

**ECONOMIC EFFECTS OF URBAN REFUGEES ON HOST
COMMUNITY: CASE OF SOMALI REFUGEES IN EASTLEIGH,
1991-2012**

BY

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DECLARATION

This is my original work and has not been presented for the award of degree in any other University.

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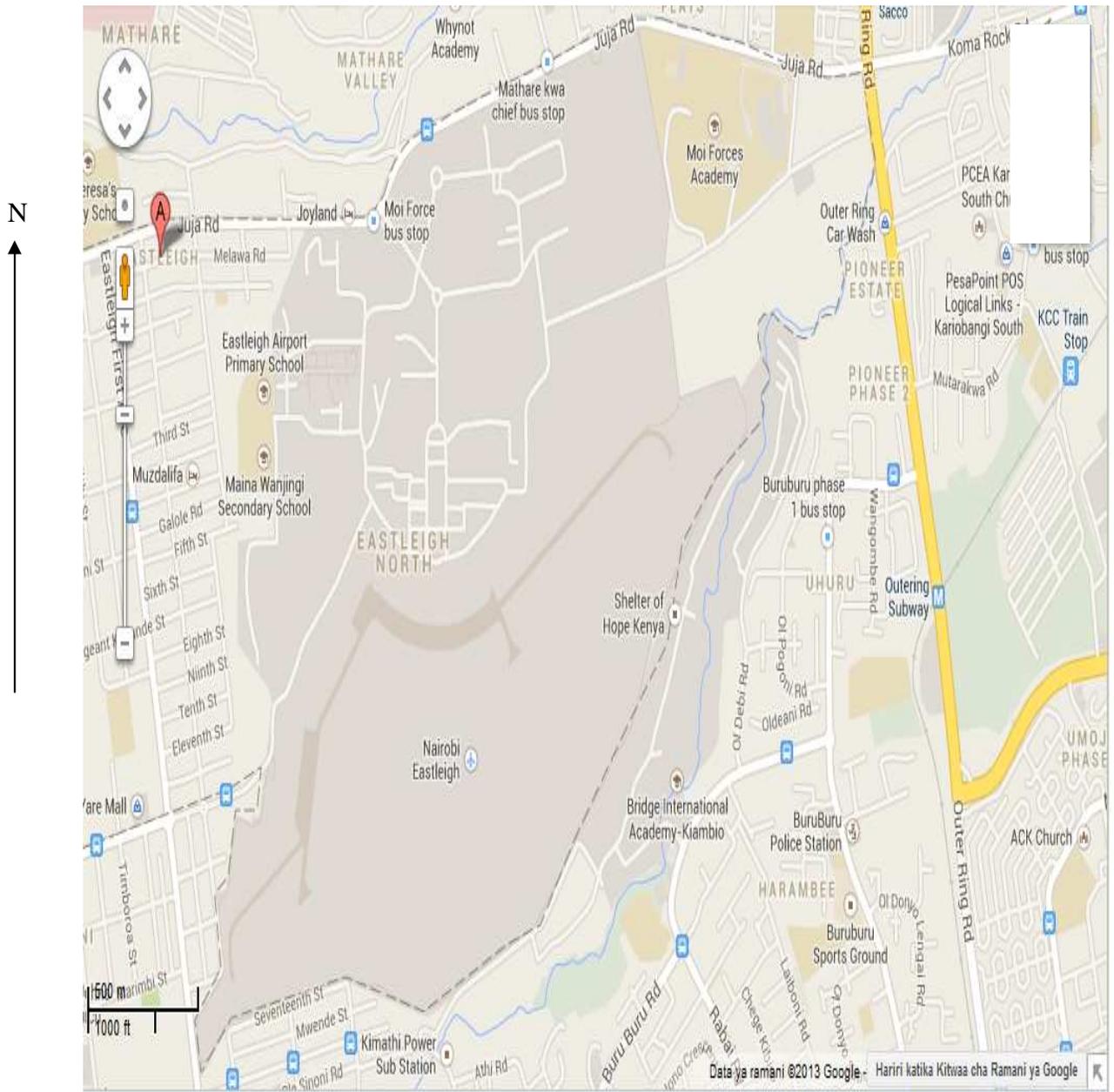
DEDICATION

This research is dedicated to Somali Refugees and Kenyans living in Eastleigh and Nairobi area at large whose contribution to this research was immense.

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MAP OF THE STUDY AREA.



Source: <https://maps.google.co.ke/maps?q=map+of+eastleigh> & ie = UTF8 &h....

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ABSTRACT

In many countries in the world, against a backdrop of chronic unaddressed urban poverty, rapid urbanization is giving rise to normalized daily violence and low-level armed conflict in densely populated slums. A sizeable minority of the people coping with these conditions are refugees who relocate from their home country in search for safety in foreign countries. To this group of people, the urban context presents unique barriers to the economic success, but also some significant advantages. In Nairobi, where this study was conducted, refugee and displaced people suffer from limited freedom of movement due to the threats of petty crime and violence, armed gangs and police harassment. Thousands of female refugee and youth are employed as domestic workers, where they say their rights are trampled. These forces limit the refugee's ability to socialize and earn a living and access services. Most refugees are at a major educational disadvantage in Nairobi and many never manage to return to school, as they face various barriers.

As the key to accessing economic opportunities, Somali refugees in Nairobi developed social networks. This study sought to establish how relationships between urban refugees and more established local communities affect refugee access to key services and resources. In contrast to camps, where refugees are relatively isolated from local host communities and are more dependent on assistance from humanitarian agencies to meet their basic needs, Somali refugees in urban Nairobi typically depend more on social networks, relationships and individual agency to re-establish their livelihoods. This study has explored the conditions under which refugee-host relations promoted or inhibited refugee access to local services and other resources. It also considered how positive impacts of these evolving relationships was nurtured and developed to improve economic outcomes for both the host communities and refugees in Nairobi.

The research was a case study of the impact of the refugee stay on the economic livelihood of Eastleigh. It was guided by three objectives namely; investigating the relationship between the refugee population in Eastleigh the area's economy, examining the economic effects of urban refugees on host community in Eastleigh and investigating the relationships between the refugees and the local communities. This study was

anchored on refugee aid and development theory. This theory calls for strategies linking refugee relief programs with local development policies as was first used by Betts Robert and Gorman Robert during the second International Conference on Assistance to Refugees in Africa (ICARA II) in 1984. These authors asserted that refugee assistance should be development-oriented and should take into account host population needs. The theory of refugee and development draws attention to the situation of host populations benefiting economically from refugee presence against the fundamental assumption that refugees represent a problem or a burden, rather than an opportunity. The methodology adopted in this research was pragmatic approach where both quantitative and qualitative methods were applied in order to capture the key elements of the research purpose and objectives. Quantitative come in because there was need to establish the approximate population of refugees living in Eastleigh. This required historical data which was based on factual information. To get this factual information, the study heavily relied on secondary and primary data sources. The research also used in-depth interviews with key informants through individual and focused group discussion. For efficiency the study utilized a questionnaire approach which assisted in capturing the required data.

LIST OF ABBREVIATION

ARWA	Afghan Refugee Women’s Association
DRC	Democratic Republic of Congo
GOK	Government of Kenya
HDI	Human Development Index
ICRC	International Committee of Redcross
IDP	Internally Displaced Persons
IGAD	Intergovernmental Agency for Development
IHL	International Human Law
IMF	International Monetary Fund
JKML	Jomo Kenyatta Memorial Library
KANU	Kenya African National Union
KNA	Kenya National Archives
NEP	North Eastern Province
NGO	Non-Governmental Organization
OAU	Organization of African Union
SALW	Small Arms and Light Weapons
SNA	Somalia National Alliance
SNM	Somali National Movement
SPLA	Sudan People’s Liberation Army
SPM	Somali Patriotic Movement
TNC	Transnational Corporations
UN	United Nation
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children Fund
US	United States
USC	United Somali Congress
WB	World Bank
WCRWC	Women Commission for Refugee Women and Children
WHO	World Health Organizations

Definition of terms

Income refers to money that, someone gets from working or from investing. For the case of this research income shall mean the positive or negative effects of economy initiated by a foreigner to a host community.

Refugees refers to people who have fled from their countries owing to “well-founded fear of persecution for reasons of race, religion, nationality, membership of a particular social group, or political opinion and unwilling or unable to avail of the protection of that country, (UN Convention 1957). In the context of this research, the refugees are those people who fled their home country due to the civil wars and now reside in Eastleigh Estate of Nairobi.

Host refers to a host is any person who provides hospitality. Hospitality is the relationship between guest and host, or the act or practice of being hospitable. In the case of this research the word host will be used to refer to the Kenyan communities that were hospitable to the Somali refugees.

Squatters refers to persons who settle on land or occupy property without title or ownership.

Hawalla is a Somali term for informal money transfer financial institutions.

Arable Land refers to land that can be used for growing crops.

Ayutta is a Somali word for assisting where a group of people (members) join hands in the process of raising business capital. In this system, each member raise equal amount of contribution to the fund pool. The funds collected are given to one member at a time and the process keeps rotating until all the members are benefited equally. It forms a cycle of give and take.

Conflict refers to a discord, hostility or competition between two or more people over power, values or scarce resource.

Violence refers to a distractive way of handling conflict where people harm their opponent in an effort to meet their own needs.

Capital is a fund required for starting a business activity.

CHAPTER ONE

INTRODUCTION: BACKGROUND TO THE STUDY

1.1 Introduction

Every year seems to bring news of new refugee crises, and the trend has been on the increase since the end of the Second World War in 1945. For instance in 1980 the official global count of refugees and internally displaced people was 5.7 million. By 2011 the refugee statistics from United Nations High Commissioner for Refugees (UNHCR) indicated that that number had risen to over 15 million, with over 4 million in Africa alone.¹ From the UNHCR statistics the burden of refugee flight falls upon the poorest countries sub-Saharan Africa Kenya among them. Most of these refugees opted to settle in urban areas of these countries. Unlike in camp situations, there are no clearly demarcated boundaries signifying a singular refugee community in Nairobi. Refugees are widely dispersed throughout the city and intermix with a variety of local Kenyans, immigrants, asylum seekers, and foreigners and often hold a variety of documents. Refugees live illegally in Nairobi and are largely not entitled to protection or assistance.² The majority of resources are thus directed to camp refugees. The Government's position against refugees residing in cities has caused many researchers and policy makers to simply ignore or downplay the presence of urban refugees in Nairobi, who after all, are supposed to be living in the camps.³

The risk of the Kenyan population and Public Health is of utmost importance regarding urban refugees. Kenya has been free from poliovirus for the last 22 years but in 2006 eleven cases with wild poliovirus have been reported in Kakuma refugee camp and this poses high risk to Kenyan population.⁴ Measles and polio have also been reported. Cross boarder disease importation remains a threat in Kenya. As the urban refugees' population

¹ United Nations High Commission on Refugees (UNHCR), 2004.

² Ibid.

³ Human Rights Watch, *Hidden in Plain View: Refugees Living Without Protection in Nairobi and Kampala*, New York: Human Rights Watch, 2002

⁴ In October 2009 international Rescue committee (IRC) reported 21 H1N1 cases in Hagadera and Ifo refugee camps in Dadaab.

swelled in urban centres the Kenyan government insisted on an encampment policy which says all refugees to reside in the camps.⁵

Refugees in any country are a drain on national resources and a social and economic burden to the host state.⁶ When the refugees migrate to safety they are not part of the host country's expenditure. Their presence becomes a burden to host community. For instance in the Middle East scenario, the arrival of Iraqi refugees in Jordan, Lebanon and Syria caused significant increases in food and fuel prices and placed new pressures on the housing market and public services. The refugees were considered a threat to the host state.⁷ This research seeks to examine the economic effect of Somali refugees in Eastleigh on the host community since 1991. Although the Somali refugees have a long history of presence in Eastleigh, their number increased since 1991 when Somalia civil war which had led to the collapse of the Siyyad Barre regime degenerated further into factional war.

1.2 Problem statement

The presence of refugees in any country impacts on the host communities either socially, politically or economically. However, much of the literature on refugees has sought to describe and evaluate the causal connection between violent conflict and refugee suffering in the hands of their host communities. There has been hardly any attempt to learn about economic impact of refugees on urban host communities in Kenya. Despite the prevalence of humanitarian crises, scholars have produced little research on the topic. The current state of scholarship reveals a considerable amount of work on the determinants of population displacement usually civil wars as well as the on how policies in the host countries have affected the direction of human flight from conflicts in developing countries.⁸ There is little on economic effects of these crises either on the refugees directly, or on the communities that receive them.

⁵Human Rights Watch, *Hidden in Plain View: Refugees Living Without Protection in Nairobi and Kampala*, New York: Human Rights Watch, 2002

⁶Hovil, L, "Self-settled Refugees in Uganda: An Alternative Approach to Displacement?" in *Journal of Refugee Studies* Vol. 20, No. 4. 2007.

⁷Ibid.

⁸ Collier P. and Andrew Hoeffler, 'On the Economic Consequences of Civil War', *Oxford Economic Papers* 50, 1998, pp. 563–573.

In Kenya a large number of refugees live in Eastleigh. The question of how they impacted on the economy of the host urban community in Eastleigh remains untold. There is the notion that large numbers of refugee presence puts high burden on social amenities and exacerbate a drain on national resources and a social and economic burden to the state.⁹ The extent to which this is true of the Somali refugees in Eastleigh can only be imagined. From face of it, Somali refugees seem to be doing bulk business and may not burden the country. A close study of the impact of their stay economically can provide more answers to the question, how beneficial are refugees to the host countries.

1.3 Objectives of the study

The study investigated the following objectives

1. To examine the economic effects of urban Somali refugees on host community in Eastleigh
2. To investigate the relationship between the refugee population in Eastleigh and the area's economy
3. To understand the relationship between the Somali refugees and the Kenyan host communities in Eastleigh

1.4 Justification of the study

Refugee flows are often followed by immediate consequences whose empirical results have been mixed. Much of the research about refugees has been focused on aid to refugees, rather than their socio-economic engagements with host communities. A study of the socio-economic impact of urban refugees has been assumed or neglected. A better understanding of their living conditions, interaction with host people's perception about them was essential for planning for them.

1.5 Scope and limitation of the study

This research aimed at investigating how Somali Urban Refugees in Eastleigh, Nairobi affected the economic life of the host population. It analyzed the economic impact of Somali refugees on host community in Eastleigh since 1991-2012. In 1991 the Somalia

⁹Hovil, L. "Self-settled Refugees in Uganda: An Alternative Approach to Displacement?" in *Journal of Refugee Studies* Vol. 20, No. 4., 2007, p. 38.

civil strife began leading to mass influx of Somali refugees into Kenya. One of the limitations to this study was the social construction of gender attitude of Somali people. These communities have traditional attitudes that women are weak, hence they should not associate with foreigners without permission from their husbands, local leaders or elders due to fear that they can reveal the society secrets. To curb this fear and limitation, I identified local leaders who introduced me to the people during the oral interviews. The sensitivity of the study topic and the suspicion that one might be spying for the government was another limitation. These problems were countered by acquiring an introduction letter from the University of Nairobi, a study permit from the Ministry of Higher Education, Science and Technology and also work closely with the area administration and the elders from Somali clans living in Eastleigh area.

This research targeted urban refugees over 18 years and those who have lived in Eastleigh and if possible engaged in economic activities. The study stopped at 2012, although it was worth mentioning events that led to 2012. In 2006 the government of Kenya passed a Refugee Act with the aim of establishing legal and institutional framework for managing refugee affairs as well as implementing the 1951 United Nations Convention Related to the Status of Refugees, the 1967 Protocol and the 1969 OAU Convention. Although this Act was largely welcomed by civil society of Kenya, it was undermined by lack of institutional capacity and the absence of clear national policy. Kenya moved to pass this act following the collapse of the regime of President Siyyad Barre leading to intensification of the civil war in Somalia, which resulted into the genesis of influx of Somali refugees into Kenya some of who settled in urban centres. In 2006 a peace agreement was signed in Nairobi but the situation never improved for soon war erupted again leading to another massive exodus of refugees in 2008 and by 2011 the same crisis still continued but the refugee presence had a security impact that would lead to Kenya deploying her army in Somalia to flush out the al-shabaab militia group.¹⁰ Al-shabaab responded by waging retaliatory attacks on Kenya forcing the Kenya police to start arresting and re-deploying refugees back to Dadaab or Kakuma.

¹⁰ UNHCR, Refugees in Kenya, Nairobi: UNHCR News letter. UNHCR, *UNHCR's annual Global trends report, 16 June 2009, New York* UNHCR

1.6 Literature Review

Elizabeth Rehn and Ellen Johnson Sirleaf, have observed that refugees do not just give up hope when they leave their home country. Refugees settling in urban area learn to cope in new environments by engaging in resource generating activities to earn them a living.¹¹ They also opined that presence of such refugees is always associated with economic impacts on the host communities. It is this impact that this study hopes to reveal for the case of Eastleigh. The authors acknowledge refugee economic activities in host country little are discussed on urban refugees.

Hovil argues that refugees in any country are a drain on national resources and a social and economic burden to the host state. They impose a burden to the host country's expenditure. Moreover some of them sneak out of the designated camps to urban areas.¹² Although the author acknowledges the fact that refugees sneak out of the designated refugee camps to urban areas imposing economic burden on host communities, Hovil did not mention how the urban refugees become a burden to host communities.

Equally, George Kritikos argues that if refugees are not employed, they are a clear burden to the host state, yet if they are employed, they are taking jobs from the local community, which is equally unacceptable to host governments.¹³ To what extent are refugees in Eastleigh a source of discontent to the Kenyans? What is the basis of this displeasure?

Sarah Bailey argues that urban communities were noticeably impacted on by large and rapid intakes of refugees.¹⁴ Movement of refugees into any urban centre affected the way of life of the host communities. Their impact was noticeable because they were unexpected competitors over the meager resources which were meant for the residents. Although Bailey acknowledged the impact caused by urban refugees but did not specify

¹¹ Rehn, E. and Ellen Johnson Sirleaf, *Women War Peace*, Washington: UNIFEM, 2002, p.7

¹²Hovil, L. "Self-settled Refugees in Uganda: An Alternative Approach to Displacement?" in *Journal of Refugee Studies* Vol. 20, No. 4, 2007.

¹³Kritikos, G. "State policy and urban employment of refugees: the Greek case 1923-30." *European Review of History* 7(2), 2000.

¹⁴Bailey, S. "Is Legal Status Enough? Legal status and livelihood obstacles for urban refugees" *The Fletcher School, MALD Thesis*. 2004.

whether the impacts were political, social or economical. This research will investigate the economic effects of refugees on the host urban communities of Eastleigh.

Similarly, Crisp investigated refugees in the Middle East scenario and observed that the arrival of Iraqi refugees in Jordan, Lebanon and Syria caused significant increases in food and fuel prices and placed new pressures on the housing market and public services. The refugees became a threat to the host state by imposing a burden to their economy.¹⁵ However, the author failed to examine how these problems are felt at specific areas within a host state and only emphasized at national level.

