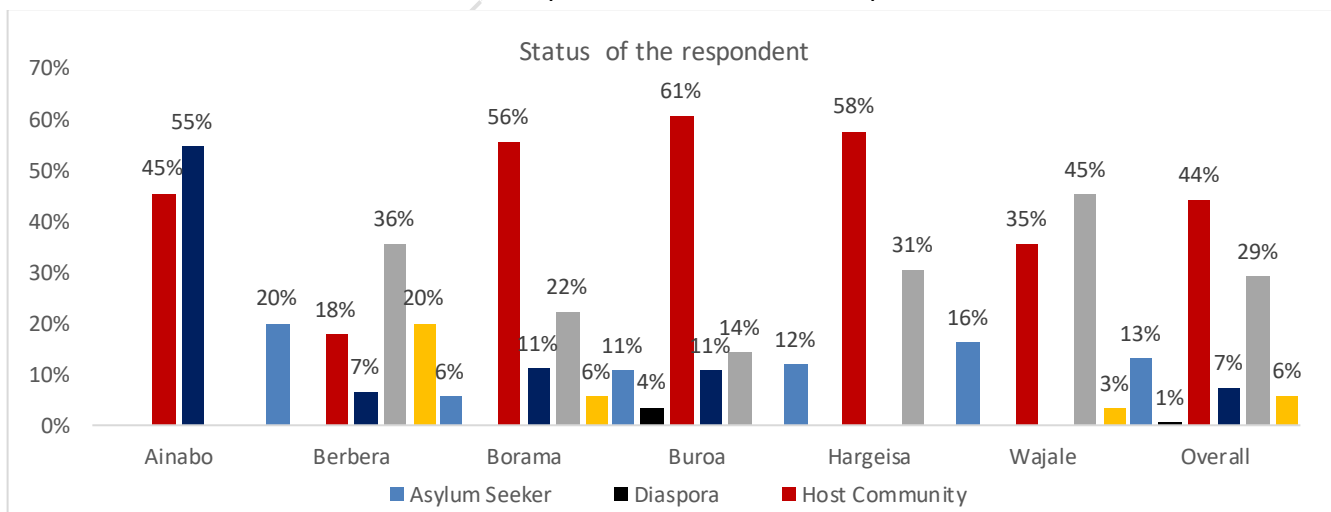


Figure 3: Respondent's status

The largest proportion of individuals interviewed (44%), as seen in figure 4, belonged to host communities. These individuals likely represented the local population or residents of the surveyed area, forming a substantial segment of the interviewed population.

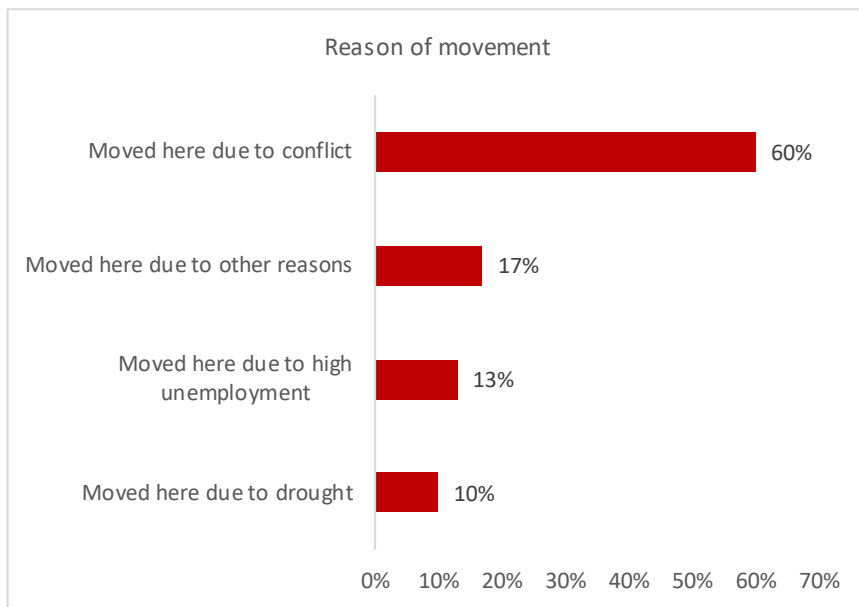
Following host communities, refugees accounted for 29% of the respondents. This group represents individuals who have been forced to leave their home countries due to persecution, conflict, or other precarious conditions, seeking refuge in the surveyed area.

A notable portion, comprising 13% of the respondents, identified themselves as asylum seekers. These individuals are likely awaiting a decision on their asylum applications, seeking protection and legal status in the surveyed region.

A smaller yet significant percentage, specifically 6% of the respondents, were identified as Somali returnees. This group likely consisted of individuals who had previously migrated out of the country and were now returning to Somaliland. The group with the smallest representation among respondents were the individuals from IDP settlements, comprising only 1% of the sample. These individuals have been displaced within Somaliland due to conflict and drought, residing in temporary settlements.

The analysis of residency status among interviewed individuals reveals a diverse representation of different groups within the surveyed population. Host communities, refugees, asylum seekers, Somali returnees, and individuals from IDP settlements each contributed to varying extents to the survey sample.

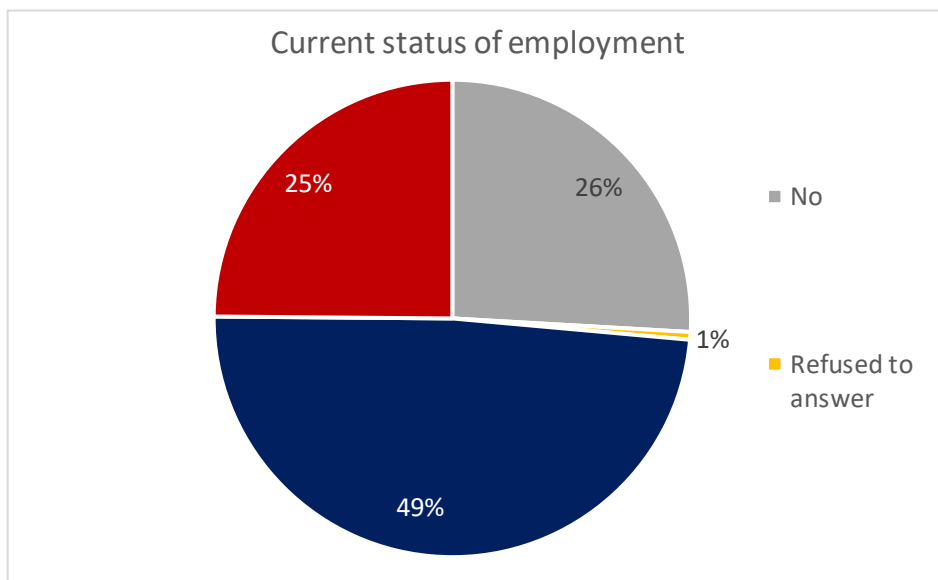
The market dynamics in different regions of Somaliland reflect distinct patterns of population groups, indicating varying levels of diversity and prevalence. In Berbera, a notable diversity is observed, with a significant presence of refugees, asylum seekers, and returnees. This suggests the town serves as a hub for a range of displaced populations. Wajaale, on the other hand, exhibits a higher concentration of refugees in comparison to the local population, emphasizing its role as a destination or settlement for individuals seeking refuge. In Ainabo, the market landscape is characterized by a greater presence of IDPs compared to the host community. In Buroa and Borama, the markets portray a diverse mix of population groups, with a dominance of Borama and Buroa, signifying their significance as central hubs in the region. These variations in population composition across different markets underscore the nature of migration and displacement trends determined by geography as Wajaale is a border town and Berbera a port, reflecting the unique characteristics and roles of each markets within the broader context of Somaliland.



Among 107 respondents identified as migrants or internally displaced persons (IDPs), 60% relocated to their current locations primarily because of conflicts, while 13% of respondents mentioned unemployment as a key driver for their relocation, and 10% attributed it to drought conditions. The remaining 17% of participants cited other reasons for moving.

Figure 4: Reason for movement

The majority of respondents (59%) who identified as migrants had stayed in the current location for more than two years, quarter (26%) of them stayed for a duration between six months and two years, while a smaller portion of 15% (n=14) had stayed for less than six months.



The employment landscape among the respondents exhibits a diverse array of employment statuses, highlighting the presence of Micro, Small, and Medium-sized Enterprises (MSMEs). A quarter of all respondents reported not being engaged in any form of employment. In contrast, 49% indicated that they have formal

Figure 5: Employment status

employment, while another quarter reported being self-employed, underscoring the substantial presence of entrepreneurial activities. Upon further exploration of the reasons for unemployment or the absence of business ventures, respondents pointed to various factors. Notably, 46% attributed their lack of employment to a scarcity of job opportunities as a key challenge in accessing formal employment. Another significant factor was the absence of capital, cited by 22% of respondents, reflecting financial barriers that hinder respondents from potential starting business ventures.

Additionally, 23% identified a lack of suitable skills for employment or not having skills to initiate business, emphasizing the importance of skill development for enhanced employability. Overall, respondents who participated in this assessment shed light on the multifaceted nature of employment challenges in Somaliland, ranging from limited job opportunities to financial constraints and skill-related barriers.

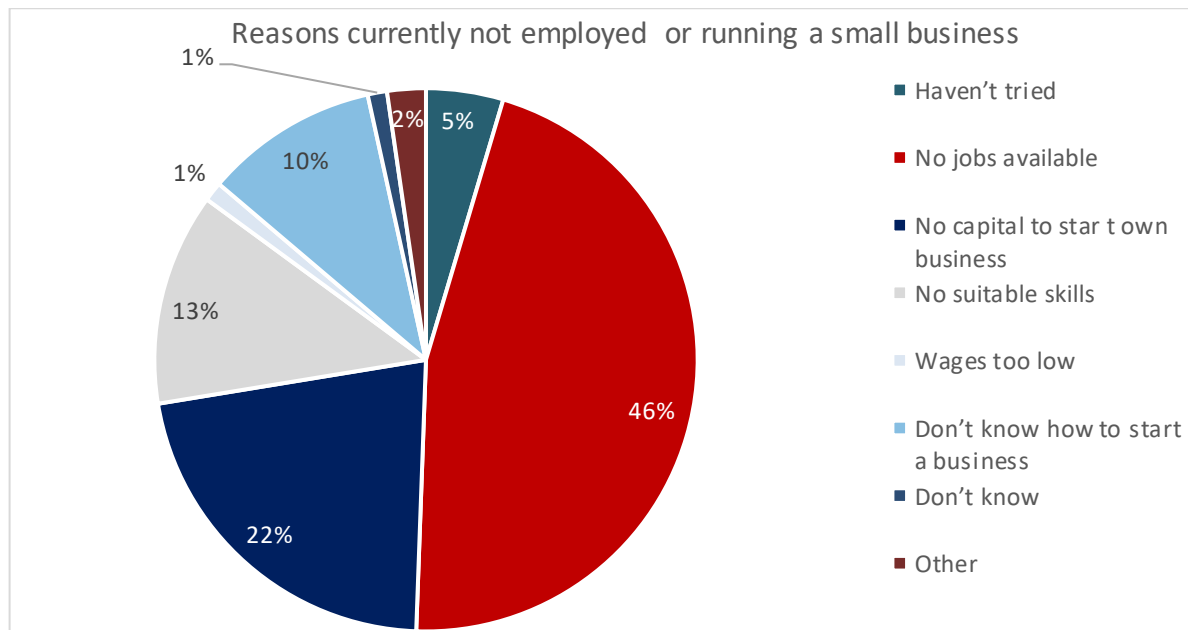


Figure 6: Reasons for unemployment

Respondent's literacy level

The assessment revealed that a significant majority, amounting to 61% of respondents, possessed a high level of literacy. These individuals demonstrated proficiency in reading and writing. Only 18% of the participants reported a lack of basic literacy skills, indicating an inability to read or write.

