

Galkayo's Khat Economy

*The role of women traders
in Puntland, Somalia*



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Cover photo: A khat seller sits at her stall in Galkayo, Puntland. © Sahra Ahmed Koshin

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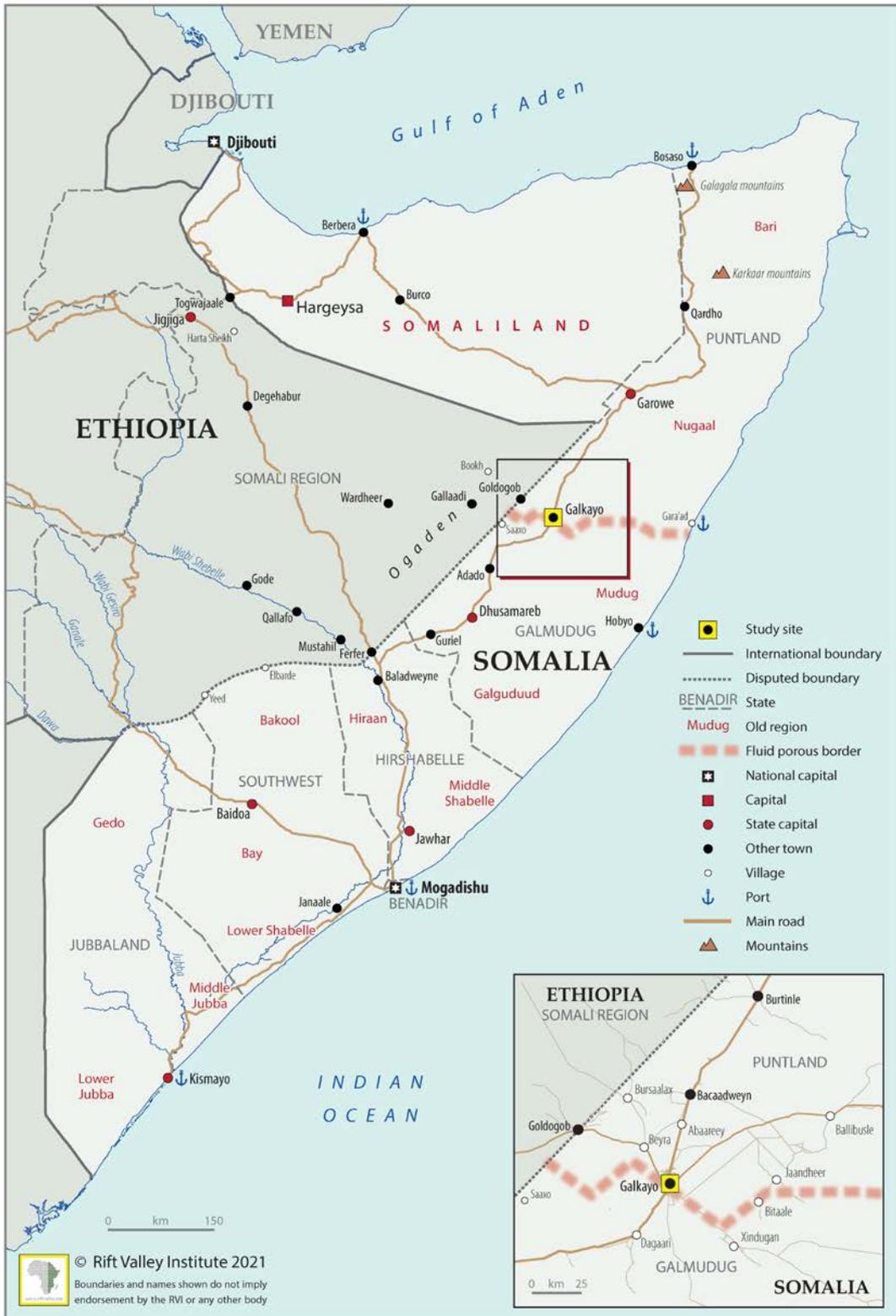
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Summary

- The khat trade is one of the most important business sectors in the Somali regions of the Horn of Africa. Due to its structure—the crop is grown in highland areas of Kenya and Ethiopia and exported to the Somali-speaking lowland regions—it is intrinsically a cross-border and transnational commodity.
- Following Somalia’s economic recovery from the civil conflicts of the 1990s and 2000s, the khat trade has become a prominent source of tax revenue, particularly in Galkayo, an important regional hub for commerce between southern/central Somalia and the Port of Bosaso, the principal port in Puntland.
- Despite pressures—largely from religious groups—to regulate or ban the consumption of khat, trade of the stimulant represents one of the most lucrative inflows and outflows of cash and commodities in Puntland and Somalia more generally.
- The khat trade has provided unique opportunities for Somali women to enter business as small-scale traders and provides a means of survival and economic independence. The apparent success that some women have in the khat trade has attracted others to try to emulate it.
- The role played by women as khat traders, and often the sole breadwinners in their families, is increasing their influence, particularly in the domestic sphere. The khat trade has also led to the emergence of a small number of high-profile, wealthy women in public life, who often earn more than their husbands or close male relatives.
- Despite the growing role of women in the khat economy, it has also exposed the social, political, and economic determinants of gender inequality within Somali-speaking regions. Social perceptions of women’s participation in the trade generally remain negative, and despite the attractiveness of the cash profits obtained via khat selling, margins are often small. Debt often falls heavily on women khat sellers and traders.
- Women also face problems balancing childcare and household responsibilities with their involvement in the khat trade, though there have been some moves made by local communities and authorities to address such challenges.