Both Borton and Whitaker discuss large price spike and increased volatility in the relationship between the refugees and their host. They suggest that local populations suffer from these events. In addition to housing refugee camps in Kakuma and Daadab, Kenya has also been the destination of urban unexpected population flows in terms of refugees.¹⁶ The unexpected nature and size of these population movements generated a natural experiment which allows for the examination of their effects on the economy of the urban hosting communities in Eastleigh.¹⁷ Borton and Whitaker analysis used variation in refugee inflows to look at the impact of proximity to refugee camps on prices of goods in nearby Tanzanian agricultural markets. This study will use the same approach to investigate the economic impact of urban refugees in Eastleigh on the host communities.

Hatton and Williamson show increases in the prices of fresh goods bananas, plantains, and milk in the refugee-affected regions as the numbers of Rwandan refugees increased. Increases in Burundian refugees in western Tanzania were associated with rises in the price of maize. The differences in the effects were explained by the differences in the diets of the two groups, as well as the nature and magnitude of the two crises. Hatton and

¹⁵Crisp, J, Jane Janz, Jose Riera, and ShahiraSamy (July 2009). *Surviving in the City – A review of UNHCR's Operation for Iraqi Refugees in Urban areas of Jordan, Lebanon, and Syria*, United Nations High Commissioner for Refugees Policy Development and Evaluation Service, New York: UNHCR

¹⁶ Whitaker, Ben,. 'Changing opportunities: refugees and host communities in Western Tanzania', New Issues in Refugee Research Working Paper no. 11., 1999.

¹⁷ Borton, J. 'The International Response to Conflict and Genocide: Lessons from the Rwanda Experience', *Journal of Humanitarian Assistance*, 1996, <http://www.reliefweb.int/library/nordic/book3/pb022.html>.

Williamson further analyzed changes in expenditures and welfare indicators. They observed that presence of welfare indicators such as dirt floors, electricity, televisions, refrigerators, and vehicles in the households near the camps, increases and their concomitant of the same after the arrival of the refugees. Suggestive evidence that local residents living near the refugees may have earned extra money from selling home produced agricultural products, profits from which they then invested in improving their homes and acquiring more assets.¹⁸ This study is important to the envisaged research because it provides crucial insights into potential benefits of host communities through interaction with refugees. How this plays out in Nairobi's Eastleigh is what will be investigated.

According to Wilson Kenneth, the influx of refugees and relief resources into any country significantly altered economic opportunities for host communities. He argues that some refugees use their purchasing power to buy local goods increasing the local market and that this automatically led to un-expected upsurge in business and trade conducted by both local hosts and refugees. The writer argues that in Uganda, entrepreneurs from around the country also flocked to the area where the refugees were settled. Commercial centers developed in the refugee camps with daily markets and countless shops and restaurants. In the Ugandan case, refugees were perceived as better at doing business than their local hosts.¹⁹ While in Uganda refugee successfully impacted on the local communities through better entrepreneurial skills, it may be of need to investigate the same for Eastleigh.

Ndege, Leonis, Piters, Nyaga and Lutta Ngimbwa argued that trade increased significantly at the village level where refugees settled. Before the refugee influx, farmers had difficulty finding local markets for their harvests. In most countries where cross-border trade thrived, with the outbreak of war and the subsequent influx of refugees, the border trade broke down. Markets shifted to the new population centers namely refugee

¹⁸ Hatton, T. and Williamson, J. G. "What Fundamentals Drive World Migration", NBER Working Paper 9159, National Bureau of Economic Research, Cambridge, MA, 2002.

¹⁹ Wilson, K. "Some Aspects of Aid and Livelihood among Ugandan Refugees in South Sudan," Unpublished manuscript in the Documentation Centre Refugee Studies Programme, University of Oxford 1985.

camps and refugee urban centres which were generally located not far from the border.²⁰ Equally, Harrell-Bond observed that, border trading towns which were once home to thriving international businesses were negatively affected by abrupt collapse of local markets. The coming of the refugees effectively moved markets closer to local villagers whereby instead of walking or seeking transport to the border, hosts sold their products in nearby camps.²¹ Often, refugees brought impacts on the economy of the local people yet little is known for Eastleigh case. In addition to business and trade, the coming of the refugee relief operation increased employment opportunities for host communities. NGOs hired local people in all levels of their organizations from guards, drivers, and maids to field staff, administrators, and accountants. National staff received favorable salary packages which enabled them to build new houses and increased purchase power. The influx of refugees and aid agencies into host countries increased both demand and available resources.²² Was it the same case for Eastleigh?

Kok argues that although employment opportunities increased with the coming of the refugees, there was fierce competition for all positions by the refugees and host communities. Equally, the economic boom associated with the refugee presence was accompanied by an increase in the cost of living. Local landlords benefited substantially from this situation, while renters struggled to pay. The prices of basic items such as meat, salt, soap, and kerosene rose by high percentages. Price increases were a particular hardship for most city dwellers whose salaries did not include cost-of-living allowances.²³ How did the rise in prices impact on the economy of the host communities of Eastleigh?

Kuhlman argues that refugee presence in host communities led to flourished trading system. It was driven by factors such as lack of variety in the refugee food basket, the ability of refugees to gain access to additional rations, and local demand for items

²⁰ Ndege, L, Bart de Steenhuijsen Piters, Anna Nyanga, and Lutta Ngimbwa, *Tanzania/Netherlands Farming Systems Research Project, Lake Zone: Diagnostic Survey of Karagwe District*, Dar-salaam: Karagwe District Rural Development Programme, 1995.

²¹ Harrell-Bond, B. *Imposing Aid: Emergency Assistance to Refugees*, New York: Oxford University Press, 1986.

²² Waters, T. "Emergency Assistance and Development, or what has a Cash Bath done for Western Tanzania's Wahangaza," Unpublished manuscript, 1996.

²³ Kok, W. "Self-Settled Refugees and the Socio-Economic Impact of their Presence on Kassala, Eastern Sudan." *Journal of Refugee Studies* 2, 4, 1989, pp. 419-440.

distributed to the refugees. Kuhlman used the example of Ugandan refugees in southern Sudan who made a positive contribution to the local economy largely because of their labor and the injection of capital through aid and business.²⁴ Did the presence of refugees from Somalia living in Eastleigh also have positive effects on several economic sectors?

1.7 Conceptual framework

This study was based on refugee aid and development theory. This theory calls for strategies linking refugee relief programs with local development policies. The theory was first used by Betts Robert and Gorman Robert during the second International Conference on Assistance to Refugees in Africa (ICARA II) in 1984. Betts Robert and Gorman Robert asserted that refugee assistance should be development-oriented and should take into account host population needs.²⁵ Nevertheless, a number of factors impeded effective integration of refugee aid and development policies, including lack of support in donor and host countries, weak coordination between refugee and development bureaucracies, and difficulties integrating increasing numbers of refugees into development plans.²⁶

The theory of refugee and development manages to draw attention to the situation of host populations benefiting economically from refugee presence against the fundamental assumption that refugees represent a problem or a burden, rather than an opportunity.²⁷ The theory recognizes that refugee migrations bring both costs and benefits to host countries.²⁸ The theorists argued that, although refugees generally impose a burden on local infrastructure, environment, and resources, they can also benefit hosts, though, by providing cheap labour to local producers, expanding consumer markets for local goods, engaging in trade and justifying increased foreign aid. Thus, the reception of refugees can

²⁴Kuhlman, T. *Burden or Boon? A Study of Eritrean Refugees in the Sudan*, Amsterdam: Free University Press, 1990.

²⁵ Gorman, R. *Refugee Aid and Development: Theory and Practice*, Westport, CT: Greenwood Press, 1993, pp. 20-34.

²⁶ Bates, R. *Markets and States in Tropical Africa*, Berkeley: University of California Press, 1981, p. 37

²⁷ Harrell-Bond, Barbara, *Imposing Aid: Emergency Assistance to Refugees*, New York: Oxford University Press, 1986.

²⁸Kuhlman, T. *Asylum or Aid? The Economic Integration of Ethiopian and Eritrean Refugees in the Sudan*, Leiden: African Studies Centre, 1994.

sometimes be seen as part of a government's broader development plan.²⁹ The theories raise important questions which this research addresses. They include conceptualizations about the host country impact of refugee populations. Whether or not the host country as a whole benefits, one should disaggregate the question: who benefits and who loses from refugee influxes and why?

The theorists argue that refugees are assumed to have a different impact on diverse classes, genders, sectors, and regions within the host country.³⁰ Chambers in supporting the proponents of the refugee aid and development theorists argue that the refugee situation is expected to be dynamic over time; what starts out as a liability may turn into a resource, and vice versa. This research seeks to contribute to this line of inquiry by examining not only the costs and benefits associated with the refugee presence, but also their variations among host populations over the past several years. This study explores the socioeconomic and political implications of the refugee presence for host communities in Nairobi's Eastleigh region.

The study examined the rational ways in which local populations responded to unforeseen changes in their lives. The research highlights the ways in which refugees influence the local economic and political context of Nairobi. The study is important because it will help in changing opportunities faced by host communities. The influx of refugees created a new context in which hosts devised strategies to gain access to incoming resources and to maintain access to their own resources. Differing strategies and structures allowed some hosts to benefit, while others became worse off. In the end, the Eastleigh hosts developed ways to cope with negative aspects of the refugee presence while taking advantage of positive opportunities.

²⁹ Daley, P. "Refugee Aid and Development in Africa: Research and Policy Needs from the Local Perspective," in Adelman and Sorenson, eds. *African Refugees: Development Aid and Repatriation*, Boulder, CO: Westview Press, 1994.

³⁰ Chambers, R. "Hidden Losers? The Impact of Rural Refugees on Poorer Hosts," *International Migration Review* 20, 2 (Summer), 1986, pp. 245-263.

The theory was very important to this study because it is not possible to say whether host communities in Eastleigh as a whole gained or lost as a result of the influx of refugees and relief resources. The situation created both positive and negative opportunities for local hosts. Many Kenyans took advantage of these opportunities and benefited substantially from the presence of refugees and international relief organizations. Other Kenyans were not able to benefit as much, and some even lost access to resources and power which they previously enjoyed. In general, hosts developed ways to cope with the negative impact of the refugees while attempting to take full advantage of the positive opportunities created by their presence.

The broad pattern which emerged was that hosts who already had access to resources or power were better poised to exploit the refugee situation and capitalize further. Hosts who were disadvantaged in the local socioeconomic structure struggled to maintain access to even the most basic resources and thus became further marginalized. This pattern held true at a broader level as well; districts which were already generating development opportunities tended to benefit more than poorer areas. In this sense, it was a typical example of the type of development which reinforces divisions embedded in the local setting. Still, in some cases, these realities were transformed by emerging possibilities and new circumstances. Different strategies and structures led to a wide range of experiences within host communities. These changing socioeconomic opportunities were likely to have long-term implications for the ongoing process of development in Nairobi.

1.8 Hypothesis

The study tested three hypotheses namely;

1. Urban Somali refugees population has different effects on the Nairobi economy
2. Urban Refugees in Eastleigh affect economic life of host community
3. The Somali refugees developed a relationship with the local communities of Eastleigh.

1.9 Methodology

The methodology adopted in this research is pragmatic approach where both quantitative and qualitative methods were applied in order to capture the key elements of the research purpose and objectives. Quantitative comes in because there was need to know the approximate population of refugees living in Eastleigh. This required historical data which was based on factual information. To get this factual information, the study heavily relied on secondary and primary sources of data. Secondary sources included books, scholarly articles, journals, newspapers, official documents and reports. These sources were accessed from various libraries such as the Jomo Kenyatta Memorial Library in the University of Nairobi, Macmillan Library and Kenya Library Service. Other sources included online sites such as Jstor. These sources were very useful to this research in that they helped me understand what has been written about the urban refugees and their economic effects on host population. Moreover, it helped the researcher to find the gap in important issues which the writers have not addressed so that they are filled by my research. Primary sources comprised of oral interviews and reports from groups working with refugees'.³¹ For primary sources, this research relied on in-depth interviews with key informants through individual and focused group discussion. For efficiency the researcher used a questionnaire which assisted in capturing the required data.

Targeted respondents for interviews and questionnaire comprised of both refugees and host population including community elders, business persons and women. Respondents were selected using stratified random sampling in order to achieve a desired representation from various subgroups in the population of Eastleigh. The researcher preferred using stratified random sampling in this research since the research was to benefit from respondents from different subgroups based on sex, age, level of income, occupation from host population and refugees. The study was descriptive in nature. The design was chosen since explanations were given to dress the facts found during the research in order to determine the economic effects of urban Somali refugees on local population. This community research survey was designed in such a way that all the

³¹Mugenda, O. and Abel Mugenda. *Research Methods*, Nairobi: Acts Press 1999

sections in Eastleigh Estate were adequately covered in the stratified sampling such that the demographic characteristics, economic and social related factors are captured. This was done by identifying key leaders in every section that guided the researcher.

CHAPTER TWO

EASTLEIGH AND THE ORIGIN OF SOMALI REFUGEES IN NAIROBI, 1991-2010

2.1 Introduction

Eastleigh is an area of Nairobi located two kilometers east of the city center. The area is shaped and influenced by the dominating presence of Somali refugees. Equally, it is one of the most heavily populated places in the Kenyan capital city. The area has rapidly grown into a renowned trading centre with global networks. The expanding trade has been associated with the Somali refugee presence and has acquired a new image of the Small-Mogadishu. In a large measure, Eastleigh has increasingly assumed administrative functions of the barely operating capital of Mogadishu.

Andrew Warui, Kenyan businessman recalls:

...surely, there is no much difference between Mogadishu and Eastleigh of today. If you look at the general population in Eastleigh, majority are Somalis, the common language spoken is Somali, common food in many restaurants is that of Somali community. Generally, Eastleigh is a replica of Mogadishu city. The only difference is the geographical location of the two areas where Eastleigh is in Nairobi while Mogadishu is in Somalia. Basically Eastleigh is very different from what it was some 20 years ago.³²

Yarey Maalim, a Somali refugee says:

Runtii anigu waxaan u arka hadii liisbar bardhigo Mugadisho iyoo Eastleigh in aay kaladhuwanyihiin xagaa nabadgaliwaa meelnabagaliyo kajirta sababtuna aay tahay waxaay kutaala Dowlaad nabad sugid kajirta, Kenya. Balsee Mugdishohadaa lieego waxaa kutaala meel dowlaad lacaan kirto oonabad lahelikarin oo na lagutil mamikaro dhac iyo diil. Laakin Labaddan meelod waxaan dhehi karna xagga dhakhauka waa iskumid waayo labadaba waxaa kunoo daad iskn dhagan, isku dhiin ah, iyo isku aff kuhadla.

Truly, if I compare Eastleigh and Mogadishu, there is a big difference in terms of peace and security in the sense that in Eastleigh there are peace and security because the area is located in a country where law and order exist. Mogadishu on the other hand is located in a lawless country where

³² Oral interview ,Andrew Warui, businessman at Eastleigh. 22/05/2012

robberies and killings is the order of the day. However, there are similarities between the two areas in terms of social activities, culture, religion and common language³³.

The reason being major part of Somali trade is coordinated via Eastleigh. Equally, Eastleigh is home to some operating Somali banks headquartered in the area. It is a center of the Somali finance network and location for conferences and meetings of ministers and Somali politicians of various factions of the Somali groups who meet to discuss the future of a tragic country. The area is populated, predominantly by nonregistered refugees living there informally or illegally. But the question is how did they found themselves in Eastleigh. Before we answer this question in this chapter, we first discuss the origin of Eastleigh urban setting.

2.2 The origins of Eastleigh

The history of Eastleigh can be traced back to the City of Nairobi which owes its birth and growth to the Kenya Uganda Railway. The railhead reached Nairobi in May 1899 on its way to the present day Kisumu. The moving of the railway headquarters from Mombasa to Nairobi by its chief engineer, Sir George Whitehouse resulted in the subsequent growth of Nairobi as a commercial and business hub of the British East Africa protectorate.³⁴ By 1900, Nairobi had already become a large and flourishing place with the settlement consisting mainly of the railway buildings and separate areas for Europeans and Indians, the latter being mainly the labourers employed on the construction of the railway. There was practically no African settlement.³⁵ Essajee Rajoo, a Hindu origin recalls:

I remember very well that even by early 1950s. African settlements in Nairobi were rarely found and were only allowed some distance from the city centre. The European white settlers occupied South-West part of the city which is today Karen, Lavington, Kileleshwa, Kilimani and part of West lands. The Indians were only allowed to settle and trade in the Eastern part of the city mainly Eastleigh and Pangani.³⁶

³³ Oral interview. Yarey Maalim, a Somali refugee, 23 years. 22/05/2012

³⁴ Situma, Fred, D. P., "The Environmental Problems in the City of Nairobi", *African Urban Quarterly*, op. cit.,

³⁵ Mitula, W. Urban Slums Reports: The case of Nairobi, Kenya, pp. 16-39

³⁶ Oral interview, Essajee Rajoo, a Hindu origin, aged 80. 23/09/2012

At that time hardly any local Kenyan population lived in Nairobi. Kenyans were only allowed to live at the periphery of the city without families and only if they had formal jobs. They were to be employed by one of the white settlers or by one of the companies of the then young city.³⁷ Their families had to reside in villages beyond the city limits or within other parts of the country. The only place where Africans could settle by then was at Eastleigh because they were not allowed to settle alongside their so called European masters. The city was fully racially segregated.

From its earliest times, emerging spatial patterns in Eastleigh showed segregation between the Central Business District (CBD) and European, Asian and African residential areas. By 1909 much of the internal structure especially the road network was developed particularly to serve the military base in the area. Eastleigh is a suburb of Nairobi, Kenya. It is located east of the Central business district. Eastleigh is predominantly inhabited by Somali immigrants, that it has been described as Little Mogadishu. Eastleigh was founded in 1921 when the colonial government allotted Nairobi's residential estates by race, and Eastleigh was pointed for Asians and elite Africans who worked as clerks, builders or shoemakers. Eastleigh originally became a large Kenyan Asian enclave. The boundary of Nairobi was extended in 1927 to cover 30 square miles Eastleigh included (77 km²) as a result mainly of the rapid growth of the urban centre both in terms of population and infrastructure.

