



WILL MACHINES INVADE
OUR JOB MARKET?

HOW IS FINTECH
TRANSFORMING THE FINANCIAL
LANDSCAPE IN SOMALIA?

PROMOTING WOMEN'S
ENTREPRENEURSHIP:
THE NEED FOR MORE THAN A
FINANCIAL SUPPORT

OUTDOOR ADVERTISING
EPIDEMIC IN MOGADISHU

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2021

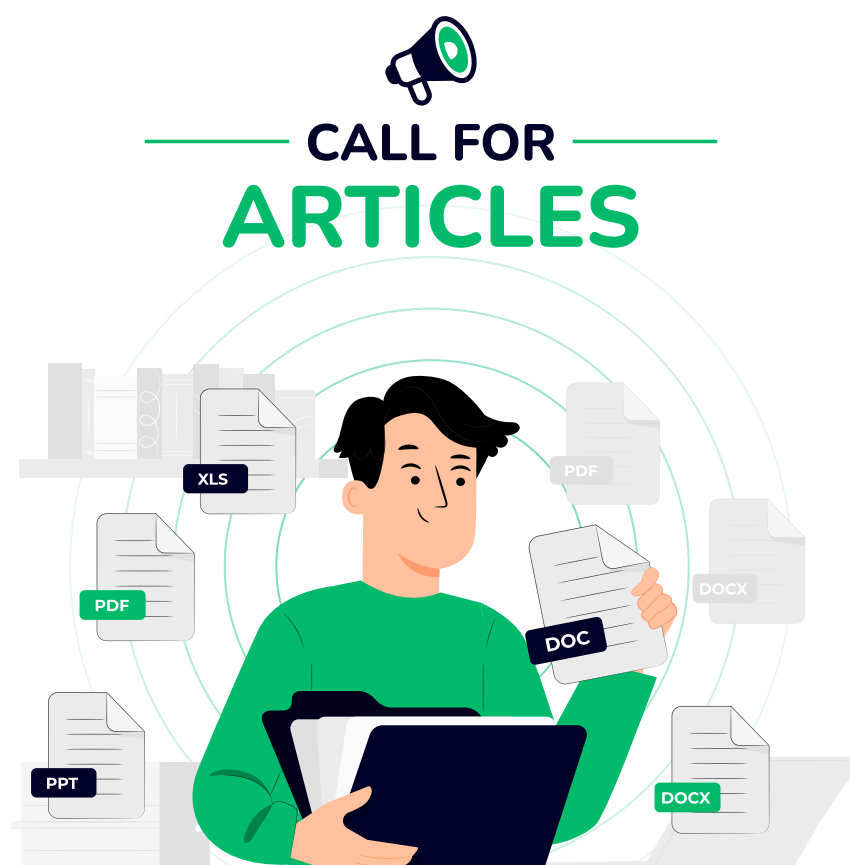
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ABOUT



For a latest, rigorous and dynamic analysis and insights about Somalia's business, economy, and technological transformation, subscribe to Somali Business Review (SBR). SBR is a lively quarterly magazine of SIMAD University that brings you in-depth, on- ground, and expert-led analysis by prominent analysts and experts.

All materials produced are aimed to inspire, empower and enrich you in understanding the development of the private sector landscape in Somalia. Additional features usually included book reviews; profiles of prominent businesses; SBR insights, that offer management, personal growth and productivity tips for leaders. SBR is essentially read by entrepreneurs, leaders, policymakers, academics, government practitioners, and decision-makers in Somalia and beyond.

Editor-In-Chief: Mohamed Okash

Editors: Dr. Amina Omar, Dr. Ali Yasin, Dr. Abdikadir Jibril, Dr. Ismail Mohamed, Mr. Mohamed Muse

Operations & Distribution Manager: Mr. Hussien Abdi

Production & Marketing Manager: Abdullahi Ahmed

Multimedia Producer: Sahal Mohamud

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EDITOR'S NOTE



TECHNOLOGY FOR GOOD – New inventions has always received both warm receptions and backlashes from the general public. In the late 17th Century, during the peak of the second Industrial Revolution, the world experienced the invention of electricity which is among the best thing that happened to humanity at the time, but for some people, it was a curse to the people and the planet. Similar debates are viewed today about emerging technologies.

The invention of Humanoid robots and other AI-powered technologies are increasing at an alarming rate in the fields of healthcare, services, entertainment and defence which raised concerns over human relevance in the future labour markets. In the coming decades, so many jobs will be automated but new other jobs will emerge supposedly. However, For developing and underdeveloped countries including Somalia, reinventing the wheel might not be the best viable option but adopting the current technological trends and leveraging its promises for social good might be the best option. Artificial Intelligence and Machine learning are among the tipping points of the Fourth Industrial revolution. The world should view as a gift to humanity. It's upon humans to decide how to utilize it. They can be sources to build prosperous planets or digital dictators at both corporate and state levels. Technology is always the means to end not the end itself.

Also, in this issue, some of the authors emphasised the importance and need for skilling, upskilling and reskilling continuously for young people to adapt to the market dynamics. This is also linked to the advancement of technology; history teaches us the emergence of new jobs with frontier technology. Skills are vital for winning jobs than also most anything else while other things remain constant.

Most jobs in today's labour markets demand soft skills and digital skills while most of them are found from the current schooling system. This makes, young people seek and reinvent themselves from online learning platforms and innovation hubs.

On the other hand, our writers explored the development of fintech in Somalia as a vital enabler for small businesses to flourish. Somali is one of the leading countries that adopted Fintech in Africa. Almost every transaction is paid through mobile money which may make Somalia a cashless country in years to come.

Lastly, among the many interesting and timely featured articles in this issue, the promotion of women-owned or led MSMEs requires a holistic approach than offering financial grants or loans. In Somalia, women are the majority in running a small business, but they are the minority in receiving training and technical education. Although this remains an odd puzzle to be solved, some business incubators are implementing women designated programs. Empowering Women in entrepreneurship may elevate businesses and hugely contribute to recovering Somalia's economy.



Mohamed Okash  MohamedOkash_ ,
Editor-In-Cheif, Somali Business Review

SOMALIA DEVELOPMENT DIGEST



Population
(2019):
15.4M



Doing Business
Rank:
190



GDP
(2020):
\$5.3 BILLION



Unemployment:
24.8%



Growth Rate
(2019):
3.3%



CPI
Inflation:
126.89%



National
Budget:
\$671 MILLION



Life expectancy
Rate (2019):
57 YEARS



External
Debt:
\$3.9 BILLION



Maternal Mortality
Rate:
692



Internet
Penetration Rate
12.1%



SOURCE:
**NBS SOMALIA
& WORLD BANK**

WILL MACHINES INVADE OUR JOB MARKET?

DR. ISMAIL MOHAMED ALI



Humans tend to like leisure and comfort and to work less and earn more. They used human labor to generate their income and in order to exist and survive. Starting from the industrial revolution, machines were born. People have started to automate routine and repetitive tasks. Production increased and the world became more prosperous. Today, in the age of Artificial Intelligence (AI) and intelligent systems, experts expect even more automation. Intelligent machines will take over the job market, and human involvement may decline and become less necessary. The transformation could be massive and could affect everybody.

The transformation through automation will possibly affect the job market when robots diagnose diseases. Supermarkets are automated. Buses and trains have become driverless. When human security guards get replaced by security robots. Refrigerators order food and drones deliver it. When robots begin to cook and restaurants transform into food dispensers. When autonomous weapons find and engage targets without human intervention...

AI is currently used in a variety of industries from animal care to agricultural innovations, from self-driving cars to autonomous flying, from logistics operations and inventory management to automobile manufacturing.

Some of you may have perhaps watched that Somali-Swedish boy who describes himself as a pastoralist, a typical pastoralist in the age of Artificial Intelligence. For him, robots perform daily chores like milking, food collection and distribution, and cleaning. Robots also provide data of on-going operations, which is used in decision making. He believes 80% of his work is automated by machines.

Even though outperforming dominant species like humans is not an easy task, robotics could be preferred over humans in numerous aspects. Proponents of artificial intelligence argue that robots can beat humans in tasks that demand high precision, in which 100% accuracy might not be humanly possible. They excel at performing repetitive tasks and lifting heavy loads. They are more suitable for hazardous and highly risky environments as their injured parts could be replaceable or at least repairable, which is not possible for humans.

The debates center around what human life would be like in the time of machine dominance. On the positive side, technology will bring happiness to some people, especially those who have access to the new technology. They will become wealthier and enjoy their lives more. Ordinary people who live on salaries and wages may suffer as their jobs are automated by computers. The effect rises above 50% in some countries (Forbes.com).

A growing concern related to this issue is income inequality. As machines displace jobs, the working positions of workers and employers will definitely be impacted, and the income gap between medium skill jobs and high-tech jobs will likely be larger accordingly.

So where will the money go? Apparently, it will go to the investors who can buy and operate the machines. It will go to the producers who make the machines. It will go to high-tech experts.

So what is the career advice for kids? Experts recommend jobs that machines will less likely perform well on them. Jobs that require more interaction and social intelligence. Also, being creative and clever will likely remain a human-centric attribute. It means scientists, entrepreneurs, artists, and engineers will all be human beings. The same goes for doctors, nurses, social workers, dentists, hairdressers, and massage therapists, as they all incorporate some sort of social interaction.

The competition could be intense as surviving jobs could be a common target. If you are a professional writer, an actor, a filmmaker, a fashion designer, or a professional athlete, your job could be more at risk from qualified humans than from intelligent machines.

Machines may produce great results, but they may not necessarily answer our intellectual questions. So, if you want to go into finance, don't be a cashier but rather be a financial advisor who gives advice to clients. If you want to be a doctor, don't become a radiologist who performs medical imaging. Instead, become the doctor who discusses the results with the patients. The same goes for economists, lawyers, and technology advisors.

On the other hand, there are technology optimists who envision opportunities amid the chaos. Jobs become outdated, many are automated, and the new technology will challenge our old ways of doing business. But, at the same time, humans will grow and learn new skills and adapt to new situations. The new technology will bring opportunities as well. For example, having self-driving cars doesn't necessarily mean drivers will lose their jobs. It may mean a cut in transportation costs. It may bring safety and even more comfort to mankind. Assigning work routines to machines may spare more time for creativity and innovation.

Yet, it seems that new types of skills will be in demand as long as AI keeps improving rapidly. It may require us to rethink our education system. It may require us to continuously update and upgrade our skills. It would take governments to invest wisely in education and research.

In the end, the use of AI, be it hardware or software, is not regarded as a new story. It has been around for decades. It has already revolutionized the manufacturing industry. It increased the efficiency of logistics and transportation. It went into the military. It is advancing and improving rapidly. It is entering into industries and new markets and wiping out jobs. So, will humans become jobless or even unemployable? Will they excel and thrive in new situations as has occurred before? Will the lost jobs be replaced by new and sophisticated ones? Will the AI applications be accessible to everybody?



Dr. Ismail Mohamed Ali,
Head of Multimedia, SIMAD University



HOW FINTECH IS TRANSFORMING THE FINANCIAL LANDSCAPE IN SOMALIA?

DR. ALI YASIN SHEIKH ALI



FINTECH

FinTech is a combination of "financial technology". Financial technology is the new way to use and get financial services. It's a way to improve the process as FinTech is a new technology that will help people get better loans. FinTech is a way to help companies, business owners, and people better manage their money. FinTech is used on computers, but sometimes on smartphones too.

FinTech is a new type of company that does things to help people with their money.

FinTech helps people by making sure they have good credit and get money from other companies. Since then, they have made more services for people, which means they now have a new definition. As of now, it includes different sectors such as education, retail banking, and investment management, etc.

The development and use of cryptocurrencies are also included in FinTech, such as bitcoin. This part of FinTech might get a lot of attention, but big money still lies in traditional banking.

ACTUAL MEANING OF FINTECH

Financial technology or "FinTech" is the name for new ways to do business. For example, it can be digital money or accounting methods. Since the internet changed things and everyone has a phone, there are many different ways to finance. FinTech is when you use your phone to do things like pay bills. A lot of people use it now. One-third of them use at least two different services, and they are also more aware of the FinTech they have in their lives.

When it first started, FinTech was just about computers in banks. Now it is all about new technology for personal and business finance. FinTech is a word for many things. For example, it might mean you use your phone to send money to someone else. Or, it does also mean that when you apply for credit, you don't even need a person. FinTech also means that people can raise money for their business using the internet and people's money. FinTech has changed the perspective of how asset management companies work. Now, with robots' help, they can provide you with portfolio management services.

NEW TECH AND FINTECH:

New technologies will take the guesswork out of what you should do with your money. They will learn about your habits and do it for you. This is a good thing because people often make mistakes when thinking about their money, but these apps can help them.

FinTech is also a quick adaptor of new technology for customer service. For example, chatbots can answer customer questions, and AI interfaces can help them with basic tasks. By looking at people's payment history to see if they are spending money that is not normal, FinTech is also being used to fight fraud.

FINTECH EXAMPLE

FinTech is a company that offers financial services using technology. There are many types, so here are some examples which are discussed in detail below:

Blockchain And Cryptocurrency

One of the most controversial applications of finance is blockchain and cryptocurrencies. These are included in some of the first technologies that showed us how new advancements could change an industry. Different types of companies are now looking into cryptocurrencies. Facebook has created Libra, which is digital money. Some banks and tech companies are also starting to use crypto. For fraud prevention in blockchain, fintech has been behind it.

