

An Assessment of Kenya's Private Sector Digital Outsourcing Landscape and Its Potential to Support Refugee Economic Inclusion

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Foreword

We all know that we live in uncertain times – from the rollercoaster of changes brought by the COVID pandemic, increasingly visible impacts of climate change on our homes and livelihoods, and the continued trends of displacement in the Horn of Africa and around the world. Unfortunately, there is no one solution to solve these challenges, rather we will each need to find how we can use our expertise to best fit within the puzzle of sustainable and inclusive development.

At the International Trade Centre, we focus on developing economic opportunities through trade for vulnerable communities. One community that we are increasingly working with are those affected by displacement. We identify how we can best support entrepreneurs, businesses, and trade institutions in contexts of displacement to nourish an enabling trade and business ecosystem to improve their economic resilience. Opening opportunities across borders and global markets help businesses diversify, find new clients, and tap into new areas of growth.

However, in displacement settings, such as the refugee camps in Kenya, movement of products and services, as well as market access, can be complicated. Amidst the challenges, however, there are sectors that offer potential for economic inclusion, such as digital services or business process outsourcing. We have seen an increasing potential for digital entrepreneurship in displacement settings, particularly given its flexible, dynamic, and transferrable nature.

Therefore, in this report we are specifically looking at the role of the digital services sector and the interplay between refugee online workers and the private sector in making the digital economy a viable marketplace for displaced communities. It is, of course, necessary to have strong foundational digital skills, but ultimately these skills need to translate into work.

This translation of skills into jobs can happen through various online workplaces or through direct client relationships when companies seek to outsource different business processes, such as data entry or transcription. We have impact stories proving the case for digital outsourcing in these contexts. However, for the jobs and client pipelines to be sustainable, the refugee freelancers must expand their scope and tap into the enormous potential of the private sector as clients. Engaging private sector actors at a deeper level throughout the process will ensure refugee freelancers meet the needs of the market while having a clear pathway to find work online.

To better understand how and when to engage the private sector in the refugee online freelancing journey, we undertook this project study and ultimately have offered key recommendations to improve the engagement of private sector actors in the digital livelihoods space for refugees.

We hope you finish reading this report with a sense of the impressive potential of refugee digital workers that exists in Kenya and the region. By expanding the market reach and revenue potential of the online freelancers, both from the refugee and host community, we can each contribute a small piece to the larger puzzle of sustainable self-reliance.



Ashish Shah
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Foreword

The current displacement crisis in Africa has left nearly 36 million people's lives disrupted. For these people, the journey to normalcy, economic security and a sense of belonging are often blurry. Amidst this uncertainty, however, lies the eagerness and readiness of a community of people keen on making an economic contribution in the countries that host them. Through innovative solutions, displaced people are working towards rebuilding their lives. The African private sector plays a significant role in supporting asylum seekers, internally displaced persons (IDPs), and refugees to forge sustainable solutions that unlock their potential. The Amahoro Coalition was founded against this opportunity to offer support to African private sector organisations in driving sustainable market-based interventions that advance economic inclusion for displaced populations.

Through innovative business models, the private sector in Africa can champion more sustainable and dignified access to economic opportunity for refugees while at the same time creating value for their own companies. By understanding that refugees are productive community members and reservoirs for ideas, the Amahoro Coalition together with ITC sought to identify alternative and innovative solutions in which the African private sector can support displaced persons to break free from the reliance on external support, ultimately creating opportunities that enable them to contribute to the local economy.

This report embarks on understanding, interrogating and analysing the economic environment that surrounds refugees and the bottlenecks that limit their economic empowerment. It further highlights the sustainable opportunities that enable refugees to break free from the need for specific assistance and protection, thereby according to them the freedom to enjoy various socio-economic benefits free from discrimination. With a focus on Kenya that currently hosts one of the largest refugee populations in Africa, this report unearths the economic opportunity to create digital livelihoods for refugees underpinned by the rise of the gig economy.

This report highlights this alternative economic potential of refugees amidst the various limitations such as mobility restrictions and policy limitations that prevent them from accessing livelihood opportunities from outside the camps. The digitization of online work through various platforms enables refugees to become global consultants and freelancers from remote locations, including camps.

The report further compares this potential with the current private sector market in Kenya regarding outsourcing work and hiring freelance workers, bringing to the fore the need to create awareness within Kenya's private sector regarding the competencies of refugees and the opportunities that exist to work with them as well as the legalities surrounding this form of collaboration. It provides recommendations for the private sector, government and academic institutions that help create actionable roadmaps towards supporting the economic empowerment of refugees through digital livelihood opportunities.

This report forms a valuable addition to the existing knowledge around sustainable economic inclusion of refugees that benefit not only private sector organisations but also non-profit organizations, universities and government.



A handwritten signature in blue ink, appearing to read 'Isaac Kwaku Fokuo Jr.'.

Isaac Kwaku Fokuo Jr.
*Founder and Leaders
Council Member -
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Acronyms

BPO	Business Process Outsourcing
COVID-19	Coronavirus Disease
DRC	Democratic Republic of the Congo
EAC	East African Community
GDP	Gross Domestic Product
IGAD	Inter Governmental Authority and Development
ITC	International Trade Centre
KEPSA	Kenya Private Sector Alliance
KNCCI	Kenya National Chamber of Commerce and Industry
NRC	Norwegian Refugee Council
RESI	Refugee Employment and Skills Initiative
SMEs	Small and Medium-sized Enterprises
UNHCR	United Nations High Commissioner for Refugees

Executive Summary

According to the UNHCR, Kenya has one of the largest refugee populations in Africa, hosting over 520,000 refugees and asylum seekers. This includes more than 278,000 people from Somalia and close to 133,000 from South Sudan, some 47,000 from the Democratic Republic of Congo (DRC), and 29,000 from Ethiopia. The country also hosts persons of concern from other nationalities including Sudan, Rwanda, Eritrea, Burundi, and Uganda. Kenya's location in one of the most conflicted parts of the world means that a persistence of insecurity in the region is likely to contribute to the continued presence of refugees in the country.¹ This situation calls for the creation of durable solutions that ensure refugees and other displaced persons eventually break free from the need of specific assistance and protection, and can enjoy access to socio-economic rights without discrimination on account of their status.

1. ACAPS, Kenya Refugee Situation. 2021. Available from <https://www.acaps.org/country/kenya/crisis/refugee-situation>

Market-based livelihood activities represent one such example of a durable solution that can empower displaced persons to cater for their own basic necessities such as food, water, shelter, and clothing², thus enabling such vulnerable persons to reduce or break free from reliance on external assistance over time. Ultimately, they also create opportunities to include refugees in the local economy.

In Kenya, a challenging policy environment, which includes mobility restrictions requiring refugees to reside in camps, poses a barrier to refugee economic inclusion. However, this situation also creates an opportunity to find alternative and tailored approaches to creating employment for, and promoting entrepreneurship among, refugees and their host communities.

2. UNHCR Kenya, Livelihoods. 2021. Available from <https://www.unhcr.org/ke/livelihoods>



Executive Summary (cont.)

Digital livelihoods are a viable pathway for leveraging this opportunity. The potential of digital livelihoods to advance refugee economic empowerment and inclusion in Kenya is underpinned by the global rise of the gig economy and the digitalization of work through online platforms. These platforms enable organizations and firms to source freelance work from around the world, thus creating an opportunity for displaced persons to participate as freelance consultants working from remote locations, including refugee camps.

Locally, Kenya's private sector, which accounts for about 70 percent of total formal employment and 80 percent of GDP, is also already outsourcing work through digital platforms to freelancers. However, survey respondents and interview participants in this study who have previously outsourced work online to freelancers were unsure whether the freelancers who had completed the outsourced tasks were refugees or whether it is legal to outsource work digitally to refugees. Refugees interviewed as part of this study also reported limited awareness of, and engagement with, domestic businesses. Most of the digital work refugees do is from international, often US-based, entities such as companies contracting freelancers through platforms like Upwork. To create stronger linkages between refugees and the private sector, there is a need to bridge the awareness gap on both sides while tackling additional barriers to digital livelihoods for refugees and their hosts.

The recommendations outlined in this report (box 1) are therefore geared towards increasing private sector awareness of the opportunity to hire refugee freelancers, expanding visibility for refugees and their skills, and strengthening the entrepreneurship ecosystem. They are further designed to address digital barriers such as a lack of access to digital devices and affordable internet for refugees, while tackling the restrictive policy environment in Kenya.

