

# FACT SHEET

## Understanding and improving livelihood and rural-urban connections of women from Displacement Affected Communities (DACs)

Over the past two years, Somalia has made global headlines, with drought and insecurity leading to the displacement of millions of people, mostly women and children, to urban areas where they join millions of others displaced from previous crises. Developing solutions that enable women to better support themselves and their families and building the resilience of the rural↔urban market system requires both a deeper understanding of displaced women's lives and their participation.

### ACTIVITY

Commissioned by:	Building Resilient Communities in Somalia (BRCiS)
Project:	USAID Scaling Solutions in Somalia
Purpose:	Learn about the lives, livelihoods, and market and rural linkages of women from displacement affected communities (DACs) and co-design market-based solutions that could improve their lives, livelihoods, and incomes.
Approach:	Three-phase human-centered design exercise, including exploratory, in-depth, participatory, mixed-methods research and a three-day co-creation workshop
Participants:	39 women from four women DAC-only Self-Help Groups (SHGs) in Baidoa Town and Barwaqo, 22 market actors, and 18 local stakeholders

**To our knowledge, this was one of the most extensive community engagement processes in Somalia.**

### RESEARCH FINDINGS

#### Demographics

Nearly all of the SHG participants, now living in internally displaced person (IDP) sites in Baidoa Town and Barwaqo, arrived before the recent 2021-23 drought. One-third originated from within Baidoa District; most others came from other districts in Bay or Bakool Regions. All but four are not literate.

**Half identify as IDPs; the rest view themselves as being 'resettled' or 'host community.'**

#### Land Tenure

One-third of the SHG members previously experienced eviction, but most have since benefitted from layered livelihoods and land tenure support from NGOs and feel positive about their communities. Half grow food or keep animals at home, but **nearly all would like access to larger land with better soil for cultivation.**

#### Rural Connections

The continued presence of relatives—husbands, parents, siblings, and extended family—in rural areas, rural land ownership and traditional cultivation agreements, basic mobile phones, and mobile money create **strong ties between women DACs in Baidoa Town and their rural origins.** Insecurity, long distances, limited access to transportation, and poor road quality—especially during rainy seasons—inhibit rural connections, as does the cost of mobile airtime. Half of the study's participants plan to remain in Baidoa town; the rest plan to split their time between rural and urban areas. Land ownership, stable livelihoods, safety, and better services are strong incentives to stay.

## Livelihoods

Previously farmers or pastoralists, most of the SHG members now earn their livings through trade, selling goods like vegetables, cereals, and firewood/charcoal, which have low barriers to entry, low operating costs, and continuous demand from local households but yield poor profit margins. Several diversify by selling a mix of 'rural' goods produced in the surrounding area and 'imported' goods such as rice, pasta, sugar, salt, powdered milk, cosmetics, detergents, clothing, and shoes. Some draw on knowledge from their rural origins or purchase goods from markets or suppliers in rural areas.

**The SHG members view themselves as good traders, having innate business and financial management skills, marketing acumen, and resilience.**

- ✔ Women DACs' **dedication to supporting their children** and other family members motivates them. Many work in or near their homes, where they can care for their children; others operate in markets, which can offer a preferred customer base.
- ✔ While women DACs often **start trading with tiny capital investments from family**, those with larger shops were often able to scale thanks to business grants from NGOs via their SHGs.
- ✔ Most SHG members are their families' **primary income earners**. Only one-third view their livelihoods as 'stable.' Two-thirds regularly earn enough to meet their families' basic needs.
- ✔ **Mobile phones are essential** business assets, enabling SHG members to check prices and market trends, place orders, and enact business transactions using mobile money. Refrigeration and solar energy in markets would be useful.

## Financial Inclusion

**The lack of access to start-up capital, loans, and financial services** is seen by women DACs and local stakeholders as a major barrier. Formal financial services targeted to women IDPs—including *Qardu Hassan*, *Murabaha*, and micro-financing—do exist but have limited reach. Bank partnerships with SHGs are slowly opening members' eyes to formal finance. **Informal trade credit is actively used** and carefully managed by SHG members and throughout the broader rural↔urban economy.

SHG members use their savings and loans as a safety net for personal and business emergencies and business investments. Beyond financial benefits, SHG members encourage, educate, offer collective mentorship, share opportunities, and discuss market information with one another.

**SHG members may act as guarantors for trade credit and connect each other with suppliers. Each of the four groups collectively engages in community support activities.**

## Market System

Due to drought and urbanization, 'rural' goods are increasingly sourced from nearby peri-urban areas. 'Imported' goods, sold in Baidoa Town and demanded in rural areas, are important parts of the rural↔urban market system that are not often discussed or covered in the existing literature.