Indian and Arabic traders who had dominated trade along the east African coast played an essential part in the construction of the train line and were moving with it to Nairobi, especially to Eastleigh. Eastleigh, located in the dusty east of the city, was laid out in a chessboard like street pattern, with six wider avenues in north-south orientation, intersected by 15 streets in east-west orientation. The Indians settled there, developed efficient trading structures and were quickly dominating most of the trade not only in Eastleigh but in the whole city. During the 1940s a law was passed which allowed Kenyan families to join their men, husbands and fathers in Nairobi. This coincided with the growing wealth of the trading community, enabling the Indians to move to the better

³⁷ Manuel, H. *Somali Refugees in Eastleigh*, Nairobi: UNHCR, 2007, pp. 23-42

neighborhoods of Westland's and Parklands towards the west of the city.³⁸ Nairobi's east, and especially Eastleigh, was thus again to become an immigrant's neighborhood, this time for a population of local Kenyans, all moving into the colonial capital for the first time. Based on their economic status, the only place where the Africans could reside was to be in Eastland's. This drew lines for segregative and discriminative policies that would remain in place during and after colonial rule in Kenya.³⁹

2.3 The concept of residential segregation in Nairobi

By 1909 much of the internal structure of Nairobi, especially the road network in the Central Business District (CBD) was already established. This would later be extended in 1927, to cover 30 square miles or 2537 ha as a result mainly of the rapid growth of the urban centre both in terms of population and infrastructure. From this early growth, the city's functions developed and expanded achieving an overwhelming dominance in the political, social, cultural and economic life of the people of Kenya and the whole of the Eastern Africa region. As the city expanded, certain spatial patterns began to emerge once the railway authority located its headquarters in Nairobi. For instance, the railway station, a shopping centre and subordinate staff housing were established on level land with black cotton soils. Senior railway officers put their homes up on the hill to the west. European colonial officials also established their homes on the hill. In fact, when the East African protectorate headquarters was moved from Mombasa to Nairobi in 1905, Sir Donald Stewart, the Commissioner, himself occupied the house of the former chief railway engineer at the hill.⁴⁰

The Europeans who lived in Nairobi created their residences away from Asians and Africans. This pattern soon led to exclusive European residential settlements at Muthaiga, Upper Parklands, Westlands, Loresho, Kileleshwa and Kilimani. Meanwhile, part of the Asian population that had been discharged from railway employment established shops not far from the railway station, an area that came to be known as the Indian Bazaar. The

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ White, T. Solbaman L. and Anderson, R.. *Nairobi master plan for a colonial capital*, London: His Majesty Stationery Office, 1948, pp. 10-23

Asian buildings were used both for business and as living quarters. The few Africans who worked for the railway were given subordinate housing while others lived in shanty villages in the eastern part of Nairobi.⁴¹ The dynamics of residential segregation during the first decade of independence in Kenya was based on economic power. Economic market forces reclassified residential segregation with the bulk of African population remaining in the former African locations of Eastland's in the NCC housing. According to 1969 census, 73% of the African population lived in the Eastland area, 83% of all Asians in Nairobi lived in the former Asian residential areas, and 82% of the Europeans lived in the former European settlement areas.⁴²

The lowest income group, who after independence were migrating in large numbers into the city from the countryside, became squatters. Europeans remained in the high-income brackets and most of them live in the former European residential areas. African population of high-income group, mainly the better-educated and more successful businessmen, joined them in upper Nairobi. The middle income Africans joined the Asian and lived in Parklands, Eastleigh and Nairobi South. The low-income groups were confined to the sprawling Eastlands and the informal settlements. Virtually no European or Asian lived in the Eastlands area. Thus the residential areas got differentiated mainly in terms of income status.

The origins of squatting and informal settlements in Nairobi can be traced back to the period when European settlers arrived in Kenya and hustled for large tracts of land in Kiambu, Kikuyu, Limuru, Mbagathi, Ruiru, around Nairobi, and beyond. Squatting and informal settlements are thus neither a natural and inconsequential phenomenon of modernization, nor the inevitable outcome of indigenous peasants leaving a rural agrarian subsistence sector in which their marginal productivity was zero and migrating to Nairobi in expectation of economic and social betterment. Rather, they are the consequence of the colonial capitalist development imposed by the British who alienated the local people

⁴¹ Obudho, R. "Shelter and services of the poor in Nairobi, Kenya, Paper presented at expert group meeting on shelter and services for the poor in metropolitan areas", Nagoya, Japan, 12–16 January, 1987.

⁴² K' Akumu, A. and W.H.A. Olima, The dynamics and implications of residential segregation in Nairobi, *Habitat International* 31 (2007), pp. 87–99, Source: www.elsevier.com/locate/habitatint, Date 23/01/2013

from control over their land in order to provide surplus labour for the settler farms and emerging urban centres. Working as farm or menial labourers, they received meagre incomes that could not suffice basic needs such as food, clothing and adequate housing. Informal settlements consequently developed on the outskirts of Nairobi and around high income residential areas, thereby enabling the inhabitants to work as agricultural labourers or domestic servants, while others were employed in industrial and commercial concerns.⁴³

Micheal Nduku recalls:

Mimi nilikuwa nikifanya kazi katika shamba la wazungu.....
ilikuwa ni kazi ngumu sana ya kufanya usiku na mchana na mara zingine
tulikatazwa
hata leave ya kwenda kuona watu nyumbani mpaka tukae zaaidi ya miaka
mitatu mishahara ilikuwa kidogo sana, nilipwa shilingi kumi kwa mwezi
na haikutosha kutimiza mahitaji yangu. Wakati huo kupata shamaba la
kuishi Nairobi ilikuwa ni ndoto tu kwa waafrika kama mimi.

I worked in the white settlers farm.... It was hard work as I worked day and night. We were denied leave to see our families until we worked for three months. In addition salary was small, I was only paid only 10shs monthly this was not enough to meet my basic needs. By that time, it was a dream for an African like me to own a plot in Nairobi.⁴⁴

In the first two decades of the last century, almost all the natives in Nairobi lived in informal settlements.⁴⁵ The earliest settlements included Mji wa Mombasa, Maskini, Kaburini, Kileleshwa, and Pangani. Most of these, however, were subsequently demolished, and the indigenous landlords and tenants compelled to live in demarcated native locations. In 1923, Pumwani, which in point of fact was the first site and service scheme in Kenya, was declared open as the official African Location. Most of the initial inhabitants came from the aforementioned existing older settlements. It was envisaged that migrants from the rural areas to Nairobi would also be accommodated in Pumwani for a long time to come.⁴⁶ This is exactly where upper and lower Eastleigh would fall.

⁴³ Kobia, S. Foreword: in *NCCCK Nairobi Demolitions: What Next?*, Nairobi: NCCCK, 1991.

⁴⁴ Oral interview, Micheal Nduku 34 Years. 10/09/2012

⁴⁵ Ngau, P. Informal settlements in Nairobi: A baseline survey of slums and informal settlements and inventory of NGOs and CBO activities, Technical Report No. 2, 1995

⁴⁶ Majale, M. Settlement upgrading: Towards solving the housing problem of the lower income groups in Nairobi: A case study of Pumwani Estate, Nairobi, Unpublished M.A. Thesis: University of Nairobi, 1985.

Upper Eastleigh is an area neighbouring Parklands while Lower Eastleigh is what is now Kariobangi, Kaloleni, Bahati, Jericho, Mbotela, Dandora and Mathare Valley. The populations of these areas grew by 220% during the 1969–1979 inter-censal periods. They are characterized by the uncontrolled, spontaneous mushrooming of squatter settlements often bulldozed down by the NCC, created by low income migrants fleeing from the rapidly rising costs of living in the city but fleeing into cardboard city along valleys close to the CBD itself. Some are Somali refugees fleeing war and others escaping from refugee camps within Kenya.

2.4 Who Counts as an Urban Somali Refugee?

A systematic understanding of the relationships between the Somali urban refugees and the communities that they live within requires some reflection and conceptual clarification of what this study will be referring to a refugee-host relationship. It also required development of a clear practical method for investigating the phenomenon of Somali urban refugees empirically. This required greater conceptual clarity on the criteria for identifying the Somali urban refugees and what it means for them to be hosted by more established residents of Nairobi city. These questions are discussed below, with a view to developing a more rigorous research framework.

Prior to the recent UN policy-driven which was meant for revival of interest in urban areas, many of the Somali refugees simply lived self-settled or undocumented lives in the hidden margins of the Nairobi city. Even though they were not recognized and recorded as refugees, the reasons for their leaving their countries of origin were identical to those who ended up in the camps in Dadaab and directly in the spotlight of the humanitarian interest. Currently, depending on context, the term urban refugee may refer to a broad range of non-nationals that move to cities under conditions of adversity, caught up in variety of complex legal and social predicaments.⁴⁷ This may include persons that have been determined to be refugees as well as other persons of concern, such as asylum

⁴⁷ Landau B. Hospitality without Hosts: Mobility and Communities in Africa's Urban Estuaries. Unpublished paper presented at WISER, 19 March 2012.

seekers or groups that arrived en masse in response to acute experiences of loss occurring or related to violence. For the Kenya government, Somali refugees are, quite simply, the Somali persons that have recognized as refugees by the UN Convention on the rights of refugees.⁴⁸

This research authentically suggests that the crisis of displacement in urban areas may extend beyond state-centric forms of refugee recognition and humanitarian response shaped by UNHCR or other humanitarian practice.⁴⁹ In effect, the term Somali urban refugees is a label that, like the refugee label in general, no longer simply facilitates the imposition of bureaucratic control over a group of persons. In the globalized world, the concept has become highly fractioned by a range of competing interest groups that seek to represent this phenomenon and related forms of entitlement in different ways. In the face of globalization, the notion of an urban refugee is neither conceptually self-evident nor empirically stable.⁵⁰ Samples from Nairobi included persons that were either recognized officially as refugees or who were, in a very conventional sense, persons of concern to the local UNHCR office. In principle, the recognition of refugees in urban areas was not highly contested. These contexts therefore enabled us to explore how social relationships have been formalized by the state and, importantly, how they have been internationalized by UNHCR.⁵¹

Other refugees in Nairobi revealed that the concept of urban refugee identity was a highly unstable and undeveloped concept. Far from being recognized or provided with assistance, the refugees that formed the focus of our research had, over time, established lives that were largely beyond the attention and control of the international community and the Kenyan state. Though many had lived in refuge in cities for decades, they had not been represented extensively as urban refugees. While some asserted their status as

⁴⁸ Landau, B. and M. Duponchel, "Laws, Policies, or Social Position?, Capabilities and the Determinants of Effective Protection in Four African Cities", 2011, *Journal of Refugee Studies*, 24, 1, 2011, pp. 1-22.

⁴⁹ Ibid.

⁵⁰ Zetter, R. More Labels, Fewer Refugees: Remaking the Refugee Label in an Era of Globalisation, *Journal of Refugee Studies*, 20, 2, 2007, pp. 172-192.

⁵¹ Ibid.

refugees, others had redefined their identities in ways that effectively downplayed their refugee origins.

Ismail Mohammed, Kenyan, taxi driver states:

It is difficult for one to physically identify a Somali urban refugees from a Kenyan Somali. Majority of Somalis have nowadays acquired Kenya's legal identification documents such as Identity Cards, passports etc so as to free themselves from police harassment and to allow them to fully participate in economic and political activities in Eastleigh. Besides, there are some Kenyan Somalis who have taken advantage of the refugee situation and have registered themselves at the refugees camps as refugees so as to benefit from refugee aid programs as well as getting opportunities to travel abroad(USA, Europe, Austria) this complicates the questions on who a Somali urban refugee is.⁵²

This study included this population, however, for two main reasons. First, as a control to assess the impact of refugee recognition on the patterns of social relationships between refugees and more established local residents. Second, the study sample from Nairobi enabled the study to explore how social relationships and communities are forged in situations defined by chronic neglect of any reasonable consideration of a durable solution. In essence, the study framing of urban refugees in Nairobi enabled the study to ask and answer the question: What happens to refugees in urban areas when they are incorporated outside of a strong framework of refugee protection? To what extent do refugee-host relations shape their futures? Keeping the above in mind, the study found it necessary to disaggregate the broad category of urban refugee to reflect more specific legal predicaments as shown in the definition of terms.

2.4.1 Who Hosts Somali Refugees in Nairobi Urban Areas?

Like the concept of an urban refugee, the idea of a host community is similarly problematic. In fact there is growing scholarship literature that suggests established host communities in urban areas neither host refugees in any direct sense, nor do they really constitute a recognizably coherent community. In many instances they are defined by high levels of social and economic instability. Their arrival in the city is often relatively

⁵² Oral interview, Ismail Mohammed, Kenyan, taxi driver aged 32, 19/12/2012

recent and also the result of experiences of displacement, loss and upheaval. This phenomenon is particularly evident in poor, informal and marginalized social spaces on the urban landscape.⁵³

The diversity of the city of Nairobi and range of possible points of contact between its multiplicities of residents further confounds any meaningful representation of a host community for urban refugees. For example, Although Eastleigh in Nairobi is predominantly Somali, many Somali refugees may live amongst the poor, work for employers that reside in middle class areas or sit alongside a wealthy local businessperson in Nairobi. Each of these categories may reflect fundamentally different attitudes to urban refugees and engage with refugees in very different ways. The difficulty in isolating a distinctive host community is evident in Nairobi. For example, freedom of movement and a right to work means that refugees lived, generated livelihoods, sought out services and interacted socially in ways that included engagement with a spatially and socially diverse population in Nairobi, which did not constitute a coherent community. To isolate those within their residential neighbourhood as the host community would dismiss the significance of a much broader social experience that was critical to refugee survival in Nairobi. In Nairobi, the refugee-host dynamic appeared to develop in slightly different ways.⁵⁴

The Somali-speaking refugees were incorporated directly into local Somali -speaking neighborhoods and social structures of Eastleigh. The locality of neighbourhood therefore played a more direct role in shaping the local ties between the Somali refugees and hosts and in defining their identity on the urban landscape.⁵⁵ Legal constraints and significant levels of reliance on UNHCR for support meant that Somali refugees did not appear in the workplace and compete for jobs or access to other resources. In this context, refugee-host relations were shaped by social and cultural distance rather than proximity and familiarity. Refugee-host relations were shaped further by specific urban histories and the

⁵³ Madhavan, S. and Loren Landau, "Bridges to Nowhere: Hosts, Migrants and the Chimera of Social Capital in Three African Cities", *Population and Development Review*. 37, 3, 2011, pp. 473-497.

⁵⁴ Landau, B. "Transplants and Transients: Idioms of Belonging and Dislocation in Inner-City Johannesburg", *African Studies Review*, 49, 2, 2006, pp. 125-145.

⁵⁵ Ibid.

links between urban development, migration and displacement. In Eastleigh, segments of the host community were the products of displacement, migration and instability. For many, their lives continued to be defined by the absence of a strong sense of emplacement, security or belonging in the Nairobi city. However, in competing claims over access to resources, they were still able to assert strong claims through nativist idioms.⁵⁶ This reinforced a sense of transience amongst the Somali refugees and migrant communities. In context of instability, impermanence and rapid social change, the politics of citizenship emerged as a specific marker of distinction between Somali refugees and others.

In the context of this study, the concept of a host-community is used with reference to the histories, social and cultural identities and other defining characteristics that people draw on to assert their status as citizens and the rights that they feel this entitles them to. For the Kenyan Somalis in Nairobi, for example, physical appearance and the ability to speak Somali language stood out as particularly prominent markers of citizenship and belonging, in the context of refugee-host interactions. In Eastleigh many refugees and hosts shared a common language that was not of the same accent. The accent became an important differentiator. While poverty represented a mark of a refugee, it was not definitive. The possession of documentation, however, was highlighted as critical. Poorer refugees were limited to specific marginal sectors of the economy. However, wealthier Somali refugees made noticeable contributions to business development. Despite being well integrated into the local economy, Somali refugees remained as a noticeably distinct group, even after decades of settlement in the Nairobi city.

One of the main objectives of this research was to identify the major characteristics of relationships between refugees and host communities across Eastleigh. Following from this, the potential impact of these relationships on refugee access to services and other resources in the Nairobi city is considered. The notion of a relationship is very broad and may encompass a wide range of behaviors, attitudes, obligations and experiences,

⁵⁶ Matheisen, E. "Because I am a Stranger: Urban Refugees in Cameroon", UNHCR, *New Issues in Refugee Research*, Research Paper No. 244, September 2012.

incorporating numerous metaphors of hospitality.⁵⁷ These may range from formal interactions with state authority figures, which have significant direct consequences for refugees, to informal and relatively inconsequential exchanges between neighbours, colleagues, friends and passers-by. All of these bases of interaction have the potential to shape refugee-host relations and influence the extent to which refugees are able to access services and resources in appreciable ways. Intolerance, corruption and incompetence at the level of the state have tremendous implications for the well-being and security of refugees.

However, hostility and xenophobia at the local level, even when it is not promoted officially by the state, may have debilitating effects on the lives of refugees.⁵⁸ An exploration into refugee-host community economic relations is tied directly to the question of access to services and resources. The basic hypothesis behind this enquiry assumes that positive refugee-host relations correlate with better access to services for refugees. While a positive relationship between refugee-host relations and access to services may appear evident, the direction of causality is not immediately obvious particularly for the Somali refugees in Nairobi.

2.5 Somali Refugees in Nairobi

Refugees have found their way to foreign cities throughout history, but the numbers residing in urban centers in Africa have grown exponentially since the cold war period.⁵⁹ The increase of refugees has been occasioned by frequent wars. Since the 1960s and the 1990s, there have been about 80 violent changes of governments in the 48 sub-Saharan African countries. During the same period many of these countries also experienced different types of civil strife, conflicts, and wars. At the beginning of the new millennium, there were 18 countries facing armed rebellion and 11 facing severe political

⁵⁷ Landau, B. Hospitality without Hosts: Mobility and Communities in Africa's Urban Estuaries, Unpublished paper presented at WISER, 19 March 2012.

⁵⁸ Ibid.

⁵⁹ Bujra, A. *African Conflicts: Their causes and their Political and Social Environment*, DPMF Occasional Paper, No. 4, Addis Ababa: Development Policy Management Forum (DPMF) 2002.

crises.⁶⁰ A snapshot of explosive conflict in today's Africa presents a worrying picture: of Eritrea and Ethiopia; of the DRC, Rwanda, Uganda, Sudan, Sierra Leone and the gruesome atrocities against civilians of Somalia. This picture of a continent in turmoil created many refugees some of who live in urban areas.

These refugees often were able to blend in and surrounded by the city's existing local public services and social networks. Some have tried to be self-sufficient in the urban setups, therefore having some effects on the host communities. This raises several questions, which the researcher hopes to deal with in this section. These questions are: where did these refugees come from? What created them?

2.6 History of Refugees in Nairobi

The history of refugees in Nairobi dated back to the colonial period when African land was alienated rendering many Africans homeless. Prior to British colonial rule in the nineteenth century, Nairobi did not exist as an urban centre.⁶¹ It is a creation of the British colonial government. By 1907, Nairobi had been formally designated as the capital of the colony. This accelerated the development efforts, turning the area into a rapidly emerging commercial centre. This made Nairobi to have the heaviest concentration of labourers some of who had been made internal displaced people by the British colonial land policy. They resided in overcrowded areas of the city particularly in the palatial residences of the Railway officers.⁶²

Later Nairobi became a perfect apartheid city with seven small, separate sections namely; the railway centre, the Indian bazaar, the European business and administration centre, the railway quarters, the Dhobi or (washer men) quarter, the European residential suburbs and coffee estates and the military barracks outside of town.⁶³ As huge areas of Kikuyu and Maasai land continued to be appropriated by the settlers, and the local Africans were

⁶⁰ Bujra, A. *African Conflicts: Their causes and their Political and Social Environment*, DPMF Occasional Paper, No. 4, Addis Ababa: Development Policy Management Forum (DPMF) 2002

⁶¹ Hake, A. *African Metropolis: Nairobi's Self-Help City*, London: Sussex University Press, 1977.

