Doing Business in Kakuma:
Refugees, Entrepreneurship, and the Food Market

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Cover photo: Market in Kakuma refugee camp. Credit: World Food Programme.
Executive summary

• The Kakuma refugee camps have become popularly associated with entrepreneurship. From the International Finance Corporation’s *Kakuma as a Marketplace* study¹ to the bustling retail markets and restaurants in Kakuma One, the proposed Huduma-Biashara Business Centre, and the new market based Kalobeyei settlement, the Kakuma camps have become an exemplar of the shift towards private sector-led development in refugee contexts.²

• In 2016, the Kalobeyei settlement was opened 3.5 kilometres away from the Kakuma camps, with the intention of promoting the self-reliance of refugees and the host population, and delivering integrated services to both. Its development is guided by the Kalobeyei Integrated Social and Economic Development Programme (KISEDP), which offers a range of innovative, market-based approaches to refugee protection that diverge from the conventional aid model implemented in Kakuma. There so far have been few studies that examine the emergence of refugee-led markets at the business level, whether in the Kakuma camps, in the Kalobeyei settlement, or elsewhere. In order to address this gap, our research aimed to study one particular sector: the food market. This sector is of particular interest because it is such a significant part of economic life in refugee camps, and because it is heavily shaped by the modalities of food assistance provided by the international community. Kakuma is currently undergoing a gradual transition from in-kind food assistance to cash-based assistance, and as an interim step, it has introduced a food provision model called Bamba Chakula.

• The Bamba Chakula (‘get your food’ in Swahili) programme is a cash-based intervention designed by World Food Programme (WFP) as an alternative to in-kind food assistance. It represents a transitional arrangement between in-kind and full-cash assistance. It began in 2015. By providing refugees with mobile currency supplied through Safaricom, it allows recipients to choose the food items that suit their preferences, with some restrictions relating to commodities like alcohol and tobacco, while supporting the growth of local markets. The currency is only redeemable from contracted traders, who have been able to apply for a BC contract (BC) contract during a series of competitive application processes. In Kalobeyei, refugees receive nearly all food assistance through BC, while in Kakuma, about 70% of food assistance is in-kind and the rest is through BC. In this report, we focus particularly on the role that BC has played in shaping the food market.

• Our study is based mainly on a business survey of three groups of food retailers: successful BC applicants, unsuccessful BC applicants, and food retailers who have not applied to be BC traders. The survey targeted all traders in WFP’s registry of applicants to BC and a random sample of non-applicant food retailers, sampled from a Norwegian Refugee Council (NRC) census. In total, we interviewed 730 entrepreneurs (of whom 629 currently have a business). We complemented the survey with qualitative data collection based on semi-structured interviews and focus groups. Our aim was to examine what role BC status, among other factors, has played in influencing business performance and market structure.

• We find that Somalis and Ethiopians are the most likely nationality groups to be engaged in the food retail business, whereas South Sudanese refugees tend to be the least represented. Refugee men are more likely to own shops than refugee women; however, the opposite pattern is found for Kenyans. The group of shop owners who never applied for a BC contract are inherently different from those who applied (whether or not they were successful) in a range of ways, such as the relative composition of nationalities, gender, education level, and previous experience and training. Those who did not apply were sometimes hindered by information, language, or literacy constraints.

• We find that having a BC contract gives a huge advantage. This is unsurprising given that it gives selected traders exclusive access to the purchasing power provided to refugees through all cash-based assistance. Having a BC contract is correlated with differences in operational competence and better business outcomes. BC shops generally have better outcomes in terms of profits, sales, stock levels, the variety of goods they offer, and the estimated current value of the business and its assets. It is, however, important to highlight that these differences cannot solely be attributed to the BC contract itself, as the groups are inherently different in some aspects such as nationality, gender, family background, education, training and prior (shop) experience. BC traders also invested more start-up capital in their businesses to begin with.

• Kalobeyei-based BC traders do better than BC traders in Kakuma, in terms of profits and sales. This is unsurprising given that there are fewer BC retailers operating in Kalobeyei even though the volume of aid distributed in the form of BC is the same (about 500,000 USD per month per site) in both Kakuma and Kalobeyei.³ Within Kakuma, 19% of household survey respondents admit selling part of their in-kind food aid in order to acquire cash, and this is likely to be under-reported. However, the selling price is relatively low and the additional purchasing power does not appear to create a major opportunity for retailers in Kakuma.

• There is a high concentration of market power. A relatively small number of mainly Kenyan wholesalers supply the many small retailers. 69% of traders source exclusively from the five largest wholesalers. Refugee traders often organise

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³ These figures were correct at the time of our data collection but by 2019 were about 780,000 USD in Kakuma and 500,000 USD in Kakuma.
in ‘buying groups’ in order to balance wholesalers’ market dominance. In addition, WFP provides price guidelines to wholesalers and retailers, and retailers regularly meet to agree on common prices. These dynamics are among the factors explaining why prices do not vary much across traders.

• Nationality plays a role in exchange. A preference for doing business with one’s own nationality seems apparent in hiring employees and when customers choose which shop to buy from, but nationality has little importance when retailers decide from which wholesaler to source goods. Refugee-host interaction is limited between retailers and customers. Refugees source from Kenyans, but Kenyans rarely source from refugees.

• Credit-based purchases are common and credit flows exist between both wholesalers and retailers, and between retailers and consumers. Having access to credit through wholesalers (due to the predictability of demand) is part of what lets BC traders operate and compete differently than others. Many BC shopkeepers retain the refugees’ BC SIM card as collateral, and in return distribute products on credit if BC transfers are delayed or if customers run short of food and money at the end of month. Trust and loyalty play a key role in shaping market-based interactions.

• Alongside the introduction of BC, WFP has introduced the Kenya Retail Engagement Initiative (KREI), which is a holistic approach to support and develop the local economic systems involved in the broader transition from in-kind aid to cash-based assistance. In addition to activities for supply chain development, KREI includes business training. WFP is one of several actors who offer business training to food retailers in Kakuma and Kalobeyei.

• Our data shows that access to business training in general is correlated with improved business performance. It is associated with a 20% higher level of sales and profit, although this association is not necessarily reflecting a causal relationship: it may be driven by businesses with better performances being more likely to opt into business training. Nevertheless, insofar as the relationship is causal, the mechanism through which it operates appears to be by creating better business practices. The practices that matter include: giving special offers and bulk discounts (correlated with higher sales), asking customers whether there are products they would like (correlated with higher profits), asking suppliers for preferential terms (correlated with higher sales and higher stock variety), and book-keeping (correlated with higher stock variety).

• Although refugees have been more likely to purchase items from other refugees, initiatives by WFP to provide additional opportunities to Turkana traders have helped to increase the number of refugee frequenting Turkana-owned shops. In particular, WFP paying Turkana shops to distribute corn soya blend (CSB) has helped increase the number of refugees going to Turkana shops.

• Our findings suggest that introducing full cash-based assistance would help to ‘level the playing field’ by removing some of the advantages afforded to BC traders. This might lead to possible tensions, particularly among some Turkana traders who would stand to lose the most. However, this would partly be mitigated by the advantages that BC shops have already enjoyed, which have led to greater investment and stock accumulation. A range of steps are needed to carefully manage the transition to cash assistance, both in Kakuma and elsewhere.

• Overall, understanding the BC experience in Kakuma offers insights of wider relevance into how markets emerge and develop in refugee camps and settlements, the process of transition from in-kind to cash-based assistance, and what determines entrepreneurial success in a refugee camp. It also poses challenging questions about the appropriate role for humanitarian organisations in regulating markets. We offer a series of practical recommendations relating to the transition to cash assistance, the future role of BC as an interim measure, and the role of the Retail Engagement Initiative.
1. Introduction

Since 2015, an innovative approach called Bamba Chakula (BC) – ‘get your food’ in Swahili – has been operating in Kakuma as a transitional arrangement between in-kind food assistance and cash-based assistance. By contracting a limited number of refugee and host community-run shops as distributors, and giving a proportion of assistance to refugees in the form of BC mobile money, the goal has been to increase choice for refugees and to nurture the food retail market.

The BC system was originally introduced to all registered refugees in Kakuma and Dadaab in response to low dietary diversity among refugees and the problem of selling in-kind food assistance at a loss. BC was initially provided as a substitution of part of the cereal in-kind food ration. In Kalobeyei, refugees receive 95% of food assistance through BC. In Kakuma, only 30% of food assistance is distributed through BC while about 70% of food assistance is still in-kind.

WFP chose to use the electronic voucher system (restricted cash) as opposed to direct cash because of Kenyan Government’s ‘know your customer’ policy. This policy requires that customers provide their identity before they can open bank accounts or engage financial transactions. A policy shift on mobile money accounts shortly after the cash program began barred refugee ID cards from being used to open and operate mobile money or bank accounts. While refugee ID cards were in 2015 treated similarly to alien cards and hence could be used to access mobile money accounts, the Government of Kenya expressed legitimate concerns about security, which was then volatile particularly in Dadaab, and pointed at the potential of the cash infusion making this worse.

In Kakuma and Kalobeyei, WFP and UNHCR are gradually transitioning from in-kind assistance towards cash-based assistance, with the dual objective of developing markets and fostering refugees’ autonomy. In June 2019, WFP completed the registration and equipping of 1,064 households (6,010 refugees) with Equity Bank cards to initiate its first unrestricted cash transfers in Kalobeyei. WFP will closely monitor the use of cash by households and the functioning of systems for unrestricted cash transfers. The roll out for remaining households in Kalobeyei is expected to take place in September 2019, when 7,000 households (34,000 beneficiaries) are expected to receive unrestricted cash. WFP then plans to begin the transition to unrestricted cash assistance in Kakuma in 2020.

From 2015, existing traders were invited to apply to be selected as BC-contract holders, entitling them to sell food items in return for BC mobile money, and then redeem BC mobile money as cash. The aims of the scheme include enhancing consumer choice while retaining some control over the items that can be purchased, gradually transitioning to cash-based assistance, and supporting the gradual emergence of businesses that can ultimately compete in the local economy.

Alongside the BC scheme, WFP has also implemented the Kenya Retail Engagement Initiative (KREI). Its purpose has been to enhance retailer capacity through, for example, business training and supply chain development. KREI is aligned with WFP’s global Cash-Based Transfer Strategy and its Markets Supply Chain Strategy, to contribute towards the creation of sustainable markets that aim to eradicate hunger among vulnerable populations. The specific objectives of the retail engagement initiative are: first, to reduce and remove supply chain inefficiencies in order improve customer value in relation to access, price, quality, and service; second, to contribute to self-reliance for refugees and the host communities by creating new economic opportunities and stimulating the development of the local economy. For example, WFP provides training to retailers on business skills and linkages that will enable them to run their businesses smoothly.

Key activities implemented through the retail engagement initiative include: linking retailers directly with large and efficient suppliers and distributors; organising retailers into buying clubs to enhance bargaining power; facilitating retailers’ access to credit facilities from suppliers and financial institutions; constructing shops for resource-poor retailers; supporting affirmative action by engaging host community traders to distribute corn soya blend in Kalobeyei; and training retailers in business skills, financial management, trade licensing in Turkana County, food safety and quality control.
Contracting of the first group of BC traders began in March-July 2015, and the first transfer of BC to beneficiaries took place in Kakuma in August 2015. Both refugees and the local host community were eligible to apply to be BC traders. Since then and until the time of our survey, there were four subsequent rounds of contracting, gradually scaling up the number of BC shops to 226 by September 2018. Each round was broadly organised as follows: (1) WFP organised an information campaign to encourage applications; (2) Applicants had to submit their application on time and provide information about themselves and about their businesses; (3) A multi-stakeholder committee determined who would get a BC contract, taking into account criteria such as already having a shop and having relevant documentation like permits and food safety licenses. The committee also took into account location, gender, and nationality in the allocation of contracts for equity reasons and to avoid possible sources conflict.

Our aim in this report is two-fold. First, we seek to understand the environment for business and entrepreneurship in Kakuma through an in-depth examination of the food market. Second, we aim to examine what role the BC programme has played, alongside other factors, in influencing business performance and market structure. What is the impact of having access to a BC contract? To what extent is BC an effective means to build the food market? What are its implications for transitioning from in-kind to cash assistance? The report is based upon a quantitative business survey, which examined three strata of food retailers: successful BC applicants, unsuccessful BC applicants (some of these do not have a shop), and food retailers who have never applied to be BC traders. In total, we interviewed 730 people, consisting of the majority of applicants to BC from 2015 up until September 2018, and a random, representative sample of non-applicants sampled from an NRC business census. We complemented the survey with qualitative data collection based on semi-structured interviews and focus groups.