Map: Galkayo and its environs



Introduction

This study focuses on the role of female traders in the khat trade in Galkayo, a contested Somali border town that straddles the border between Puntland and Galmudug states. Khat is a mild stimulant widely consumed by Somali-speaking people in the Horn of Africa. Commercial khat is grown mainly in the Kenyan and Ethiopian highlands and then exported to khat-consuming populations in Somalia and Djibouti, as well as the adjacent Somali-speaking regions of eastern Ethiopia and north-eastern Kenya. As such, khat is a truly cross-border and transnational commodity that ties its consumers, traders, and sellers into a wider political economy.

Following the breakdown of Somalia's government in 1991, many Somali women were forced to shoulder the responsibility of supporting family livelihoods. Given the limited training, skills and capital these women generally possess, khat has provided opportunities for them to enter business as small-scale traders, though even so they often remain financially and socially disadvantaged. Cross-border and family kin networks have enabled women khat traders to use the business as a means of survival and economic independence. This study reveals a pragmatic approach to women's participation in the khat trade, with innovative gendered business models enabling women to project themselves beyond their households into Galkayo's urban, transnational and cross-border political economy.

Introducing Galkayo

Galkayo is the capital of the former (pre-1991) Mudug region in central Somalia. Since the civil war, clan-based authorities have divided the city along two major clan lines, a division that has been reinforced by Somalia's nascent federal system. North Galkayo is part of Puntland state, formed in 1998, and is numerically and politically dominated by Majerteen (part of the larger Darood clan-family) sub-clans. The south of Galkayo is part of Galmudug state, established in 2015, and is dominated by the Habar Gidir (part of the larger Hawiye clan-family) sub-clan.¹ There are also other clans present in smaller numbers in both north and south Galkayo.

Despite its political divisions, Galkayo town is an important regional hub for commerce between southern/central Somalia and the Port of Bosaso, the principal port in Puntland.² The city is also linked via land and sea borders (often along clan lines and corridors)

1 International Crisis Group, 'Galkayo and Somalia's Dangerous Fault Lines', 10 December 2015. (www.crisisgroup.org/africa/horn-africa/somalia/galkayo-and-somalia-s-dangerous-faultlines)

2 For more on Bosaso's political economy, see Jatin Dua, Abdideeq Warsame and Ahmed Shire, *Bosaso and the Gulf of Aden: Changing dynamics of a land-sea network*, Nairobi: Rift Valley Institute, July 2020.

to the Somali regions of Ethiopia and Kenya, and transnationally to the wider Somali diaspora.³ The khat trade that flows across these various borders is built upon social networks, including unofficial forms of insurance that guarantee trade and commerce (often referred to in the literature as ‘informal credit systems’). Blood relationships and kinship influence who is the preferred trader, who buys from whom, who owes money to whom, what debt is allowed, and who can operate in Galkayo’s various khat zones.

Research methods

Research for this study was carried out in Galkayo. Interviews were conducted with key informants through a purposive sampling technique—known female khat sellers were identified with the aid of a local assistant during a ten-day fieldwork trip. In addition, interviews were conducted with members of the public in Galkayo in order to assess their views on the khat business and women’s role within it. Observation was also key, with, for example, the researcher walking with a female khat trader for a full day in order to better understand their interactions and engagement with customers. Moreover, three focus group discussions were held in Galkayo: one involving only women involved in the khat business; one involving only men; and one involving a mixed group of men and women.

This study is a part of a larger research project—produced by the X-Border Local Research Network—on Somalia’s transnational, cross-border economies, which has previously focused on the particular characteristics of Somalia’s maritime borders and interactions with the Gulf states.⁴ This study examines how an intrinsically cross-border economy—the khat trade—illuminates the dynamics of a particularly gendered trade, with complicated consequences. In terms of the women khat traders featured in the report and the local impacts of the khat trade, the focus is primarily on north Galkayo—that is, Puntland. The report also highlights the khat trade’s international cross-border flows, with imports arriving overland from Ethiopia and by air from Kenya.

3 Food Security and Nutrition Analysis Unit—Somalia, ‘Livelihood Baseline Analysis Galkayo-Urban’, Report No VI. 34, 7 October 2010, 19.

4 See, Nisar Majid and Khalif Abdirahman, *Mobility, Trust and Exchange: Somalia and Yemen’s cross-border maritime economy*, London: Rift Valley Institute, June 2019.