⁶² Grey, O. *Picturesque British East Africa*, London, 1903, p. 21

⁶³ White T. Solberman L. and P.R. Anderson, *Nairobi: Master Plan for a Colonial Capital*, London: His Majesty's Stationary Office, 1948:14

given ethnical designated locations or reserves in which to live. Some of these locations were hostile that Africans decided to seek refuge in the illegal settlements in the city.⁶⁴

Half of Kenya's arable land was appropriated by the British; thus, as more families and communities faced displacement through new labour regimes, large-scale cash-crop farming and the general deepening of capitalist relations, there was rapid rural to urban migration.⁶⁵ The designated native reserves were deliberately overcrowded. In 1912, Lord Delamere made an appeal to the Labour Commission, to discourage a self-supporting level of production and encourage a shift to wage labour to service the growing white city.⁶⁶ The appeal coupled with policies of taxation, consequently prompted an outflow of Africans from the reserves into Nairobi as asylum seekers.⁶⁷

From unequal economic relations between the colonial government and the indigenous population to unequal policies, Nairobi continued to attract many people who were seeking refuge from environmental, economic and war catastrophes or insecurities. The situation was made worse with the outbreak of the Mau Mau war which created more African refugees in their own country. The surging African numbers were not taken well by the colonial government which considered the Africans as undesirable threats to the overall health and economic well-being of the city.⁶⁸ Although the question of domestic refugees came to an end with Kenyan independence, it was short lived because her neighbours degenerated into civil wars that created international refugees.

The geographical location of Kenya which borders five countries between the Horn of Africa and the Great Lakes region made it favourable for refugees. Soon it became a leading refugee hosting state not only in the region but the in the entire world. By 1988 there were approximately 12,000 refugees in Kenya, the majority of who were Ugandan

⁶⁴Barnett, D. and Karari Njama, *Mau Mau from within: an Analysis of Kenya's Peasant Revolt*, New York: Monthly Review Press, 1966.

⁶⁵Aaronovitch, S. *Crisis in Kenya*, London: Lawrence & Wishart, 1947.

⁶⁶Barnett, D. and Karari Njama, *Mau Mau from within: an Analysis of Kenya's Peasant Revolt*, New York: Monthly Review Press, 1966.

⁶⁷Burton, A. *The Urban Experience in Eastern Africa c. 1750-2000*, Nairobi: British Institute in Eastern Africa, 2003.

⁶⁸Campbell, E. Somali refugees and Migrant Trade Networks in Nairobi, in *Global Migration Perspectives*, No. 47, Geneva: Binghamton University, State University of New York, 2005.

living in Nairobi.⁶⁹ Between 1991 and 1992, the political crises in the Sudan, Somalia, Ethiopia Burundi, Rwanda, and the Democratic Republic of Congo (DRC), led to a large-scale influx of refugees into Kenya. The numbers increased from 12,000 to 120,000 in 1991 to over 400,000 in 1992.⁷⁰ By September 2011, Kenya was receiving more than 140,000 new refugees, predominantly Somalis. The refugee population reached more than 450,000. The UNHCR figures by January 2012 had reached 623, 100 Somali refugees in Kenya.⁷¹

2.7 Background to Somali Refugee Problem

Somalia is located on the Horn of Africa and bordered by Kenya, Djibouti, Ethiopia, and the Indian Ocean to its east. The country grew from being a predominantly ethnic formulation in the Middle Ages to becoming a geo-politically important colony for England and Italy in the mid to late 1800s. Britain and Italy retained full control over British Somaliland and Italian Somaliland respectively until the start of the Second World War. At the end of the war, Britain emerged with control of both British and Italian Somaliland. The question of Somalia's trusteeship was left to the United Nations.⁷² The UN eventually granted trusteeship to Italy in 1950, with the express aim of allowing Somali independence within a decade.

Somalia gained her independence on July 1, 1960, when the former British and Italian Somaliland regions came together to form the Republic of Somalia under President Aden Abdullah Osman Daar. Following independence, Somalia suffered from a lack of internal cohesion, fuelled by the clan rivalries that pervaded such a heterogeneous society. Nine years after gaining independence, Somalia suffered its first coup when Siad Barre, a former intelligence officer and then a high-ranking military official, overthrew the

⁶⁹UNHCR BO Nairobi 2004

⁷⁰ Ibid.

⁷¹ UNHCR BO Nairobi, 2012

⁷² New World Encyclopaedia, "Somalia Civil War." *New World Encyclopaedia*, Retrieved 13 October 2011 from Web. http://www.newworldencyclopedia.org/entry/Somali_Civil_War

government of President Abdi Rashid Ali Shermarke the 2nd President of Somalia who was assassinated.⁷³

President Siyyad Barre worked swiftly to dismantle all democratic institutions, including the constitution and national assembly and banned political parties in an effort to concentrate power.⁷⁴ He renamed the country the Somali Democratic Republic. Somalia under Barre was characterized by wealth and resource disparity, an imbalance which gave rise to fighting over scarce resources and to the creation of militias accountable to faction leaders.⁷⁵ The situation was worsened by the cold war period. During the conflict between the US and USSR, Somalia became a favorable strategic point for both states because of its oil routes along the Persian Gulf. In 1963, Siyyad Barre signed a military aid treaty with the USSR and later signed a treaty of co-operation in 1974. Siyyad Barre would then increase the Somali military forces and equip them with sophisticated Soviet Union made weapons.⁷⁶

In 1977, Siyyad Barre waged war with Ethiopia aiming at annexing the Ogaden region belonging to Ethiopia and primarily composed of ethnic Somalis. Although experiencing some early success in the Ogaden War of 1977, Somalia conceded defeat after eight months when the Ethiopian army, freshly bolstered by Soviet arms and 15, 000 Cuban troops, virtually demolished the Somali plans.⁷⁷ The war created a large number of both Somali and Ethiopian refugees. Samuel Wanjala says:

The Somali state, humiliated by the comprehensive defeat in the Ogaden War, remained under the guidance of Siyyad Barre in the 1980s. It was characterized by lack of economic opportunities, increasing corruption and governmental repression which severely impacted on internal stability in Somalia had set the stage for the rise of clannism ideology.⁷⁸

⁷³ Mubarak, J. "The Hidden Hand" Behind the Resilience of the Stateless Economy of Somalia," *World Development* (Vol. 25, No. 12, 1997), p. 2028.

⁷⁴ Bradbury, M. *The Somali Conflict: Prospects for Peace; Oxfam Research Paper no. 9*, (Oxford: Oxfam, October 1993, p. 46.

⁷⁵ Mohamoud, A. *The Somali Tragedy*, Mombasa, Kenya: Mohamed Printers, 1994, p. 17.

⁷⁶ Africa Watch, "Somalia", *A Government at War with Its Own People: Testimonies About the Killing and the Conflict in the North*, New York: Human Rights Watch, January 1990, pp. 217–218, Second estimate by Africa Watch, p. 218.

⁷⁷ New World Encyclopaedia, "Somalia Civil War." *New World Encyclopaedia*, Retrieved 13 October 2011 from Web. http://www.newworldencyclopedia.org/entry/Somali_Civil_War

⁷⁸ Oral interview, Samuel Wanjala, 31 years. 13/06/2012

Clan based rival factions began staking claim to the state. The Somali National Movement (SNM) became agitated for greater control in the north and groups like the Somali Patriotic Movement (SPM) and United Somalia Council (USC) started competing for control in the south.⁷⁹

The SNM would eventually go on to be successful in seceding from Somalia and form Somaliland a self-governing administrative area which has yet to be recognized as an independent territory by any country. Following Barre's failure to suppress the rebel movements through military force, the movements took the fight to the Somali government and in a way succeeded as they forced Barre to flee Mogadishu in 1991.⁸⁰ Following Barre's departure, the USC seized Mogadishu. Rival factions which had until now banded together in their quest to topple Barre, turned on each other. The USC itself split into two factions the Ali Mahdi led Government Forces, which operated under the Somali Salvation Alliance (SSA) and the Muhammad Farah Aidid led rebels, which operated under the ambit of Somali National Alliance (SNA).⁸¹

The civil war, which started in 1991, occurred at a rather unfortunate time for the Somali state. In 1992 Somalia experienced the worst drought any African state had experienced in over a century. This was combined with civil war, a general breakdown of law and lack of government services, led to one of the worst famines the world has seen in recent times.⁸² The situation created by the drought was worsened by the pillaging and destruction caused by forces loyal to former President Siad Barre. Retreating armies robbed the farming families of Baidoa, a fertile region which had traditionally served as Somalia's breadbasket, of their stockpiles of food, took their camels and burned their homes. As a result, over 300 000 people are believed to have died and over a million fled

⁷⁹ Encyclopedia of Nations, "Somalia's Civil War a Factor in Famine: Analysts," *The Associated Press*. 17 September 2011. http://www.cp24.com/servlet/an/local/CTVNews/20110721/110721_africa_famine/20110721/?hub=CP24Extras

⁸⁰Besteman, C. and Lee V. Cassanelli, *The Struggle For Land in Southern Somalia*, London: Haan Publishing, 1996, p. 97.

⁸¹Pietro T. and Pat Lauderdale, "An Indigenous Perspective on the New World Order: The Rule of Law and Somalia," *Columbia International Affairs Online* – <http://www.ciaonet.org?conf/lap01>

⁸² CIA, "Somalia." *CIA - The World Factbook*, 27 Sept. 2011.

the country.⁸³ As the clan wars intensified, large numbers of refugees flocked into Kenya some of who settled in Eastleigh.

2.8 Somali Refugees in Eastleigh

Many urban areas in Kenya such as Namanga, Oloitoktok, Nakuru, Kisumu and Kitale just to mention a few are populated by Somali refugees. Yet Eastleigh appears to attract many of these Somali refugees from the camps such as Dadaab and Kakuma. Dadaab is located approximately 100 kilometres from the Kenya-Somalia border in the former Garissa District or current Garissa County. The local population of the county consists of the nomadic Somali livestock herders. Dadaab has a UNHCR base that serves refugee camps around the town namely Hagadera, Ifo and Dagahaley. Dadaab hosts people that have fled various conflicts in the larger Eastern Africa region. Most have come as a consequence of the civil war in Somalia, including both Somalis and members of Somalia's various ethnic minority groups such as the Somali Bantu.⁸⁴ Most of the latter migrated from the southern Juba River valley and the Gedo region, while the remainder arrived from Kismayo, Mogadishu and Bardera. The Dadaab camp is made of Ifo, Dagahaley, Hagadera were constructed in the early 1990s. Ifo camp was first settled by refugees from the civil war in Somalia.

Although the camp was seen as a safer region it had various challenges. Despite typically being required to remain in the camp, the Somali refugees often ventured out in search of firewood and water. This left their women and girls vulnerable to violence as they journey to and from the camp. Apart from man caused dangers, in 2006, flooding severely affected the camp. More than 2,000 homes in the Ifo refugee camp were destroyed, forcing the relocation of more than 10,000 refugees some who saw no hope in the camps therefore relocated to urban areas in Nairobi.

⁸³ Hussein, D. *From Barre to Aideed: Somalia; The Agony of a Nation*, Nairobi: Stellagraphics, 1994, pp. 118-127.

⁸⁴Campbell, E. "Urban refugees in Nairobi: Problems of Protection, Mechanisms of Survival, and Possibilities for integration", *Journal of Refugee Studies*, 19, pp. 396-413

Another supplier of refugees to Nairobi is the Kakuma Refugee Camp which is located in Turkana District of the north-western region of Kenya, 120 kilometres from Lodwar District Headquarters and 95 kilometres from the Lokichoggio Kenya-Sudan border. Kakuma Refugee Camp serves refugees who have been forcibly displaced from their home countries due to war or persecution. It was established in 1992 to serve Sudanese refugees, and has since expanded to serve refugees from Somalia, Ethiopia, Burundi, the Democratic Republic of Congo, Eritrea, Uganda, and Rwanda.⁸⁵ According to current UNHCR statistics, the camp population stood at just under 50,000 refugees and by 2007, Kakuma Refugee Camp hosted 21% of the total refugee population in Kenya.⁸⁶ Although most of these refugees are required by law to remain in the designated refugee camps, most of the Somali refugees moved to Nairobi's Eastleigh because of the following reasons.

Eastleigh is preferred by most Somali refugees because of the idea of identity. For decades, the relationship between people, place and identity has been the subject of attraction and security. The identity centres on the notion of the territorialisation of identity and that people and place have a deep and lasting natural bond. A large proportion of the Somali population have a long history of mobility and involvement in ancient trading links and have historically extended across the region that covers Somalia. Mobility of the Somali to Eastleigh has therefore been influenced by the identity of the Somali people.⁸⁷ Traditionally, the Somali people's movements have mainly depended on clan and kinship lines that extend across into Kenya.

The harsh realities of war in Somalia have encouraged, if not forced, the continuous movement of families and clans in order to find safer areas.⁸⁸ The identity of the Somali people has truly been linked to their desire to move to Eastleigh locality. The link between place and identity as is prioritised in Somali society, therefore, explains why

⁸⁵UNHCR Fact Sheet, September 2008

⁸⁶ Ibid.

⁸⁷ Moret, J. *The Path of Somali Refugees into Exile: a comparative analysis of secondary movements and policy responses*. SFM Studies 46, Swiss Forum for Migration and Population Studies, Switzerland, 2006, pp. 43-58

⁸⁸ Horst, C. *Transnational Nomads: How Somalis cope with refugee life in the Dadaab camps of Kenya*, Bergen Books: New York, Oxford, 2006, pp. 59-66

they chose Eastleigh in order to derive support from membership of a particular clan rather than to a specific place that is geographically fixed.⁸⁹ Research indicates that relationships lead to profound and natural bond between people and place. The idea that people are intimately linked to a physical place that is known as home is a common and comforting way of understanding one's place in the world and how an individual and society form a cultural identity.⁹⁰ In this understanding, the notion of home and belonging is not only linked to being part of a community and the relationships that exist among those in the community, but also, and perhaps more importantly, to the physical place and soil upon which this community thrives. In this understanding, the Somalis felt that belonging in Eastleigh makes them comfortable in terms of culture and identity. The existence of members of the Somali nation-states in Eastleigh portrays the way in which the Somali people ascribe to national identities.⁹¹

Nimo Rage, Somali refugee states:

Anigu Nairobi waxaa horegse sanadki labadiku iyoo kowdi markii aan kasootage xeraddi gaxooti ee dadaab. Waxaan degge south C, labba sanna aan degnay, kadibna Eastligh aan uu soo gurrey. Sababtii aan u doortey Eastleigh waxaan weyey, waxaa kunool daad somaali oo walla leheynta. Waxaa kala oo Eastligh laga helikaraa Dugsi iyo Madarasoyinka oo carurta dhigataa.

I first came to Nairobi in 2001 from Dadaab refugee camp. I settled in South C where I lived for two years before I moved to Eastleigh. The reason why I chose Eastleigh is that Eastleigh was inhabited by our Somali brothers and sisters. Moreover, in Eastleigh there were institutions (formal and informal) where children could learn Quran and other Islamic studies.⁹²

It is noted that the Somali people are not an ethereal spirit living outside space or time but terrestrial individuals with roots in a land and its history that has formed common beliefs and values and conferred on it an identity. The link between Somali people and a land is a

⁸⁹ Ibid.

⁹⁰ Kibreab, G., "Revisiting the Debate on People, Place, Identity and Displacement", *Journal of Refugee Studies*, Vol. 12(4), 1999, pp. 384-410.

⁹¹ Malkki, L. "National Geographic: The Rooting of Peoples and the Territorialization of National Identity among Scholars and Refugees", *Culture Power and Place: Explorations in Critical Anthropology*, Durham and London: Duke University Press, 1997

⁹² Oral interview, Nimo Rage, Somali refugee age 56. 10/12/2012

profound one and is seen in Eastleigh identity.⁹³ This relationship is based on an understanding that people are rooted to a particular place that is steeped in their community's history. History can be traced back through ancestral lines that have been preserved in this place and land. As one walks in and around Eastleigh, it is impossible not to notice that Somalis in the neighbourhood have managed to preserve their Somali identity both individually and collectively. For example, Somali seemed to be the dominant language on the street and in shops; the style of dress, particular among women, was distinctively Somali; and the cafes, hotels, and restaurants served Somali food.⁹⁴ The research found that the presence of so many Somalis in a relatively small geographic space has ultimately resulted in a collective preservation of Somali identity. By living and socialising predominantly in this Somali community, Somalis have not been forced to adapt to a different social behaviour or way of life as would normally occur when an individual or group move to a foreign country. Furthermore, the notion of the Somali as "the other" has aided in the preservation and reinforcement of a Somali identity among Somalis in Eastleigh.⁹⁵

It became clear from the research that the Somali sense of identity was linked to the existence of a social network within a Somali community living in Eastleigh and not by the fact that they were or were not in Somalia. For instance many Somali youths in Eastleigh born outside Somalia still explained that they were still strongly identified themselves as Somali. And the elderly Somalis said they wanted to bring up their children in Eastleigh because they wanted them to be Somalis.⁹⁶ Somali refugees felt that it doesn't matter where my children were born but where they live. And that living in Eastleigh makes them know that they are Somali and that they feel Somali. It became apparent from these discussions that many Somali refugees in Eastleigh were comfortable because of the common-sense understandings of the relationship between person and

⁹³ Warner, D. "Voluntary Repatriation and the Meaning of Return to Home: A critique of Liberal Mathematics", *Journal of Refugee Studies* Vol. 7(2/3), 1994, pp. 160-174

⁹⁴ Warner, D. "Deterritorialization and the Meaning of Space: A reply to Gaim Kibreab", *Journal of Refugee Studies*, Vol. 12(4), 1999, pp. 411-416

⁹⁵ Gupta, A. and Ferguson, F. "Beyond "Culture": Space, Identity, and the Politics of Difference", *Culture Power and Place: Explorations in Critical Anthropology*, Durham and London: Duke University Press, 1997, pp. 54

⁹⁶ Oral interview, Hamida Mursal Hadi, Eastleigh, Nairobi 22/03/2013.

place. The fact that the second-generation Somali refugees in Kenya identify themselves as Somali and not Kenyan is testament to the fact that Eastleigh gives the Somali refugees a sense of being at home. Amina kinsi , Eastleigh resident states,

With regards to those refugees interviewed, their Somali identity was formed and reinforced due to their place within a strong Somali community and not by their presence in a specific place or land. Being born into a Somali family and raised in a Somali community was enough for them to identify themselves as Somalis.⁹⁷

Being born and raised in Eastleigh explained that their cultural identity had always been and would remain Somali. They are born into a Somali home, in a Somali speaking region of Kenya, and settled into a Somali neighbourhood, Eastleigh.⁹⁸

The Somali presence in Nairobi, and Eastleigh in particular, was thus well established, serving as a ‘pull factor’ for many Somali refugees in the 1990s that came both to escape the violence in their country and to partake in and benefit from the growing businesses and developing trade networks.⁹⁹ Some of the Somali refugees came with huge amounts of money which they used to buy properties from the Kikuyu who had initially bought from the Asian landlords.¹⁰⁰ By 2010, Somalis, held a majority of properties in Eastleigh and also comprised the majority of tenants.

