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**THE EFFECT OF A FAILED STATE ON PRIVATE SECTOR INITIATIVES IN
EMPLOYMENT GENERATION IN KISMAYO-SOMALIA**

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ABSTRACT

The study investigated the effect of a failed state on private sector initiatives in employment generation in Kismayo- Somalia. The study was prompted by the poor performance of private sector initiatives in employment generation. The objectives of the study were to assess the effect of absence of national legislation for labour laws on the employment generation of private sector in Kismayo, examine effect of replacement of state laws by customary law on the employment generation of private sector in Kismayo and find out effect of clan and kinship affiliation on the employment generation of private sector in Kismayo. The study adopted a case study design and both qualitative and quantitative approaches were used. Samples of 248 respondents were got in touch with and all of them filled the questionnaires. Purposive and simple random samplings were also applied to collect data. Questionnaires, interviews and documentary reviews were used to gather data. Data was coded and analyzed using the Statistical Package for Social Sciences (SPSS). As regards the effect of absence of national legislation for labour laws on the employment generation of private sector in Kismayo, the findings generally revealed that there is a significant relationship between the absence of national legislation for labour laws and the employment generation of private sector [$r(242) = .276, p = .000$]. As regards the effect of replacement of state laws by customary law on the employment generation of private sector in Kismayo, the findings revealed that there is significant relationship between the replacement of state laws by customary law and the employment generation of private sector initiatives [$r(242) = .523, p = .000$]. As regards the effect of clan and kinship affiliation on the employment generation of private sector in Kismayo, the findings revealed that there is a significant relationship between clan and kinship affiliation and the employment generation of private sector initiatives [$r(242) = .236, p = .000$]. Recommendations of the study were that establishment and reform of legal and regulatory frameworks for the private sector by the Government, shifting economic empowerment activities away from micro enterprises to educated risk takers that are actors with more potential to grow their own business from subsistence to viable enterprises that can create jobs and contribute to overall economic growth in the town. Vital private sector information must be shared in a formal manner, strong traditional connections should be replaced by strategic business networks and clear employment policy with no discrimination of women and vulnerable people must persistently determine the success of the private sector. The primacy over clan lineage and kinship system in the employment generation process of private sector in Kismayo should be replaced by merit, education and qualification.