

Galkayo Urban

HISTORICAL TIMELINE

GALKAYO HISTORICAL TIMELINE 2005-2009		
Year	Food Security Ranking	Events, Effects, and Responses
2009	2	Below Average Year: Prolonged drought; influx of IDPs; decline of food prices; influx of destitute pastoralists; political problems in southern Galkayo (split of Galmudug); Improved security situation compared to previous conflicts between the North and South Galkayo, despite of organized and targeted killings in the reference year.; replacement of CARE by WFP and 50% reduction of food aid.
2008	2	Below Average Year: Drought; insecurity/piracy; inflation; food aid; influx of rural destitute and ensuing tensions; suspension of CARE activities; lifting of roadblocks; establishment of IRC office in Galkayo; high food prices.
2007	2	Bad Year: Drought; inflation; insecurity; IDPs influx; water shortage and water trucking from Belet Weyne; high water price; printing of Somali bank note; poor purchasing power; expansion of town; and increased social services.
2006	3	Average Year: Normal to good rains; invasion of Ethiopian troops; ICU and Ethiopian conflict; defeated warlords; temporary displacement; good trade; no major problems in north; increased number of roadblocks; influx of clan militias from Mogadishu and rural areas; establishment of Galmudug administration in southern Galkayo.
2005	2-3	Below Average Year: Good rains; localized flash floods; livestock trade ban; stable security; impacts from tsunami: fishing equipment destroyed, influx of IDPs, food aid; start of piracy activities; start of humanitarian access in southern Galkayo.

Rank descriptions: 5 = excellent year for household food security (low prices, good wage rates, etc); 4 = a good or above average year for household food security; 3 = an average year in terms of food security; 2 = a below average year for household food security; 1 = a poor year for household food security (high prices, low wage rates, etc.)

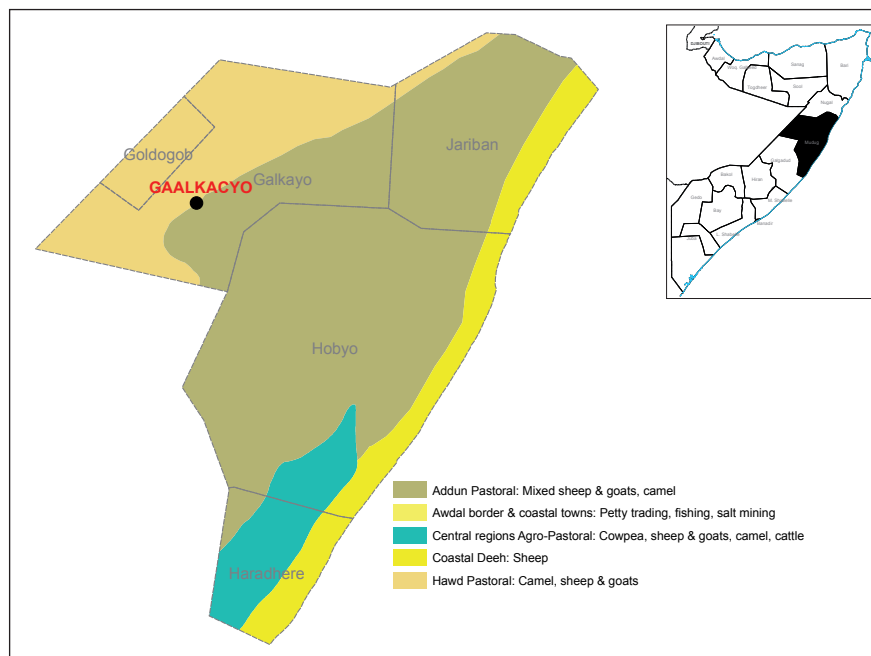
BASELINE YEAR DESCRIPTION

Baseline Reference Year: October 2008 to September 2009.