Within the report, we examine this nascent industry at the individual, business, and market levels of analysis. We present who is entering the food market and why, variations in business practices and performance, and how the market works at a structural level to shape factors such as competition and pricing. We argue that BC has fundamentally influenced the trajectory of the food market. On the one hand, it has effectively initiated a transition from an in-kind aid system to a market-based system. On the other hand, aspects of its implementation have introduced market distortions, exacerbating a concentration of market power in the hands of the wholesalers, necessitating a credit-based economy, and arbitrarily conferring huge advantage on a small cohort of traders. Nevertheless, we suggest that it is an important and innovative programme that offers insights in the management of transition from an aid economy to a market economy.

In the diagram below, we outline a simplified conceptual framework, which summarises some of our main findings. It shows the food market supply chain in the Kakuma camps and Kalobeyei settlement. It illustrates the key actors and their interactions, estimates market size and market share for each, and situates BC within the supply chain. The numbers given within the diagram are broad approximations based on our business survey data, triangulated against other available sources.

The left of the diagram illustrates the main wholesalers. The wholesaler market share is estimated based on retailers’ reported supply sources. We know from our data that about 75% of the relationships between retailers and wholesalers include one of the five main wholesalers. Based on the sales volumes of the retailers in these three categories, we broadly estimate that around 70-75% of supply by volume probably comes from the largest five dealers. The middle column illustrates the retail shops, divided between BC-contracted food shops and non-BC food shops. The numbers of shops are based on data from WFP and NRC. Sales and profit are the mean values from our survey. We calculate BC and non-BC shops’ relative market share based on estimated aggregate sales.

The right of the diagram illustrates refugee consumer spending within the retail shops. We know from WFP that 500,000 USD per month is allocated in BC transfers in each of Kakuma and Kalobeyei. It should be noted, however, that our own survey data suggests that the BC shops in Kakuma received 720,028 USD in BC transfers and those in Kalobeyei received 249,743 USD during the month of our survey. This deviation from the 500,000 USD figure is likely to be because of reporting errors or delays in monthly BC spending by customers. We estimate that around 300,000 USD is spent per month in cash in the BC shops in Kakuma and up to 120,000 USD in those in Kalobeyei based on shop owners reporting a 63:37 ratio of BC sales to cash sales in Kakuma and a 81:19 ratio in Kalobeyei. For non-BC shop sales, we estimate cash spending based on multiplying the estimated number of shops with their reported mean sales. For Kakuma this gives 2,016,700 USD. However, we think this is probably an over-estimate given that our household survey data from Kakuma suggests an aggregate monthly earned income in Kakuma of around 1.3 million USD and the IFC estimates around 61.5% of household income goes on food. This implies that, even with additional income from food ration sales and remittances, cash sales in non-BC shops may be no more than 1 million USD per month.

Aggregating these estimates of total retail sales and expenditure gives an approximate market size of around...
3 million USD for the Kakuma camps and Kalobeyei settlement. Based on food ration composition (sorghum, rice, pulses, and oil), and size and market value at the time of the survey, we estimate that the market value of WFP food rations across Kakuma camps is around 1.7 million USD per month. These estimates suggest that the overall food market may be worth between 36 million USD and 56.6 million USD per year, depending on how it is measured.

**Conceptual Framework:** supply chain diagram illustrating the interaction between wholesalers, retailers, and consumers in the food market of the Kakuma camps and Kalobeyei settlement.
2. Methodology

This study is based mainly on a quantitative and a qualitative business survey of food retailers in the Kakuma camps, Kalobeyei settlement, and nearby towns. We also reviewed secondary data provided by WFP. As part of the quantitative survey, we interviewed a representative sample of 730 entrepreneurs, who were either BC contract holders, unsuccessful BC applicants, or did not apply for a BC contract. Our qualitative research focused on both traders and households, as well as wholesalers, government officials, and employees of international organisations (IOs) and NGOs. Our aim was to explore the impact that the BC contract, among other factors, has on a range of business strategies and outcomes.

We undertook the business survey with food retailers in October 2018. For the survey, we examined three strata of food retailers: successful BC contract applicants, unsuccessful BC contract applicants, and food retailers who never applied.

We identified successful and unsuccessful BC applicants using WFP’s registry, which contained 688 unique applicants. About 68% applied providing the address of their shop or household in the Kakuma Camps, 16% in Kalobeyei Settlement, 9% in Kalobeyei Town and 6% in Kakuma Town. Most of the successful applicants were easy to locate because they are in regular contact with WFP and normally have their BC contracts connected to the phone number through which they applied to the scheme. For unsuccessful BC applicants, however, contact details were often out-of-date. UNHCR therefore assisted us with updated residential data and phone numbers relating to this group. In total, we interviewed 543 applicants, out of which 218 had a BC contract. 30 respondents (5.5%) from the WFP applicant list claimed that they never applied for BC, and are classified as non-applicants throughout this report. These cases are likely explained by changeovers in shop ownership.

To identify food retailers who never applied to get a BC contract, we used data from a census of retailers conducted by NRC between August and September 2018. This census identifies 2,746 shops (all business types), out of which 1,358 were potentially relevant to our study because they
were either food retailer or of unknown business type. Because details on the characteristics of shops were missing for a substantial proportion of the shops in the census, we undertook a mapping exercise of 600 businesses randomly selected from among these relevant shops. This enabled us to identify and exclude non-food shops and duplicates from our sampling frame. Following this process, a representative sample of 206 food retail shop owners who apparently never applied to get a BC contract was selected for interview (40 in Kalobeyei, and 166 in Kakuma). From this list, 187 of these shop owners were located and consented to be interviewed.

Interestingly, 57 respondents drawn from the NRC sample actually told us that they had applied for a BC contract but could not be found in the WFP applicant registry, quite probably because they had applied after the deadline. We reclassified them as unsuccessful BC applicants for the purpose of our study. Similarly, 3 respondents drawn from the NRC sample said they actually have a BC contract but could not be found within the WFP registry of applicants. We therefore reclassified them BC retailers.

Our final sample is described in Table 1, which is based on self-reported information about BC status. Throughout the report, we will compare three categories of respondents:

(1) Food retailers who report using a BC contract. This group is labelled ‘BC’ in the figures below.

(2) Unsuccessful BC applicants, who applied but did not obtain a BC contract. This group is labelled ‘applied’ in the figures below. Part of this group did not actually have a food retail shop at the time of the survey. We will therefore distinguish the categories ‘applied, no shop’ and ‘applied, shop’ when relevant.

(3) Food retailers who never applied to obtain a BC contract. This group is labelled ‘never applied’ in the figures below.

Among the interviewees, 629 are shop owners and 101 do not own a shop (mainly unsuccessful BC applicants). 58 (9.2%) of the sample owned two or more shops at the time of the survey. Most of these are Kakuma residents. 61 Kakuma resident shop owners are operating either in both sites or solely in Kalobeyei, whilst no Kalobeyei residents are operating in Kakuma. The main nationalities in the sample are Somali (27%), Kenya (16%), Ethiopia (14%), Burundi (13%), Sudan (12%), South Sudan (8%), DRC (6%). The sample is 64% male and 36% female.

In order to implement the survey, we hired a total of 22 enumerators, covering seven nationalities and several languages used by different ethnicities within these countries. Enumerators attended four days of pre-survey training, which covered first general topics on data collection, followed by familiarising the enumerators with our specific survey and extensive time to practice interviewing each other and using the tablets. The general topics covered included, for example: the aims of the RSC research; understanding research and data collection; understanding surveys; interview techniques; the ethics of data collection; using digital surveys; and adapting to challenges.

The questionnaire covered: respondent and business characteristics; household information such as demographics, employment, consumption, food security, remittances, and assets; business information, including sales, expenses, investments, profit, capital, loans, permits, employees, training, suppliers, customers, competition, management and marketing practices, and questions related to BC; questions relating to product, pricing, and stock information; questions relating to subjective well-being, including mental health, locus of control, and mathematical ability.

The questionnaire was translated into the following seven languages: Anyuak, Standard Arabic, Juba Arabic, Kirundi, Oromo, Somali, and Swahili. Translators worked in groups of two to three, typically with one person translating and the other typing, then checking it together. Throughout the data collection, we held regular team meetings to review errors and misunderstandings, and to provide individual feedback and supplementary instructions to team members. During these feedback sessions, enumerators were sometimes instructed to return to the shops or make phone calls to respondents in order to make corrections.

Our qualitative research was conducted during December 2018 and early January 2019, and focused on both traders and households, as well as key informant interviews with wholesalers, government officials, and agency employees. Semi-structured interviews were carried out with 67 members of households and 55 BC and non-BC traders across both Kalobeyei and Kakuma, covering a spectrum of nationalities and ethnicities. Semi-structured interviews were carried out in English, Swahili, Turkana, Amharic, Arabic, Somali, Kirundi, Nuer, Dinka, Lotuko, and Acholi languages, according to the preferences of the interviewees. Interviews were translated and transcribed into English, and coded according to key themes identified in the quantitative surveys. Key informant interviews were conducted in the offices or shops of the respective agencies and businesses.

As part of this research, we also analysed secondary data and policy documents provided by WFP, including, but not limited to, the Kalobeyei Integrated and Economic Development Programme (KISEDPP), the Kalobeyei master plan map, WFP’s records on BC cash redemption by traders, WFP’s data on the content of monthly food baskets and on prices, data from the BC contracting process, and data related to WFP’s Kenya Retail Engagement Initiative (KREI).
3. Who is Doing Business?

The likelihood of being an entrepreneur, or of having a BC contract, is shaped greatly by refugees’ identity. Nationality, gender, and educational background all make certain groups more likely to own their own business, or among entrepreneurs, to have access to a BC contract.

Identity shapes participation in business and access to BC contracts. Refugee men are more likely to own shops than refugee women: 69% of refugee shop owners are male, and this pattern is similar for those with BC status and across locations within Kakuma. The exception is for BC traders in Kalobeyei, for which the ratio is closer to 50:50. However, the opposite pattern can be found among Kenyan traders. Among Kenyans, 63% of shop owners are female: in Kakuma Town it is 50:50, and in Kalobeyei Town 75% of the shop owners are women.

In terms of nationality, Somali and Ethiopian refugees are disproportionately likely to be involved in business compared to their population size (Fig. 1 and Table 2). To a lesser extent, other ‘business nationalities’ such as Burundians, Congolese, and Sudanese refugees are also overrepresented. By contrast, South Sudanese refugees are underrepresented.

We find a distinctive identity profile for shop owners who never applied for BC status. Their composition is different in terms of nationality (Fig. 1), gender, education level (Fig. 2), and previous experience or training in bookkeeping (Fig. 3). Qualitative interviews suggest this group may have been hindered in applying by a lack of information about

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Table 2: Refugees' nationalities in the business survey sample compared to overall population

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<th>Kalobeyei</th>
<th>Kakuma</th>
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<tr>
<td></td>
<td>HHs (UNHCH data)</td>
<td>Food retailers (refugees only)</td>
</tr>
<tr>
<td>South Sudan</td>
<td>71%</td>
<td>6%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>13%</td>
<td>41%</td>
</tr>
<tr>
<td>Burundi</td>
<td>9%</td>
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<td>DRC</td>
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<tr>
<td>Uganda</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Sudan</td>
<td>1%</td>
<td>6%</td>
</tr>
<tr>
<td>Somalia</td>
<td>0%</td>
<td>5%</td>
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<tr>
<td>Total population</td>
<td>37,371</td>
<td>82</td>
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Fig. 1: Respondent nationality by BC status

Fig. 2: Years of education

Fig. 3: Experience/training in bookkeeping from before opening the shop (only answered by shop owners)

In this box plot and all similar charts throughout the report, the boxes show the interquartile range (the 25th to 75th percentile) of the distribution of the variable in question, with the median highlighted by the line within the box. The length of the whiskers are at 1.5x the interquartile range (the Tukey definition). Potential outliers beyond the end of these whiskers will be presented by dots.
BC, due to for example language barriers or illiteracy. Those who ‘never applied’ have fewer years of education and worse English skills than shop owners who applied (regardless of application success). BC traders had more experience and/or training in business skills prior to opening their current shop than ‘unsuccessful’ or ‘never applied’ food retailers. In summary, shop owners who did not apply to get a BC contract had lower levels of human capital than applicants, prior to implementation of the BC programme.