The khat trade

Khat (also known as *qaad* or *jaad* in Somalia) is embedded in Somalia's economy and the social life of Somali men in particular. According to data compiled by the World Bank, khat is Somalia's second largest import after sugar.⁵ This is an indicator both of khat's ubiquity across Somalia and of the khat trade's structure, which involves leaves being brought daily into Somalia by land and air from neighbouring countries, where the khat is cultivated.⁶ In Puntland specifically, the khat business contributes approximately USD 8.5 million to the state's annual tax revenue.⁷



Khat bundles ready for sale in Galkayo. © Sahra Ahmed Koshin.

Cultures of consumption

Traditionally, khat was associated with the Sufi *tariqa* (traditional Islamic practices), scholars of which chewed the leaves—which have a mild, cumulative, stimulant effect—

⁵ World Bank, *Somalia Economic Update*, Washington, DC: World Bank, September 2015, 13.

⁶ Khat must be delivered fresh and within a few hours of being picked. Any disruption to the supply chain is inevitably detrimental to the product. This has led to the development of highly efficient and reliable supply chains. For a more detailed account of the khat trade in Eastern Africa, see Neil Carrier, *Kenyan Khat: The Social Life of a Stimulant*, Leiden: Brill, 2007.

⁷ Sahra Ahmed Koshin, 'Khat and COVID-19: Somalia's cross-border economy in the time of coronavirus', Briefing Paper, Rift Valley Institute, May 2020. (<https://riftvalley.net/publication/khat-and-covid-19-somalias-cross-border-economy-time-coronavirus>)

in order to remain awake and study the Qur'an late into the night. In non-religious settings, khat chewing was largely restricted to elders at community gatherings: the leaf has symbolic political significance, with chewing often associated with talks or negotiations, generally between men. In recent decades, however, the culture around khat chewing has changed, with consumption beginning to bridge cross-generational and even gendered divides. Khat is now most commonly seen as a regular afternoon activity bringing male friends and peer groups together.

Despite this, the overuse of khat is now commonly associated with unemployment, particularly among men, with such users stigmatized as being addicts. Khat chewing is also perceived as impairing judgement and encouraging habits that many deem deviant and un-Islamic, such as cigarette smoking, listening to socially unacceptable music, and engaging in irresponsible sexual behaviour. Additionally, large-scale consumption of khat may have serious negative health effects, including gastritis and elevated blood pressure.

Though it is considered culturally taboo, khat consumption is also reportedly spreading among women in larger Somali cities, including Galkayo, with some women khat traders supposedly chewing it on a recreational basis.⁸ With the culture of khat chewing ubiquitous across Somali society, and spreading into new social groups, such as youth and those in rural areas, khat trading has evolved into a widespread and lucrative economic activity. This, inevitably, has had profound social, political and economic impacts.⁹

A transnational system

With Somalia now beginning to recover from the devastating civil conflict of the 1990s and 2000s, Galkayo's role as an economic and political hub has grown. The khat trade is prominent in the city, resulting in the administration making efforts to better regulate and oversee it. In September 2019, for example, the then new Puntland president, Said Deni, ordered the relocation of small-scale khat traders, most of whom are women. This was partly an attempt to improve security in the city without compromising the khat trade, though the measures provoked opposition from sellers.¹⁰

⁸ Discussions with former mayor of Galkayo, Galkayo, August–September 2019.

⁹ *African Business*, 'Khat in Somaliland: economic cure or curse?', 16 June 2015. (<https://african.business/2015/06/agribusiness-manufacturing/khat-in-somaliland-economic-cure-or-curse/>)

¹⁰ Protests ensued with women khat sellers claiming that their trade has improved Puntland's security by helping with the reconciliation of warring soldiers. Moreover, in the following YouTube video a woman explains that women khat sellers take part in supporting the military in local conflicts (inter-clan differences), for example through providing food or financially through donations/fundraising for officers in combat in Puntland: 'Haweenka Qaadka Garowe ku Ibiya oo dowlada codsi u diray', 11 September 2019. (www.youtube.com/watch?v=WTJYX33RBNY)

The khat trade has become an important source of tax revenue for Puntland,¹¹ helping the state government improve basic local services, infrastructure, transport, electronic communications and security.¹² Khat's importance to the Puntland government's finances, including bolstering its relative fiscal autonomy from the federal government in Mogadishu, also has a transnational political dimension. When tensions between Kenya and Somalia rose in 2019, the Mogadishu government increased import taxes on Kenyan khat from USD 3 to USD 3.50 per kilo,¹³ having previously lifted a ban on khat imports from Kenya in September 2016.

Private profits from the khat trade also underpin other parts of Puntland's economy, with higher profile khat traders investing in other businesses such as hotels, real estate, farms, gold imports and construction, or buying shares in money transfer companies. Some traders have invested khat profits in oil and (cooking) gas transportation businesses from Gulf countries. Moreover, many of the commodities traded in Puntland come from Gulf countries—previously Yemen, but increasingly the United Arab Emirates (UAE), with whom the government of Puntland has longstanding links.¹⁴ Cash made from the khat trade is sent via local *xawaalas* companies to brokers (*wakiils*) in UAE. The *wakiils* purchase the required list of goods and materials and ship them to Galkayo via Bosaso.

