

Report

**Somalia: Relevant social and
economic conditions upon return to
Mogadishu**



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SUMMARY

The report describes social and economic conditions in Mogadishu relevant in the context of returning to the city to settle after having stayed outside Somalia. In the light of improved security and an economic boom since 2011, attention is given to the labour market and housing market in particular. There are few statistical data to highlight living conditions for the population of Mogadishu. However, some surveys have recently been carried out by UN organisations. In addition, the report is based on information gathered in Mogadishu in January 2016.

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1. INTRODUCTION

This report attempts to highlight social and economic conditions of relevance with regard to returning to Somalia from exile and settling in Mogadishu. Key issues in this context are: how to obtain shelter and get a job? The labour and housing market are thus important topics in the report. Other important considerations in connection with settling in Mogadishu are of course security and access to healthcare. These topics are not discussed in detail in this report, as they are the focus of other Landinfo reports. Neither does this report discuss specific challenges related to women in the context of return. Conditions for children and youth are discussed in a separate Landinfo report (2015b).

Until now, most studies on living conditions in Somalia have centred on vulnerable groups, such as those affected by drought or internally displaced people due to war and conflict, with an aim to collect data which enables provision of the most effective aid possible. Few studies exist on conditions for other parts of the population – those who have managed themselves – and this also applies to Mogadishu. However, there are a few recent reports which try to provide a picture of life for most people in Mogadishu, and there is reason to believe that there will be more such reports in the future as the city is rebuilt and stabilised.

The source material for this report is in part reports published by UN organisations based on studies on living conditions in Mogadishu, and information obtained during a visit Landinfo made to Mogadishu in January 2016. This information was obtained during conversations with various sources, and the information the sources provided was largely based on their own assumptions and impressions rather than systematically gathered information. Common to most of the sources was that they were Somalis who had lived and worked in Mogadishu for many years and thus can be assumed to be well-informed and knowledgeable.

2. GENERAL INFORMATION ABOUT MOGADISHU

2.1 INTRODUCTION

After the civil war in Somalia broke out in 1991, Mogadishu has had a turbulent history characterised by war, abuse, destruction and security challenges for most of the city's inhabitants, and during the worst periods much of the population fled from the city. However, since 2011, the government has had control over most of the city. Al-Shabaab still conducts various types of attacks in the city, but to a lesser extent than before and primarily directed at representatives of the government and its supporters. Mogadishu is currently characterised by reconstruction, economic recovery and optimism, which also means that Somalis who have resided outside the country are now returning. Somalis living in Mogadishu who Landinfo spoke with during the visit in January 2016 expressed that they no longer feared a new outbreak of civil war in Mogadishu, and that they believed in a better future. In December 2015 the UN envoy to Somalia, Nicholas Kay, said that «The country in the two-three years has come together quite significantly» and that «Somalia is no longer a failed state but a recovering fragile country» (AP 2015).

It is nevertheless worth noting that the country faces major challenges and is far from having a stable platform for further development. The political institutions are weak, and al-Shabaab still controls most of the countryside in Southern Somalia.

2.2 ECONOMY

Despite the civil war and the absence of a functioning state administration, Somalia has had viable informal economy. Estimates state that in recent years there has been an annual growth of 2-3% and in 2014 it was estimated at 3.7 % (IMF 2015; CIA 2016). The greatest economic growth is generated by agriculture, and particularly livestock. Export of livestock, leather, fish, charcoal and bananas constitute the country's main sources of income. Key elements in the Somali economy of recent date are establishment of telecommunications with a well-developed mobile network and companies that transfer money from abroad.

This description applies to the country as a whole, including Mogadishu. In addition, since August 2011, Mogadishu has benefited from a much improved security situation after al-Shabaab gave up their defensive positions in the city. Several types of businesses are experiencing strong growth. Expansion of the government administration, establishment of international organisations and opening of embassies, in addition to Somalis returning to invest, altogether create a growing demand for goods and services.