To achieve progress on any of these objectives, there is a need for deep collaboration between development and humanitarian agencies, the private sector, and the government. Such collaboration around the implementation of this report's recommendations could lead to the creation of important economic opportunities for refugees and their hosts, the reduction of refugees' reliance on external assistance, and the promotion of sustainable economic development in Kenya.



1

THE CONTEXT OF REFUGEES AND REFUGEE ECONOMIC INCLUSION IN KENYA

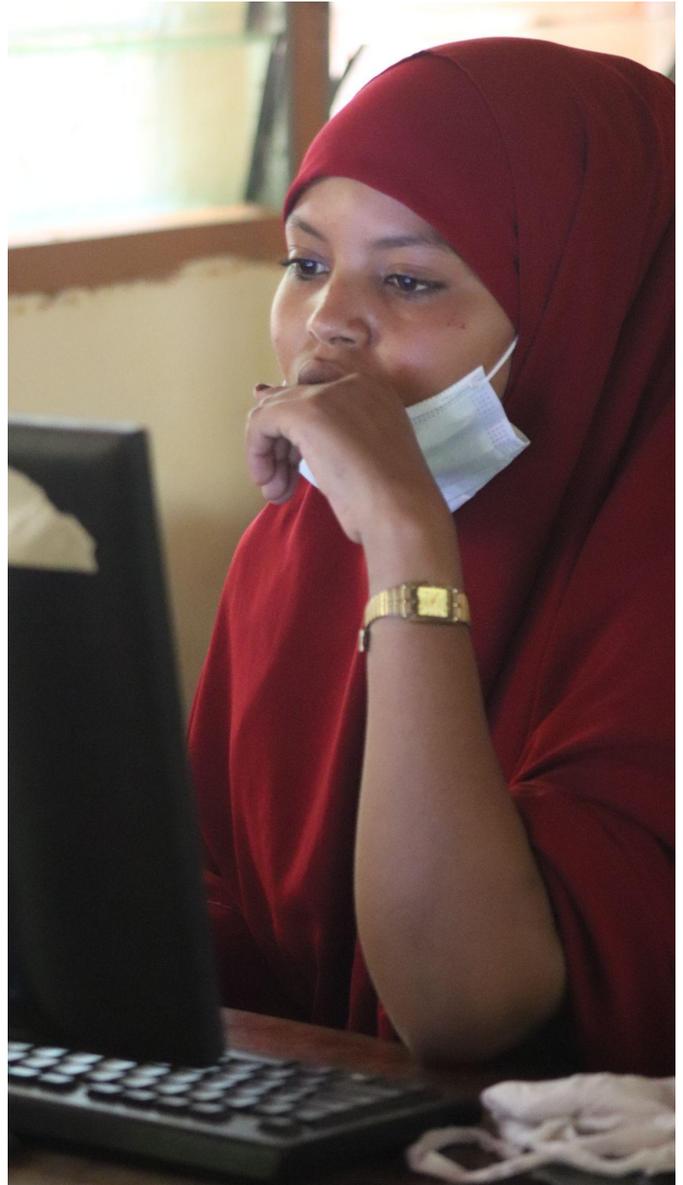
1.1 Kenya's Refugee Context

Kenya has one of the largest refugee populations in Africa, hosting over 520,000 refugees and asylum seekers. This includes more than 278,000 from Somalia and close to 133,000 from South Sudan, some 47,000 from the Democratic Republic of Congo (DRC), and 29,000 from Ethiopia. The country also hosts persons of concern from other nationalities including Sudan, Rwanda, Eritrea, Burundi, and Uganda. As shown in Figure 1, refugees in Kenya are hosted in the Dadaab camp in the southeast part of the country (44%), the Kakuma camp in the northwest (40%), and in urban areas such as Nairobi (16%).³

Kenya is located in one of the most conflicted parts of the world, which means that persistence of insecurity in the region is likely to contribute to the continued presence of the refugee population in the country.⁴ This, in turn, creates the need to find durable solutions – including local integration, return, and resettlement – to ensure that refugees and other displaced persons eventually become free from needing ongoing specific assistance and protection, and can enjoy access to socio-economic rights without discrimination on account of their status.⁵ The importance of finding durable solutions is further highlighted by the fact that Kenya's refugee situation is protracted, meaning that refugees “find themselves in a long-lasting and intractable state of limbo. Their lives may not be at risk, but their basic rights and essential economic, social and psychological needs remain unfulfilled after years in exile. A refugee in this situation is often unable to break free from enforced reliance on external assistance.”⁶

3. UNHCR Kenya, Figures at a Glance. 2021. Available from <https://www.unhcr.org/ke/figures-at-a-glance>

4. ACAPS, Kenya Refugee Situation. 2021. Available from <https://www.acaps.org/country/kenya/crisis/refugee-situation>



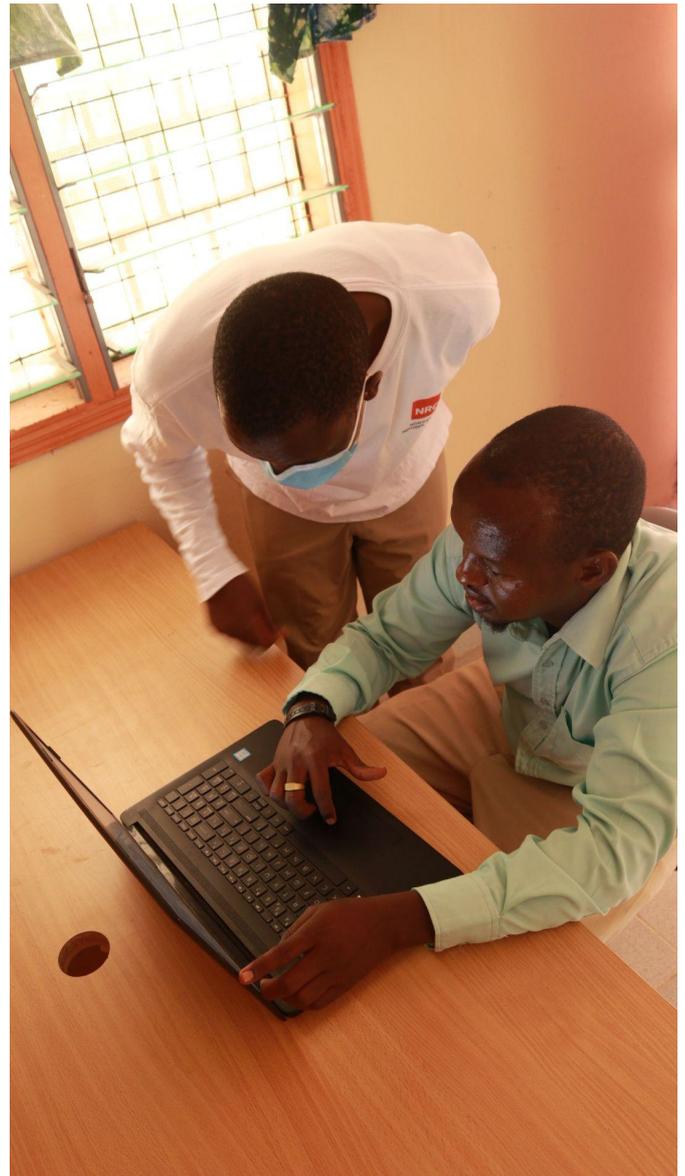
5. Danish Refugee Council, Review of Durable Solutions Initiatives in East and Horn of Africa. 2016. Available from <https://static1.squarespace.com/static/5cfe2c8927234e0001688343/t/5d569482b09c7a0001a3047b/1565955236717/ReDSS-SH-Report-Final.pdf>

6. UNHCR Africa, Protracted Refugee Situations. 2004. Available from <https://www.unhcr.org/excom/standcom/40c982172/protracted-refugee-situations.html>

1.1 Kenya's Refugee Context (cont.)

Investing in market-based livelihood activities is a viable pathway towards achieving durable solutions because it creates opportunities to include refugees in the local economy and empowers them to cater for their own basic necessities such as food, water, shelter, and clothing,⁷ thus making it possible to reduce or break free from reliance on external assistance over time. However, in Kenya, there are significant limitations facing refugee livelihoods and economic inclusion. In particular, the legal and regulatory framework, which includes mobility restrictions that require refugees to reside in camps, poses a major barrier to refugee economic inclusion. Although refugees may apply for a Class M work permit from the Department of Immigration Services, the requirements are lengthy and potentially inaccessible for the majority of refugees. For example, according to the Department of Immigration Services' website, the application process requires the submission of copies of a valid national passport, detailed and signed cover letters from an employer, and organization and individual tax compliance certificates.⁸ Most or all of these requirements may be difficult for refugees to fulfill.