Among the unsuccessful applicants, 25% do not currently have a shop, and this sub-group is more similar to the ‘never applied’ group than the other 75% of unsuccessful applicants who have a shop (who are more similar to BC traders). In terms of education, ‘unsuccessful non-shops’ are more similar to the ‘never applied’ group, whilst ‘unsuccessful shop owners’ are more similar in profile to BC traders. For example, ‘unsuccessful non-shops’ have a higher probability of no education and fewer years of education on average. ‘Unsuccessful non-shops’ have poorer language skills in both English and Swahili than the ‘unsuccessful shop-owners’ (Fig. 4). They also answered fewer questions in our math test during the survey, and still got the lowest proportion of correct answers, from those that they answered (Fig. 5). In terms of experience, ‘unsuccessful non-shops’ have fewer years of work experience than the other groups. In terms of nationality, South Sudanese, who are already majorly underrepresented in business compared to their population, are also overrepresented among the ‘unsuccessful non-shops’.

These findings offer important insights into the identity and background factors that lead to barriers to aspiring refugee entrepreneurs.

Very few entrepreneurs have multiple shops. 91% of respondents own only one shop. 8% owns two shops, and 1% own three or four shops. More than half of the multiple shops owners are BC traders, and most of these are BC traders who have expanded from Kakuma into Kalobeyei in the 2016 BC application round when WFP invited only existing Kakuma BC traders to apply to expand to Kalobeyei. WFP did this in order to rapidly establish a market in Kalobeyei in anticipation of high numbers of new arrivals.

![Fig. 4: Language skills](image1)

![Fig. 5: Math skills (survey math test)](image2)
4. Business Practices

Business practices in Kakuma are shaped by a complex set of relationships between wholesalers, retailers, and customers. The food market is dominated by a small oligopoly of wholesalers, often selling stock to retailers based on credit, and retailers in turn often sell to consumers based on credit. Trust and loyalty play a significant role in shaping market-based interactions. Business practices, such as those relating to pricing and stock vary considerably.

Suppliers

In terms of market structure, BC food retailers are reliant upon an oligopoly of just a few local suppliers. These wholesalers consist of four Kenyan Somali host wholesalers, Al-Amin, Al-Mubarak, Kakuma Wholesalers (Ogle), and Kaeris, and one Ethiopian refugee wholesaler, Mesfin. All except Al-Amin have entered into an agreement with WFP as ‘preferred wholesalers’, described below.

76% of food retailers inside the camps and settlement are supplied by at least one of the big five wholesalers, and 69% of traders report that they source exclusively from them. The percentages are highest among BC traders: 90% use at least one of them, and 83% source exclusively from the main five wholesalers. The reported sales volumes among the shops that source goods from the main wholesalers are on average 61% larger than the sales volume of the shops that do not source from them. The dependency on the main wholesalers is lower among food retailers in Kakuma Town, who are more connected to suppliers in Kitale, and among those in Kalobeyei Town, who are more likely to procure products from networks in Kakuma Town outside the established wholesaler networks. The five big wholesalers collectively comprise about 75% of the wholesaler-retailer relationships identified in our data. The majority of the remaining 10% of wholesaler-retailer relationships are based in Kitale, followed by a few in Lodwar, then Nairobi, elsewhere in Kenya and abroad. Wholesale suppliers within Kalobeyei Settlement and Kalobeyei Town are virtually non-existent. This oligopolistic structure is reinforced by retailers normally only using one or two suppliers due to the importance of loyalty and credit agreements (Fig. 6).

Less than 6% of food retailers in the market sell their own cultivation or wild sources. This is unaffected by BC status, although there is some variation based upon nationality, with higher rates for Burundians, Congolese, and Kenyans. Location is also a factor, with more self-cultivated foods in Kalobeyei (possibly due to kitchen gardens) and in Kakuma Town (possibly due to Kenyans being permitted to own land).

Nationality plays a role in influencing supply chain relationships (Fig. 7). Mesfin, the only refugee wholesaler within the oligopoly of suppliers, is popular not just among fellow Ethiopians but across all refugee nationalities, with the striking exception of Somali refugees. About 25% of Ethiopians buy from Mesfin, which is close to the average for all other non-Somali refugee retailers. However, just 2% of Somali traders buy from Mesfin. 77% of them trade with Kenyan Somali wholesalers (compared to 67% among other refugee groups), and 10% use Somali refugee networks (compared to 3% among the other refugee traders).

This supply chain structure relies upon significant refugee-host interaction. 70% of refugee traders source all or part of their supplies from the four Kenyan Somali wholesalers who dominate the market. However, only about 5% of refugee traders (across nationalities and locations) source goods from the Turkana people. Notably, BC traders source less from Turkana suppliers and more from the established Kenyan Somali wholesalers. But while refugees often source from hosts, hosts rarely source from refugees: only about 4% of Turkana traders and 8% of Kenyan traders from other ethnic background source all or parts of their supplies from refugees.

Fig. 6: Number of suppliers used by the food retailers

“Bamba Chakula licensed food retailers are reliant upon an oligopoly of just a few local suppliers.”

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Credit plays an important role between retailers and wholesalers. More than 60% of food retailers state that their wholesaler(s) offer(s) either bulk discounts, goods on credit, or both. There are substantial differences between BC and non-BC shops with respect to obtaining credit. 76% of BC traders report that their suppliers offer them the opportunity to purchase goods on credit, as opposed to 58% of unsuccessful applicants and 47% of non-applicants. This difference is partially attributable to the ‘preferred wholesaler’ agreements, which encourage suppliers to provide credit to BC retailers. The agreements specify that wholesalers should determine the amount and duration of credit arrangements according to the “size and health of the retailer’s business”. WFP estimates that between January and June 2018, a monthly total of about 46 million KES (460,000 USD)\(^{10}\) was given out as credit by wholesalers to BC traders.

\(^{10}\) 1 USD is equivalent to around 100 KES.

\(^{11}\) For shop owners who at the time of the interview had outstanding credit to suppliers, the amount they owed follows same pattern, but with slightly lower numbers.
In addition, BC traders are significantly more likely to opt in these credit arrangements when offered: 74% of BC applicants who can access credit report they normally buy on credit, compared to 54% of unsuccessful applicants and 48% of non-applicants. As a result, BC traders are much more likely to regularly purchase goods on credit than non-BC traders (Fig. 8). Furthermore, among those that normally get goods on credit, BC traders access larger amounts (Fig. 9) and have longer repayment schedules (Fig. 10), all of which give them a competitive advantage. The guarantee of a customer base seems to be one reason why wholesalers are more willing to extend credit to BC retailers. One Burundian non-BC trader in Kalobeyei explained the difficulty that shops like his face in acquiring credit: “If you don’t have enough money, they [wholesalers] are not willing to give you the goods on credit. They know that you don’t have a BC contract.”

Ethnicity may also play a role. One Turkana BC trader in Kalobeyei explained: “Wholesalers prefer to give credit to a Bamba Chakula traders of their own ethnicity, not a Turkana Bamba Chakula trader. And that has been a big blow to our business... The rise in Bamba Chakula shops among the refugees has led wholesalers to deny credit to us.”

In order to counter-balance asymmetries in market power, some food retailers self-organise into buying groups to aggregate demand. BC shops are much more likely to do so (Fig. 11).

Such groups often include shop owners from same network. One Somali BC trader explained “We have buying clubs. Instead of going to Kitale and getting a whole truck alone, we join as traders, compile our money and buy together, then go and share transportation costs. This reduces the transportation cost per person.” WFP encourages shop owners to organise in this way, but does not formally establish, run, or otherwise assist such groups.

**Relationship with Customers**

Trust and loyalty shape retailers’ interactions with their customers. Shop owners believe customers choose them on the basis of nationality. Our survey data indicates that customers frequently use shops owned by people of the same nationality. When asked to list up to three main nationalities for customers, 79.5% include the shop owner’s own nationality.

The most likely customer groups to be listed by retailers as among their main customer groups are: South Sudanese (69.5%), Congolese (42.6%), Somali (35.3%), Turkana (30.2%), Sudan (28.3%), Burundian (27.5%), Ethiopian (18.8%). This pattern varies little across BC status, but shows some variation across shop owner nationalities and shop location (Fig. 12).

Meanwhile, there is little refugee-host interaction relating to retail–customer relations, in either direction. The only exception is the case of Kenyans who run shops inside the camp, which make up 6% of Kakuma’s shops. Sudanese refugees seem more inclined to buy goods from Kenyans.

"Less than 6% of food retailers in the market sell their own cultivation or wild sources."
than other refugees. Refugees do not own shops outside the Kakuma camps and the Kalobeyei settlement; so interaction is limited to Kenyans entering the Kakuma camps or the Kalobeyei settlement to buy goods. Refugee traders in Kalobeyei interact more with Turkana customers than refugee traders in Kakuma do: in the Kakuma camps, the likelihood of listing the Turkana among top customer groups is only 20.5%, compared to 35.9% in the Kalobeyei settlement (and 89.7% for Kenyans in Kakuma and Kalobeyei towns). As one trader explained:

I was previously in Kakuma Four... That’s where my business was. But I decided to come to Kalobeyei... The advantage of Kalobeyei is that we have the host community near to us here. They come and buy our goods, and we buy from them. That is what motivates us to come here. (Sudanese non-BC trader, Kalobeyei)

Kenyan shops in the towns rarely list refugees among their main customers. 10% of shop owners in Kakuma and Kalobeyei towns list Sudanese refugees among their main customer groups. The likelihood of listing any of the other main refugee nationalities among their main customer groups is only 1-7%. On the other hand, Kenyan shops inside the camp naturally have a high percentage of refugees among their main customer groups. For these Kenyan shops, the main customers are Sudanese refugees, followed by Turkana, followed by Ethiopian refugees.

Customer loyalty is high across all locations and among all shops. Shop owners report that about 60% of their customers are regular customers, and there is little variation across BC status or location. Credit plays an important role in this regard. Rather than shopping around, many people have a specific trader from whom they always make their monthly BC purchases. By building trust, they make the seller more comfortable with selling items on credit. For new customers, trust is initially established through common social contacts, as well as knowledge of people’s place of residence, as explained by a refugee trader in Kalobeyei:

For first time customers, we should find out either where you live or if you know some customer who has done business with us before. Then I can help you with something, and sometime later you can bring the payment. If you do not bring it, I can ask your neighbour, “where is that guy who came and picked something from my shop?” He will tell me where you are exactly, and I will ask what is happening that has prevented you from paying. If you have a good reason and a strong excuse, then there is no problem; I can allow

“Customer loyalty is high across all locations and among all shops. Shop owners report that about 60% of their customers are regular customers.”

Fig. 14: Average credit extended per credit customer

Fig. 15: Repayment of credit (customer–retailer)

Fig. 16: Share of shop owners giving special offers, bulk discounts and actively cross-selling products to customers
Customers just say, ‘record for me’ and the trader cannot refuse. There is no way they can refuse, because they are very aware of the limited income we [refugees] are receiving and the needs we have.

Doing Business in Kakuma: Refugees, Entrepreneurship, and the Food Market

30% of the reported total extended credit within the last 30 days equals, on average, 30% of the average defaulted amount was about 12,600 KES. Most food retailers who offer goods on credit seem to extend credit only within their financial capacity to handle frequent, but small-scale, credit defaults. The reported total extended credit within the last 30 days equals, on average, 30% of the reported total sales among BC traders, and 15% of sales among non-BC shops. Many shop owners indicated that they need to be understanding about the customers’ need for credit. The same Kalobeyei shop owner mentioned just above explained:

All customers lack money sometimes. Some people have someone sending money from outside [remittances], and if their payment is delayed then those customers will not be able to bring payment to us at the time they need to purchase goods. So you have to wait for them. You have to give them time to look for the money.

Some also described a sense of moral solidarity among refugees, who have in common certain aspects of their economic circumstances:

Customers just say, ‘record for me’ and the trader cannot refuse. There is no way they can refuse, because they are very aware of the limited income we [refugees] are receiving and the needs we have. (Somali refugee, Kalobeyei)

Nonetheless, many traders do take precautions. BC traders are more likely to secure loans with a collateral from their credit customers (27%), compared to 15% among unsuccessful and 6.5% among non-applicants. The most common collateral is the BC SIM card of refugees. The practice of traders retaining customers’ SIM cards is forbidden by WFP and can lead to the loss of the BC contract. Nonetheless, as explained by one BC trader working in the Kalobeyei settlement, many shop owners feel that they have no choice but to engage in this practice:

This is not allowed by UNHCR and WFP. But we do this in order to help people, because most of my customers – I’d say around 80 percent of them – are taking goods from me on credit. The food that they take using their monthly BC allowance cannot last the whole month. If someone is your customer, you cannot refuse to give him or her food. We really know that is not allowed, but there is no other way...