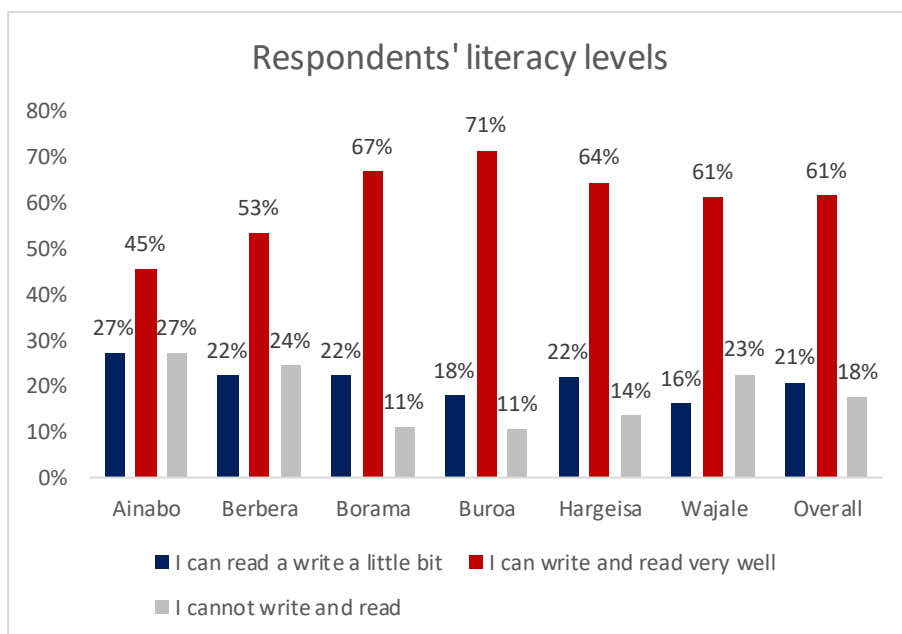


Figure 7: Literacy level breakdown per location

Except for in the Ainabo district, where literacy rates were not specified, over 50% of respondents from all other districts showcased proficiency in both reading and writing skills.

A substantial percentage of respondents, comprising 38%, had completed education at primary, secondary, and university levels, while 30% of participants had attended either primary or secondary school but discontinued their education at some point. Less than quarter (21%) had not pursued any

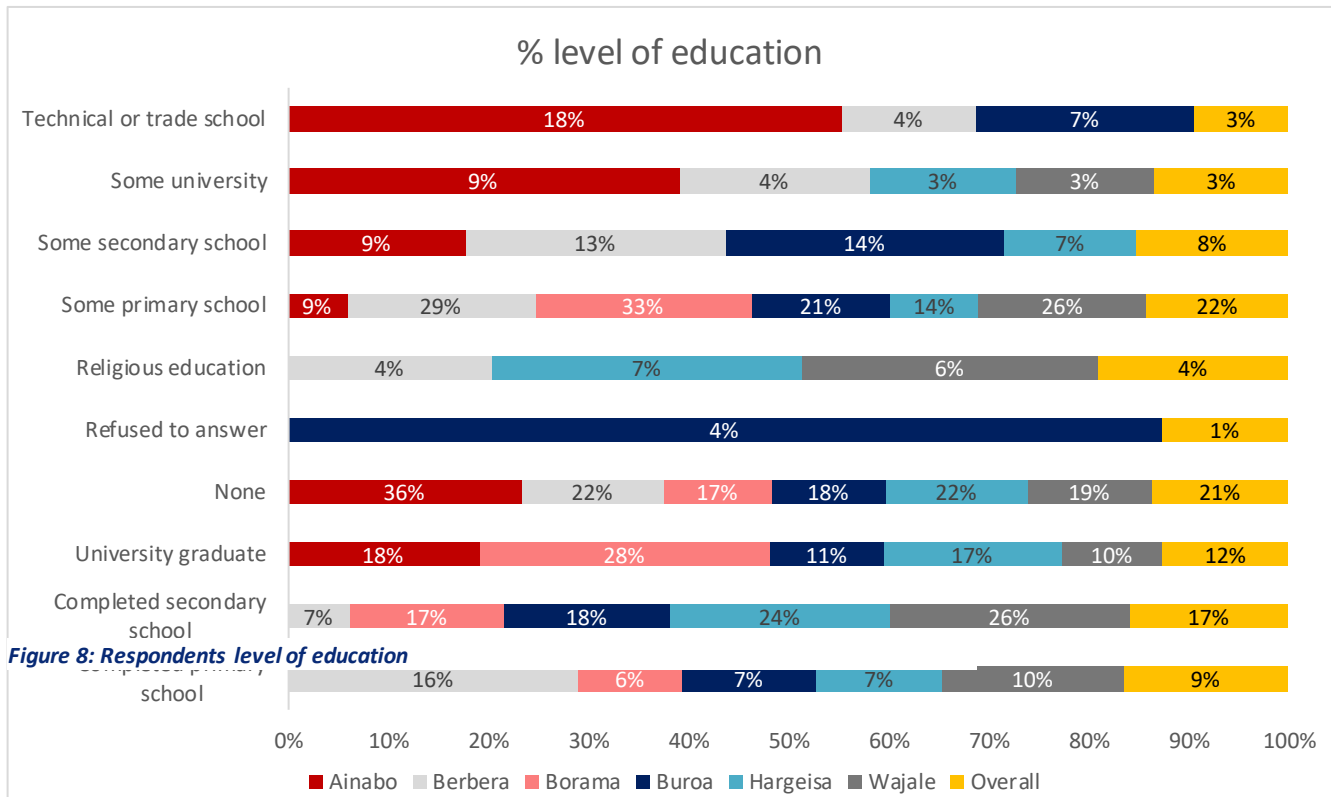


Figure 8: Respondents level of education

form of formal education. This segment represents individuals without any structured educational background, A small percentage, 3% of respondents, had attended technical schools.

While the proportion of respondents who completed technical courses was highest in the Ainabo district, Borama had the greatest number of university graduates and Wajaale had most respondents who completed secondary schooling.

The findings illustrate a varied distribution of literacy levels and educational attainment among respondents across different districts. While a majority demonstrated a high level of literacy, a noteworthy percentage lacked basic reading and writing skills.

Nonetheless, high literacy rates among surveyed respondents indicate a population that can easily be incorporated into vocational skill training programs to facilitate absorption into the workforce. Overall, a significant finding of the assessment is that the main difficulty reported by respondents in finding meaningful employment is the lack of suitable skills. This, combined with findings on respondents'

literacy levels suggests that, for a portion of the community, the key barrier to employment is a deficiency in specific skills rather than formal education.



Expenditure patterns, employment status and livelihood sources

Examining income disparities across various population groups in different regions of Somaliland over the past three months reveals notable variations. The host community members had the highest average incomes in the surveyed areas. Specifically, Hargeisa had the highest average income of \$806, followed by Wajaale at \$766 with a percentage difference of 5%, and Berbera at \$737. In Wajaale, the average income of the host communities was 92% higher than that of asylum seekers, who earned an average of \$284 and 52% higher compared to the average income of \$449 earned by refugees in the area. Similarly, in Berbera, which is a significant hub for mixed migrants, the host community's income was 132% higher than that of returnees and 126% higher than that of asylum seekers and IDPs, who had average incomes of \$151, \$166 and \$164, respectively. A similar pattern was observed in Hargeisa, where individuals from the host community earned 146% more than asylum seekers and 82% more than refugees. Furthermore, in Buroa, the host communities earned 161% of the IDPs, 99% more than refugees and 86% more for the asylum seekers in terms of labor dynamics.

While these findings underscore economic disparities among various population groups in different regions of Somaliland, they also emphasize the importance of targeted interventions and tailored

support mechanisms to address specific challenges faced by each community in order to bridge the gap between average incomes reported by host communities and those reported by refugees, asylum seekers, IDPs and returnees. This may involve providing vocational training programs, facilitating access to job opportunities, and promoting entrepreneurship initiatives. Furthermore, it is crucial to ensure that these interventions are implemented in a manner that respects the unique circumstances and needs of each community. By doing so, the gap between the average incomes of host communities and other population groups can be effectively narrowed, promoting more equitable economic conditions across Somaliland.

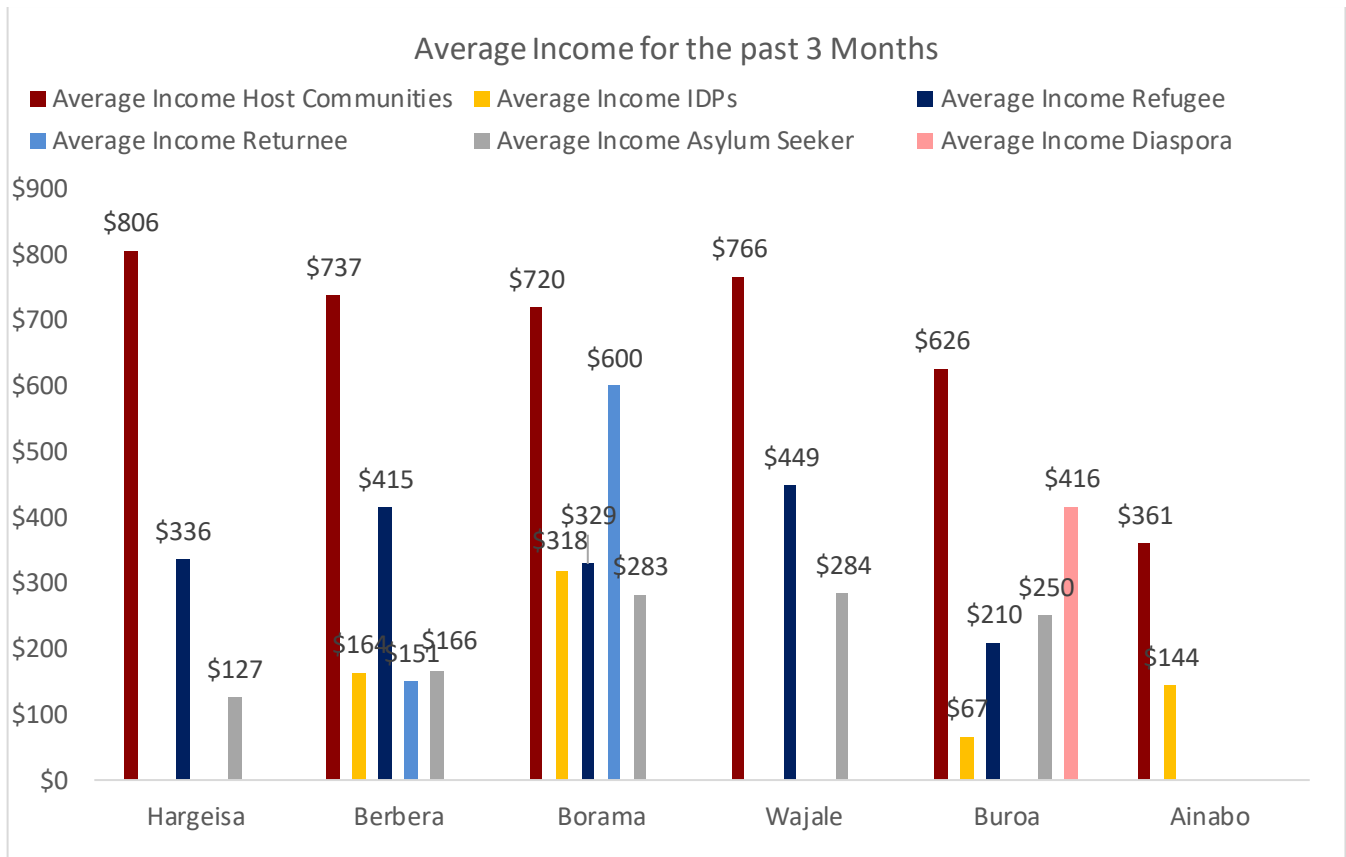


Figure 9: Breakdown of average income based on population group per location as per HH survey