Alongside the construction the strongest growth in today's Mogadishu is happening within various service industries. Most are driven by private investors. This applies to hotels, restaurants and transport, but also the establishment of new schools at various levels and hospitals and clinics of various sizes. A survey from 2014 showed that the largest investments come from Somalis from the diaspora, followed by business interests from China, Turkey and the Gulf countries (IOM 2016).

The Somali government so far has a very limited ability to control economic developments in Mogadishu. It is private companies that establish new schools and hospitals, and the task of tax collection has also been entrusted to a private company (Hadi 2015). In other words, market and capital are main drivers. The authorities' lack of capacity also means that working conditions for the employees of the various businesses are unregulated and largely left to the individual employer (IOM 2016).

2.3 SECURITY¹

Since the Somali authorities took control of most of Mogadishu in 2011 the security for the city's population has been greatly improved.

The biggest threat to security in Mogadishu today is terrorist attacks from al-Shabaab, who primarily target government representatives and the international community. The local population is usually only affected if they are unfortunate to be nearby a terrorist attack.

The economic recovery in Mogadishu and the influx of people who are looking to find employment and other economic opportunities is clearly related to the fact that the security situation is perceived to be significantly improved. During a visit to Mogadishu in January 2016 several sources expressed that they were convinced that

¹ A fuller account of the security in Mogadishu will come in an updated report.

the war would not return to the city and that they now had faith in a better future. It was also highlighted by local sources that the population now has greater trust in the police than they had before.

3. POPULATION

3.1 POPULATION AND COMPOSITION

No systematic census of the inhabitants of Mogadishu has been performed recently, but there are estimates of around 900,000 to just about two million (CIA 2016). UNHCR's representative in Mogadishu said in a meeting in January 2016 that nobody has reliable figures for the city's population. An estimated 369,000 of the total population (UNHCR 2016b) are internally displaced people living in various places in the city.²

Mogadishu is a cosmopolitan city in the sense that it houses most population groups and clans in Somalia. However, the Hawiye clans, and particularly the Abgal clan, have dominated the city politically since 1991.

Traditionally the various clans have been located in different parts of the city. In general this continues to be the case, although there are signs that the various groups mix more (well-informed local source, conversation in Mogadishu 19 January 2016).³

3.2 RETURN FROM EXILE

There is no complete overview of those who have recently come to Mogadishu from different places and for different reasons, nor on how they have fared after they settled in the city. Three groups of those who have returned are nevertheless identifiable, and there is some information about them: those who have voluntarily returned from the so-called diaspora, those who have been repatriated from Kenya through UNHCR, and a relatively large group who have been deported from Saudi Arabia.

3.2.1 From the diaspora

This group refers to Somalis who have stayed in Western countries for some time and who have attained citizenship and passports in the country where they live.⁴ Since 2012 there has been an increasing influx of people from this group to Mogadishu. There are no figures as to how many there are, but they are very visible and active in many areas of social life (Heritage 2014).

² A separate report about internally displaced people in Mogadishu will be published later this year.

³ SomBas, which is internally available in Landdatabasen, provides a detailed overview of the demographic composition in the various districts of Mogadishu.

⁴ Some people believe that Somali groups residing in other African countries, the Middle East and in Asia should be included in the term diaspora. In practice, however, the term is thus far used primarily about people from the U.S., Canada and countries in Europe.

According to a study done in collaboration between Heritage⁵ and PRIO (Peace Research Institute Oslo) those from this group who return have various reasons to do so, and some prefer to return to the country they came from after a period. Common to most is that they have a good education from the country they lived in (Horst 2015).

Some are idealistic and want to help rebuild the country as teachers, doctors or engineers, some primarily want to build a CV and might have trouble getting a job in the country where they live, while others have commercial motives. There are also those who come to invest and start businesses.

Somali authorities regard this group as a resource and a special office has been established in the Somali Foreign Ministry to manage contact with this group; Department of Diaspora Affairs (Heritage 2014). Perceptions among most people in Mogadishu are somewhat more mixed. A not uncommon attitude is that these returnees come and avail themselves of the situation, taking jobs away from those who stayed behind and got through all the difficult years in the city. In addition, many of those who have acquired a higher education from educational institutions in Mogadishu are valued lower than those who have graduated abroad. This difference is reinforced by the fact that many from the diaspora live in areas with higher security than other places in town and that they often interact with each other like a small, exclusive elite.