(Burundian BC trader, Kalobeyei)

Because it is formally prohibited, shopkeepers are reluctant to report that they engage in this practice. Our 2018 household survey however showed that 57% of the BC SIM cards are kept by shopkeepers. Some refugees complain that this practice allows for BC traders to take advantage of customers. A conversation with Daniel, a Lotuko refugee living in Kakuma, indicated the complicated nature of these customer-trader relationships:

Interviewer: What are your thoughts on Bamba Chakula?
Daniel: Bamba Chakula has no problem. The problem is the traders. Traders do not tell you the truth. If the money of BC is sent, the traders will not tell you how much money is in the phone. They don’t tell you the price of the items in the shop; you just pick your things and go.

Interviewer: Have you ever tried to remove your BC voucher from the shop where you normally purchase your BC food?
Daniel: The BC shop owner is not a bad person. I can tell him to give me my BC voucher so that I can purchase something from another shop, and he will give it to me. I chose that BC shop because if I am hungry, the BC shop owner can give me food on credit.

On the one hand, some customers feel that they have lost the ability to keep their own budgets and to negotiate with traders when they buy on credit. They may not even know how much credit is remaining on their account if it is retained by the trader. At the same time, they appreciate the flexibility with which traders can provide food even when the monthly BC credit has not yet arrived. We also found that BC shops usually offer their customers a longer repayment period than non-BC shops (Fig. 15).

Business Strategy and Operations

What strategies do businesses use to attract customers, and how does it vary with status? We found that BC shops engage in more marketing activities than non-BC shops, and more actively cross-sell products to customers (i.e. suggest additional products when interacting with the customer)
Fig. 17: Shop owners’ explanations of why customers choose them
than non-BCs do. Non-applicants for BC status are much less likely to offer special offers or bulk discounts than both BCs and unsuccessful BC applicants (Fig 16).

Shop owners believe customers choose their shop because of, first, loyalty, and, second, because of lower prices and discounts (Fig. 17). However, there is some variation between the different types of shops. For BC traders, greater variety of stock is reported as the second most important factor in attracting customers to their shop, while non-applicants to BC list offering credit as the second most important factor (both after loyalty). However, for BC traders and unsuccessful BC applicants, credit is not regarded so highly as a factor in attracting customers: it ranks after loyalty, offers/discounts, low prices, high variety of goods, and reliable quality of goods. Proximity is rarely listed as a reason for customers to choose them; it is likely that proximity is an advantage only in areas with a small number of shops.

What practices do food retailers adopt to determine, for example, their product mix and prices, to manage their operations, and to keep financial records? Food retailers generally select prices and product mix by observing the behaviour of competitors, by speaking to customers, or by speaking to suppliers. BC shops and unsuccessful BC applicants adopt such strategies with similar regularity, while non-applicants are less likely to adopt deliberate strategies for determining product range and pricing (Fig. 18). More than 80% of both BC and unsuccessful applicants use at least two of the five listed practices (check competitor prices; check competitor products; ask current customers about new products in demand; ask former customers for feedback; ask suppliers for industry best sellers); among non-applicants only 62% do so. 30% of non-applicants report not using any of the five practices, whereas less than 10% of BC shops and unsuccessful BC applicants use them. BC shops and unsuccessful BC applicants have on average adopted around 3.5 of these practices in the past 30 days.

In terms of keeping records, BC shops are significantly more likely to record their sales (76%) than unsuccessful BC applicants (60.4%), who are significantly much more likely to record their sales than non-applicants (35.4%) (Fig. 19). Shop owners in Kalobeyei settlement are more likely to keep records than shop owners in Kakuma camp and the two towns.

Importantly, the level of detail of records is often poor: the most common practice is to keep records only of the total daily sales (Fig. 20). Some BC shop owners reported keeping two kinds of records: one for inventory, to determine what had been sold and what needed to be restocked, and another for information on regular customers, which makes it easy to look up their BC information and past purchases:

![Graphs showing percentage of shop owners who within the last 30 days informed their prices and product mix using various activities/channels](image-url)
I record the name of each customer, their telephone number and their location, and I assign them a number that they can use when they return to my shop. Names are difficult to record and organise, but numbers make it easy to look up the customer… It may arise that a customer denies taking an item. When this occurs, I can just open the book and show them what they bought. (Burundian BC trader, Kalobeyei)

The use of tablets or other technical devices for recording sales is almost non-existent (2.9%) (Fig. 21). Most traders with access to a tablet are BC traders who are part of a small pilot for electronic Point of Sale (POS) systems run by WFP.

Employees

Most shop owners have employees: 79% employ at least one person (Fig 24). However, more than half of these ‘employees’ are unpaid; only 44% of owners pay their employees. BC shop owners employ more people (Fig. 22), have a greater number of external employees, and also pay a higher share of employees (Fig. 23); however, the average monthly wage paid to employees is the same across all shop types (approximately 3,400 KES/month) (Fig 25). BC shops also have more trained staff.

Regardless of BC status, location and nationality, shop owners...
who employ people from outside their household or family tend to employ people of their own nationality (this applies more so for Sudanese, Congolese, Burundian and Ethiopian shop owners than for South Sudanese, Somali and Kenyan employers). Many Kenyan traders described employing refugee workers as a way to overcome language barriers, and some even learn a bit of their employees’ languages:

As hosts, we have a good relationship with refugees. We have employed them in our shops, and they assist us to negotiate with other refugees. They teach us how to talk with them. Like for me, as of now, I know a little bit of their language. Not all, but a little… (Kenyan BC trader, Kalobeyi)

In terms of management, 90% of shops are run by the owner (or co-owner) and the remaining 10% by either a member of the owner’s household or a hired employee (and there is no variation with BC status).

**Capital**

In terms of start-up capital, the amount of initial capital invested in the business varies greatly. BC traders and unsuccessful BC applicants invested on average about three times as much as food retailers who never applied for a BC contract. The ‘typical’ start-up investment of traders who never applied to the scheme is 5,000-40,000 KES, compared with 20,000-100,000 KES among unsuccessful BC applicants and 20,000-150,000 KES among BC traders (Fig. 26). Lack of access to capital is one reason that some traders never applied for a BC contract:

I don’t feel like I can begin using Bamba Chakula now, because my capital is still low. Even if I had a contract, if I don’t have capital, I will be unable to keep a sufficient stock of goods to serve my customers. So I am waiting until I see that my capital has increased; then I might apply for it. (Congolese non-BC trader, Kalobeyi)

In terms of infrastructure ownership, 76% of retailers report owning the building where their business is located; the remaining 24% own the business but rent the place. 90% of shop owners in Kalobeyi report owning their shops compared with 76% in Kakuma, and 51% in Kakuma and Kalobeyi Towns. There is no difference in ownership distribution across BC status. Despite high level of reported ownership, only 24% paid for either the location, the building...
or both, when starting their shop. Among those who paid for the location or building, the average cost of the business infrastructure was about 65,000 KES.

Among those who reported owning the infrastructure (regardless of initially having paid for it or getting it for free), the estimated replacement cost of the building varies substantially. The ‘typical’ replacement cost is 25,000-75,000 KES for traders who never applied to the BC scheme, but 35,000-140,000 KES among unsuccessful BC applicants and 50,000-150,000 KES among BC traders (Fig. 27).

Very few shop owners have financial loans (Fig. 28). Among those who do, most claim to need more than they can access. BC traders and applicants without loans are more likely to say that they do not need a loan, compared to non-applicants who are more likely to need loans but are less likely to know where, from whom, or how to obtain them.

A majority of shop owners are credit constrained. Many shop owners without a loan reported that they do not know where or how to obtain a loan (27.7%) or could not obtain a loan (27.8%). Only 55 of shop owners from our entire sample have a loan with a bank, an NGO/IO, a microfinance institution, or a private lender, and 83% of these also report being credit constrained, needing more credit than the amount they have actually obtained. The initial value of the loans was on average 120,000 KES. Only 40% of loan holders pay any interest, and for those that do pay interest, the average interest paid per month is 14,000 KES, or 12% of the initial loan value. 42% of the shop owners with loans got the loan from friends, 25% from a bank and 23% from an NGO/IO. Microfinance organisations and savings groups are rarely used.

In terms of access to bank accounts, BC shop owners are significantly more likely to have a bank account. 42% of shop owners overall have a bank account: 61% of BC shops, 41% of unsuccessful BC applicants, and 17% of non-applicants (Fig. 29). M-Pesa accounts are more common than bank accounts. 76% of shop owners have an M-Pesa account: 88% of BC shops, 76% of unsuccessful BC applicants, and 60% of non-applicants (Fig. 30). Access to banking and M-Pesa also varies with location: Kakuma Town has almost universal coverage of both; the refugee camps/settlements have 78% M-Pesa and 39% bank accounts (with 35% bank accounts in Kakuma and 60% in Kalobeyei), and Kalobeyei Town has 25% M-Pesa and 31% bank accounts).

In terms of the estimated current total value of shop owner assets: BC traders are on average significantly wealthier (600,000 KES) than unsuccessful BC applicants (460,000 KES), who are on average significantly wealthier than non-applicants (190,000 KES). However, there are huge variations: non-applicants’ current assets have the least variation, typically worth between 55,000-250,000 KES, and not a single one of the interviewed non-applicants had a negative net wealth (which is not surprising, given their lack of access to loans and wholesaler credit). The range of BC traders and unsuccessful applicants’ current net worth is much wider and typically ranges 145,000-375,000 KES among unsuccessful

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12 M-Pesa is a form of mobile money widely used in Kenya.
“Very few shop owners have financial loans. Among those who do, most claim to need more than they can access.”

13 Estimated current total worth of shop owners business-related assets, calculated as the sum of the replacement cost of shop buildings, current value of stock, cash, M-Pesa reserves and business assets (tills, scales, desks, calculators, posho mills, bicycles, boda bodas) as well as animals, minus outstanding loan and credit to suppliers. Outliers of the distributions of all components of the index are adjusted by Winsorizing (i.e. replacing extreme values with a certain percentile value at each end of the distribution; in our case the upper and lower 5%), and subsequently aggregated.
applicants and 280,000-805,000 KES among BC traders (Fig. 31). Only few traders in these groups have a negative net worth (less than 1% among unsuccessful applicants and about 2% of the BC traders), but a couple of these are heavily indebted.

**Law and Regulation**

BC traders are obliged to hold a business permit in conformity with the Turkana County Government’s (TCG) regulatory requirements. The County Government has criteria according to size and type of business, for example, to set the cost of a business permit and the registration process was automated in 2019. While there is no systematic system of enforcement, failure to obtain a permit can become a liability if shop owners need to bring a case to the authorities:

Sometimes, you have disagreements with your customers. They may check to see if you have a permit. If you do, they will deal with you according to the law. But if you don’t [have the permit], they will see that you’re not a legitimate business person, and that maybe you want to play around. (Sudanese non-BC trader, Kalobeyei)

Almost all BC shops have a valid business permit (98.5%), compared to 83.5% among unsuccessful BC applicants, and only about half of the non-applicants (51.7%) (Fig. 32). BC traders pay on average about 4,500 KES per year for a contract, which is significantly higher than non-BC shops (about 3,400 KES per year). This may be because BC shops have higher sales volumes, and permit charges are determined based on a subjective assessment of the scale of the business. The same shop owner explained: “You just go and report your shop, and then they will come and see what you are selling... The amount charged varies according to the shop. If the shop is big, maybe they will charge 3,000 KES or 3,500 KES.” Our survey showed that the range of charges is also broader among BC traders than among non-BC shops (Fig. 33). With the establishment of the new Huduma-Biashara ‘one-stop-shop’ business centres, these challenges are expected to reduce over time.

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14 Regarding the excluded outliers: The annual permit fee for certain businesses (e.g. hardware shops) can be up to 25,000 KES. A few such shops were included in our sample, as they also sell food.
The food retail sector is not characterised by perfect competition. Market concentration among wholesalers, restrictions on the number of BC contracts, and price collusion are among the factors that inhibit free market competition. There is little price variation across shops, partly due to price fixing. Any price differences tend to relate to the size of the purchase, with discounts for bulk-buying. Profit levels are determined less by retail pricing and more by overall volume of sales because selling in bulk offers increased access to bulk discounts from suppliers.

**Products**

BC shops offer a higher variety of products than unsuccessful BC applicants, who again sell a greater range of products than shop owners who did not apply for BC status (Fig. 34). About half of all shops sell animal products (i.e. meat, eggs, or dairy), and less than 40% sell fruit or vegetables, with no significant difference across BC status. The most common commodities are the four main staples (wheat flour, maize, sorghum, rice), followed by sugar, beans and lentils, and cooking oil (Fig. 35).