Expenditure patterns

An analysis of household expenditure provides valuable insights into the community's economic behavior, showcasing a prioritization of essential needs, a diverse range of available services, a strategic approach to transportation planning, and the influence of a structured tax system. Findings reveal a community that prioritizes essentials and operates within a structured and organized framework. KIIs with community members highlights that the community places high priority on fundamental needs, with rent and food expenditure emerging as the most significant spending categories. This underscores a focus on covering essential living requirements. Conversely, spending on non-essential items like haircutting and luxurious goods was reported to be relatively low among host community members, migrants and refugees, indicating a conscious prioritization of essential needs over discretionary

expenses. The prevalent services within the community primarily revolve around daily essentials, including food, clothing, and groceries. Moreover, the community exhibits a diverse array of services, ranging from healthcare to electronics and construction, showcasing a multifaceted service landscape. In addition, the detailed transport logistics, encompassing supplier selection and ordering, suggest a meticulous approach to transportation planning. The emphasis on supplier selection underscores a commitment to reliability and efficiency in the transport system, contributing to the overall effectiveness of the community's business operations. The existence of a structured tax system, evident through tax clearances, further shapes community activities and services. In summary, these insights depict a community that prioritizes essentials, operates within a structured framework, and strategically manages its economic activities, transport logistics, and tax-related aspects.

Food (94%) as illustrated in figure 11, represents the highest proportion of expenditure, highlighting the paramount importance placed on ensuring access to sustenance and nutrition within the household. Healthcare/Medicine (58%), signifies a substantial allocation towards healthcare needs, underlining the community's emphasis on maintaining well-being and meeting medical requirements. Electricity (51%), clothing and shoes (48%), and accommodation (47%) depict significant allocations, indicating the priority given to basic amenities and essentials for comfortable living. Expenditure on school fees and supplies (27%) reflects the community's commitment to investing in educational needs.

Expenditure on transportation (18%) and mobile phones (18%) represent moderate yet significant allocations for mobility and communication, while secondary expenditure categories such as household items (13%), water (11%), and soap and washing powder (8%) highlight moderate importance given to ensuring hygiene and sanitation. Expenditure on house repairs (5%) was least often reported, yet was necessary for the upkeep of the household infrastructure.

The expenditure breakdown demonstrates a practical and thoughtful approach by the community in managing their household budget. The community prioritizes fundamental needs while considering other crucial expenses, thus exemplifying a balanced allocation strategy. Substantial allocations toward food, healthcare, accommodation, and basic utilities underscore the community's focus on meeting fundamental needs crucial for sustenance and well-being. The allocation for school fees and supplies reflects a dedication to educational advancement and nurturing future generations, while some categories receive relatively lower allocations, they still indicate acknowledgment and provision for necessities such as transportation, communication, and household maintenance.

Understanding these spending patterns is vital for tailoring targeted interventions and support programs that can address specific needs within the community. By recognizing the priorities and allocations made within the household budget, initiatives can be designed to further enhance the community's quality of life and well-being.

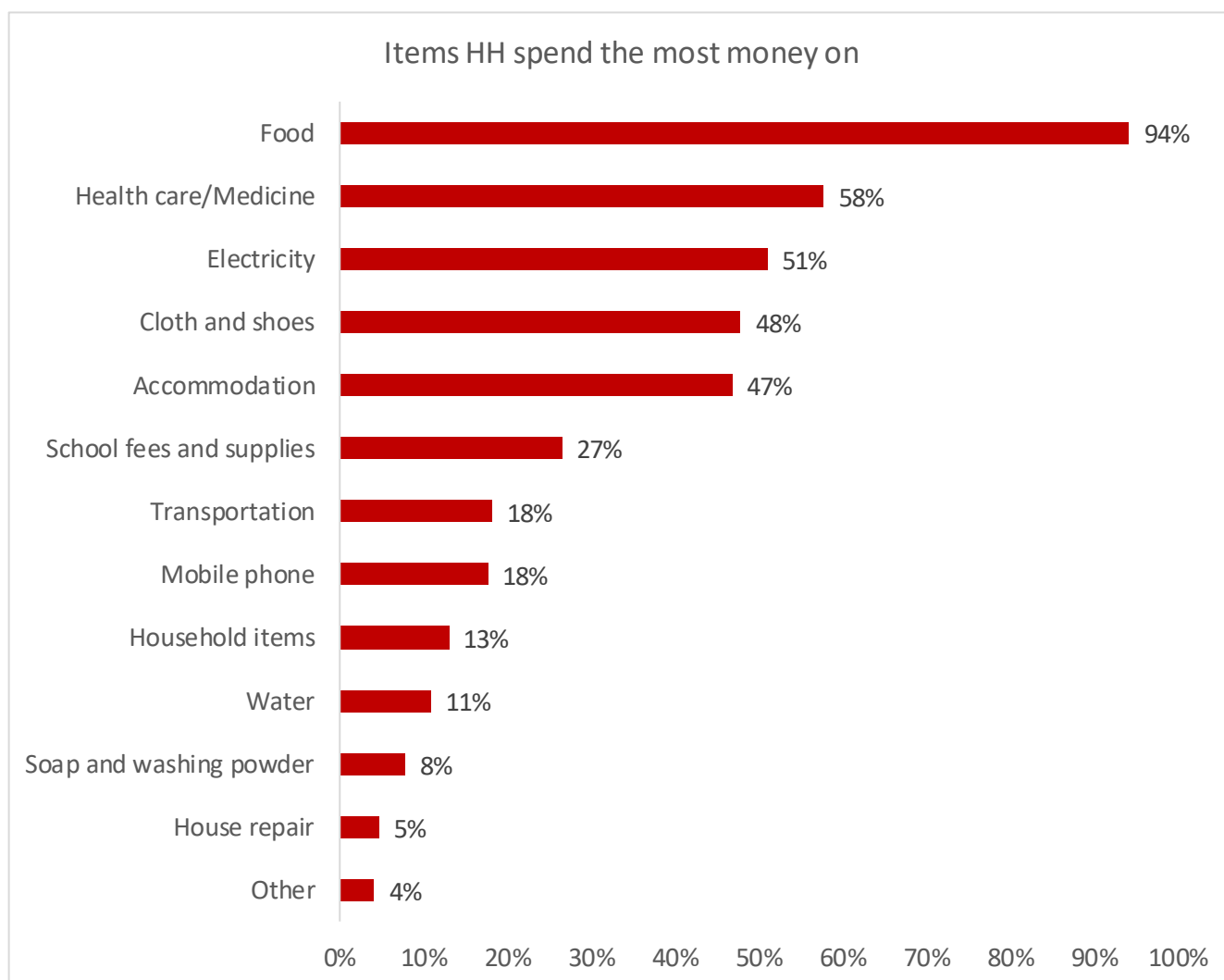


Figure 11: Household expenditure breakdown

Overview of market and key sectors based on location

The business landscape in Somaliland exhibits a diverse array of SMEs, primarily clustered in retail and specialized services. Notably, larger businesses have limited presence, with the majority of enterprises falling into the category of smaller ventures, particularly in Burao and Ainabo. Observations from the field as well as qualitative data gathered from KIIs attest to the presence of a business environment which is dynamic and diverse, featuring a wide array of enterprises from traditional cafes, supermarkets, and barbershops to specialized services like fish companies, poultry farms, and digital enterprises.

The most encountered business types are retailers and petty shop traders, indicating a prevalence of small-scale retail businesses within the community. This aligns with the employment patterns observed in the area. Businesses also cover a broad spectrum of services ranging from healthcare to electronics and construction, showcasing a varied range of economic activities. This diversity hints at potential sectors poised for economic growth and development and underscores the dynamic entrepreneurial environment prevalent in the area.

However, there are significant disparities in revenue among businesses, with reported annual incomes ranging from USD 1,000 to over USD 100,000. This disparity in income levels highlights the economic heterogeneity within the region's business community. The varied revenue distribution signifies the presence of both, enterprises that struggle and those that are successful, high-earning businesses within the area. It showcases a complex economic landscape with a mix of economically stable as well as less prosperous ventures.

The presence of a diverse range of businesses, offering varied services, highlights the dynamic nature of the entrepreneurial ecosystem within the region. The broad spectrum of services, both traditional and specialized services, indicates potential sectors that could drive economic growth, providing opportunities for development and investment in diverse fields. The wide range of income levels reflects economic disparities among businesses, emphasizing the need for tailored support mechanisms and strategies to bolster struggling ventures and foster a more balanced and thriving business community.

In addition, large-scale wage employment industries are notably lacking. SMEs represent the primary source of employment opportunities within the community. This reliance on SMEs for employment is consistent with the community's economic structure and underscores the crucial role played by SMEs in driving economic activity and providing employment opportunities. The findings suggest that fostering the growth and sustainability of SMEs could be key to further enhancing the economic vibrancy of the community. Although the challenges faced by businesses in the community are

multifaceted, spanning financial, regulatory, economic, and skill-related difficulties, effectively addressing these issues is imperative for fostering sustained growth and success.

Livelihood sources

The assessment provides insights into the income-generating activities prevalent amongst the different population groups surveyed. Respondents reported they are engaged in diverse sectors, showcasing a varied economic landscape within the community. The employment sectors mentioned include construction, selling khat, livestock, agriculture, transportation/driver, traders, guards, shoe knitting, and small shops.

Formal Salaries (23%), signify a substantial portion of the community employed within structured work environments, receiving regular salaries. Casual Labour (21%), represents a significant source of income, indicating participation in temporary or informal work arrangements. SMEs (20%), showcases entrepreneurial initiatives and small-scale enterprises as noteworthy income generators within the community. Remittances from Family Members (6%), Reflects financial support from external relatives, contributing to the local economy. Skilled Trade/Business (6%), Indicates individuals engaged in specialized professions or trades contributing to their income. Aid Agency Cash Transfers (2%), represents supplementary income from external assistance, Livestock and Livestock Products (2%), indicates a modest involvement in animal husbandry as a source of income. Fish and Fish Products (2%), shows a minimal contribution from fishing activities to overall income sources please see figure 16. The prevalence of casual labour and small businesses as key income sources indicates the potential for self-employment activities to boost household incomes. Encouraging and supporting entrepreneurial initiatives could further enhance economic resilience within the community.

