

PARTICIPATION IN SUSTAINABLE LIVELIHOODS

AN ASSESSMENT OF SOCIO-ECONOMIC CONDITIONS IN DADAAB AND THE IMPACT OF DRC-CARE INTERVENTIONS



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On behalf of DRC and CARE Kenya

November 2007



Danish Refugee Council



List of Abbreviations

GSL – Group Savings and Loans

DRC – Danish Refugee Council

PRIO – International Peace Research Institute, Oslo

HEA – Household Economy Approach

ILO – International Labour Organization

UNHCR – United Nations High Commissioner for Refugees

NEP – North Eastern Province

WFP – World Food Programme

CSB – Corn Soya Blend

GTZ – Deutsche Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)

ELP – Emerging Leadership Programme

Gok – Government of Kenya

IT – Information Technology

NGO – Non Governmental Organisation

Executive Summary

This study shows that 60 percent of the refugee population and 40 percent of the local population in Dadaab town can be classified as poor or destitute. In the case of the refugees, these percentages are similar to results from a Food Economy Study in 1999. Both poor and destitute struggle to meet their daily needs and largely depend on food rations and/or assistance from within the community. Though the stagnant percentages in the poor categories can be a cause of concern, this does not mean that the Dadaab economy has been stagnant and the socio-economic conditions in the camps have not improved. Income levels in all wealth groups have multiplied by 3 to 4, which is considerably higher than Kenyan inflation rates.

For the 60 percent classified as poor or destitute, rations provide the main source of caloric intake, with 80 to 85 percent of the food sources coming from rations and 10 to 20 percent being purchased. Food purchased is mainly sugar, at times milk and occasionally meat. Though there are considerable differences between the camps, the better-off the refugee household is, the less it depends on rations and the more on purchase. Additional goods purchased are rice, pasta, vegetables, and meat. Food rations are sold to buy foodstuffs considered essential by all Somalis (sugar, milk); to buy preferred food items (pasta, rice) by the rich; or as a livelihood strategy by the poor (selling items with a high monetary value). Thus, the composition of food rations is vital not only in terms of caloric but also monetary value.

The local and refugee economies in Dadaab are strongly interconnected. Both economies depend on the presence of international and national organizations. Locals have the advantage of free movement, whereas refugees have a better access to international aid and to Somalia. As such there are strong benefits to cooperation, especially in business. An additional pillar of the local economy is pastoralism whereas the refugee economy greatly depends on remittances.

The report discusses the impacts of microfinance, GSL, vocational and diploma/certificate courses on the lives of refugees and locals. What can be concluded is that often, successful beneficiaries feel that the contribution of the program to an improvement of their household livelihood has been considerable. Also, the injection of financial and human resources has contributed to some extent to improved economic conditions in the camps in general. Yet, these programs by and large do not reach the poor sections of the population and their overall impacts remain minor. In fact, there is evidence that privately funded initiatives produce better results.

The main reason why improvements of socio-economic conditions in the camps are very gradual and levels of self-sufficiency are still limited is obvious: the refugees are confined in a semi-desert area with very limited economic opportunities. As such, agencies working on improving sustainable livelihoods in Dadaab cannot do this without addressing the structural constraints that refugees face nor without thinking about the value of their interventions for a future outside the camps. While DRC and CARE are clearly working on the second, there is less focus on the first and advocacy can be taken up more. Furthermore, 'true beneficiary participation' is still far from practiced in Dadaab, and this must be improved. Data management and use is another area where much can be gained. And finally, in developing livelihood programs, the interdependence of the livelihoods of different wealth groups; the connections between local and refugee economies; and the transnational pillars of the Dadaab economy can be explored and utilized much more.

1.1 Introduction

DRC in partnership with CARE Kenya commissioned a socio-economic study on the impact of humanitarian and development programmes in the Dadaab refugee camps and Dadaab town on improving livelihoods for refugees and host communities. The main objectives of the study were as follows:

- to create a baseline of the household socio-economic conditions in Dadaab;
- to measure the socio-economic impacts of livelihood support programs in increasing self-reliance and the capacity of refugees for self-reliance on access to a durable solution;
- to provide recommendations for DRC-CARE programming over the next three years.

The evaluation team that was asked to carry out this work consisted of Cindy Horst (International Peace Research Institute, Oslo - PRIO) and Khadra Elmi (DRC Somalia). Simon Nzioka (DRC Nairobi Regional office) coordinated the logistical arrangements for the survey. The two researchers were in Dadaab from mid-July to late-August 2007, where they trained and supervised a team of fifteen Dadaab-based researchers to collect the data requested.

This report aims at providing an overview of the outcome of the study that is accessible and of use not only to DRC and CARE Kenya, but also to the various other actors currently working in Dadaab to improve the livelihoods of the refugees who live there. The wealth of information collected can only be presented here partially. The report first presents background information to Dadaab and its inhabitants, in order to provide an understanding of the context in which sustainable livelihoods have to be created. Then, after a brief methodological section, the socio-economic study results are presented by discussing the livelihoods of refugees in different wealth groups. An overview of the characteristics of different wealth groups is provided, after which their sources of food and livelihood options and constraints are discussed. In this section, particular attention is paid to the often-assumed high level of malnutrition in the camps; the importance of remittances; and the issue of khat consumption. A third section discusses the impacts of various DRC-CARE livelihood support programs on refugees' level of self-reliance. A final session then draws conclusions from this in terms of recommendations for programming.

This report would not have been possible without the hard work of the principle researchers in this study: Mohamed Keinan Hirrie, Abdullahi Aden Mohamud, Felis Matan Shire, Mohamed Hussein Mohamed, Mohamed Hassan Ibrahim, Omar Kassim Omar, Fatuma Dahir Shire, Mahamud Ali Yussuf, Ebla Abdullahi Aden, Abdi Yussuf Abdullahi, Alier William Grai, Omar Digale Abdi, Warsame Sirat Ibrahim, Fatuma Hussein Sheikh, Fatuma Ibrahim Barre. Thank you all for your dedication, keen interest, eagerness to learn and patience! We also thank Abdullahi Mohamed Qambi for his comments on a draft version of this report. Furthermore, we wish to thank the initiators of this project, Hugh Fenton, Mohammed Qazilbash and Simon Nzioka. For support, we thank Grace Gichia and Umikhaltum at the DRC Nairobi office. Zeinab Yusuf and Mohammed Ibrahim Dahir came with us to Dadaab from DRC Hargeisa and Bossaso. We thank them for their company and their willingness to share their experiences from the Somali regions with us. We are immensely grateful to all CARE staff in Dadaab who provided us with practical assistance, useful insights and a great time. Finally, we are very grateful to the individuals who live in Dadaab for the information they were able and willing to provide us with.

1.2 Background to Dadaab and its inhabitants

The town of Dadaab lies in Garissa district in Kenya's Northeastern Province. It is situated some 500 km from Nairobi and 80 km from the Kenyan-Somali border. Since 1991-1992, there have been three refugee camps near Dadaab: Ifo, Hagadera and Dagahaley. The camps cover a total area of 50 square km and are within an 18 km radius of Dadaab town. The camps currently host over 170,000 refugees, with almost equal numbers male and female (UNHCR 2007). Although population data on Dadaab town are more difficult to come by, a rough estimate would indicate the current population in Dadaab town and surrounding areas to be approximately 10,000 to 15,000 (see e.g. Perouse de Montclos et al. 2000). Somalis are the main refugee group in the Dadaab camps, making up 97.5 percent of the population. Three-thirds of the Somalis come from the Juba River valley and Gedo region, while 10 percent originate from Kismayo, Mogadishu and Bardera. They mainly belong to numerous Darod sub-clans. Though some new arrivals came in since the resurgence of violence in Somalia since December 2006, a large influx was halted by the Government of Kenya's closure of the border.

