

Dahabshiil: An Icon of a Somali, International Business Success Story Under Undeserved Local Backlash

In the intricate tapestry of international finance, few stories are as compelling and complex as that of Dahabshiil. Born in the bustling town of Burao, Somaliland, this homegrown enterprise has not only blossomed into a global powerhouse serving millions across 120 countries but has also become a beacon of Somali entrepreneurial spirit on the world stage. Yet, recent events have cast a shadow over this inspiring narrative, as Dahabshiil finds itself at the center of a heated local controversy. As a long-time observer of the financial sector in the Horn of Africa, I feel compelled to delve deeper into this issue, exploring how Dahabshiil has positively projected the Somali name internationally while navigating complex local dynamics.

The Roots of a Financial Giant

[caption id="attachment_67246" align="aligncenter" width="622"] Dahabshiil founder, Mohamed Saeed Duale, is a most respected business figure across all Somali circles[/caption]

To understand the current situation, we need to step back and appreciate Dahabshiil's remarkable journey. Founded in 1970 by Mohamed Said Duale, the company started as a small remittance enterprise catering to Somali migrants in the Gulf states. Over the decades, it has evolved into a diversified financial services provider, offering everything from basic money transfers to cutting-edge mobile banking solutions.

What sets Dahabshiil apart is not just its impressive growth but its resilience and its role as an ambassador for Somali business acumen. The company has weathered political upheavals, economic crises, and even the collapse of the Somali state in 1991. Through it all, Dahabshiil remained a lifeline for millions of Somalis, facilitating crucial remittances that often meant the difference between subsistence and destitution for many families.

Responsible Commitment

One aspect of Dahabshiil's operations that often goes underappreciated in the heat of politically or economically driven offensives is its extensive and impactful corporate social responsibility (CSR) program. Across all Somali territories, Dahabshiil has consistently demonstrated a level of social commitment that goes far beyond what might be expected of a profit-driven enterprise.

In times of crisis, when many other organizations hesitate, Dahabshiil has invariably been at the forefront of humanitarian efforts. Whether responding to natural disasters, health emergencies, or economic downturns, the company has shown a remarkable ability to mobilize resources quickly and effectively. During severe droughts that have periodically afflicted the Horn of Africa, Dahabshiil has been instrumental in providing emergency relief, often being the first to respond with water, food, and medical supplies to remote communities.

The company's educational initiatives have been particularly noteworthy. Dahabshiil has funded the construction of schools, provided scholarships to promising students, and supported vocational training programs. These efforts have not been limited to any one region but have benefited communities across Somaliland, Somalia, and even refugee populations in neighboring countries.

In the healthcare sector, Dahabshiil's contributions have been equally significant. The company has financed the construction and equipping of hospitals and clinics, sponsored medical camps in underserved areas, and funded specialized treatment for patients who would otherwise have no access to such care. During the COVID-19 pandemic, Dahabshiil

stepped up its efforts, providing protective equipment to healthcare workers and supporting public health campaigns.

What sets Dahabshiil's CSR activities apart is not just their scale, but their consistency and long-term vision. While many corporations engage in occasional philanthropic gestures, Dahabshiil has woven social responsibility into the fabric of its business model. This approach has allowed the company to build sustainable programs that continue to benefit communities long after the initial investment.

Moreover, Dahabshiil's social initiatives have often ventured into areas that would daunt less committed benefactors. The company has supported peace-building efforts in conflict-affected areas, funded environmental conservation projects in ecologically sensitive regions, and invested in infrastructure development in some of the most challenging terrains.

This unwavering commitment to social responsibility has not only improved lives across Somali territories but has also set a high standard for corporate citizenship in the region. It demonstrates that profitable business operations and meaningful social impact are not mutually exclusive. In many ways, Dahabshiil's social portfolio is as much a part of its legacy as its financial services, contributing significantly to the positive projection of Somali business ethos on the global stage.