The challenges associated with obtaining work permits, as well as business registration processes, highlights the need to find alternative and tailored approaches to creating employment for, and promoting entrepreneurship among, refugees within camps and their host communities in Kenya. Digital livelihoods can provide a viable pathway for achieving this goal.



7. UNHCR Kenya, Livelihoods. 2021. Available from <https://www.unhcr.org/ke/livelihoods>

8. Ministry of Interior and Coordination of National Government. n.d. Available from <https://fns.immigration.go.ke/infopack/permits/classM/>

Figure 1. Overview of refugee population, demographics, and host locations across Kenya. (UNHCR)



KENYA

Registered refugees and asylum-seekers

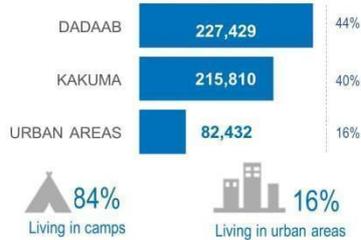
as of 31 July 2021



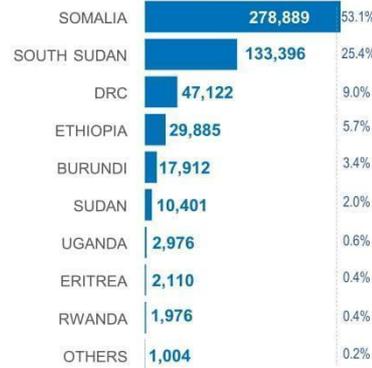
525,671

REGISTERED REFUGEES AND ASYLUM-SEEKERS

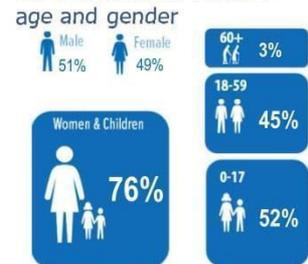
HOST LOCATIONS



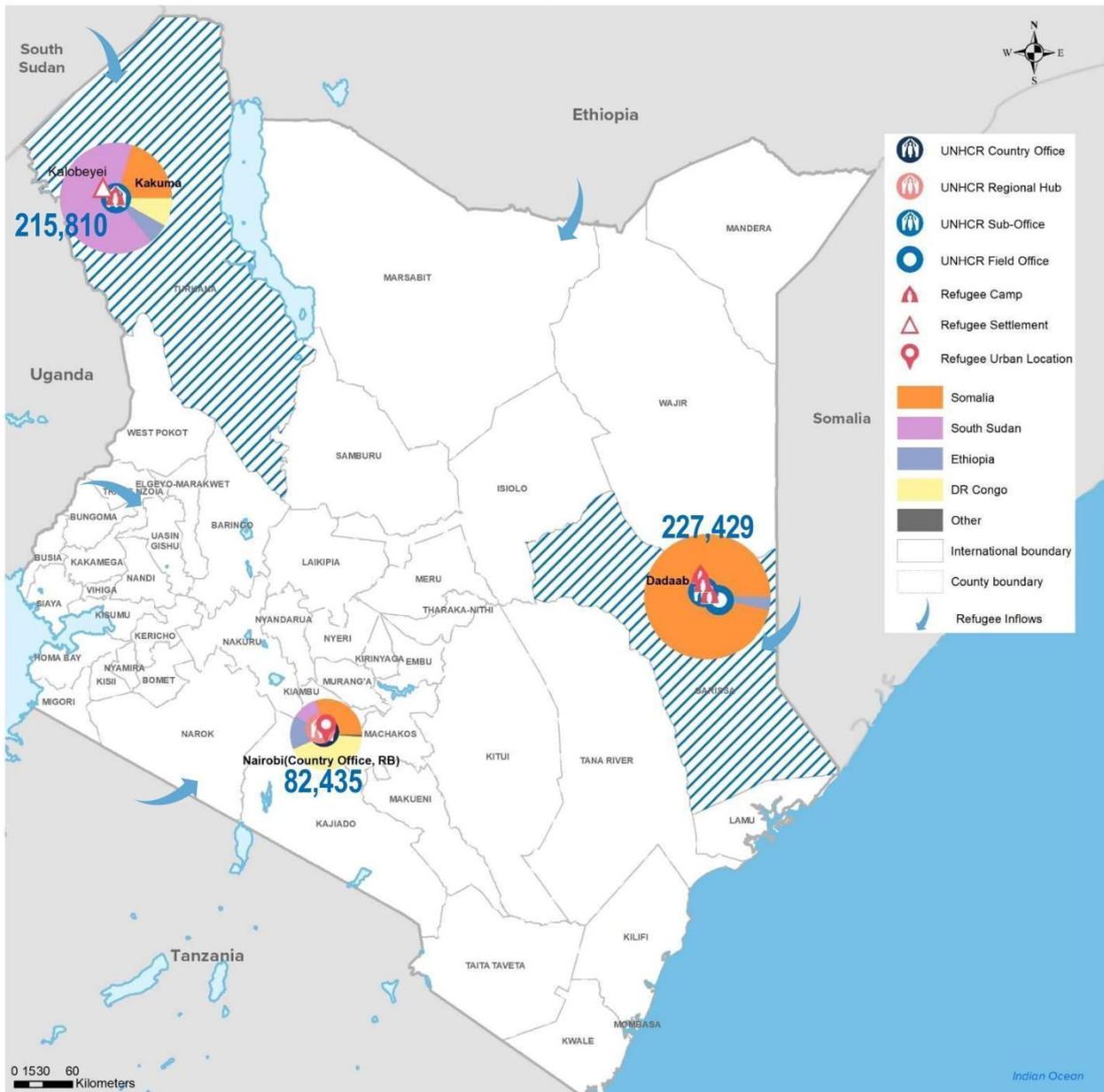
COUNTRIES OF ORIGIN



DEMOGRAPHICS



LEGAL STATUS



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Sources: UNHCR Kenya. Statistics based on UNHCR's Refugee Registration System, proGres Author: UNHCR Kenya – DIMA Unit, Nairobi Feedback: kennaodm@unhcr.org

1.2 The Opportunity to Create Digital Livelihoods for Refugees in Kenya

The International Labour Organization defines digital livelihoods as a broad term that encompasses digital education and trainings in digital skills, work on digital labour platforms, work that leverages digital skills, and small-scale digital entrepreneurship that relies on digital tools and e-commerce.⁹

Globally, the mainstreaming of digital livelihoods has been fuelled by the rise of the gig economy and the digitalization of work through online work platforms. These platforms enable organizations and firms to source freelance work from around the world, which creates an opportunity for displaced persons to participate as freelance consultants to offer a range of skills including, but not limited to, translation and interpretation, data entry, and administrative support to companies.¹⁰ Freelance consulting thus opens up new opportunities, markets, and networks to people who would otherwise be marginalized from mainstream economic avenues by virtue of their displacement. Indeed, the remote and mobile nature of digital work could enable displaced persons, including refugees, to navigate local work restrictions and bypass informal work barriers such as xenophobia.¹¹ For employers, engaging refugees online provides access to a broader talent pool that offers affordable services that do not require the company to make long-term commitments. This could be particularly valuable for start-ups and Small and Medium-sized Enterprises (SMEs).¹²

Despite these potential benefits, there remain key barriers that must be addressed in order to facilitate easier access to digital livelihoods for refugees in camps around the world, including those in Kenya. In addition to the legal and policy barriers mentioned previously, general digital access barriers such as age, gender, and education-level disparities, as well as access to smartphones and mobile internet, negatively impact refugees' access to digital livelihoods and work opportunities. Other barriers include the cost of computer and mobile hardware, payment mechanisms, and the diverse social and economic contexts of each location and refugee population. Specifically in Kenya and Uganda, the most salient barriers for refugees include structural inefficiencies of poor digital literacy, limited awareness about available digital opportunities, poor connectivity and electricity, high cost of mobile data, and cost of mobile and computer hardware.¹³

9. ILO, Digital refugee livelihoods and decent work. 2021. Available from https://www.ilo.org/wcmsp5/groups/public/--dareports/--dda_p/documents/publication/wcms_780060.pdf

10. UNDP, Digital Livelihoods for People on the Move. 2019. Available from <https://www.undp.org/publications/digital-livelihoods-people-move>