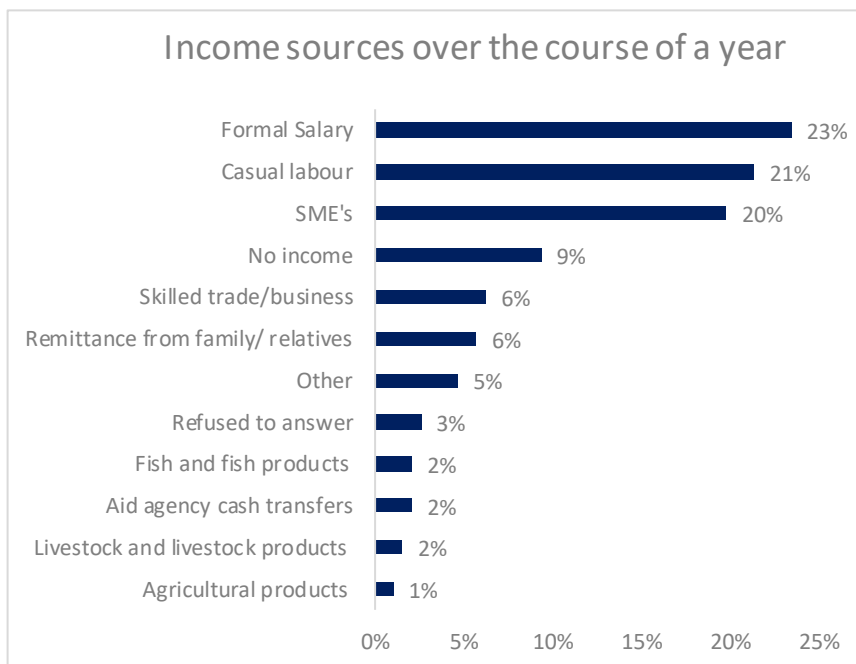


Figure 10: Income sources of respondents

While agriculture and fishing currently contribute less as income sources, these sectors hold promise for sustainable income growth. Investing in these areas through training, resource access, and infrastructure development could amplify their contribution to livelihoods. Similarly, as skilled trade/businesses constitute a moderate-income source, focusing on skill development programs might unlock more opportunities for income generation within specialized sectors.

Thus, addressing untapped potentials in sectors such as agriculture, fishing, and skill-based trades through strategic interventions—encouraging self-employment, enhancing agricultural/fishing sectors, and emphasizing skill development—can pave the way for sustainable income growth. The data also underscores the importance of diversifying income sources and creating an enabling environment for entrepreneurship and sectoral growth to enhance overall economic resilience.

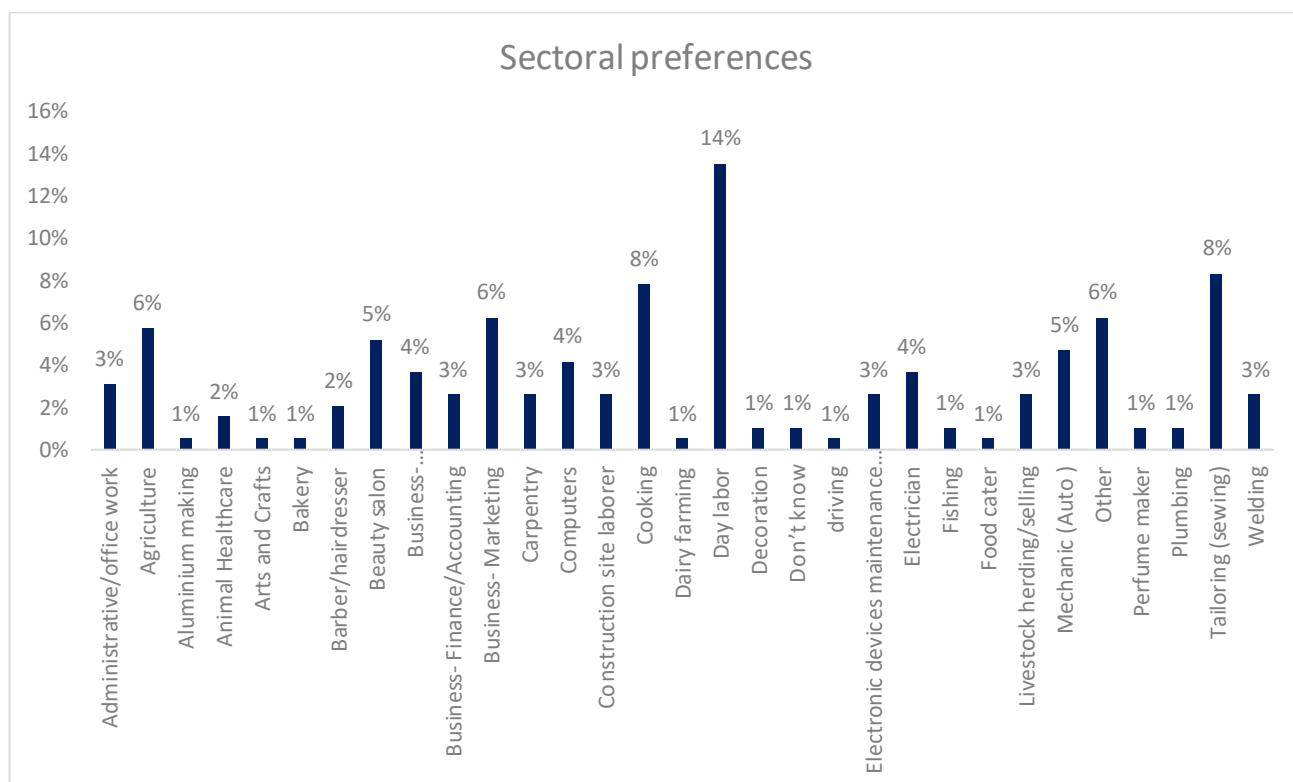


Figure 11: Sectoral preferences for employment

As part of the assessment when mapping out perceptions around preference for sectors, respondents for the HH survey most often identified daily labour, followed by tailoring, cooking as the most preferred, with agriculture and marketing following closely. The reasons for these preferences were

diverse; roughly half of respondents indicated that these sectors pay well, and 33% highlighted their knowledge of the sector as a contributing factor. In addition, other possible reason for these preferences could be because the market is dominated by SMEs.

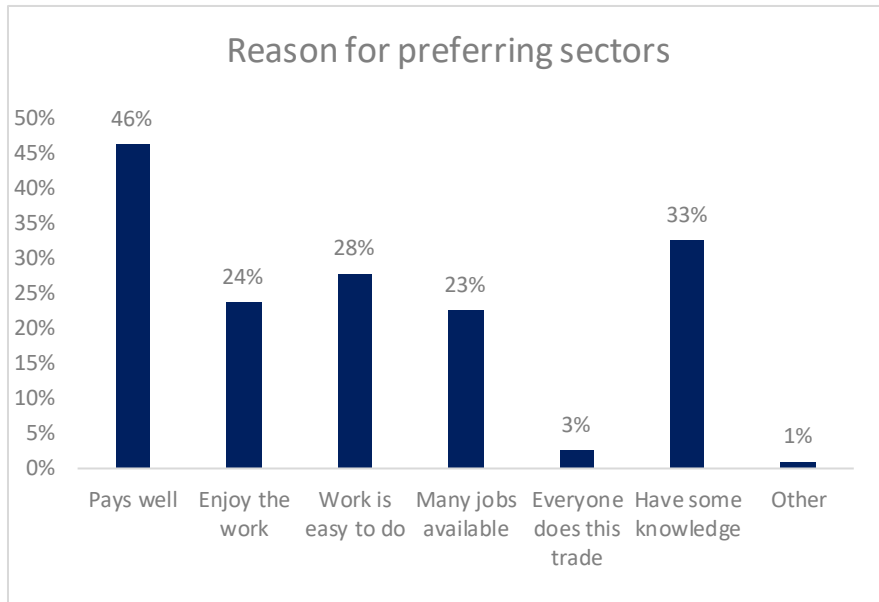


Figure 12: Reasons for preferring sectors illustrated in figure 13

According to the respondents, agriculture (17%) remains one of the least preferred sectors followed by construction, computers and carpentry, as reported by respondents. Interestingly, even though the majority of respondents, particularly from host communities, are involved in

pastoralism or agro-pastoralism, dairy farming was identified as the least desirable sectors to work in.

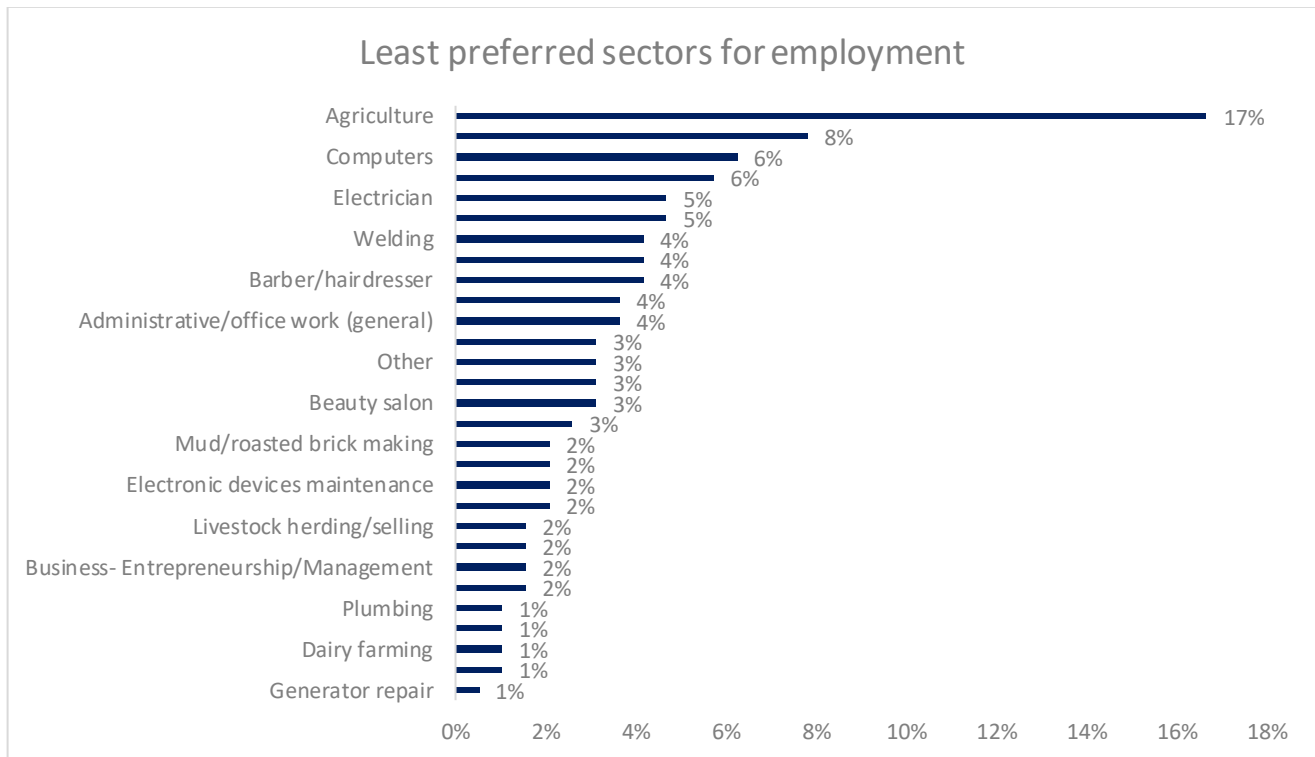


Figure 13: Least preferred sector

The reasons for preference was primarily attributed to lack of skill, knowledge of sector, and or requires hard work. These findings emphasize the significance of promoting skills development and increasing awareness about the potential opportunities and rewards that these sectors can provide.