2.9 The Moi Administration and Somali Refugees

The refugee situation in Kenya has experienced important changes in the last 20 years. Faced with the refugee crisis of the early 1990s, there was a major shift away from a previously government-led, open, and laissez-faire approach to refugees. The Moi Government’s emerging strategy was clear. To offer temporary protection, delegate dealing with the refugees to UNHCR, and contain them in remote areas of the country. Kenya is a signatory to the 1951 UN Convention Relating to the Status of Refugees, its

⁹⁷ Oral interview, Amina Kinsi, Eastleigh, 23/12/2012

⁹⁸ Campbell, E. “Urban Refugees in Nairobi: Problems of Protection, Mechanisms of Survival, and Possibilities for Integration”, *Journal of Refugee Studies* Vol. 19(3), 2006, pp. 396-413

⁹⁹ Campbell, E. Somali refugees and Migrant Trade Networks in Nairobi, in *Global Migration Perspectives*, No. 47, Geneva: Binghamton University, State University of New York, 2005.

¹⁰⁰ Ibid.

1967 Protocol,¹⁰¹ and also the 1969 Organization of African Unity (OAU) Convention Governing Specific Aspects of Refugee Problems in Africa.¹⁰² Until 2006, Kenya had no clear national legislation for refugees, but over the years registered hundreds of thousands of Somalis as *prima facie* refugees, on a group basis, offering temporary protection in camps.¹⁰³

The Moi government requested, in the early 1990s UNHCR to assist in managing large camp operations both in Kakuma and Dadaab. The Government policy was to try to contain the refugees in Dadaab camps (Ifo, Hagadera, and Dhagahaley) of the North Eastern Province (NEP) close to Somalia, and to a lesser extent in Kakuma camp in the north west. During the 1990s many refugees were relocated to these camps from other locations where they had initially settled. The decision to locate the major camps in Dadaab was significant. The NEP has a substantial indigenous Somali Kenyan population and a troubled history of marginalisation, repression, and violence under both colonial and independent rule. The province benefited from little development intervention and there is still a considerable economic gulf between the NEP and the rest of Kenya.¹⁰⁴

In the late 1990s the Moi administration initiated some important changes in the institutional framework of managing refugees who had relocated to Kenya. Greater Government involvement in refugee affairs began with the Refugees Act, which was finally passed in 2006, after an earlier bill was stalled by the first Somali refugee crisis in the early 1990s. Accompanying Refugee Regulations entered into force in 2009 and a Department of Refugee Affairs (DRA) was established within the Ministry of State for Immigration and Registration of Persons. As part of a three-year plan to assume from UNHCR the responsibility for key areas of refugee policy implementation, the DRA took over the reception and registration of refugees in March 2011. The DRA also chairs an

¹⁰¹ The 1951 UN Convention Relating to the Status of Refugees, 189 UNTS 150, 28 Jul. 1951 (entry into force: 22 Apr. 1954).

¹⁰² The 1969 Organization of African Unity (OAU) Convention Governing Specific Aspects of Refugee Problems in Africa 1001 UNTS 45, 10 Sep. 1969 (entry into force: 20 Jun. 1974).

¹⁰³ J. Milner, *Refugees, the State and the Politics of Asylum in Africa*, Basingstoke, Palgrave Macmillan, 2009.

¹⁰⁴ Lime, A. "Improve Refugees' Lives, Urges Kajwang", *Daily Nation*, 20 Jun. 2011, available at: <http://allafrica.com/stories/201106220287.html> (last visited 6 Sep. 2011)

active cross-governmental Refugee Affairs Committee, engaging officials from Foreign Affairs, Internal Security, Local Government, Public Health, and the National Registration bureau in regular discussions of refugee issues.¹⁰⁵

When Moi left power, the Kibaki administration went on initiating key legal and policy frameworks. A new Refugees Bill and Citizenship and Immigration Bill was drafted as part of the review of all legislation prompted by the passing of a new Constitution in 2010. The Refugees Bill's proposed modifications to existing law appear to focus on addressing security concerns by tightening bureaucratic control of the refugee population, requiring immediate registration and increasing penalties for non-compliance, as well as elaborating offences and penalties relating to identification document fraud.¹⁰⁶ The Kibaki government also put in place a policy of discussion between the Government, UNHCR and civil society stakeholders in order to improve the protection of urban refugees and ease access to work permits.¹⁰⁷ It should be noted that, the government of Kenya had never been comfortable with the presence of Somali refugees in Eastleigh. The Moi administration for instance, insisted that all refugees return home or reside in camps.¹⁰⁸

2.10 Emergence of Somalis as an increasingly powerful group economically

The Somali emerged as an increasingly powerful group economically not only in Eastleigh, but also in other Kenyan urban centers because of the reasons discussed below. Somalis use a wide range of economic strategies to strengthen themselves while living in exile. Some of these strategies are supported and made possible by official policies, but many are informal, refugee-driven, and occur beyond State regulation. Some reinforce the separateness of refugees others facilitate their de facto integration into Kenyan Eastleigh society. Refugees receive very basic material assistance in terms of food rations and access to water and shelter from the World Food Programme and UNHCR's

¹⁰⁵ Konzolo, S, Wendy Crompton & S. Cechvala, An Overview of the Refugee Status Determination Processes and Right of Refugees in Kenya, paper presented at the International Association for the Study of Forced Migration Conference, Kampala, 3–6 July 2011

¹⁰⁶ Ibid.

¹⁰⁷ Ibid.

¹⁰⁸ Carver, R. "Kenya: Aftermath of the Elections." *Refugee Survey Quarterly* 13(1), 1994, pp. 30- 55

implementing partners. Most people also engage in other economic activities to provide for their families and strengthen their economic position.¹⁰⁹

Some refugees are employed by aid agencies as incentive workers, by special agreement with the Government of Kenya. The monthly incentives range from 3,500 KSh (about USD 40) for an entry-level cleaner to higher salaries depending with the level of education. While these jobs help people to earn income, develop skills and interact with Kenyan national colleagues, they play a very important role in strengthening the Somali refugees' economic position.¹¹⁰ There are a range of additional social support mechanisms used by Somali refugees in Eastleigh urban areas. They include sharing homes and meals, contributing to collections for the needy and newly displaced, paying zakat and engaging in community-based rotating savings-and-credit associations known as ayuuto.¹¹¹ These strategies, which involve leveraging the international assistance system or relationships with compatriots in exile was key for refugee welfare and economic strength.

There is also a transnational dimension to social support that strengthened the Somali refugees' economic base in Nairobi. Somali refugees also tap from relatives overseas for remittances, to cover their costs of living, deal with crises, and invest in business and education.¹¹² Estimates suggest that a third of urban refugees receive regular remittances, primarily from the US, because of the high rates of resettlement there.¹¹³ With formal economic opportunities so limited, many urban refugees engage in informal trade in

¹⁰⁹ E. Campbell, E. Jeff Crisp and E. Kiragu, *Navigating Nairobi: A Review of the Implementation of UNHCR's Urban Refugee Policy in Kenya's Capital City*, UNHCR Policy Development and Evaluation Service (PDES), PDES/ 2011/01, Geneva, UNHCR, 2011, available at: <http://www.unhcr.org/4d5511209.pdf> (last visited 7 Sep. 2011)

¹¹⁰ Ibid.

¹¹¹ Joselow, G. "Pushed to the Edge at Kenya's Dadaab Refugee Camps", Voice of America News, 15 Jul. 2011, available at: <http://www.voanews.com/english/news/africa/Pushed-to-the-Edge-at-Kenyas-Dadaab-Refugee-Camps-125662223.html> (last visited 1 Aug. 2011)

¹¹² Pavanello, S. S. Elhawary and S. Pantuliano, *Hidden and Exposed: Urban Refugees in Nairobi, Kenya*, Humanitarian Policy Group Working Paper, London, Overseas Development Institute, 2010, available at: http://www.rescue-uk.org/fileadmin/user_upload/Reports/Hidden_Exposed_Urban_Refugees_Report_FINAL.pdf (last visited 7 Sep. 2011).

¹¹³ Refugee Consortium of Kenya, *Enhancing the Protection of Refugee Women in Nairobi: A Survey on Risks Protection Gaps and Coping Mechanisms of Refugee Women in Urban Areas*, Prepared by The Refugee Consortium of Kenya (RCK) with Support from The Primate's World Relief and Development Fund, Nairobi, RCK, 2008, available at: <http://www.rckkenya.org/rokdownloads/research/Enhancing%20Protection%20of%20Refugee%20Women.pdf> (last visited 7 Sep. 2011)

goods and services, for example selling food aid, bringing in vegetables, clothes, consumer goods to sell or offering telephone and money transfer services to facilitate family connections and remittances. Small traders sell goods sent from the camps to Nairobi. While many of these individuals remain stuck in the city, their economic strategies contribute to integrating them into local, national, cross-border and transnational livelihood systems.¹¹⁴

Somali refugees in urban areas are generally self-reliant, only receiving assistance with living costs from UNHCR in exceptional circumstances. Over 20 per cent of urban refugees are employed, with Somalis concentrated largely in compatriot-run businesses and domestic work, feeding the informal enclave economy.¹¹⁵ Meanwhile, some 43 per cent of the refugees in Nairobi are estimated to be self-employed.¹¹⁶ Apart from petty trade, Somalis have invested in import and export businesses, shops, and malls, real estate, hotels, the miraa (khat) trade, long-distance transport and trucking companies, livestock trade and money transfer operations. Businesses range in scale from street hawking to large multinational conglomerates. Some are officially registered, while others operate within Kenya's large informal economy. Due to the absence of aid allocations in urban areas, urban-based refugees are a self-selected group and tend to be in a better economic position than camp refugees. The economic strategies outlined above point to the fact that the Somali refugees have emerged to be a very powerful group in the city.

This comprehensive assessment of the impact of Somali refugees on the urban economy indicates that Somalis have made considerable inroads into trades formerly dominated by the Asian community, through their high turnover, low margins approaches. There is anecdotal evidence of Somali businesses' employment creating impact and higher wages. The almost viral success of Somali business in Kenya has also led to some resentment

¹¹⁴ Little, P. *Somalia: Economy without State*, Oxford, James Currey, 2003

¹¹⁵ Milner, R, Barbara Harrell-bond and G. Verdirame, *Janus-Faced Humanitarianism*, Oxford, Berghahn Books, 2005, Note that as prima facie refugees, they should be entitled to refugee rights under 1951 Convention (according to B. Rutinwa, *Prima Facie Status and Refugee Protection*, New Issues in Refugee Research, Working Paper No. 69, Geneva, UNHCR, 2002).

¹¹⁶ UNHCR, "UNHCR Transfers Somalis to New Camp as Fresh Fighting Erupts in Mogadishu", UNHCR News, 29 Jul. 2011, available at: <http://www.unhcr.org/4e32a87d34.html> (last visited 7 Sep. 2011).

and overblown claims of links to piracy and criminality. More measured accounts suggest that the keys to success seem to lie largely in globalised clan and family networks, co-operative shareholding and Islamic financial arrangements, and the transfer of large business investments from Mogadishu to Nairobi in recent years.¹¹⁷ An indication of the important role that Eastleigh has come to play in Nairobi's economy is the growing interest from the tax authorities.¹¹⁸

By the time of this research, Eastleigh was full of Somali immigrants and refugees, who were born and raised in Somalia and do not speak a word of the state languages, English and Kiswahili, and who hold Kenyan citizenship identification cards. As stated earlier in this section, Eastleigh is not just home to Somalis but it houses refugees from different parts of the world to participate in the largely 'informal' economy.¹¹⁹ Other than Somalis, different nationalists populated this area. For instance, in 2001, 55 people were arrested in Eastleigh and charged with being illegally present and working without a permit in Kenya. Among them were Palestinians, Bangladeshis, Nigerians, Tanzanians, and people from the Central African Republic, nationalities largely not represented in the refugee populations in Kenya.¹²⁰ One can currently argue that Eastleigh is currently the global capital of Nairobi where, aside from the permanent refugees living in the area, you can find Tanzanians, Ugandans, and other traders buying their wares and purchasing materials to sell in their countries. George Owino, recalls

Eastleigh is a home of large number of foreigners including refugees from Many African counties such as Somalia, Ethiopia, Congo, Rwanda just to mention a few. However, it is only the Somali refugees who actively engage in all types of economic activities at both national and international levels. These Somali refugees are very helpful to Kenyan local communities in the area. I am one of the beneficiaries of Somalia business in Eastleigh I am an employee of a Somali refugee businessman who sells clothes at Mash business centre in section II of Eastleigh.¹²¹

¹¹⁷ Farah, A. Somali Investment in Kenya, Chatham House Briefing Paper, AFP BP 2011/02, London: Chatham House, 2011

¹¹⁸ Harper, M. "Little Mogadishu': Paradise for Shoppers or Pirates?", BBC News, Nairobi, 10 Dec. 2010, available at: <http://www.bbc.co.uk/news/world-africa-11962254> (last visited 20 Jun. 2011).

¹¹⁹ Mwangi, A. Ph.D. Thesis Refugee Studies Centre, University of Oxford, 2005.

¹²⁰ The Nation Reporter, "55 Illegal Immigrants in Court as Crackdown Intensifies," in the Daily Nation, October 17, 2001.

¹²¹ Oral interview, George Owino, 23 Years, 12/1202012

It should also be noted that, the vast majority businessmen and traders in Eastleigh operate without the necessary permits and do not contribute to the tax base. Eastleigh is now the epitome of the booming economy, marked by multi-story shopping malls, it has nonetheless become in recent years formally part of Nairobi's economy, without which thousands of individuals and hundreds of businesses would suffer.¹²² Eastleigh has the best prices in town, Kenyan consumers and merchants increasingly dependent on the cheap goods and services provided largely by Somali refugees in Eastleigh.¹²³ Data collected in August and December 2004 by the Global Commission on International Migration, indicated a slight price discrepancy between the same items priced in Eastleigh and other locations of the city. The price discrepancy is indicated in the table below from Elizabeth Campbell's work on global migration perspectives¹²⁴

¹²² Lindley, A. *The Early Morning Phone Call: Somali Refugees' Remittances*, Oxford, Berghahn Books, 2010, pp. 29-38

¹²³ Little, P. *Somalia: Economy without State*. Oxford: James Curry, 2003.

¹²⁴ Campbell, E. *Global commission on International Migration: Global migration perspectives No. 47*, September 2005, Binghamton University, State University of New York, www.gcim.org.

TABLE INDICATING PRICE DISCREPANCY BETWEEN EASTLEIGH AND OTHER AREAS IN NAIROBI

ITEM	Price in Gikomba Garissa Lodge and roadside Kiosks, Eastleigh (Ksh)	Price in Nakumatt supermarket, city market, and Indian shops, CBD ksh.	Price in Sarit centre Mall Westland's Ksh.
1kg tomatoes	30	40	35
1kg Onions	30	40	62
1kg Kale (sukuma)	10	15	12
1kg Potatoes	20	30	30
1kg garlic	80	130	150
1kg apple mangoes	30	40	60
1kg Oranges	20	30	39
1 packet wheat flour	75	75	75
2kg beans	50	68	68
2kg cooking fat	112	111	109
1 full chicken	170	180	270
1kg of beef	140	170	210
1kg Tilapia	120	180	270
1 set of 4 plates	40	130	247
1 medium pan	100	247	300
1 collared male shirt	200	400	900
1 pair of male pants	500	700	1,000
1 pair tie shoes	1000	3000	5000
Phone call to US	10 ksh. Minute	15-20 ksh per minute	30ksh per minute
Dry cleaning shirt	100	400	800

Source: Elizabeth, H Campell, Global commission on International Migration: Global migration perspectives No. 47, September 2005, Binghamton University, State University of New York, www.gcim.org.

Eastleigh can be said to be not only informal, but rather a location where unsanctioned trade is increasingly out in the open. It symbolizes a graphic form of resistance to an economic and political system that excludes it. It is common in Eastleigh to see a customer with dollars all over their bodies, in their socks and belts. They just pill out cash, half undressed in the banks. Such are the informal and unexpectedly wealthy ways of Eastleigh, a dishevelled neighbourhood built on trade, tax evasion, smuggling and regional connections. It is home to a number of Kenya's unofficial bank balances generated by traders whose cash is stuffed under flowing robes. Since the political collapse of neighbouring Somalia more than 20 years ago, traders from that country have made their second home in what was once an Asian residential estate. So strong is their

trading network in this area in the heart of the Kenyan capital.¹²⁵ It hardly looks wealthy. Women in long veils pick their way through rutted roads filled with rubbish and hawkers. Street sellers guard bags of charcoal piled up in the mud, and containers double as high-end shop fronts offering smuggled goods. But despite the puddles and the rubbish, bankers joke that Kenya's currency rates are not determined until Eastleigh turns in its daily numbers.¹²⁶

Hassan Guleid, chairman of the Eastleigh Business District Association, says the neighbourhood turns over more than \$100m a month. The whole Somali economy washes out in Eastleigh. The success is down not only to illegal practices, but a different notion of wealth. Somali businessmen have no truck with costly showrooms or expensive credit, often plumping for scale over profit margins. Somalis are business-minded people they work on free of charge in Somalia paying no taxes or customs. Goods are flown tax-free from Dubai via Eldoret in western Kenya and trucked to Eastleigh, or imported by sea to Mombasa or Somali ports and trucked onwards. Such is the intoxicating mix of formal and informal, that despite the area's reputation for smuggling and tax evasion, the city banks have never received a counterfeit banknote at their Eastleigh branch. It is from this background that this study argues that Eastleigh symbolizes a graphic form of resistance to an economic and political system that excludes it.¹²⁷

2.11 Conclusion

Somali refugees in Kenya are a very consciously acting people. They are an enticing group which occupies and takes advantage of the different potentials of any location they find themselves in. Equally, they maintain structural interrelations with not only their mother country, but also their kin living in refugee camps and other parts of the world. Refugee families living in the camps usually send their sons out to Nairobi in order to explore their potentials. Their task is to investigate the financial possibilities, conditions of personal security and general quality of life as well as support the family back in the camps financially.

¹²⁵ Katrina Manson/Daily Nation

¹²⁶ Ibid.

¹²⁷ Ibid.

Once they establish their economic survival, their sons send remittances from Nairobi back to the families in the refugee camps. Even though their temporary residence might transform into a permanent settlement, for many inhabitants Eastleigh is a place where they can earn money either as foreign workers or business groups in order to support their families and eventually to return to their home country. Prove that Somali refugees live in Eastleigh is often seen when the UNHCR wants to do their regular intervals of registering the refugees. It often performs headcounts in the camps. Before the practice, there is usually an announcement a few days prior. Since the count is of great importance to the refugees as entitlements to food rations and other material support which is distributed based on this registration, there would be big business for the travel and bus companies that are based in Eastleigh offering daily connections to the refugee camps and to many other places all over East Africa.