- The selected reference year was a below average year.
- In the reference year Galkayo experienced prolonged drought, a large influx of IDPs and destitute pastoralists into town, as well as political problems in southern Galkayo (the split of Gal-mudug region).
- However, the year was relatively secure leading to an improvement of trade, increased local cereal supply, decreased inflation, decreased food prices, and 50 % reduction of food aid by WFP.

Improved purchasing power in the reference year (labour rates, local and imported food prices), according to proceeded years.

GALKAYO AND SURROUNDING LIVELIHOOD ZONES



URBAN LIVELIHOOD DESCRIPTION

- Galkayo is one of the six regions in Puntland state and is the capital of the Mudug region, population estimates range from 75,000 to 315,000. Using UNDP populations from 2005, there are about 105,000 people (including 30,000 IDPs).
- The town is divided into four quarters, Israac, Garsoor, Wadajir, and Horumar, with a total of sixteen sub-sections. The Darood clan is dominant in the northern part of town (under control of Puntland state) while the Hawiye clan mainly live in southern Galkayo, which is administered by the Galmudug state.
- Galkayo town is located about halfway between Mogadishu and Bossaso (about 700 km). The surrounding rural livelihood zones are Addun Pastoral and Hawd Pastoral.
- The town is an important regional hub for commerce between southern and central Somalia, the Somali region of Ethiopia and the port of Bossaso. The service sector is very important in Galkayo's economy and is strongly linked to livestock and livestock products trade.
- Main economic activities/income contributions include: wholesale and retail distribution of imported foods and products, as well as local products; remittances, import and distribution of petrol, the telecommunications sector, the kat market, and a wide range of services offered by small-scale enterprises (welding, carpentry, health care, domestic work etc).
- Galkayo hosts many IDPs, OCHA estimates there are about 7,630 IDP households.

For full report see:
FSNAU Galkayo Technical
Series Report No. VI 34,
October 7 2010
or contact info@fsnau.org
www.fsnau.org

Demographic information for Galkayo town and IDPs

Demographic Information	V.poor	Poor	Middle	B-off	Poor(IDP)	Middle	B-off
%pop by WG (midpoint)	7.5%	30%	50%	12.5%	47.5%	47%	7.5%
Pop.number UNDP and FSNAU est. (170000 & 300000 IDP)	12750	51000	85000	21250	14250	13500	2250
Pop. number UNOCHA est. 75000 town &	4500	18000	39975	12525	-	-	-
Average HH size	6	6	8	10	6	6	7

