Digital refugee economies in Nairobi: opportunities and challenges

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Drawing on a collaborative and participatory research initiative conducted in partnership with refugee-led organisations – Kintsugi RLO and Youth Voices Community – this article sheds light on the existence, potential and drawbacks of 'digital livelihoods' for refugees.

In recent years, digital work has emerged as a promising avenue for socio-economic development and addressing unemployment issues in both refugee and host communities. Digital labour platforms (e.g. websites helping match workers and clients for tasks performed fully online) and the online gig economy (the economy of flexible, temporary, or freelance work performed online) could hold significant potential for creating new work opportunities, especially for young people.

While increasing attention is paid to digital work for refugees and other displaced people, there is a gap in the recognition of the variety of actors – specifically refugees themselves, including through refugee-led organisations (RLOs) – who support refugees to enter the digital economy. In Kenya, refugees have developed their own digital initiatives, both personally and collectively as digital entrepreneurs. This often occurs through capitalising on their local networks and diaspora connections.

These initiatives are well suited to refugees' needs and realities, offering more flexibility with time and ways to receive payment (as the majority of refugees do not have bank accounts and must find alternative ways to be paid). Increasing discussion and documentation on these refugee-led initiatives, including the impact they have on refugees and their own organisational challenges and barriers, can improve understanding of how digital livelihoods for refugees are fostered, including barriers, successes and outstanding needs. This, in turn, illuminates the potential role of digital work for refugees, particularly as part of local integration.

The digital work landscape in Kenya and its challenges

Examining refugees' engagement in the digital economy in Kenya, including the work of RLOs in fostering digital literacy and access to work, sheds light on how national regulations impact opportunities for entry and sustained involvement in digital work. Alongside being a major refugee-hosting country, hosting over 650,000 registered refugees and asylum-seekers (as of September 2023), Kenya is widely known as the regional ICT hub in East Africa.

Kenya leads regionally in broadband connectivity, general ICT infrastructure, mobile money and mobile banking. Opportunities presented by the digital economy have become the new neo-liberal mantra, with promises of fast, individual success online. To help this materialise, multiple humanitarian and development projects in Kenya have

been designed to enable refugees to conduct remote work. One example is the Dutch government-funded initiative PROSPECTS (Partnership for improving prospects for forcibly displaced persons and host communities), which specifically supports digital employment initiatives and empowerment in different areas of Kenya such as Eastleigh (Nairobi), Turkana and Garissa.

Despite existing initiatives, refugees in Kenya still face challenges accessing decent digital livelihood opportunities, including in the gig economy. The new Refugees Act, which came into effect in February 2022, has been described as progressive by RLOs. On paper, the Act grants more opportunities, rights, protections and solutions for refugees and asylum seekers to integrate socio-economically into the country (see a 2023 report by the Refugee Led Research Hub, Kituo Cha Sheria and RELON-Kenya). In 2023, the Government and UNHCR announced plans to transition refugee camps into integrated settlements that promote socio-economic inclusion. This multi-year plan, known as the *Shirika Plan,* builds on the 2021 Refugee Act and provides refugees with broader rights in Kenya, aiming to enable access to documentation and increase social and economic opportunities for refugees.

However, in reality, the Refugee Act has not yet been fully implemented and significant legal obstacles for refugees persist. For example, despite the government recognising refugee identity documents as legal documents, many refugees attempting to integrate into the digital economy are unable to open bank accounts because their refugee identity cards are not recognised by digital work platforms. Consequently, they are forced to depend on other people with more 'recognised' documentation, such as national ID cards and passports (either locally or transnationally), in order to access their online earnings; this can lead to additional transaction costs. While the Act has only been in force for a year at the time of writing, little tangible progress is apparent. In addition, many refugees must resort to using or even purchasing other people's accounts to access job opportunities. This opens up another range of risks such as wage theft or delays in receiving payments owed. Compounding this, the real obstacles to securing a Kenyan work permit, registering a business and obtaining a Kenya Revenue Authority (KRA) PIN to file taxes mean that the opportunities for refugees to advertise registered businesses online are negligible.

Refugee-led initiatives facilitating access to work online

Despite these significant challenges, there are various refugee initiatives promoting digital work. One workaround refugees have identified to the challenges outlined above is a collective online work account, which (when ethically executed) can pave the way for refugees to build their experience and reputation, earn a substantial income and access mentorship opportunities. This collaborative approach can also foster a supportive environment that assists refugees in navigating the challenges of the digital world. One such example is the work of Mohammed, a Somali refugee, who decided to become an online freelancer in 2018 after growing up in Dadaab refugee camp. Instead of bidding for gig jobs as an individual, he opened up Desert Freelancing Agency on the online work platform UpWork. Opening up this business online was a way to work around the inability to start a legally registered company in Kenya as he is not allowed a work permit. He can now bid for work as a company on the platform and offer these jobs to approximately 50 colleagues in the camp. The company has now grown to offer voice-over, translation, transcribing and writing services, and many refugees now earn a livelihood through it. As Mohammed explained, "Getting a first task, a good job, or even good pay is difficult. But now, through the company, many other refugees are supported and connected to opportunities."