Online And Mobile Payment System:

FinTech is a way to pay. You can use your computer or phone. It's different from paying with cash or debit card. It is good for people who have these things because they can buy things online. In 2019, 950 million people used mobile payments. This number is expected to continue increasing by 2023. This growth is fueled by people who are not using banks in certain countries in Asia, Latin America, and Africa.

Budgeting Applications

Some apps let you maintain your budget called budgeting apps. Some of the most popular are Personal Capital, Mint, and Good Budget. These all are also known as part of the FinTech sector. This app helps users keep track of what they earn and what they spend. These apps will help you track how much money you have and what you have spent.

Investment and Trading Platforms

Due to technology, the stock market investors now do not need to go to a stock exchange directly. It is now easier for them to buy and sell stocks. FinTech apps let them trade stocks even on their phones. Some apps are cheaper and for people with less money.

Crowdfunding Platforms

Before crowdfunding platforms, startups had to talk to banks for loans. Now you can get money from just one platform, and you don't have to ask for money from different investors one by one. Crowdfunding platforms like Kaal Somalia (Kaal.so) created significant opportunities for startup founders to raise funds in Somalia. This could serve as an emerging viable option for funding. Everyone can use the same platforms to help them gather some money. Like, they can use their platform to pay for hospital bills, travel, etc.

HOW DOES FINTECH WORK:

FinTech companies make it easier for people to use financial services, which can be hard to find. These services include things like saving and investing money. You can also borrow money. But it also includes new

financial technologies like blockchain and cryptocurrency. For FinTech companies, there is still a long way to go because one-third of adults don't even use any financial institution or bank for some reason.

FINTECH AND BANKING SECTOR

Some financial institutions like banks invest in other things, like new technologies. This is called "FinTech." It's changing the way consumers manage their money. We can say that FinTech companies compete with banks. In some ways, this is true, but now in FinTech companies, banks are also investing.

In 2017, US banks invested over US\$3.6 billion in 56 FinTech startups.

JPMorgan Chase spends \$11 billion on its internal technology researchers and developers each year. They also partnered with FinTech startups worth \$600 million.

THE UPRISE OF FINTECH IN SOMALIA

Somalia is becoming a cashless society by using new ways of paying for things. In this kind of society, people pay with their phones instead of cash. They also use them to buy groceries and pay bills, and they sometimes get money from relatives who live far away. This happened because there were no banks. And people don't trust the Somali shilling. According to the head of the IMF, there's about 98% counterfeit money, Samba Thiam. According to Somalia's High-Frequency Survey conducted by the World Bank in 2017, 70% of Somali households own a cell phone, and 63% have access to a mobile money account.

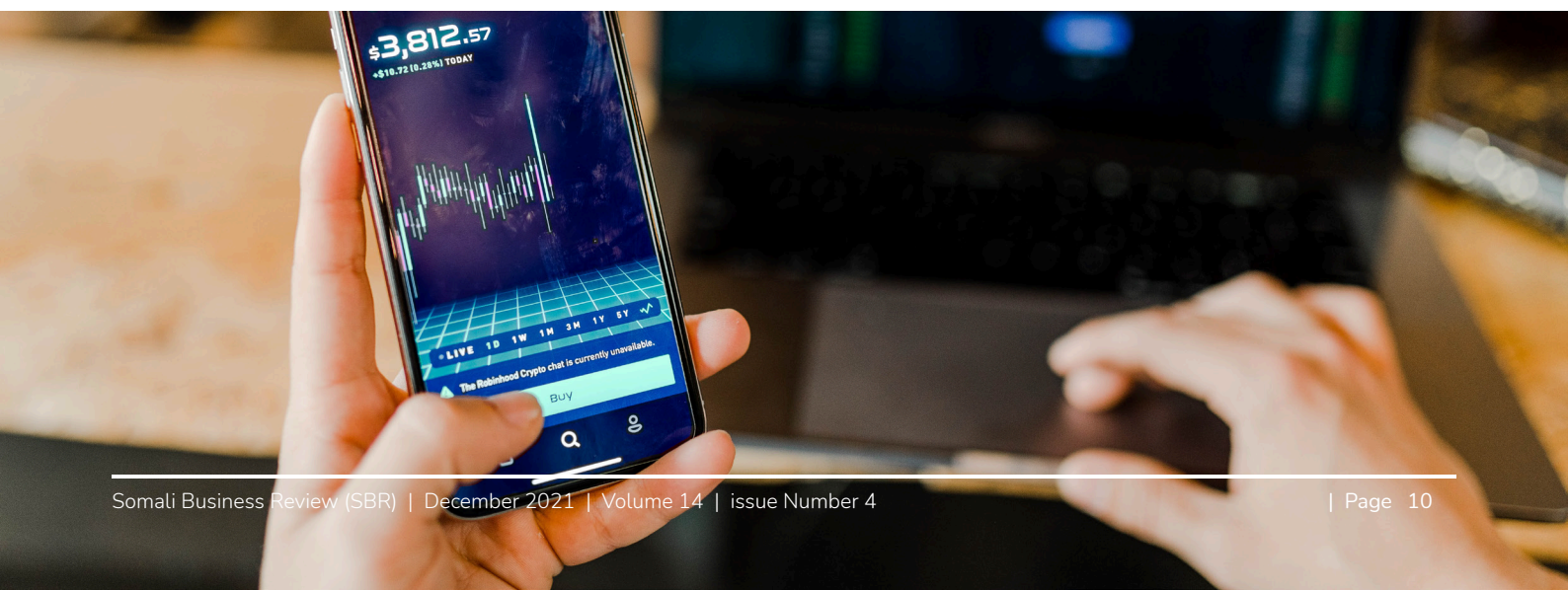
There is no regulation of financial technology in Somalia. This causes them to create new things to do with their money. The Somali government stopped working in 1991 due to war. It was only in 2009 that the Somali Central Bank was established again. Somalis have historically used the Hawala system for money transfers, especially international and domestic remittances.

Hawala is a way to send money internationally and domestically. You don't need to have a bank account on your end.

First, Dahabshiil was a company that helped people send money from other countries to Somalia. A person would hand over cash to an agent and then get a text message on their phone. After proving their identity, they could show the text message and then take the money out of the agent's office.

Every transaction is recorded, and the identities of senders and recipients are recorded using biometric information. Somalis do not have many IDs but instead use their clan networks to identify themselves. They then record that information for future reference. This system became the most reliable way to transfer money into Somalia. Humanitarian groups such as Oxfam, Care International, and World Vision have used this technique to transfer money. But now, they can do it directly by transferring the money to the bank or mobile money accounts.

In Somalia, World Remit is another way to send money. You do not have to go into the bank to send money. You need an account. It is digital, and you can get it on your phone for free! These mobile transfer operators have linked their payment platforms with mobile money accounts. It is easier to pay for things at home now.



SOME FINTECH APPLICATION:

Mobile money

Mobile money is a banking system that lets you store and use your money using your phone. More than 270 services of mobile money are available throughout the world. It can be used to make payments electronically with different cell phones. Using the mobile money app ensures that your money is in safe hands, and you don't have to worry about it even though you can go shopping, pay bills, and submit to school just with a single click.

E-Wallet

E-Wallet is a way to store your credit card and bank account information in one place. You can then pay faster because you won't need to type in the account number. Once you have created an E-Wallet, you can use it for payments.

WAAFI

WAAFI is an app. It has many things in it. It is for money, talking to people, and being productive. With WAAFI, you can send and receive money. Ride-hailing and paying for a ride is easy too. WAAFI is a new lifestyle. You can do things like send and receive money from people instantly and securely, chat with people, all on one app. You can pay your bills and do many other things with WAAFI. Search for videos, call friends and family at a low cost, book travel arrangements, and shop online. With WAAFI, you can make instant payments to different companies through the platform.

FINTECH IS THE FUTURE OF FINANCE.

FinTech, a technology in financial services, will be the future of finance. And vice versa. Technology has become mainstream because of its effect, effectiveness, and popularity. Financial institutions in any part of the world have shown that they can grow to fit changing technology.

This helps them keep up with the demands of the market. Even people have been doing well in the banking industry. People have been able to do good things for themselves and their country. They have shown that other countries can do well too.



IMPACT OF FINTECH IN AFRICA

There are lots of African startups that raise money. They get \$330 million in the first 6 months of this year. That is more than double the 2020 figure. Investors are also looking for bargains in Africa's startups because there is not much money there.

African consumers need a lot of things. One thing they need is access to vital financial services. And that is why it's essential to improve the penetration of telecommunications infrastructure in Africa, which will continue to enable equitable access to finance for all Africans.

FAQ:

Role of FinTech in banking?

A company that provides technology regarding finance is called FinTech. It is an emerging service for the 21st century. Banks should quickly adopt this change and use good strategies to be better.

Does FinTech refer to internet banking?

FinTech is a lot of different things. It can be technology, digital products, or even business models for delivering banking services and products. All of these are happening through web-based interfaces or mobile applications.

Drawbacks of FinTech?

FinTech (a type of technology) is making changes in the world. But there are some problems and challenges it will have to deal with. One of the bigger problems is low trust. It can be hard to believe people and companies on the internet, especially when they say that their website has no security breaches.

CONCLUSION

We've covered all the ways that FinTech can benefit your business and what you need to consider before getting started. We know how important it is for businesses of any size to make sure they are staying ahead of the curve with their marketing strategy. FinTech is beneficial for everyone as it has got something for all of us, so always try to benefit from this amazing opportunity.



Dr. Ali Yasin Sheikh Ali,
Senior Researcher, SIMAD University

PROMOTING WOMEN'S ENTREPRENEURSHIP: THE NEED FOR MORE THAN A FINANCIAL SUPPORT

BAHJA ALI SHURIYE



In recent decades, Somali women have shown their entrepreneurial spirit, from managing small tuck shops in the villages to the big shops in Bakaro and Xamar Weyne, from online product sales to medium-sized enterprises. The achievements of Somali women engaged in Micro, Small, and Medium-sized Enterprises (MSMEs) increased; they created jobs and supported many Somali families. The victory of such women-owned businesses is inevitable, and it made a massive difference in the country's recovering economy.

Looking back at the decades of political conflict in the country, Somali women have also achieved an incredible triumph in operating MSMEs and existing informal businesses. They played a vital role in the survival of many families. Today, women traders are visible in all giant and small markets, selling clothes, foodstuffs, and all manner of items. For many families, women-owned businesses are the primary income source. However, the majority of these businesses are informal. As per NBS, the country's overall informal economy makes up 51.4%. Women-led businesses are the main component of the informal economy,

with 44%. Most of these women-owned enterprises were formed as a form of family survival, and the growth of these businesses is non-existent.

Further along, the country's unemployment rate is shocking, at 67%; the percentage is even higher among females, at 74%, it is estimated. According to the NBS report, the country's national budget is minimal, and the available funds are allocated to focus on critical priorities, including security and political stability. Therefore, investment in creating jobs has become insignificantly vital to the Somali government.

Therefore, because of the limited jobs in the market, the unmatched skills, and the gender barriers, it makes less compatible for women to access full labour force participation. The question is, what are the other alternatives? In my opinion, promoting women's entrepreneurship is a much-needed intervention that should be focused on by all relevant stakeholders. In this article, I will shed light on the importance of promoting women's entrepreneurship for its economic growth and the challenges that surround it.

WOMEN'S FINANCIAL SERVICES

Access to finance remains one of the critical challenges for many growth-oriented MSMEs. This is an undeniable fact. According to the International Finance Corporation (IFC) data, 42% of Somalia's informal enterprises are heavily in need of credit but do not have access to any. However, for the last five years, local banks have been introducing bank services tailored for MSMEs and especially for women entrepreneurs. In the case of Dheeman Mastercard (IBS Bank), Dahabo (Dahabshiil Bank), and Maandeeq (Premier Bank), to assist women entrepreneurs. These services attracted many female entrepreneurs. Through these unique bank cards, they can receive up to a \$15,000 loan amount with zero charges that should be paid within 12 months. Primer Bank offers its female clients the use of an overdraft service, meaning that women entrepreneurs can withdraw excess money from their accounts. The same goes for eDahab at Dahabshiil Bank.

For the IBS bank, using Dheeman Mastercard is charged only \$6 annually, compared to the standard \$10 annual bank fee. Additionally, Dheeman Mastercard gives access to the asset financing of women's businesses at a 7% rate for the first year and a 14% rate for the second year, compared to the usual 12% and 24%, respectively (ILO, 2021).

However, although there are limitations to these bank services, such as the repayment period and the number of loans, yet, only a few female entrepreneurs can exercise these services as the banks require business documentation such as a business registration certificate issued by the government, which many women do not have. Hence, women entrepreneurs need the support of non-financial services such as documentation and mentorship to formalise their businesses.

BUSINESS REGISTRATION

The Ministry of Commerce and Industry introduced the Business Registration and Licensing System (SBRL), which was launched recently. The e-business registry portal (<https://ebusiness.gov.so>) is intended to speed up the business registration process in the country. There is also a recent development in the Somali Trade Information Portal (STIP). All businesses can access the trade laws, regulations, policies, and procedures to start a business. These are significant steps towards creating a conducive environment for businesses, including MSMEs. However, the mandatory certification fee does not favour entry-level and existing women-owned

businesses in getting their business licenced and registered.