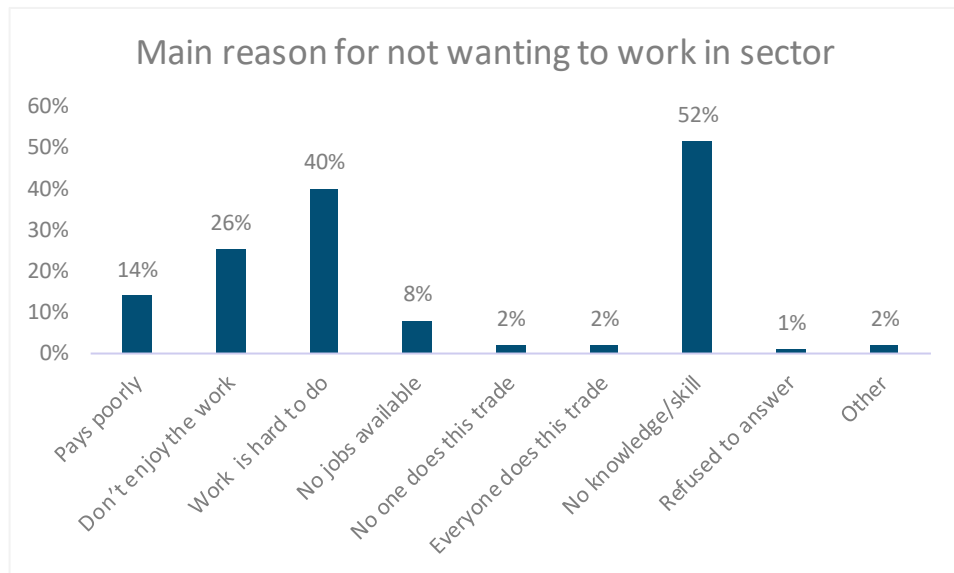


Figure 14: Reasons for least preferred sectors illustrated in figure 15

Livelihood sources breakdown per location

As noted in an earlier section, the business landscape in Somaliland is characterized by a multitude of SME enterprises, with a focus on retail and various specialized hospitality/construction services and limited number of large-scale enterprises. The livelihoods in various districts across the region display distinctive patterns and dependencies on different economic activities.

Hargeisa

Markets in Hargeisa are dominated by workforce centered around agriculture, livestock and specialized construction skills. Focus Group Discussions (FGDs) with business owners in Hargeisa revealed that the majority of businesses are small-sized, with a few categorized as medium-sized. Predominantly, these businesses operate in the hospitality or retail sectors, while a minority are engaged in the service industry. Most of these businesses have been noticeably established within the last five to ten years, indicating a relatively recent surge in entrepreneurial activity.

A majority of KIIs also uniformly reported providing a diverse range of services, including the provision of food, commodities, and essential items. Interestingly, the majority of non-perishable goods, such as electronics and hygiene items, are sourced into Hargeisa from Berbera, suggesting a reliance on imported products. On the other hand, food and perishable commodities are predominantly procured from Ethiopia. Where feasible, many retailers opt to purchase goods from wholesalers within the same town, indicating a preference for local suppliers.

However, despite the growth in business ventures, the purchasing power of the local population in Hargeisa, as reported in KIIIs, remains low, primarily focused on basic commodities. This insight underscores the region's dependence on essential goods and highlights the need for targeted strategies to address and enhance the economic conditions in Hargeisa. Nonetheless, there is an aspirational desire among community members to allocate funds towards luxurious items. Data collected in Hargeisa shows a balance between formal salaries (36%) and SMEs (49%) – indicators of a mixed economy with contributions from both structured employment and entrepreneurial endeavors. Agriculture and livestock products contribute minimally (2%) to the district's economy, and 7% of the income is generated through diverse activities beyond the primary ones.

Berbera

In Berbera, the workforce is dominated by people engaged in daily labour, making it a driving factor for migrants to move and work there. In terms of livelihood activities, Berbera features a smaller percentage in formal salaries (4%) and SMEs (22%) while some individuals (4%) benefit from aid agency cash transfers, reflecting external support.²

Burao

Markets in Burao are dominated by marketing enterprises which could serve as places for value addition of livestock and agriculture products. In Burao, SMEs (36%) are prominent, but an almost equal proportion of respondents reported depending on family remittances (32%), reflecting the importance of external financial support from relatives. 7% reported no income, while a smaller proportion (4%) reported engaging in casual labour.

Wajaale

As a border town, Wajaale shows less diversity than most markets in Somaliland and the livelihood sources are dominated by traders and entrepreneurs. The town relies heavily on SMEs, where these enterprises contribute to 55% of the livelihood sources, signifying an entrepreneurial spirit and flourishing local economic initiatives. Formal salary jobs (32%) within the district and skilled trade or business (12%) also showcase a diverse occupational landscape in the town.

Ainabo

² 2% of respondents refused to answer the question, which could either indicate a degree of reluctance in declaring livelihoods or a diversity in income sources that this assessment could not capture.

In Ainabo, some extent of reliance on SMEs (27%) and a limited involvement in livestock-related activities (9%) displays a diverse range of income sources, emphasizing both entrepreneurial ventures and traditional occupations.³

Borama

Borama's focus on SMEs (39%) is accompanied by diverse activities categorized as 'others' (11%), including casual labour (11%) and fish-related ventures (6%). This district demonstrates a multifaceted economy with a mix of traditional and specialized occupations. Similarly, markets in Ainabo and Borama show limited versatility when compared with other locations in Somaliland.

As illustrated above, the data (figure 17) paints a comprehensive picture of the business landscape in the area, predominantly shaped by SMEs and notably lacking large-scale enterprises, particularly in Burao and Ainabo. Hargeisa and Wajaale, remain urban centers where wage employment is reported as the most common source of livelihood, all other towns exhibit domination of livelihoods linked with SMEs indicating opportunities linked with self-employment.

Retail and petty shops emerge as the most common business types, underscoring the prevalence of small-scale retail ventures. Formal salaries, family remittances, and diverse activities also contribute significantly to the economic landscape. Each district exhibits a unique blend of livelihood activities, encompassing various sectors from traditional employment to specialized trades and animal-related ventures. The business environment is dynamic and diverse, featuring a wide array of enterprises from traditional cafes, supermarkets, and barbershops to specialized services like fish companies, poultry farms, and digital enterprises. This diversity reflects a vibrant entrepreneurial spirit within the community and underscores the crucial role played by SMEs in driving economic activity and providing employment opportunities. The findings suggest that fostering the growth and sustainability of SMEs could be key to further enhancing the economic vibrancy of the community.

This diversity highlights the resilience and adaptability of these communities in pursuing varied economic pathways, essential for sustainable development and economic growth within the region. Understanding these distinct economic profiles is crucial for tailored interventions and support to foster balanced and inclusive economic development.

³ It is important to note that the rate of refusals (18%) was high as compared to data collected in other sites.

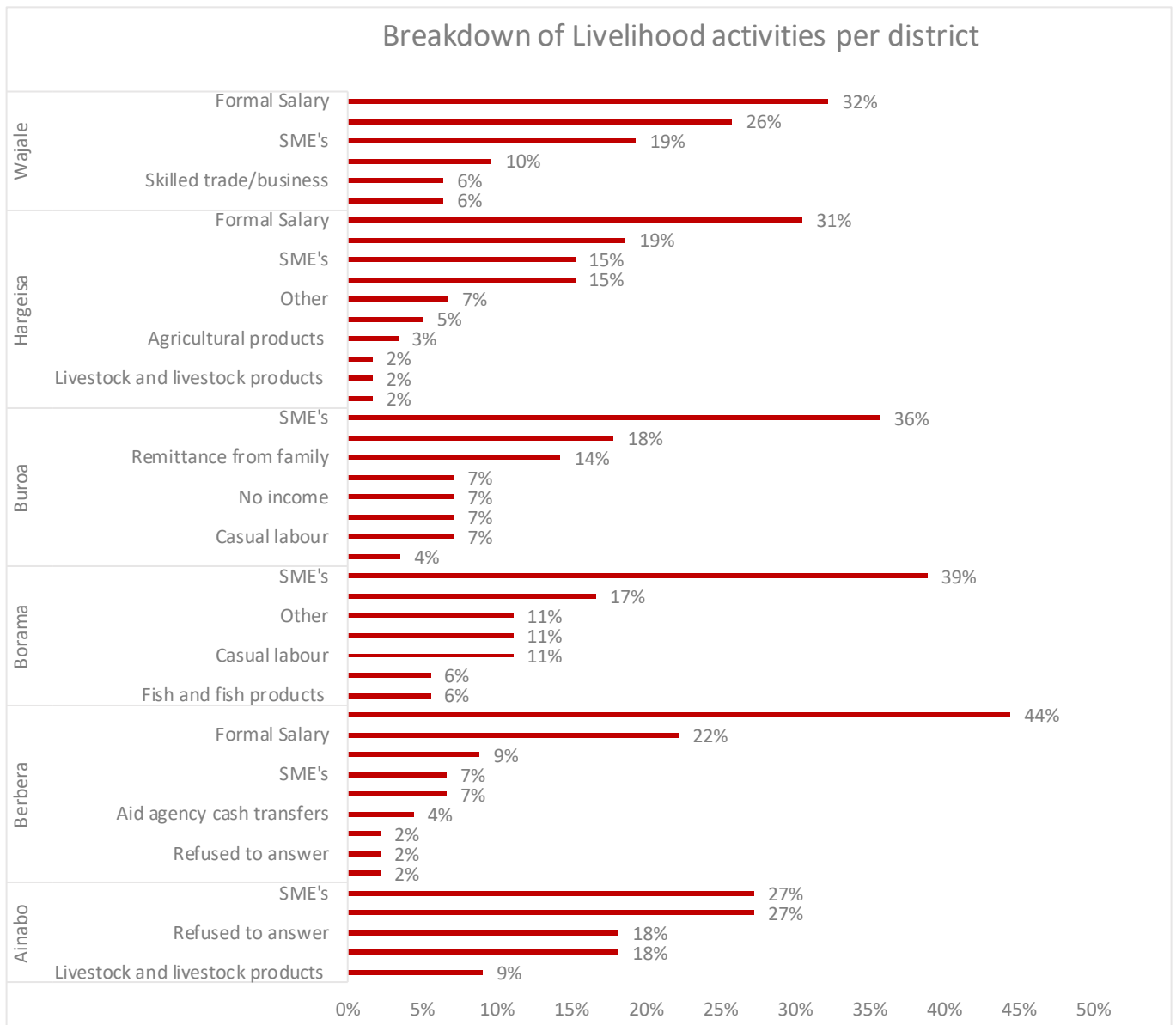
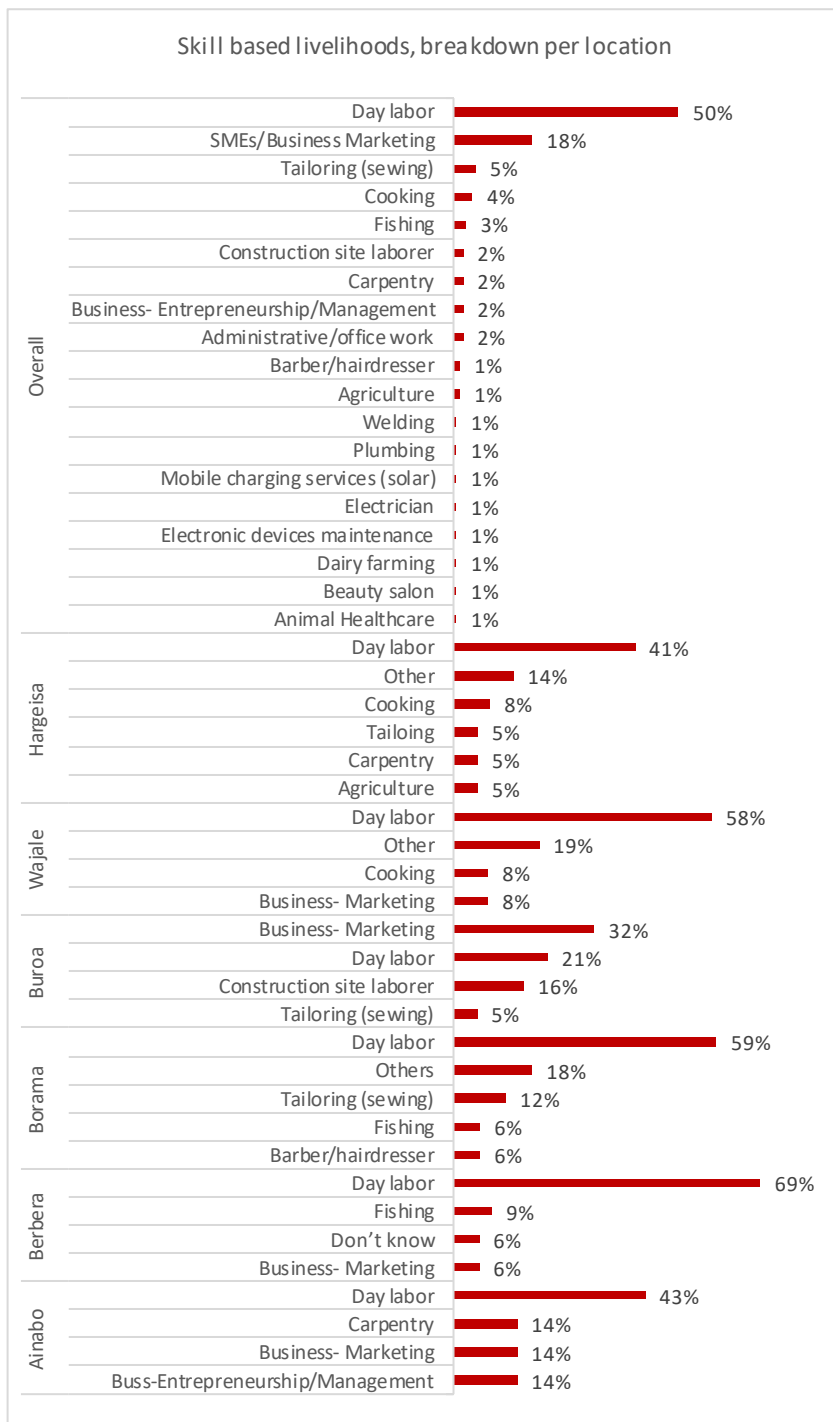