The Puntland government has facilitated the growth of the khat trade by increasing the number of trading licences it grants and extending tax cuts to khat dealers. This growth has, in turn, helped the wider economy, in particular small-scale traders selling commodities associated with khat consumption, such as tea, cigarettes and water. The khat trade has become a very competitive business, with traders in both Puntland and Galmudug state developing a flexible marketing system whereby prices are regularly adjusted—in the morning, afternoon and evening—to attract buyers. Khat traders operate in competition, which pushes prices down further, with some even providing free khat to politicians to help ensure they are allowed to operate more freely.¹⁵

The relative flexibility of the khat trade stands in contrast to previous attempts to control the trade, particularly under the dictatorship of Siyad Barre in the 1970s and

11 Puntland Authority has imposed a tax on khat imports, currently set at USD 1.39 per *farr* (1kg). The Ministry of Finance, which is located within (north) Galkayo airport, has outsourced inspection and tax collection to a private firm: Hanad Handling Services.

12 Galkayo airport has recently been renovated and the number of international flights landing there has increased. The road from the airport to the khat distribution point has also been improved and is better than some other roads that serve different regions. Wireless internet, which enables money transfer (*xawaalas*) businesses to function, has been introduced in some premises. Transactions are mainly done through cash or, increasingly, mobile money transfers via the Sahal service (the equivalent of Zaad in Somaliland and EVC in South Central) offered by local Telcom company Golis.

13 Victor Amadala, 'We're ready to lose Somalia market, miraa traders say', *Nairobi Star*, 18 February 2019. (www.the-star.co.ke/news/2019-02-18-were-ready-to-lose-somalia-market-miraa-traders-say/)

14 International Crisis Group, 'The United Arab Emirates in the Horn of Africa', Crisis Group Middle East Briefing No. 65, 6 November 2018. (www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/united-arab-emirates/b65-united-arab-emirates-horn-africa)

15 Interview with anti-khat campaigner, conducted by WhatsApp, 1 September 2019.

1980s. During this period, the government banned both the import (from Kenya and Ethiopia) and local production of khat.¹⁶ This, however, simply created a black market, with khat smuggled in in large quantities as contraband. A similar attempt to ban khat imports during the early stages of the global COVID-19 pandemic produced an identical outcome.¹⁷

Importing and distributing khat

Within this economy, *akhals*—collectives of khat wholesale importers (which are individually known as *fashle* or *hafley*) and distributors—play a central and controlling role. To become part of an *akhal*, one needs connections along clan lines with existing importers, as well as the support of a custodian or guarantor, who also functions as a character reference.¹⁸ Evidence of a good track record in business, plus a sizeable deposit—estimated at USD 50,000—is also necessary.¹⁹ While there are no written agreements between *akhal* members, in Galkayo, members commit to binding oral arrangements that set out their obligations, loyalties and commitments.²⁰

Akhal members are the main importers of khat into Puntland. While some khat imports, known as *hareeri*,²¹ arrive overland by truck from Ethiopia, most of Galkayo’s khat arrives on daily flights from Kenya.²² *Akhal* members club together to share the cost of flights spread across agreed weekly and monthly schedules. Each plane carries around 120 sacks of khat, each weighing 100 kg. The peak period for the khat trade is driven by the rainy seasons in Kenya and Ethiopia: in November–December and March–May khat matures early, with chewable shoots that are popular with consumers.

Once the sacks of khat are taken off the planes, they are arranged in bundles and packed in jute sacks to prevent them drying out and becoming damaged during transportation. Each jute sack contains ten *qumbulad*, with each *qumbulad* containing five *marduuf* (5kg bundles). After disembarkation and distribution to wholesalers, the sacks are transported by *akhal*-owned vehicles to various destinations and brokers for selling. Khat’s stimulative effect works best when the leaves are still fresh, so it is distributed to Galkayo’s surrounding villages and pastoral communities, as well as other major towns in Puntland such Qardho and Bosaso, which can be reached in a matter of hours by the *akhal*-managed network.

16 Interview with local politician, Galkayo, August 2019.

17 Koshin, ‘Khat and COVID-19’.

18 Interviews with various key informants, Galkayo, August–September 2019.

19 Interview with *akhal* owner, Galkayo, 28 August 2019.

20 Interviews with key informants, August 2019.

21 Most of these imports come from khat plantations around the eastern city of Harar.

22 Interview with key informant, 1 September 2019.

Most customers who buy khat for chewing spend USD 6–10 on khat per day.²³ This level of demand—driven by the widespread popularity of chewing—has stimulated a highly efficient regional market and distribution hub, coordinated by the *akhals*. An *akhal* usually consists of 1 or more members and can include both men and women. It is estimated that there are between 10 and 15 *akhals* operating in Galkayo. At the same time, khat consumption leads to a significant outflow of cash from Somalia to neighbouring countries.²⁴

Regulating the khat trade

Despite the economic value of the khat trade, there is a drive—particularly from religious figures—to regulate or ban its consumption. Khat chewing is seen as impairing the proper functioning of the mind, which in Islamic doctrine is forbidden (*haram*). Some religious leaders strongly preach against khat consumption and trading, arguing that one cannot perform spiritual practices such as the Hajj (pilgrimage to Mecca) using money earned from the khat trade, or pay *zakkat* and *sadaqa* (forms of charitable giving) from its profits.