**Price Competition**

In general, there is little variation in prices (Figs. 36-38) and when there is, differences are not systematic. No particular markets have generally higher or lower median prices than other markets. For example, Kakuma Two has one of the highest median prices for rice and coffee, but some of the lowest for maize, sugar, and lentils. It seems that traders are reluctant to, or incapable of, competing on prices.

Competitive pricing requires the conditions of a free market. However, a number of circumstances in Kakuma and Kalobeyi limit free market competition. These include: (1) an oligopoly of wholesalers, (2) restrictions on the number of BC retailers, (WFP limited numbers in order to achieve an optimum level based on retail market analysis) (3) dependency on credit (which makes loyalty to a particular trader more important than buying from the cheapest trader), (4) geography (the market is isolated and competition appears to work differently in dense market areas compared to sparse market areas), and (5) coordinated pricing (BC retailers meet monthly with WFP to agree on prices based on the cost of goods).

This last limitation on competition is related to coordinating efforts undertaken by BC traders, who meet together in a traders’ association, as per WFP guidelines. In these associations, they can approach wholesalers collectively to

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**Fig. 34: Number of types of goods sold (from a list of 29 items)**

**Fig. 35: Composition of sales, calculated using median prices and volumes**

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15 Items asked: Rice, sorghum, maize, wheat flour, maize flour, beans, lentils, sugar, coffee, tea leaves, eggs, fresh milk, powdered milk, salt, cooking oil, macaroni, spaghetti, canned tuna fish, tomato sauce, bottled water, soft drinks, biscuits, fresh fruit, fresh vegetables, fresh fish/meat, soap, body lotion, charcoal.
negotiate prices, and sometimes they arrange to make bulk purchases in a group, thereby reducing the unit price and transport costs.

Traders also receive assistance from WFP in negotiating prices with wholesalers. WFP monitors the market each month through price surveys as well as meetings with wholesalers, traders, and market coordinators. Using this information, maximum wholesale prices for various items are recommended to suppliers, and maximum retail prices based on seven percent mark-up are issued to BC traders. WFP research has indicated that the price guidelines seem to be working, pushing the previous 13 percent mark-up among retailers down to about eight percent.

Whether or not traders used the WFP price guidelines, some traders complained that they were at times inaccurate. The primary reasons for this inaccuracy were fluctuations over time, variations in the prices charged by different wholesalers, and differences in the prices of items sold at different scales.

The price fluctuations result from short-term changes in the market, which complicate the attempt by WFP to estimate prices across an entire month. As one Eritrean BC trader in Kakuma explained: “WFP gives us a long-term price, but you may find price changes within two days especially on goods like maize, wheat flour, sugar etc. The price fluctuates very fast in the market.” In recognition of this problem, WFP has committed to review their guideline prices for some commodities – such as sugar – twice a month.

Another cause of discrepancies between recommended and actual prices is the variations in the prices charged by wholesale suppliers. As one Kenyan BC trader in Kalobeyi explained: “The WFP guidelines are the prices that we use here, but the problem is the difference that arises because we don’t buy goods from the same wholesaler”.

Our data confirms that variations in wholesale price seem to dictate retail prices to deviate from the price guidelines for certain goods. For example, among the main staples, the wholesale prices of rice vary greatly, and traders adjust the retail price to ensure a profit. However, wholesale- and retail prices of maize and sorghum are more stable, and interestingly, the price of wheat flour seems almost fixed at both wholesale and retail level (Fig. 39).
Finally, retail prices vary according to the scale at which items are sold. There is for example bulk pricing of some key staples, as shown in Fig. 38 (by markets) and Fig. 43 (by BC status). Maize and sorghum are often sold in 45 kg bags, rice in 25 kg bags, and wheat flour in 24 kg bags, rather than by the kilogram.

However, when retailers sell these staples in large sacks instead of by the kilo, they sell them for very little mark-up (Fig. 40). Selling staples in sacks appeals to an important segment within the camp: large households. While big shops that can stock large quantities of such bags might make up for the lower profit per kilo sold of each staple through much larger sales volumes (and hence likely bulk discounts from wholesaler; thus minimising this reduction in profit per kilo), smaller shops need to sell most of their staples by the kilo in order to make a profit. According to our enumerators, some traders also consider it ‘safer’ to sell by the bag, because they sometimes struggle to determine mark-up and prices at a scale that is different from the units used for wholesale pricing. This could explain why we observe a few traders incurring a loss when selling staples by the kilogram.

Hence, large families can save money by purchasing their staples in bulk, but this greatly limits the ability of retailers to make a profit. As one BC trader in Kalobeyei explained:

*The Size 1 customers, those are the ones for whom we can charge the retail price. We put the goods into small paper bags. But if a customer takes a whole sack of maize, we must sell at the wholesale price. So we buy at the wholesale price, and then we are forced to sell at the wholesale price!* (Kenyan BC trader, Kalobeyei)

Smaller families make purchases in smaller quantities, which allows traders to make more profit per kilo of the good. But bulk pricing among retailers is not reflected in the WFP price guidelines. However, some traders do find these guidelines helpful in negotiating with wholesalers in Kakuma:

*The WFP price guidelines are helpful not only when selling, but also when buying from the suppliers. You may find one item that you are accustomed to buy for this price, and yet the supplier tells you a different price. When you have that form [the price guidelines], you can show him the price fixed by WFP, and you can discuss. If he refuses, you go to another shop. For example, if you got to Al Mubarak and find the prices are too high, you can move to Mesfin to confirm the price... We don’t make a loss, because they [WFP] determine the prices after asking around. Generally, the prices they determine are good.* (Burundian BC trader, Kalobeyei)

Furthermore, some traders appreciate that WFP interventions like the price guidelines result in relatively standardised prices across different BC shops. This provides some security for traders because they do not lose customers to highly competitive pricing:

*WFP calls us for meetings and gives us a price guide.*

“WFP calls us for meetings and gives us a price guide.”

Non-licensed traders also meet together to determine their prices, which are often independent from WFP price guidelines:

*We meet to discuss about how we can set prices. For example, I may say that one kg of sweet potatoes should be sold at 60 KES. But another trader explains that a sack of sweet potatoes contains 80 kg, and we buy it in bulk, so that if we sell 60 KES per kilo we shall get a lot of profit and our customers will complain. So he might encourage us to reduce our prices to 50 KES per kilo. It is understandable, and none will refuse. We also discuss about items to sell, about different places to purchase goods, and how we shall be helping each other in case of problems.* (Burundian BC trader, Kalobeyei)

Sometimes these meetings attempt to reconcile differences in retail prices that derive from changing wholesale prices:

*We meet because sometimes we purchase our supplies in one place, so we interact about the prices. When the prices of our suppliers change – for example if the price increases and you buy for a high price – you may find another person who still has the very same item that he bought for a cheap price. If this happens often, it can cause confusion to the customers.* (Congolese non-BC trader, Kalobeyei)

Many non-BC traders were unaware that WFP provided prices guidelines. However, some noted that BC traders had higher prices:

*The prices are very different. In the BC shops the prices are much higher than in our shops. Some people are surprised to hear our prices. For example, we sell this washing soap for...*
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80 KES, but in BCs shop you buy it for 100 KES. The reason they give is that they must wait a long time for WFP cash to be transferred. (Burundian non-BC trader, Kalobeyei)

The perceived difference may be due to a time-bound competitive advantage that non-BC traders enjoy during BC distribution. At this time, BC traders find themselves with virtual BC credit while non-BC shops have cash in hand. The latter can replenish their stocks from suppliers with cash in hand, whereas BC traders become locked into a cycle of debts with wholesalers, who can then demand higher prices due to the risk of giving goods on credit:

Yeah, there is misunderstanding between the shops of Bamba Chakula and the shops that receive cash. The Bamba Chakula shops give out goods before their customers have signed, and this makes it hard for the traders to go and bring goods from the suppliers. They must take on debt with the wholesalers. But for us, we pay in cash. We bring our goods from suppliers for just a small price. When those goods are finished, we go and bring again, because we have cash. (Darfurian non-BC trader, Kalobeyei)

However, in terms of overall price levels, this difference was not reflected in our data. We found no systematic differences in median retail prices between BC shops and non-BC shops (including both unsuccessful BC applicants and non-applicants) (Figs. 41-43).

Additionally, an important role established through WFP programmes is that of market coordinators, who are selected by BC retailers across the markets of the Kakuma camps and the Kalobeyei settlement. We spoke with a Somali-Ethiopian man who serves as a market coordinator in Kalobeyei, and he explained his role:

I am within the market, so I see the challenges here. I discuss key issues with the people in my market area, and then I take this information into discussions with the market coordinators from other parts of Kalobeyei and Kakuma. Then at the end of the month we take all those challenges to WFP. We explain those challenges and whatever else has changed throughout that month, and we also share a price list from our research. Then we discuss what we are supposed to do for the coming month. That is our agreement with WFP. It is for the betterment of the Bamba Chakula programme. (Somali Ethiopian refugee, Kalobeyei)

Aside from his work among the BC traders in his part of Kalobeyei, he also travels in order to connect with new wholesalers, going to Kakuma as many as three times per week and to Nairobi every few months. However, he explained that this is difficult due to movement restrictions.

Aside from conditions created by the BC programme, there were also some accusations among both refugees and hosts that Somali traders have an unfair market advantage because they share an ethnicity and a religion with the most prominent wholesalers in Kakuma:
If a Somali goes to the wholesaler – many of them, you see, they are Somalis – they will give him a different price than me. For example, take wheat flour. A whole box is normally bought at 1,650 KES, but a Somali can buy it for 1,550 KES. Given this, do you think we can sell at the same price? (Burundian BC trader, Kakuma)

Resentment about the alleged ‘Somali advantage’ was especially high among host traders, who accused refugee traders of colluding with Kenyan wholesalers:

Some people have sold their Bamba Chakula lines to Somali refugees and the Somali refugees in turn take these cards to other Somalis of Kenyan origin. The Kenyan Somalis supply them with goods and they share profits that they make. They sell goods at prices that are lower than those agreed upon with WFP. They have killed our business. It is a plan to discourage the host from doing business so that they [refugees] take over Bamba Chakula. (Turkana BC trader, Kalobeyei)

The anger apparent in such accusations is a potential source of conflict in Kalobeyei, and a threat of which many refugee traders are aware. Tensions already escalated once in late 2017, when a Somali trader received death threats in Kalobeyei and was forced to cease his business activities.16

Sales, Expenditure, and Profit

In terms of sales, BC shops have higher sales volumes in total (Fig. 46), as well as for most goods separately, especially from the main staples (Figs. 44 and 45). However, BC shops do not have higher cash sales; the majority of BC traders get the vast majority of their sales through BC. For BC shops 19.4% of sales in Kalobeyei are cash sales; 36.8% of sales in Kakuma are cash sales.

BC traders are able to keep substantially more stock compared to other shops (Fig. 47). However, BC shops’ stock seems to vary temporally with the monthly cycle of BC distribution, whilst non-BC shops’ stock is more consistent over time. In Kakuma, the BC transfer to beneficiaries takes place between the 18th – 25th of each month; in October, it was distributed on Oct 25th. Stock value peaked a couple days before the designated period, and decreased with each day after that. In Kalobeyei, BC transfer normally takes place between the 8th-12th; in October, it was delayed and distributed on Oct 15th. We started our survey on the 9th, and observed the same pattern of declining current stock value for each day throughout the first week.

In line with this, the busiest period for BC shopkeepers is immediately after BC vouchers are transferred. At this point, some BC traders complain of a flood of customers. This rush of customers causes ‘jams’ at the stores, and stock can be depleted rapidly. However, in order to purchase more stock from suppliers, shop owners must balance the debts owed to

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17 Estimated total sales based on the value of volumes sold of all goods asked for (footnote 4). For each good, the retail price per unit is median corrected and the volume sold adjusted by Winsorizing, before aggregation.

18 Estimated total stock based on the wholesale value (i.e. replacement cost) of volumes stocked of all goods asked for (footnote 4). For each good, the wholesales price per unit is median corrected and the volume stocked adjusted by Winsorizing, before aggregation.
them from customers who have taken goods on credit prior to the distribution date. In many cases, they have retained the BC lines of these customers, and spend a great deal of time balancing their customers’ credit, so that the lines can be returned to their owners and the traders can purchase new stock. One BC trader in Kalobeyei explained the challenge:

"When money is transferred, I become busy withdrawing cash from my clients’ lines to balance their credit. It can take me like 5 days. Meanwhile, I must also go around looking for other goods that my customers want, but which have been depleted. (Burundian BC trader, Kalobeyei)"

Balancing credit takes time and wholesalers will sometimes refuse to give traders new merchandise until they do so. The result is a depletion of stock in the BC shops.