The night before the routine counting in refugee camps, the streets of Eastleigh are always more congested with people and their luggage who would be travelling to be registered by UNHCR in Ifo, Dagahaley and Hagadera, and then drive back again the following day. Even though being one of the most vibrant parts of Nairobi, on a certain level Eastleigh represents a mere outpost of the refugee camps in the east of the country. The refugees' presence is a contributory to problematic quality of life in the Eastleigh area. The air is heavily polluted, congestion eaten into the playing fields for children that do not exist, most of the buildings are in bad condition and their sanitary facilities are inadequate. Nevertheless the rent levels have risen sharply with the increase of such refugees.

As the density in refugee numbers keeps on increasing, the rental fees are equally increasing, but the quality of life remains unsatisfactory and the lack of expansion area within the neighborhood becomes more and more obvious. Within Nairobi the Somali traders have started developing areas and single streets outside of Eastleigh. In all this they are infiltrating even further into the traditional terrain of the Indian business community and other Kenyans. Taking over individual shops in streets near the central business district, they expand rapidly so that after only a short period they are in control of most of that street. In no time a dislocated piece of Eastleigh, with all its density,

distinctive sounds, smells and visual qualities moves into an area previously held by other trading communities. They have come up with further development locally, which is at the forefront of formulating new businesses in Eastleigh as will be discussed in the next chapter.

CHAPTER THREE

ECONOMIC LIVELIHOODS OF SOMALI REFUGEES IN EASTLEIGH

3.1 Introduction

This chapter addresses the economic engagements of the Somali refugees living in Eastleigh. It brings out the question of survival of these refugees through businesses and other ways of livelihood. Studies have shown that intake of refugees can diversify and enhance the skill level of the local population by increasing economies of scale and fostering innovation and flexibility. For instance, Steven Hopes argued that refugees are often entrepreneurial as they face the need to set up and establish themselves in a new environment. They arrive with individual and collective skills, experiences and motivations and can create new businesses and employment opportunities that lead to positive direct and indirect fiscal effects.¹²⁸ A good illustration of the entrepreneurial trait that refugee arrivals often have is evident in the 2000 Business Review Weekly's annual which listed 200 top rich people in Australia which indicated that five of Australia's eight billionaires were people whose families had originally gone to the country as refugees.¹²⁹

Factors inherent to refugees may account for some of the observed pattern, and the data could be interpreted as an indicator of greater entrepreneurial behaviour among refugees than other groups. Cultural factors and predispositions, as well as niches of demand, can also explain this higher proportion of entrepreneurial activity. There is much anecdotal evidence that refugees in foreign countries often send a percentage of their wage to family and friends abroad, including those who remain in refugee camps or in other impoverished situations. These remittances are an important method by which refugees and other migrants use to enrich themselves.¹³⁰

¹²⁸Stevenson, R. *Hopes Fulfilled or Dreams Shattered? From resettlement to settlement*, Background Paper Refugees and Economic Contributions, Conference Papers, 23-28 November 2005. <http://www.crr.unsw.edu.au/documents/Refugees%20and%20Economic%20Contributions.pdf>

¹²⁹ Ibid.

¹³⁰Van Hear, N. *Refugee Diasporas, Remittances, Development, and Conflict*. Migration Policy, Migration Information Source Featured Article, June, 2003. <http://www.migrationinformation.org/feature/display.cfm?ID=125>

Christine Githae, Kenyan, says:

Mimi ni mfanyikazi katika nyumba ya mkimbizi kutoka Somali. Nimefanya kazi kwake kwa miaka minne..... katika hi muda ninaoishi na hawa watu, nimeona ya kuwa wasomali no watu wanaoendana sana na kushidiana sana. Kwa mfano katika hiyo nyumba ninafanya kazi, hakuna mmjoa wao ambaye anafanya biashara na kazi ngingine, bali wanatumaniwa pesa kutoka ng'ambo na familia na marafiki zao kila mwisho mwezi.

I have worked work as a house-help at a Somali refugee house in Eastleigh for four years. During this time I have learnt that the Somali people are people who love each other and care for each other. For instance, where I work none of the member of that family does business or is employed. They rely mainly on money sent from abroad by their families and friends by the end of every month.¹³¹

The majority of the urban Somali refugees have come to Nairobi directly from their country of origin without having entered a refugee camp. Others may have spent considerable time in refugee camps. Both groups are drawn to Nairobi by: opportunities to trade and use their skills to offer services to better-off city residents, the presence of hospitals and private medical services, accommodation, schooling and vocational training, internet access to maintain contacts with relatives, transfer money and explore business opportunities and recreational and intellectual activities. This chapter will deeply discuss how the Somali refugees engaged in economic activities that transformed the area from a residential place to a business hub.

3.2 Eastleigh: Transformed from a Residential to Commercial Centre

Throughout the 1990s, Eastleigh was transformed from a residential community to the commercial centre of Eastland and increasingly much of Nairobi. Based on a land transfer policy of willing buyer, willing seller, and with little to no governmental oversight, Somali businessmen in Eastleigh bought up residential blocs and turned them into multi-million shilling retail malls and commercial enterprises of various sizes.¹³²

¹³¹ Oral interview, Christine Githae, Kenyan, 29. 22/12/12

¹³² Oral interview, Geoffrey Muasya, Eastleigh resident, 22/12/12

Baredu Alkama, Ethiopia refugees age 41 says:

Do you see that building named Mash Business centre? That where I lived as tenant since 1996 when I came to Nairobi. It was affordable residential building with several flats. It was bought by a Somali businessman in 2007. He immediately transformed it into a commercial centre, hence we were displaced and I moved to section III.¹³³

The rapid shift from a predominantly residential area to a commercial one has reduced the number of rentable rooms for an increasing population, thereby pushing many long term inhabitants, especially Kenyans, out of Eastleigh into neighbouring slums or estates and raising the rents for those who can afford to remain.¹³⁴ This was insisted by Hamida Mursal Hadi (a Kenyan Somali) stated that;

We have learnt many ways of mobilizing capital from the Somali refugees in Nairobi. This include business partnership where group of investors come together and realize their goals even with small amounts of money (Capital). I am personally a member of group of 21. We formed the business partnership in May 2006 where each member contributed Ksh 1000,000 totaling 21,000,000 then we bought a piece of land at 11th street of Eastleigh in which we built a four story building and in August 2012. This was a residential area but we later transformed it into a business area. We bought another house at section 2 of Eastleigh. Our members comprised of 6 Kenyans and 15 Somali Refugees.¹³⁵

Eastleigh businesses have also brought tremendous competition to the marketplace, which has had a negative effect on many of the Asian businesses in particular. The Asian community which hitherto controlled most of the retail business in Kenya has been pushed out from Eastleigh. They were formerly the owners of these businesses but now have been seen purchasing their wholesale merchandise from Somalis. Most Asians have been cut out of their businesses. Many Somalis living overseas show an interest in buying residential properties in Kenya. This resulted in a real-estate boom led by the Somali business community in the country.

¹³³ Oral interview, Baredu Alkama, Ethiopia refugees age 41, 22/12/12

¹³⁴ Ibid.

¹³⁵ Oral interview, Hamida Mursal Hadi, Eastleigh, Nairobi, 22/03/2013

Yusuf Hassan, a Somali investor says:

Although the increase in rental prices has led to displacement of the members of local refugees. There are some Somali diasporas who are greatly investing in properties in Eastleigh and other parts of Nairobi such as South C and Embakasi through Kenyan Somalis. These Kenyan Somalis are given certain percentage shares so that business properties are registered and managed under their names.¹³⁶

Some Kenyan property dealers claim that prices have tripled in areas where Somalis dominate particularly in Eastleigh.¹³⁷ This has given rise to some feeling that Somalis and some Nairobi residents are financed by piracy or other illegal activities. In June 2009, the police had to confront Kenyan traders who refused to heed a government notice to leave a market that had allegedly been sold to Somalian businessmen.

The displaced traders blamed foreigners, rich with the proceeds of piracy, for taking over their livelihoods.¹³⁸ Many Kenyans believe that there is a strong relationship between Somali investors and the pirates and warlords of Somalia. While the Kenyan media have produced some wildly exaggerated reports, there are certainly some properties owned by pirates and warlords in Nairobi and Mombasa.¹³⁹ Beatrice Wanjala,, recalls

...some of these huge properties worth Billions of shillings are investments by the Somali businessman and are in most cases owned by individuals. Most of them were put up when piracy was at its peak in Somalia. There were reports that Somalis also heavily invested in Dubai and Mombasa during this period. So I think these huge funds might have originated from the piracy.¹⁴⁰

Kenya's weak anti-money laundering legislation and enforcement make Nairobi an attractive destination for illegal money. But in reality the value of Somali trade and investment in Kenya is much larger than the proceeds of piracy. Anecdotal evidence

¹³⁶Oral interview, Yusuf Hassan, a Somali investors, 13/10/2012

¹³⁷ Ibid.

¹³⁸ Real Estate Rent Bubble in Nairobi Threatens US Style Property Crash, It Is Claimed', *Property Wire* (2010), <http://www.propertywire.com/news/africa/nairobireal-estate-bubble-201003013921.html>

¹³⁹Wadhams, N. 'Somali pirates take the money and run to Kenya', NPR (2010), <http://www.npr.org/templates/story/story.php?storyId=126510891>

¹⁴⁰ Oral interview, Beatrice Wanjala, Kenyan age 24. 23/03/13

points to investments of over \$1.5 billion in Eastleigh in 2004. Ransoms in 2009 were estimated at around \$100 million.¹⁴¹ Property prices in business areas have risen because of growing demand, but residential property prices appear to be lower in areas dominated by Somalis. Somali businessmen in Kenya dismiss these complaints and attribute them to people who feel threatened by the success of Somali businesses.¹⁴²

3.3 Eastleigh Refugee Businesses and livelihoods

The population of Somali refugees in Kenya surged in 1990s with the fall of the Siad Barre regime in Somalia. Most of these refugees not only moved in refugee camps but also in Eastleigh in Nairobi where they transformed the area. Throughout the 1990s, Eastleigh was transformed from a residential community to the commercial centre of Eastland's and increasingly much of Nairobi. Hamida Mursat comments on this and says:

This was made possible due to friendly land policy based on a land transfer Policy known as 'willing buyer, willing seller', and with little to no governmental oversight, as in the colonial era, largely Somali businessmen in Eastleigh bought up residential blocs and turned them into multi-million shillings retail malls and commercial enterprises of various sizes.¹⁴³

This policy led to rapid shift from a predominantly residential area to a commercial one. The Landlords soon reduced the number of residential rentable rooms for an increasing population, thereby pushing many long term inhabitants, especially Kenyans, out of Eastleigh into neighbouring slums or estates and raising the rents for those who can afford to remain.¹⁴⁴ This point was echoed by Stephen Kamangu, who stated that;

The return of Somali refugees to their home country has negatively impacted on us. The refugees are our main clients (tenants) and now that they have started repatriating back to Somalia, most of our houses are vacant. This has forced us reduce house rent. For example, before I used to

¹⁴¹ Bowden, A. 'The Economic Cost of Maritime Piracy', One Earth Future Working Paper (December 2010)

¹⁴² Ibid.

¹⁴³ Oral interview, Hamida Mursal Hadi (Kenyan 23 years)22/12/2012

Campbell, E. Somali refugees and Migrant Trade Networks in Nairobi, in *Global Migration Perspectives*, No. 47, Geneva: Binghamton University, State University of New York, 2005.

charge kshs 28,000 for a two bed-room flats but now , I have reduced the rent to only kshs 18,000”.¹⁴⁵

Mary Wangui raised similar sentiments that;

Thanks to God, since the refugees are returning to their country, house rent in Eastleigh has been reduced to a manageable amount. Initially I used to pay 17,000 shillings for a one bedroom flat but now I pay only 12,000 shillings for the same flat so we are praying for peace for peace in Somalia so that all the refugees go back to their country.¹⁴⁶

As argued in the previous chapter, Eastleigh became hub of business away from its former Asian residential status.

Eastleigh businesses brought tremendous competition to the marketplace, which had a negative effect on many of the Asian businesses in particular. The Asian community which had hitherto controlled most of the retail business in Kenya, but with the influx of Somali refugees, the Asian business owners lost much of their businesses as they also became dependant on the Somali wholesale merchandise. The Somalis started cutting into the Asian businesses because unlike the Asians, the Somalis are willing to live and work in Eastlands, areas where most Asians won't even visit.¹⁴⁷ The famous 'Garissa Lodge,' which was formally a guest house, has been transformed into a symbol of refugee businesses in Eastleigh. Many Somalis resided in this former guest house before its transformation into a modern retail shopping mall, officially renamed Little Dubai but popularly referred to as 'Garissa.' From small scale 'black market' trading in hotel rooms, today Garissa houses 58 stalls in which everything from designer clothing to electronics is sold at incredibly cheap prices.¹⁴⁸

¹⁴⁵ Oral interview, Stephen Kamangu, Eastleigh, Nairobi, (Landlord 62), 22/03/2013

¹⁴⁶ Oral interview, Mary Wangui, (Tenant in Eastleigh, 26 years) Eastleigh, 20/03/2013

¹⁴⁷ *BBC News*. 2002. "Kenya Warned Against Crackdown on Ethiopian, Somali Refugees." (<http://news.bbc.co.uk>), June 10.

¹⁴⁸ The Standard Reporter, "Eastleigh Kenya's Somali Capital," in *The East African Standard* November 4, 2002

Amina Abdi raised statement that:

The expansion of business at Garissa Lodge took root after the government policy of trade liberalization, especially when used clothes were allowed in the Kenyan market. This trade liberalization in Kenya coincided with the influx of Somali refugees, offering them an edge in already established yet more covert business transactions. With their businesses deeply entrenched in the informal economy, they benefited from trade liberalization because they were able to move goods across the borders more easily and to sell them openly not only in Eastleigh but also to other markets within the country.¹⁴⁹

There is a very strong relationship between trade liberalization and the growth of the 'informal' economy and/or black market or as it is referred to in Kenya, jua kali businesses.¹⁵⁰ Informalization involved two related processes: the casualization of labour via corporate restructuring and the generation of new forms of individual and collective livelihood strategies which involved businesses. As McMichael argues that with an enlarging mass of people existing on the fringes of the formal economy, informalization will rise automatically.¹⁵¹ In 1999 there were over 1.2 million micro and small enterprises in Kenya involving some 3.7 million people. This number rose to 4.2 million in the year 2000.¹⁵² Although such increment can be argued to mean a form of subversion or as a reservoir of labour in need of development,¹⁵³ this is really nothing more than a survival technique where no other job opportunity or source of income in the 'formal' economy exists.

This is especially the case for the Somali refugees who often have no legal authority in the Kenyan marketplace. Most of these Somali entrepreneurs in the informal economy have experienced great success, turning their jua kali businesses into contemporary shopping malls. In light of this, it is important to measure the success, failures, and

¹⁴⁹ Oral interview, Amina Abdi, Eastleigh, Nairobi, 16/03/2013

¹⁵⁰ Kagwanja, P. "Investing in Asylum: Ethiopian Forced Migrants and the Matatu Industry in Nairobi." *Les cahiers de l'IFRA* 1 (March/April): 1998, pp. 51-69.

¹⁵¹ McMichael, P. *Development and Social Change: a Global Perspective*, Thousand Oaks, CA: Pine Forge Press, 2000.

¹⁵² Mitullah, W. and Isabella Njeri Wachira, "Informal Labour in the Construction Industry in Kenya: A Case Study of Nairobi." Geneva: International Labour Organization, 2003. (www.ilo.org).

¹⁵³ Schneider, F. and Dominik Enste, *Hiding in the Shadows: the Growth of the Underground Economy*, *Economic Issues* 30, Washington DC: International Monetary Fund, 2002.

limitations of urban refugee businesses and livelihoods within the framework of economic globalization and the increasing ‘informalization’ of the economy in particular.¹⁵⁴

Yunis Galgalo, Ethiopian refugee businessman, states:

I have been operating a business in Eastleigh for the last 9 years and one thing I noticed is that it is only the Somalis who can successfully operate business in Eastleigh. This is because first of all they directly import business commodities from Turkey as well as European countries at a lower price. Secondly, they have a good business network where they have customers who buy their goods. Basically it is difficult to do business in this area, and now I am looking for a shop space elsewhere at Hurlingham to try my luck again.¹⁵⁵

Informalization of the economy has led to emergence of formal business complexes in Eastleigh such as, Garissa Lodge, Amal Shopping Plaza, with 160 stalls and a supermarket, Liban Shopping Complex, Baraka Bazaar, Shariff Shopping Complex, and Sunrise Shopping Complex just to mention a few. These complexes draw Kenyans from throughout the nation who come shopping. For instance Campbell reported in her work that for one month in November 2003, ten different shop keepers in Garissa, all Somalis, were asked to keep a list of the origins of their customers. The outcome was that many came from throughout the Eastlands area and also a large number from other parts of Nairobi, including Nairobi West, South B, South C, Kibera, Jamhuri, Kilimani, Dagoretti Corner, Parklands, Highridge, Westlands and Kangemi.¹⁵⁶

Moreover, many visitors also come from the rural areas and smaller urban towns, such as Nakuru, Eldoret and Kisumu, to Eastleigh to purchase goods. At individual consumers’ level, customers were largely Africans followed by Asians and also Europeans.¹⁵⁷

¹⁵⁴ Campbell, E. Somali refugees and Migrant Trade Networks in Nairobi, in *Global Migration Perspectives*, No. 47, Geneva: Binghamton University, State University of New York, 2005.

¹⁵⁵ Oral interview, Yunis Galgalo, Ethiopian refugee businessman, 33 years. 02/08/12

¹⁵⁶ Ibid.

¹⁵⁷ Githongo, P. “Those Magnificent Somalis in Their Flying Informal Networks,” *The East African Standard*, July 28, 2003.

Omar Sheikh Billow Kenyan businessman recalls:

These clusters of consumers were increasingly turning toward Eastleigh to purchase a wide variety of items at cheaper costs, so are commercial businesses. From hardware stores to fruits and vegetable stands, merchandise is increasingly purchased from refugees in Eastleigh.¹⁵⁸

Partly the reasons for the increase are, unlike most of the unregulated businesses in Eastleigh, those in the city centre are more strongly regulated and are required to pay rent and taxes and obtain the necessary permits from the city council.”

Eastleigh businesses are strong competitors to other traders in the city. This makes city centre traders to have a feeling that one day Eastleigh will really be the main commercial centre of Nairobi.

Peter Wahome, Kenyan teacher, says:

The economic threat of Eastleigh has real implications, especially for mid-size traders and Asian business people in Nairobi. This implication has led to tensions between the Asian and Somali business communities in Nairobi that sometimes turn violent. For instance, it was argued that, when Somali refugees lived in coastal camps near Mombasa, one of the main reasons the coastal camps were closed and the refugees moved inland to Kakuma and Dadaab was the pressure felt by the Kenyan government from the Indian business community, who argued that the presence of Somali traders was cutting into the profits of long established Asian businesses in Mombasa.¹⁵⁹

Similarly, in 2000, Garissa Lodge burned to the ground.¹⁶⁰ After the police investigation into the cause of fire, it was established by investigators that it was indeed arson, yet the culprits were never identified. Nonetheless, popular belief in Eastleigh was that it was organized by the Asian business community, which was threatened by the competitive advantage of the booming ‘informal’ market economy.¹⁶¹ Burning of Garissa Lodge led to public outcry with John Sambu, a Member of Parliament, arguing that Asians, who

¹⁵⁸ Oral interview, Omar Sheikh Billow, Kenyan, businessman 57 years. 11/09/12

¹⁵⁹ Oral interview, Peter Wahome, kenyan teacher 34 years old. 11/09/12

¹⁶⁰ Mung’ou, T. “Mystery Deepens as Traders Are Burnt Out.” *The Daily Nation*, December 19, 2000.