11. UNDP, Digital Livelihoods for People on the Move. 2019.

12. World Bank, Online outsourcing: A global job opportunity for everyone? 2016. Available from <https://blogs.worldbank.org/developmenttalk/online-outsourcing-global-job-opportunity-everyone>

13. ILO, Digital refugee livelihoods and decent work. 2021.

1.2 The Opportunity to Create Digital Livelihoods for Refugees in Kenya (cont.)

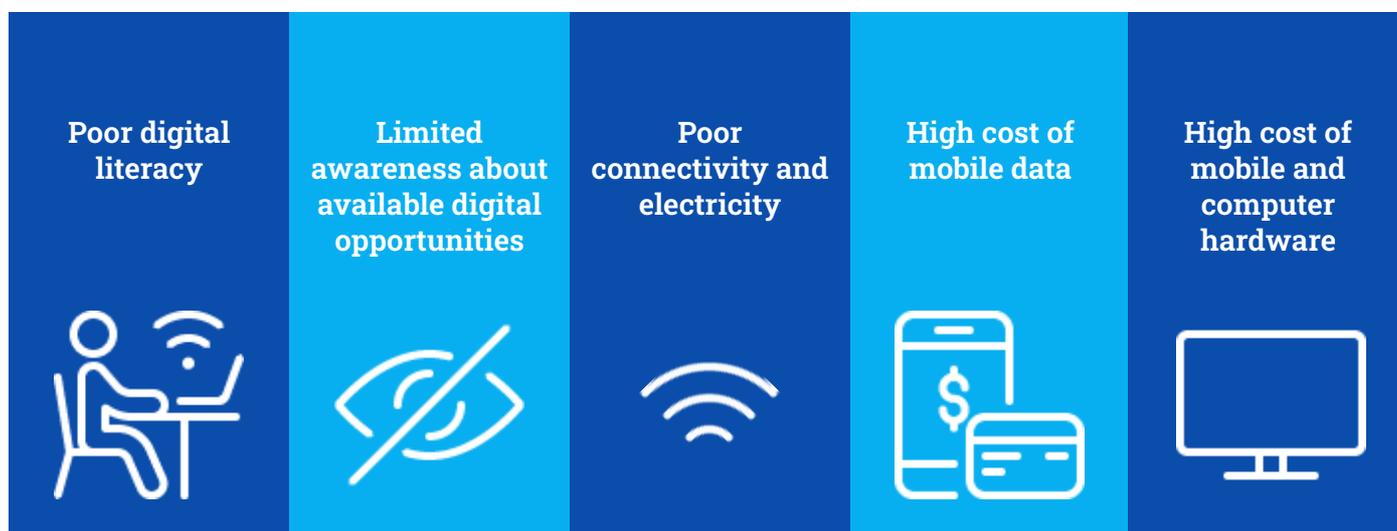
These identified barriers provide an entry point and opportunity for programmes such as ITC’s Refugee Employment and Skills Initiative (RESI), implemented in partnership with the Norwegian Refugee Council (NRC), to address the challenges refugees face in accessing online work in order to facilitate access to the benefits of such work. By equipping refugees and their host communities with a more digitally oriented set of skills, and connecting them to relevant online markets, RESI is expanding work opportunities beyond traditional areas like farming, tailoring, carpentry, and welding¹⁴ – offering an opportunity to build sustainable economic self-reliance.

¹⁴ UNHCR Kenya, Livelihoods. 2021.
<https://www.unhcr.org/ke/livelihoods>

In this context, a key strategy for refugee economic inclusion through the promotion of digital livelihoods is to build strategic connections with the private sector, a key rationale for the development of this current report. The private sector is a key partner through which to understand and create linkages to the local market. The sector’s players can create jobs, act as clients or buyers [of services], and provide input into discourse around what job skills and expertise are relevant for businesses in the local economy. In the context of refugees and digital livelihoods, the private sector can create jobs for freelancers and freelance agencies. It has the potential to magnify the engagement of refugees in a more sustainable way by investing in refugees and refugee businesses when outsourcing business needs.

In the next section, we take a brief look at Kenya’s private sector within the context of the broader domestic economy.

Figure 2. Key barriers to accessing digital livelihoods for refugees in Kenya. ILO (2021).



1.3 Economic Context and Private Sector Landscape in Kenya

Kenya is currently ranked among the fastest growing economies in Africa.¹⁵ The country has the largest economy in East Africa and the second largest economy, measured by gross domestic product (GDP), in sub-Saharan Africa.¹⁶ Kenya's private sector accounts for about 70 percent of total formal employment, 80 percent of GDP, and the bulk of export earnings in the country.¹⁷ The growth of this sector is therefore inextricably linked to the growth of the country's overall economy and the welfare of both its citizens and others in the sub-region.

Furthermore, and pertinent to the digital livelihoods of refugees, Kenya has one of Africa's strongest services sectors. The services sector consists of wholesale and retail trade (including e-commerce), restaurants and hotels, transport, storage and communications, finance, insurance, business services, and community, social and personal services.¹⁸ These are business activities that are highly relevant to the online work discourse. The services sector contributed nearly half (42.19%) of the GDP in 2020¹⁹, with its growth supported by a robust technology-led innovation and entrepreneurial ecosystem, growing internet connectivity, and rapid expansion of the information and communication technology in the country.²⁰ If properly leveraged, this sector in particular could offer strong and sustainable pathways to advance refugee economic inclusion in Kenya.

15. Global Data, Morocco, Kenya and Ghana to be the fastest-growing major economies in Africa in 2021. 2021. Available from <https://tinyurl.com/fastestgrowthafrica>

16. Statista, African countries with the highest Gross Domestic Product (GDP) in 2021. 2021. Available from <https://www.statista.com/statistics/1120999/gdp-of-african-countries-by-country/>

17. World Bank, Shifting Kenya's Private Sector Into Higher Gear. 2016. Available from <http://documents1.worldbank.org/curated/en/795831468184766263/pdf/105194-WP-P158356-PUBLIC-Private-Sector-Note.pdf>

18. ILO, Key Indicators of the Labour Market. 2015. Available from https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_422402.pdf

To better understand the opportunities that exist for upskilling and creating private sector linkages for refugees, the rest of this report examines the following key questions:

Box 1. Key questions explored in this study:

- 1. What are the current trends in Kenya's digital economy?**
This question explores the channels of outsourcing, types of outsourced jobs, and recipients of outsourced opportunities in Kenya.
- 2. What is the level of awareness within the Kenyan private sector regarding the possibility of outsourcing work to refugees? Is the private sector willing to outsource work to refugees?**
- 3. What is the capacity of the private sector to outsource work digitally, and of refugees to access digital work?**
- 4. To what extent is there an enabling environment for private sector actors in Kenya to engage refugees, and for refugees to access digital work?**

An understanding of these dynamics will lay a foundation to create an actionable roadmap for relevant stakeholders in Kenya to support refugee economic inclusion through digital services or other technology-enabled opportunities.

19. Statista, Kenya: Share of economic sectors in the gross domestic product (GDP) from 2010 to 2020. 2021. Available from <https://www.statista.com/statistics/451143/share-of-economic-sectors-in-the-gdp-in-kenya/>

20. IFC, Creating Markets in Kenya: Country Private Sector Diagnostic. 2019. Available from https://www.ifc.org/wps/wcm/connect/publications_ext_content/ifc_external_publication_site/publications_listing_page/cpsd-kenya

2

DYNAMICS OF DIGITAL OUTSOURCING AND FREELANCING IN KENYA

2.1 Overview

To ascertain the dynamics of outsourcing and online work in Kenya, this report undertook a survey of randomly selected business representatives. The survey recorded 276 responses mainly from senior officers, senior managers, and CEOs across six job sectors as shown in Box 2. This group represents leaders who are capable of making outsourcing decisions for their companies and who are well-positioned to make sound predictions about their companies' outsourcing activities in the future. The surveys were complemented with 10 key informant interviews with refugees as well as members of private sector organizations such as the Kenya National Chamber of Commerce and Industry (KNCCI), Kenya Private Sector Alliance (KEPSA), and the Amahoro Coalition.