The camps are situated in a semi-arid region that is otherwise largely inhabited by nomadic pastoralists. This environment greatly limits livelihood opportunities in the camps, and it is highly unlikely that the refugees would survive there without assistance from international and national organizations¹. At the same time, it is highly unlikely they would survive only on the assistance from the international community. Food distributions include maize; pulses; wheat; oil and salt, and few non-food items are distributed. The agencies offer 'incentive' job opportunities for refugeesⁱⁱ, which pay a maximum monthly amount of 6,000 Ksh. These are the only jobs refugees can engage in legally, as they are not allowed to formally work in Kenya. Alternatively, refugees engage in businesses or at times are employed by other refugees for manual work and household tasks. Earlier research suggested 10-15 percent to receive remittances from relatives abroad (Horst 2006), and this number may be increasing with the increasing cumulative number of people who have left the camps for resettlement purposes.

UNHCR-assisted repatriation and resettlement movements from the camps have been quite limited. Only two significant voluntary repatriation exercises have been enacted since the start of the camps, with 1,387 people returning to Gode and Jijiga in Ethiopia in 1999 and 686 people returning to North West and North East Somalia in 2000 (UNHCR 2007). Recent political developments in Somalia further complicate the option of repatriation, and currently, UNHCR is not assisting any refugees in repatriation. In terms of resettlement, the largest movement out of Dadaab occurred in 2002 and early 2003, when 12,445 so-called 'Somali Bantus' were taken to Kakuma for resettlement processing to the United States. In other years, the numbers that get formal resettlement usually range between 2,000 and 3,000. Durable solutions are also sought and found independently by refugees themselves, but here, statistics are not available.

The GoK maintains a strict encampment policy but change might occur after implementation of the new Refugee Act (Government of Kenya 2007), although recent developments do not point in that direction. Movements between and in the camps have been forbidden since December 2006, and the border has been closed to prevent new refugees from arriving. These restrictive measures have had economic implications in the camps and in the town of Dadaab. Data from refugee cards are matched with Kenyan ID data, and those refugees who hold both are being summoned to the UNHCR. The plan is to forcefully remove locals from the camps. At the same time, the

acceptance of a considerable increase in international presence in the camps might indicate that the GoK does not have plans to close the camps soon.

1.3 Methodology

This study was conducted in a largely qualitative, participatory manner, with a number of quantitative elements borrowed from the Household Economy Approach (HEA)ⁱⁱⁱ. A deliberate decision was made against conducting a large-scale survey in Dadaab that might provide more exact numerical data, because of the difficulty of guaranteeing the reliability of survey data collected in the camps. Many refugees have been in the camps for ten years or more, and have great experience with international aid programs in the camps as well as with evaluations on those programs. Collecting information is not just a neutral activity, but it is an extremely politicized one in which *all* parties involved have much to gain or lose. Since the information collected will have implications for programming in Dadaab, and the Dadaab economy largely depends on the international aid programs, refugees, locals and agency staff are very careful as to what kind of information they provide. An in-depth, participatory approach that involves data collection from fewer informants by gaining their trust and making them understand the importance of providing accurate information, has a much better chance of resulting in reliable data. HEA approaches to wealth group identification and household food sources were included to the study in order to deal with the concern that qualitative approaches are generally known to be weaker in creating representative results. HEA is strong in combining a participatory approach with producing quantitative results, and in having a number of internal checks that allow the researcher to verify the reliability of the data.

The main researchers in cooperation with DRC staff first screened 30 to 40 candidates for 15 researcher positions: 4 for each camp, and 3 for Dadaab town. This was done through an interview and a math and writing test. The successful candidates then received a one-week intensive training that included modules on the research itself; various HEA components; participatory tools; focus group discussions; research planning; and data analysis. The training included an afternoon field practice, in which each team practiced with a different methodological tool, after which the process and the data collected were discussed within the larger group. After this first training week, three weeks of data collection followed, with weekly feedback sessions. In relation to the first research question on the socio-economic conditions in the camps, wealth groups and their food sources were identified through approximately 30 focus group discussions and 10 household interviews for each wealth group. Focus group size ranged from approximately 5 to 15 participants. Individual interviews with key informants, informal conversations, observation methods, market visits etc. further increased the team's understanding of the socio-economic conditions in the camp. In relation to the second research question on the impact of livelihood programming in Dadaab, approximately 10 focus group discussions were held, as well as 50 individual interviews with beneficiaries and staff. In order to answer this question satisfactory, an additional week of data collection was decided on that involved one of the supervising researchers and one qualified researcher from each team.

1.3.1 Participatory Data Collection: Refugee Researchers

In order to ensure that the themes of participation and self-reliance were achieved through the study, individuals from the refugee and host community were responsible for collecting and analyzing the information and for generating recommendations for change. As the research focused on self-reliance, we felt it appropriate to include self-reliance in data collection. This starts from full participation and equal exchanges, from the first steps of data collection. The role of the senior researchers was to facilitate and support the learning process of each individual as well as ensure the quality of the data collected.

For this to be a successful endeavor the training provided to the researchers focused heavily on their independence and responsibility for the data collection. At the end of the training, a team leader was selected for each team in order to coordinate each team's activities and to facilitate communication with the senior researchers. Each of the senior researchers was assigned two teams, dividing her time in the field between these teams in order to supervise their activities. Furthermore, weekly shared sessions were not only held to provide feedback, but also to facilitate ongoing analysis. Data was collected and analyzed by the two senior researchers before the meeting in order to abstract interesting findings, comparisons, and gaps that needed further investigation. The debates during these meetings provided invaluable information as well.

There are a number of advantages to a participatory approach that relies on refugees and locals for collecting information. The positive elements of this approach include the fact that, although many surveys are undertaken in Dadaab, this study was unique in that the researchers were essentially in charge of their own research. The researchers were able to utilize their position in and understanding of their community to generate interesting analysis and data. Furthermore, they were in a good position to challenge information from the community that they deemed incorrect. Another advantage was that this approach minimized the tendency of community members focusing only on the problems they experience. And finally, the 15 individuals involved gained competence in doing research, and can be resourceful researchers in future projects.

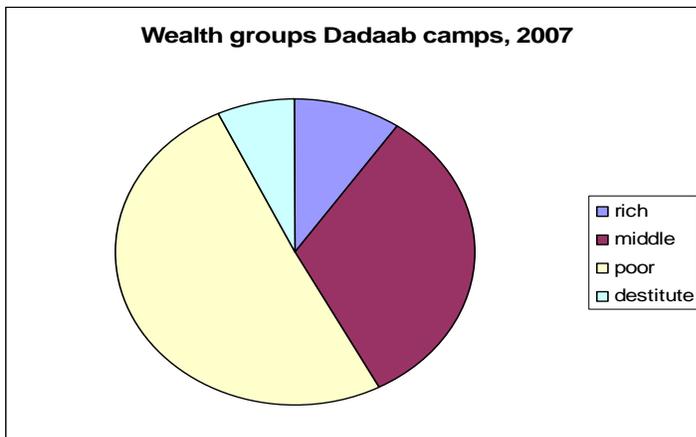
The challenges of this approach included the fact that refugees and locals in Dadaab in the past have not been given this level of responsibility in research (nor in many other jobs). In some of the teams it was quite a challenge to encourage individuals to take their responsibility. Another drawback was that the research teams were not always taken seriously by refugees and in particular by agency staff. In some instances, agency staff wanted to be interviewed by the external researchers rather than by refugees, again relating to the fact that this approach to involving refugees was quite new. A further difficulty was related to the fact that the refugee and local researchers had an 'insider perspective' from within the community. This made it at times difficult for them to understand the point of view of the NGOs when interviewing agency employees. Finally, although the researchers were able to access more accurate information, they were at times still afraid to share this information for fear of repercussions of the research. Their position in the community depends on their credibility, and their involvement in the research should in no way damage this credibility.

