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Refugees as entrepreneurs

In northern Kenya, the arrival of refugees drives the economic development of impoverished areas

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Esperanza Tabisha is 27 years old and already has her own fashion label called 'Esperanza Fashion & Design'. That is not only remarkable because of her age – especially so as she already launched her label seven years ago. But it is particularly impressive because the Congolese woman is a refugee. Since 2011, Esperanza Tabisha has been living in the Kakuma refugee camp in northern Kenya together with currently around 180,000 other refugees from a range of countries, including the Democratic Republic of Congo, Somalia and South Sudan, Ethiopia and Burundi.

Approximately 2,000 of them are entrepreneurs or run at least a small shop in the refugee camp, according to a study by the United Nations High Commissioner for Refugees (UNHCR) and the International Finance Corporation (IFC). The authors write that 12 per cent of the refugees in the camp are shop owners or small entrepreneurs, which is remarkable considering that most of them possessed virtually nothing when they found asylum in Kenya.

What's more: with their entrepreneurial spirit the refugees not only help themselves but also their hosts. As the UNHCR and the IFC underline, the refugees frequently employ local workers. Their economic activities fire up the economy in the region: they not only buy small livestock to slaughter but also firewood, charcoal and other products which are provided by locals.

Refugees drive regional development

This development is particularly important for the region of Kakuma in the administrative district of Turkana. The area is dry and was settled on mostly by half nomadic herdsmen until the first refugees came from South Sudan in 1992. At that time, Turkana had been hit by several hard droughts and complete herds of livestock had perished so that many

people lost their livelihoods.

Fortunately, the opening of the camp coincided with a local economic boom. The demand for workers to provide for the 10,000 new arrivals expanded and is expanding right across the region. That is also true for the second big refugee camp in Kenya, Dadaab. It is currently the biggest in the country with 200,000 inhabitants. For a time the numbers even reached over 500,000 people. Of course, it is a challenge for the host nation but also an opportunity. International and national aid organisations advertise jobs, buy groceries on the local market for camp inhabitants, need transport capacities, vehicles for their workers, diesel, housing and lots more.

Instead of only complaining about the burden, refugees should also be seen as a possible economic enrichment.

Kenyan Billy Kapua, who is from among the Turkana people and grew up in the north of Kenya, has worked for various aid organisations in Kakuma from 2001 until early 2018. He has experienced how, in a region affected by many droughts over the years, economic life has at least somewhat flourished. He is particularly impressed that refugees already began to employ workers from the Turkana people at an early stage – as employees in their shops, as porters or delivery people. Kapua estimates that up to 5,000 Kenyans have more or less stable work with the refugee shop owners and entrepreneurs in the Kakuma camp, or earn money as day labourers.

Kapua is convinced that the economy of the region would collapse should the camp be closed one day. The idea of a forced closure even after so many years does not seem absurd. In this respect, Kakuma has admittedly not yet been in the minds of Kenyan authorities. But for some years now, the UNHCR and its international partners had to wrestle with Kenya to allow the continuing operation of Dadaab.

Lessons for Europe

Dadaab and Kakuma are comparable in terms of their economic significance for the region. Many Kenyans do their shopping in the camps, buy clothes, mobile telephones and other goods there. In Kakuma there is a slaughter factory, which the local population also take their livestock to. The factory belongs to the refugees, says Kapua, but is under the supervision of the Kenyan government.

According to the UNHCR and the ICF the economic performance of the Kakuma camp and the bordering region comes to USD 56 million per year. That is a great deal for North Kenya because, apart from the refugee camp, there are few economic prospects there. The area is thinly populated, the population is poor and the government hardly invests anything.

Some refugees are clearly more economically active than the resident population. Many refugees have comparatively better international networks. They themselves come from elsewhere and have connections at least in their home region. Some even have relatives who, after fleeing, have managed to set up a business in one of the richer countries of the West or of the Arabic world. Those people then even send back some money to distant relatives – at least 'distant' from a European perspective – by mobile money transfer or in another way, even without a bank account. Many refugees use this money to set up a business. Maybe the money is enough for a first sheep, for example, which is then slaughtered. More than one business has emerged from the proceeds for the meat through gradual and clever reinvestment.

The conclusion that the UNHCR draws from the study is also interesting for Europe, and Germany in particular. 'We should reconsider our assumption that refugees sit around passively in the camps and do nothing but wait for aid,' said Raouf Mazou, UNHCR representative in Kenya. 'In fact, they set up companies and create jobs for others.'

For refugees in Germany, in contrast, it is harder to stand on one's own two feet. There are more rules and formalities, more capital is needed and many don't yet speak the language of their new homeland. But many also want something different than to wait passively for help. They want to work and to sustain themselves without help. And in Germany too, they indirectly create jobs for all those who are busy with their 'administration', advancement and integration and much more. Instead of only complaining about the burden, refugees should also be seen as a possible economic enrichment.



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Bettina Rühl is a freelance journalist based in Nairobi and Cologne who has been writing about Africa for over 20 years. Her reports, which focus on how big political decisions and upheaval on the continent affect ordinary Africans, have been featured on German public TV and radio, as well as in newspapers including the *Berliner Zeitung* and the *Tageszeitung*.