According to the surveyed business leaders, the online job market in Kenya and in East Africa is developed and has no significant legal, policy, or regulatory barriers to outsourcing tasks to online freelancers. In fact, the current study found that at least 92% of surveyed business leaders in Kenya's private sector are already outsourcing tasks through digital platforms to freelancers (Figure 3). However, a majority of survey respondents were unsure whether the freelancers who had completed the outsourced tasks were refugees (Figure 4) and whether it is legal to outsource work digitally to refugees. Interviews with selected private sector actors who had previously engaged refugees for online work revealed that only a few of them fostered such engagement to a significant or frequent extent. This raises questions about what opportunities might exist for development and humanitarian agencies to foster deeper collaboration between refugee online workers and Kenyan firms.

Box 2. Business Sectors of Survey Respondents and Interview Participants:

- Architecture and Construction
- IT and e-Commerce
- Manufacturing
- Media, Entertainment and Advertising
- Professional Services
- Retail, Transport and Distribution

Figure 3. 92% of surveyed business in Kenya outsource tasks through digital platforms

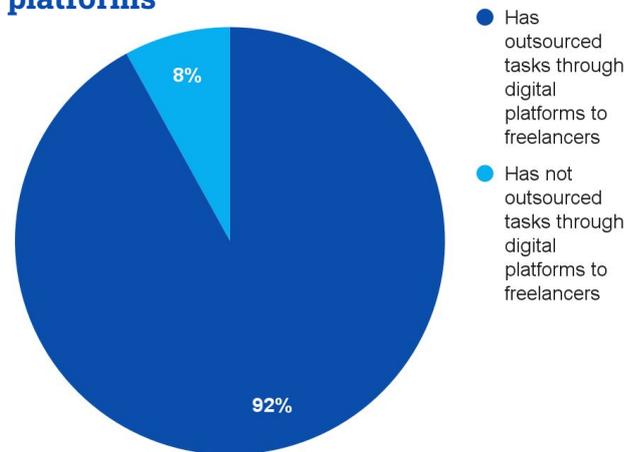
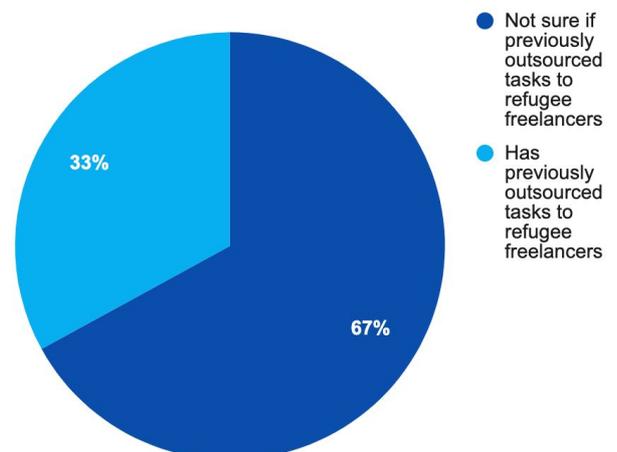


Figure 4. Majority of surveyed business leaders are not sure if the tasks they outsourced were completed by refugees

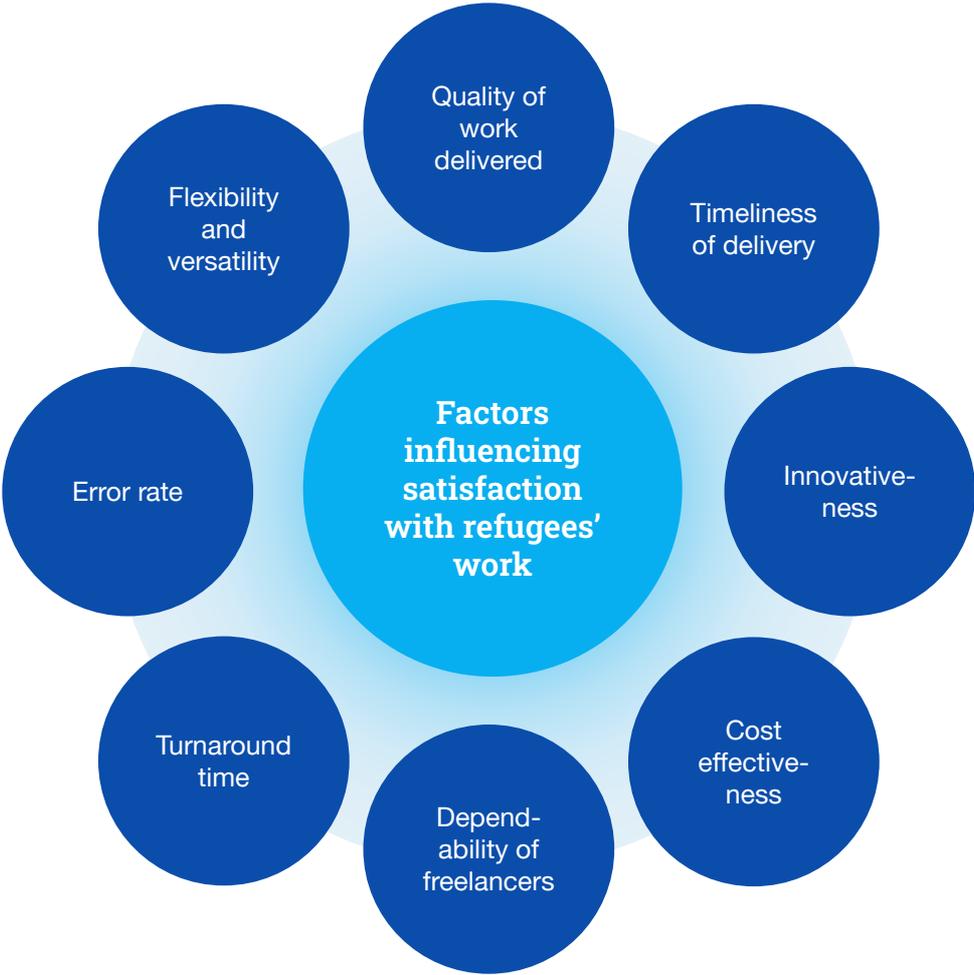


2.1 Overview (cont.)

Based on their current practices and predictions about their future needs, all survey respondents indicated that their companies would outsource some of their tasks to freelancers working from remote locations in the future. They also provided assurance that they would be willing to engage refugees as freelance workers as long as there are no legal or regulatory constraints to doing so. These findings paint an optimistic outlook for humanitarian and development efforts that are aimed at deepening refugee economic inclusion by expanding access to digital opportunities.

Firms' willingness to engage refugees in the years ahead is underpinned by the fact that a majority of the companies that have previously engaged refugees as freelancers were at least moderately satisfied with their level of competency and the work delivered. Key informant interviews with business representatives highlighted quality of outputs, timeliness of delivery, innovativeness, cost-effectiveness, and the other factors shown in Figure 5 as the factors influencing satisfaction with refugees' work. These factors must be taken into account when designing soft and technical skills trainings for refugees to prepare them for the job market and increase their likelihood of success.

Figure 5. Factors Influencing Businesses' Satisfaction with Refugees' online freelance work. Source: Survey respondents.



2.2 Types and Recipients of Outsourced Jobs in Kenya

Building on the potential within Kenya's private sector to outsource digital work to refugees, it was necessary to understand what specific tasks, work areas or related technical competencies were most likely to provide online work for freelancers in the future. Survey results in this study show that one of the key competencies that employers will look for in freelancers include advanced computer skills such as strong proficiency with Microsoft Office applications. These skills are relatively easy to learn and thus do not pose a significant barrier to refugees' ability to access freelancing opportunities. However, through interviews, a closer examination was conducted of the key work areas that were most likely to have online jobs for freelancers, including refugees, in Kenya over the next few years. This examination revealed a broader set of technical skills that could strategically position refugees for success in the online job market.

Below is a list of nine core areas of work along with the technical skills that are relevant to each one. This information could serve as a guide for refugees and international organizations in terms of which skills to focus on during upskilling programmes that aim to drive economic inclusion through online work, targeting jobs with the private sector in particular.

It was also important to identify the specific sectors within Kenya's business ecosystem that have the strongest affinities for working with freelancers and refugees online. These sectors could serve as viable job market entry points for refugees and are discussed in further detail in section 2.3



Figure 6. Opportunity-skill mapping for refugee freelancers in Kenya.*

Work Opportunity Area	Suitable Digital Skills
Digital advertising	Content creation and basic design skills
Content development and article writing	Search engine optimization, Search engine marketing, Social media management
Website design and upgrading	Software: Adobe Illustrator, XD, Photoshop, Figma, Webflow, Gimp, Inkscape
Events management	Project management tools e.g. Trello, Asana, Basecamp
Accounts reconciliation and bookkeeping services	MS Office 365, Accounting software packages e.g. QuickBooks and Xero
Secretarial and clerical tasks	Calendar management software, MS Office 365
Call centres and customer care	Customer management software e.g. Zendesk, Good verbal communication skills
Photography and video editing	Photography and video editing software e.g. Photoshop
Language translation services	MS Office 365, Google Translate, DeepL

*Based on internal ITC analyses. This list serves as a starting point and should not be construed as a comprehensive guide. Direct engagement with specific businesses and their activities should be leveraged to achieve skill-opportunity alignment for refugees.