2.0 Socio-economic Conditions in Dadaab

In order to understand the socio-economic conditions refugees and locals in Dadaab find themselves in, it is vital to distinguish between different socio-economic groups of refugees and locals. Though livelihood opportunities are very limited in the area, there is considerable variety in terms of people's assets and, linked to this level of assets, ability to be economically self-reliant. Being able to invest more financial, material or human resources, the better-off are engaging in more profitable activities than those who do not have these resources. This has implications both on their own level of wealth and on the interrelations between the different groups. This section will discuss the different types of wealth groups that are identified in Dadaab and the percentages of people falling into the different categories. Then, their sources of food and livelihood choices will be described in order to get a fuller understanding of the socio-economic conditions under which they live.

2.1 Wealth Groups

In Dadaab, the percentage of refugees who are struggling and often not managing to cater for their daily needs, the poor and the destitute, is about 60 percent, with 40 percent of refugees, the middle and rich, managing to cater for their daily needs. This is in contrast to the situation in the



host community, where the opposite is true. An overview of the distribution of the different wealth groups in the camps can be found in figure 1. The percentage of refugees who are destitute is 5 to 10 percent, with the percentage being slightly less for the local community compared to the refugee camps. In the Somali language, these people are referred to as *cayr* or *baahane*. This category of people includes those who have insufficient or no food rations to cater for all family

members, which may be the case because they have recently arrived; were absent during card revalidation; or were suspected of fraud. They have very little options of gaining any kind of income, and mainly depend on cash and in kind contributions from neighbours and clan members in the blocks, and collections in the mosque. The main type of paid labour they manage to engage in is occasional food for work within the refugee community. Children within this category, according to focus group participants, largely do not go to school because they are also required to work. Their shelter is either a single *buul* (hut) or they stay in the compound of others. One important source of food is gained from the strategy of sending family members to eat elsewhere. What characterizes this group of people is that they cannot sustain the needs of their family members, and they have next to no cash at their disposal.

The next category, the poor, is referred to in Somali as *sabool*, *danyar* or *faqiir*. In the refugee camps, this category is 50 to 55 percent of the population, whereas in the host community it is estimated to be 25 to 30 percent of the population. The refugees within this category almost

solely depend on the food rations, and also receive food or in-kind assistance from within the camps. This category includes owners of wheelbarrows; those with small table shops in the blocks (where the profit margin is very small); and those who work for others on a more regular basis, at times sending their children to work for others as maids and such. This category of people lives in simple housing like an *aqal* without fencing to protect them. They have roughly in between 1,000 and 2,500 ksh^{iv} per month at their disposal. According to participants in focus group discussions, new or recent arrivals are over-represented in the two bottom categories.

The middle class in the refugee camps constitute about 30-35 percent of the population, whereas in Dadaab town it is estimated to be 55-60 percent. This group is referred to as *dhexaad*, which simply means ‘middle’ or ‘average’. This group of people have additional sources of income on top of the rations they receive in the camps, through a range of different activities. In some cases, one of the family members works as an incentive worker. Others own various types of middle-sized businesses, such as a retail shop, vegetable store, *taar* or other communications shop. Milk sellers, mirah sellers and beer brewers (the latter only in the non-Somali blocks) also fit in this category. In the host community, pastoralists with up to 100 shoats; 10 to 50 cattle, and a few camels are included in this category as well. Furthermore, those with relatives outside the camps who can manage to send 50 to 100 USD per month or occasionally in times of need are counted to be part of the middle class. They live in a fenced compound with up to three well-build houses, with some of the families owning between 5 to 10 goats and some poultry, and they have a monthly cash income of between 4,500 and 12,000 ksh. at their disposal. Interestingly enough, middle class income families in the camps often make do with two meals a day, in order to limit their expenses. This is largely not the case for those in the host community.

The rich wealth group in Somali are known as *hantile*, *qani* or *tajir*. In the camps, they constitute 10 percent of the population whereas in the host community they are estimated to constitute 5 percent of the population. These are the owners of (multiple) big hotels, ice plants, video shops, and hardware stores in the market; as well as owners of various types of vehicles. Rich refugees may own over 20 goats with in rare cases a few heads of cattle. In the local community, rich pastoralists on average own up to 500 shoats; 100 to 300 heads of cattle; and 50 to 100 camels. Amongst the rich in the refugee camps, are those with relatives outside the camps who send between 100 and 200 USD monthly. This group lives in a compound with very good fencing and a solid gate, with three or more well-build houses inside. They consume three meals a day, buying rice, pasta and other types of food preferred by Somalis to add to their diet (more on food follows in the next section). This group of people actually employs others to work for them, either in the home or in the business. They also spend money on funding their children’s education beyond the regular educational system provided by CARE in the camps. This group varies widely in composition, but we estimate that their monthly levels of income start at 13,500 ksh. and can go up as high as 100,000 ksh.

The last extensive comparable study on the socio-economic conditions in Dadaab (for the refugees) was done in September 1999 (Save the Children 1999). Table 1 gives us insight in the socio-economic developments in Dadaab since then by comparing the *wealth group percentages* in 1999 with those in 2007 and the *level of income* of each wealth group. A comparison of roughly similar categories reveals that the percentages of people in different wealth groups have not changed that much. At the same time however, the level of income within each wealth group

has gone up considerably. Refugees in 2007 have access to a monthly income that on average is 3 to 4 times as large as it was in 1999, as compared to a 2.26 inflation rate during this period.^v This improvement in income levels matches observations of the principal researcher on economic levels in the camps, in terms of business activities, housing, clothing etcetera. Thus, it is misleading to *only* compare wealth group percentages over the years, as the category of the level of wealth is a relative and not an absolute category. It is important to link it to actual level of income and resources.

Categories^{vi}	1999		2007	
	<i>Percentage</i>	<i>Income (Ksh)</i>	<i>Percentage</i>	<i>Income (Ksh)</i>
<i>Destitute</i>			5-10	
<i>Poor</i>	50-65 (incl. some destitute)	150-800	50-55	1,000-2,500
<i>Middle</i>	25-40	800- 4,000	30-35	4,500-12,000
<i>Rich</i>	5-15	> 4,000	10	> 13,500

Table 1: Comparison between wealth groups in the refugee camps, 1999 and 2007 studies

2.2 Sources of Food

In any context, there is a limited number of ways in which people can satisfy their food needs. These include through own production; purchase or barter; collecting natural foods; food for work; gifts; and relief aid. Locals in Dadaab obtain their food needs through a combination of purchase, barter and production through animal rearing. For most refugees in Dadaab, the rations provided by the international community remain the most important food source. As such, it is important to have a look at the composition of those rations. Despite assumptions that these rations are somewhat constant throughout the year, there is in fact a very wide variation over the year. The only constant factor is the Kcal provided per person per day, which is roughly 2100, but the type of food provided varies considerably, as can be seen from table 2. The variation in the composition of the food rations has tremendous implications for the actual Kcal a person is able to eat in a particular month.