Frequent delays in the distribution of BC can exacerbate the problem of stock depletion, as another Burundian BC shop owner in Kalobeyei explained:

"Ehhhhh, this one affects me a lot. If the BC distribution is delayed, the first thing that must happen is that we give out many goods to our beneficiaries on credit. You may find the stock is depleted and the wholesalers refuse to give us new merchandise as long as money is delaying. (Burundian BC trader)"

There is some evidence that when people have spent their BC, they may choose non-BC shops for cash purchases due to the reliability of their stock outside of the BC trading period.

In terms of expenditure, BC owners have much higher expenses than unsuccessful applicants and those who never applied (Figs. 48 and 49). These are mainly driven by the higher inventory cost, but they also spend more on wages, their own salary, and loan repayments. In addition, their households are likely to consume more from the shop’s stock. The BC traders in Kalobeyei have substantially higher costs than BC traders in Kakuma and the towns (Fig. 49).

BC shops within both the Kakuma Camps and Kalobeyei Settlement have significantly higher profits than non-BC shops. The profit gap between BC shops and non-BCs is much larger in Kalobeyei than in Kakuma: In Kakuma, the average self-reported profit in the last month is about 19,000 KES among non-applicants and 40,000 KES among unsuccessful applicants, from which BC traders report almost the double: 77,000 KES. In Kalobeyei, BC shops report more than 3.5 times the profit of unsuccessful applicants: 95,000 KES compared to 26,000 KES, and the non-applicants report about 12,000 KES of profit on average. Notably, there is a minority of BC traders who do very well, which affects these means. Still, the pattern remains when comparing median values, in which case reported profits are 2.5 - 5 times larger among BC than non-BC, irrespective of the shop location (Fig. 50).

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19 Based on following reported expenses: 1) inventory, 2) electricity, water, gas and fuel, 3) rent, 4) maintenance and repair, 5) rent of machinery and equipment (e.g. generator, fridge), 6) transport costs for business-related reasons (e.g. to buy stock, or travel from home to the shop), 7) telephone cost, 8) household consumption of goods from the business, 9) owner salary, 10) wages to employees, and 11) loan repayment costs. All categories adjusted by Winsorizing before aggregation.

20 Adjusted by Winsorizing above the 95% and below the 5% percentile.
Market Geography and Competition

Sales and profits appear to be slightly higher in dense markets, but the variety of goods sold is slightly lower. Surprisingly, prices in dense markets are not significantly different. This may be a result of either traders colluding on prices or traders selling with such a low profit margin (due to wholesalers’ oligopolistic power) that they cannot afford to reduce prices any further.

It is unclear how easily shops can choose their shop location within the towns, settlement, or camp. Previous research in Kakuma camp has suggested that business owners can choose their location through an informal ‘real estate’ market, although the lack of formal registration leaves many open to exploitation. In Kalobeyei, however, changing location was seen as being a hassle, and some expressed frustration about determining the process. One Somali BC trader in Kalobeyei complained “There are many procedures regarding the land and buildings. This is difficult, from our view. The ones who allocate space are... I don’t know. DRC, RAS or what.” The Physical Plan for the Kalobeyei Settlement entails a stricter system of spatial regulation than in Kakuma, and some traders expressed uncertainty about where they can build their shops. This includes non-BC traders:

When I first came to this place, for me, it was difficult. I was given this place, but later, there was a misunderstanding. Someone came and asked me, “Who give you this place”? We went to the person with whom it was registered. I was worried. I thought I was going to lose money over that issue. (Darfuri non-BC trader, Kalobeyei)

The Kalobeyei spatial plan was developed using a participatory approach and the final plan is pending approval by the County Assembly. However, those who have set up shelters and shops in spaces that deviate from the Physical Plan for the Kalobeyei Settlement – some of whom may have been unaware of the zoning restrictions in the settlement – are concerned that they may be forced to shift from the places where they have built their shops. One non-BC Burundian trader in Village Two expressed his concern:

I have heard that this centre might be changed. They said that they will kick us out from this place and give us other places far from here, and this place is where our customers are accustomed to find us. If this one happens, we will lose so many things. So if possible, let us remain here - it will help us to continue developing ourselves. (Burundian non-BC trader, Kalobeyei)

Nonetheless, others in Kalobeyei expressed a desire to move. The commercial area in Village One is one of the largest markets in the settlement. However, some BC traders explained it might be better to be located in the smaller market centres closer to where people are living:

According to me, our location here in the market is a disadvantage because the neighbouring houses are far from the shop. People must come from far away. Now many of the traders have started building their shops in their communities, because the customers buy from the nearest shop. (Somali BC trader, Kalobeyei)

As noted above, however, customer loyalty is an important feature of economic relations across Kalobeyei and Kakuma. Some traders suggested that businesses should remain where they are established:

I don’t think I will move from this place, because the place where you start your business is the place you should be. You have become one of them [local community], and [if you move], maybe you will lose your customers... It can take time – maybe two to three years – to build trust and relationships. (Darfuri non-BC trader, Kalobeyei)

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21 We compared three measures of market density: 1) a binary indicator for whether each shop is located in a dense market according to the official camp map of Kakuma (on block level) and satellite images of Kalobeyei; 2) the number of shops in each block based on NRC census; 3) the number of shops in each zone based on NRC census.

WFP has also created the Kenya Retail Engagement Initiative (KREI), funded by the EU and USAID, which it sees as complementary to the aims and scope of BC. It focuses on improving ‘value for money’ for refugees and other retail consumers by supporting retailers and improving the supply chain of food commodities to refugee markets. It tries to meet these objectives through three sets of activities. First, it tries to improve business infrastructure among BC traders. Second, it provides training to BC traders in a range of practices such as the use of hand-held technology for stock management, improved management practices, and food safety. Third, it aims to improve supply chain by diversifying sources. Although we have not undertaken an impact evaluation focusing specifically on the activities within the Retail Engagement Initiative, our business survey offers relevant insights by focusing on the role of business training and supply chain development, thereby offering insights in how to improve the Retail Engagement Initiative.

**Business Training**

Business training sessions are provided by a range of UN organisations and NGO implementing partners in both Kakuma and Kalobeyei. Here we explore their impact. Are businesses owners who participated in training sessions working differently? Are the different practices they learn improving their sales or profit margins? How are training sessions perceived?

First, who participated in the business training? 80% of the BC traders attended training, 50% of unsuccessful BC applicants attended, and less than 20% of non-BC applicants attended (Fig. 51). In terms of the determinants of participation, previous experience or training in bookkeeping was associated with a higher likelihood of attending training. Having attended other vocational training, or having parents who owned a shop also correlate positively with attendance.

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**Fig. 51: Shop owner participation in business-related trainings.**

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23 See, for example, WFP Insight (2018), ‘Giving Local Traders the Power to Compete for Refugee Business in Kenya’, https://insight.wfp.org/giving-local-traders-the-power-to-compete-for-refugee-business-in-kenya-2d86edd259. Note that the activities within KREI do not only benefit or target BC traders, but rather the broader market.
Second, whose training sessions do refugees attend? More than 80% of the BC shop owners who attend training are trained through WFP, while more than 60% of the relatively few non-BC applicants who attend training are trained through other NGOs/IOs. Among unsuccessful BC applicants who attended training, half are trained by WFP and the other half by other NGOs/IOs. A small minority have received training through Equity Bank or other institutions. Among all business owners and traders who received business training, regardless of their BC status, 70% are trained by WFP (Fig. 52).

Third, what are the effects of business training? It is difficult to measure impact because of a self-selection bias in training participants. However, when controlling for a wide range of fixed and individual and shop-specific factors (e.g., education, work experience, vocational training, previous shop experience, previous experience or training in bookkeeping, if parents or family owned a shop, BC status, age and location of business), there is a positive and significant correlation between business trainings and implementing a range of particular business practices that in turn correlate with better business outcomes (i.e., self-reported and calculated total sales, self-reported profit, self-reported cash sales, variety of goods).

Some of the business practices promoted by training seem to have a positive impact on outcomes. Shop owners who give special offers and bulk discounts have higher sales; special offers are also associated with higher profit; asking existing customers whether there are any products they would like you to sell is associated with higher profits; asking suppliers for advice on bestsellers when deciding the product mix correlates with higher sales and a higher variety; bookkeeping is associated with a higher variety.

Traders who have participated in trainings are 13 percentage points more likely to keep records, as well as 11 and eight percentage points more likely to have offered, respectively, ‘special offers’ or ‘bulk discounts’ within the past three months. Business training is not associated with changes in whether traders monitor the competitors’ products and prices, but trained shop owners more actively use customers and suppliers for information. As shown, these activities correlate positively with business outcomes. Overall, having participated in business training is – holding other variables constant – associated with about 20% higher total sales and profit, however this is only significant at the 10% level.

Overall, controlling for a wide range of fixed and contemporaneous individual- and shop-specific factors, there is a positive and significant correlation between business trainings and doing/implementing a range of business practices that again correlate with higher business outcomes. However, because training participants were not randomly selected, we cannot exclude that these correlations are driven by selection bias (i.e., that the already successful or promising traders were already more likely to adopt such practices even in the absence training as well as more likely to participate to the training).

Refugees in Kakuma and Kalobeyei participate in a plethora of trainings. During qualitative research, we asked which trainings stood out as the most memorable or important. Shop owners in Kalobeyei highlighted the following:

"WFP taught us business skills, like how to store things and to manage our stock… I was in business for so long, yet I benefited from their trainings. I learned how to keep stock, for my shop and even for my family (Ethiopian-Somali refugee, Kalobeyei)."

"There were trainings provided by Danish Refugee Council and WFP... They trained us about how to separate business and the family. For example, if you have a shop and you let..."
At the time of research for this report, WFP was also piloting a Point of Sale (POS) system with 29 BC traders, with the aim of improving their business management practices. The system was originally proposed to improve accountability, insofar as traders would be required to scan all items purchased during BC transactions. This would prevent traders from breaking from the Standard Operating Procedures (SOP) and selling non-food items, or giving away cash in exchange for BC credit. This objective becomes redundant if WFP switches to unrestricted cash transfers rather than the current e-voucher system. However, POS systems still play a role in WFP’s retail development strategy, insofar as it will allow traders to transact goods more quickly and accurately, as well as allowing them to maintain rigorous booking.

Supply Chain Development

One of the key aims of the broader humanitarian transition from in-kind aid to cash-based transfers is to support local economic systems. In contexts where conventional aid models have long prevailed, traders must develop relationships with suppliers to replace the supply chains previously managed through humanitarian agencies’ procurement units. The business opportunities offered by the BC programme have encouraged traders – with support from WFP – to develop relationships with suppliers in Lodwar, Kitale, and other places on the route to Nairobi. WFP has formalised this objective under the Kenya Retail Engagement Initiative (KREI).

An important part of WFP’s retail engagement strategy is to develop more robust economic relationships between traders in Kakuma and Kalobeyei and their upstream suppliers, most of whom are located elsewhere in Kenya. The aims of supply chain development were to 1) improve the quantity and diversity of goods available in Kakuma’s market, 2) lower the price of goods in Kakuma, and 3) provide support to emerging traders to establish favourable relations with suppliers. The third aim was a response to the particular challenges facing refugee traders, who lack capital, access to credit, and the freedom to move freely to meet wholesalers outside Kakuma.

The key strategy adopted by WFP was to establish formal relations with ‘preferred wholesalers’, who would agree to join traders in meetings facilitated by WFP. These meetings give traders a chance to negotiate competitive prices with information support from WFP and the wholesalers enjoy access to emerging traders in a nascent market.

In early 2016, WFP issued its first request for proposals to prospective suppliers, including those already established in Kakuma, as well as others in Lodwar, Kitale, Nairobi, and other cities to the south. Some large-scale wholesalers from outside Kakuma made exploratory visits to the area, but the logistics of transportation and establishing local contacts were a challenge. Those with a physical presence and existing business relations in Kakuma therefore had an early advantage, and Al Mubarak was signed as the first preferred wholesaler. Three others were later added: Kaeris, Kakuma Wholesalers, and the refugee-owned Mesfin Wholesalers.