2.3 Sector-Specific Affinities for Working With Freelancers Online

As mentioned earlier, the business leaders surveyed and interviewed as part of this study were spread across six business sectors in Kenya (Box 2). Although respondents in all six sectors expressed a willingness to engage refugees in online work and take the necessary steps to accommodate them, this willingness was strongest in the media, entertainment and advertising sectors, as well as the professional services sector, as shown in Figure 7 below.

The entertainment and media market encompasses various broadcasting mediums including newspapers, magazines, TV and radio, and popular forms of entertainment such as film, music, and books.²¹

21. Statista, Value of the global entertainment and media market from 2011 to 2024. 2021. Available from <https://www.statista.com/statistics/237749/value-of-the-global-entertainment-and-media-market/>

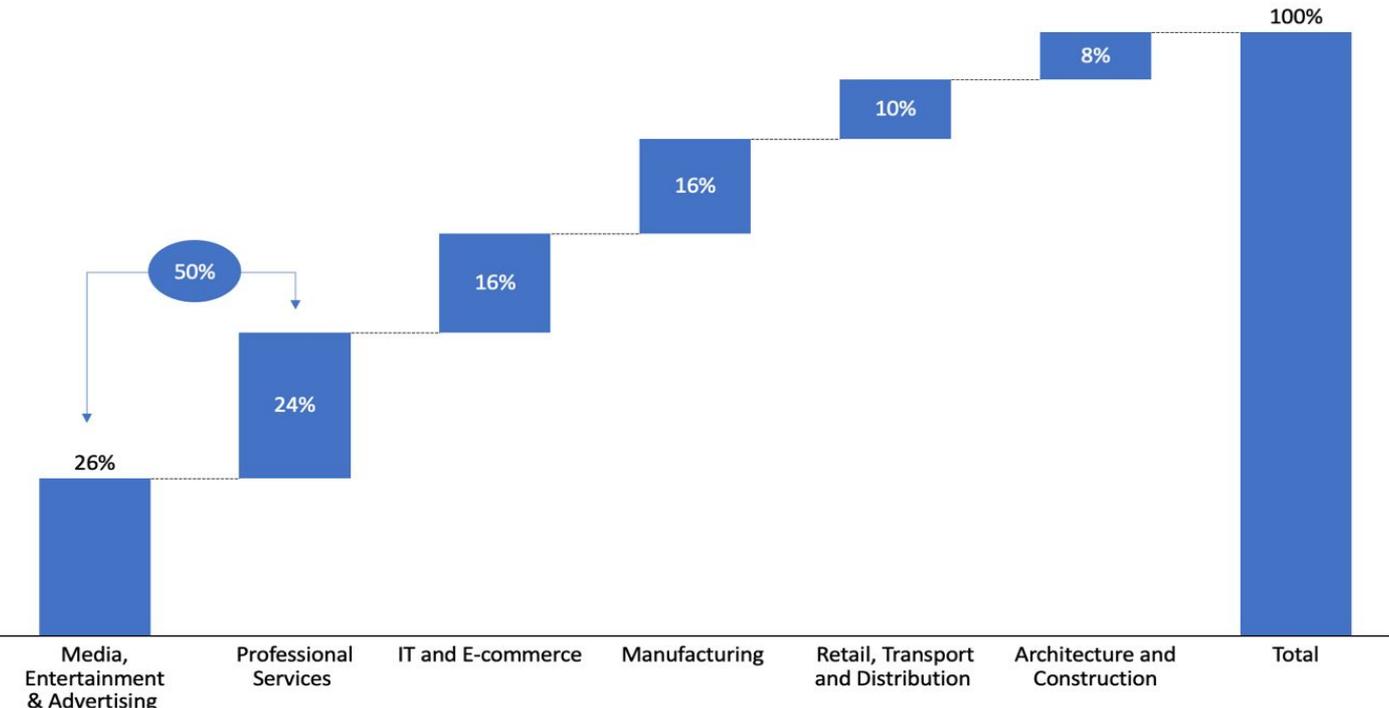
Growth in this sector has been fuelled by strong and growing demand for digital content and advertising, especially following the decline of in-person entertainment caused by the COVID-19 pandemic.²²

Globally, spending on internet advertising is growing. In the United States, this expenditure rose by 9% in 2020 and is projected for strong growth over the next five years. This is important for the Kenyan digital work context because although the outsourcing landscape is growing locally, the bulk of the digital work that refugees do is from international, often US-based, organizations such as companies contracting freelancers through platforms like Upwork.²³

22. PwC, Entertainment & media revenues rebounding strongly from pandemic slump. 2021. Available from <https://www.pwc.com/gx/en/news-room/press-releases/2021/global-entertainment-media-outlook-2021.html>

23. Source: Key informant interview with refugee

Figure 7. Ranking of business sectors’ willingness to engage refugees digitally and take the necessary steps to accommodate them.*



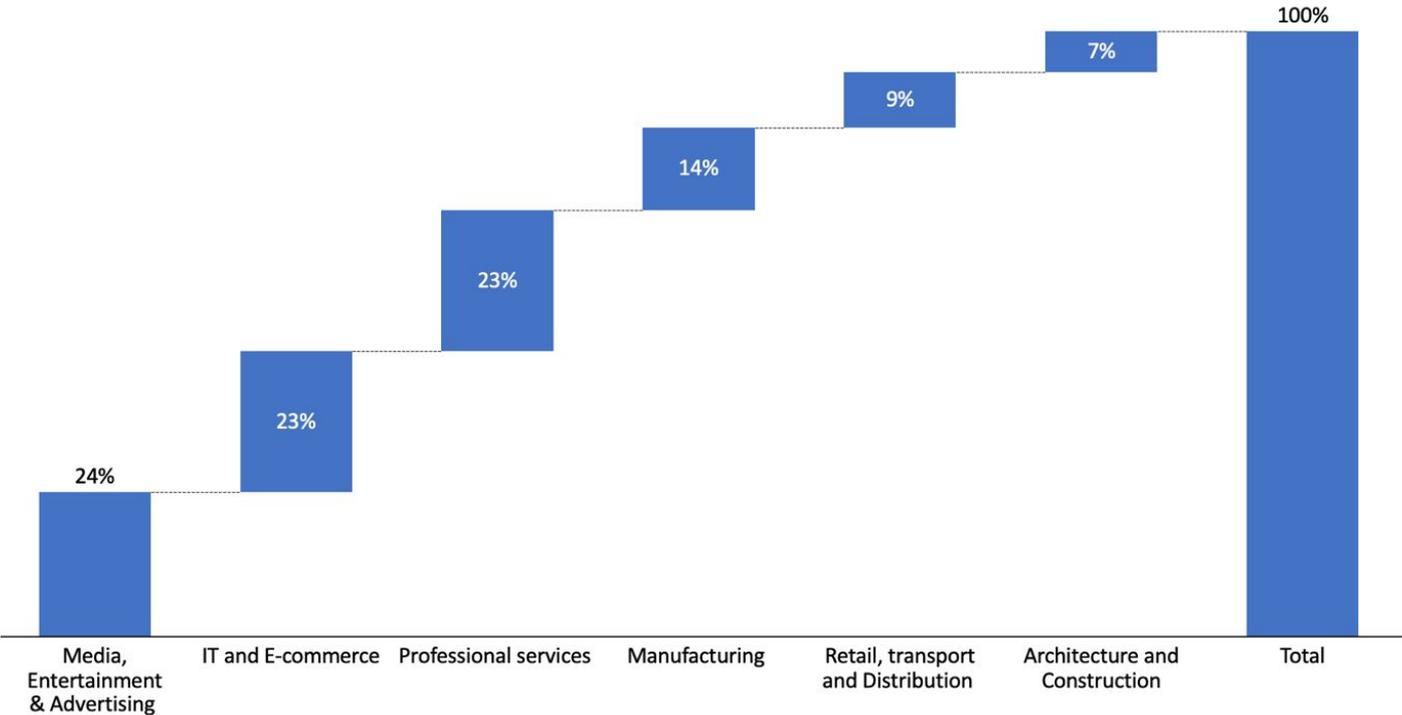
*Data is based on scores provided by survey respondents and an analysis of each sector’s score share out of the total points available.