The report from Heritage shows that al-Shabaab has put forward explicit threats against those who return from the diaspora, which would indicate that being from the diaspora is a security challenge in itself. A well-informed representative of an international aid organisation who has worked in Somalia for many years, said in a meeting with Landinfo in Mogadishu in January 2016 that coming from the diaspora in and of itself does not invoke interest or reaction from al-Shabaab. The decisive factor in this context is what you actually do or who you have contact with. If you have contacts with the authorities or foreign organisations, the risk of coming under suspicion of al-Shabaab increases.

3.2.2 Repatriation from Kenya

In November 2013 Somalia and Kenya, together with UNHCR, entered a so-called Tripartite Agreement on repatriation of Somali refugees who are in Kenya. The agreement stipulates that repatriation should be voluntary and done in a dignified and safe manner, which, amongst others, means that UNHCR has the authority to determine which areas of Somalia are safe enough for return.⁶ UNHCR also provides transportation to their home area and assistance with reestablishment (Government of Kenya, Government of Somalia & UNHCR 2013).

The agreement has been under pressure due to the terrorist attacks by al-Shabaab in Kenya. Strong voices in Kenya have claimed that the refugee camp Dadaab is a hideout for al-Shabaab and that it should be cleared as quickly as possible. Despite this, Kenyan authorities have assured that they stand by the agreement and that repatriation shall take place in a dignified and safe manner.

⁵ The Heritage Institute for Policy Studies is a Somali research institute based in Mogadishu.

⁶ UNHCR's assessment of safe areas includes more than just security considerations. Emphasis is also placed on whether UNHCR itself or a partner being is present at the actual location.

The number of Somali refugees in Kenya was at its peak in 2011, numbering 519,411. In the course of 2015 this number was reduced by about 100,000 (UNHCR 2016a). UNHCR believes that a majority of these have returned to Somalia on their own, independent of support for reestablishment and UNHCR's safety assessment (representative of UNHCR, conversation in Nairobi in January 2016). The number who has returned through the aforementioned agreement is considerably more modest. In June 2015 UNHCR had assisted 2,589 people in returning home to various parts of Somalia outside Mogadishu. Regarding Mogadishu, UNHCR's representative said in a meeting with Landinfo in January 2016 that 48,000 refugees from Mogadishu had been registered in Dadaab. In October 2015, 1,500 of these were repatriated and UNHCR reported that 4,000 were on a waiting list for repatriation at the end of 2015. According to UNHCR's guidelines no single women are repatriated to Mogadishu (representative of UNHCR, conversation in Nairobi in 2016).

UNHCR's representative stated that repatriation efforts from Kenya will continue in 2016 and that over the course of the year the goal is to establish a similar agreement with Ethiopia for the return of Somali refugees from there as well.

3.2.3 Deportees from Saudi Arabia

For several years, Saudi Arabia has deported varying numbers of Somali nationals to Mogadishu (representative of IOM 2016). The number increased sharply in 2013, and from December 2013 to August 2014, 40,779 people were deported by plane from Saudi Arabia to Mogadishu (Landinfo 2015a, p. 1). The deportations are still ongoing, but not to the same extent as in the period mentioned. More details about how these deportations have taken place can be found in Landinfo's response *Deportasjon fra Saudi-Arabia til Mogadishu* [Deportation from Saudi Arabia to Mogadishu] (2015a).

At a meeting with Landinfo in January 2016 IOM's representative in Mogadishu reported that Somali authorities contacted IOM and requested assistance when the dramatic increase in deportations happened in 2013. IOM proceeded with creating an arrival centre at the airport in Mogadishu. The deportees were registered there and could stay for a few days before they moved on, with support towards travel expenses from IOM. This initiative has not been operative recently, because IOM has lacked funds. However, the representative meant that it would soon continue again, partly with money from Saudi Arabia.