SEASONAL CALENDAR

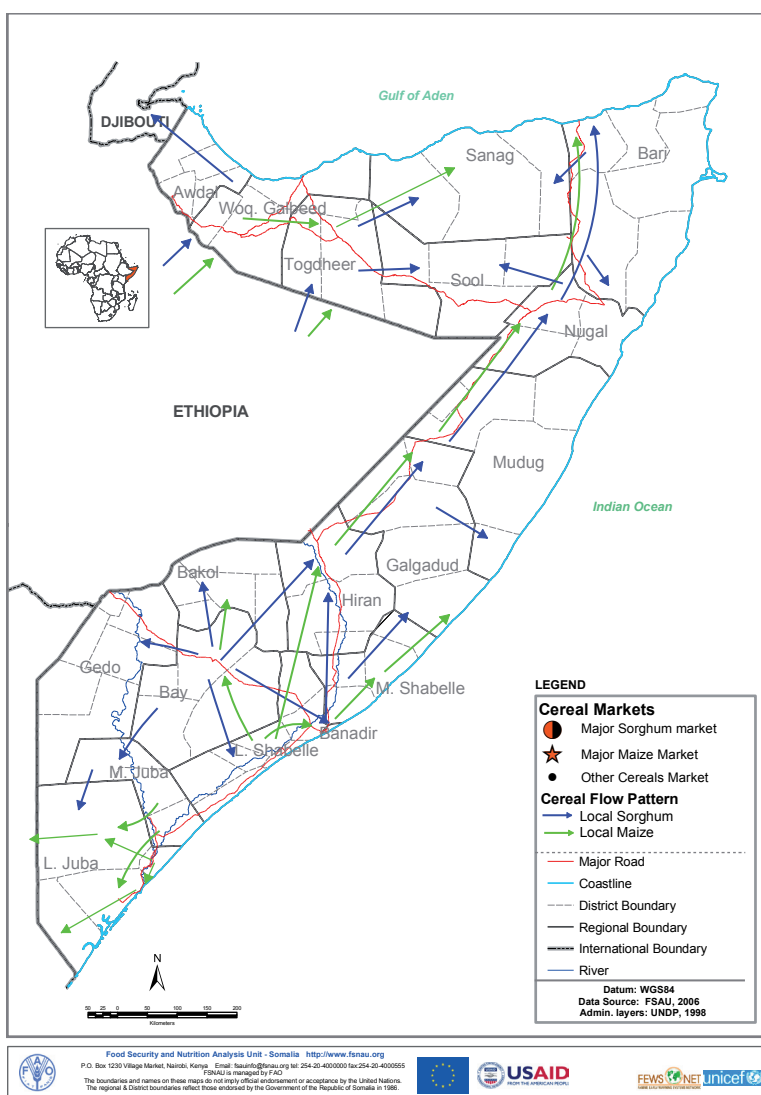
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Seasons	Deyr wet season			Jilaal dry season			Gu wet season			Hagaa dry season		
Rainfall		Peak						Peak				
Water Availability						Low						
Hunger Period (Kalajaban)									High			
Fruit & Vegetable Availability	Low							Low				
Imported Food Prices									High			
Livestock Prices	High (export)			Low (local quality sheep & goats)			High			High (export)		
Livestock Supply	High			High							High	
Employment												
Self-employment									Low			
Casual Labour			High						Low			
ARI			Peak									
Diarrhea (Typhoid)	Peak						Peak					
Remittance	High (Ramadan & Eid)										High (Ramadan & Eid)	
Loan (In-kind)									High			

SEASONAL CALENDAR

The seasonal calendar details levels of seasonal activities throughout the reference year:

- The overall pattern of economic activity only has partial correlation with any particular season, mainly because the primary economic activity in Galkayo centres on trade. Instead the level of each economic activity is determined by factors such as foreign exchange levels, availability of transport, cost of imported products, and trade relations.
- Prices of imported staple foods and goods are high from June to September because monsoon weather patterns limit shipping. Prices of locally produced food peak during the rain seasons (*Gu* and *Deyr*), when the crops are being grown, and drop during the dry seasons when the crops are being harvested (*Hagaa* and *Jilaal*).
- Livestock supply (local) is highest during the dry seasons because animals have improved body conditions after the rainy season, and there is a high demand for cash to purchase water and food.
- Income opportunities and daily wage rates from casual labour and petty trade tend to be lowest between June to August.
- Water is available most of the year because of the presence of wells, though towards the end of *Jilaal* dry season (late February to March) availability decreases.
- Waterborne diseases, like diarrhoea and typhoid, peak at the start of the wet seasons of *Gu* and *Deyr* as people use available surface/rain water, which often is contaminated. Acute respiratory infections (ARI) are high during December and January as it is cooler during this time period.

CEREAL FLOW MAP



MARKETS AND TRADE

- Galkayo's central geographical location has helped make the city a conduit and centre for trade and business for food, goods and livestock trade from Mudug, the Somali region of Ethiopia and southern Somalia to Bossaso port.
- Traders in Galkayo market have strong trade links with Mogadishu's main market, Bakaara. However, since 2007, the supply has shifted from Mogadishu to Bossaso due to a significant deterioration in the security situation in Mogadishu.
- A unique aspect of Galkayo's market structure is that there are not many factors that prevent small and medium sized business from starting operations. There is available warehouse and shop space, available supply and steady market demand.
- A group of Galkayo's largest traders and businessmen, mainly those involved in importing commodities, fuel distribution and construction industries have developed importing cartels.
- Galkayo market prices are also influenced by market prices in Mogadishu (Bakaara market) and Bossaso. Other hindrances to trade include the high cost of commodity transportation from Mogadishu and the money demanded by illegal road blocks between Mogadishu and Galkayo.
- Seasonality is an important factor for food items grown in southern Somalia such as cereal, pulses, fruit, vegetables and livestock products (milk and ghee).

