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Panel on Social Protection and Austerity

Topic title: Decade of Action to achieve Universal Social Protection by 2030

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Thank you for the opportunity to outline the present situation in Somalia regarding social protection. Before I do that it is important to paint the socio-economic picture of Somalia into which social protection policies and programmes will be implemented.

Somalia is one of the poorest countries in the world. According to the United Nations Development Programme, Somalia has a poverty rate of 73% (meaning 7 out of 10 people are poor) with youth unemployment rate at a staggering 67%. Similarly, studies by the World Bank show that almost 9 of 10 Somali households in 2019 were deprived in at least one basic human need – money, electricity, education, or water and sanitation. Children under the age of 14 represent nearly half of the Somali population. 73 percent of these children are poor. While an adult may be able to extract him/herself out of poverty eventually, falling into poverty in childhood has lifelong consequences.

In addition, Somali communities across the country have been shattered by decades of conflict; civic institutions remain weak; peace and security remain fragile in the wake of terrorist attacks; and human rights are grossly violated. Somali households depend largely on aid and remittances.

When we observe Somalia within the context of COVID-19, we see that the above social and economic challenges have been deepened. As in the case of most countries, the COVID-19 pandemic has had far reaching economic impacts in the country, including business performance, limiting livestock exports, trade taxes and remittances. Household income was reduced and many workers were forced to take on alternative or additional work.

This has all had a direct impact on working families who had already been struggling to make ends meet.

In addition to the economic burden brought on by COVID-19, the past 12 months brought with it a number of climate related challenges. Erratic weather patterns and climatic shocks have led to prolonged and severe drought conditions and floods. Flooding displaced 919,000 people in 2020 and destroyed essential infrastructure, property and 144,000 hectares of agricultural land.

At the same time, Somalia also experienced the worst locust infestation in 25 years with tens of thousands of hectares of cropland and pasture damaged, creating a devastating blow for agriculture communities and pastoralists.

All of this has contributed to reducing Somalia's growth forecast for 2020 from 3.2 percent to a 2.5 percent. This then had a knock on effect on economic profitability, jobs decline, household incomes and wellbeing among individuals in Somalia. According to the World Health Organization (WHO), 20 percent of Somalia's population will suffer from the direct and indirect impacts of the pandemic in 2021.

The above picture provides strong arguments for a social protection programme.

It is encouraging that Somalia has made some progress towards making social protection a reality in the country. Somalia's Social Protection Policy was launched in 2019. This framework was developed after wide consultation with a variety of stakeholders including trade unions. The policy states that social protection may "include developing and implementing a wages and remuneration policy and an appropriate minimum wage system, strengthening social security provisions for the working population, and establishing a system of cash transfers for the most vulnerable."

To respond to the strain that COVID-19 placed on Somalia, the government, with the support of development partners, including the World Bank, expanded the safety net programs to cushion the most vulnerable households. There were efforts to help scale health sector and livelihoods financing, specifically supporting the design and launch of a cash transfer program, or Baxnaano, as it is known in Somalia. This contributed to easing the strain on households.

Since Somalia's social realities require a humanitarian response, social protection represents an approach that can bridge short-term humanitarian interventions and longer-term development objectives. Humanitarian and social protection objectives and related activities such as the use for cash transfers. Humanitarian principles call for neutrality, impartiality, and independence from government; social protection aims to strengthen state structures for social objectives, poverty reduction, resilience, and human development. Humanitarian interventions meet immediate needs while social protection works in a longer-term span.

When we investigate the levels of poverty, inequality, unemployment and vulnerability in Somalia, it is clear that a social protection strategy will make a strategic and sustainable impact and allow Somali people to live decent and dignified lives. This, in turn, facilitates their social, political and economic participation in society.

Somalia's social protection policy envisions strengthening all components of a social protection system, including linking with the development of a single registry and the long awaited national IDs. It advocates for beginning with transitional safety nets then transitioning to the social protection floor as and when the evidence base is built. The policy promotes labour market policies and interventions that lay the foundations for human capital development.

As the policy must involve an array of actors in our country to be implemented effectively, collaboration across a host of actors to achieve the maximum impact is important. Ensuring the participation of the private sector to develop products that encourage the participation of the informal sector and reduce transfer risk from the poorest households is also critical.

While Somalia, in the last 2 years, has made some impressive progress in regards to improving its economic outlook, substantive change and some degree of trickle down is a long way off. In addition, while the country has battled with dire social and economic challenges for many years, the COVID-19 poses a significant risk to what fragile economic gains had been made in previous years.

Social protection would mean that Somali people could look forward to a dependable form of financial support as they withstand one, some or all these social, economic and security challenges. It provides a much-needed safety net for Somalis to address their basic individual and family needs, thereby allowing them to be active participants in their long term development and in the country's 21st century vision of its future.

Social protection also holds an important function as the basis of national trust. This is incredibly important since Somalia has survived many decades of conflict, corruption and isolation, factors which arguably allows deep distrust of the government and a lack of belief that the wellbeing of Somalis really is at the heart of government.

The last decade towards 2030, and to progress towards the Sustainable Development Goals began with a devastating health pandemic. This has naturally interrupted progress towards the goals, including SDG 1 target 1.3 'To implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable'. We must double, even triple our efforts to make good progress on this goal and support vulnerable groups towards decent, safe and meaningful lives.

Thank you.