IOM has not had any follow-up with those who received assistance. Neither did the representative know how many people from the group in question ended up as internal refugees in Mogadishu. He informed, however, that many of the deportees had said that they wanted to return to Saudi Arabia as quickly as possible, even though it would imply living an uncertain life as an illegal immigrant.

When asked why Somali authorities allow these deportations while opposing deportations from other countries, the representative said that it is because the Saudi authorities issue a large number of visas each year to Somali citizens to go on hajj (pilgrimage to Mecca). He continued that if Somalia opposed the deportations, Saudi Arabia would respond by reducing the issuance of visas to Somali citizens who want to go on pilgrimage. In fact, many of the Somalis who travel on hajj fail to return home and take up illegal residence in the country.

4. SOURCES OF INCOME FOR THE CITY'S POPULATION

Studies of how the population of Mogadishu procures their livelihood has so far only concentrated on the most vulnerable groups in the city, i.e. internally displaced people and those who are defined as the city's poor (urban poor). Another characteristic of these groups is that they have received humanitarian aid from various aid organisations. These two groups are estimated to constitute 20 % of the city's population. The goal of the surveys was to get data that could make assistance to the mentioned groups more effective and that would increase the ability to reach those who need it most. The most comprehensive of such studies was implemented towards the end of 2014 by BRCiS, which is an amalgamation of several aid organisations, including the Norwegian Refugee Council (BRCiS 2015).

The study shows that day labour is the most important source of income for the groups surveyed (BRCiS 2015). For men this primarily means work in transport, such as dockers at the port, or labourers at a construction site. For women it is paid housework.

Another important source of income for these groups is small transaction of goods, particularly agricultural products. In addition, they receive food and other benefits from aid organisations. Looking at the findings in light of estimates that around 30% of Somalia's population receives support in the form of remittances from abroad, it is an interesting finding of the survey that remittances from abroad seem to play a smaller role for this particular group than for the general population in Mogadishu. The survey shows that just over 2 % of respondents listed remittances as a source of income, and none of them listed remittances as their main source of income. These results are discussed in the report. One explanation presented is that the respondents fail to disclose remittances for fear of losing assistance from aid organisations. Another explanation that the report considers more likely, is that the respondents actually do not have access to remittances and that this is a factor that explains precisely why they are in a vulnerable situation. In light of this it may be reasonable to assume that those who migrate abroad from Somalia, to a lesser extent belong to these groups than to the general population, and consequently that those who return from the diaspora often have relatives and family in the diaspora who can support them after they have returned.

There are no overviews over what constitutes sources of income for the rest of the city's population who are not considered poor. It may be assumed that the majority perform more skilled labour and manage larger businesses. In addition it seems clear that remittances from abroad play a larger role in this part of the population, based on the fact that around 30% of the total population in Somalia receives such support.⁷

⁷ There is no doubt that remittances mean a lot to the Somali economy and for the individual recipient. But there are various estimates of how large a percentage of the population in Somalia receive such support. In a report from the World Bank from 2006 the percentage is estimated at 40 % (Maimbo 2006), while a report from the same institution from 2015 estimates that 31 % of the population in cities receive such transfers, while it is only 16 % in rural areas (World Bank 2015).

5. LABOUR MARKET

5.1 INTRODUCTION

In a labour market there are workers on the one side who offer their labour and employers on the other side who demand labour with various qualifications. The relationship between these two parties in Mogadishu today must be seen in light of the long period of war and conflict that the city has been through.

When the civil war broke out in 1991 in Somalia, it was not only the central government institutions that collapsed. The same also happened to other parts of the social system, such as schools and health systems, and not least businesses. In all areas of society, business activities either ceased entirely or continued in a greatly reduced capacity. For the labour market this meant on the one hand that demand for civilian labour decreased drastically, and on the other hand that the upcoming generation from the early 1990s received little schooling or qualifying work experience.

A labour market usually also consists of organisations in the form of trade unions and employers' associations in addition to institutions and legislation governing the relationship between the two parties. Such institutions are virtually absent in Mogadishu today. The same applies to government measures to assist the unemployed, either through economic support or job placement.