ROLE OF WOMEN IN MARKETS AND TRADE

Women play an important role in the urban context. In addition to their daily household tasks, women take part in income earning activities through employment and self-employment. During the reference year, almost 85% of the petty/small trade businesses in Galkayo were managed by women. In addition, nearly all milk traders, 80% of kat sellers, 50% of meat sellers, 50% of fruit and vegetable sellers and 3% of livestock traders were women. In general, women also control and manage household expenditures related to both essential and non-essential household items.



SECTORAL INVENTORY OVERVIEW





The main sectors in which people obtain income in urban Galkayo are outlined in the sectoral summary table. The information provided covers the reference year (October 2008 – September 2009), and all prices and income figures represent averages for that year. All of the figures in this section should be regarded as approximate (the mid-point of a range). The sectoral inventory aims to classify economic activities of individuals (rather than households) into particular income categories, as indicated below. In many households, it is common for more than one person to be working, so individual incomes may not necessarily represent total household income.

SECTORAL INVENTORY SUMMARY BY WEALTH GROUP

Sectors	Better Off		Upper Middle		Lower Middle		Poor		Very Poor		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Livestock marketing	120	15	40	5	365	45	40	5	250	30	815	100
Meat marketing	0	0	75	10	160	20	120	15	430	55	785	100
Milk marketing	0	0	0	0	5	5	55	35	100	60	160	100
Construction	455	5	455	5	1810	20	6350	70	0	0	9070	100
Transport	430	20	325	15	965	45	215	10	215	10	2150	100
Vegetable and fruit trade	0	0	90	5	90	5	1055	60	525	30	1760	100
Kat / Qaad	50	5	475	50	150	15	0	0	290	30	965	100
Energy	45	5	45	5	180	20	90	10	540	60	900	100
Water	0	0	70	10	180	25	470	65	0	0	720	100
Remittances	10	10	25	30	25	30	20	25	5	5	85	100
Salaried	24	2	177	18	206	22	150	16	401	42	958	100
Public sector	38	3	327	23	374	27	367	26	290	21	1396	100
Other food and non food sectors	846	6	808	5.5	1591	11	5781	39	5739	39	14,765	100
Total	2018	6	2912	8	6101	17.5	14713	42.6	8785	25.6	34529	100

	Better Off	Upper Middle	Lower Middle	Poor	Very Poor
Annual income per HH in Somali Shillings	> 220,000,000	120-220,000,000	60-120,000,000	38-60,000,000	< 38,000,000
Annual income per HH in USD	>\$6875	\$3750 - \$6875	\$1875 - \$3750	\$1190 - \$1875	<\$1190
Monthly income per HH in USD	>\$570	\$310 - \$570	\$155 - \$310	\$100 - \$155	<\$100