Thus, the government must introduce policies that favour these businesses and promote them—a significant reduction in the fees and tax exemption will be an incentive for women entrepreneurs—to unlock their market opportunities. If this is implemented, women entrepreneurs will have access to other services supported and offered by the local private and international entities, which are indispensable in promoting women's entrepreneurship.



INCUBATION CENTER FOR MSMEs

Developing entrepreneurial skills also significantly impacts on empowering and promoting women's entrepreneurship. The need for knowledge, information, entrepreneurial mindset and technological skills to operate businesses exists. These kinds of services should be provided by the Business Development Service Providers (BDSPs). Women-owned companies either fail or grow slowly, mainly due to a lack of mentorship and incubation services. However, there are hubs launched in many parts of the country—iRise, SIMAD iLab, and Har Hub are among them. The rise of these initiatives is becoming the new normal in Somalia. The hubs should prioritise training young people and women. SIMAD iLab hugely encourages women entrepreneurs by reserving a 50% quota in the entrepreneurship, incubation, technology, and employment mentorship programs to develop and grow their start-ups. Other programs are dedicated exclusively to female entrepreneurs to raise the bar. This includes the Ladies Talk Event—through this social event, aspiring women entrepreneurs get connected, and exchange insights with pioneered women entrepreneurs.

Webinars and Field Tours are among the programs intended to increase women's engagement in mentorship programs. SIMAD iLab also hosts a Product Fair Day, which showcases the products and services of the start-ups accelerated or incubated at the centre. The product fair is an opportunity for young female entrepreneurs to exhibit their businesses and market their products and services.

Nevertheless, promoting women's entrepreneurship is a multi-stakeholder approach. All relevant stakeholders, including governments, banks, academia, and innovation and entrepreneurship hubs, must work together and encourage collectively to boost the country's economic growth.



Bahja Ali Shuriye,
Head of Women Enterprises Development,
SIMAD iLab
@BahjaAliShuriye

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**SBR ESSAY WRITING
COMPETITION**
(COMING SOON)

CAN GOVERNMENTS BE RUN LIKE A BUSINESS?

AHMED MOHAMED HASSAN



INTRODUCTION

Traditionally, the government's functions have been based on the ideal discourse contrary to the business sector. Public administration is termed as the business side of the government. The government is responsible for the betterment of the well-being of its society. In order to reach the well-being of its society, the government does many activities. The effective realization of these activities depends on the wealthy, political stability, proper administration, and so on.

Since the establishment of modern states, the state has been playing a positive, effective and dynamic role in the life of mankind. Government formulates and implements policies, rules, and regulations to suit the changing needs and problems, and convolutions of society. Particular emphasis was given to public administration which is responsible for the implementation of government policies, rules, and regulations. Additionally, public administration is in charge of the management of the public sector. This encompasses maintaining law and order and public service provision. The services provided by the government touches citizens from the cradle to the grave which means there is no single activity left untouched either by the state or by public administration.

In the primitive stage, the state was the sole or dominant supplier of public amenities like education, health, public infrastructure, energy, telecommunication, security, currency and etc.

As time flies the government's provision of public services has been declining due to budget deficits, recessions, and economic turmoil. As a result of rising corruption, mismanagement, inefficiencies, declining trust of government and public officials, the private sector became the dominant supplier of major areas of public services. Today, private companies provide services like education, energy, telecommunication, health, and so forth.

The constant managerial incapability and the loss of memory occur when the most competent employees leave public jobs and join private companies for fringe benefits.

Besides, booming domestic and global businesses forced citizens to divert from poor public service provision to high-quality private sector services. Therefore, to handle this problem, the scholars of public administration came out with the notion of New Public Management (NPM) and Reinventing Government in order to reform governments. New Public Management is a metaphor within public sector management that aimed to utilize market principles of efficiency, economy, and effectiveness. Hence, this essay attempts to react to the enquiry: Can The Government Be Run Like a Business?

CAN GOVERNMENTS BE RUN LIKE A BUSINESS?

As it is comprehensible, today's public sector has suffered myriad obstacles because of economic turmoil, corrupt officials, and loss of memory. The loss of memory occurs when the most competent employees leave public jobs and join private companies for fringe benefits. As a result, enormous individually-owned corporations replaced the public sector and deliver high-quality services in the sectors of education, health, energy, construction, and so forth.

In an attempt to confront the declining public sector service provision, the theory of New Public Management came out in the late 1980s. This NPM notion overwhelmed governments around the world forcing governments to the paradigm shift. NPM is aimed at borrowing and applying market-based principles of efficiency, effectiveness, and economy in the public sector.

In order to reverse the upheavals in the public sector and compete with the private sector, NPM theory emerged. As stated by (Chakrabarty & Chand, 2021) NPM believes the application of professional management in the public sector, unequivocal standards of performance measures for goal attainment, result-oriented management, emphasizing competition in the public sector to ensure efficiency, better resource utilization, and ultimately, applying the private sector style of management practices in the public sector.

Governments can be run like a business if the aforementioned principles of NPM are applied in the public sector. For instance, in the education sector, the government would offer funds to public schools and hire professional managers for school management and qualified teachers to teach pupils and provide quality education to citizens. In return, citizens are required to pay the price. Under NPM, citizens are referred to as active customers.

According to (Sharma, 2007) as cited by (Ibrahim, 2012) Global aid benefactors commended the installation of political and economic reforms in unindustrialized nations by means of the intention of advancing decentralization and abolishing bureaucracy and also inspiring private sector growth through public-private partnership (PPP) systems, privatization, and market-orientation in order to progress the financial performance and attenuate poverty.

According to Savas & Savas, (2000) the transfer of public enterprise ownership from the state to private hands, in full-length or in part, is known as privatization.

Whereas, the public-private partnership can be elucidated as an organization in which government and a private entity, either profit or nonprofit, implement or undertake a normal public activity cooperatively.

In Somalia's context, public service provision has transformed various stages from 1960 until Somalia's complete state collapse in 1991. Under military rule, the state was the sole and dominant supplier of public services. Nevertheless, after the state collapse, the delivery of public services has completely taken by individually-owned companies. For instance, the services like education, health, energy, and telecommunication are in the hands of Somalia's private sector.

NPM application is absolutely appropriate in Somalia where private corporations have market dominance. The government is unable to deliver amenities because of corruption, and budget deficit. But, the government has the legitimacy to enact laws and implement them. Now citizens are customers and purchase the services from the private sector. Public infrastructure is one of the fundamental services government failed to provide. For instance, if the government wants to apply NPM, then, one approach under NPM is to privatize. Government permits private construction companies to construct infrastructure and in return, the companies get their money back from tolls on the highways for some limited years.

Similarly, in the education sector, Somali's government owns numerous public schools with sufficient land resources and an appropriate environment for students compared to private schools with small houses inappropriate for teaching and learning. Yet public schools failed to compete with their private counterparts.

Under the NPM's reform regime, government schools can be administered like a business through privatization and public-private partnerships. This is more likely to work in Somalia, where private schools have dominated for more than two decades. For example, Mogadishu municipality, which just took over control of public schools in the capital from the federal government, can either privatize public schools or leverage public-private partnerships to provide high-quality education.

Ultimately, since private hospitals outnumber public hospitals in the health sector, the government can also practice privatization, outsourcing, and public-private partnership arrangements to its advantage.

CONCLUSION

Customarily, the functions of the government have been distinct from those of businesses. The primary responsibility of the government is to work for the betterment of its society's well-being. The government engages in a variety of activities to achieve that well-being. Doing so is contingent on the government's wealth, political stability, proper administration, and among other things. As a result of the ongoing economic turmoil, administrative inefficiencies, corrupt officials, and memory loss that have endured the public sector. Governments have failed to provide the usual amenities that they used to provide.

In order to cope with the upheavals that suffered the public sector and contend with the private sector, NPM and reinventing government came as a form of reform.

Under NPM, the government can be run like a business. The application of NPM and reinventing government is more appropriate in Somalia where market dominance is in the hands of the private sector, and citizens are turned into customers after the continued absence of government's service.



Ahmed Mohamed Hassan,
Head, Political Science Department,
SIMAD University





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CONSUMER PRICE INDEX

HUSSEIN ABDI MOHAMUD



In this paper, we will look at the Ministry of Planning's Quarterly Consumer Price Index. The CPI basket includes nine major economic categories, including Food and non-alcoholic Beverages, Clothing and footwear, Housing, water Electricity and Gas, Tobacco and Narcotics, Communication, Transport, Health and recreation and culture Food and non-alcoholic beverage is the most active sector, as it has increased considerably in the last three months.

While housing, transportation, and communication have remained constant over time. On the other hand clothing and footwear and Tobacco has changed little. If we examine closely, we can see that generally imported products have changed a lot, whereas indigenous products have remained the same or have altered slightly. The CPI numbers for the last three months are shown below:

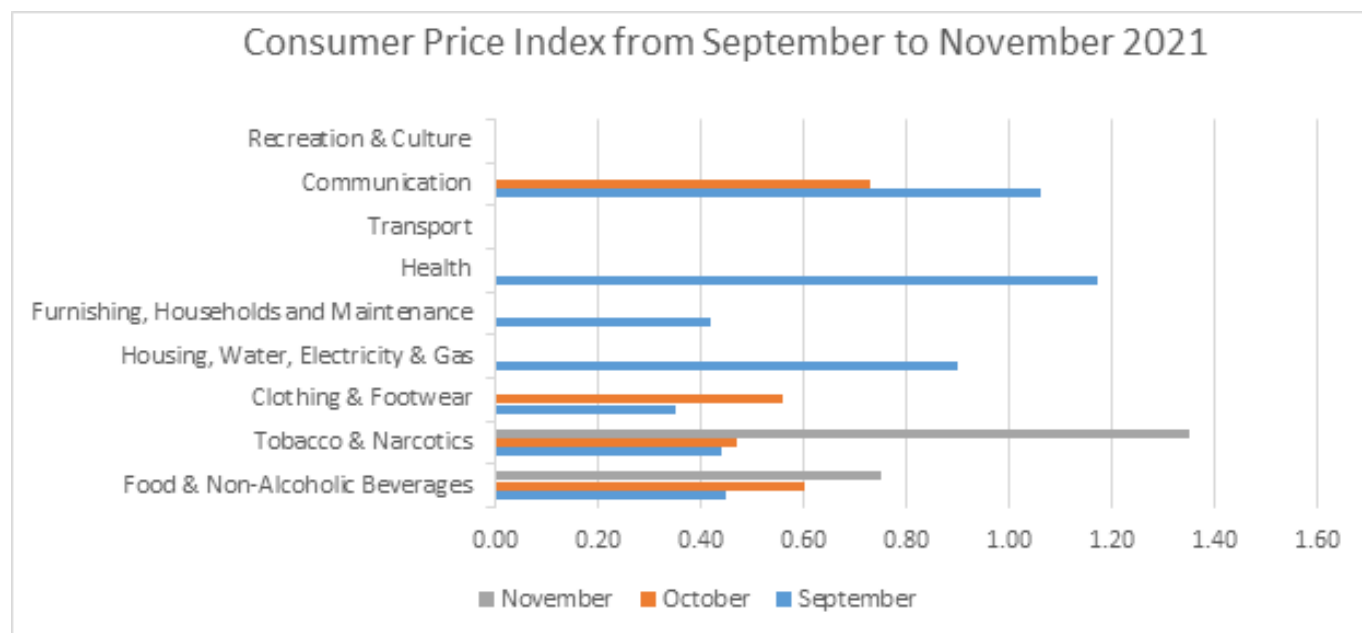


Figure 1 Change in the price indices for September, October and November 2021

Food & Non-Alcoholic Beverages experienced a monthly increase of 7.8 percent during the month of November, 2021 compared with an increase of 6 percent in October 2021. This increase is due to a combination of factors such as International supply chain problem and there is also a possibility of political tension exist in Somalia.

Clothing and Footwear experienced a monthly increase of September and October. During October clothes increased by 5.8 percent compared to 3.8 in September. Mainly the price increase is from shortage of containers and challenges faced by international supply chain.

Housing, Water, Electricity & Gas experienced a monthly fall of 3.8 percent during the month of August 2021 compared with an increase of zero percent in July 2021.

According to Tobacco & Narcotics experienced a monthly increase of 1.38 percent during the month of November 2021 compared with an increase of 0.6 percent in October 2021. This group experienced the highest increase in prices across all groups.



Hussein Abdi Mohamud,
Operations Manager, SBR



INVESTING IN THE FUTURE: PREPARING THE YOUTH FOR THE EVER-CHANGING MARKET DYNAMICS

MOHAMUD ABDURAHMAN HASSAN



According to the UNDP, despite constituting about 70% of the population, Somalia's youth suffer from high rates of unemployment, a fact that highlights the unforeseeable future the country is headed towards.

Given that high degree of uncertainty, investing in youths' skills stands out as the best and fastest way for change. This becomes a critical gateway to emphasize education and comprehensive capacity building that includes non-formal and informal learning experiences.

For a drastic change to materialize, skills are direly needed to boost productivity and income, as well as equitable access to employment opportunities. Somalia's rising trends in the areas of technology, industrialization, energy, agriculture, fisheries, and livestock are constantly altering the nature of the work and skills demanded in the local markets.

One of the key primary causes of youth unemployment is the mismatch between the skills, knowledge, and attitudes that youth possess when entering the job market, and those needed and desired by employers in the country.