Some RLOs, such as Youth Voice Community (YVC) based in Kayole, a neighbourhood of Nairobi, offer a range of programmes encompassing financial and business literacy courses, training in tailoring skills, and a Digital Literacy Course. YVC places a strong emphasis on livelihoods in all its economic programming, aspiring to not only help refugees gain skills but also to facilitate access to income opportunities, thereby reducing refugees' need for humanitarian assistance. YVC's Digital Literacy Course, 'Digital For Livelihoods', has been a pivotal programme. It initially covered basic computer skills, such as word processing and spreadsheet use, progressing to advanced training relevant to the digital era, such as freelancing, including translation, transcription and writing.

However, although the programme has been running for a year, it has not yet achieved the desired outcomes in terms of access to livelihood opportunities due to the significant challenges that RLOs like YVC face. These include having insufficient funds to deliver a strong curriculum and support the students to access software and learn highly technical related skills that could enable them to access lucrative work in the online gig economy. YVC is now planning to shift from providing digital skills access to ensuring decent work by establishing an

inclusive digital incubation centre. This centre, equipped with internet access, computers and disability-friendly infrastructure, will provide refugee youth with the space to work full-time for six to twelve months post-training.

Future directions: digital livelihoods, refugee rights and local integration

Despite forays into the digital realm and visions of success within it, refugees in Kenya remain constrained by limited rights. Our study conducted with refugees in Nairobi indicates that they sought work in the digital economy after many failed attempts to find a job locally. This was due to limited employment opportunities for refugees and systemic challenges, such as lack of documentation and movement limitations, which hinder refugees from exploring a wider pool of opportunities in Kenya and beyond. These and other limitations have pushed many highly qualified refugees to consider alternative economic opportunities such as those available online.

Younger generations of refugees in Nairobi and in refugee camps, who have shifted from the urban informal economy to the digital informal one, often frame their reasons for seeking work online as a refusal to continue to be discriminated against, including always being paid less than their local counterparts due to their refugee status. They explain that refugee entrepreneurs are entering the digital economy to challenge some of the limitations they face accessing work elsewhere.

However, the limitations faced by refugees in the digital gig economy in Kenya illustrate that success at accessing work online cannot happen in a vacuum. While the Government of Kenya has officially established the Refugee Act – promising a potential improvement in refugees' rights to work and access to mobile phones, SIM card registrations and financial inclusion through mobile money – the primary challenge lies in the effective implementation and adherence to these regulations. There is a pressing need for extensive advocacy efforts to inform government officials, mobile phone companies and financial institutions of this new legislation. For instance, refugee documents are still not integrated into broader Kenyan identity databases, leading to persistent challenges in recognising refugee identity cards in all sectors, including in the digital economy.

Refugee agency and leadership is a critically important element of ensuring the promises of the Act become a reality. Meaningful refugee participation is a valuable asset in the policy and programming of refugee responses. One organisation actualising this is R-SEAT (Refugees Seeking Equal Access to the Table), which seeks to ensure refugees can participate meaningfully, at the state level, in the meetings and decisions of the global and regional refugee regimes. Such initiatives illustrate that if sustainably and meaningfully engaged, refugees in Kenya can support the implementation of the new Refugees Act. They can provide awareness-raising and training to fellow refugees and other stakeholders on new policies, and help shape a proper implementation through offering strategic advisory and community support and identifying gaps and needs in policy implementation. While such contributions could be highly influential in promoting conditions for successful digital work, the benefits would go far beyond this.

Conclusion

The case of digital initiatives for refugees in Kenya suggests that initiatives that *contribute to* local integration, rather than operate in its *absence,* are more likely to meaningfully support refugees. With more rights and opportunities, refugees could offer their digital skills and expertise to Kenyan businesses, earn income formally to pay taxes, or, at the very least, increase their purchasing power to contribute to their local economy. Many refugee-led organisations' agendas include pushing for refugees to enter the digital economy (either locally and/or globally) so that refugees can invest resources into their local communities.

However, for this to occur, the actual implementation of refugees' rights in Kenya needs to take place. The gap between the rhetoric and reality of digital livelihoods for refugees has raised concerns. There is also the risk that digital work is seen as a workaround to barriers refugees face in accessing local labour markets.

The Kenyan context suggests that local integration through the digital economy can only happen once barriers to identification and socio-economic inclusion are actually removed. Unless more work is done to support refugees' rights, promoting digital livelihoods for refugees is akin to a smoke and mirror policy, or in the words of one refugee leader, as nothing but the 'new scam' in the field of refugee livelihoods.

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