While khat prohibition is championed by religious groups, its regulation is entirely a government affair.²⁵ The import and consumption of khat remains legal in Somalia and, given its popularity and consequent importance to the economy, this will likely remain the case. Traders, though, frequently attempt to avoid the constraints imposed by regulation of the trade, including paying taxes on imports. Several attempts to regulate the khat trade in Puntland have been unsuccessful due to the large amounts of money and vested interests involved.²⁶

23 Discussions with mayor of Galkayo, interviews with key informants and focus group discussions, Galkayo, August–September 2019.

24 Discussions with Galkayo local municipality and Ministry of Finance officers stationed at Galkayo airport, August–September 2019.

25 The United Nations Office for Drugs and Crime has left it up to national governments to decide the legal status of khat. While khat consumption is legal in Somalia, Ethiopia and Kenya, it is prohibited in other countries, including Eritrea and Tanzania.

26 See Peter Hansen, ‘Governing Khat: Drugs and Democracy in Somaliland’, DIIS Working Paper No. 2009:24, Copenhagen: Danish Institute for International Studies, 2009.

Women and the khat trade

While women in Galkayo—and Puntland more generally—tend to be marginalized from power by the clan and cultural dynamics that exist in politics,²⁷ the khat trade has given a small number of women an entry point into transnational business networks, which are critically important to those wielding power in Puntland state. Save for a few prominent individuals, however, the women involved in the khat trade work mostly as sellers—the lowest level of the supply chain—which leaves them poorly remunerated and highly vulnerable to sudden shifts in the market, particularly through government regulation.

In more recent years, protracted conflict, political instability, drought and famine have left many men in Galkayo jobless. This has led to changes in family dynamics and traditional gender roles, with an increasing number of women forced to earn money to support their families, even when husbands and fathers are present.²⁸ For instance, women who find their khat addicted husbands are unable to fulfil their financial role in their household are often forced to venture into business.²⁹

Over the past decade, the number of households in Galkayo where a woman is the main breadwinner has grown considerably, with women now controlling 85 per cent of petty and small trade, including khat selling.³⁰ Notwithstanding the alleged growth of female khat chewers, most consumers of the leaf are men, while the majority of small-scale market traders are women.³¹ The financial and social burden of khat is felt mostly by the families and households of those consuming the leaf, with a significant number of men spending a sizeable proportion of the daily household budget on buying khat. In many cases, the consumption of khat has left women bearing the responsibility of being breadwinners for their families.³²

27 Mohamed Ahmed Mohamed and Mohamed Said Samatar, 'Factors Influencing Women Participation in Politics at Federal, State and Local Elections in Puntland State of Somalia', *International Journal of Contemporary Applied Research* 6/5 (2019): 175–195.

28 Discussions with former mayor of Galkayo, Galkayo, August–September 2019; Holly Ritchie and Sahra Ahmed Koshin, 'Somalia Country Gender Profile: Trends of Change in a Fragile and Fragmented Context', African Development Bank, forthcoming.

29 Judith Gardner and Judy el-Bushra, 'The impact of war on Somali men and its effects on the family, women and children', Briefing Paper, Nairobi: Rift Valley Institute, February 2016.

30 Food Security and Nutrition Analysis Unit—Somalia, 'Livelihood Baseline Analysis'.

31 Author observations, interviews with key informants and focus group discussions, Galkayo, August 2019–2020.

32 Interview with khat trader, Galkayo, 25 August 2019; Interview with mayor of Galkayo, Galkayo, 19 October 2019; Various discussions with *akhal* owner and others, Galkjajo, August–September 2019.



Women khat sellers at a stall in Galkayo. © Sahra Ahmed Koshin.