Figure 15: Breakdown of livelihood sources per location based on responses by 192 HHs interviewed

Skill based livelihood sources

In Somaliland, there is a wide range of skill-based activities that make up the livelihood sources of the community. These activities encompass both traditional trades and modern services, providing a diverse economic landscape. According to household survey respondents reported daily wage labour (50%) is the most prominent source of income, followed by others engaged in SMEs business or



business marketing (18%), 5% are involved in tailoring, 4% in cooking, and 3% in fishing. In comparison, sectors such as carpentry works, administrative roles, and construction works have a lower number of individuals engaged in them, each representing 2% of the respondents. However, these sectors are still more significant as income sources compared to sectors like animal health care, beauty salons, agriculture, plumbing, and electronics maintenance, with each at 1%. The survey highlights the wide range of expertise among respondents, with technical skills spanning across industries such as health, beauty, construction, woodworking, machinery, plumbing and electronics maintenance. This indicates a promising landscape for these sectors to contribute to the local economy and meet the demands of the market. Understanding the diversity of livelihood sources and the skills present within the community is crucial for developing targeted interventions and support systems that can further enhance and sustain these sources of income.

Figure 16: Overview of skills across Somaliland aggregated based on responses by 192 respondents

Overview of skills

The assessment conducted on a sample of 192 respondents revealed that a significant majority (80%) of individuals did not receive training in various skill domains, indicating a lack of formal skill development within the community. Conversely, the remaining 20% of respondents reported undergoing formal training and showcased a diverse range of skills across multiple domains, which was provided either by TVET centers or international non-governmental organizations (INGOs).

Among the trained individuals, various skills were highlighted, including tailoring (15%), electrical work (13%), business marketing (8%), administrative roles (8%), carpentry (8%), mechanics (8%), cooking (8%), and construction (5%). These individuals demonstrated versatility and competence in their respective fields. However, a smaller percentage of respondents mentioned acquiring skills related to working in beauty salons (3%), mobile/solar repair (3%), agriculture (3%), and hospitality services (3%).

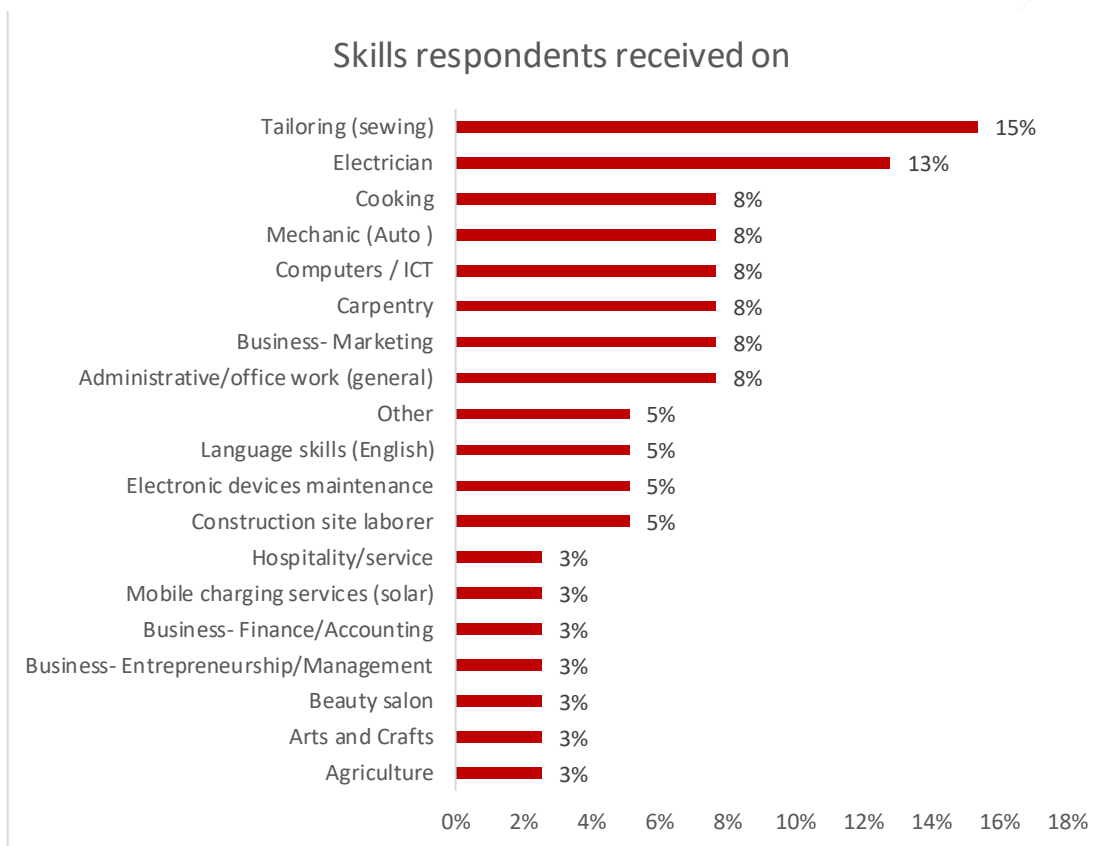


Figure 17: Skill trainings received by the respondents

In non-technical realms, the respondents excel in communication, interpersonal skills, and ethical behavior. Training in business-oriented aspects, including time management, problem-solving, marketing, customer care, negotiation, and hotel management, will contribute to holistic professional success. The data serves as a foundation for recognizing the community's potential, offering opportunities for strategic development, collaboration, and economic empowerment across technical and non-technical domains.

Skills in demand and in need

The assessment reveals a diverse array of sectors that are in high demand within Somaliland, with key areas of interest including construction, logistics, livestock, agriculture, IT, trading, plumbing, electricians, sales and accounting, health, interior and furniture design, furniture manufacturing, painting, cooking, tailoring, marketing, teaching, among other specialized professions. Of profitable businesses in the surveyed areas, livestock was the most lucrative one. Other sectors such as agriculture, construction, services, retail, transportation, healthcare, food and beverage, education, and sale of spare parts was also deemed profitable. With agriculture products, emphasis remains on quality improvement, processing enhancement, marketing strategies, and technology adoption. Perceptions of livestock and meat product prices varied among key informants, with some indicating them as expensive, while some acknowledging their value for money. The access to modern equipment and expansion opportunities appear limited, posing challenges for businesses seeking growth. With the access to capital, key informants had both negative and positive experiences, with banks and NGOs being key potential sources of capital. Requirements for accessing capital include the need for identification, permanent assets, a trusted person, and a license, highlighting regulatory and collateral considerations.

According to key informants, high-demand professions include agriculture, livestock, construction, IT, plumbing, and electrical work. Professions in moderate demand include cooking, tailoring, hotel and restaurant services, trading, carpentry, interior and gypsum design, greenhouse management, fuel stations, shop keeping, guarding, and accounting. Professions related to transportation and the fish industry showed lower but still noticeable demand. Certain professions like beekeeping, poultry, and education face limited to no demand in the provided context. Given the diverse demand landscape and varied needs and preferences across different industry sectors, this assessment underscores a need for targeted skill development programs.

In line with the sectors that are in high demand, household survey respondents also demonstrated marketable skills and training, in both technical and non-technical domains. Technical skills were notably concentrated in health and beauty sectors, showcasing proficiency in skincare, medical knowledge, diagnostic skills, and nursing expertise. In addition, respondents exhibited versatility with technical proficiency in construction, equipment operation, woodworking, machinery, and computer-related skills, reflecting having expertise in many fields. Respondents also reported competencies crucial for agriculture and food production and industry-specific knowledge in food safety, farming, animal husbandry, and greenhouse management. In addition, craftsmanship skills, including carpentry, upholstery, tailoring, bricklaying, haircutting, and barbering, highlight manual craftsmanship proficiency across various trades among respondents.

Overall, the data underscores the community's diverse skill sets and training strengths, offering a rich spectrum of technical and non-technical proficiencies. These competencies collectively contribute to a

versatile workforce capable of impacting various industries positively. Leveraging these skills effectively could significantly contribute to economic growth, innovation, and resource utilization. The dataset serves as a foundation for recognizing the community's potential, providing opportunities for strategic development, collaboration, and economic empowerment across technical and non-technical domains. One notable challenge highlighted in the data is the unavailability of career counseling – reported by majority of respondents during the assessment. This points to a critical gap in supporting individuals in making informed decisions about their career paths. Establishing career counseling services could enhance the community's capacity to navigate employment options effectively.

Employment practices

Key informants consistently reported active employment practices in their businesses, with roles assigned based on specific tasks. Gender-based preferences were observed in certain roles, with men typically preferred for tasks such as hair cutting, driving, and pottery, while women were favored for roles associated with cooking, cleaning, and finance. The majority of businesses employ more men than women, reported key informants.

The local government's activities are not explicitly detailed, but one respondent stated that there were "no activities". However, another mentioned the government's support for the university, potentially indicating the government's engagement beyond direct employment or skill development initiatives. Despite a high demand for skills, the analysis brings to light notable challenges within the workforce. Issues such as poor communication, lack of trust, and workforce skill mismatches were identified, potentially impacting productivity and hindering community growth. The assessment emphasizes the need for targeted strategies to address these challenges.

The success of local skill-finding initiatives, facilitated by competitive wages and diverse training opportunities, demonstrates the community's resilience in addressing its labour needs locally. The specific skills in demand, including plumbing, finance, marketing, communication, problem-solving, mechanics, welders, and tailoring, provide valuable insights for workforce development initiatives. Key informants shed light on the employment landscape in Somaliland, revealing a mix of information about activities, challenges, and opportunities. Regarding activities being implemented, there was uncertainty or lack of knowledge among some respondents, while others mention the implementation of specific vocational activities such as electrical installation, construction, plumbing, electricians, and tailoring – all of which feed skill-based programs.

