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Istruire **N**ormare **F**ormare **L**avorare

Newsletter N° 5
MAY 2025

I.N.FORMA.L. - **Educate, Regulate, Train, Work.** From the informal to the formal economy for inclusive growth, peace and social dialogue in Somalia - AID 012590/03/0



The project aims to contribute to the creation of decent work for women and men, in the complex context of Somalia, a country emerging from decades of war, drought, floods and terrorism and moving towards a new period of economic and social redemption.

In this newsletter

- Launch of the “Decent and Inclusive Work 2025” calendar
- Publication of the survey “*A survey on the Informal Economy in Somalia. Looking for sustainable change*”
- Meeting between project staff
- Fifth FESTU (Federation of Somali Trade Unions) Congress. Mogadishu, February 2025
- The new Somali Labor Code
- National Transformation Plan (NTP) 2025-2030 and AID I.N.FORMA.L. 012590/03/0 National Action Plan (NAP)

Launch of the “Decent and Inclusive Work 2025” calendar



In January 2025, the “**Decent and Inclusive Work**” calendar was presented, as result of the photo contest with the same name - an initiative promoted in the framework of I.N.FORMA.L. AID 012590/03/0 project by Nexus Emilia Romagna ETS and its partners - which collected over 90 photos on decent and inclusive work.

Each month is accompanied by selected images and reflections from their authors, offering an evocative and engaging look at social issues of great importance: the photographers who took part in the competition were able to tell stories of life and work with a strong visual and emotional impact through their shots.

In addition, the calendar highlights **key dates related to workers' rights**, such as March 8 and the International Day for Decent Work, celebrated on October 7.

The calendar, available in both **digital and print formats**, has been produced in **two languages - Italian and English** - to ensure maximum dissemination and accessibility.

The digital version can be downloaded at this link: [Decent and inclusive work calendar](#)

This initiative aims to reach citizens and stimulate reflection on social issues, with a particular focus on work.

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**Publication of the survey “A survey on the Informal Economy in Somalia.
Looking for sustainable change”**

The survey – available in Somali, Italian, and English – was conducted by Abdirisak Warsame in collaboration with FESTU and CGIL, as part of the I.N.FORMA.L. project, and it represents an essential contribution to understanding the country's economic dynamics, offering an in-depth overview of the challenges and opportunities associated with the transition from the informal to the formal economy, in particular in the fishing, small trade, and textile sectors.



A SURVEY ON THE INFORMAL ECONOMY IN SOMALIA

**A SURVEY ON
THE INFORMAL ECONOMY
IN SOMALIA**

LOOKING FOR SUSTAINABLE CHANGE

EDITED BY
FEDERATION OF SOMALI TRADE UNIONS (FESTU)



Obstacles, prospects, and National Action Plan

The study identifies the main obstacles faced by informal businesses and proposes concrete solutions to address them, involving three key actors: the government, workers, and employers. Through a detailed analysis of crucial sectors such as fishing, textiles, and small informal businesses, the study gathers valuable data and testimonies to gain a thorough understanding of the three different economic realities in Somalia.

The survey highlights the importance of promoting socially protected work, guaranteeing workers' rights, and reducing the vulnerabilities of informal work, which is often characterized by precariousness and a lack of protection. It also provides a basis for the development of **the National Action Plan (NAP)**, developed by a **Tripartite Committee** composed of **the Somali Ministry of Labor and Social Affairs (MOLSA)**, **the Somali Chamber of Commerce and Industry (SCCI)**, and **the Federation of Somali Trade Unions (FESTU)**.

The NAP, in line with national aspirations, aims to strengthen the country's formal economy by supporting inclusive growth, improving working conditions, and upholding the principles of social justice. The publication of this research marks a step towards a future in which work in Somalia is synonymous with dignity, security, and opportunities for development for all.

Infrastructure and financial instruments for the transition to the formal economy

The survey results reveal several key recommendations to facilitate the transition of Somali businesses from the informal to the formal economy. A first area for action concerns **access to services, particularly financial ones**, which is still limited in several sectors. In the fisheries sector, it is essential to expand the use of mobile banking, promote specific and sector-specific training programs, and improve the security and reliability of transactions. For small businesses, on the other hand, greater diversification of financial services, including microcredit and tailored loans, would be useful, as well as financial literacy courses to make the best use of these tools. In the textile sector, **digital infrastructure** needs to be strengthened to support larger transactions and ensure reliable service.

More generally, the government is called upon to develop digital financial infrastructure and support financial education programs, while credit institutions and trade associations should engage in the creation of targeted financial products for each productive sector.

