

Market Assessment – Kakuma Refugee Camp Kenya

A market assessment and value chain analysis in Kakuma Camp



The site of one of the most protracted refugee situations in the world, Kakuma refugee camp is home to over 177 thousand refugees from various countries such as South Sudan, Somalia and Ethiopia.

The Kenyan government has favoured encampment as a model to accommodate the flow of refugees, considering that it minimized the perceived security risks. Thus, in Kenya, and in Turkana in particular, socio-economic prospects for refugees remain limited by law: refugees are not entitled to work permits but can only take on work as “incentive workers” with strictly limited earning possibilities.

Studies on refugee economies have highlighted how refugee communities are often integrated into economic systems of the host community, making positive contributions to the wider economy. In Kakuma as well, despite a constraining business environment and the dearth of employment opportunities, a vibrant economy exists serving both the refugee and host communities.

This study shows that employment opportunities are limited in Kakuma - most commodities are imported and the local market is not yet structured enough to meet the current and potential local demand. Nonetheless, a market can be created in Kakuma under certain conditions:

1. A shift from imports to producing commodities directly in the camp;

2. A coordinated development plan associating refugee and host communities.

Key Findings: Kakuma Economy

1. **Limited employment opportunities:** Unemployment rates are high in Kakuma with a 57% unemployment rate amongst men and 75% amongst women.
2. **Aid is still key for the economy:** While an economy independent of aid exists especially around the service sector, relief assistance is still one of the main sources of income for many households with 38% of respondents claiming to rely on aid for their livelihoods.
3. **Main sectors of employment:** Given the restrictions of movement faced by refugees in the camps, the lack of manufacturing possibilities and very limited agricultural initiatives due to water shortages, the main sector of employment for refugees is the service sector. This includes sale of groceries, food, clothes, electronics, or the running of hotels and restaurants.

Vulnerable communities: Who is at risk?

Recent arrivals: Recent arrivals are at a disadvantage compared to those in protracted situations as the latter are more likely to have developed stronger coping strategies: more stable social and financial networks (remittances), and a reputation allowing them to engage in debt-related transactions. Recent arrivals face higher levels of unemployment and have less access to financial networks.

Women: Women are at a clear disadvantage when it comes to both education and employment.

Close to three quarters of them are unemployed, and there is 43% gap between men and women who have attended high school and university.

Key drivers and obstacles to employment:

EDUCATION: The higher the education level of refugees is, the more likely they are to be employed.

TIME SPENT IN KAKUMA: There is a strong correlation between employment levels and time spent in Kakuma. Refugees who have spent 7 or more years in Kakuma are much more likely to be employed, with an employment rate of 48% compared to 21% for recent arrivals.

COUNTRY OF ORIGIN: The highest level of unemployment was found amongst refugees from South Sudan (92%). This highlights specific vulnerabilities related to refugee's country of origin

What is being done?

Progress to date:

In order to move away from relief assistance and stimulate the market, NGOs and the Turkana County government are supporting a new model of integration in Kakuma at Kalobeyei camps. It aims to support both short-term humanitarian and long-term development interventions. The fundamental aim is to expand economic opportunities for refugees through sustainable livelihoods and skills development

Challenges ahead:

The challenges to finding sustainable income generating activities in Kakuma will remain so long as refugees have limited access to external markets given the Kenyan government's encampment policy.

For the summary and full-length report, visit our website: samuelhall.org

This documents provides highlights of a study conducted by Samuel for DRC (Danish Refugee Council and AAHI (Action Africa Help International) in 2015/2016.

The views expressed in this document do not necessarily reflect the views of DRC/AAHI.