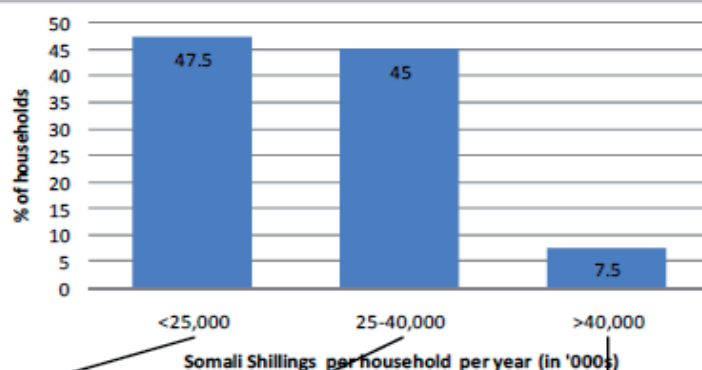
SUMMARY OF LIVELIHOOD ASSETS

Human Capital	<ul style="list-style-type: none"> • Household Composition: Within Galkayo town men headed households amounted to approximately 47% and women headed is 53%. Monogamy is the predominate practice, except among the better off and upper middle wealth groups where polygamy (usually only 2 wives) is practiced. Among IDP households, men headed comprise approximately 49% of households and women comprise 51%. For information regarding household size and wealth breakdown please see section 5. • Health: Generally, health services are available in Galkayo, although they are often too costly to be accessible for much of the population. There are approximately 14 healthcare facilities operating: two are public/free hospitals, three are private hospitals, five are private clinics and four are maternal and child health centres (MCH) of which two are in IDP camps. Additionally, there are 10 wholesale pharmacies and 70 retail pharmacies. • Nutrition: FSNAU tracks the trends of acutely malnourished children attending MCH centres and selective feeding centres; these numbers show that nearly all children visiting these centres fall into the normal category for nutrition status. Nutrition assessments conducted among the IDPs of Galkayo in July 2009, indicate a Very Critical nutrition situation with GAM rates of 20.0% and SAM rates of 4.6 %. • Education: While enrolment rates remain low and costs for schools make access to education difficult for poorer wealth groups, there are approximately 40 private schools operating in both northern and southern Galkayo. These schools include primary, intermediate, secondary, and tertiary. School attendance, at all levels is estimated at around 14,000 (of which 38% are female) for both northern and southern Galkayo. 	
Social Capital	<ul style="list-style-type: none"> • Formal and Informal Support: Social support is particularly strong in Somalia, including in the urban context of Galkayo. In general, female-headed households receive more support from religious charity and kinship ties than male-headed households. According to key informant interviews about 50-60% of the urban population (mostly middle income wealth groups) are directly dependent on monthly remittances. • Linkages between Wealth Groups: Poorer groups receive charity and <i>zakat</i> from the wealthy, especially during Ramadan, in the forms of food and cash. During the reference year (Oct 08 to Sept 09) the average amount of cash gifts received by poor households in Galkayo was SoSh 1,000,000-2,000,000 (US \$30-65). • Urban Linkages to Rural Areas: Urban residents buy livestock, milk, ghee, water from <i>berkads</i> and charcoal from rural areas. Mainly, the flow of assistance is from urban households to rural, providing cash, food and other non-food essentials. Better off households will house children from rural relatives in town for schooling and other business activities. • Urban Linkages to other Urban Centers: Galkayo is major trade centre and is connected to markets in Bossaso, Berbera, Mogadishu and Ethiopia. 	
Physical Capital	<ul style="list-style-type: none"> • Housing: Almost all poor and very poor households live in rented concrete houses with one room, while 50% of the middle and all better off wealth groups possess one to four concrete houses consisting of three to five rooms. • Transportation and Infrastructure: There is one tarmac road through Galkayo, which connects northern and southern Somalia that is passable throughout the year. Other feeder roads to rural areas and Ethiopia are generally passable throughout the year. Mini-buses and taxis are the main form of intercity bus transport. • Telecommunications and Electricity: There were about four cellular telephone companies, Telecom, Golis, Orbit and STG regularly in use during the reference year. Around 50-70% of the residents have access to land line telephones. Electrical supply in Galkayo is growing with eight companies currently supplying the city and another company looking to begin operations • Water Supply: There are three water systems operating in Galkayo town (two in the north and one in the south). All three systems have been established as private companies with assistance from UNICEF and other support agencies. Water reaches users either through taps (about 70% of users in northern Galkayo and 30% in the south) or through kiosks and wheelbarrow sellers. 	
Financial Capital	<ul style="list-style-type: none"> • Income and Remittances: For information on income, see section 5. In the reference year the average money remitted monthly ranges from US \$150-250 for regular payment and US \$100-400 for occasional payments; these payments are usually made to middle income groups. • Capital Levels: For very poor and poor wealth groups use capital for investment in petty trade and levels range from SoSh 300,000 to 400,000 (US \$9-13). Lower middle groups also invest in petty trade and small formal businesses with average capital about SoSh 2,000,000 (US \$63). Upper middle and better off wealth groups have access to much more capital for investment in medium to large business with ranges of SoSh 30,000,000 to 35,000,000 (US \$935-1,090) and 240,000,000 to 280,000,000 (US \$7,500-8,750) respectively. • Access to Loans: Very poor and poor households have limited access to loans, but significant numbers of households from the middle wealth group receive loans from shopkeepers, both in kind and cash; these loans are repaid in several instalments. Borrowing increases during the dry seasons (<i>Jilaal</i> and <i>Hagaa</i>) and during religious holidays (Ramadan and the two Eids). • Debt Levels: The limited debt incurred by the poor and lower middle groups was estimated at SoSh 500,000 (≈US \$15). The debt is normally repaid within the year, unless the year was bad. 	
Natural Capital	<ul style="list-style-type: none"> • Water Resources: Galkayo is semi-arid, receiving an average of only about 158mm of rainfall per year. Water sources include <i>berkads</i> (rain water harvesting), shallow wells and boreholes. The most reliable source of water is through the deep boreholes, although the water is brackish. • Use of Charcoal and Fuelwood: Charcoal, used by wealthier households, and fuelwood, used by poorer households, restaurants and bakeries, provide most of the energy for cooking in Galkayo town. • Environmental Degradation: Unplanned urban development has led to deforestation for charcoal/fuelwood production, unsanitary living conditions (lack of sewage treatment and proper waste disposal) and possible overexploitation of water resources. 	

