

Employment Statistics

Status	Done
Parent Task	Economic Indicators
Multi-select	Economy Report Trends

Employment Statistics: Somalia

Overview

Somalia's labor market is characterized by high unemployment rates, significant informal sector employment, and structural challenges that limit formal job creation. The country's employment landscape reflects its ongoing recovery from decades of conflict, limited industrial development, and predominantly agricultural and service-based economy.

Current Employment Indicators

According to the most recent data from Trading Economics and the World Bank:

- **Unemployment Rate:** 18.94% in 2023, showing no significant change from 2022
- **Employment by Sector:**
 - Agriculture: 25.96% of total employment (2023)
 - Industry: 17.87% of total employment (2023)
 - Services: 56.15% of total employment (2023)

Historical Trends

Somalia's unemployment rate has shown fluctuations over the past decade:

- The unemployment rate reached a peak of 19.66% in 2021

- The lowest unemployment rate in recent years was approximately 18.4% in 2016
- There was a significant increase in unemployment between 2019 and 2021, rising from approximately 18.5% to 19.66%
- Since 2021, there has been a slight decrease in the unemployment rate to the current 18.94%

Youth Unemployment

Youth unemployment represents a particularly significant challenge:

- Youth unemployment stands at approximately 35%, according to the International Organization for Migration (IOM)
- Young people face limited formal employment opportunities
- The demographic youth bulge creates additional pressure on the job market

Labor Force Characteristics

- **Total Labor Force:** Approximately 3.16 million (2022)
- **Employment to Population Ratio:** Relatively low compared to regional averages
- **Formal vs. Informal Employment:** The vast majority of employment is in the informal sector
- **Gender Disparities:** Significant gender gaps exist in labor force participation and employment opportunities

Regional Variations

Employment conditions vary significantly across different regions of Somalia:

- Urban areas, particularly Mogadishu, have more diverse employment opportunities
- Rural areas are dominated by agricultural and pastoral livelihoods
- More secure regions tend to have better employment prospects

- Regions affected by ongoing conflict face severe employment challenges

Factors Affecting Employment

Several structural factors contribute to Somalia's employment challenges:

Supply-Side Factors

- Limited education and skills development opportunities
- Mismatch between education outcomes and labor market needs
- High population growth rate creating pressure on job markets
- Displacement due to conflict and climate events

Demand-Side Factors

- Limited industrial development and formal private sector
- Insufficient investment in job-creating sectors
- Security concerns deterring business expansion
- Underdeveloped infrastructure increasing business costs

Recent Developments

Recent initiatives to address unemployment include:

- Launch of a National Job Portal to connect job seekers with employment opportunities
- Vocational training programs focused on market-relevant skills
- Youth employment initiatives supported by international organizations
- Growing emphasis on entrepreneurship and self-employment

Future Outlook

The trajectory of Somalia's employment situation will likely be influenced by:

- Success of the National Transformation Plan 2025-2029 in creating economic opportunities

- Security improvements enabling business growth and investment
- Development of key sectors with job creation potential (construction, services, light manufacturing)
- Effectiveness of education and skills development initiatives
- Climate resilience affecting agricultural employment

While unemployment is likely to remain a significant challenge in the near term, targeted investments in job-creating sectors and skills development could gradually improve employment indicators over the medium to long term.

References

1. Trading Economics. (2025). Somalia - Unemployment, Total. Retrieved from <https://tradingeconomics.com/somalia/unemployment-total-percent-of-total-labor-force-modeled-ilo-estimate-wb-data.html>
2. Statista. (2024). Somalia: Unemployment rate from 2004 to 2023. Retrieved from <https://www.statista.com/statistics/808953/unemployment-rate-in-somalia/>