Food type	apr.06	mai.06	jun.06	jul.06	aug.06	sep.06	okt.06	nov.06	des.06	jan.07	feb.07	mar.07
<i>Maize</i>	4,2	0,9	4,65	7,68	10,585	10,5	0	2,25	8,725	13,02	8,02	7,16
<i>Sorghum</i>	9,15	13,75	7,95	7,36	3,68	3,15	0	0	0	0	0,6	0
<i>Pulse</i>	0,15	1,485	1,8	1,28	1,86	1,8	1,86	1,5	0,86	0,93	1,615	1,86
<i>CSB</i>	1,2	1,2	0,9	1,28	1,24	1,2	1,24	1,2	1,86	1,86	1,42	1,24
<i>Oil</i>	0,225	0,395	0,75	0,8	0,775	0,75	0	0	0,75	0,775	0,65	0,775
<i>Wheat flour</i>	0	0	0	0	0	0	6,8	5,925	1,575	0	0	0
<i>Maize meal</i>	0	0	0	0	0	0	7,13	5,7	4,48	0	1,3	2,3
<i>Bulgur</i>	0	0	0	0	0	0	0	0	0	0	2,21	4,49

Table 2: Food types in food rations from Gu 2006 to Gu 2007, WFP Dadaab

For example, if we compare the rations given in May 2006 with those handed out in October 2006, in terms of caloric value provided, they are identical. Yet, in terms of calories eaten there is a great difference. What a refugee household can do with its food rations depends to quite an extent on its level of wealth. Still, in general terms we can make some observations on the differences between the two rations. Maize and sorghum are not preferred types of food by Somalis, and the maize will have to be milled. The monetary value of both food types is low. Wheat flour is a much preferred source of food and ready for consumption. Its monetary value is high. CSB is given with or without sugar and oil added and the type that does not have these additions is not preferred at all. Oil is an essential ingredient in the diet and will have to be bought if not provided. In May 2006, refugees were largely given sorghum, a food type they do not prefer at all. In October 2006, the rations consisted of far more preferred foodstuffs, but did not include any oil.

Since the rations do not cover all people's needs, for example when the maize is not milled or when a vital good like oil is missing, the monetary value of the goods provided becomes crucial as well. The poorer wealth groups will eat almost all food stuffs that are not preferred in order to benefit from their caloric value. They will always have to sell a part of the ration in order to

Textbox 1: A rich household in Hagadera

In Hagadera camp, the team came across a household composed of 15 members. They own eight ration cards for a total of 20 individuals. Three family members work as incentive workers and on top of that, the family receives monthly remittances from abroad. From the cash that comes into the family, they are able to buy foods like pasta and rice, which are much more preferred amongst Somalis than maize and sorghum. The team discussed what this family did with the maize and wheat flour they receive. The household assists their poor relatives in the camps with about 15 kilos of maize at every distribution. Occasionally, bags of maize are also sent to relatives in Somalia and Kenya. Furthermore, the household owns 20 goats and they consume a few kilos of maize every day. Maize is also given to beggars who go from house to house begging for food. It is rarely sold, since the profit is too low. Wheat flour on the other hand, is partly sold and partly consumed. The price of wheat flour is much higher, and this is sold at the distribution point in order to have money for transporting the food aid. In terms of food consumption, only about 10 percent of the maize given is consumed, as opposed to about 60 percent of the wheat flour.

purchase services or items that are not provided but are needed for preparing the food, like milling or fuel for cooking, as well as foodstuffs that are considered essential by Somalis, such as sugar and milk (for children). If the monetary value of the food that is given out is low, such as in the case of maize and sorghum, this means that the caloric value of the food actually consumed drops dramatically. The poorer wealth groups on the other hand may also decide to sell part of the rations as a livelihood strategy, and this is the case when foodstuffs are handed out with a high monetary

value, such as oil and wheat flour. These food types can be sold and exchanged for cheaper food, with the remainder used for other purposes.

The richer wealth groups have more options when it comes to the use of their food rations, as they do not depend on those rations solely. They will be in a position to exchange part of the food that is not preferred for food that is, or simply add preferred foods such as pasta and rice to the diet by purchasing it. The wealthy may decide not to use the larger part of the maize, sorghum and bulgur wheat handed out to them. They will on the other hand utilize wheat flour and oil. Thus, depending on the composition of the rations, they will gain their calories from them to a greater or lesser extent. Middle income groups will sell much of the less preferred and cheaper

foods, while the rich will give the less preferred food away or feed it to their animals. Textbox 1 illustrates this well.

The study indicated quite a sharp difference in the percentage a household depended on food rations, when comparing the different wealth groups. However, this difference was far more marked in Hagadera than it was in Dagahaley. Table 3 shows how in Hagadera, the percentage to which refugees depend on food rations drops quite dramatically with the increase in wealth whereas the importance of purchase goes up steeply. In Dagahaley, the shift is far more subtle. This is in line with the general understanding that (in particular middle and rich) refugees in Hagadera are better off than those in Dagahaley, partly related to their urban as opposed to rural backgrounds. The next section will link the difference more clearly to different levels of cash flows in the different camps.

Wealth Group	Food Rations		Purchase	
	<i>Hagadera</i>	<i>Dagahaley</i>	<i>Hagadera</i>	<i>Dagahaley</i>
<i>Poor</i>	80-85	80-85	10-20	10-20
<i>Middle</i>	50-70	80	25-50	10-20
<i>Rich</i>	20-40	70-80	70-80	25-35

Table 3: Comparing dependence on food rations versus purchase per wealth group, Dagahaley & Hagadera^{vii}

2.2.1 Socio-Economic Status & Malnutrition

Recent studies in Dadaab show high levels of malnutrition, and this is often brought up as a great cause of concern. Table 4, adapted from Ochola (2006) and Ochola (2007) indicates the levels of Global Acute Malnutrition (GAM) and Severe Acute Malnutrition (SAM) in Dadaab over a 6-year period. When GAM rates are above 15.0 percent, this is indicative of a crisis. This means that in Dadaab between 2000 and 2006, and most probably before 2000 as well, there has been a crisis situation. In 2007, the numbers dropped significantly.

Year	GAM (%)	SAM (%)
August 2000	20.0	6.0
February 2001	16.1	4.5
June 2002	15.9	2.1
June 2003	23.9	3.7
June 2005	26.3	3.8
June 2006	22.2	4.9
August 2007	11.9	1.6

Table 4: GAM and SAM levels in Dadaab, Ochola 2006 and 2007

It is important to note that one cannot simply deduct from this table that if 22.2 percent of GAM has been established, then 22.2 percent of the population does not have enough food to eat and the solution is to increase food rations. Firstly, these surveys are done amongst children under five years of age and thus do not indicate levels of malnutrition in the population as a whole. Secondly, malnutrition can be a cause both of inadequate dietary intake and of various diseases that prevent children from being able to benefit from the food they eat, such as malaria, diarrhoea and vomiting. Thirdly, even if malnutrition is caused by inadequate food intake, this is not necessarily caused by the fact that the household does not have enough food. It may be caused by the distribution of that food within the household, or by the type of food that is available, which may not be suitable for small children.

Study findings indicate that there are a number of reasons for high levels of malnutrition in Dadaab. The impact of diseases like malaria, ARI, diarrhoea and vomiting, in combination with poor hygiene practices, is acknowledged by a GTZ Nutritionist interviewed by the research team. Ochola's (2006) study likewise indicates that disease levels are high amongst children in the camps. Furthermore, another reason that was observed by Ochola as well as the current research team is that the type of food provided is not suitable for children. The GTZ Nutritionist indicated that cultural practices in relation to food may cause further problems. CSB, the food that is most targeted at children, is often soaked overnight in order to make *anjera*. This causes stomach disorders and diarrhoea. Furthermore, certain foods are not preferred for human consumption and fed to the animals. Thus, malnutrition is not simply about the quantity of food rations, and a multi-faceted approach is needed to deal with it. It was not the aim of this study to address malnutrition issues, as excellent recommendations have already been made by Ochola. Some of these recommendations are currently acted upon by various organizations, which may have led to the possible reversal of the high malnutrition rates observed in 2007. But it is important to underline that the improved socio-economic conditions observed in the study do not necessarily contradict high malnutrition rates, as so many other factors play a role as well.