WEALTH BREAKDOWN

Wealth breakdown for Galkayo IDPs – All income levels relative to Galkayo IDPs only

Generally two members of the household are working



Poor

- Casual, unskilled labour
- Small-scale petty trade less common

Middle

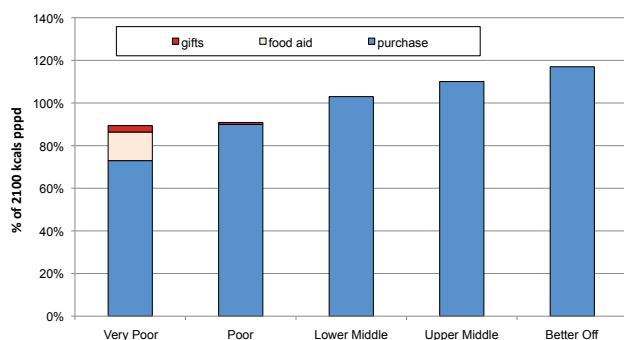
- Casual, unskilled labour
- Small-scale petty trade less common

Better off

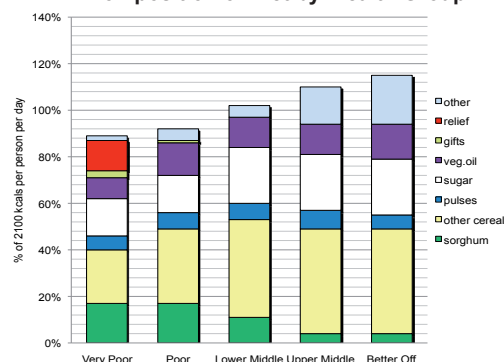
- Some skilled, casual labour
- Small-scale petty trade or self-employment