To give you an idea, recently, coffee shops and restaurants are considered to be one of the most growing business areas in Somalia, but the skills demanded to run that sector are not invested in, in consequence, foreign employees are hired, chefs, baristas, and even restaurant managers are brought from the neighbourhood countries. If such skills were locally invested in before, it would have reduced the unemployment rate of the country and contributed to the increase of the local benefaction from the sector's value chain.

As unemployment continues to affect most of the youth, while businesses struggle to find qualified employees, preparing the youth for the practical world has become increasingly attuned, training the youth for skills, professions and technical knowhow will play a vital role in reducing the unemployment rate in the country.

Like any other country across the globe, Somalia needs a comprehensive skillset building consisting of Digital, Technical and Cognitive skills.

DIGITAL SKILLS

Somalia is one of the leading countries in Africa in the technology sector, an attribute that helped the country's economy to recover. It has a fast-growing demand for digital skills because of the way firms interact, how businesses are structured, and how consumers obtain services, information, and goods.

By textbook, digital skills are a range of abilities to access, use and manage digital devices, communication applications, and networks to access, understand and manage information safely and appropriately.

These skills are the most important in the 21st century and it's cross-cutting and drawn for all the other skills, people who have digital skills not only make themselves more employable but guarantees their future careers by comprehending key digital channels.

Somalia is one of the first African countries that has established mobile money platforms that have changed the lives of many and facilitated trade and business for corporations as well as small and medium enterprises, which are the growth engines of the Somali economy.

TECHNICAL SKILLS

Technical skills are referred to be the abilities, expertise, interactions, and knowledge needed to perform specific tasks. They are practical and often relate to mechanical, information technology, mathematical, or scientific tasks. Some examples include knowledge of programming languages, design programs, mechanical equipment, or tools.

Technical skills are crucial. For instance, the growing numbers of hospitals in the country will have to import a lot of medical equipment which may need specific skills to install and maintain, which means by the effect that having medical engineers would incentivize investments in the health sector.

Mobile money has also contributed immensely to Somalia's economic recovery.

Mobile money and technology helped Somali families in rural areas, changing how they operate their businesses and maintain their livelihoods, it also facilitated the support they receive from their families in urban areas, as well as the NGO's and aid agencies. Therefore, Mobile money is considered to be "an innovative and safer way to support the most vulnerable people in rural areas" as per Etienne Peter Schmitt, FAO Representative in Somalia.

As a business-oriented society, digital skills helped the Somali youth with starting their Tech oriented businesses such as E-commerce enterprises, advertising and graphic design agencies, software designing and a lot more, enabling these businesses to excel in their respective sectors.

As Somalia is one of the most growing countries in the construction sector, architects, civil engineers, designers, technicians, and many more skills are needed to keep up with the sector growth. Furthermore, promoting and investing in technical skills may help encourage investors to invest in the industries, and stimulate industrialization in the country.

Providing suitable technical skills training to those who the underprivileged youth would help to reduce the unemployment and would fill the huge gap in basic technical skillset existant to the relevant sectors they provide for the needed workforce mix that would include electricians, plumbers, electronic devices handlers and equipment fixers, etc.



COGNITIVE SKILLS

Cognitive skills are referred to be the skills to think, understand complex ideas, read and remember reasons, learn from experience, adapt effectively to the environment. Such skills include foundational literacy and numeracy as well as creativity, critical thinking, paying attention and problem-solving.

Unfortunately, the available faculties in our universities are condensed in theoretical areas while lacking the focus on the cognitive skills that can help students to become entrepreneurs and innovators who would take part in the growth of Somalia's economy.

Somalia's slow-moving entrepreneurs are a great sign that higher education institutions need to focus on

teaching about and training on entrepreneurship and all the cognitive skills they need to facilitate the success of their start-ups.

The growing copy-paste/imitative strategies in Somalia's business sectors show the need for the appropriate training on critical thinking and problem-solving in our education providing institutions, helping the youth to be more creative and innovative.

Mobilizing proper skills training for the younger generation will help build up their passion and interest. as a result, they can become a powerful partner in solving problems, creating jobs, and leading the change.

CONCLUSION

Investing in skills can contribute to structural transformation and economic growth by increasing employability, labour productivity, and producing a new generation of skilled workforce that can play a key role in attracting foreign direct investment.

Somalia's current situation and future migration patterns point to the need for more open education and capacity building initiatives that lead to better jobs and brings the necessary technological innovation to Somalia's key productive sectors such as agriculture, fisheries, livestock and energy.



More importantly, as the link between finance and technology has grown so strong in Somalia and considering how mobile money services such as (EVC, ZAAD, EDAHAB) contributed positively to the economy of the country, fintech is likely going to be a game-changer as it provides lots of opportunities for investment and development. Thus, investment in Fintech skills should be prioritized to reap the long-term benefits of these skills. Hence, skill development partnerships between the private sector, government and academic institutions are required to ensure that education and skills meet the demand of the local labour markets.

As most of the Somali universities offer educational programs that focus on theoretical fields, leaving their graduates unable to compete in the job market, it is time for education providers to introduce technical and vocational education, as well as training programs that respond to the needs of the labour market. Ultimately allowing the youth to seek better-paying jobs, while also prioritizing critical thinking and problem-solving skills in their social and art faculties.

Most of the Somali youth lose interest in seeking higher education opportunities within the country because of the limited available faculties, thus vocational schools will be an alternative for those intending to pursue demanding skills. It also improves the individual chance of employability and reduces the mismatch between the job demand in the market and the supply of skilled manpower.

As governments, the private sector and education providers play an important role in changing the status quo by making strategic decisions, they should join forces by designing and implementing effective policies that can revolutionize the skill development in Somalia which will ultimately shape the future of our nation. In addition, investing in the skills of young people can empower them to be advocates for sustainable change.



Mohamud Abdurahman Hassan,
Entrepreneur & Co-founder Sada
  Mohsen_aylawe

OUTDOOR ADVERTISING EPIDEMIC IN MOGADISHU

MOHAMED ABDIMALIK



The ruins of the old Somali parliament lie shrouded in a ring-fence of corporate adverts. Only the building's north-facing tower is visible from the outside: battered and without the sky blue flag it has proudly hoisted since independence night. Commercial signage litter what in its heyday was a clean, tree-lined faras magaalo, and Somalia's center of power, erasing its sense of place and history.

The old parliament compound now acts as the kilometer zero for the uglification of Mogadishu, with poorly designed, invasive adverts clamoring for your attention everywhere: on main roads, intersections, minor roads, pedestrian pathways, even inside popular hotels and recreational facilities.

At KM4, Ahmed Gurey's holy statue is entirely invisible, draped with greedy ads.

Arco di Trionfo Popolare, a historic architecture of Mogadishu, is also defaced by a similar menace. Along Maka Al Mukarama road, giant plastic billboards promote political candidates, hospitals, banks, Hawalas, and cable companies. Streetlights carry endless yellow posters in open contravention with Traffic Rules. Ostentatious shop-front signs, some illuminated, some covering shop walls to advertise the entire shop stock. Some business owners even erect their street poles, huge direction symbols, and many other types of distractions such as portable signs and large inflated balloons.

Beach-goers, too, have to contend with intrusive billboards that line Liido road, many of them illegal and unethical. One such towering billboard advertises "experienced" hospital surgery services with intrusive images guaranteed to disrupt the mood of merrymakers.

CORPORATE SCRAMBLE

The resurgent corporate sector, billboard-obsessed NGOs, and government agencies are scrambling to replace our natural scenery with an ugly mess and fill our roads, neighborhoods, and public spaces with bland adverts. Marketers cut down trees to pave the way for huge billboards, erected everywhere without thinking,

without any regard for optimal location and area demographics, creating a massive waste of marketing resources, on top of the attendant environmental pollution. Marketers also rarely maintain vacant advert infrastructure. Damaged, falling metal poles, tattered plastic sheets produced from non-eco-friendly material, and toxic ink clutter the roads.



Tattered, unmaintained billboards in Mogadishu.

Numerous studies on the dangerous effects of digital and static ad proliferation - a phenomenon more commonly called visual pollution - conclusively show that it negatively affects mental and emotional health. Visual ad bombardment causes stress, anxiety, lack of sleep, and other psychological problems. Incorrectly placed, outdoor adverts can distract drivers and cause accidents.

In the age of social media, when personalized and interactive ads have taken the ad industry by storm, the senseless commercial pollution in Mogadishu must be questioned and stopped. Industry observers have long questioned the return value of unmeasured static billboards.

Banadir municipality can and should encourage local businesses to come up with innovative marketing approaches. Businesses can utilize digital advertising or even better employ local artists to perform public stunts and clever artistic expressions to attract customers.

Studies show that cities that limit visual pollution have happier and healthier residents. Somali cities which suffer from frequent cycles of climate-change emergencies such as drought and floods need to take urgent measures to stem the ongoing tide of environmental destruction. Trees must be planted, and steps taken to remove and reduce the presence of toxic plastic billboards.

POOR DESIGN

Poor advertising design is a major challenge that afflicts the ad market in Somalia, which is still at an infancy stage. The proliferation of printing shops that sell fast and cheap billboards has undercut the design function of professional designers, illustrators, and artists. The resulting product is an ugly mess – shoddy graphics, mismatched colors, a jumble of illegible text, stock photos – and no discernible message.

To escape this menace, local designers must assume their rightful role and professional responsibility to pursue excellence, protect consumers and preserve our environment. A professional advertising association is also highly needed to spearhead self-regulation and professionalization of the field through training and certification.

To produce successful adverts, designers should learn and employ the best practices and principles of graphical composition, marketing, and the psychology of visual communication. Designers must have at least a basic knowledge of gestalt laws: laws of proximity, similarity, closure, continuity, figure, and ground. Creating an appealing advert requires an essential understanding of how the public interprets and consumes visual information.

Designers must also learn and utilize the craft of storytelling and messaging. Passerbys, who are ever distracted these days, pay only a cursory glance at billboards.

Hence, successful adverts must use storytelling techniques to capture the viewers' attention instantly, evoke emotions, and convey memorable, compelling stories. Visual adverts should only plan to impart one point – just one message per board. No one will stop to read an unpleasant clutter of text. Prospective customers favorably view brands that produce clever and entertaining stories.

Visual pollution, a menace of urban centers in developing countries, degrades the livability of cities. It drastically affects traffic safety destroys the cityscape and cultural heritage. It is also associated with heightened risks of mental health problems. The enormous costs posed by visual pollution far outweigh the meager ad revenue it generates, which invariably ends up in the pockets of corrupt officials.

A joint citizen campaign is urgently needed to clean our city, bring down all illegal outdoor adverts, enforce strict rules on advert permissions, and reclaim our long-lost Pearl of the Indian Ocean.



Mohamed Abdimalik,
Senior Research and Data Journalist

MARKETING: THE MAGIC THAT SOLVES ANY BUSINESS PUZZLE

ABDIRAHMAN ABDINOR MOHAMED



Business activities are either primary or supporting activities. Both types of activities contribute to the existence, development, and growth of the ideas and their sustainability. Misunderstanding and wrong perception of primary activities can hinder the business in pursuing its strategic goals. Marketing is an area that our country and business firms should focus on to excel. It is the cornerstone and foundation for any business to succeed and become efficient in terms of resources and effective in achieving long-term goals and objectives through value creation and provision of solutions to the market needs, wants and demands.

Marketers believe that marketing activities as an investment that generates revenue for the firm, and some stakeholders consider marketing an expense to the organization instead of prioritizing it as an investment that generates revenue and customers for the business. This opinion piece of writing will explain that marketing is an indispensable primary activity that can create value and solutions to the market needs, wants, demands, and preferences. Moreover, the column will focus on ways marketing can help startups, small, medium, and large businesses from ideating to creating value and providing solutions to the customer needs, wants, preferences, and demands.

Many people think that marketing is all about selling and advertising. In simple terms, Sales and advertising are small integral parts of marketing, but they cannot cover the whole marketing concept. Marketing focuses on formulating successful strategic plans, crafting guidelines and policies, and setting up procedures and action plans to understand the market through data-driven research and customer analysis with the ultimate goal of achieving a competitive advantage in customer delight and retention.

Developing a marketing strategy is the first step for the firm to create value and solutions to the market needs, wants, and demands. Tactically, marketing focuses on dealing with the target market of the firm. Moreover, providing excellent customer care service through effective communication with an outstanding business convenience, exceptional coordination among business processes, reasonable price, and appealing physical evidence to the customers. As a result, this is a marketing model and tool for any business eager and enthusiastic about pursuing its marketing objectives in the target market.

There is also monitoring evaluation and learning phase of marketing as an input to the strategic phase of the marketing cycle. Any firm should have a marketing department that seeks feedback from its target customers and enhance company values and solutions. To realize customer retention and satisfaction, the firm should do market research, revise product design and development, and use company offerings regularly. In this phase, businesses learn more about their products and customers; discover new market opportunities that can help them realize business growth.