As of October 2018, shop owners (retailers) sourced their goods as follows. About 90% of suppliers to food retailers are located within Kakuma Camp and Kakuma Town (Fig. 53). The majority of the remaining 10% of suppliers are based in Kuchu, followed by some in Lodwar, Nairobi and elsewhere in Kenya and abroad (suppliers within Kalobeyei Settlement and Town are included in this ‘Other’ category but are a negligible factor at present). However, links to suppliers in places other than Kuchu may become stronger in the near future. Efforts to increase access to fresh produce, meat and fish have encouraged relationships with local producers within Turkana, from river-side farming schemes in Kaitu and Nakawamoru to fishing cooperatives in Kataboi. Perhaps the most dramatic expansion of supply chain opportunities is yet to come, as the Kakuma-based CBO Lokado is cooperating with government stakeholders to develop the infrastructure for greater cross-border trade through Moroto and Kotido, which would supplement the current supply route from Nairobi with alternatives in Uganda.

Shop owners in Kalobeyei Settlement have few relationships to suppliers outside Kakuma Camp and Kakuma Town (only about 2% of suppliers). The shops with the highest proportion of their suppliers outside Kakuma are based in Kakuma Town (about 35%), followed by Kalobeyei Town; these would be Kenyan nationals rather than refugees. Indeed, close to 30% of suppliers to Kenyan shop owners are located outside Kakuma, as opposed to less than 10% of suppliers to refugee traders. There are variations across refugee nationalities, and for example Sudanese refugees do not source goods from outside Kakuma at all.

Interestingly, unsuccessful BC applicants are slightly more likely to source from suppliers outside Kakuma – especially from Kuchu – than BC traders. This suggests that WFP’s facilitation of agreements with preferred wholesalers might keep BC traders’ supply chains more ‘Kakuma-centric’ than those of non-BC traders. More data on volumes of goods would be required to assess the relative contribution of BC versus non-BC traders to the KREI objectives of expanding supply chains within and beyond Turkana County.

As seen in Fig. 55, 76% of BC traders list at least one of the four ‘Preferred Wholesalers’ among their suppliers, compared to 45-50% of non-BC traders. Much of the difference seems
Fig. 53: Location of supplier(s)

Fig. 54: Share of shop owners who source from outside Kakuma

Fig. 55: Likelihood of listing one or more of the preferred wholesalers among suppliers (retailers typically use only 1-2)

Fig. 56: Main wholesale supplier(s) by BC Status, Location, and Nationality
to be explained by the early arrangements between BC traders one particular wholesaler, Al Mubarak (see relative size in Fig. 56), with a large group of mainly BC shops. Non-BC traders more frequently source goods through NGOs/IOs and networks outside of established wholesalers.

One of the key commitments in the wholesaler agreements is to adhere to price guidelines issued by WFP. WFP staff have emphasised that their goal is to issue negotiable ‘price guidelines’ and not ‘price controls’, as there is no formal mechanism to enforce the guidelines. Furthermore, suppliers and traders should not sell above the prices in the guidelines, but they may sell below that price. Therefore, while suppliers maintain low prices, they are encouraged to adopt a strategy of increasing profits by raising the volumes of their sales. Over time, non-preferred wholesalers – such as Al Amin – have also become involved, and some wholesalers are now buying directly from manufacturers, which lowers the prices at which they can sell on to retailers in the camps/settlement.

The range of wholesalers has been expanded by the outreach efforts of BC traders and their market coordinators. Some allege that Kakuma-based preferred wholesalers have sold above the price guidelines, and this has been one motivation for seeking new suppliers outside Kakuma:

**Sometimes what the wholesalers write for WFP and what they are selling to us are different. That is one reason we buy food from Kitale, because here [in Kakuma] wholesalers cheat WFP. They report that their price for white flour is, say, 1,500 KES, but when we go there we are offered flour for 1,600 KES. They are not giving true information to the World Food Programme.** (Somali BC trader, Kalobeyei)

As traders reach out to more distant wholesalers, they are contributing to the expansion of the number of business actors involved in Kakuma's supply chain. However, access to new supplier relations is not equal, and some Turkana traders complained about the advantage held by Somali refugee traders. This alleged advantage is somewhat counter intuitive given that refugees face movement restrictions while Kenyan citizens can travel to Kitale without any legal barriers. However, Somali networks can circumvent this barrier. Somali people have operated businesses in Turkana since the colonial period, when they were the only ethnic group allowed to operate businesses under the British administration in that district. Because Somali refugees can now insert themselves into these historically established networks, they can circumvent restrictions on movement. As one Somali BC trader in Kalobeyei explained, he can establish trade relations remotely.

**We don’t go out of Kakuma. We communicate through the phone, we talk to the client, send the money to their account, and they give us what we want. That is how we do it.** (Somali BC from Kakuma, working in Kalobeyei)

Refugees do obtain movement passes for business purposes. However, movement passes are notoriously difficult to acquire, often requiring multiple trips to the RAS office with waiting times of up to a week. By using their networks rather than traveling in person, Somali traders can circumvent this barrier. As a result, they are able to access suppliers outside the county even more easily than many Turkana traders. One Somali BC trader in Kalobeyei explained that he can offer highly competitive prices to beneficiaries because he purchases directly from Kitale: “We used to compare our retail prices with those of the Kakuma Town wholesalers. We found that if the Kakuma Town wholesalers were selling for 20 KES, we could sell for 20 KES in Kalobeyei.” He acknowledged that this had been an issue they had brought up at the BC trader meetings, as some hosts saw it as an unfair advantage.

This results in a dynamic that is a bit different from what we would expect due to the movement restrictions imposed upon refugees. It seems that, despite the restrictions on their physical movement, those with the greatest access to Kitale are Somalis (both refugees and Kenyans). Similarly, other non-Somali and non-Turkana Kenyan citizens may have connections in central and western Kenya, and they can move freely. However, while Turkana traders can legally move to and from Kitale, they may not have the same access to trade networks to facilitate travel, trade, and transport of supplies. Finally, other nationalities among the refugee population – including those from the Great Lakes Region – face both physical movement restrictions and a lack of business connections. The result is a hierarchy of access in Kakuma that is organised roughly into three tiers: a) connected minority (e.g. Somali Kenyans, Somali refugees, and non-Turkana Kenyans), b) a poorly connected host community (Turkana), and c) a restricted refugee majority.
Understanding Kakuma and Kalobeyei’s experience of using BC to develop the food market provides an opportunity to learn. It offers insights of wider relevance into how markets emerge and develop in refugee camps and settlements, the process of transition from in-kind to cash-based assistance, and what determines entrepreneurial success in a refugee camp. It also poses challenging questions about the appropriate role for humanitarian organisations in regulating markets.

Our study of food retail businesses in Kakuma is one of relatively few to examine in detail how a nascent industry can emerge in a refugee camp setting. It highlights some of the factors and causal mechanisms that explain variation in both business practices and outcomes. It also offers unique insights into the impact of World Food Programme’s BC system, an innovative form of cash-based assistance, in which a limited number of refugee and host community food retailers were contracted to be providers of food assistance within the Kakuma camps, the Kalobeyei Settlement, and the two nearby towns. The lessons from the BC experience in Kakuma matter both for the Kenyan context and because of the potential to replicate aspects of the BC model as a transitional arrangement in other refugee camps and settlements.

Our findings reveal that Somali and Ethiopian refugees are disproportionately likely to be involved in business, while South Sudanese refugees are underrepresented. The profile of those entrepreneurs applying to be BC traders differs from those that never applied, including in terms of nationality, gender, education, training, and experience. Food retailers can be divided into three types of traders: BC traders, unsuccessful BC applicants, and non-applicants. Being a BC trader confers significant advantages in terms of offering protected access to a significant part of the camp and settlement food market. It is also associated with different behaviours and significantly better outcomes. BC shops, followed by unsuccessful applicants, followed by non-applicants are likely to have higher sales and profit levels, and are also more likely to engage in practices such as book-keeping, marketing, or stock management.

Differences in profitability do not arise from systematic differences in pricing, rather, they stem from selling larger volumes of goods. BC shops sell relatively more of the main staples in bags, targeting large-sized household customer markets, thereby securing high sales volumes and increased access to bulk discounts from their suppliers. Non-BC shops sell relatively more of the staples by the kilo, with greater mark-up; however, they cannot afford to hold large stock quantities in the same way as BC shops do and so lose out on large household customers and higher volumes. BC contracts in Kalobeyei are more profitable than BC contracts in Kakuma. Indeed, while the total amount of BC money transferred in both sites is similar (about 500,000 USD monthly), the number of BC shops operating in Kalobeyei is much lower.

BC traders are doing better. But can we say that they are self-reliant? In line with UNHCR’s definition of self-reliance and with the self-reliance framework of Betts, Omata, and Sterck, self-reliance is the ability to meet essential needs...
with dignity and autonomously from on humanitarian or external assistance. The food market heavily depends on money and aid flows from NGOs and IOs in the form of BC transfers, in-kind food transfers, incentive payments, and other form of aid. The food market in Kakuma camps and Kalobeyei settlement would probably entirely collapse if NGOs and IOs were to discontinue assistance. Therefore, while BC traders are mostly able to meet their essential needs, they cannot be characterised as self-reliant because their survival depends for a large part on external assistance. Put simply, while some traders meet the socio-economic needs criteria for self-reliance, few meet the autonomy criteria, whether on an individual or community level.

Structurally, the food industry is dominated by an oligopoly of just a few local wholesalers. Just five wholesalers, four Kenyan Somalis (Al-amin, Al-Mubarak, Kakuma Wholesalers [Ogle], and Kaeris) and one Ethiopian refugee wholesaler (Mesfin) supply the majority of all products to food retailers inside the camps and settlement. Although BC shops collaborate to bargain with these wholesalers, the five wholesalers’ market dominance means they have a significant influence on pricing.

Credit plays a key role in enabling the food market to function, with retailers purchasing from wholesalers based on credit, and consumers purchasing from retailers based on credit. The primary basis for customer selection of particular retailers appears to be loyalty because many customers rely upon credit in order to be able to purchase staple and common food items during and outside the monthly BC business cycle (refugees are given BC credits within a small monthly window).

Based on our findings, we have a series of policy recommendations, relevant to both the Kenyan context and any attempts to replicate the BC experience as a transitional arrangement between in-kind and cash-based assistance elsewhere. The recommendations are based on the assumption that the goal is to enhance aggregate welfare in the camps and settlement by improving market efficiency and business performance.

1) Manage the transition to cash

BC represents an interim stage on a spectrum between in-kind assistance and direct cash assistance.

“BC represents an interim stage on a spectrum between in-kind assistance and direct cash assistance.”

BC transfers, in-kind food transfers, incentive payments, and other form of aid. The food market in Kakuma camps and Kalobeyei settlement would probably entirely collapse if NGOs and IOs were to discontinue assistance. Therefore, while BC traders are mostly able to meet their essential needs, they cannot be characterised as self-reliant because their survival depends for a large part on external assistance. Put simply, while some traders meet the socio-economic needs criteria for self-reliance, few meet the autonomy criteria, whether on an individual or community level.

Structurally, the food industry is dominated by an oligopoly of just a few local wholesalers. Just five wholesalers, four Kenyan Somalis (Al-amin, Al-Mubarak, Kakuma Wholesalers [Ogle], and Kaeris) and one Ethiopian refugee wholesaler (Mesfin) supply the majority of all products to food retailers inside the camps and settlement. Although BC shops collaborate to bargain with these wholesalers, the five wholesalers’ market dominance means they have a significant influence on pricing.

Credit plays a key role in enabling the food market to function, with retailers purchasing from wholesalers based on credit, and consumers purchasing from retailers based on credit. The primary basis for customer selection of particular retailers appears to be loyalty because many customers rely upon credit in order to be able to purchase staple and common food items during and outside the monthly BC business cycle (refugees are given BC credits within a small monthly window).

Based on our findings, we have a series of policy recommendations, relevant to both the Kenyan context and any attempts to replicate the BC experience as a transitional arrangement between in-kind and cash-based assistance elsewhere. The recommendations are based on the assumption that the goal is to enhance aggregate welfare in the camps and settlement by improving market efficiency and business performance.

1) Manage the transition to cash

BC represents an interim stage on a spectrum between in-kind assistance and direct cash assistance. It is effectively an ‘artificial currency’ that balances increased choice for refugees with the goal of ensuring that beneficiaries spend money on food items. There are concrete plans to introduce unrestricted cash assistance in Kakuma and Kalobeyei. In June 2019, WFP completed the registration of just over 1,000 households in Kalobeyei with Equity Bank cards as part of the first set of unrestricted cash transfers. Roll out for the remaining households in Kalobeyei is expected to take place in September 2019. Thereafter, WFP plans to start the transition to unrestricted cash assistance in Kakuma in 2020.