Concerning challenges, most respondents did not report difficulties receiving wages or working in unsafe environments. The absence of mentions regarding paying bribes to hold onto jobs suggests that this is not a prevalent issue. However, there are varying perspectives on accessing credit within the community, with some finding it challenging and others not.

In summary, the assessment reflects a nuanced employment scenario in Somaliland, with interest in specific vocational activities, varying perspectives on challenges, and the presence of factories and private sector entities contributing to job creation. Understanding these dynamics is essential for tailored interventions that address the community's specific needs and aspirations in the realm of employment and economic development.

However, despite the nuanced employment scenario, the data on payment terms among the employed respondents revealed a notable absence of structured wage employment. Only 29% of employed respondents reported receiving salaries, indicating a relatively low prevalence of traditional salaried positions. More than a quarter (37%) identified themselves as self-employed, pointing to a substantial reliance on entrepreneurial activities and self-driven income generation.

Furthermore, 32% of the employed respondents reported receiving compensation on an hourly basis. This hourly payment structure suggests more flexible and possibly informal arrangements in terms of work hours and compensation. The prevalence of hourly wages may be indicative of varied employment models, including part-time or temporary work engagements.

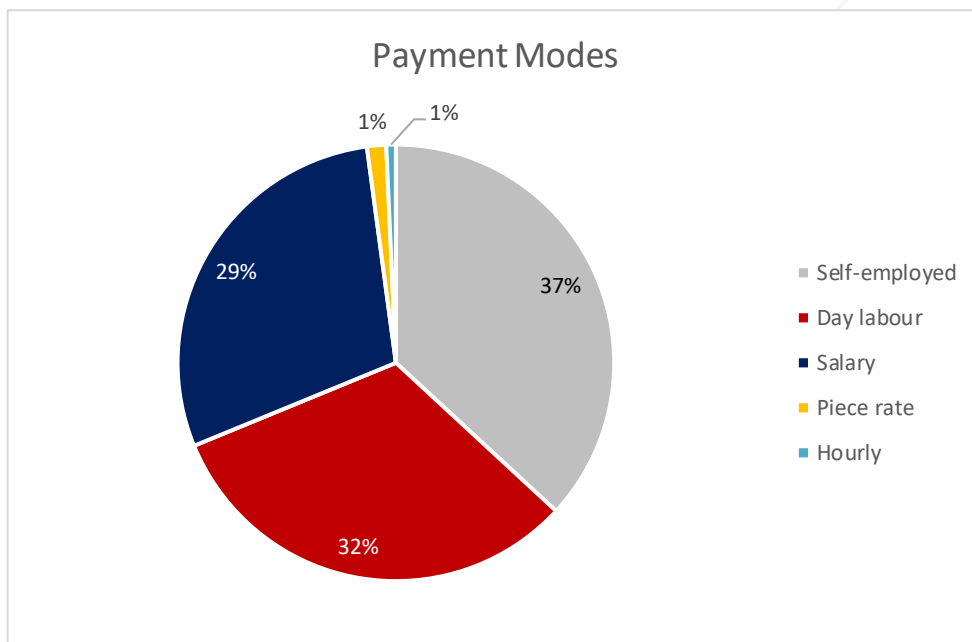


Figure 18: Payment terms for all 192 respondents

Ease of doing business in Somaliland

The mandatory requirements for licensing and registration for running a business in Somaliland include applying for the type of license, a memorandum of understanding, notarized documents with stakeholder's signatures, and the submission of a valid passport or ID. In the case of partnerships, all members are required to submit photos.

The process begins with the trade department receiving the required documents and initiating the process, followed by the application's transfer to the public prosecutor and then to the director general. The final approval is granted by the Minister of Trade and Investment. The process remains consistent at local, regional, and national levels. The duration for registering a company varies. Costs for registering a company are contingent on the business type, with examples including 400,000-600,000 SLSH for import and export companies, 200,000 SLSH for wholesale/retail or middle business companies, 150 USD for construction medium enterprises, 400 USD for education universities, and 150 USD for professional licenses. Different costs apply based on the specific type of business. Importantly, key informants affirm that businesses in Somaliland must undergo registration. This comprehensive information serves as a valuable resource for individuals and entities seeking to navigate the licensing and registration process for businesses in the region.

Overview of challenges by business vendors and employees

Challenges faced by businesses in the community are multifaceted, spanning financial, regulatory, economic, and skill-related difficulties. Effectively addressing these issues is imperative for fostering sustained growth and success.

The emphasis on improving the quality of agriculture products and adopting technology underscores a recognition of the importance of innovation and product enhancement. The perceived expense of livestock and meat products, despite some acknowledging their value for money, indicates a potential area for market sensitivity. Limited access to modern equipment and expansion opportunities may pose challenges for businesses seeking growth.

Financial challenges, including a lack of credit and difficulties in obtaining loans, hinder businesses' stability and growth prospects. The absence of modern technology access adds to the complexities, posing challenges to businesses striving to remain competitive and efficient. For poultry-related businesses, the high cost of international chicken feed is a notable financial obstacle.

Regulatory compliance issues, such as legal documentation and business registrations, introduce bureaucratic hurdles impacting businesses' agility and compliance. Economic challenges, notably inflation, high rent, and electricity costs, and a decrease in consumer purchasing power, further affect businesses' financial stability. Language barriers, especially for migrants, hampers effective communication and ease of transactions, while the scarcity of skilled workers impacts productivity and growth.

Geographical factors pose location-related challenges for specific businesses. Other obstacles preventing better profits include high tax rates, elevated wholesaler prices, inflation, and increased electricity and rent costs. Addressing these multifaceted challenges collectively will be pivotal for creating a conducive business environment and fostering sustained growth and success within Somaliland's business ecosystem.

The skills gap, indicated by both key respondents and key informants, suggests the need for targeted skill development programs to enhance workforce capabilities. Furthermore, challenges regarding limited job opportunities and awareness around the availability of jobs underscore the necessity for community-wide awareness campaigns and improved communication channels to disseminate information effectively. The highlighted financial challenges emphasize the importance of establishing or strengthening support initiatives, particularly for SMEs. Additionally, although issues related to the regulatory framework and governance are mentioned, they may be less prevalent but still warrant attention for creating a conducive environment for business development.

In conclusion, addressing these multifaceted challenges requires a comprehensive, community-engaged strategy involving targeted programs and collaboration with relevant stakeholders to foster a resilient and inclusive environment for employment and business growth.

Overview of vocational training programs in Somaliland

In this assessment, key informants offered a comprehensive overview of vocational training programs in Somaliland, showcasing a diverse range of opportunities across various sectors. Notable programs were associated with electrical installation, plumbing, solar energy, aluminum work, and tailoring, with training programs for cooking and electricity/electricians receiving significant emphasis. The selection of training programs involves meticulous processes such as conducting market research, engagement with NGOs, and, where prevalent, labour market surveys. In most cases these surveys serve as a cornerstone for program selection, ensuring alignment with local workforce demands.

The inclusivity of the training center was reflected in its diverse participant base that included young women, young men, migrants, employers, unemployed individuals, internally displaced persons (IDPs), and disabled individuals. Success stories highlight the positive impact of vocational training, with individuals establishing beauty salons, SMEs, securing employment in major companies like Telesom, becoming graphic designers, or starting their own companies, as reported by key informants.

Insights into TVET center capacity reveal flexibility, whereby they accommodate different annual enrollment numbers. The prevailing payment structure involves offering free training, emphasizing inclusivity and community empowerment. Course durations range from 3-8 months, providing flexibility for diverse fields of study. The gender distribution in training programs varies, with participation ranging from 10-150 for females and 10-1000 for males.

Strategies deemed important for effective vocational training include hands-on experiences through materials and internships, collecting labour market information, surveying employers, analyzing job postings, tracking industry trends, and integrating migrants. These strategies contribute to the quality, relevance, and inclusivity of vocational training programs, ensuring they meet the evolving needs of the job market. In addition to collaborative strategies such as internships and labour market

assessments, collaboration with stakeholders, including the government and NGOs, plays a crucial role in policy formation, infrastructure development, and community engagement. While TVET programs appear absent in rural areas according to some responses, the collaboration between TVET and various entities addresses concerns like lack of infrastructure, limited industry partnerships, lack of funding, lack of qualified teachers, and the absence of tools.

Migrants and their economic landscape in Somaliland

Migration and intentions

Over the course of this assessment, key informants provided valuable insights into the background and intentions of migrants in the surveyed area. The data indicates a diverse range of countries of origin, with migrants hailing from Syria, Yemen, and Ethiopia. Regarding their intended length of stay, responses vary, with a significant portion expressing a desire to stay in the location indefinitely, while others have shorter-term plans ranging from 3 months to 2 years. The primary rationale for staying is attributed to peace, job opportunities, and fulfilling basic needs. In terms of final destinations, some migrants foresee moving within Somaliland regions, while others consider international destinations such as the Kingdom of Saudi Arabia (KSA) or countries like America, Canada, or the European Union. A notable proportion expressed the decision to not move at all.

When it comes to employment, a substantial number of migrants express a keen interest in seeking employment in the surveyed area. The primary expenses incurred by migrants include spending most often on essential needs such as food, rent, and health. The analysis of this information underscores the diverse backgrounds, aspirations, and priorities of migrants in the community. Understanding their varied intentions and key concerns, such as employment and basic needs, is crucial for tailoring support programs and interventions. This insight can inform local initiatives aimed at fostering inclusivity, economic integration, and addressing the specific needs of the migrant population in the surveyed area.

Practices around employment of migrants

The assessment also sheds light on efforts to attract skilled migrants, with strategies such as networking, offering competitive wages, and providing training being identified as key approaches. However, instances of skill mismatches within the existing workforce indicate a need for further refinement in aligning skillsets with job requirements.

A positive perception of employing migrants was provided by an overwhelming number of 63 key informants who reported good perceptions, but only 33 key informants indicated a willingness to diversify the workforce by employing migrants. This openness can contribute to a more inclusive and dynamic community work environment.

A preference for Somali-speaking staff was highlighted, as migrants (including refugees) were perceived to lack communication skills. Migrants were, however, considered suitable for specific roles, such as cooking Ethiopian or Yemeni food. Reports of discrimination and exploitation of migrants were noted, particularly due to a lack of financial documentation.

Most employers emphasize that staff members play specific roles within their businesses. During the recruitment process, key informants mentioned that they prefer to hire locally and through their own networks. When seeking new staff, the focus is on those who possess both technical skills and soft skills. While those with multiple skills were considered during recruitment for some businesses, experienced workers were generally preferred.

The assessment also sheds light on efforts to attract skilled migrants, with strategies such as networking, offering competitive wages, and providing training being identified as key approaches. However, instances of skill mismatches within the existing workforce indicate a need for further refinement in aligning skillsets with job requirements.

Migrant needs

KIIs with migrants (including refugees) brings to attention the critical needs within the community, painting a comprehensive picture of the challenges. Shelter emerged as a prominent concern, suggesting a need for improved housing or living conditions. Healthcare and medical treatment, including vaccinations, were identified as pressing needs, and so was the need for education - mentioned four times, indicating a strong community desire for enhanced educational opportunities. Financial support, reflected in the mention of cash as a pressing need, highlights the economic challenges faced by community members. Employment opportunities, mentioned repetitively, stand out as a critical need as well, underscoring the importance of addressing unemployment issues within the community. Additionally, the mention of a work permit as a need suggests a desire for legal authorization to work, indicating the significance of formal employment.

In summary, the key informants reveal a range of essential needs in Somaliland, spanning shelter, healthcare, education, financial assistance, and employment. Addressing these pressing needs is paramount for community well-being, development, and fostering a sustainable and thriving environment.