2.3 Livelihood Options and Constraints in Dadaab

There are a number of characteristics that define the Dadaab economy. As mentioned, livelihood opportunities in the region are severely limited by the climatic and soil conditions. Furthermore, the fact that refugees in Kenya do not have a legal status that gives them the rights outlined for refugees in the 1951 Geneva Convention, including the right to work and to move freely, obstructs their ability to gain a livelihood independently. Economic opportunities are extremely limited, and are mainly concentrated in the business and services sector. Especially amongst the youth, unemployment and idleness is a great concern, impacting the household socio-economic status. This is not only because of the lack of income but also because of the possible expenses they incur when trying to 'escape' their position through the consumption of khat (see textbox 2).

Another characteristic determining livelihood options is the fact that the situation in Dadaab can partly be described as one of ‘chronic acuteness’^{viii}. In the course of the past year, refugees and locals in Dadaab had to cope with a drought; floods; polio, measles and cholera outbreaks; Rift

Textbox 2: Khat Consumption in Dadaab

The impact of khat (mirah) consumption on household budgets is very interesting but very difficult to understand, as khat use is greatly underreported. Observations in the markets indicate the importance of khat both in the social lives of many individuals as well as in economic dynamics in the camps and in Dadaab town. All markets have a very busy and lively street where khat is being sold, and per day, three pick-ups arrive in Dadaab with 45 to 50 bags of khat, containing 50 bundles each. Hagadera consumes the highest, with roughly 70 bags. The research team conducted a small investigation amongst mirah dealers and consumers in Ifo in order to understand this phenomenon. A considerable number of people, and especially women, depend on the selling of mirah for their daily survival. A medium mirah seller can make about 150 to 200 ksh. per day with this activity, adding up to 4,000-5,000 ksh. monthly, but is faced with a number of risks while doing it. Mirah selling is seen as a business where one faces a lot of conflicts and physical clashes, and where there is a risk of theft and especially high customer debts. Furthermore, mirah spoils easily. The dealers often have to negotiate with the suppliers over late payments. The consumers of mirah were indicated to be the (unemployed) youth between 20 and 30 years old and at times incentive workers. Women are rare customers but frequent sellers. A small bundle of khat costs between 100 and 300 Ksh, depending on the quality. A general observation can be made that those who chew do not chew because they have the money, but because they have the time. In fact, much of the mirah payments are made on credit or through *shaxaad* (begging), or through group assistance (chewing is mostly a social activity). The youth are mainly chewing to pass time, as a way of ‘escaping’ (see also Rousseau et al. 1998) and often because they are addicted. The latter group consumes mirah on a daily basis. Besides the obvious negative financial implications chewing has, especially since those who chew often don’t have sufficient resources to do so, there are social implications to the consumption of khat as well. In families where members chew, often conflict arises, at times accompanied with domestic violence. Fights over khat consumption may lead to separation of husband and wife. Then, those who chew regularly may not be able to think clearly and if they go to school or are in employment, this will affect their performance. Finally, khat addictions or khat use combined with the use of other narcotics may lead to theft, exploitation and abuse.

Valley Fever; and influxes of refugees from Somalia. These types of shocks occur quite frequently, and have an impact on the local economy. So do government policies and measures like the closure of the border with Somalia and the travel ban. It is important to note that not all shocks affect the same people in the same way, for example, Rift Valley Fever hits pastoralists disproportionately. Furthermore, what may be a shock to some may be of benefit to others. For example, the travel ban that largely halted movements from and to the refugee camps, greatly benefited the local businessmen, as the market was largely transferred to Dadaab.

In general, the refugee and local economies are interconnected, partly because each group has access to specific resources. For the local economy, free movement, both for business purposes and amongst pastoral nomads, is crucial. For the camp economy, free handouts of all kinds play an important role. The regional economy largely depends on the presence of international NGOs, providing job opportunities; contracts for service providers and businessmen; and a wide range of resources. Here, refugee and host interests are often experienced to be conflicting. The regional economy

also depends for a large extent on business activities. Especially there, interconnectedness is strong, leading both to cooperation and competition. For trade and movement of ware, the locals’ access to free movement within Kenya is crucial. At the same time, the refugees’ greater ability to move between the camps and Somalia has benefits and goods like sugar, powder milk and cigarettes are amongst those that are smuggled from Somalia both for the refugee camps as well as for the local markets. In terms of having access to a market for the goods, the refugee camps with their much larger populations are crucial. Finally, there are also sectors on which refugees

and locals depend independently of each other. For the local economy, pastoralism is crucial, whereas for the refugees, remittances are a vital aspect of their livelihoods.

Both amongst the local community as well as in the refugee camps, the lives of people in different wealth groups are also strongly interlinked. Linkages are both increasing as well as reducing wealth differences between the different groups. Different Somali households are connected as neighbours, relatives, clan members, or in client-provider, employee-employer relationships. Those who are in the rich wealth group, and to a lesser degree those who are in the middle wealth group, are crucial for the survival of the poor. One very important mechanism in Dadaab is the system of credit. Those who cannot make ends meet on a monthly basis, are able to buy food and other essential items on credit. Because Somalis are Muslim, there is no interest charged on that credit. Yet, of course, if there is a structural deficiency between income and expenditure, the debts that a household incurs will increase. Some of the better-off households who buy on credit, such as those in Dadaab town, solve this problem by occasionally selling livestock when debts have mounted too much. For poor households however, they are in structural debt and it is very difficult for them to get out of this situation.

Another way in which wealthier households in Dadaab are crucial for the survival of poorer households is through the provision of (largely in-kind) assistance. This can be in the shape of direct assistance on an individual level, for example of cooked or uncooked food from neighbour to neighbour. It can also be in the shape of collective contributions, often straight after rations have been distributed. Somalis have many types of assistance practices that are of relevance here, such as *qaaraan* (collection of money or livestock for the needy), *xiirso* (system of contributions for the needy), *sadaqo* (alms, contribution to the poor).

A further way in which the lives of different wealth groups are interlinked, is through the fact that the poorer sections of the population are employed by the richer wealth groups. Examples of such jobs include occasional jobs such as building houses, business premises, latrines and such; as well as regular jobs with varying salaries such as maids, waiters and cooks in hotels, herders of animals, shopkeepers etc. Whereas these are all examples in which we can identify a positive linkage (provided no abuse occurs) and a redistribution of resources, there are also clearly negative linkages that lead to a continuation of the status-quo. The clearest example of this is seen in the use of food rations. The poor have very limited leeway in terms of what to do with their food rations, as they need to use them maximally to guarantee sufficient caloric intake. The rich can choose to do what is most profitable economically. Thus, the poor sell their food rations at lower prices, for example during the distribution in order to repay debts. This is of benefit to the ration warehouse traders, who belong to the rich wealth group.

2.3.1 Remittances

In the Dadaab refugee camps, remittances are a crucial source of cash income for the receiving households and a vital boost to the local economy. Earlier research (Horst 2006) indicated that at least 10 to 15 percent of the refugees in the camps received remittances. The positive impacts that remittances may have on development have been identified internationally, though scepticism exists as well. Impacts that have been identified include direct poverty alleviation for the receiving families; investment in small businesses and human capital such as health facilities and

education; multiplier effects on the local economy; and macroeconomic development impacts. As such, it is important to have a closer look at the spread and use of remittances in Dadaab.