Facts and statistics about labour market conditions are mainly compiled by UN agencies. The latest and most comprehensive report in this field was published in February 2016 by the International Organization for Migration (IOM): Youth, Employment and Migration in Mogadishu, Kismayo and Baidoa. The following is mainly based on this report. «Youth» in this context means the age group 14-29 years old. The data in the report that applies to employees is the result of interviews with a representative selection of persons in the age group in question, which are discussed in a separate methodology chapter in the report.⁸

5.2 UNEMPLOYMENT

In a report from 2012 the United Nations Development Programme (UNDP) estimates unemployment in the relevant age group to be 67 % as a national average, i.e. in Somalia as a whole (UNDP 2012, s. xix). However, in the report from IOM, only 6 % of those surveyed in Mogadishu responded that they considered themselves unemployed. The large difference between the two figures is commented on in the IOM report, saying that their survey was carried out after the economic recovery happened and that in Mogadishu this recovery has been stronger than in many other places in Somalia. In addition, it is noted that the results of the IOM survey were based on questions about whether the respondents perceived themselves as unemployed or not, and thus not in accordance with objective criteria for unemployment.

In a report from World Bank from October 2015, Transition amid Risks (World Bank 2015, p. 4) it is stated that around two thirds of Somalis in the age group 14-29

⁸ It is difficult to further assess how the representative committees have been. The question may be whether the general impression seems plausible and is consistent with what is otherwise known.

are unemployed. Equivalent estimates are also used in other overviews. These divergent figures indicate that we cannot say with certainty how high the unemployment rate is in Mogadishu. We can nevertheless assume that the actual unemployment rate is higher than the respondents stated in the survey from IOM. The report itself adds nuances to the picture by pointing to what they call «underdeployment», which either means that the person does not work full time or otherwise has underutilised capacity. In addition, it is noted that some of those who claim to be working, perform tasks in informal or familial contexts, which probably does not strictly constitute a job position in statistical terms. At the same time, it must be assumed that employment opportunities are better in Mogadishu than in most other parts of Somalia, including for this group of youth without education and work experience.

5.3 DEMAND FOR LABOUR

Economic recovery and expansion of public administration in Mogadishu today create an increased demand for various types of labour, both skilled and unskilled. In the survey IOM conducted, different types of employers in Mogadishu were interviewed. All respondents were optimistic in the sense that they envisioned further expansion and that there would be a need to hire more employees in the future (IOM 2016, p. 57).

All experience shows that the demand for unskilled labour increases when economic activity in general increases, such as in construction and transport. With increasing purchasing power of the population the demand for different types of services also increases, such as cleaning and other types of housework. There has apparently been an ample supply of this type of labour in Mogadishu. Supply has become even better with the improved security in the city because many now come to Mogadishu from other places in Somalia to find work. In IOM's survey the employer says that there are no problems recruiting such labour (IOM 2016, p. 58). When, in the previous chapter, it was referred to widely differing figures on unemployment, it is reasonable to assume that the explanation lies in that Mogadishu has had a sharp increase in demand precisely for unskilled workers in recent years. Previously, this group had problems finding work in Mogadishu, like this group continues to experience elsewhere in Somalia outside Mogadishu, due to lack of economic activity outside the traditional industries.

In terms of skilled workers, the picture is different, primarily because such labour is not as available as unskilled. This is primarily due to the school system having collapsed after the civil war broke out in 1991 and the fact that large parts of the country's economic activity ceased, which reduced opportunities for education and work experience. In addition, there is reason to believe that the educated part of the population has emigrated to a greater extent than the rest of the population.

The employers who were interviewed in IOM's survey about the demand for skilled and unskilled labour distinguished between simple skills and specialised and technical skills. According to the report it is generally easier to find workers with basic skills. Some employers state that they recruit people without skills but with what they perceive as suitable characteristics, because it is affordable to give them the training they need after they have started working. Examples of skills in this context are simple business management and accounting, English and familiarity with the use of computers. Examples of more advanced qualifications that are not

possible to train at the workplace are engineers, economists, health workers (doctors, nurses, pharmacists) and people with knowledge of more advanced computer technology. According to the report from IOM these are the areas where it is most difficult to find labour in Mogadishu today. The same applies to qualified teachers.