Entering the khat trade

Despite the clear social and financial problems associated with khat consumption—which fall disproportionately on women—the khat trade is dependent on women, most commonly as petty market traders, but now increasingly as large-scale wholesalers and distributors. For many women, the low financial bar for entry into the khat economy (given their relative structural disadvantages in terms of control of capital) is what attracts them to become khat traders.³³ Many of the women in the khat trade are unmarried, widowed or divorced³⁴. One woman described her entry into the world of khat trading in Galkayo as follows:

Before I joined the khat business I used to stay at home and take care of my family full-time. My late husband was the breadwinner of the family. I could not look for another job because of lack of education, skills and the fact that there are few opportunities for women. My friends were involved in the khat business for many years. Before I joined the khat trade [in 2008] they were making enough money to support their families. I would see them collect sacks of khat from the

33 Interviews with key informants and focus group discussions, Galkayo, August–September 2019; also see Abdirahim S. Gure, ‘Women’s economic empowerment’, *Development and Cooperation*, 10 September 2014. (www.dandc.eu/en/article/why-womens-small-scale-businesses-make-huge-difference-war-torn-somalia)

34 Discussions with former mayor of Galkayo, interviews with key informants and focus group discussions, Galkayo, August–September 2019.

airport or from resale merchants. I always wondered how it was like to do this kind of business. When I approached them, they were kind enough to show the way around.³⁵

The apparent success that women have in the khat trade has attracted others to try to emulate it.³⁶ Women who have newly arrived in Galkayo from rural areas, as well as cities such as Garowe, Bosaso and Borama, are looking for employment, and are often attracted by the prospects of quick money offered by the khat trade. Some of these women are divorcees or widows with families that depend on them. One woman who is both a khat trader and community social worker explained that it is partly the alluringly flashy life of Somali women involved in the khat business that pulls others in:

Khat dealers make more profits than other businesses. My friends have been involved in the khat business for many years before I joined them [in 2014]. I used to see them collect the khat in big sacks from the airport or from merchants who trade in the reselling of khat. I used to see them with lots of cash money.³⁷

Despite the attractiveness of the cash profits obtained via khat selling, margins are often small. For a female trader, income is generally divided four ways: one part goes to the creditor or the *akhal* owner who lent the woman the khat to sell in the first place; a second part goes to male cousins as payment for protection and security; a third part often goes to the *ayuuto* money-saving scheme for investment or family emergencies; with only the fourth and final part constituting the woman's income for the day, which she can then spend as she sees fit.³⁸

Credit and debt

The *ayuuto* mechanism—a rotating money-saving system that can be used to obtain loans—is an important element of economic life for many women in Galkayo. When an individual decides to join an *ayuuto* group, they agree to commit to a schedule of periodic payments for which they will receive a lump-sum payment at a future date. In Galkayo, *ayuutos* provide short-term cash and saving solutions, enabling women to build credit. In particular, the *ayuuto* platform helps low-income families support one another's financial needs. Moreover, the scheme brings women closer together through regular meetings or collaboration via WhatsApp groups administered by the group's secretary or finance person.

35 Interview with key informant, Galkayo, 2 September 2019.

36 Focus group discussion with general public and interview with key informant, Galkayo, August–September 2019.

37 Interview with community social worker, Galkayo, 19 August 2019.

38 Focus group discussion with women khat sellers, Galkayo, 30 August 2019.

Credit is crucial to making and sustaining financial relations in Galkayo, including for women involved in the khat trade. Almost all the women interviewed for this study owe other people money, while at the same time being owed considerable amounts themselves. Arguments and fights frequently break out around the issue of debt, with most such conflicts related to a failure to pay back credit. Women will usually turn to informal dispute resolution mechanisms to resolve debt issues, going to clan elders to start the process, though some do resort to more formal means, such as the police.

Despite some collective efforts to support each other, debt often falls heavily on women khat sellers and traders. If a woman does not have the means to pay back her debts in cash, she may be forced to negotiate with the debt collector and instead pay with gold jewelry, a vehicle or even a piece of land. One woman interviewed said she offered her daughter for marriage as a debt payment.

Many women involved in the khat trade who fall into debt remain trapped in this situation for years. One woman explained that she owes over USD 11,000 to others involved in the khat supply chain. Few women rise to the top and many bear the social burden of the khat trade without earning real influence.

Power in the community

The role played by women as khat traders, and often the sole breadwinners in their families, is increasing their influence, particularly in the domestic sphere. Having money to spend has helped some women build their social power, enabling them to make more decisions over their children's care—for example, signing off minor medical treatments—and attending school meetings or community gatherings.³⁹

The khat trade has also led to the emergence of a small number of high-profile, wealthy women in public life. Moreover, a substantial number of female khat sellers now earn more than their husbands or close male relatives. This is perceived publicly as the wife outperforming the husband, which can cause tensions and in some cases has even resulted in divorce. Tensions arise from one or both of two sources: an unequal division of labour in the household, and women taking over the role of breadwinner. As one woman explained:

I was earning more money than him. He tried to control me then when he saw I was not allowing it, he tried to control my money. I was earning money and my children were living a good life, but I was not giving him any of my money. He had money of his own since he worked in the construction sector, but he never gave me any of his money.⁴⁰

39 Interview with key informant, Galkayo, 28 August 2019.

40 Day spent shadowing female khat trader, Galkayo, September 2019.

Having their own source of income can give women freedom and independence. In other economic sectors, such as livestock, agriculture or fishing, female business owners may turn the running of the business over to their male relatives following its expansion, leaving them in charge of more minor activities and responsibilities. In the khat business, by contrast, women are often fully in charge, albeit rarely over the whole business chain—distribution and the transfer of profits into other trades is generally still the preserve of male business partners or relatives.