¹⁶¹ Campbell, E. Somali refugees and Migrant Trade Networks in Nairobi, in *Global Migration Perspectives*, No. 47, Geneva: Binghamton University, State University of New York, 2005.

control the lion's share of Kenya's economy, were threatened by African businesses and had a feeling that their future in Kenya was very uncertain.¹⁶² William Rutto, another Member of Parliament, promised to examine the possibility of Asian involvement in the burning of Garissa.¹⁶³

Mukhisa Kituyi, the then Minister of Trade and Industry, stated that, it was in the interest of the traders and the country at large, to ensure that these unscrupulous Asians were not allowed to destroy the livelihood of indigenous Kenyans.¹⁶⁴ Although there were no clear indication that the Indian Asians were responsible of the arson attack, the Indians were perceived suspects because of their feeling on the Somali refugee presence in the city. Disgruntled Asian shop keepers frequently characterized the Somali presence in Eastleigh as an area "swarming with invasive insects".¹⁶⁵ The tensions between these communities highlight the economic impact and influence of Somali refugee businesses in Nairobi.

Eastleigh is currently characterized by impressive multi-store shopping complexes most of which were multi-family housing units. Although the area was legally zoned as residential, Somalis have been successful in turning these buildings into commercial enterprises. They have demolished residential structures and replaced them with multi-story shopping complexes. This conversion is a sign of refugee impact on government policy.¹⁶⁶ Jhon Kinoti, says:

It is a sign that corruption is rive in government because, according to the city's zoning laws, Eastleigh is a residential area not a business area yet nobody in government seemsto care. For instance, between September 2003 and August 2004, eight different residential structures in Eastleigh, in which thousands of people lived, were converted into commercial businesses in Eastleigh proper. Equally, the Kenya Bus Station Garage in Eastleigh was bought and turned into a new shopping plaza. Similarly, the

¹⁶² Ibid.

¹⁶³Osanjo, T. "Legislators Blame Asians for Sabotaging African Traders," Panafican News Agency (PANA) Daily Newswire, July 12, 2001

¹⁶⁴ Ibid.

¹⁶⁵ Campbell, E. Somali refugees and Migrant Trade Networks in Nairobi, in *Global Migration Perspectives*, No. 47, Geneva: Binghamton University, State University of New York, 2005.

¹⁶⁶Crisp, Jeff, "Closing Keynote Address," in *The Refugee Convention at Fifty: a View from Forced Migration Studies*, edited by Joanne van Selm et al, Oxford: Lexington Books, 2003, pp. 219-229.

Somali businessmen converted the lower portion of a residential block into coffee houses or restaurants.¹⁶⁷

It is thus arguable that Somalis have transformed Eastleigh's rather dilapidated residential structures, into 'modern,' well-built and freshly painted buildings. This rapid commercial expansion has often come at the expense of affordable housing in Eastleigh, increasing tensions between the Somalis and local Kenyans.¹⁶⁸

Agness Mbatia sates:

...I happen to be one of the victims.... Following sudden increase of house rent in Eastleigh where I was residing, I fled to Mathare and rented a one bedroom flat at a cheaper price.¹⁶⁹

Most residents have been displaced by the Somali refugees to join shanty life in the neighbouring Mathare Valley or Kitui Village.¹⁷⁰ Sometimes, landlords would even evict Kenyan tenants and replace them with refugees, from whom they could garner higher rents.¹⁷¹

Khadija Ibrahim, Somali refugee, argues that:

It seems that the Somali refugees in Kenya are a contrast of other refugees. They seem to prove that, they are wealthy by pushing the local Kenyans out of Eastleigh's residential buildings. From the perspective of many refugees, however, it was Kikuyu landlords who took advantage of the illegal status of refugees and unjustly hiked the prices. They argue that it was common for Kenyan landlords to always hike the prices for foreigners, even when they cannot afford to pay more.¹⁷²

Aside from large-scale shopping malls and guest houses, Somali refugees also own several matatus (mini-buses), the main form of public transportation. Matatu lines number six and nine make opposite loops from Tom Mboya Street in the City Centre

¹⁶⁷ Oral interview, John Kinoti, Kenyan, 61 years old 16/02/2023

¹⁶⁸ Ondego, O. "Hard Times Bring down Nairobi's Property Mart." *The Nation*, November 24, 1998.

¹⁶⁹ Oral interview, Agness Mbatia sates, Kenya 29 years old 02/01/2013

¹⁷⁰ Oral interview, Agness Mbatia, Kenyan, 29 years.

¹⁷¹ Ondego, O. "Hard Times Bring down Nairobi's Property Mart." *The Nation*, November 24, 1998.

¹⁷² Oral interview, khadija Ibrahim, Somali refugee, 26 years old. 13/12/2012

through Avenue One, the main commercial shopping area in Eastleigh. In fact, many matatus are covered in various political slogans from Somalia, Ethiopia, and now independent Eritrea.

Refugees, with particularly strong familial and kinship ties between their country of origin, country of asylum and the Western diaspora, were in strong positions to capitalize on these networks and to mobilize the necessary funds to purchase and operate matatus. Somali refugees were in a perfect position, with ethnic trading ties in Kenya, Somalia, and many Western states. Moreover, of the Somali refugees who settled in Eastleigh in the 1990s, many were successful businessmen and brought with them entrepreneurial experience and capital. After receiving blanket citizenship from the former Moi government or with the help of Kenyan Somalis, many Somali nationals were easily able to obtain the necessary permits for operating public vehicles from the City Council.¹⁷³ Somali refugees have also made a lot of money recently by establishing permanent and direct bus lines between Nairobi and the refugee camps, as well as throughout Kenya and East Africa. These bus lines include Times Express, African Star, Maslah Express, Gaashaan, Zafanana, Gargar and Gantaal.

3.3 Financing Refugee Businesses

Most refugees address the issues requiring permission to trade and regulating business and trade through organized bribes. Most of the refugee large-scale investors have such enormous up-front capital got from their kin in Europe and America. The connection with their kin outside Africa exposes the Somali refugees to financial support which they use to fund their businesses not only in Eastleigh but also in other urban areas.¹⁷⁴

Adan Hussein (Somalia Refugees and businessman 51 years) had this to say;

This kind of business of many partners is seen of more successfully than the sole proprietorship type. For example, al-Bushra properties Ltd Estate in various parts of Nairobi, Mombasa and Garissa is a very successful

¹⁷³ Campbell, E. Somali refugees and Migrant Trade Networks in Nairobi, in *Global Migration Perspectives*, No. 47, Geneva: Binghamton University, State University of New York, 2005.

¹⁷⁴ Oral interview, Adan Hussein, a Somali refugee businessman, 51 years old. 13/12/2012

story of refugee influenced business. They own Eight Estate in South C, South B, and Langata . They also own hotels and restaurants in Eastleigh and other parts of the country. Another similar way of raising capital that the Somalia refugees introduced is where they form a group of more than three of which all members raise equal amount of money and the total raised capital is given to one member to invest in a business for a period of time after which another contribution is raised for next member. This process rotates until each member gets equal amount.¹⁷⁵

Hamida Mursal Hadi echoed the argument by stating that;

Somali refugees introduced new skills of mobilizing business capital which makes it easy for investors to reach their target. These include scenario where many investors jointly invest in a particular large scale business through contribution of capital each member contribute certain amount of money (capital) and his/her percentage share is determined by amount he/she contributed.¹⁷⁶

Apart from kin support, the government of Kenya has long been involved in the 'unofficial' export of goods and services. The Somali refugees would take advantage of the situation to also import goods for marketing in Kenya. For instance, in 2001, the Kenya Revenue Authority (KRA), intercepted and impounded 17 trucks that were sneaking contraband goods worth millions of shillings into the city, destined, the authorities said, for Eastleigh's markets, especially Garissa Lorge.¹⁷⁷ The goods, valued at 1.6 million Kenya shillings and were imported through Dubai via Eldoret International Airport, from where they were transported by road to Nairobi and delivered to various traders. Most of the clothes on sale in Eastleigh come through one container freight service in Mombasa.

Such trade got a major boost with the expansion of mobile usage in Kenya. The mobile phone revolution in Nairobi in the late 1990s, coupled with the rise of computerized informational networking, was responsible for the growing effectiveness of 'informal' trade in Eastleigh. The introduction of mobile phone networks in the refugee camps in mid-2004 greatly impacted trade networks between the camps and Nairobi's Eastleigh as

¹⁷⁵ Oral interview, Hamida Mursal Hadi (Kenyan Somali, 23 years)13/12/2012

¹⁷⁶ Ibid.

¹⁷⁷The Standard reporter, "KRA Seizes 17 Trucks in Tax Evasion Scandal," *The East African Standard* in December 15, 2001

well. Somali refugees move goods throughout the world based on a series of networks, reliable information, and communications technologies.¹⁷⁸ Somali companies are based on family and clan networks which are linked in business through mobile connections.

Equally, Somali refugees facilitate their trade is an informal banking system, known as *hawala or hawilaad*.¹⁷⁹ The term is used to indicate the means which enables the transfer of cash in any denomination and in almost all currencies throughout the world.¹⁸⁰ This enables Somali refugees to send or receive cash from Eastleigh to Dubai, Cairo, London, Johannesburg, Sydney, Minneapolis, or San Diego.¹⁸¹ The Somali refugees have long-distance trading networks, credit, by transferring funds through the use of promissory notes. This is mediated through informal money houses often a one-room and with middlemen who are essential to the overall operation. The scale of the informal banking system is enormous. *Al Barakaat*, once among the largest hawilaads handling some \$140 million in annual transfers, had branches throughout the world, including Eastleigh. Its largest source of remittances was from Somalis living in the United States.¹⁸² Generally, the increased use of satellite telephone systems, the internet, faxes, and mobile phones have undoubtedly facilitated already established Somali trade networks and have contributed to their overall growth in Eastleigh.

3.4 Conclusion

Due to the dismal economic situations in most sub-Saharan African countries, coupled with ongoing wars in the Horn and the Great Lakes, refugees and migrants alike in Eastleigh are there to stay. Those refugees who have been able to establish businesses and survive in Eastleigh are unlikely to pick up and leave in the near future, unless their own situation in Nairobi begins to deteriorate. Eastleigh is now the metropolis of Eastlands and the commercial centre for Somalis. Somali refugees impacted on the

¹⁷⁸ Campbell, E. Somali refugees and Migrant Trade Networks in Nairobi, in *Global Migration Perspectives*, No. 47, Geneva: Binghamton University, State University of New York, 2005.

¹⁷⁹ Hawala means 'transfer' in Arabic

¹⁸⁰ Horst, C. "Vital Links in Social Security: Somali Refugees in the Dadaab Camps, Kenya." UNHCR Evaluation and Policy Analysis Unit, New Issues in Refugee Research Working Paper No. 38. 2001, www.unhcr.ch

¹⁸¹ Ibid.

¹⁸² Crawley, M. "Somali Banking Under Scrutiny." *Christian Science Monitor*, November 28, 2001.

Kenyan society in various ways. Although the government's official state pronouncements and local popular opinion against the refugee presence in the country, urban refugees are not an economic burden on the state but rather have proved to be successful entrepreneurs. The Somali refugees seem to be so firmly entrenched in the economic life of the people of Kenya and the entire fabric of the city. Refugees who exist in Nairobi, are firmly entrenched in transnational trade networks, and seem to be there to stay. For now, they are part of the Kenyan urban society and have impacted on the entire life of the city. The next chapter will bring out how the Somali refugees in Eastleigh impact on the local people.

CHAPTER FOUR REFUGEES AND THE NAIROBI URBAN ECONOMY

4.1 Introduction

This chapter will be devoted to some issues that should be taken into consideration when aiming at understanding the economic impact of urban refugees on the local community. Host governments and the international community are hardly addressing the issue of urban displacement arguing that this is opening Pandora's box and yet substantial additional resources would be required and assisting displaced populations in urban settings could act as a pull-factor and thus attract hordes of refugees to the cities, an environment that is more difficult to control and manage compared with rural areas. Urban refugees can be difficult to identify and/or reach. They are living amongst locals and other foreigners and very often in hiding.

One finds not only refugees from urban origins in urban areas. An increasing number of refugees with rural backgrounds tend to settle in urban areas as well. This group often perceives urban areas as havens of modernity and democratic and economic prosperity. They hope to find safety and anonymity and better conditions allowing them to improve their livelihoods. Overall, refugees are drawn to the city by opportunities to trade and use their skills to offer services to better off city residents, the presence of hospitals and private medical services, accommodation, schooling and vocational training, internet access to maintain contacts with relatives, transfer money and explore business opportunities, recreational and intellectual activities. Refugees in urban areas are economically, politically and culturally tied to the larger urban community, therefore their livelihoods are inextricably interdependent upon local relationships and processes. Urban settings present specific opportunities and constraints for refugees seeking to improve their livelihoods.

As seen in the argument in this chapter, the impact of refugees on the economy of the host community can be positive or negative. If they are helpless, illiterate, and unskilled, they are likely to need more food, water, shelter, health care and other services than they can possibly contribute to the economy. If, on the other hand, they are energetic, skilled,

and ambitious, their abilities can conceivably be put to good use in a country which needs such skills. A nurse or carpenter or typist can make a living in Nairobi, even where there is an employment problem. Even when refugees have positive skills or resources to offer, their unpredictable tenure and cultural dissimilarity like not speaking the language of the country or engaging in religious practices incompatible with local usage may interfere with their contributing effectively to the local economy. Past experience has made it evident that serious problems of refugee management will be with us for some time to come, that there are some predictable elements in the situation, and that fitting refugee assets into most economies will be at best difficult and imperfectly achieved. However the impact of refugees on the economic development of their host community is manifold.

Arizon Langat, recalls:

I think the presence of three urban refugees and their active engagement in economic activities business is of more benefit to the government than the host. Through tax collection, business permit fees etc, the government benefits from Eastleigh business centres. Another beneficiaries are banks, supermarkets and big companies. For the host community, the impact is negative and manifests itself as increase in house rent, poor health, competition over scarce resources and employment, overcrowding, insecurity, you name it¹⁸³

Urban refugees face similar challenges as the urban poor such as growing slum areas, rising unemployment rates, insecure housing access, increased pressure on state and community resources, compounded with barriers such as xenophobia and insecure legal status what makes them more vulnerable to exploitation and marginalization. The Economic situation of Somali refugees in Nairobi illustrates this rather sharply. Although they face such challenges, still they leave an impact on the Kenyan urban economy as illustrated below.

¹⁸³Oral interview, Arizon Langat, Kenyan (61 years), 02/07/12.

4.2 Employment

The livelihoods of the Somali urban refugees are diverse, and include work in the informal sector as labourers, running small businesses and reliance on overseas remittances and community support networks.¹⁸⁴ The Somali people do have a very elaborate clan and family networks that the refugees have depended on for survival in Nairobi. According to RCK data, 21% of refugees in urban areas are employed, while 43% are self employed and 36% depend on remittances from relatives living abroad. The employment might not be in the formal sector but in any informal sector like working in restaurants, shops or even in the transport sector. The great majority of refugees who have access to work are engaged in the informal economy. Semiskilled and unskilled refugees are involved in the same type of work, mostly casual labour and petty trade. This includes jobs as working in clothe and shoe shops as shop attendants and waiters. Majority of Somali refugees who have lived in Nairobi for more than two years, are self-employed through petty trade.¹⁸⁵

Mohhamed Gedi, a Somali refugee, a tailor says:

In order for us to survive, we struggle to the best of our ability because we have a lot of family responsibilities to fulfill: basic needs education for our children, assisting our relatives. As you can see, am a tailor here, my wife is a cleaner at another mall and my first born is a waiter. This is how we manage our family. There is a Somali saying that “Nimbaan shaqeysaniin shah Maabo”, If you want to have a cup of tea, then you must work for it.¹⁸⁶

The assimilation of refugee immigrants into Nairobi labour markets has a big effect on Kenya’s economic growth. Somali refugees in Nairobi have led to increased labour force on Kenya. This growth in labour supply affects average wages in the economy if other factors of production like capital are fixed due to changes in relative scarcities. Even if other factors of production adjust, this labour growth directly affects the average wage due to simple composition effects if the distribution of educations and skills of

¹⁸⁴ Wagacha, J. and J. Guiney, *The Plight of Urban Refugees in Nairobi, Kenya, in Refugee Rights: Ethics, Advocacy, and Africa* edited by David Hollenbach, SJ, Georgetown University Press, 2008

¹⁸⁵ Ibid.

¹⁸⁶ Oral interview, Mohhamed Gedi, a Somali refugee, 45 years a tailor 10/08/13.

immigrants differs from the native Kenyan population. For Nairobi economies, this composition effect has reduced the average wage as some Somali refugee immigrants were of lower average skill than native workers. The refugee immigrants have therefore lowered the relative wages or employment of natives for whom they are close substitutes.¹⁸⁷ Ian Jiru, recalls:

This decline is due to a change in the relative supply of worker types. On the other hand, wages and employment of complementary workers or factors of production have increased. These predictions follow directly from a standard labour supply demand framework. This has lowered the cost of production hence allowing owners of means of production to make huge profits and increase wealth.¹⁸⁸

Notwithstanding the positive contributions that Somali refugees have made to the economy of host populations in Nairobi, such contributions should also be viewed in terms of both winners and losers among refugees as well as host populations. The refugee arrival and takeover of some employment opportunities take place in short-run predictions hence, the welfare of certain populations in Nairobi host community were affected. The welfare of those whose jobs were taken deteriorated even if the aggregate impact of Somali refugee immigration was positive. Accordingly, the native Kenyans whose jobs were taken were at risk of displacement. Refugees have provided cheap labour in sectors such as shop attendants, housekeeping, and catering. In this regard, the refugee presence has affected the wages of local non skilled workers and benefited local entrepreneurs.¹⁸⁹

Marie Muiya, has something to say:

I used to work as a house help with Somali family in Eastleigh at a rate Kshs. 6,000 p.m. for 3 years until one day, a Somali refugee girl came and made request to work as a house help with a rate of Kshs. 3,000. They said

¹⁸⁷ Card, D. "Immigrant inflows, native outflows, and the local labor market impacts of higher immigration", *Journal of Labor Economics*, 19, 1, 2001, pp. 22-64

¹⁸⁸ Oral interview, Ian Jiru, Kenyan, 31 years 30/03/13

¹⁸⁹ Torezani, S, Tilbury, F. and Colic-Peisker, V. *Seeking jobs, finding networks: refugees' perceptions of employment services*, TASA Conference 2006, University of Western Australia and Murdoch University, 4-7 December 2006.