2.3 Sector-Specific Affinities for Working With Freelancers Online (cont.)

In addition to the entertainment and media market, another business sector where business leaders demonstrated strong willingness to engage refugees in online work is in the professional services sector. Business owners and executives in this sector, as well as those in the IT and e-Commerce sector, have the second strongest history of outsourcing tasks to digital platforms according to survey results, as shown in Figure 8.

As shown in Figures 7 and 8, the retail, transport and distribution sector, and the architecture and construction sector, have the lowest rankings in terms of willingness to engage refugees digitally and history of outsourcing work to digital platforms. These results suggest that private sector linkage programmes need to take a sector specific approach when connecting refugees to markets. Targeted and evidence-based investments in the sectors showing a robust track record of digital outsourcing and a strong willingness to engage refugees in online work could increase the chances of creating jobs, improving livelihoods, and delivering impact both for refugees and firms.

Figure 8. Ranking of business sectors’ history of outsourcing tasks to digital platforms where tasks are executed by freelancers working from remote locations.*



*Data is based on scores provided by survey respondents and an analysis of each sector’s score share out of the total points available.

2.4 Outsourcing Channels

Across sectors, the channels through which businesses outsource work to freelancers, including refugees, were consistent. The majority of survey respondents, up to 75%, reported the combined use of online job sites and business process outsourcing companies for outsourcing their work. Key informant interviews further highlighted the main job sites through which businesses currently connect or have previously connected with freelancers, as shown in Figure 9.

The finding that most businesses use more than one channel for outsourcing points to the importance of refugees being registered both on freelancing platforms and on the rosters of BPO companies. It may also be valuable for refugees and development organizations to reach out directly to the HR departments of firms in order to build relationships that could translate into freelance work opportunities in future. Finally, supporting refugees and host community freelancers to form business collectives that can register as vendors or small BPO companies could also increase access to work opportunities with private sector actors.

Figure 9. Main outsourcing platforms for Kenyan businesses



2.5 Salient barriers

So far, this report has discussed the rise of the gig economy and online work, the potential benefits refugees could derive from freelancing, the types and recipients of online work opportunities, the easier to access business sectors for freelancing, and the channels for accessing freelance work.

The positive outcomes that these findings could collectively deliver, from a private sector engagement point of view, are however constrained by a limited awareness within Kenya's private sector about the competencies of refugees and the opportunities that exist to work with them. Key informant interviews reveal that many business leaders are unaware or unsure of the legality of employing and working with refugees. While the process of hiring refugees may be somewhat complicated, it is certainly not illegal to conduct such hiring in Kenya.

Indeed, the rise of digital work, online outsourcing and microentrepreneurship promises to significantly simplify the process of finding and working with talented refugees. Still, the policy environment – particularly those policies that restrict the mobility of refugees – poses a challenge as businesses may occasionally need remote service providers to complete site visits for specific aspects of a job.

Immediate efforts to deepen refugee economic inclusion through digital work must therefore take these barriers into account. In the next section, we propose recommendations for increasing private sector awareness, expanding visibility for refugees, strengthening the entrepreneurship ecosystem, addressing digital barriers, and tackling the restrictive policy status quo.



3

RECOMMENDATIONS FOR ADVANCING REFUGEE DIGITAL LIVELIHOODS IN KENYA

3.1 Recommendations Overview

Based on the derived understanding of the dynamics of outsourcing and online freelancing in Kenya, as well as the opportunities and challenges refugees face within this context, the following recommendations aim to outline an actionable roadmap for relevant stakeholders to support refugee economic inclusion through digital services or other technology-enabled opportunities.

These recommendations, also shown below in Figure 10, include the following:

1. Increase the awareness of private sector actors regarding the potential to work with refugee freelancers.
2. Expand the visibility for refugees and their service offering.
3. Strengthen the entrepreneurial ecosystem in camp settings.
4. Address policy challenges.

These themes are explained in further detail in the coming sections of this chapter.

Figure 10. Recommendations



3.2 Increasing Private Sector Awareness of Refugee Freelancers

Leverage Private Sector Coalitions for Business-to-Business Experience Sharing.

Private sector coalitions are a valuable platform where companies can share and exchange first-hand experiences about working with refugees. The reporting of first-hand experiences can, in turn, serve as a powerful tool for boosting more businesses' confidence to hire refugees as freelancers. Existing coalitions such as the Amahoro Coalition in Kenya represent a viable entry point for development and humanitarian agencies looking to mobilize the private sector to create more digital jobs for refugees. Existing coalitions could be supported to expand their membership and to create thematic sub-groups that respond to the specific needs of members working in different sectors.

Design Sensitization Programmes that are Tailored to each Sector within the Broader Economy.

As mentioned earlier, different sectors have varying levels of willingness to engage, or familiarity with engaging, freelancers or refugees. Sensitization programmes should take these differences into account to ensure delivery of relevant and actionable information to private sector actors. For example, whereas the manufacturing and construction sector may need sensitization that is designed as an introduction to the outsourcing and freelancing environment, the media and entertainment sector may need specific information on where to find refugee freelancers, contract structuring and pricing, etc.

Develop Country-Specific Guides for Hiring Refugees.

In addition to the tailored sensitization programmes mentioned previously, there is also a need to develop brief country-specific and cross-sectoral guides for engaging refugee freelancers – including approaches to navigating country-specific legal constraints and hiring processes. This could be particularly useful for Small and Medium-sized Enterprises (SMEs) – which make up 98% of all businesses in Kenya²⁴ – given that they are more resource-constrained in terms of staff and capital. The digital refugee engagement guide could facilitate access to a broader talent pool offering affordable services that do not require SMEs to make long-term commitments. This could ultimately contribute to business sustainability with attendant positive impacts on businesses' appetite for refugee engagement.

24. ITC, Promoting SME Competitiveness in Kenya. 2019. Available from https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/Kenya_SME_Comp_final_low_res.pdf

3.3 Expanding Visibility for Refugees

Establish a National Database of Refugee Freelancers and their Respective Skills.

The current study found that most local businesses that actively outsource work digitally use a combination of local and global platforms, as shown earlier in Figure 5. However, there is no way to distinguish between refugees and other freelancers on any of these platforms. Establishing a national database of refugee freelancers, the trainings they have completed as evidenced by certificates, their skill proficiency levels as evidenced by work experience, and the platforms on which they are registered, could boost visibility for refugees and enable local businesses to conduct more targeted searches for refugee freelancers when using online work platforms. It is important to ensure that the national database does not replace but rather complements existing online work platforms.

Support Social Media Marketing for Refugees by Refugees.

A bottom-up approach to boosting visibility for the work of refugee freelancers could entail ensuring that each refugee and refugee camp is active on all mainstream social media platforms. Refugee freelancers should receive training on effective social media marketing for their personal freelance businesses. At the same time, each camp should have a social media coordination team that comprises refugees driving publicity of trainings delivered by humanitarian and development agencies, the top skills mastered by refugees in the camp, and channels through which businesses can access camp residents for online work. This approach empowers refugees to take control of their own visibility in the online job market while reducing dependency on aid agencies for this purpose.



3.4 Strengthening the Entrepreneurial Ecosystem in Camps

Ensure that Training Delivered to Refugees is Forward-thinking and Responsive to the Future of Work.

Development and humanitarian agencies should invest in expanding skills training beyond traditional areas like farming, tailoring, carpentry, welding, and basic trade. While these skills remain relevant for refugees, especially camp residents with lower education levels, it is important to target refugees who have high levels of education and basic computer proficiency with a more digitally oriented set of skills, such as those listed earlier in Figure 6. This tailored approach to skills training could reduce saturation in traditional areas and ensure that refugees do not get left behind as significant shifts in work and the global economy continue. Related to the need for digital skills is the need to provide digital devices at no, or subsidized, cost in order to enable refugees to overcome the mobile and computer hardware challenges discussed earlier.

According to the Key Informant Interviews, complementary skills will also be crucial to facilitate successful online work, including, but not limited to, time and quality management to meet quick turnaround times with minimal errors, creativity and innovation to ensure value for money for clients, and flexibility with client demands.