Khat sellers speak to their customers in Galkayo. © Sahra Ahmed Koshin.

The role of women in the khat trade

While Somali women are now operating at all levels of the khat supply chain, it is more common to find them in a few specific roles. First, women operate as part of the *akhal* collectives.⁴¹ The *fashle* (individual wholesaler) women sell to the *muqawaadin* (broker) women, who in turn resell the khat to individual retailers called *calaal* at *bakharadda* (shops), or *kabareey* (a corruption of the English word ‘cupboard’) who sell it on streets at wooden tables. Some female retailers also deliver to towns or villages through their own trade networks and connections—though it is generally their close male family members or associates who transport and sell the khat on their behalf in neighbouring villages and districts.⁴²

41 Interviews with key informants and focus group discussions with general public and with women khat sellers, Galkayo, August–September 2019.

42 Interviews with key informants and focus group discussions with general public and with women khat sellers, Galkayo, August–September 2019.

Women are perceived locally to be strategic and entrepreneurial in their investments. They have strong social networks, which serve as channels of information and business opportunities. Moreover, women are adaptive to their circumstances and will call up previous clients to inform them of the arrival of long-stemmed and leafy khat, even enquiring whether they should set some aside for the customer to pick up.⁴³ Interviews with members of the general public show that women are creative in selling their products, offering different ways of bringing a product to the market. As a prominent woman *akhal* owner explained: ‘If they don’t succeed here at this market now then they will take it elsewhere, that is not a problem at all for these women’.⁴⁴

In Galkayo, while much of the activity in the khat business is dominated by women, men are still generally in charge of exchange—collecting khat from female-owned shops for delivery to onsite sellers. Even this, though, is changing: women khat traders have their own merchant association, known as *Iskaashato*, which is organized along clan lines. Among other functions, *Iskaashato* helps ensure an equitable distribution of products, price controls, and manages cash-flow issues, including debt crises.⁴⁵ As one khat trader observes:

When I don’t have any khat on my table to sell I don’t just close and go home. I call my fellow sisters [in the *Iskaashato*] and inform them about the situation. This means there is demand here [in this area] on that day so I offer to help them sell some of their bundles of khat here.⁴⁶

Khat queens

Over the years, the profitability and size of women-owned khat businesses have grown.⁴⁷ Moreover, whereas previously it was exclusively wealthy male businessmen who operated at the top of the khat business, controlling the market as importers and suppliers, over recent years a number of women— so-called ‘khat queens’—have emerged to occupy such positions.⁴⁸ One such woman in Galkayo is a big importer, wields notable influence, and has networks that extend beyond the borders of the town. She is known locally as Hawa Cad, or ‘Hawa the light skinned’. Hawa Cad reportedly works directly with farmers in Kenya, from where she imports her supply. Onsite agents in Meru in eastern Kenya prepare khat bales and coordinate with freight agencies at Jomo Kenyatta

43 Interviews with key informants and focus group discussions with general public and with women khat sellers, Galkayo, August–September 2019.

44 Interview with *akhal* owner, Galkayo, 28 August 2019.

45 Focus group discussion with general public, Galkayo, 28 August 2019.

46 Interview with key informant, Galkayo, 2 September 2019.

47 Interviews with three khat sellers, Galkayo, 2 September 2019.

48 Susan Schulman, ‘Queens of khat’, *Delayed Gratification*, 17 April 2014. (www.slow-journalism.com/from-the-archive/queens-of-khat)

International Airport. These agencies facilitate direct delivery of khat to north Galkayo airport, where importers source it for distribution in the market.

After a number of years in the khat trade, Hawa Cad partnered with half-a-dozen other (male) people working in the business to form an *akhal*. Agreements and sales are directed and overseen at her office,⁴⁹ while the khat is transported in vehicles owned by the group's *akhal*. Together, they employ 19 male workers, including local and regional drivers, workers stationed at the airport to sort out the khat, brokers, and security officers.⁵⁰

While debt is a serious and widespread problem for women involved in the khat trade, some wealthier members of the *akhal* have devised ways to mitigate risks. To ensure *akhal* members do not leave the business with large debts, thereby creating problems for others, each member deposits an amount of money—as of August 2019, this stood at USD 50,000—into an account managed by Hawa Cad and her workers. This money can only be recouped once the amount owed by the *akhal* owner opting out is deducted.

Akhal members such as Hawa Cad have become politically influential due to the power of their businesses and the money earned from it.⁵¹ Women in the khat trade, especially those who are *akhal* members, often provide financial support for the election campaigns of their clan leaders and political candidates.⁵² While it is contrary to Somali cultural norms to have woman contribute financially to, for example, *mag* or *diya* (blood money),⁵³ women such as Hawa Cad are breaking some of these norms, paying the *mag* of men as well as the funeral costs of relatives and neighbours.