LIVELIHOOD STRATEGIES

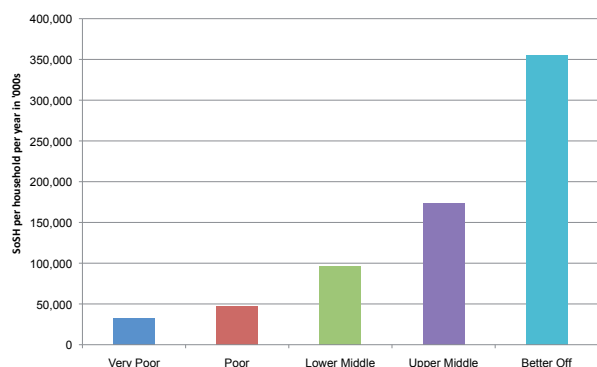
Annual Sources of Food by Wealth Group



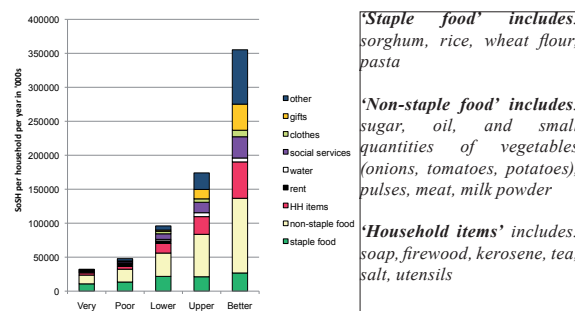
Composition of Diet by Wealth Group



Average Monthly Income by Wealth Group



Expenditure Patterns by Wealth Group



'Staple food' includes:
sorghum, rice, wheat flour, pasta

'Non-staple food' includes:
sugar, oil, and small quantities of vegetables (onions, tomatoes, potatoes), pulses, meat, milk powder

'Household items' includes:
soap, firewood, kerosene, tea, salt, utensils

QUANTITIES OF FOOD PURCHASED PER MONTH BY WEALTH GROUP*

Item	Very poor	Poor	Lower Middle	Upper Middle	Better Off
Sorghum (kg)	18	18	16	6	8
Wheat flour (kg)	12	18	27	27	33
Rice (kg)	13	17	30	30	30
Pasta (kg)			4	11	20
Pulses (kg)	7	8	10	12	12
Sugar (kg)	15	15	30	30	38
Vegetable oil (litres)	4	6	8	8	11
Sesame oil (litres)				1.5	3
Meat (kg) **	2.6	3	8	15	30
Milk (litres)				15	30
Milk powder	1.2	2.4	2.5	3.7	5
Vegetables and fruit (kg)	4	8	9	21	30

*Note: All figures in this table represent the mid-point of a range.

**The quality and kg cost of meat varied significantly by wealth group.

COPING STRATEGIES

- Switch to Cheap Staple Food:** One of the immediate actions poor households employ to cope with negative shocks is to switch expenditure to cheaper food like sorghum and maize, and reduce non staple and non essential purchases. If the shock is prolonged they reduce meal size and skip meals.
- Working Long Hours:** During a time of shock poorer households increase the number of household members working or they will work long hours.
- Seeking Additional Support (gifts, remittance etc):** Another option employed is to seek additional gifts from relatives, friends, neighbours and request assistance from relatives that are abroad.
- Increased Loan Taking:** The poor and very poor households have little access to loans, due to lack of collateral. However, most of the middle households receive loans from shopkeepers, both in kind and cash, but paid in several instalments.
- Family Splitting:** Families may split and reduce the number of household members; one or more household member might migrate to other areas or other countries; they may be sent to live with or work for better off relatives.
- Seeking Additional Employment:** Households may resort to other new income generating activities or low income jobs.