As we consider the current controversy, it's crucial to weigh these substantial and ongoing social contributions against perceived missteps. Dahabshiil's role as a steadfast benefactor in times of crisis and its consistent investment in the social fabric of Somali communities are testament to its deep-rooted commitment to the region's wellbeing. This track record of social responsibility provides important context for understanding the company's overall impact and intentions.

Projecting Somali Success on the Global Stage

Dahabshiil's rise to prominence has done more than just provide essential financial services; it has positively shaped perceptions of Somali business capabilities worldwide. In an era where news from the Somali regions often focused on conflict and instability, Dahabshiil stood as a testament to the ingenuity, resilience, and entrepreneurial spirit of the Somali people.

The company's expansion into over 120 countries has brought it into partnerships with major international banks and financial institutions. These relationships have not only facilitated smoother transactions for Dahabshiil's customers but have also served as a bridge, introducing the wider world to the potential of Somali-led businesses.

Dahabshiil's success has challenged stereotypes and opened doors for other Somali entrepreneurs. It has shown that companies from the region can compete on a global scale, adhering to international standards while maintaining strong ties to their roots.

A Storm in a Teacup?

Despite its role in elevating the Somali brand globally, Dahabshiil now finds itself at the center of a local controversy. The backlash stems from what appears to be a relatively innocuous statement. Responding to pressure from Somali federal authorities regarding the listing of "Somaliland" in its app menus, the company stated:

"Dahabshiil is a global company operating in more than 120 countries. We're international like @flydubai, @flyethiopian & @TurkishAirlines. We all operate under international rules. Dahabshiil started in Burao, Somaliland & went global from there. We'll continue to serve all."

This statement, intended to navigate the complex political landscape of the region, has unfortunately been interpreted by some as a betrayal of Somaliland's interests. But is this a

fair assessment, especially when considering the company's long-standing positive impact on Somali representation globally?

The reactions to Dahabshiil's statement have been swift and, in some cases, severe. Accusations range from "aiding and abetting Somalia to erase Somaliland" to "facilitating economic genocide." These are serious allegations that deserve careful examination, especially in light of Dahabshiil's historical role in promoting Somali interests on the world stage.

First, it's crucial to understand the regulatory environment in which international financial companies operate. Anti-money laundering (AML) and countering the financing of terrorism (CFT) regulations are stringent and non-negotiable. Companies like Dahabshiil must comply with these rules to maintain their global operations, which ultimately benefit their customers in Somaliland, Somalia, and beyond.

Second, the comparison to international airlines is apt. These companies also navigate complex political situations daily, often using internationally recognized designations that may not align perfectly with local sentiments. This doesn't necessarily reflect their stance on political issues but rather their need to operate within global norms.

Before rushing to judgment, it's worth considering Dahabshiil's track record in Somaliland and its positive impact on the broader Somali diaspora:

1. **Employment:** Dahabshiil is one of the largest private employers in the region, providing jobs to thousands of locals.
2. **Financial Inclusion:** Through its extensive network, Dahabshiil has brought financial services to remote areas, promoting economic development.
3. **Diaspora Remittances:** The company has been instrumental in facilitating the flow of remittances, which constitute a significant portion of the GDP in Somali regions.
4. **Corporate Social Responsibility:** Dahabshiil has invested heavily in education, healthcare, and infrastructure projects across Somali territories.
5. **Innovation:** The company has been at the forefront of introducing new financial technologies to the region, including mobile money services.
6. **Global Representation:** By succeeding on the international stage, Dahabshiil has become a de facto ambassador for Somali business potential.

Politicizing Private Enterprises

It's crucial to address the elephant in the room: the federal government of Somalia's misguided approach to the Somaliland issue by targeting private companies. This strategy not only undermines the economic stability of the region but also sets a dangerous precedent for business operations in an already challenging environment.