During our stay in Mogadishu in January 2016, we asked several of our local interlocutors about who had the easiest access to getting a job in town. Many emphasised craftsmen such as mechanics, electricians and plumbers, people with experience from the hotel and restaurant industry, and skilled people such as engineers, doctors and economists. We also heard that in areas where it is difficult to get qualified people, workers are recruited from outside Somalia. It was mentioned that at construction sites there are a number of craftsmen from Bangladesh, in the hotel industry there are many Kenyans and that many of the waiters/waitresses at restaurants come from Somaliland. It can also be mentioned that at the hotel we stayed at in Mogadishu, the chef was from Kenya, the administration was Kenyan and the same was true of the restaurant manager.

5.4 RECRUITMENT

5.4.1 Employers

Few jobs are advertised publicly in Mogadishu. According to the IOM report (2016, p. 61) many employers prefer to recruit through networks of family, clan members and acquaintances. An important reason for this is security concerns, where the most important thing is that an employee can be trusted. This attitude must be viewed in light of both the turbulent years the country has had and the traditional division of the population into clans with strong internal solidarity and suspicion of other clans. This approach is particularly used by small employers to fill jobs that require simple skills and which involve liability for values of various kinds.

Larger local businesses with a need for more specialised and skilled labour will to a greater degree advertise vacancies through local media and postings on the business premises. The same applies to various types of aid organisations, but they also post positions on their own websites. The UN announces its vacancies in more or less the same way (IOM 2016, p. 62).

According to the IOM report, positions in the public sector are not publicly announced for security reasons. Generally, the relevant offices find suitable candidates through relevant networks and internal discussions.

When it comes to unskilled labour for various types of manual labour, recruitment processes are less clear. However, the IOM report states that every working day in the morning between eight and eleven o'clock in the Bakara market, people who need labour for various tasks and job seekers meet up and enter into agreements for shorter or longer assignments on the spot.

Otherwise employers who were interviewed in the survey said that they prefer to hire young people and in this context emphasised that they are generally willing to work and easy to train, and also do not have as high expectations for salary.

5.4.2 Job seekers

Interviews with job seekers in the abovementioned survey confirms that recruitment rarely occurs through public announcements. 37 % of the respondents said that when

they look for a job, they first contact family members with jobs to see if they can get something through them, 34 % said that they would contact friends and acquaintances, and 28 % said that they would inquire directly with the owners of businesses where they want to work. Only 8 % said that they would consult announcements in media to find a job. It is also worth noting that when it comes to finding jobs in public administration, the respondents said that it is best to first consult with a senior person in the clan they belong to. Such a person will generally be part of a network with good contacts in the public sector.

5.5 WAGE LEVELS

There are major wage differences in Mogadishu. For example, a member of parliament has a monthly salary of USD 3,200 (Deeq, n.d.), while unskilled manual labourers usually earn about USD 200 per month. A person with education, such as a teacher or engineer, will be paid around USD 400 per month (IOM 2016, p. 38). Amongst those from Mogadishu who were interviewed in the survey IOM conducted, the average monthly salary was USD 360. The respondents were also asked what they thought they should be earning in order to have what they would perceive as a satisfactory salary. The average of what was reported as the desired salary of those who were residents of Mogadishu was USD 1,530.

6. PRICES AND MEANS OF PAYMENT

The following is suggestive of what it costs to live in Mogadishu. In this context housing prices are important because they generally constitute a significant part of the total expenses. Prices for food and clothing are not reported upon, yet estimates of what a person needs in total to live in the city contrasted with prices quoted for housing, give an impression of the price level.

6.1 COST OF LIVING

The cost of living in Mogadishu, as in all other big cities, varies depending on where one lives, material standard of living, and where purchases are made. Another question to ask is how much a person needs to survive in Mogadishu, or what is needed to live a decent or good enough life in Mogadishu?