Assessing skills for migrants

KIIs with migrants revealed they possess skills in sectors specific to hospitality services and daily labour, with specific mentions of laundry business, grocery shops, digital marketing, electricity, furniture, computer skills, construction skills, CCTV camera, tailoring, cooking, construction, sweet making, and agriculture.

Sales, cooking, trading, repairing electronics, tailoring, baking, driving, and interior home decoration are among the skills mentioned, showcasing a variety of competencies migrants (including refugees) possess that can contribute to employment opportunities and entrepreneurial ventures available to them.

The diversity in skills suggests that migrants bring a breadth of expertise to the local community in Somaliland, potentially contributing to different sectors of the economy. The presence of skills related to food preparation (cooking, baking), trade, and artisanal activities (tailoring, interior home decoration) highlights areas where migrants may find opportunities for self-employment or employment in local businesses. Skills like repairing electronics and driving also indicate technical and practical proficiencies that can be valuable in the job market.

The findings of this assessment underscore the importance of recognizing and leveraging the diverse skill sets of migrants to enhance their integration into the local job market. Tailored support programs that align with these skills could contribute to fostering economic opportunities and community development. The diversity in skill sets signifies a rich pool of skills and entrepreneurial interests within the migrant community. The identified sectors not only encompass traditional businesses like tailoring and agriculture but also reflect a contemporary understanding of digital marketing and computer skills. This aligns with the evolving nature of economic opportunities in many communities, where a mix of traditional and modern skills contributes to overall growth. Understanding the specific skills and sectors that migrants are interested in can inform targeted support programs. Tailoring interventions to address the identified sectors can contribute to more effective capacity-building initiatives, fostering economic empowerment and integration. Additionally, recognizing the blend of traditional and modern sectors will lead to realizing the dynamic nature of economic activities among migrants, necessitating adaptable and inclusive strategies for support.

Furthermore, according to the assessment, there is a mixed perception of the labour market demand among migrants, with some expressing concerns about access to the labour market, while others believe there is high demand. In terms of entrepreneurial endeavors, the types of businesses that migrants aim to start are diverse. This variety indicates a broad spectrum of skills and interests within the migrant community.

KIs offer insights into the entrepreneurial aspirations of migrants, revealing a varied array of business interests. The types of businesses migrants aim to start encompass various sectors, including retail, services, and digital marketing. Specifically, the identified business interests include grocery shops, electronics repair, wholesaling, digital marketing, laundry services, barbershops, and restaurants. This diversity in entrepreneurial ambitions reflects the multifaceted skills and interests of migrants. The intention to start businesses in areas such as grocery shops, restaurants, and barbershops indicates a potential contribution to local commerce and services. The interest in digital marketing suggests an

awareness of contemporary business trends and opportunities in the digital realm. Additionally, pursuits in electronics repair and wholesaling highlight technical skills and trade-oriented aspirations.

Understanding the types of businesses migrants aim to establish is crucial for designing targeted support programs and interventions. Recognizing the potential contributions of these businesses to the local economy can inform strategies for promoting entrepreneurship, fostering economic growth, and enhancing the integration of migrants into the community. Moreover, addressing concerns about labour market conditions and aligning support services with the identified business aspirations can contribute to better integration and economic opportunities for migrants. Strategies aimed at facilitating entrepreneurship and responding to perceived labour market challenges could enhance the overall success and satisfaction of migrants in their host communities.

Opportunities for migrants

Key informants pointed to a diverse range of job opportunities available for migrants in Somaliland. Barbershops, as identified in three KIIs, offer viable employment prospects, indicating the presence of grooming services that cater to both migrants and the host community. General shops, provide opportunities in the retail sector while grocery stores present employment opportunities for individuals involved in the retail and distribution of essential goods. Agriculture, including farm work, restaurants, tailoring services, brokers and blacksmiths emerge as other sectors that provide job opportunities for migrants.

Challenges for Migrants

The assessment highlights language barriers as a significant obstacle. Effective communication is essential for job-related interactions, and the lack of knowledge of the Somali language is consistently identified as a significant barrier. Overcoming this language barrier would be crucial for successful integration into the workforce. Limited skills are mentioned as a significant difficulty in finding employment. The implication is that enhancing skills through development and training programs could improve the prospects of finding a job and increase employability. The possession or lack of proper residence and work permit documents was highlighted as another factor affecting the ease of finding a job. Legal documentation issues can pose barriers to eligibility for certain jobs, limiting employment opportunities for migrants.

Furthermore, the absence of a source of access to finance and lack of opportunities is indicated as a factor that makes it difficult for migrants to find employment. Economic constraints limit their ability to cover job-seeking expenses and participate in certain employment opportunities. Various barriers hinder individuals' access to financial services. These barriers include documentation requirements, the lack of guarantors, and the absence of collateral. These challenges pose significant obstacles for individuals seeking to engage with financial institutions.

Key informants mention the challenges faced by migrants on building social networks, underscoring the significance of community integration. The difficulty in establishing social connections is identified as a noteworthy concern for migrants in the district. This challenge may stem from factors such as language barriers, cultural differences, and the transitional nature of migration. Effective community integration is emphasized as crucial for addressing social isolation and fostering a sense of belonging. One notable challenge highlighted in the data is the unavailability of career counselling. This points to a critical gap in supporting individuals in making informed decisions about their career paths. Establishing career counselling services could enhance the community's capacity to navigate employment options effectively.

The importance of skill development initiatives was acknowledged in two KIIs, specifically through the involvement of INGOs in the ongoing efforts by these organizations to address the skill development needs of migrants. However, the majority of respondents indicate a lack of such initiatives, suggesting potential gaps in available programs.

Challenges in providing skill development opportunities are multifaceted, with key informants citing factors such as migrants' disinterest in training, lack of local knowledge, absence of residence permit documentation, financial constraints, and limited information or limited availability of programs. These challenges underscore the complexity of facilitating skill development, requiring a comprehensive approach to address various barriers. Overall, the data emphasizes the importance of tailored skill development initiatives with a strong focus on community integration strategies, and addressing administrative and financial constraints to empower migrants through improved skills and opportunities. Overall, these challenges point to a multifaceted set of obstacles, encompassing legal, linguistic, and skill-related dimensions, which need targeted interventions to promote the successful inclusion of migrants in the local job market. Strategies focusing on legal support, language acquisition, and skill development could play a crucial role in mitigating these challenges and facilitating the integration of migrants into the workforce.

The absence of organized activities by the local government to support employment opportunities is highlighted as a significant challenge, with five key informants affirming the lack of such initiatives. On a positive note, local residence permit ID cards are mentioned as a form of support for free movement and documentation. The unanimous agreement between respondents interviewed in this assessment is that all migrants face challenges in accessing employment opportunities underscores the common struggles shared by this group. The data suggests a need for more concerted efforts, particularly from local governments, to create organized activities and initiatives that can effectively address the challenges faced by migrants in accessing employment opportunities, thereby promoting their integration and well-being.

Recommendations

- Relevant stakeholders across various levels must implement a diverse set of strategic interventions to foster sustainable and inclusive labor markets and promote human capital development. This entails prioritizing immediate and targeted actions to generate productive employment opportunities for the youth, aligning skills training programs, including TVET, with industries driven by demand such as specialized construction skills, hospitality industry, livestock and agricultural sectors.
- The emphasis on improving the quality of products and adopting technology underscores a recognition of the importance of innovation and product enhancement. Interventions by the government and other market actors should focus on innovation and value addition for livestock and agricultural sectors to boost employment and growth.
- There is a need to formulate and enhance national labor policies, with a particular emphasis on safeguarding and advancing the employment rights of marginalized groups, such as women, persons with disabilities (PWDs), IDPs, migrants and refugees. Encouraging transparent and merit-based recruitment practices among employers, developing and advocating for effective regulations and policies to guide labor markets and job creation, safeguarding workers' rights, and enhancing the regular collection and dissemination of comprehensive national labor and employment data are also crucial components that could boost opportunities.
- While some initiatives facilitate the entry of beneficiaries into entrepreneurship, the absence of accessible credit emerges as a significant factor contributing to the challenges and failures of these programs. Addressing this credit gap is crucial for ensuring the sustainability and success of such initiatives in promoting meaningful economic engagement and reducing unemployment rates.
- Mixed responses regarding access to capital, with both positive and negative experiences reported, highlight the complexity of financial dynamics. The identification of banks and NGOs as potential capital sources suggests a diverse financial ecosystem. The specified requirements for accessing capital, including the need for identification, assets, a trusted person, and a license, underscore regulatory and trust considerations in financial transactions. However, populations in rural areas have limited access to financial services and most population groups require an exhaustive list of collaterals limiting outreach of financial service providers. Humanitarian and development organizations can support with filling the gaps by promoting financial inclusion programs in rural areas and for marginalized population groups.
- The data suggests that there are limited specific strategies identified for improving financial inclusion for migrants and refugees. Additionally, respondents expressed a lack of awareness

regarding any strategies aimed at enhancing financial inclusion. This information underscores the importance of addressing barriers to financial inclusion, particularly for migrants and refugees. Apart from creating programs for financial inclusion organizations should consider creating strategies for raising awareness, simplifying documentation processes, and creating financial products tailored to the needs of diverse populations could contribute to improved financial inclusion in the region for migrants and refugees.

- The acknowledgment of good-quality programs at TVET center, as reported by KIIs with migrants, reflects a positive assessment of the existing initiatives tailored for migrants. However, the absence of career counseling opportunities, highlighted by KIIs, points to a significant gap in the support system for guiding individuals in their career paths. The uncertainty expressed by KIIs regarding whether specific programs are not currently being offered, coupled with explicit mention of the absence of integration and language learning programs, limits the inclusion of migrants and refugees. Furthermore, language barriers emerge as a significant concern, with KIIs expressing that a lack of proficiency in the local language poses a risk to successful entrepreneurship due to communication challenges.
- Relevant stakeholders should consider developing skill-building programs that include migrants with activities and services focused on providing career counseling, language courses, and social integration to equip them with relevant skills, thereby improving their employability.
- According to KIIs with migrants, obtaining proper residence and work permit papers is crucial for facilitating migrants' access to employment opportunities, emphasizing the significance of legal documentation. Addressing barriers related to documentation and exploring innovative approaches to enhance financial inclusion are critical steps toward ensuring equitable access to financial services for migrants.
- Perceptions regarding the ease of identifying and investing in self-employment opportunities are generally described as challenging, reflecting the complexities migrants and refugees may encounter in navigating the entrepreneurial landscape. KIIs highlight the lack of business license permits as a notable risk associated with starting a business, indicating potential legal hurdles. To boost self-employment relevant stakeholders can support with designing livelihood programs that assist migrants in providing services for obtaining business permits. Additionally, KIIs suggest a perception that migrants may not receive the expected benefits from their businesses, indicating doubts or challenges related to the economic returns and success of self-employment initiatives. These findings underscore the importance of not only maintaining and enhancing the quality of existing programs but also addressing the lack of career counseling opportunities to better support migrants in navigating their professional journeys. Additionally, efforts to clarify program availability and potentially introduce integration and language

learning initiatives could contribute to a more comprehensive and effective support framework for migrants.

- Effective community integration is emphasized as crucial for addressing social isolation and fostering a sense of belonging. It involves initiatives and support systems that facilitate interaction, understanding, and collaboration between migrants and the local community. Community integration plays a pivotal role in promoting social cohesion, reducing isolation-related issues, and creating a more inclusive environment for migrants within the community. Strategies to address this challenge may include language learning programs, cultural exchange activities, and community engagement initiatives aimed at bridging social gaps and promoting mutual understanding.