The move to unrestricted cash seems desirable if the transition is managed carefully. The possible benefits, and associated risks, are worth discussing, and four sets of transition arrangements are likely to be needed.

a) Mitigating tensions due to BC traders’ loss of entitlement

The increased competition that will result from opening the market might lower prices for consumers and spread profits more equally across businesses. This may also generate tensions in the short-run, especially among BC traders who have enjoyed a huge advantage under BC compared with unsuccessful BC applicants and non-applicants. These tensions need to be prevented through effective communication. Many BC traders will actually continue to enjoy the legacy of those advantages, in terms of, for example, stock, market share, and infrastructure, even once BC ceases to exist.

b) Ensuring adequate food supply to meet increased demand

Increased cash-assistance in Kakuma is likely to create a local economic boom that may benefit everyone. However, if wholesalers and retailers are not ready to satisfy the increased demand as soon as the switch to full cash transfer is made, prices may rise sharply in the short run, which may exacerbate food insecurity. In order to prevent such problems, WFP would need to ensure that stocks are higher than usual prior to transition to cash assistance by, for example, working directly with wholesalers or by temporarily acting as a wholesaler of last resort.

c) Managing the entry of wholesalers into the retail market

In Kalobeyei, several retailers expressed concern that the introduction of cash assistance may encourage large-scale wholesalers from Kakuma to enter the Kalobeyei market, undermining their market share. This perception requires some nuance. It is indeed very likely that wholesalers will open branches in Kalobeyei, as some of them have already done in the Kakuma camps. The resulting increase in competition, however, may have both positive and negative effects, and it is unclear how these will balance out, and much will depend on the strategies adopted by the wholesalers and how their entry into Kalobeyei is regulated.

If wholesalers open new wholesale branches, this is likely to benefit all. For wholesalers closer to the retailers, transportation costs will be reduced, enabling retailers to lower their prices to the consumers. WFP should encourage new and existing wholesalers to establish themselves in Kalobeyei as a part of their efforts to improve the supply chain to all parts of the camp.

If wholesalers open retail branches, however, the outcome is harder to predict. In the short-term, the increased competition is likely to reduce prices for the consumers, but also to force the existing retailers, particularly the most vulnerable and former BC traders, out of business. Depending on the magnitude of this price effect, the long-term outcome may actually be fewer entrepreneurs, reduced competition, and higher consumer prices. The ultimate effect of wholesalers entering the retail market is therefore
ambigious, and depends on how one assesses and weighs these effects.

Even if one wanted to prevent, limit or manage wholesaler entry into the retail market, it is not entirely clear how this could be done. However, there are several regulatory options. First, a rule based on location (‘people can only do business in the camp or town in which they live’) would not only prevent geographical expansion by retail branches, but also wholesale branches. Second, introducing a rule that wholesalers can only sell goods to business permit holders could be effective, but only provided that the infrastructure to enforce the rule is in place. Third, potentially the most effective way of preventing wholesalers from gaining dominance in the retail market could be to cap the number of shops traders that are allowed to operate, or to substantially increase the business permit fee for every additional shop above 2 or 3. This way, wholesalers would have to consider how they want to use their limited number of shops, and whether opening additional branches is actually beneficial to them or not. The chances are, given such restrictions, that most wholesalers would prefer to provide large volumes of goods to a large number of retailers through wholesale branches, rather than compete with the retailers.

d) Supporting responsible household spending

Lastly, while unrestricted cash allows beneficiaries to choose what they want to consume, some refugees expressed concern that it may also lead to ‘undesirable’ purchases, particularly by men, which in turn may increase food insecurity. WFP could set up a programme to help families that are not able to manage their budget adequately, for example by temporarily offering them food rations instead of cash while the underlying problems leading to ‘unwise’ budget management are solved. Here it will be important to take into account gender-related intra-household dynamics which often affect household consumption choices.

2) Extend BC as an interim measure where food assistance is currently provided in-kind

Access to BC is associated with significantly better outcomes for traders. In conjunction with the Retail Engagement Initiative, it is clear that BC traders enjoy higher sales and higher profit levels than non-BC traders, and are likely to adopt business practices associated with better outcomes. Part of this reflects a selection-bias of BC traders being selected partly on the basis of already running successful businesses. Nevertheless, there is evidence that BC is an effective food modality, a means to build markets, and a way of expanding consumer choice. Overall, it is an effective transition arrangement between in-kind assistance and unrestricted cash-assistance.

Access to BC is also associated with significantly better outcomes for consumers. Recent arrivals living in Kalobeyei, who receive 95% of their food assistance in BC money are characterised by better food security and lower level of dependency compared to recent arrivals living in Kakuma, who instead receive 70% of food assistance in-kind (Betts et al. 2018).

WFP should therefore consider expanding access to BC more widely within Kakuma as an interim step prior to the introduction of full cash assistance. It might also consider the roll-out of BC to other contexts in which in-kind assistance is still used in refugee contexts, such as the Dollo Ado camps in Ethiopia. The Kenyan experience also illustrates how BC can be a useful alternative to unrestricted cash transfers in the contexts in which government regulation or lack of access to financial inclusion inhibits the immediate roll out of unrestricted cash assistance.

Nevertheless, improvements in the BC model can still be made. First, the monthly BC cycle could be adapted. At the moment, BC distribution is programmed for all refugees in a given camp or settlement on the same day each month. This fixed and unique date (which is sometimes delayed) requires BC shops to hold large amounts of stock for just a few days of each month, and leads to a ‘run’ on goods by customers eager to access products before they run out. These periods of rush contribute to the need for credit to be used both by retailers and by consumers in order to purchase in adequate quantities, in turn inflating prices and further concentrating power in the hand of wholesalers. A better option could be to stagger BC transfer on different days of the month for different groups of refugees, ensuring stock availability and avoiding the need for rushed purchases. Reducing the need to hold large stock quantities would also contribute to greater competition, possibly also enabling alternative sources of supply chain to emerge beyond the dominant wholesalers. Possible implications on stock maintenance, quality, and variety, as well on supply chains should be carefully tested before implementing such change, and monitored after implementation.

Second, improvements should be made to liberalise the use of credit between retailers and customers. Our research shows that the existing system simply could not function without credit, not least because technical delays in BC distribution often mean refugees need to buy good on credit when they run out of food. In order to access credit, customers are usually required by retailers to leave their Safaricom SIM cards with the shop owner as collateral. At the moment, though, it is against WFP rules to keep hold of SIM cards, and doing so can in theory results in punitive consequences. The objective of this rule is to prevent the exploitation of refugees by traders who retain their SIM cards. The rules could be adapted to recognise the practical reality that retailers have to be able to retain SIM cards in order to ensure efficient distribution of products. Alternatively, a credit option could be offered as a formal option in the BC system. Credit could then be monitored by WFP and complaints from both clients and retailers could be formally addressed.

“The existing system simply could not function without credit.”

“The dominant tool for analysis has been the household survey (demand-side). Just as important for understanding refugee economies is the use of representative business surveys (supply-side).”
3) Adapt the scope of the Retail Engagement Initiative

We have not undertaken an impact evaluation of WFP’s Retail Engagement Initiative. However, our findings suggest that it provides an important complement to the use of BC. By enhancing the capacity of BC traders, it could offer a means to improve self-reliance opportunities for traders and ensure better service delivery to consumers.

Although not specific to the Retail Engagement Initiative, having participated in business training, all else being equal, is associated with around a 20% higher total sales and profit. Of course, this correlation could be due to selection bias and should therefore not be interpreted as causal. Nevertheless, our evidence suggests that the scope for improving important business practices is large (e.g. bookkeeping, calculating profit margins, monitoring prices, managing stocks). A wide variety of business training is offered by NGOs and IOs within Kakuma and Kalobeyei. However, a more evidence-based approach is needed to identify which forms of training are associated with specific changes in behaviour and outcomes. Particular consideration should also be given to how to make business training accessible to non-BC traders and national and ethnic communities that are under-represented within business and self-employment, such as the South Sudanese. More research is also needed to understand the impact of particular education curricula and the role of related forms of support such as mentorships and access to seed capital.

Meanwhile, efforts to expand supply chain beyond the five main wholesalers need to be further expanded. As dryland agriculture emerges through the promotion of kitchen gardens in Kalobeyei and, to a lesser extent, Kakuma, there is an opportunity to encourage refugees to participate in the food market as wholesale suppliers as well as simply retailers. In that respect, WFP’s work to provide training in marketing and pricing to local farmers and to connect them to the markets should be welcomed. Further encouraging the creation of agricultural cooperatives might increase farmers’ capacity to negotiate fair contracts and to more reliably supply food retail shops. In order to support the development and diversification of the supply chain, policy-makers might also consider extending preferred-wholesaler arrangements to small-scale suppliers as an interim measure in order to encourage market development.

The overall goal of retail engagement should be to iteratively improve market efficiency to the benefit of both retailers and consumers. Our research reveals five main factors that limit market competition within the food retail sector: the oligopoly of wholesalers; the limited number of BC retailers; dependency on credit; price collusion; and geographical isolation. Insofar as these serve as barriers to competition, there is a need to think systematically about how to remove them to improve the efficiency of the food market. This will require a comprehensive strategy as part of the transition to cash assistance. Diversifying the supply chain, removing temporal bottlenecks on demand and supply, preventing collusion on prices while making prices more transparent, encouraging the entry of new wholesalers, improving transport infrastructure, facilitating access to movement passes for business reasons, and connecting Kakuma to local and national markets can all contribute to removing some of these barriers.

It is also important to recognise that legal and physical barriers continue to impede the development of the retail sector in the Kakuma camps and the Kalobeyei settlement. The reconceptualisation of Kakuma as a marketplace also has to be accompanied by increased entitlements and opportunities for refugees. This requires investment in infrastructure, including electricity, roads, and connectivity. It also requires a revision of the legal framework to allow refugees to work, move, and contribute to Kenyan society. Ultimately, a thriving business environment will also require opportunities for refugees to participate more directly within the governance and economic regulations of the camps and settlement.

4) Mainstream business surveys within data collection

Improving the quality of data and evidence have become increasing priorities in refugee and humanitarian policy. However, until recently the dominant tool for analysis has been the household survey (demand-side). Just as important for understanding refugee economies is the use of representative business surveys (supply-side), within and across particular economic sectors. In this report, we have adopted a mixed methods approach, based upon a survey of food retail businesses. We think the insights and policy recommendations highlight the value of such an approach, and its potential to complement other methodologies for understanding the economic lives and impact of refugees. On an academic level, it also highlights the value of an approach that integrates Business Studies, Economics, and Refugee Studies. Relatedly, a number of market-based studies have now been commissioned relating to Kakuma and Kalobeyei, and greater coordination is needed relating to ongoing census and survey work to reduce duplication and ensure complementary insights.

Furthermore, rather than relying exclusively on post-hoc evaluation, future market-based interventions relating to BC and the Retail Engagement Initiative should be designed to be evidence-generating. This could be achieved by for example, the use of randomisation in participant selection, the creation of control groups, and baseline surveys of participants and control groups. Including intervention-based research methods (randomised control trials and other impact evaluation methods) within programme design and implementation is likely to lead to more efficient and rigorous learning than relying upon retrospective assessment.
Female beneficiary uses her mobile phone to buy food items through Bamba Chakula in Kakuma.
Doing Business in Kakuma: Refugees, Entrepreneurship, and the Food Market

Turkana lady buying in a shop in Kakuma Refugee Camp

Street vegetable shop
In Loving Memory of Peninah Nanjala Wamalwa

During the research for this report, we had the pleasure of working with Peninah Nanjala Wamalwa, a hardworking young woman, business-owner, wife, and mother of three. It is with great sadness that we received the news about her passing in February 2019, after battling meningitis since late October. The fact that even young and otherwise healthy people in Kakuma and Kalobeyei die from preventable diseases highlights the still limited access to basic health facilities, vaccines, and treatment. Peninah’s destiny is unfortunately not unique in the context of the settlement. We wish to honour her by dedicating this report to her memory.

Peninah did an excellent job as a researcher for this project on host community and refugee businesses. She was a valued member of the team, who we entrusted with additional responsibilities outside of surveying. She was always eager to learn and to contribute. Her positive and kind attitude, and her outstanding effort to deliver high quality work, made it an absolute pleasure to work with her.

Over the weeks of working together, we were blessed to also get to know Peninah on a personal level. She became a dear friend, and especially close to those of us who worked most closely with the Kalobeyei team.

Our thoughts and condolences go out her family and friends. We will forever treasure our memories of Peninah.
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