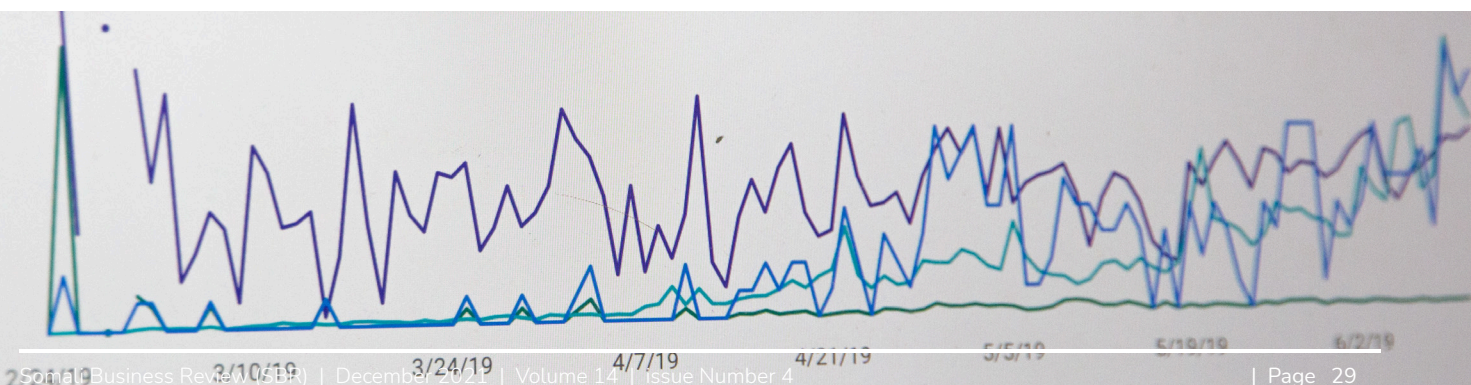
Any type or form of business can utilize marketing as a model and tool for ideating, prototyping, and creating value and solutions to the world. Some people will argue that entrepreneurs solely develop ideas. However, marketers believe that customer value should be the center for any idea to become a business opportunity that provides solutions to customer preferences and demands. Some people dream of ideas that may not have market opportunities. Marketing is a tool and model for developing business ideas and turning them into great market opportunities. This part of the column will challenge the hypothetical process of perceiving great ideas begin with brainstorming and imagination, crafting well-articulated business plans, prototyping, and then financing it while believing that the marketing and sales activity is the least and the last one to think about when creating value and solutions.

As someone passionate about sales and marketing, I believe that creative ideas start from market understanding. Moreover, sales and marketing pioneers can recognize those opportunities and turn them into market solutions. The market space can be physical or digital; those who can analyze the market and understand it well will develop exceptional products. For example, you have heard clubhouse, twitter space, Facebook space, and many other applications, which have been introduced in the market for the last two years due to market opportunities that required innovative solutions. Market understanding is a major prerequisite for any idea to become a market opportunity that creates innovative solutions, customer value, and offerings to the world. In essence, the market is the customer, and anyone who understands them well will have the competitive edge to become a market leader in their industry.

Networking and having connections are instrumental for the start-ups and different types of businesses to be successful and mobilize resources for the market opportunity in particular and the business as a whole. The market involvement and the close interaction between the marketer and the customers, suppliers, and distributors will give the marketer the competitive edge to work with them and convince customers to buy the new offerings repetitively. A proud marketer once said that your network and connections are your greatest asset which could help marketers create wealth, value, and solutions for the market and the organization.

Entrepreneurs worry about sources of financing and which percentage will be shares or loans. Using marketing as a model and tool to assess ideas and business processes certainly increases the likelihood of creating value and solutions to the customer preferences and choices. As a marketer, we believe in responding to the customer 'market' needs, demands, and wants, and creating value and solutions to the market will guarantee to any entrepreneur angels that can invest in his ideas and solutions. Ideas and solutions are different in their meaning and context. Anyone has thoughts and opinions but not answers and results. We are in the conceptual age where almost all the information you need to make a decision is available; the better you understand and digest market information, the more chance you have to make informed choices about market solutions and values that you can create. For that reason, marketers trust their market instincts will give them the required answers to mobilize both financial and non-financial resources.

Mastering the art of sales is necessary for any individual to excel in creating value and solutions to the market needs, wants and demands. I acknowledge the efforts of SIMAD iLAB and other institutions that train young generations to turn their passion into reality. Giving sales assignments to their students and inviting successful businesspersons as apprentices can boost the mindset and attitude of the students to become resilient during the difficult times of their startups. You may see someone renting an office space, hiring a secretary, and acting like a boss without making a single sale. A simple formula for any business to survive and succeed is to build profitable customers through innovative solutions, value creation and customer experience.



Establishing Somali Marketing Society, marketing think tanks, and marketing consulting firms can help current businesses and start-ups to generate stable revenues for their institutions and offerings. It can also enforce our business to be proactive and exploit the strategic locations of Somalia. Moreover, the large populations of our neighbouring countries, the entrepreneurial and resilient spirit of Somali people, and the utilization of marketing knowledge creation institutions in Somalia can transform Somalia into an economic hub for the continent and the world. Being a marketing agent for Somalia through data-driven and conceptualized information can change the negative narrative about Somalia while also promoting our income-generating sectors to the world.

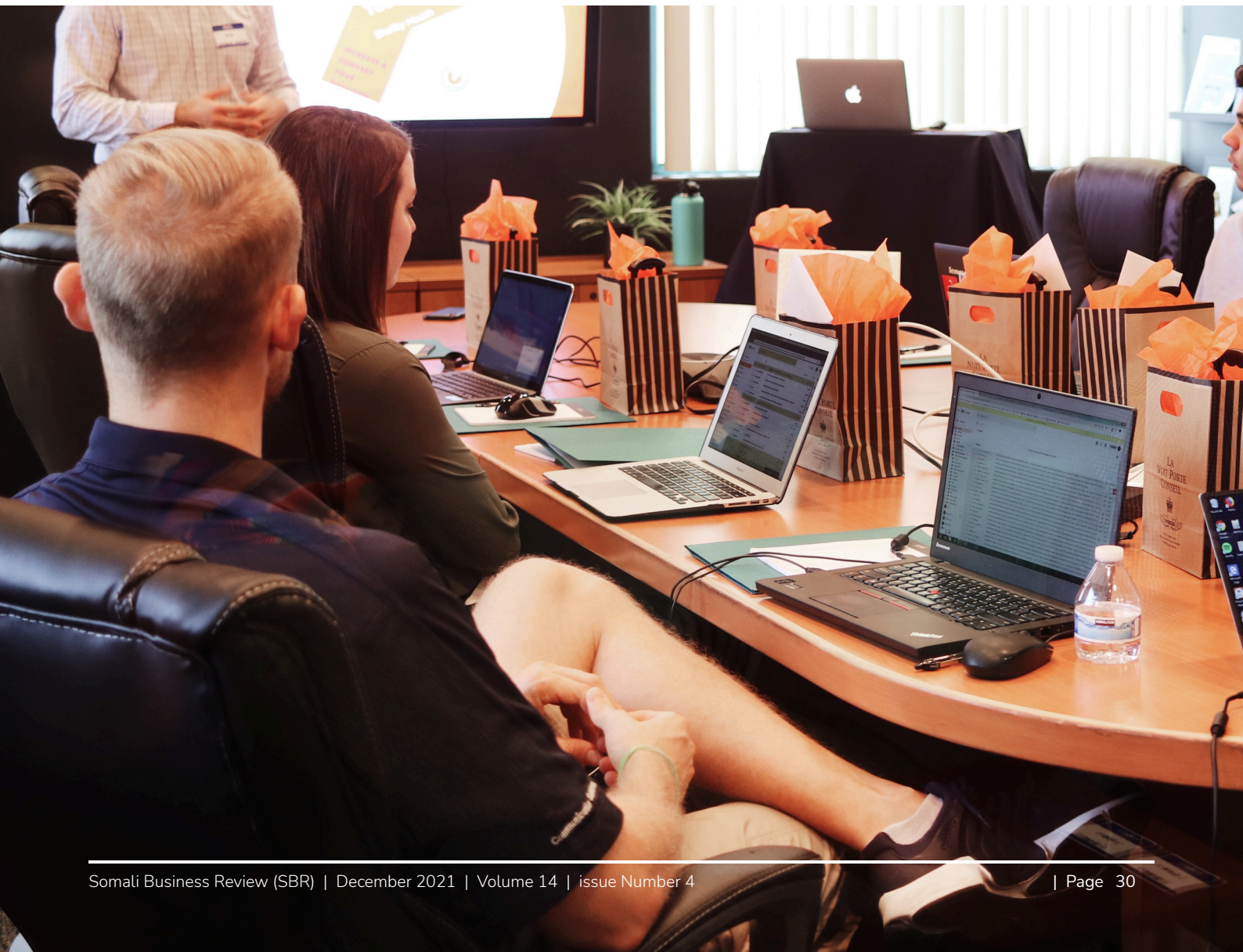
To attract foreign direct investment opportunities in Somalia, we here to acknowledge the efforts of SOMINVEST on positioning Somalia as an economic hub by promoting our young and energetic population, our strategic geographic position, and maximizing our untapped income-generating sectors such as farming, fishing, livestock, energy, tourism, infrastructure, and transportation.

I would encourage SOMINVEST to focus more on publishing the endorsed commercial laws on their website and promote the energy, infrastructure and transportation, and tourism sectors.

The goal of any business is to achieve customer loyalty and retention while also maintaining their satisfaction and delight by providing creative solutions and value through its innovative offerings and services. For that reason, it starts with the market opportunity not vague and personally attractive ideas. Genius marketers can create business solutions and customer experience that would last forever. In essence, marketing is the only piece that solves any business puzzle.



Abdirahman Abdinor Mohamed,
Entrepreneur & Consultant



SOMALIA-TURKEY RELATIONSHIP FOR LAST DECADE: THE ECONOMIC PERSPECTIVE

YONIS ALI MUKHTAR



INTRODUCTION

Since the collapse of the central government of Somalia in 1991, the system in the country has completely collapsed. The ruins included politics, economy and trade, the education system and many more. However, over the past 10 years, Somalia has attracted foreign investment in various sources such as health, education and other resources due to stability begun in the country.

The Turkish government is one of the major investors in health, education and other infrastructure such as Aden Abdulle International Airport, Mogadishu port, etc. In this article, we will discuss the foreign investment made by the Turkish government in various sectors since the Somali government and Turkey have had good relations.

OVERVIEW OF FOREIGN DIRECT INVESTMENTS MADE BY TURKISH GOVERNMENT IN SOMALIA

Since 2010, the Turkish government has exported many services into Somalia, such as Health, education, Mogadishu port, Aden Abdulle international airport and other infrastructures. I discuss briefly in this article the different sectors that have been invested by the Turkish government in the last decade.

Firstly, the Health sector is one of the most important sectors of any country in this digitalized era. However, due to the collapse Somali government in 1991, the Somali health sector has not functioned properly.

The republic of Turkey started rehabilitation of the Mogadishu Somali Turkey Training and Research Hospital (Ex-Digfeer) on May 12, 2012, and was completed on September 14, 2013. After that, the modernized hospital began offering health services in August 2014 which allowed low-income patients to get treatment with meagre cost. In addition to hospital treatment for patients in the country, the hospital also helps patients with critical conditions to send them abroad for treatment purposes such as Turkey.

Secondly, Turkey Government also contributed to the Somali education sector during the last decade. The government-funded and supported higher education, technical schools as well as Primary and secondary schools in Somalia. These equipped schools have taught the Somali young generation and built their futures. Moreover, the Turkey government allocated scholarship seats for Somali students. In relevance to this, start from 2011 up to now, many students travelled to Turkey for study purposes in different disciplines or specializations and degrees (Bachelor, Master and PhD). Therefore, the Turkey government has provided valuable contributions in the Somali education system.

Thirdly, the Turkey – Somali relationship has been gained benefits from Somali businesses. Many Somali traders have shifted their business to Turkey. They invested in different businesses such as real estate, both residential and commercial properties. Some Somali citizens have purchased home for residential purposes while others developed real estate for resale or rent to generate income. This business facility helps all Somalis who travelled to Turkey for different purposes such as studies, health issues, tourism, etc.

Fourthly, Turkey Government has catered other infrastructure supports. Apart from health and education sectors and private businesses, the Turkey government built and renovated public goods such as Mogadishu port, Aden Abdulle International airport and some streets in Mogadishu- Somalia those took part an economic development of the country. And, most of the Somali government revenues come from these above-mentioned infrastructures.

Fifth, the Republic of Turkey has provided budget support to the Somali government. It seems like unilateral transfers and this current account involves unrequited payments and unilateral transfers have only one-directional flows, without offsetting flows. Turkey Government has paid this budgetary support for almost last 10 years since the Federal Government of Somalia does not have sufficient revenue.

Lastly, when the central government of Somalia was expelled from the country in 1991, some needy people in Somalia depends on humanitarian aid from many foreign countries in the world. Turkey government and its people have taken part in foreign aid to Somali people, especially the needy people internally displaced from their regions. From the social life perspective, it is important to help these low-income people.

Generally, Job creation and technology transfers are some benefits from foreign direct investment for the hosted country. These benefits include job creation, technology transfer, etc. Employability is one of the most important factors for production which plays a crucial role in the gross domestic product (GDP) of any nation. When a lot of foreign investors invest in another country, this will create employment opportunities for the hosted nation. Investing Turkey government in Somalia increased the employment rate in different sectors such as health, education and other infrastructures in the capital city, Mogadishu. On the other hand, technology transfer is another benefit from foreign direct investment. Foreign investors may have different skills related to how to use modern technology and local employees learn it from foreigners such as Turkish.