Differentiated support for emerging and established businesses and local interventions

With regard to **business longevity and development by area**, research suggests differentiated strategies depending on the degree of business maturity.

In **Baidoa and Chisimaio** the creation of business incubators could facilitate the emergence of **new start-ups**, by providing training in business planning and access to start-up funds. In **Bosaso**, on the other hand, it would be appropriate to invest in **growth support programs**, with workshops and financial instruments specifically for emerging companies. **For more established businesses**, such as those in **Dusa Mareb and Banadir**, vocational training could facilitate expansion and export orientation. Local governments have a key role to play in tailoring support mechanisms and simplifying registration and taxation processes, while credit institutions and business associations should develop tailor-made financial instruments to actively promote formalization.



Strengthening knowledge, skills, and social dialogue

Another key challenge that emerged from the survey concerns **the level of awareness among businesses about formalization pathways and related government initiatives**. To reduce the knowledge gap, **specific educational programs** should be implemented for each area, simplifying information to make it accessible to all entrepreneurs. In addition, large-scale **awareness campaigns**, especially in **rural areas**, could ensure greater dissemination of knowledge about **the benefits of formalization**.

Constant dialogue between government agencies, worker representatives, and employer associations would be essential to develop shared strategies and ensure that the initiatives adopted meet the needs of all productive sectors. In this context, the involvement of community leaders is crucial to strengthen training and support local businesses in the formalization process.

At the same time, the survey highlights the importance of **training programs aimed at business formalization**. It is essential to improve knowledge of financial services and workers' rights and obligations, while promoting the gradual adoption of advanced technologies and quality standards. The government has a responsibility to develop clear regulations and facilitate the transition from informal to formal, while business leaders should adopt practices in line with international standards. Training institutions and NGOs can also contribute by providing resources and support for vocational training and financial literacy.



Bureaucracy, gender equality, legal dispute resolution, and taxes

The transition to the formal economy is made even more complex by **the bureaucratic and structural difficulties faced by businesses**. To overcome these obstacles, the survey proposes targeted strategies, including the introduction of measures **to break down gender barriers** and improve access to finance, particularly for women entrepreneurs. In addition, it is essential **to simplify the regulatory and tax framework**, making the registration process less burdensome and more transparent. Government support should take the form of more **inclusive policies**, while the financial system is called upon to develop **products that are accessible to small and medium-sized enterprises**.

There is also a need **to improve dispute resolution mechanisms**, which are crucial for creating a stable and secure business environment. The creation of specific “commercial courts” for business disputes would ensure more effective conflict management and strengthen confidence in the legal system.

At the same time, **legislative reforms** should be promoted **to simplify the regulatory framework**, fostering economic growth and improving the tax collection system. These reforms should be developed in collaboration with business associations, legal experts, and chambers of commerce to ensure their effectiveness and applicability.

The recommendations emerging from the research outline a clear and comprehensive framework of strategic interventions to promote the transition of Somali businesses towards a more equitable, sustainable, and inclusive formal economy. The implementation of these measures will require the active involvement of all actors in the economic system, thus ensuring a concrete and lasting impact.

The study can be downloaded in Italian and English from the following web pages:

[LINK ITA](#)



[LINK ENG](#)



Project staff meeting

In March, the project staff met **to monitor the actions carried out and plan the next activities**. As in July 2024, we chose the national headquarters of CGIL as the meeting place. In Rome, we also had the opportunity to share knowledge and opinions on the situation in Somalia and on possible actions to address the new issues generated by its unique and constantly changing context.



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Fifth Congress of the Federation of Somali Trade Unions (FESTU). Mogadishu, February 11–12, 2025

The Fifth Quadrennial Congress of the Federation of Somali Trade Unions (FESTU), held on February 11 and 12, 2025, in Mogadishu, was a **major event for the Somali trade union movement**, consolidating its role in defending workers' rights, promoting social justice, and supporting the country's democratic transition. With the participation of **328 delegates, 53% of whom were men and 47% women**, from both the federal regions and the capital, the congress provided a platform for debate and discussion on **the main issues affecting the world of work in Somalia**.



The speakers

The event opened with speeches by **leading representatives from the Somali government**, including Deputy Prime Minister Abdisalan Abdi Ali, Minister of Labor and Social Affairs Yusuf Mohamed Adan, and Minister of Justice and Constitutional Affairs Hassan Moallim Mohamud, who reaffirmed **the government's commitment to protecting workers' rights and promoting social dialogue** as an essential tool for the country's progress.