Foster Partnerships with Telecommunications Companies and Internet Service Providers to Ensure Connectivity is Sufficiently Reliable to Support Online Activities Including Digital Work and Advertising.

Development and humanitarian agencies should leverage their resources to incentivize service providers to enhance internet connectivity in refugee camps by installing or upgrading the infrastructure through, for example, the creation of high-speed Wi-Fi zones within refugee camps. Development agencies could leverage sustainable energy sources such as solar power to ensure that these Wi-Fi zones have electricity 24 hours a day and all year long. Mobile data could also be offered at no cost to refugee freelancers at the onset of their business and subsequently at a subsidized rate to safeguard business sustainability by keeping expenses low.

Foster Partnerships with Local Community Actors to Ensure Knowledge Sharing and Coordinated Support for Businesses and Digital Entrepreneurs in Garissa or Turkana County.

To enhance local ecosystems, such as the business community in Garissa or Turkana County, humanitarian and development actors should develop strong linkages with relevant business, government, or community actors. This will ensure awareness of available services and avoid gaps or overlaps in delivery. This can be done through simple information sharing platforms, such as quarterly newsletters, creation of a working group on digital entrepreneurship in each county, or other relevant mechanisms.

3.5 Addressing Policy Challenges

Build Alliances that Create Private Sector Incentives Related to Refugee Employment.

Development and humanitarian agencies should consider facilitating the creation of alliances that include the agencies themselves, the private sector, and the government for the purpose of co-creating schemes to promote refugee employment. These schemes could include tax incentives, public and national recognition of companies supporting marginalized communities, and the creation and provision of access to finance earmarked for impact sourcing. Such schemes and activities could boost the ‘impact sourcing’ profile of companies and strengthen their market reputation as promoters of social good while simultaneously reducing refugees’ reliance on aid. To incentivize the creation of these schemes, development agencies should consider tracking and measuring the benefit of employing refugees through online work and using the data to motivate relevant stakeholders to take action both at the policy and private sector action levels.

Collaborate for Inclusive Policy Changes.

Development and humanitarian agencies should work with national and county governments to review inclusive policies in the private sector in favour of refugees in the same category as disadvantaged groups, such as women, youth, and people with disabilities. At the same time, relevant organizations could assess the feasibility of engaging county and host communities to promote policies favourable for online work.

Advocate for the Implementation of Relevant Regional Agreements.

There is a need for development partners to advocate for implementation of the regional agreements such as the Kampala Declaration on jobs, livelihoods and self-reliance for refugees, returnees and host communities signed in 2019 by the Intergovernmental Authority and Development (IGAD). This will promote refugees’ right to work in Kenya and potentially in the sub-region. Development partners should also consider working with the East African Commission (EAC) to create standard procedures for managing the employment and contracting of refugees in various refugee camps. This will be handy for beyond-the-border outsourcing, which would provide a larger pool of talent for companies in the sub-region as well as broader work opportunities for refugees.

4

CONCLUSION

Conclusion

This report set out with an objective to explore the extent to which digital livelihoods represent a viable opportunity to create sustainable economic self-reliance for refugees in Kenya. It aimed to provide an understanding of the market dynamics in Kenya as far as private sector engagement in digital outsourcing is concerned. The report also sought to uncover the opportunities that exist for upskilling refugees and creating private sector linkages for refugees towards the broader goal of deepening refugee economic inclusion in Kenya.

The research findings point to an existing and growing online gig economy in Kenya, as well as an appetite within the country's private sector for outsourcing work to freelancers working online from remote locations. Although surveyed business leaders believe there are no policy or regulatory restrictions to engaging freelancers online, a majority of them remain uncertain as to whether this policy and regulatory freedom applies to refugee freelancers as well. In addition to the challenges that this gap in awareness creates, refugees face additional barriers in the form of structural inefficiencies related to internet and electricity access, limited awareness about available digital work opportunities in the country, and limited freedom to travel outside their designated camps in case a freelance assignment requires it.

The study also found that, overall, business leaders in all the covered sectors are willing to outsource work specifically to refugee freelancers – barring any legal and policy restrictions – and take the necessary steps to accommodate them. However, the strength of this willingness varies across sectors just as differences exist in the extent to which various sectors have previously engaged refugees through online work.

Based on the identification of the benefits that digital work could inure to refugees, an understanding of the barriers that refugees face in accessing and executing online freelance opportunities, and the sector-specific differences that are pertinent to creating work opportunities for refugees, this report has put forward a series of recommendations that are relevant not only to Kenya, but potentially to the East African Community at large.

The study confirms that mainstreaming refugees in the economy through online work is a viable and sustainable way of improving their livelihoods. A deeper collaboration between development and humanitarian actors, the private sector, and the government to implement the recommendations in this report could create important opportunities for refugees, reduce the latter's reliance on external assistance, and contribute to sustainable economic development in Kenya and East Africa.

Appendix I

About the International Trade Centre, Amahoro Coalition, and Norwegian Refugee Council

The [International Trade Centre \(ITC\)](#) is a joint agency of the United Nations and the World Trade Organization, focusing in particular on developing the export capabilities of small and medium-sized businesses in developing and transition economies. ITC is 100% "Aid for Trade", supporting trade that delivers inclusive and sustainable development results.



International
Trade
Centre

[The Amahoro Coalition](#) is an African-led initiative convening multi-sector actors from across the region to accelerate private-sector leadership in driving sustainable market-based interventions that advance economic inclusion for displaced populations. Amahoro's mission is to engage and enable the African private sector to expand access to education and livelihood opportunities for refugees while creating value for African businesses and society. ITC has built a partnership with the Amahoro Coalition, which is working to increase participation of the private sector in expanding livelihoods for displaced populations in East Africa.



THE
AMAHORO
COALITION

The [Norwegian Refugee Council \(NRC\)](#) is an independent humanitarian organisation working to protect the rights of displaced and vulnerable people during crises. NRC provides assistance to meet immediate humanitarian needs, prevent further displacement and contribute to durable solutions. NRC is Norway's largest international humanitarian organisation and widely recognised as a leading field-based displacement agency within the international humanitarian community. NRC is a rights-based organisation and is committed to the humanitarian principles of humanity, neutrality, independence, and impartiality. NRC is registered as a foundation under Norwegian law.



NORWEGIAN
REFUGEE COUNCIL

Appendix II

Overview of Refugee Employment and Skills Initiative (RESI)

Since 2017, ITC has been delivering trade-led, market-based solutions to promote economic opportunities for people in contexts of vulnerable migration and forced displacement. One of the primary methods ITC applies in such contexts is the Refugee Employment and Skills Initiative (RESI).

RESI deploys innovative ways to address livelihood development in protracted humanitarian situations. The RESI approach harnesses productive potential and works towards building market connections for the benefit of refugees and local communities to enhance shared growth. Central to RESI's approach is its two-fold intervention, promoting the development of commercially valuable skills for refugees and host communities alike while supporting local small and medium-sized enterprises (SMEs) in creating value and employment in the host countries through increased national, regional, and international business.

The initiative's solutions create jobs and generate income for refugees and their host communities in order to build self-reliance and foster economic resilience. RESI tailors its activities with targeted private and public partnerships, builds strong market connections, and brings capacity building to the next level through relevant network connections and mentorship. With this approach, RESI ensures newly acquired skillsets translate into actual income gains and job creation.

RESI has been implemented in Kenya since 2016 in partnership with the Norwegian Refugee Council (NRC), focusing on the home décor and digital services sectors. These two sectors were chosen after a market assessment carried out considering multiples aspects, from the legal environment to the competitiveness potential of these sectors.

The digital services sector is particularly promising, as businesses are inclined to establish a presence online, attract clients, market their services/products, and have the opportunity to outsource tasks to online freelancers. This is even more relevant in the context of the COVID-19 pandemic. For refugees and the host community in Kenya, the digital services sector offers a window of opportunity to increase their income in a restrictive policy environment.

Phase I of the RESI project was launched in Dadaab in 2017. The project supported refugees and the host community to build digital skills for online freelancing, and connect them to international markets and jobs. RESI Dadaab Phase II continues to build on this work, targeting new freelancing markets and working to enhance the business ecosystem of Dadaab. A key component of this work was the development of roadmaps to increase economic opportunities for refugee communities. Based on the Garissa County Entrepreneurship Ecosystem mapping²⁵ and project experiences, it was decided that a practical approach to enhancing the engagement of private sector actors in providing such economic opportunities for refugees was necessary. This led to the commissioning of this particular study.

25. This was the first road map done by the project.