CONCLUSION

Attracting foreign direct investment can be a good policy because foreign investors can bring financial assets and knowledge assets. In the last decade, Somalia has attracted foreign investors since it recovered from civil war for around two decades. Turkey government is of the foreign nations that invested in different sectors in Somalia such as health, education, some other public infrastructures (Aden Adde Airport, Mogadishu port, etc). Moreover, the citizens from the two countries (Somalia and Turkey) have interacted with each other. Mobility between Somalia and Turkey has increased significantly over the past decade.

Somalis have established large businesses there, get free education and treatments. Job creation and technology transfers gained from foreign investors such as Turkish have benefits for the hosted country.



Yonis Ali Mukhtar, Head of Logistics of Operations Division, SIMAD University



THE DILEMMA OF GRADES AND SOFT SKILLS: FOCUS ON WHAT MATTERS IN THE WORKPLACE

NASRA ABDULHALIM



INTRODUCTION

Normally, we believe that getting straight A's shows our competence, but this is not the case. What students learn in the classes is only a small portion of what they are supposed to gain; instead, students should focus on soft skills that are extremely demanding in the workplace. When it comes to employment or the market, the skillset is more important than the lessons learned in the schools, no one cares about grades in the job market.

Following the fall of the central government, Somalia experienced tremendous changes, including the closure of all higher education institutions.

Somalia's education system began to experience significant changes, resulting in low-quality teaching for Somali youth; the majority of education was run by privately owned institutions under lawlessness and instability. In recent years, major steadiness in education has improved in parts of the country, the chances to attend formal education have increased, and significant contribution to the rehabilitation and development of the education sector has been ongoing due to the fact that it has been collected 52 universities in Somalia according to an early 2021 graduate survey, but there is still 67% unemployment!

WHY ARE GRADES NOT CONSIDERED A FACTOR OF SUCCESS?

Most graduates today are not prepared to meet the opportunities in the job markets, and employers are looking for talented employees who can think outside the box, come up with innovative ideas, and, most importantly, work smartly.

Somali youth face prolonged unemployment, which requires the graduates to obtain more relevant skills in order to find work. Empowering graduates with marketable skills and assisting them in transitioning into the labor market is a critical step in combating Somalia's high unemployment rate.

According to Robert Kiosk In his book "Why A Student Works for C Student", he mentioned that straight-A Students read and memorize well and work hard to get good grades, instead of focusing on concepts, ideas, and how to become creative thinkers, visionaries, and aspiring entrepreneurs. Kiyosaki, on the other hand, showcased some of C students who received low grades and grew up to be the innovators and creators of

new ideas and businesses, and not surprisingly, hired those A Students to work in their businesses.

Our culture constantly reminds us to prioritize our grades and be good students, but going to school and getting good grades is merely a process that everyone must go through, and it does not guarantee that you will find a safe and secure job.

.....BUT WHAT EXACTLY QUALIFIES A STUDENT AS A GOOD STUDENT?

Students should learn from successful people around the world who have made outstanding achievements. Some of them are successful without even having degrees, let alone grades, such as Bill Gates, who once said, "I failed in some subjects in my exam, but my friend passed in all. He is now a Microsoft engineer, and I'm the owner of Microsoft." This is a good example of how grades don't really define a person.

I'm not saying students shouldn't get good grades; they should, but they should also work on developing their soft skills,

which are essential when entering job markets. Spending time on developing soft skills will only help students achieve their career goals. Also, during their time in college, students must not only focus on the syllabus and academic books taught, but should also know the real world and have a deep understanding of the real markets by expanding their knowledge such as reading self-help books, learning from mentors, listening to podcasts, and reading articles. Students should also begin their career journey before graduating from university so that they can adjust to the changes that will occur during the transition period.

SOFT SKILLS REALLY MATTER IN THE WORKPLACE

Prior to entering the market, students should at least be aware of what is going on in the job market by finding relevant information and conducting research on the trends and technological changes. Computer proficiency is one such common skill; indeed, almost every job specification demands applicants with excellent computer skills, such as Word, Excel, and PowerPoint, and some companies and organizations also require analytical skills.

According to the ILO's report, even after an increase in the number of graduates entering the labor market, only a small percentage of them find work. To search for employment opportunities, graduates must be equipped with relevant skills that will allow them to capitalize on emerging opportunities. It has been widely agreed that the majority of graduates work in fields to which they do not belong because certain skills are equally applicable in many fields; however, this is only a small percentage

of graduates who have landed a job; the rest are unemployed due to a lack of skills.

Somalia transitions from a scarcity of soft skills, we are now viewing the world through the lens of skills. Many innovation hubs have recently been established and are creating job placement programs. Simad iLab, formerly known as IITE institute, is one of the frontline players that played an important role in developing my career skills. Being a part of the IITE institute's first batch provided me with valuable and hands-on experience that helped me in my job career. Simad iLab has transformed the lives of countless young people, mainly graduate students, by teaching them a wide range of skills that are currently in high demand in the labor market. Simad iLab's focus is not solely on employment; however, many startups were created and encouraged there, and they are now addressing socio-economic issues and contributing to the country's economic boost.



HOW CAN STUDENTS USE SOFT SKILLS AS A TOOL IN SURVIVING THE TRANSITION PERIOD?

Transitioning from college life to a workplace can be difficult for new college graduates. Shifting a student lifestyle with a full-time job is a notable switch, especially for those who are unprepared. According to a survey by McGraw-Hill education, only 40% of college seniors feel their college experience has been very helpful in preparing for a career. Most college students are unsure of what they want when it comes to job hunting. Soft skills are important and schools should have an important role in shaping them. But the reality is that universities nowadays are not preparing the students to meet the gaps in the market sector.

Graduates in Somalia, not only from the local ones but also from abroad, are having a hard time finding jobs. In Somalia, unemployment among educated youth is on the rise, young graduates must have market-driven and technical skills.

CONCLUSION REMARKS

Thriving good grades are important, but so are soft skills; it should be a combination rather than a dilemma. And most of today's young college students, who are only concerned with their grades, should be oriented to ignore the dilemma and acknowledge it as a combination. Future career preparation is critical; degrees are no longer sufficient. Everyone is talking about soft skills these days. So, what are the most important soft skills to work on? In securing a job, it is vital that students have skills that they have developed through their studies and extracurricular activities. It best promotes them as the person for the job.

To take advantage of online platforms, students should perfect their profiles and connect with professionals, network and obtain information about organizations, and write posts showcasing their employment interests. All these are part of developing a strong professional image for their personal brand. Other networking opportunities should also be

It is completely obvious that undergraduate experience did not adequately prepare graduates for life after college; they expect to use their degrees to find jobs in their chosen career path; this is not the case!

Every sector and career choice has its own set of highly specific and defined essential skills. Some skills are shared at the same time. To fill that void, there are self-paced online courses available to help graduates and even university students in advance. Simad University, through Simad iLab, unveiled Simad University on Coursera program to challenge students to complete online free courses during the summer breaks. Additionally, Simad iLab made available an access to free codes to take a course at edX and receive certification from well-known institutions such as MIT and Harvard.

considered by students such as getting in touch with alumni from your university could be a fantastic opportunity.

In a world where technology is prioritized, getting good grades isn't all that important. Digital skills are one universal skill that is becoming increasingly popular as we rely more and more on technology and the internet. Graduates must have basic programming skills in order to follow the trend because employers expect graduates to be able to do everything necessary to produce effective exceptional reports.



Nasra Abdulhalim
Content Analyst, Ministry of Commerce
@NasraAbdulhalim



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IMPORTANCE OF MSMES FOR THE ECONOMY OF SOMALIA

ISMAIL ABDALLA ALI



INTRODUCTION

Small and medium-sized enterprises (SMEs), also known as small and medium-sized businesses (SMBs) or Micro, Small and Medium-Sized Enterprises (MSMEs), are companies with less than 500 employees, depending on their region of origin. International organizations such as the World Bank, the European Union, the United Nations, and the World Trade Organization use the abbreviation "SME" Micro, Small and Medium-Sized Enterprises (MSMEs) have no international standard definition. The number of personnel, turnover, and capital are all important factors to consider while describing them.

MSMEs are defined differently in Kenya according on the context.

They are classified as businesses with a workforce of 1 to 99 personnel with:

- Micro businesses having fewer than 10 employees.
- Small businesses having 10 to 49 employees.
- Medium-sized businesses having 50 to 99 employees. (2010, Muleli Mutuku)

In Somalia, according to The Regulation of Company Law under The Ministry of Commerce and Industries, "Small and medium sized enterprises" (SME) are defined based on annual income and the number of employees as defined in the SME policy:

TYPE OF ENTERPRISE/BUSINESS	NUMBER OF EMPLOYEES	TOTAL ASSET
Micro	1-5	\$1000 - \$10,000
Small	6-50	\$10,001 - \$50,000
Medium	51-100	\$50,001 - \$100,000
Large	101 and More	\$100,001 and More

In Switzerland, for eg, the Federal Statistical Office defines small and medium-sized enterprises as businesses with fewer than 250 employees. The following are the categories:

TYPE OF ENTERPRISE/BUSINESS	NUMBER OF EMPLOYEES
Microenterprises	1 to 9 employees
Small enterprises	10 to 49 employees
Medium-sized enterprises	50 to 249 employees
Large enterprises	250 employees or more

MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES (MSMEs) AND ITS IMPORTANCE TO AN ECONOMY

Since the contemporary economy was established in its current form, micro, small, and medium-sized businesses have played a critical role. Their crucial function in the economy has been demonstrated numerous times by their efficient approach and unique contribution to national economic progress.

Micro, small, and medium-sized firms (MSMEs) have demonstrated a beneficial impact on economic growth, leading to the recognition of MSMEs as a recognized and crucial sector for the national economy's strategic interests. (Avasilicai, 2009)

Peter Drucker, one of the most widely known and renowned management philosophers, stated that

MSMEs are the primary vehicle for economic development. Those MSMEs make significant contributions to accomplishing the essential goals of every national economy, making it the backbone of social-economic progress.

Small and medium-sized enterprises (SMEs) make for the vast majority of businesses globally and are critical contributors to employment creation and global economic development. They account for around 90% of enterprises and more than 50% of global employment. In emerging economies, formal SMEs can account for up to 40% of national income (GDP). (From the World Bank)



The significance of micro, small, and medium-sized enterprises (MSMEs) has a distinguishing quality that distinguishes them from large enterprises; listed below are a few characteristics of MSMEs:

- 1.** Micro, small, and medium-sized businesses create a variety of new goods, technologies, and ideas since large corporations are too focused on refining their existing products and services. These large enterprises have many advantages, such as research departments, networks, and mass production; however, they are not as adaptable as micro, small, and medium-sized enterprises (MSMEs), which can increase their success by creating new products and services by adapting faster and easier due to their flexibility options in terms of cost of operation, production, and they can adapt faster with today's constantly changing market demands.
- 2.** Micro, small, and medium-sized businesses create innovative and efficient goods and services. The fact is that these MSMEs continue to thrive in Somalia's and the world's ever-changing and competitive economies. If micro, small, and medium-sized businesses are not inventive or efficient enough,

they will be readily absorbed by larger corporations. According to a study conducted in the United States of America, MSMEs have a profit margin four times higher per dollar invested than large corporations.

- 3.** One of the most important contributions that micro, small, and medium-sized firms provide to the economy is the creation of a competitive economic environment. MSMEs promote a healthy and competitive environment by providing consumers with more options. More products and services with various costs, as well as greater innovation and efficiency. Without micro, small, and medium-sized firms, large corporations would have a monopoly on the majority of the economy, as is the case in many developing economies throughout the world.
- 4.** Micro, small, and medium-sized enterprises (MSMEs) assist major enterprises in numerous activities that are better performed by MSMEs, such as in the construction sector, where large enterprises tend to subcontract operations that are more efficiently performed by MSMEs. Their knowledge of local markets can be extremely beneficial to firms looking to enter new areas.

THE STRENGTHS AND WEAKNESSES OF MSMEs IN AN ECONOMY

MSMEs have a favorable impact on the economy because of the functions they play. Amongst them are:

- 1.** Micro, small, and medium-sized businesses play an important role in job creation and contribute to the community stability of the area in which they operate (Zahiu and Năstase, 2004).
- 2.** MSMEs are one of the most important factors in the establishment of the Middle Class. It also plays an important part in a country's social and political stability. This is achievable because the distribution of economic power via micro, small, and medium-sized businesses results in a more equitable allocation of power in society.
- 3.** They contribute to economic growth by enhancing competitiveness, which leads to a better fulfillment of customer needs.
- 4.** MSMEs contribute to the variety of goods and services available. As a result, they contribute to GDP by raising national exports and attracting investment.
- 5.** MSMEs are typically controlled directly by their owners, which makes decision-making much easier and faster, depending on their owners' aptitude and managerial qualities.

As a result of their ability to adapt to a continually changing market, micro, small, and medium-sized firms demonstrate greater flexibility and strength during periods of secession.

- 6.** They ensure that huge firms can develop in the future as a result of the economic growth process in which they participate.
- 7.** One of the most essential characteristics of MSMEs is that they are constantly focused on innovative processes, both in technology and in management.
- 8.** Micro, small, and medium-sized businesses can easily integrate into a local economic network, contributing to the area's development and lowering the unemployment rate.
- 9.** Their organizational structure and capacity contribute in the reduction of bureaucratic processes. As a result, MSMEs ensure a high level of professionalism in terms of performance and job satisfaction. When compared to large corporations, the relationships in these businesses are less formal, and the relationships between their employees and owners are closer, assisting in the direction and harmonisation of individual efforts with business goals.