In an interview with a Dahabshil^{ix} representative in Ifo, it was established that per day, approximately 100 customers came in, of which 80 would receive monthly allowances of between 50 to 100 dollars and 20 get irregular sums or are engaged in business transactions. If 80 families receive a monthly sum each day, this would roughly mean that 1600 families per month receive 50 to 100 dollars. Thus, roughly 11.4 percent of the population of Ifo would receive monthly remittances through Dahabshil^x. The largest sum of remittances is sent to Hagadera, followed by Ifo, followed by Dagahaley. Dadaab town receives relatively little remittances. Dahabshil is the largest hawala, but in Ifo Amal, Kaah, and Hodan Express also operate. Because of the many unknown factors, it is difficult to estimate the total amounts of money that are being received in Dadaab on the basis of the information collected. Yet it is clear that the totals are substantial, possibly much larger now than was estimated on the basis of research carried out in 2000 (Horst 2006). This study has also shown the importance of these remittances not only for household daily survival but also for the local economy. Businessmen and women in the camps identified remittances as the most important source of capital for starting up business, followed by microfinance.

3.0 Impact of the livelihood-support programs

This section of the report is concerned with examining to what extent programs intended to strengthen livelihoods have achieved their goal in the Dadaab area. The first part will focus on Microfinance and GSL (Group Savings and Loans). In particular it will aim to give an understanding of how these projects have tried to strengthen livelihoods and self-reliance and to what extent this was achieved in practice. It will look at this difference for both the host and refugee community. The section then discusses the impact of vocational training and diploma/certificate courses, analyzing to what degree these programmes have improved the livelihoods of refugees in the camps. It will finally focus on the perspectives of refugees on the suitability of livelihood programs in light of possible durable solutions.

3.1 Microfinance

The Microfinance sector started in 2003 as a spin-off of the Income Generation sector that had been operating since 1995. Its objective was to contribute to poverty reduction by imparting money and skills, both vocational and business, to the refugee and local community. The sector's main activity was to inject financial and human resources for self-reliance into the economy.

The Microfinance program 2003-2005 supported 596 beneficiaries in approximately 150 groups. Out of these, 64 groups of 3-5 persons per group were supported by DRC funding. The loans were intended to provide key capital for business activities and could be used to cover working capital; purchasing equipment; constructing premises and pursuing legal business ventures. Clients were able to access the loan through the Micro-finance offices operated by CARE in the camps. The potential beneficiaries of the loan had to fulfill a range of conditions (CARE 2004).

One of the criteria for the loan, for example, was that it was only given to groups consisting of 3-5 people, who were supposed to supply their ration card numbers. During the interviews it was disclosed that the loans were often utilized by one person who had bought the ration cards of various people. In other instances where it was a genuine group, members took turns each benefiting from the different instalments of the loan. In this way, the Somali beneficiaries applied their *ayuuuto* ('merry-go-round') system to the micro-finance loans. Many of the beneficiaries related how they started with a small business and worked their way up with the loans to establish more sustainable business that provided greater security and profit (see e.g. textbox 3). Often, the beneficiaries disclosed that the loan was initially too small to start a collective enterprise. This was an interesting point about how impact is measured: the fact that a group has taken money collectively does not mean that this has achieved change in the lives of all members.

The recipients of the loans fall into two categories: successful loan re-payers and defaulters. Amongst the DRC supported people, there was a 35 percent default amongst the recipients. The defaulters were seen by the program staff to be deliberate and simply unwilling to repay.

Textbox 3: The case of Ali Bashir

Ali Bashir in Hagadera started with microfinance in 2003. With a saving of 10,000 ksh, his group received 5,000 ksh. The money was initially invested in a vegetable stall. It progressed after two installments into a restaurant which was profitable, and with a further installment the group was able to open a pharmacy as well. Ali Bashir opened a pharmacy because of his medical background from Somalia. Since the last installment it became difficult for the group to sustain both the restaurant and pharmacy, so the restaurant had to be closed down. Ali Bashir however feels the loans have helped improve his and the group's livelihood at the household level. It has enabled him personally to secure a stable livelihood since now, he has a monthly income that he can depend on. The biggest challenge he said he faces is the travel restriction. Although he has contacts that purchase goods for him, he states it would have been financially better to be able to do purchasing himself because sometimes the quality of the items sent is very poor. According to Ali Bashir, CARE has advocated for him to obtain a travel permit but this permit was denied because he is a refugee. When thinking about durable solutions, Ali states that he does not imagine southern Somalia to be peaceful very soon so he does not foresee a return in the near future.

Interviews with defaulters highlighted that members were late with repayments because they did not receive goods in time, or because they simply were not making enough profit. However, the defaulters interviewed state that the loan had in fact made an impact on the quality of their lives. One of the defaulters from Hagadera was still engaged in a vegetable stand, enabling him to get money for purchasing daily food for the family. The measuring of the impact of programs is a critical point to which we will return in the following sections.

Context factors play a critical role in how successful micro-finance loans are. In the Dadaab refugee context, the refugees are restricted to stay within 12 miles of the refugee camps. In order to leave Dadaab or north-eastern they would require a travel document. Refugees make use of social network connections to enable them to purchase goods without physically leaving

the camp, but indicate the problems with this arrangement. Several businessmen and -women complained that the quality of the goods they receive is often poor. If they would be allowed to move from the camp, they would be able to stretch their profit.

The different businesses generate different levels of profit within the camps. In general, businesses that are privately funded, mostly through remittance-sending relatives, are able to generate more profit than those started up with microfinance money. This is due to the fact that the initial investment is much larger; often they are managed by knowledgeable and responsible

individuals rather than groups with many competing interests; and no ‘management fees’ are expected to be refunded. Whereas microfinance start-up capital initially is 5,000 Ksh. and then increases gradually, smaller businesses that are funded privately easily receive 10,000 Ksh. while larger more profitable businesses are established with financing from 20,000 to 80,000 Ksh. and up in joint partnerships (such as restaurants). Those who leave the camp have a vested interest in a profit-making family business, since this reduces the need for sending remittances. This means they are ready to invest substantially, and they are very keen on having capable and responsible people running the business. The microfinance program is an external source that groups of individuals can make use of, whereas these privately funded initiatives are far more a shared enterprise.

One issue that becomes apparent from the study is that the micro-finance scheme did not really impact those that were amongst the poorest in the camps. Across the three camps, it was evident that the beneficiaries were mostly those that were already in the middle bracket of society. The fact that they were having some financial and human resources put them in a better position to apply and be trusted with the loans. Many of the beneficiaries interviewed emphasized the impact of the scheme to be that they were now able to prepare three solid meals and to send their children to private tuition. People who benefited from the loans stated that their ability to sustain their lives and deal with crises had improved. This improved livelihood security for beneficiaries should not be overlooked. Whereas the loans may not have a huge impact on the camp economy as a whole, and may not target the poorest, they are crucial for improving livelihoods at household level for a certain section of the population.

3.2 Group Savings and Loans

GSL is based on the same principles as micro-finance, with some changes. Unlike microfinance, GSL aims to create community-driven self-reliance through providing training on how to utilize existing resources. Currently, the project is at the initial stage and aims to train people to achieve social, political and economically development and empowerment at both member and community level. Around 54 groups with 3 to 20 members have been trained within the refugee community and 21 within the local community. They are trained in important issues related to savings and loans such as:

- Saving – credit, common fund management
- Self monitoring
- Record keeping
- Roles and responsibilities
- Rules and regulations

The positive impact that will be highlighted in this section focuses on some of the aspects of the training. Many of those trained, felt that common fund management and record keeping made a difference in their businesses. They said that bookkeeping had enabled them to clearly budget and plan their money and that through better money management, they had better profits. On the whole, it was felt that the business skills gained could be used returning to the home country or in case of another durable solution. The scheme encourages the self-forming of groups which makes it sustainable within the current context.