- ✔ A few SHG members source their goods from rural areas, but **most buy inventory from wholesalers or retailers in town**. Most use one supplier, prioritizing loyalty and trust, which facilitate positive relationships, quality products, fair prices, and access to trade credit.
- ✔ **Transporters**, especially *bajaaj* (rickshaw) and motorbike drivers, move both people and goods between rural and urban areas as well as within Baidoa Town.
- ✔ **The women's customers** mainly consist of neighbors and people visiting from rural areas.
- ✔ **Some SHG members work side-by-side** and share suppliers, transporters, and/or brokers.

**The SHG members' primary concerns are not being able to earn enough to meet their families' basic needs and the risk of their businesses closing.**

These are influenced by the drought, seasonal market dynamics, macro trends, changes in customer preferences, flooding, and more. Limited literacy and numeracy, business management skills, capital and lending, business support services, social and market networks, and poor infrastructure are among the many limitations women DACs face. They also shared concerns about the tenuous state of the town's security and safety in rural areas, which can prevent travel and threaten their family.

**While many key informants reported aid dependency of individuals, what was more evident in this study was the extent to which humanitarian cash assistance has prevented the collapse of the economy and continues to prop it up by sustaining purchasing power.** Challenges for the rural↔urban system as a whole include insecurity, long distances, and poor road quality. Given the prevalence of trade credit, the entire rural↔urban economy is highly leveraged against itself, making it fragile in the case of economy-wide shocks.

## Achievements

The women's greatest achievements include the ability to provide nutritious food, safety, and education for their children; land and home ownership; security and a sense of belonging in their communities; starting or continuing to operate their businesses; and saving.

## RECOMMENDATIONS FROM THE RESEARCH

### Expand women's networks

- Link women DACs and SHGs with one another.
- Create platforms to expand women DACs' networks with other market actors, possibly using this activity's network as a base.

### Offer additional business support

- Investigate the possibility of a business incubator or accelerator.
- Encourage women DACs to use of their rural networks for their livelihoods
- Adopt longer, sustained training, mentorship, and coaching.

### Invest in peri-urban agriculture

- Already planned as part of the Scaling Solutions Project.

### Strengthen the resilience of rural↔urban market systems

- Carefully transition the economy from reliance on humanitarian aid to normal market dynamics.
- Expand financial and training services to rural areas
- Work with FSPs to investigate innovative financing models to support women DACs and the rural↔urban economy.
- Improve basic services and production in rural areas to reduce future displacement.
- Explore investments and partnerships that facilitate the urban → rural flow of goods (i.e., imported goods and value addition).
- Distinguish between 'rural' areas based on geospatial characteristics. Consider piloting projects in the nearby hinterland.

### Transition donor-led programming toward longer-term projects

- Allocate sufficient time to build trust among DACs and with market actors, and to account for the challenges and constraints DACs face.
- Adopt trauma-informed approaches to all activities.

# CO-CREATED CONCEPTS

The co-creation workshop brought together the SHG members, local financial and training service providers, and government and NGO representatives to get to know one another, discuss the findings from the research, and jointly brainstorm possible solutions to improve the lives, livelihoods, and incomes of women DACs in Baidoa. The group collectively envisioned four concepts:

## Agricultural value chains

- ✔ Promote opportunities for women DACs to become involved in the processing and packaging of local foods: Somali porridge, Somali soor, Somali anjero, flour, sesame oil, and packaged peanuts.
- ✔ Enable the purchase of milling machines and other equipment.
- ✔ Address high spoilage rates through collective or other investments in solar-powered refrigeration in markets and refrigerated trucks

## Business development and diversification

- ✔ Explore opportunities to enable DAC businesswomen to renovate and scale up their shops and diversify their product offerings.
- ✔ Business cooperatives could improve economies of scale and contribute to social capital.
- ✔ Encourage women DACs to adopt more diverse business activities that offer sustained and growing demand and yield greater profit margins, such as bakeries, the sale of camel milk, tailoring, and clothing/fashion shops.

## Financial services and training

- ✔ Improve access to start-up capital and loans, and business skills, literacy, and numeracy training by scaling up existing targeted services and developing partnerships to identify new solutions.
- ✔ Safety net support will still be needed to enable women to bounce back when crises—inevitable in this context—strike.

## Multi-purpose centers

- ✔ Set up like Save the Children's child-friendly spaces and offering group child care.
- ✔ Offer a space for networking across and within SHGs and with other market actors.
- ✔ Serve as a meeting place for savings groups, training, and literacy education.
- ✔ Could potentially be rented out to other organizations for income.

# ADDITIONAL PRODUCTS PRODUCED UNDER THIS LEARNING ACTIVITY

- ✔ [COMPREHENSIVE REPORT ON A MULTI-PHASED ACTIVITY](#)
- ✔ [WOMEN'S LIVES, LIVELIHOODS, AND LINKAGES](#)
- ✔ [MAPPING RURAL ↔ URBAN LINKAGES](#)
- ✔ [BUSINESSWOMEN OF BAIDOA INTERACTIVE REPORT](#)