MSMEs' Weaknesses in an Economy

1. MSMEs have limited capital, making them vulnerable during economic downturns.
2. They depend on few groups of clients (for example: the subcontractors, Owners and employees contact or network).
3. In terms of marketing and logistics, it's a big challenge for MSMEs to reach or serve their clients when compared to big business.
4. Not all MSMEs have access to new technologies and know how.
5. They lack adequate management and economical knowledge.
6. Limited access to finance
7. Stiff competition from larger enterprises

MSMEs & SOMALIA

In recent years, Somalia large cities like Mogadishu and Hargeisa have seen a sudden increase of MSME, with political stability as the main force companies with quality education, return of Diasporas and many other factors which have increased the confidence and the willingness of the Somali citizens to start their own business in their home country.

Many micro and small and medium-sized enterprises (MSMEs) have thrived in Somalia, particularly in the recent decade. MSMEs in Somalia mainly have two characteristics:

1. The traditional MSME

These traditional businesses which are active consist of 80% to 85%. The total market share of MSMEs are said to be around 95% of the Somali Economy (SME'S Policy, MOCI). And are found all over the country, From Mogadishu bright bazaars (Marketplaces like Bakaraha, Suuq Wayne, Suuq Ba'aat) to Towns and Villages.

These traditional MSMEs don't usually have future or long term strategies, but are content with their small marketplace. Their Activities are diverse and unified in one location. Each merchandiser sells different items. There is also a grouping of goods according to the type of commodities such as groups of fish, vegetables, fruits, herbs, and meat business.

One of the special features of traditional MSMEs is the method of bargaining between buyers and sellers. Bargaining is one of the cultural habits in the market which establishes close social relationships between buyers and sellers.

2. Modern MSME

Modern MSMEs account for 15 to 10% of the 95 per cent specified by the Ministry of Commerce and Industries (SME'S Policy, MOCI) and are on the rise due to the globalization of the Somali economy,

the return of the Diaspora, quality education, and a variety of other causes. In many aspects, these MSMEs differ significantly from traditional ones. Modern MSMEs in Somalia are quite conversant with technology, particularly in the digital platforms, and are continuously looking for new markets to expand into by competing with local conventional businesses, as well as maximizing the efficiency of their activities.

Modern MSMEs in Somalia are concentrated in large cities such as Mogadishu and Hargeisa, and less than approximately 10% of modern MSMEs may be found in local states and regional capitals.

Modern MSMEs are increasing in number and are infiltrating many areas of the economy, with only a few exceptions. Dalsan Power, for example, is a Solar PV system installation, maintenance, and repair company that has met the market demand for renewable energy in Somalia.

These MSMEs not only contribute to the national economy in terms of job creation and economic development, but they also support Large Enterprises in fulfilling duties in a very innovative, creative, and efficient manner.

Few not to name many of MSMEs who have Modern Feature are:

1. Somfresh
2. Beydan Café (Mogadishu)
3. Apple somalia (Mogadishu)
4. Cookies Time Bakery (Hargeisa)
5. Karmel Restaurant (Mogadishu)
6. TIK (Mogadishu, men's clothing store)
7. Muna Magan, Riyan Organics, skin care and cosmetics.(Hargeisa
8. Milgo
9. Sahara Mexican Food

CHALLENGES SOMALI MSMEs FACE

The issues that Micro, Small, and Medium Businesses face in Somalia are considerably different from those that other countries experience. Somalia is the poorest country in the world now, in comparison to its status in the 1960s. Following the fall of Siad Barre's regime in 1991, a long civil war devastated the economy, infrastructure, and governmental institutions, resulting in a massive loss of human capital. Combined with climate shocks affecting agriculture and livestock, as well as political setbacks, COVID19 had recently proven to be a difficult endeavour for Somalia's MSMEs.

Lack of key government policies, unrestricted market competition, poor policies on imported products, and uncalculated foreign direct investments can all lead to a

or destruction of the economic environment necessary for MSMEs to thrive. Poor managerial skills and unnecessary humanitarian aid are another impediments for our traditional businesses, while for modern MSMEs, a lack of financial resources or a clear method for generating funding is at the top of the list of difficulties.

As our nation is on its way to its previous glory, the Security issue has been of a big concern, this has affected the decision making and expansion of business all over the nation.

Finally, political snags and delays in reconciling various issues, particularly resource sharing, have either directly or indirectly slowed the progress of these entities.

CONCLUSION

MSME's are an important source of income for Somali households. This vital sector employs people from various socioeconomic backgrounds, making it the backbone of many economies, particularly Somalia's.

To enable MSME's thrive in poor nations such as Somalia, a healthy environment must be created. This will help Somalia move out of the ranks of the world's poorest countries, as well as reduce its need on international aid.

By creating easy doing of business, including "well-calculated" law & rules to regulate the economy will lead to more formation of MEME's and this will have a positive impact on the national economy. Thus lower rates of unemployment will be achieved naturally along with stronger and more stable national security.

Youth constitute more than 75 per cent of the Somali population, with 87 per cent of the population under the age of 25, and ensuring their future job stability should be a primary focus of our nation's future policymaking. If unchecked, it can have major social consequences because unemployed teenagers often feel discriminated against or excluded, leading to social marginalization, anxiety, joining extremist organizations, homelessness, family problems, and a loss of hope for the future.

Finally, our government can help in numerous ways, which are as following:

1. Creating & providing collateral, special loans, special tax policies & grants for MSME's achieving certain goals or benchmark in the area of employment, economic sector needs like industrial production.
2. Subsidized preparation for MSME's employees which can help increase the productivity and the ease of investment required by MSME's to hire new personnel.
3. Creating more business events or Business Bazaars to decrease the marketing cost & challenges faced by MSME's to expose their products and services.
4. Assisting traditional businesses by providing them with alternate energy sources, etc.

Support and expand MSME programs such as The Next Economy, which was implemented by IITE Institute (SIMAD University) to assist traditional and modern entrepreneurs on how to better manage their businesses at all levels of management, from operations to financial management, as well as related skills and fields required to run a sustainable business.



Ismail Abdalla,
Entrepreneur

THE DETRIMENTAL EFFECT OF INFLATION ON PURCHASING POWER IN MOGADISHU

MOHAMED ISMAIL MOHAMED



INTRODUCTION

Inflation refers to the general rise in terms of measuring the price level of goods and services in any economic condition over a period of time. Here, the level of price rise makes each currency unit purchase fewer goods and services. Therefore, it determines the decreasing of purchasing power per unit of money rendering loss of value in the money market within the economy.

Deflation on the other hand is the contrast of inflation, which is a sustained decrease in the common level price of goods and services. Inflation can be measured by the consumer price index, the annualized percentage change in a common price index, and the rate of inflation.

FACTORS AFFECTING INFLATION

Firstly, the most important that may cause inflation in Somalia is a shortage of supplies because there is a lot of demand in the markets. For example, months ago, cooking gas was sold in Mogadishu markets for \$ 21 and now it has reached \$ 30, due to a shortage of supply or increase of demand. This means that the customer has lost their purchasing power. As they are buying \$ 1 today for less than what they were buying yesterday. On the other hand, Inflation can be especially painful for small businesses. Inflation has a large impact on businesses. Because reducing purchasing power means a reduced capability to employ workers or enlarge.

Many small businesses in Mogadishu are often financed by their owners' personal savings. Also, this places the owners at larger financial risk during periods of rise inflation. One cause of inflation that may rise is demand outpacing the supply of goods and services. Additional, when supply occurs is limited but the demand is not restricted. You may see this arise with gas costs when oil factories slow production because of severe storms, etc.

Huge businesses appear unaffected by hikes in inflation due to their longer-term perspective and higher financial reserves.

Secondly, the trade war between the western countries and China have affected inflation in Somalia, most Somali traders deal with Chinese imports. Meanwhile, goods imported from China are shipped in containers owned by Western countries. Containers are produced US and France that rented a lot of money when China and western countries had a good relationship the rent of containers was \$4000. After a misunderstanding between China and US, the containers are too much expensive and the cost of containers has highly increased the price of \$12000 at once transported goods, this showed that there is an extra of \$8000. For example, the container can bring once 500 cartons of shoes, compared to the previous rent each carton has increased \$16 additional. Moreover, Small businesses are not able to import anything, because the price of the goods that the ship was importing today is higher than in the past. For example, chewing gum in Mogadishu markets are very low, due to higher transportation cost. Inventory price may rise and you may not be able to purchase as many products as you before had.

Additionally, Covid 19 influenced global business activities. For this reason, it affected the import and exports of Somali traders. As countries imposed a lockdown, imports fell sharply. Smaller goods are imported at higher prices, so they are sold at a higher price than in previous days.

Eventually, this will lead to inflation. Moreover, Individuals' income could not keep with the inflation rate it also can affect strongly. Consequently, Inflation could do it harder for fewer income people to use for necessary household expenses or find out the best care they require to confirm their health year by year. In Mogadishu, less individual income may discover it hard to pay for things such as utilities, food and housing. Also, costs of goods go up and reduce their income.

Finally, another important factor that may cause inflation is the lack of government intervention. Since the role of government is missed, the traders play. The absence of role government increase the inflation rate in Somalia, if the entrepreneurs are afraid the government regulation which limits the price of goods, they could not make only their interest. This is may reduce the highly inflated in Somalia. Furthermore, if the government of Somalia imposes the policy about inflation it's difficult to make implementation due to the security problems of the country. On the other hand, double taxation occurs when the truck collects goods from seaport to the market since all the roads are blocked and each checkpoint takes extra money, also the government cannot control the whole Mogadishu city. In fact, businesses especially have had the most trouble with double taxation, but taxes levied on an importer for goods entering the country are passed to final consumers through higher costs, this another factor that brings to rise of inflation.

CONCLUSION

Inflation is a common rise in each price level of economic conditions over a period of time. Controlling inflation is one of the main economic objectives of every country, in terms of supplies and demand, government intervention and conflict between countries. There is the main factors that may cause the inflations. Therefore, the government of Somalia should take its role and it should manage well during the inflation period. On the other hand, Somali traders, should not concentrate on their own interests, they should look at the interest of society.



Mohamed Ismail Mohamed, Head,
Accounting Department, SIMAD University



THE DOWNSIDE OF ELECTIONS ON SOMALIA'S MOUNTING BUSINESS

AHMED MOHAMED HASSAN



INTRODUCTION

An election is a formal and prearranged choice by a vote of an individual for a political office or other position. Elections had existed long. It is one of the principles of the democratic system. Holding regular elections in democratic nations is indispensable. These regular elections pave the way for the peaceful transfer of power which creates a better social life and sound climate for businesses to grow. Today's world is a business world. Business-related topics overshadow the major summits of the world's most powerful nations. As people's trades progress, the lives of society get better. Hence, one major aspect that impacts commerce is elections. Elections have long been the major determiner of a country's economic condition. Universally, elections can provide a business-friendly environment. Presidential candidates become either the driving force for business to grow or a reason to shrink. For instance, in election times in the United States, presidential candidates' promise gives hope for business to advance or shrink. In almost every election in the US, business issues are the major talking point.

These issues include whether the taxes should be high or low. For instance, US media make money when elections are underway. Oftentimes, elections create hopes for the betterment of commercial development and the inclusive economy of countries. Elsewhere in the world, election disputes create chaos and disagreements between governments and antagonists. For instance, Venezuela held its presidential elections in 2018 which gave a new term to the reigning president, the elections were rebuffed by the opposition and overseas countries. As a result, violent mass demonstrations and political unrest spread in the country. In the end, these controversial elections resulted in a decline in the business environment. Likewise, the 2007 general elections in Kenya ended up violent after the opposition rejected the results. The political crisis sparked by the election results led to Kenyan businesses' massive looting, destruction, and burning down of numerous businesses.

Unquestionably, elections have both ups and downs in the overall economy of any country, and particularly the advancement of the sound business climate. In Somalia where businesses are booming in the past two decades. Elections have had positive and negative impacts. In the election time,

the business sector does see the prospects of the elections and their impact. Apart from the upside of elections, there has always been the downside of elections on businesses in Somalia. Therefore, this essay addresses on The Downside of Elections on Somalia's Mounting Business.

THE DOWNSIDE OF ELECTIONS ON SOMALIA'S MOUNTING BUSINESS

In the past two decades, the country has been witnessing mounting businesses across the corners and regions of the country. In Somalia where there is no strong stable government, businesses are not without challenges but do work smoothly frequently. Aside from the shortcoming effect of the pandemic on Somalia's businesses. There is a downside of elections on businesses. In election time, it is common to bear businesses on the negative effects of the elections. Currency fluctuation is one of the most popular election trends. Somalia's currency is going to an end. The long absence of the central bank of Somalia and the illegal machines that produce a large amount of Somali shilling have had a great impact on the value of Somali Shillings. When elections roll around, very small businesses always pay a high price. The current dominant currency against the Somali shilling is the US dollar. Whenever an election is approaching, the country witnesses a flood of US cash, particularly in Mogadishu. The dollar puts further pricing pressure on goods and services sourced from overseas. Inside the major cities, the usage of the dollar is normal, but the business people in the regions far from the capital Mogadishu have to pay the heaviest price when it comes to currency fluctuation in the election season. Another disadvantage that negatively affects businesses in the elections is the decline of investment. Many investors lose the confidence to put money into in the election period. Somalia is currently an institution-building era and widespread reconstruction is going on all over the country. The real estate investment is one of many construction projects going on at this time. The country is a fragile state and prone to violence, because of that investors face uncertainty due to election disagreements and clashes.