There are no studies that provide a clear and unambiguous answer to the above questions. However, the questions were asked during Landinfo's visit to Mogadishu in January 2016: The IOM representative believed that USD 400 a month would be sufficient to maintain a family of four in terms of food and rent, but not enough to also cover children's school fees or any expenses for healthcare. The source was also of the opinion that 20 % of Mogadishu's population live a good life, 40 % are doing tolerably well and 40 % are poor. He believed that a family of four with USD 400 available belongs to the category that is doing tolerably well.

6.2 HOUSING PRICES

Prices for rental housing in Mogadishu, as in other places, are determined by standard and location. In Mogadishu there are additional expenses for security

measures if one deems it necessary. In practice the group who believe they have a need for such protection is limited to Somalis who have senior positions in government or run large businesses.

With a three room apartment as a starting point, sources in Mogadishu said this costs between USD 100 and 250, depending on standard and location. The most expensive was assumed to be in the district Wadajir in the area near the airport.

It was stated that one has to pay USD 40 to 80 per month for simpler housing, such as a dorm or a so-called «iron sheet house».⁹

6.3 HEALTH SERVICES

In Landinfo's report *Somalia: Behandlingsmuligheter og medikamenter* (Treatment opportunities and medication) (Landinfo 2014) there is a more detailed overview of access to health services in Somalia, including Mogadishu. It is worth noting that since the report was written in 2014, the supply of health services in Mogadishu has increased in that there is currently being established a number of new health centres, clinics and hospitals, primarily in the private sector.

When it comes to prices for medical services, there is an overview from WHO from 2005 with estimates for various services in Somalia as a whole. It shows that a consultation at a health centre costs USD 5.72, while a check-up of patients under treatment costs USD 1.89-3.97, and the price of a hospital bed is USD 7.83 to USD 13.95, depending on which hospital it is (WHO, n.d.). A well-informed source stated during a conversation in Mogadishu in January 2016 that a doctor's consultation cost between USD 5 and 10.

6.4 CURRENCY AND MEANS OF PAYMENT

Somalia's national currency is the Somali shilling (SOS), but the most commonly used means of payment in Mogadishu is the US dollar (USD), and prices are mostly set in US dollars. During the visit to Mogadishu in January 2016, a local source reported that the exchange rate was USD 1 = SOS 22,000. It was also said that usually something that costs more than USD 1 is paid in USD, while things that cost less than USD 1 are paid in SOS.

Lately it has become more and more common to pay without cash using the system EVC+ (Electronic Virtual Cash) with the mobile operator Hormuud. This is done by depositing cash in an account with your mobile provider. From this account you can make transfers to others who have an account with the same provider. This type of payment occurs, for example, if one is making a purchase in a store, and increasingly wages are also transferred to such accounts. Cash can be retrieved at the mobile provider's sales outlet (Alshahid 2016).

⁹ A simple house made of sheets of corrugated iron on the roof and exterior walls.

7. HOUSING MARKET

The most common way to acquire housing in Mogadishu is to enter a rental agreement. By comparison few people buy houses or apartments when they need a place to live.

According to the local sources' perception there is a variety of offerings for rental housing in various price ranges and of various standards. The sources said that there are no difficulties finding housing in the various districts and within the various segments of the housing market. There are a number of agents in the city that provide homes that are available on the rental market.

Security concerns and a general lack of trust between people impacts on the rental market. If the landlord does not know the person who wants to rent, or the family of the person, the landlord will ask for references who can vouch for them. This need to trust people in one's surroundings means that most of the city's residents live in districts where members of their own family and clan live.

8. REMITTANCES FROM ABROAD AND BANKS

There are few mainstream banks in Mogadishu and those that do exist, caters only to a very limited extent to private persons. Therefore, it is unusual to borrow money from a bank to finance the purchase of a house or other types of capital goods for personal use. Financing of such purchases usually comes from contributions from family members or other close clan members.

However what functions very well with regard to the circulation of money is the so-called hawala system, which transfers remittances from abroad. At times the system has had problems with operating in countries where the money is being transferred from, because the company has been suspected of money laundering and funding al-Shabaab. Today, though, the system works well and the main operators on the market are Dahabshil, Kaah, Hodan Global and Amal Bank (local source, conversation in Mogadishu 2016).

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