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The meeting also received **strong international support**, with the participation of **diplomatic representatives from the United Kingdom, Italy** (thanks to the greeting brought by Ambassador Pier Mario Daccò Coppi) and **the United States**, as well as the **International Labor Organization (ILO)**.

Another remote contribution was **the speech by Salvatore Marra, coordinator of the European and International Policies Area of CGIL**, who highlighted the long history of cooperation between FESTU and CGIL, emphasizing the constant commitment of Italian trade unions to supporting the construction of a strong and organized trade union movement in Somalia.



The issues

During the congress, crucial issues were addressed, including **strengthening workers' rights, improving working conditions, combating gender-based violence, and protecting the rights of migrant workers**. Much attention was also paid to the country's democratic transition, with a strong call for abandoning past electoral models, often characterized by corruption and instability, in order **to promote a transparent and participatory democratic system**.



Delegates also expressed their full support for **the ITUC global campaign “FOR DEMOCRACY”** (campaign website: [LINK](#)), emphasizing that democracy is not limited to the right to vote, but implies respect for human rights, the adoption of progressive laws, and truly representative governance.

The congress concluded with the approval of a series of strategic resolutions, including the implementation of new labor laws, the strengthening of trade union representation, the institutionalization of social dialogue at federal and state level, the defense of migrant workers' rights, and the strengthening of initiatives to combat gender-based violence and ensure the empowerment of women workers. Another central theme was the commitment to a just transition in climate policy, ensuring that the country's economic and environmental transformations are inclusive and respectful of workers' rights.

The two-day congress consolidated FESTU, its 12 affiliated trade union federations (representing over 180,000 workers across Somalia) **and their trade union agenda**, focused on defending human and labor rights, promoting social dialogue, fighting for democracy and gender equality, and achieving a more equitable and inclusive future for all Somali workers. The conclusion of the congress also saw the confirmation of the **General Secretary, Omar Faruk Osman Nur**.

The new Labor Code

Less than a week before the opening of the Fifth FESTU Congress, Somalia has taken a fundamental step forward in protecting workers' rights with the entry into force of **the new Labor Code**. Signed by President Hassan Sheikh Mohamud in early February 2024, this new text **replaces the previous code of 1972, inherited from the military regime** and known for its repressive approach towards trade unions.

The result of intense social dialogue between FESTU, the Ministry of Labor and Social Affairs, and the Somali Chamber of Commerce and Industry, the new Labor Code finally brings national legislation into line with the **standards of the International Labor Organization (ILO)**.

Among the most significant innovations, the new code introduces **clear legal protection against violence and harassment at work**, with a particular focus on gender-based violence; it strengthens dialogue between social partners and guarantees workers, including migrant workers, the possibility of **taking legal action against foreign and multinational companies** operating in Somalia.

The approval of the new Labor Code represents a **historic victory for the trade union movement and for all workers in the country**. FESTU, which played a key role in its drafting, will continue to work to ensure that it is fully implemented, guaranteeing the protection of the rights and dignity of every worker in Somalia.

National Transformation Plan (NTP) 2025-2030 e AID I.N.FORMA.L. National Action Plan (NAP)

During the first few months of 2025, further important steps were taken, thanks to the tripartite dialogue, as envisaged in the project: the signing of **the National Transformation Plan (NTP) 2025-2030** and the forthcoming signing of **the National Action Plan (NAP) 2025**.

The **NTP** is an ambitious and inclusive strategy that aims **to strengthen governance, reduce inequalities, and promote sustainable growth**. FESTU and its affiliated federations played a key role in shaping the plan, actively contributing to consultations and presenting targeted proposals to ensure that workers' rights and social justice were at the heart of the national strategy.

FESTU Secretary General Omar Faruk Osman emphasized the importance of transforming this vision into concrete actions to improve the lives of all Somalis, supporting the NTP's objectives and working with social partners to promote a fair and inclusive development model.

In addition, **the project AID I.N.FORMA.L. 012590/03/0** provides for the signing of the **National Action Plan (NAP)** by the members of the Tripartite Committee (FESTU, the Ministry of Labor and Social Affairs, and the Somali Chamber of Commerce and Industry) with the aim of proposing successful pathways and tools for the implementation, implementation, and concrete realization of **actions to support the transition to the formal economy and decent work**. The Plan will provide guidance for the construction of a system of policies and models for the promotion of sustainable economic growth and the transition to the formal economy, with a particular focus on best practices in social protection and decent and inclusive work, including for the most vulnerable groups (young people, women, and persons with disabilities).

The AID I.N.FORMA.L. National Action Plan (NAP) is currently being finalized and will most likely be signed by the Tripartite Committee during **the 113th ILO Conference** to be held in Geneva in June 2025.

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