For instance, since the 25th April 2021 clashes between the current government and the opposition leaders over the delayed elections, numerous real estate investors and other businesspeople who execute construction projects have postponed their construction projects. Also, countless ordinary people who planned to construct their houses have been suspended due to fear of election clashes and violence. Similarly, the decline of investment in the elections has affected land purchasing. Land prices always endure a decline whenever the election time is reached. Furthermore, supply chain disruption is common in election times. Because of fear from violence eruption, numerous businesspeople import less than their normal importation. This affects the needed supply in the market. It also causes skyrocketing prices due to this shortage. Somalia is dependent on imported goods more than the local production of goods. Lastly, as the term of the government ends and approaches the election. Some valuable decisions and the approval of precious bills are put off. These postponements of bills affect the business environment. Likewise, Entrepreneurs and business people are well-known to evade taking key decisions during an election year. This is because a transformation in the government may too mean a change in the priorities of the government. Countless times, the policies of a government entirely transform the viability of a project. Businesspersons want to avoid the danger of their projects becoming redundant cheers to regime policies. Hence, they prefer to play the wait and watch the game. This understandably has an undesirable impact on the economy since the economic production, and the jobs which could have been generated are now being deferred.

CONCLUSION

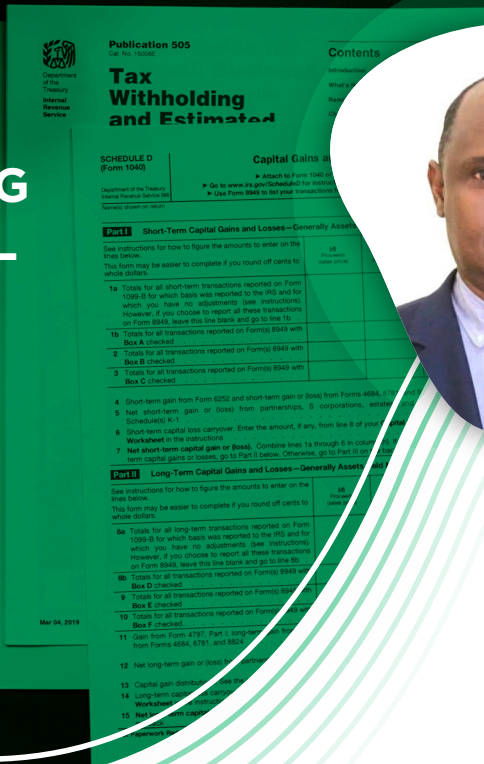
An election is a formal and systematized choice by a vote of somebody for a political office or other position. Globally, to have some form of elections in every country is essential. They are peaceful means of power transfer. Elections have both ups and downs on the business and overall economic conditions of any country. The upside is that elections provide hope and sound prospects for future business conditions. Hence, the downside includes currency fluctuation in the election year, the decline of investment due to confidence issues, and supply chain disruptions due to uncertainty in the election era.



Ahmed Mohamed Hassan
Head, Political Science Department,
SIMAD University

COMMON ACCOUNTING PROBLEMS FOR SMALL BUSINESSES

ALI IBRAHIM MOHAMED



INTRODUCTION

Small Businesses face Accounting Issues on a regular basis. You must have numerous practices as a small business owner. You'll be in charge of a number of responsibilities, including hiring the right personnel, marketing your business, maintaining strong customer relations, and maintaining a good accounting system. You must also keep track of your business's losses, earnings, and finances. Accounting may not be your greatest topic, yet it is critical to your small business's success. Accounting is also the only business method for determining a business is on track.

Accounting is the process of recording, assessing, summarizing, and recording a financial operation. As a small business owner, you must overcome various challenges, which may be difficult for you. You'll have to face and solve a couple of severe accounting challenges. Cash flow, managing accounts receivable, unforeseen spending, managing bookkeeping, and closing the books every month are some of them.

CASH FLOW OF BUSINESS CHALLENGES

For startups and small businesses, managing cash flow is critical. Many businesses have failed to manage their cash flow at the startup stage when it comes to budgeting funds to cover regular expenses and keep the business afloat. Small business owners have difficulty keeping track of their cash flow, so carefully review your

bills and be cautious when tracking customer payments. and to understand exactly what the business's costs are, as well as to generate a profit To maintain track of your cash flow, critically analyze your bills and keep careful records of customer payments. This reduces anxiety in the business and ensures the business's survival.

MANAGING ACCOUNT RECEIVABLES

Small businesses often have narrow profit margins and can't afford to lose money on accounts receivable. Accounts receivable is one of the most important titles a successful businessman can have. Sales, on the other hand, will keep your company growing, profits rising, and fund managers intrigued. Accounts receivable, or A/R, refers to the money owed to your company by its clients. A company's accounts receivable must exceed its accounts payable in order for it to be profitable. As a result, you'll need to use two strategies. The first is that keeping track of your accounts,

receivables is critical not only to your bottom line but also to your business's future. Here are some reasons why you should maintain track of your receivables: Tracking your business cash flow will give you the information you need to one day separate personal and business budgets, incomes, and expenses. on the subsequent one, You should create payment terms in a contract or agreement that your clients have signed and agreed to. Additional arrangements, such as reductions for early payment or full payment, may be worth negotiating.

UNEXPECTED EXPENSES

Normally, a business reaches a certain amount of profit by deducting its costs from its revenue, but there are a lot of random unanticipated costs that aren't designed for business owners. They also don't have any insurance to help them get through this,

which could put the businesses out of business. Increased taxes, higher product and service pricing, and rising exchange rates are just a few of the expenses. And this could be harmful to the Business's future.

MANAGING BOOKKEEPING

Bookkeeping may appear tough at first, but if done correctly, it may significantly improve the overall health of your small business. As a result, as a small business owner, you must fully commit to this work at least once a week. Managing the money flow is a difficult task. For many firms, poor cash flow is a chronic issue that can cause substantial interruptions in operations. As a consequence, a bookkeeper may help in this area by

giving cash flow forecasts and debt management advice. They go to great lengths to organize activities that can be used to raise money. Another difficulty is that many small business owners, especially those who are just getting started, are forced to use personal funds to make business purchases in order to get things moving. As a result, bookkeeping protects information about who owns the money spent by the owner or business.

CLOSING BOOKS EVERY MONTH

A monthly closing is a wonderful concept for small businesses. The temporary accounts are reset to zero and the prior period's balance is locked in when you shut the books. On the income statement, temporary accounts, also known as nominal accounts, are used to accumulate revenue, expenses, gains, and losses for a given period.

It is beneficial to the business to close a book early at any time since it allows you to see the direction in which the business is heading, both positively and negatively. However, financial data information is available to aid decision-making. on the other hand, the business will find it difficult to assess the direction of its growth and detect difficulties if a book is not closed.

THE CONCLUSION:

Cash flow, accounts receivable management, unexpected expenditure, bookkeeping management, and month-end closing are just a few of the accounting difficulties that businesses face. Each of these elements is essential for the business's growth and success. If the business is unable to meet these challenges, it will fail. To accomplish this, business owners must first comprehend or concentrate on the challenge of business accounting. Then, in order to avoid the business failing, they must accelerate the solution.

To achieve this, Accounting professionals must be assigned to the business in order to enhance and prevent accounting problems.



Ali Ibrahim Mohamed, Dean, Faculty of
Accountancy, SIMAD University

THE TITANIA'S IN TELCOM: FROM CONNEC- TIVITY TO FINANCIAL INCLUSION

YASIN HASSAN



INTRODUCTION

Privatization of internet services in the early 90s was key to third industrial revolution which attributed to a boom of many, if not all, sectors of the global economy. Somalia got its first internet connections in late 90s and early 2000s. However, the real mass roll out of internet adoption didn't start until after 2015. Ever since, the internet penetration rate has been growing at high speed rate.

Despite this growth, like many African countries, Somalia has a very limited digital infrastructure such as internet backbone, broadband services among other critical tech infrastructure. For example, due to insecurity, there is no internet backbone between main cities, thus limiting the ability to provide high speed internet to people living in different states especially those in the South and Central Somalia. The Fiber Optic cables for example. They are the main internet backbone carries upon which digital services are built on.

The more a country installs Fiber Optic capacity, the more internet penetration and the cheaper it gets. Somalia is notoriously expensive when it comes to laying down to fiber optic cable, especially in rural and suburban areas due to numerous factors including, but not limited to, a security threats, professional labor shortage and limited financial options.

On the other hand, and against all odds, Somalia has ranked number one in Africa in terms of Mobile Internet costs and number seven in the world. This phenomenal achievement has been largely attributed to the liberal private led nature of Somali markets and economy. There are currently seven telecom companies operating to a population of 15 million people. This means that the competition is stiff and markets are very efficient with limited or no entry and exit barriers.

PROGRESS BEING MADE

Leveraging Digital technologies and its services is growing at high speed in Somalia, from connectivity to financial inclusion. A decade ago, Hormuud Telecom – the largest telecom operator and Mobile Money provider in Somalia launched EVC Plus to simplify the business transactions and money transfers to its mobile subscribers and small business. The EVC subscribers has grown and received a dominate trust from the wider community. Few years ago, the company launched ECV API to support the e-commerce vendors, Social Commerce dwellers as well as delivery service providers do business online. This accelerated the growth and emergence digital business in Somalia those has been struggling to tackle financial transaction. Customers can now easily pay for the products and services to any online business with EVC API by using the EVC.

EVC Plus API is among the many innovative services launched Hormuud over the years of operation across the country. The Mobile connectivity, Mobile Money and Internet connections are key digital infrastructure to facilitate the create jobs and flourish small businesses which contributes the economic growth in Somalia.

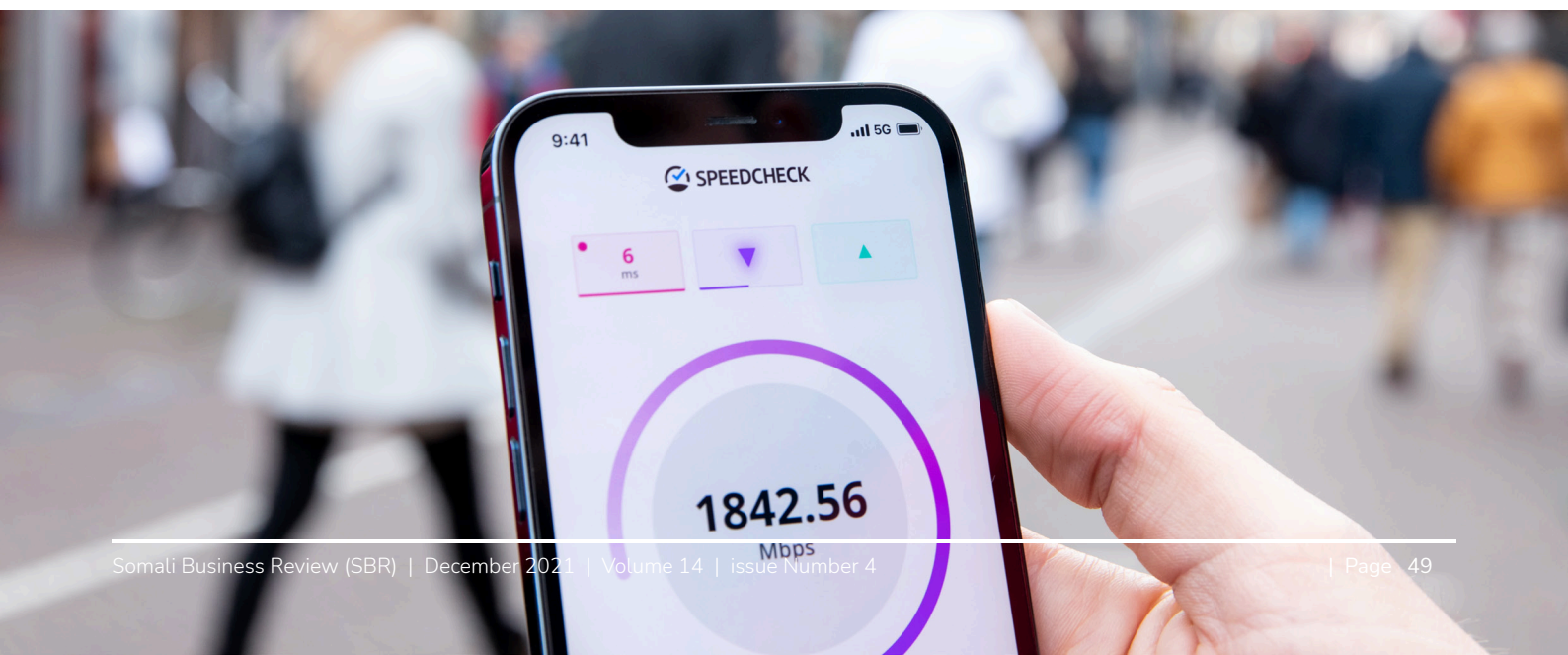


Yasin Hassan, Communications Manager,
Hormuud Telecom

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+252618866271



sbr@simad.edu.so
www.sbr.simad.edu.so



SIMAD iLab, Town Campus, SIMAD
University, Mogadishu-Somalia



P.O. Box 630
Mogadishu-Somalia