Many of the groups were like Hodan (textbox 4), making use of these schemes to plan for the future and for shocks that may disturb their livelihoods. This helps them create more financial

Textbox 4: Hodan GSL Group

The Hodan group consists of 10 persons that are involved in groceries. Each member contributes 100 ksh per month. The first member is given 900 and repays this amount with 100/- on top. The group has 26,000/- as savings over the last 4-5 months. In addition they save 20/- per person per day for emergencies. They found the saving and loan scheme to benefit them through savings and the ability to assist each other through hardships. They also stated the training was a very valuable asset that would assist them in the future wherever they end up.

security and excellent platforms for communal self-reliance.

One group commented that it was crucial that they could organize themselves with like-minded people. This is indeed critical for success, as GSL depends on group dynamics and commitment. Also, all the people interviewed had managed to save some amount and the group interactions demonstrated workable, self-managing community processes.

However, the beneficiaries interviewed were confused about aspects of the GSL program. It was initially difficult to interview them because they said that GSL ‘had not fulfilled its side of the bargain’. The beneficiaries stated that they were expecting loans at the beginning of the scheme, and were still waiting for those loans. One of the interviewees said that she

had started making business arrangements expecting money to come. The CARE GSL staff members similarly were expecting money to come, whereas management informed us this was never the intention and loans were supposed to be provided in-kind only. There needs to be a clear transmission of the project to the community, which has to start from proper communication to and possibly an additional training of project staff. The idea that the groups save amongst themselves and become self-sufficient is evaluated positively and in this respect, GSL has the potential of making a positive impact. Its strengths lie in increasing financial knowledge and efficiency in daily activities amongst beneficiaries. Savings and loans are quick, simple mechanisms that are related to the real every-day needs within the community. Whereas it is important that refugees can benefit from formal financial services, it is just as vital that their own informal systems and livelihood strategies are strengthened. The GSL system can reduce individual debts through providing an immediate lending facility that is knowledgeable about each family’s needs and capacities.

3.3 Vocational Training

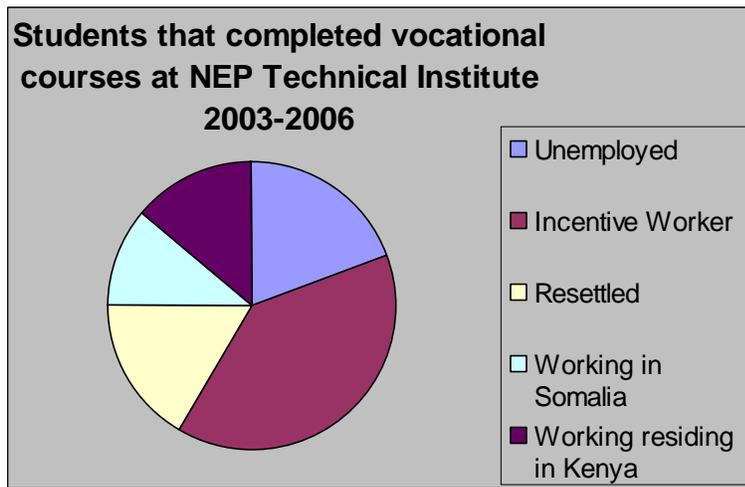
The study looked into the following aspects of educational skills training:

- Vocational training – accounting, secretarial skills, welding & fabrication, tailoring and carpentry
- Diploma & certificate courses in Human Resources, Information Technology, and Business Administration started recently.

Education in the camps is provided by CARE International. A large percentage of the refugee youth has access to primary school, with only one third of those who complete primary being able to move onto secondary level. Even fewer make it past secondary school to diploma and vocational training. Many of the secondary and a number of primary school graduates in the camps are employed as incentive workers for CARE and other agencies in the refugee camps and Dadaab Main Office. Vocational training courses are offered to a selected set of students every year.

Interviews with 36 young adults who completed such courses highlight interesting findings. The sample was restricted to those students whom received sponsorship to NEP Technical Institute from 2003-2006. As seen in figure 2, half of the interviewees are employed as incentive staff upon completing their courses. Since other incentive workers are secondary and primary school leavers, this is an indication that the completion of their vocational training course does not really impact their livelihood opportunities in the camps very much. This is because there are rather limited employment opportunities for the refugees in Dadaab. So the question then is whether such courses are perceived to assist them upon finding a durable solution. Most of those interviewed stress that knowledge is something that is transferable. However, many beneficiaries highlighted that they would still need to study much more if they were resettled abroad.

In relation to how their trainings could help them settle in Somalia, many of the interviewees indicated that they would like to study subjects that would be more beneficial in Somalia. One of the girls studying at NEP Technical, for example, said that she wanted to study Nursing, but the course was not offered. She is currently studying Human Resources and does not feel that it increases her chances to get a job in Somalia. Other courses that were seen by the youth to be in demand in Somalia include IT, engineering and medicine. During focus group discussions with



youth across the three camps there was a great deal of interest in return from the youth, who accept that this might eventually be the only solution for them. In order to impact self-reliance upon return, there needs to be an understanding both amongst the humanitarian community and refugees as to what skills are needed in Somalia. Such a study has recently been undertaken by the International Labour Organization (ILO).

The second largest group amongst the interviewees are currently jobless. Some completed their studies in vocational training, but several of the beneficiaries said that they were unemployed because they had only completed a certain level of their vocational training. One of the youth from Hagadara who participated in vocational training stated that he had only completed the first stage of his mechanical course, and did not feel quipped enough to put the limited skills he had to use. The fact that beneficiaries of vocational programs are only offered a very basic level of training obviously limits the level of self-reliance an individual can manage to achieve. The remaining quarter of the students is divided evenly and is not residing in the camps anymore. Out of this group, there are quite a few of those who completed vocational training programs who are currently putting their skills to use working in Somalia. During an interview with the family members of one of these young people, they informed us that he was able to assist them financially every month.

4.0 Recommendations

In conclusion to this report, a number of recommendations will be provided. First, we are including some general observations on the limiting structural factors that complicate livelihood-focused programs in Dadaab. These first observations are of relevance to the livelihood-support programs but the recommendations included have implications for other programming sections as well. Secondly, we provide more specific recommendations on how the impacts of GSL and various educational programs could be improved.

4.1 General Observations

4.1.1 Beyond the refugee camps

The main reason why there is a relatively limited impact of livelihood-focused programs in Dadaab is because the refugees are confined in a semi-desert area with very limited economic opportunities. Agencies working on improving sustainable livelihoods in Dadaab cannot achieve this without addressing the structural constraints that refugees face nor without thinking about the value of their interventions for a future outside the camps. Whereas DRC-CARE is actively involved in thinking about the latter, especially in terms of repatriation, the former receives less attention. In all programming, it is vital to think beyond the refugee camps, both in the longer term towards durable solutions, but also in the short term. The following can be considered:

- Conscious and careful advocacy to address some of the structural constraints mentioned in this report (travel ban, lack of movement and legal documents)
- Further development of DRC and CARE's attempts to encourage regional recruitment for agency positions. Hiring refugees to work in Somalia or possibly in other countries in the region where DRC or CARE is active, is an excellent way of tackling the fact that qualified and trained people can only go up to the level of incentive worker in Dadaab. This is a policy that should be actively encouraged amongst other agencies as well
- Organizing exchange programs in order to encourage the refugees' explorations of self-employment and other types of livelihoods in Somalia. Many of the youth in Dadaab would like to get an opportunity to observe conditions for themselves and are also very interested to hear from those who work / live in Somalia.