As someone who has observed the intricate dance of politics and commerce in the Horn of Africa for years, I can't help but shake my head at this short-sighted tactic. Private companies like Dahabshiil are not political entities; they're economic lifelines that serve people across borders, regardless of political affiliations. By pressuring these companies to take sides in a complex political dispute, the federal government is essentially asking them to choose between their legal obligations and their customer base – an impossible and unfair position.

Let's be real here: businesses aren't equipped to solve long-standing political issues, nor should they be expected to. Their primary role is to provide services, create jobs, and contribute to economic growth. When governments drag them into political fights, it

creates a chilling effect on investment and entrepreneurship. Who would want to start or expand a business in a region where they might be forced to become political pawns at any moment?

Moreover, this approach by the federal government smacks of desperation. Instead of addressing the root causes of the Somaliland issue through diplomacy and dialogue, they're resorting to economic strong-arming. It's a tactic that's likely to backfire, breeding resentment and potentially deepening the divide they claim to want to bridge.

The irony here is palpable. In their zeal to assert control, the federal authorities risk damaging the very economic fabric that could potentially unite the region. Companies like Dahabshiil have been doing more to connect Somalis – through remittances, jobs, and economic opportunities – than any political mandate ever could.

In my view, it's high time for a reality check. The federal government needs to step back and recognize that bullying private companies is not only unethical but also counterproductive to their stated goals. They should be fostering an environment where businesses can thrive and serve all communities, not creating artificial barriers based on political grudges.

Let's call this what it is: a misguided attempt at control that risks harming the very people it claims to represent. It's my hope that cooler heads will prevail, and that businesses will be allowed to do what they do best – serve their customers and contribute to economic growth – without being drawn into political squabbles not of their making. The path to resolving the complex issues between Somalia and Somaliland lies through diplomatic channels, not through the boardrooms of private companies.

The Broader Context

The controversy surrounding Dahabshiil is not occurring in a vacuum. It's part of a larger, complex political landscape involving Somaliland, Somalia, and the international community. Somaliland's quest for international recognition adds another layer of complexity to how businesses operate in the region.

International companies often find themselves walking a tightrope, balancing local sensitivities with global realities. Dahabshiil's situation is not unique in this regard, but its prominence makes it a lightning rod for broader frustrations.

<https://x.com/somalilandusa/status/1842945031994220962>

Rather than resorting to boycotts or harsh condemnation, a more constructive approach would be to engage in dialogue. Here are some steps that could help resolve the current impasse:

1. **Transparency:** Dahabshiil could provide more detailed explanations of its regulatory obligations and how these impact its operations.
2. **Stakeholder Engagement:** The company could engage more actively with government officials and civil society across Somali regions to address concerns.
3. **Public Education:** There's a need for broader public understanding of how international financial regulations work and their impact on local businesses.
4. **Policy Discussions:** This controversy could spark a broader discussion about how Somali businesses can protect local interests while still benefiting from international financial integration.
5. **Celebrating Successes:** There should be more focus on how companies like Dahabshiil have positively represented Somali business acumen globally.

The situation with Dahabshiil underscores the complex interplay between business, politics, and identity in a globalized world. While the concerns raised by some Somalilanders are understandable, it's crucial to view this situation in its full context, including Dahabshiil's role in enhancing the reputation of Somali businesses worldwide.

Dahabshiil's success story is, in many ways, a success story for all Somalis. It's a testament to the entrepreneurial spirit and resilience of the Somali people. The company's global reach has put Somali business capabilities on the map in ways that political efforts alone have struggled to achieve.

As this situation unfolds, it's my hope that cooler heads will prevail. Dahabshiil's role in supporting local economies, facilitating crucial financial services, and positively projecting the Somali name internationally is too significant to be overlooked. Finding a path forward that addresses legitimate concerns while recognizing the company's positive contributions would be in everyone's best interest.

In the end, this controversy might serve as a catalyst for important discussions about the place of Somali businesses in the global economy and how they can thrive on the international stage while staying true to their roots. It's a conversation worth having, and one that could shape the future of not just Dahabshiil, but of Somali entrepreneurship as a whole on the global stage.

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