MAJOR RISKS FOR MOST WEALTH GROUPS

- **Security:** Civil insecurity affects all wealth groups, causing displacement, loss of lives and property and a high rate of unemployment and food scarcity. In Galkayo, there has been ongoing violence and assassinations because of the political conflict between the two administrations of Galkayo. Additionally, the insecurity prevents economic activity thereby reducing income opportunities.
- **Reduction of Remittances / Global Recessions:** Most middle wealth groups rely on remittances from abroad to provide for social services and pay off debt. Consequently, any freezing of money traders or global economic downturns (which reduce employment for those in the diaspora) will strain household food access and income.
- **Unemployment:** While labour opportunities were average in the reference year, there is a likely possibility that unemployment will increase because of increasing armed conflicts in the southern regions, which will inevitably negatively affect trade and increase the number of IDPs coming into Galkayo (therefore increasing competition for jobs).
- **Drought (failure of the rainy season):** Livestock and livestock product trades contribute significant income opportunities and food for many urban households. Galkayo rural livelihoods have experienced several seasons of droughts, which worsens livestock body conditions, lowers production and reduces herd size. As income from this source went down large numbers of destitute pastoralist shifted to the urban areas straining the resources of other urban households.
- **Water shortages:** The vast majority of Galkayo population gets water from boreholes, saxarla' water and *berkads*. During the reference year, which is the 3rd year of drought, the use of *berkad* water was very limited, which raises water costs of saxarla' and increases water scarcity.
- **Increased cereal prices:** Cereal prices in Galkayo, especially imported cereals are far above the 5 year average (2003-7). In Galkayo, households are at higher risk when high imported food prices coincide with poor production of local cereals in the south and trade flow is restricted.
- **Disease (e.g. AWD (Acute Water Diarrhoea) and malaria):** Disease causes high child mortality rates. Risk of infection of typhoid, diarrhoea, acute respiratory infection and skin infections are highest during the wet seasons.

Risk Minimizing Strategies

Disease/Diarrhoea: Enhance sanitation/health facilities; safe water and awareness training.

Civil Insecurity: Conflict solution/peace keeping committee, improve informal communication network, evacuation plan – route and location.

Unemployment: Establish Income generation projects and appropriate targeting (poor).

Encourage Women Role: Support/encourage petty trade, revolving credit funds etc

MAIN CONCLUSION AND IMPLICATIONS FOR ACTION

The results of this livelihood baseline study indicate that the very poor and poor wealth groups in Galkayo town live in relative poverty set by local standards. Thus, about 62.5% of Galkayo town dwellers are not considered to be poor relative to the rest of Galkayo residents. However, all IDPs as well as a portion of urbanites lack the resources to meet their basic needs and are below the absolute poverty line set by the local cost of the minimum expenditure basket (the poverty line for Galkayo is SoSh 16,300 or about \$0.70 per day in order to meet his or her basic daily food and non-food needs).

Recommendations for Action:

Short term: provision of food aid for IDPs, very poor and poor (those with food gap); provision of free public health services; extension of water purification services; provision of secure housing for those in need (mainly very poor and IDPs)

Medium term: improving the skills of workers so job security and wage rates are improved through education and technical training; provision of free, universal primary education; availability of vocational training; improvement to sanitation infrastructure; improvement to transportation infrastructure; studies on aquifer recharge to prevent overexploitation; improve sanitation of slaughterhouses

Long term: creation of government sponsored social safety nets (like welfare); institute peace building and community integration programs to prevent future violent conflict; support for small scale added value food processing to increase incomes and improve local food access (and decrease costs for manufactured goods); improve livestock markets and marketing for trade services

(Footnotes)

1 The average exchange rate in the reference year (October 2008 – September 2009) was USD 1 = SoSh 32,000.

Cash Income of Galkayo Town Dwellers	Very Poor	Poor	Lower Middle	Upper Middle	Better Off
Monthly income per HH in SoSh	2,686,670	3,983,340	8,000,000	14,500,000	29,600,000
Daily income per HH in SoSh	88,330	130,960	263,000	476,700	973,150
Daily income per person in SoSh	14,720	21,830	32,880	59,590	97,310
Monthly income per HH in USD	\$84	\$124	\$250	\$453	\$925
Daily income per HH in USD	\$2.76	\$4.09	\$8.22	\$14.90	\$30.41
Daily income per person in USD	\$0.46	\$0.68	\$1.03	\$1.86	\$3.04

Cash Income of Galkayo IDPs	Poor	Middle	Better Off
Monthly income per HH in SoSh	1,903,330	2,580,000	4,050,000
Daily income per HH in SoSh	62,575	84,820	133,150
Daily income per person in SoSh	10,430	14,140	19,020
Daily income per HH in USD	\$1.96	\$2.65	\$4.16
Monthly income per HH in USD	\$59	\$81	\$127
Daily income per person in USD	\$0.33	\$0.44	\$0.59

Technical and Managerial Support