Some of the following recommendations cannot be implemented without first addressing structural constraints, so in those cases advocacy is a prerequisite for implementing them.

4.1.2 Participation

Despite 'participation' and 'participatory' being a common buzzword in the Dadaab area, there is relatively little active participation that is taking place there. The most advanced stage of participation is when beneficiaries take the initiative in identifying their needs and working on solutions, with agencies supporting them with specific resources that are lacking, such as training or material. In Dagahaley, we saw an example of this in the work of a large group of youth who developed a business plan and pooled their resources in order to set up a computer centre, asking for assistance from CARE in the shape of the building and computers. Increased levels of education and the impact of specific types of trainings such as the Emergent Leadership Program (ELP) have a positive impact on these kinds of self-initiatives, but agencies from their side can also go a long way in making their programs more participatory.

First of all, when using the word ‘participation’, it is important to identify exactly what is meant. If participation just means sharing information with the community; asking them for their views on a pre-developed project; or asking for their input to such a project in terms of labour, it is better not to use the word. A participatory community development approach should involve community members from the start, when needs are identified and solutions are thought of. Truly giving refugees and locals responsibility for their lives and livelihoods, is not easy. It requires far more open and genuine levels of communication between agencies and refugees / locals than is currently the case. It also requires a mind shift where the potential of refugees is really recognized and ‘beneficiaries’ are seen and treated as equal partners. We hope to think that this research project was a step in the right direction, though it was a learning process for all involved.

4.1.3 Use of Knowledge Produced

Ever since the Dadaab refugee camps came into existence, a large volume of studies, statistics, reports, and academic papers have been produced internally and externally. When engaging in a new study, however, it is incredibly difficult to find any of this back. Internal agency reports can often only be found on the computers or laptops of the employees in question, who most likely are on CTO when you need the information. Some of it gets lost when the employee leaves Dadaab. The same is true for most of the work that external consultants, journalists, and researchers do in Dadaab. There is an incredible production of knowledge on Dadaab, and there is an even more incredible lack of usage of that knowledge. Very excellent recommendations and ideas for improvement of operations have been produced repeatedly, often independent of each other, yet much of Dadaab operations function according to the ‘business as usual’ principle, with slight improvements, because these recommendations and ideas are under-utilized. One important recommendation we would like to make on an inter-agency level, is to develop an electronically accessible library with all publicly accessible internal and external documents. This is a project that could be taken up by two or three qualified refugees, with quite limited resources. It would create an institutional memory and it would allow much better usage of all knowledge produced for programming purposes.

4.1.4 Economic Interdependency

When developing livelihood-support programs in Dadaab, it is very important to take into account the three types of economic interdependencies that exist in the region:

- Wealth group livelihood interdependency
- Interdependence of the host and refugee economies
- Transnational exchanges between Dadaab and ‘elsewhere’ (both regionally and further abroad).

This seems rather abstract, but it can have concrete consequences for programming. For example, the focus in livelihood interventions is mostly on targeting the poor and destitute categories, even though in reality these groups are often not reached. Yet middle income and especially rich wealth groups are interesting to study in the sense that they are vital for the local economy and do provide certain resources for the poor, in terms of job opportunities, loans and gifts. Agencies could encourage this trickle down effect and could try to prevent more exploitative types of exchanges. Below, some more specific examples are provided that focus on GSL and Educational Programs.

4.2 Recommendations for Specific Programming

4.2.1 GSL

- Study the possibilities of linking the GSL initiative to the financial service sector or microfinance initiatives, providing refugees greater access to credit and other financial services for investments and increased livelihood opportunities in general.
- Over the last decade, livelihood programming in Dadaab has moved from Economic Skills Development to Income Generating Activities to Microfinance to Group Savings and Loans. This has great potential for creating confusion, and our study showed that this was indeed the case. It is vital to communicate correct information between all levels and to make sure that promises are kept. Otherwise, it is impossible to demand the same from the beneficiaries. One issue that needs to be tackled immediately is that clarity should be provided about the provision of funding (in kind or cash)
- Explore possibilities of linking the GSL program to remittance sending. In Mexico and other places, there is a principle called ‘matching funds’ where migrant remittances sent to a certain area are matched with money from the government or NGOs active in the region for development purposes. Much can be learned from the successes and failures of this approach.
- Another opportunity that can be explored is linking the Dadaab GSL program to cross-border projects. For example, some of the groups may come up with projects that are partly implemented in Somalia, or that are connecting Dadaab with Somalia. This would be a wonderful opportunity to ‘move beyond the refugee camps’. Larger investments are most likely needed in such projects than in projects focused solely on Dadaab, so especially in these cases, linking GSL to access to other financial services is crucial
- Another option to explore is supporting groups with business plans that involve refugees and locals. Group loans that move beyond the camps, both by involving cross-border activities and by involving locals and refugees, offer greater potential than those only making use of the camp economy.

4.2.2 Vocational Training and Diploma/Certificate Courses

- Assist people in setting up training centres; not just in IT but also tailoring, carpentry, soap making, tie and dye, business skills etc. This is a very efficient way of using resources, as those with certain skills can pass it on to others. These centres need sufficient start-up capital in order to buy necessary equipment and training material, of which there is currently a shortage. Furthermore, they need to be geared to knowledge and skill requirements in the region, including Northeastern and Somalia.
- Utilize the outcome of the ILO study assessing human resource needs in Somalia, in order to target training activities in Dadaab accordingly
- Develop a standard follow-up system for beneficiaries, which includes some of the issues discussed in this report. A continuous monitoring system is much more efficient and has higher potential for improving the program than an occasional evaluation exercise
- Provide those trained with all the necessary levels to become self-reliant, and with the ability to practice and earn a living. Thus, it may be more beneficial to invest more in fewer individuals, who can then be responsible for the training centres mentioned above, rather than invest little in as many individuals as possible
- Formal, recognized education prepares children for a new, less localized future. As such, while it is important to invest in vocational training and diploma/certificate courses, any cuts

in the educational program should be avoided at all cost. The best way of dealing with the fact that it is difficult to predict where the children in Dadaab will have to build their future, is to give them access to formal, internationally recognized education.

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ⁱ Organizations operating in Dadaab include UNHCR; CARE Kenya; GTZ Health; GTZ RESCUE; NCCK; WFP; NRC; KRSC; Handicap International; IOM; JVA and Save the Children UK.

ⁱⁱ An incentive job is one that is rewarded with an incentive sum rather than an actual wage, as refugees in Kenya are not allowed to earn a wage except when holding a work permit (which is very rarely provided).

ⁱⁱⁱ HEA is a method developed in the 1990s by Save the Children in collaboration with the Food and Agricultural Organisation (FAO) to indicate the likely effect of various shocks on household food supply.

^{iv} 1,000 ksh is roughly 14.9 USD.

^v Rough estimation based on Central Bank 10.7 percent yearly inflation rate, which may be on the higher side.

^{vi} In the 1999 study, the categories 'poor' and 'less poor' were used, and the middle group was split up in middle and better-off middle. In our 2007 study, we used the categories 'destitute' and 'poor', and there was only one middle group. For comparison, the two categories of poor and the two categories of middle are added up.

^{vii} In comparing the camps, we have removed the distinction between poor and destitute, combining the two, because of the limited information available for Dagahaley on the destitute group.

^{viii} Seminar 'Working with Stress: Trauma, Resilience and Adversity-Activated Development', 21-04-07 at CARE compound Dadaab, A. Ljubinkovic, R. Papadopoulos, S. Warner.

^{ix} Dahabshil is one of the main hawala, remittance service providers, businesses.

^x UNHCR population statistics of March 2007 indicate a total number of 14.041 families in Ifo.