The entry of women into the khat trade has enabled a small minority to gain economic status and, to some extent, political influence in Galkayo. Khat queens are not, however, the norm, with most women in the khat trade involved at its lower value chain levels, particularly as street traders.

Social perceptions of women in the khat trade

Despite their growing role in the khat economy, social perceptions of women's participation in the trade generally remain negative. While some people view the women involved in the trade as hardworking individuals who are struggling to survive and sustain their families, others regard them as social pariahs or worse, especially if they

49 Interview with *akhal* owner, Galkayo, 26 August 2019.

50 The security officers are often armed. On the road to Bosaso there are numerous illegal control posts where those manning them demand free khat. Sometimes the confrontations escalate into fights and shoot-outs. In Galkayo, khat is heavily guarded and defended.

51 Interview with khat seller, Galkayo, 2 September 2019.

52 Discussions with former mayor of Galkayo, Galkayo, 2 September 2019.

53 *Mag*, a Somali word, also known in Arabic as *diya*, is the compensation payment given to the victim or the victim's family for murder or injury.

are divorced, single mothers or widows.⁵⁴ In Somali culture, being married confers social respect and approval, meaning that women khat traders—who are frequently unmarried or divorced, and sell their wares mostly to men—are often looked down upon.

Despite starting work early in the morning to receive delivery of the khat, and finishing late in the evening having sold their product to evening customers, female traders still often have responsibility for caring for their children. Failure to do so may earn them the label of bad mother, regardless of the competing requirements of their own businesses. A male shop owner and focus group participant explained how:

They [the women] leave their houses early and return late and cannot care for their families. Almost two-thirds of the ones I know have daughters who have given birth to illegitimate children. Their children are sometimes also molested while in the care of others or unattended and they cannot even open-up about this because they know they are guilty.⁵⁵

In another focus group discussion, a traditional elder said:

Khat is not a good business. It is the worst business available because it doesn't have any profits morally and financially ... It makes women turn into discourteous and uncultured people. They start using abusive and foul language even in public without any shame.⁵⁶

There is also the social stigma of husbands taking care of the children at home while their wives sell khat. The situation has, however, also provoked a pragmatic response. In 2015, the local Galkayo municipality engaged in discussions about making it easier for mothers to be more responsible parents.⁵⁷ A town hall meeting was convened involving the khat cooperatives, traders and *akhal* owners, members of the local community and the municipality, with a decision reached to request that khat planes come later in the morning to allow parents to send their children to school.

54 Focus group discussion with general public and interviews with local municipality, August–September 2019.

55 Interview with respondent who also took part in the focus group discussion, August–September 2019.

56 Focus group discussion with general public, Galkayo.

57 Interview with local municipality worker and businessman whose wife was previously involved in the khat trade, Galkayo, August 2019.

Conclusion

The khat trade is one of the most important business sectors in the Somali regions of the Horn of Africa. Due to its structure—the crop is grown in highland areas of Kenya and Ethiopia and exported to the Somali-speaking lowland regions—it is intrinsically a transnational sector. Moreover, due to khat’s popularity in these regions, the trade is extremely profitable, providing jobs and business opportunities for many people in Somalia, as well as generating considerable revenue for authorities.

The khat trade, which sees considerable inflows and outflows of cash and commodities, is one part of Puntland and Somalia’s cross-border economy that does appear to function highly effectively, despite some pressure—largely from religious groups—to better regulate or ban it. For women in Puntland, many of whom live under challenging financial circumstances while fulfilling the role of breadwinner of their household, the khat trade provides opportunities to make money to support their families. Mostly this is through petty trade—selling khat in the market—which women are seen as being particularly effective at.

For a small number of women, however, this has provided an opportunity to progress further in the business community and become so-called ‘khat queens’—high-profile female khat traders who have developed a degree of commercial and political power through their success in the sector. While these examples are notable, participation in the khat trade involves significant social trade-offs for Somali women, who often suffer stigmatization at the hands of wider society. They also face challenges balancing child-care and household responsibilities with their involvement in the khat trade, though there have been some moves made by local communities and authorities to address such challenges.

Overall, over recent years, the khat trade has offered many Somali women a degree of economic freedom and revenue generation that would previously have been beyond their reach, and they are now undoubtedly at the heart of a growing transnational business sector that is impacting not only Somalia but neighbouring countries. Whether this is sufficient to offset the reduction in social status conferred by involvement in the khat trade, or the intra-family tensions sometimes provoked by women taking on the breadwinner role, remains to be seen.

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Galkayo's Khat Economy focuses on the role of female traders in the economy of Galkayo, a contested city on the border between Puntland and Galmudug states in Somalia. Khat, a mildly narcotic leaf chewed throughout the Somali regions, is a highly profitable transnational business, with the plant grown in the Ethiopian and Kenyan highlands and transported into the Somali regions on a daily basis. This study shows that in Galkayo many women are now involved in the khat trade. While some have gained a degree of financial independence and self-confidence in this role, most still operate as khat sellers with many shouldering the dual burden of caring for their families whilst also acting as the main breadwinner in their household.

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