<http://www.tasa.org.au/conferencepapers06/papers/Indigenous%20issues,race,%20ethnicity%20and%20migration/Torezani,Tilbury,ColicPeisker.pdf>

they preferred the lady to me because of three reasons: first the girl was ready to work at a cheaper rate, second the girl is a Muslim and therefore will have positive socialization impact on their children and third the girl spoke that language that they understood better and finally I lost my job.¹⁹⁰

Similarly, the presence of Somali refugees in Nairobi led to an increase in the demand for rental housing from either well to do refugees or expatriate aid personnel from refugee population in Nairobi during the 90s, and 2011. Although this particularly benefitted local property owners, it disadvantaged less well to do Kenyans looking for rental housing.¹⁹¹ This illustrates that when refugees arrive, those among the host population who have access to resources, education, or power are better positioned to benefit from the refugee presence, while those who lack these resources in the local context become further marginalized as the refugees push them to the periphery.¹⁹²

Urban refugees tend to reside in densely populated and poorly serviced environments. As they increase their presence, this result in increasing competition and conflict between communities over limited urban resources such as land and water which aggravate the potential for urban crises.¹⁹³ For example, in Nairobi which host a highly diverse refugee population including Sudanese, Somalis, Eritreans, Ethiopians, and Congolese, in a very difficult environment with limited resources. High national unemployment rates, government regulations and a large population of unemployed youth restrict refugee access to labour markets. Therefore, most refugees are forced into unregulated work sectors and occupations with limited protection. This includes refugee women who are employed in domestic work in Nairobi households.¹⁹⁴

¹⁹⁰ oral interview, Marie Muiya, Kenyan 29, 14/07/13

¹⁹¹ Valtonen, K. Social work with immigrants and refugees: developing a participation-based framework for anti-oppressive practice, *British Journal of Social Work*, 31, 2001, pp. 955-960.

¹⁹² Valtonen, K. From the margin to the mainstream: conceptualizing refugee settlement processes, *Journal of Refugee Studies*, 17(1), 2004, pp. 70-96.

¹⁹³ Taylor, J. *Refugees and Regional Settlement: Win-Win?* Brotherhood of St Laurence, Paper presented at Australian Social Policy Conference, 20-22 July, 2005.

http://www.bsl.org.au/pdfs/taylor_refugees_Aust_Social_Policy_Conf_paper.pdf

¹⁹⁴ Torezani, S, Tilbury, F and Colic-Peisker, V. "Looking for a Missing Link: Formal Employment Services and Social Networks in Refugees' Job Searches", *Journal of Intercultural Studies*, 29(2), 2008, pp. 135-152, <http://www.informaworld.com/smpp/content~content=a792100067~db=all>

Access to employment in Nairobi is often determined by refugee status. Somali refugees in Nairobi have traditionally been considered as irregular migrants, and are largely confined to the informal economy. The Refugee Act subjects refugees to the same wage earning employment restrictions as other foreigners, and calls upon the Commissioner to ensure that refugees' economic activities do not have a negative impact on host communities. Refugees are required to obtain work permits, which are valid for two years.¹⁹⁵ The Immigration Act grants class M work permits to refugees recognised by the Kenyan government prior to 1990. The Ministry of Immigration stopped issuing these permits in 2004, but started issuing them again in December 2008 in an attempt to stop the proliferation of forged documents.¹⁹⁶ Issuing of work permits to Somali refugees exposes Kenyans to dangers of lack of employment which is already a concern among the young citizens who cry foul of their country being mortgaged to foreigners. This comes amidst the feeling that Somalis have already taken over the businesses in Nairobi displacing the locals.

For instance, in Eastleigh, Somalis control most businesses, making it very difficult for other nationalities to find jobs. In other cases, however, work is not necessarily confined to kindred Somali groups. Somalian refugees involved in small businesses, for example, hire Kenyans to cater to the different needs and expectations of prospective customers. Somali refugee businessmen in Eastleigh have a feeling that hiring Kenyans is a way of gaining a better understanding of local markets. But Kenyans have a feeling that Somali refugee presence challenges them in terms of the amount they earn. The Kenyans believe that refugees tend to accept any level of payment or salary, even if they know that their work is worth more. However, the study realized that refugees working in the informal sector often rely on Kenyan partners to register small businesses.¹⁹⁷

¹⁹⁵ Refugee Consortium of Kenya (RCK), *A Training Handbook on Refugee Protection for Law Enforcement Officers in Kenya*, Nairobi: RCK, 2009

¹⁹⁶ Ibid.

¹⁹⁷ Ibid.

4.3 Social and financial capital

Somali refugees who are unable to find work in Nairobi tend to rely on better off members of their communities for support, particularly food and accommodation. Somali refugees in Eastleigh, Komarock, Githurai and Kayole often ask for community contributions when they are out of money, or go to the mosque to ask fellow Somalis for help. For example, some unaccompanied refugee minors often move from house to house to obtain food and shelter. The Somalis appear to have established community arrangements whereby refugees of the same age and gender take care of each other. Whilst new arrivals can usually rely on the support of their communities, refugees from minority clans can be isolated and enjoy limited financial support.¹⁹⁸

David Kamau, Nairobi resident says:

It was clear that many refugees in Eastleigh have at some point received money from relatives overseas. In many cases families rely on husbands, brothers or adult children to send remittances, primarily from Europe and North America, but also from Australia, South Africa, the Gulf and the Middle East. Somalis tend to receive money through the hawala system. Remittances can arrive on a regular, often monthly, basis, or they can be more ad hoc, both in size and frequency. Remittances have highly contributed in pumping huge foreign amounts into Kenyan economy. This has led to refugees acquiring property and therefore dislocating local Kenyans. For example, Eastleigh which was formally owned by the members of the Kikuyu community is presently owned by the Somali people.¹⁹⁹

Commenting on the social impact, Ali Mohamed Salat said;

The Somali refugees in Eastleigh, Nairobi socially impacted on the host community in many ways. First many Kenyan Somali men opt to marry Somali refugee girls because they are cheap and easily available i.e. not engaged in education. As a result many host community's girl miss marriage opportunities at the right age, and ending up in streets as prostitutes. Moreover, some men marry refugees women as second, third or fourth wife. This may result into conflict among wives causing family disintegration. The presences of refugee women in Eastleigh have also led to the increase in prostitution. Because their economic situation, they seek

¹⁹⁸ Wagacha J. and J. Guiney, *The Plight of Urban Refugees in Nairobi, Kenya, in Refugee Rights: Ethics, Advocacy, and Africa* edited by David Hollenbach, SJ, Georgetown University Press, 2008

¹⁹⁹ Oral interview, David Kamau, Nairobi Resident, 12/06/2012

alternative by engaging in prostitution to earn their livings. The refugees have also, because of their large number, led to shortages in social amenities services such as health centres, schools, leisure parks, mosques.²⁰⁰

Although remittances have been instrumental to refugee development, it has been decreasing over the last couple of years as a result of the US led war on terror which led to the USA and her ally's monitoring money transfers across the globe. Another factor that has contributed to the decrease is the financial crisis in the United States and Europe. In some cases remittances have stopped altogether. The stopping of remittances has had several economic effects not only on refugees but also to the local host communities. For example some Somali refugees' boys and girls have had to drop out of school or university because the remittance money that had previously paid their fees has dried up.²⁰¹

The fall in remittances has left some families unable to meet their basic living expenses. Moves to tighten up the hawala system since 9/11 have put further strain on remittances by capping the maximum single transfer through the system at \$500. Remittances are used to purchase equipment and materials for businesses, pay house rent and buy food.²⁰² Many Somali businessmen in Eastleigh have used money from the Somali diaspora as startup capital to develop their businesses. For poorer refugees, remittance money is often their only source of income. If the money is sufficient, remittances tend to be shared with close relatives and other needy members of the community. The role remittances play in recipients' livelihoods obviously varies considerably depending on the size and regularity of transfers.²⁰³

²⁰⁰ Oral interview, Ali Mohamed Salat, Eastleigh, 23/03/2013

²⁰¹ UNHCR, *Refugee and Asylum Seekers in Kenya, Statistical Summary* 28 February 2010

²⁰² Savage, K. and Harvey, P., *Remittances during Crises, Implications for Humanitarian Response*, HPG Report 25, May 2007.

²⁰³ UNHCR, *Refugees and Asylum Seekers in Kenya, Statistical Summary* 31 December 2009

4.4 The impact of refugees on the urban economy

Throughout the 1990s Somali refugees transformed Eastleigh from a primarily a residential area into a vibrant commercial and business centre, housing import export businesses, retail outlets from small-scale hawking and street stalls to shopping malls, real estate agencies, hotels, lodges, miraa stalls, cafes and restaurants and international money transfer and exchange services.²⁰⁴ The economic transformation of Eastleigh has brought tremendous competition to the marketplace, pushing out many Asian retailers, who had hitherto controlled the business.²⁰⁵ The retail malls in Eastleigh are not just used by individual consumers. Larger commercial businesses and medium sized traders also rely on retailers in Eastleigh for a wide variety of goods, ranging from hardware to electronics and fruit and vegetables.

Meanwhile, hundreds of smaller shops, again run predominantly by Somalis, sell electronic goods, kitchenware, furniture, clothes and other items. Almost every business and shop owner employs at least one Kenyan as a cleaner or watchman for instance, in part to mediate with the police in case they visit the shop. The contribution refugees make to the Kenyan economy is also evident in the cattle trade, particularly cross border trade with Somalia. Somali cattle traders bring livestock from Somalia for sale in markets in northern Kenya, such as Garissa, and onwards to Nairobi. Such cross border trade plays a major role in linking refugees especially Somalis with diaspora and home communities. Somali businessmen have also built on relations in neighbouring countries to establish regional trade networks, selling everything from shoes to clothes and perfume. Economically, Maryam Ibrahim noted that;

Somali refugees led to increase in house rent leading to displacement, unemployment to host as they provide cheap labour and displacement. They also led to introduction of business skills, for example the Somali refugees organize themselves into a group to raise capital that enable them ran large scale business. Create employment for host community. They buy public lands such as schools and hospitals churches.²⁰⁶

²⁰⁴ Lindley. A. *Crisis and displacement in Somalia: Forced Migration Review* No. 33, 2009

²⁰⁵ Campbell. E. Urban Refugees in Nairobi: Problems of Protection, Mechanisms of Survival, and Possibilities for Integration, *Journal of Refugee Studies* Vol. 19, No. 3, p. 402

²⁰⁶ Oral interview, Maryam Ibrahim, Eastleigh, 22/03/2013

The insecurity posed by the Somali is also felt when it comes to physical security as noted by Halima Yussuf Mohamed that;

They pose security risks on the host, for example youth organize themselves into groups and engage in robbery, murder destabilizing security in the area. Some of them came with illegal firearms from Somali they use such weapons in committing crimes in Kenya.²⁰⁷

As the global Somali diaspora has grown over the last 21 years of the civil war in Somalia, still more capital has flowed into Eastleigh and larger Nairobi. This has led to emergence of the African Refugees Talents Group which involves in programmes aimed at developing the skills of urban refugees and facilitating market access for their work. This has led to money, food, goods and people to flow regularly between Nairobi and the refugee camps in northern Kenya. Urban refugees send money and clothes to their families in the camps, who reciprocate by sending grain and other food items to the city. Links between the city and the camps have been harnessed for business purposes by Somali entrepreneurs, who have set up a successful transport business between Nairobi and Dadaab Refugee Camp.²⁰⁸

Most Somali refugees in Nairobi have had links with people in the camps and they still held camp ration cards. However, goods originating from the camps, including food, cooking oil and non food items such as stoves and plastic sheeting carrying the UNHCR logo are clearly on sale in Nairobi particularly Eastleigh. Somali refugees also collect money, clothes, medicines and rations from their community in Nairobi and send contributions to the camps whenever they hear that their fellow refugees are in need of help. People travel between Nairobi and the camps for a number of reasons such as to support their communities, for business, to exchange information, for medication, card revalidation and enumeration and to seek resettlement.²⁰⁹

²⁰⁷ Oral interview, Halima Yussuf Mohamed, 22/03/2013

²⁰⁸ Lindley, A. *Between Suspicion and Celebration: The Somali Money Transfers Business: Development View Point*, Number 45, SOAS, 2010

²⁰⁹ Jacobsen, K. *Livelihoods in Conflict: The Pursuit of Livelihoods by Refugees and the Impact on the Human Security of Host Communities*. Expert Working Paper, prepared for the Center for Development Research Study: Migration-Development, Evidence and Policy Options. Feinstein International Famine Center, Tuft University, USA, 2002

Large-scale and protracted refugee influxes can have macro-economic impacts on the host country economy. Some of these impacts are associated with increased but uncompensated public expenditures related to the care and maintenance of the refugee population. The impact of refugees on the national public expenditure in Kenya has shown that there is significant direct and indirect expenditure related to refugees who affected the scale of the government's capital investment in the social and infrastructure sectors. Direct and indirect costs of refugee influxes on public expenditure in Kenya were so high since the influx of refugees into Kenya after the collapse of the Siyyad Barre regime. As a result, a UNHCR emergency assistance program was developed to ensure that development projects served the needs of both the displaced and nationals in the refugee hosting areas.²¹⁰ This program included a substantial expansion of hospitals, clinics, road networks, and water supply, as well as reforestation plans to alleviate the problems associated with refugee presence.

Another example of the economic impact of refugees on Nairobi is where the case the International Monetary Fund and the World Bank asserts that a large influx of refugees strains the social and economic infrastructure of neighbouring countries, and therefore emergency financial assistance was needed. Preliminary estimated indicated that Kenya is among the six countries most affected by refugee crisis since 1999. And that they led to the direct host country budgetary cost of humanitarian assistance rising to high levels.²¹¹ In the case of Kenya, an emergency budget support operation was recommended which was to revamp and make them more responsive to the needs arising from the refugee presence and that official debt relief for the country be considered.²¹² The World Bank noted that from the Kenyan experience, additional funds through quick disbursements were essential to effectively address the economic impacts of refugee crises in the country.

²¹⁰ Zetter, R. *Incorporation and Exclusion, The life cycle of Malawi's refugee assistance program*, World Development, Vol. 23, No. 10, 1995 pp. 1653-1667.

²¹¹ Ibid.

²¹² World Bank, *The Economic Consequences of the Kosovo Crisis: A preliminary Assessment of External Financing Needs and the Role of the Fund and the World Bank in the International Response*, Washington, DC. USA, 1999

The refugees' impact on the local economies of Kenya indicated a significant increase in the prices of some agricultural goods such as cooking bananas, beans and milk and a decrease in the price of aid delivered goods. As a result, many Kenyan farmers who produced a surplus benefited from an increased demand for their agricultural products in local markets. Anecdotal evidence suggested that on average, farmers doubled the size of their cultivated land and their production particularly in horticulture.²¹³ The increase in the size of the local markets also boosted business and trade activities conducted by both hosts and refugees. At the same time, welfare indicators such as electricity, televisions, and refrigerators increased in host population households in urban areas.²¹⁴ These increments were sometimes informed by their position in the city sometimes influencing the political decisions as noted by Suleiman Noor said;

The Somali refugees acquire identification document through illegal means and therefore participate in politics by electing leaders. They form groups on the basis of clans and influence political process i.e. seeking recognition from political leader. They engage in political processes of their mother country Somali, though in Kenya; for example they celebrate their National holiday such as 1st of July in Kenya. On 1st of July 2012 they held conference in Eastleigh at Eastleigh High school which was attended by Somalia, present Sharif Sheik Ahmed, Prime Minister Abdiweli, speaker of the national Assembly, Sharif Hassan among other.²¹⁵

The impact of the Somali refugees on the local host community are widely felt through trading opportunities and reduced food and commodity prices. Furthermore, refugees have developed major local markets with considerable purchasing power in relation to pastoral products such as milk and livestock. However, despite these positive indicators, the presence of refugees is also associated with the depletion of firewood and building materials as well as competition for grazing land in the immediate vicinity of the camps. The assessment of refugee presence in Kenya indicates that impacts on the host community are complex and have both negative and positive aspects. Depending on the situation of the individual household, the positive and negative impacts of the refugee

²¹³ Whitaker, E. *Refugees in Western Tanzania: The Distribution of Burdens and Benefits among Local Hosts*. Journal of Refugee Studies Vol. 15, No. 4, 2002, pp. 339-358.

²¹⁴ Zetter, R. and George Deikun, *Meeting Humanitarian Challenges in Urban Areas*, Migration Review issue 34, February, United Kingdom:University of Oxford, 2010.

²¹⁵ Oral interview, Suleiman Noor, Eastleigh, Nairobi, 21/03/2013

presence will play out differently; however, on balance this study found that there were more positive than negative impacts on the host area.²¹⁶

One of the positive contributions that refugees have made on people of Nairobi is skills and knowledge that can be utilized for the benefit of local people. In this regard, the multiple ways in which refugees pursue their livelihoods have made significant contributions to the local economy.²¹⁷ For instance, well educated Somali refugees staff hospitals and universities and contribute know how to local businesses. Another important contribution of refugees to local economies is associated with their access to transnational resources provided by other refugees and co nationals living abroad, including remittances and social networks.²¹⁸

A study of Somali refugees and remittances explains how cash transfers to refugees have impacts on receiving communities.²¹⁹ Individual remittances that often go to displaced families and relatives are used to meet basic livelihood needs. Similarly, the Somali Diaspora use informal banking systems which have facilitated cash transfers to Somali refugees in Ethiopia, Kenya, and Yemen.²²⁰ These resources have contributed not only to the improvement of living conditions at the household level, but also to those in refugee inhabited urban areas, especially in terms of housing, water provision, and telephone services. However, it is important to mention that in general remittances can also enhance inequalities since they are unevenly distributed and poorer households may not have relatives in the Diaspora.

²¹⁶ Crisp, Jeff, Jane Janz, Jose Riera and Shahira Samy, *Surviving in the City, a Review of UNHCR's Operation for Iraqi Refugees in Urban Areas of Jordan, Lebanon and Syria*. United Nations High Commissioner for Refugees, Switzerland, 2009

²¹⁷ Chambers, R. "Hidden losers? The Impact of Rural Refugees and Refugee Programs on Poorer Hosts", *International Migration Review*, 20 (2): 245-263 Special issue: Refugees: Issues and directions, 1986.

²¹⁸ Jacobsen, K. *Livelihoods in Conflict: The Pursuit of Livelihoods by Refugees and the Impact on the Human Security of Host Communities*. Expert Working Paper, prepared for the Center for Development Research Study: Migration-Development, Evidence and Policy Options. Feinstein International Famine Center, Tuft University, USA, 2002

²¹⁹ Van Hear, N. *Refugee Diasporas, Remittances, Development, and Conflict*, Migration Policy, Migration Information Source Featured Article, June, 2003.

<http://www.migrationinformation.org/feature/display.cfm?ID=125>

²²⁰ Buri, H. *A Report on the Somali Remittance Sector in Somalia*, Nathanson Centre for the Study of Organized Crime and Corruption, York University, Canada, 2006

Skills training and education are no luxuries. A society's level of economic growth and prosperity is intimately linked to the quality of education and training. Education and training should not be seen as ancillary but vital, primary and no less important than the provision of food and health care. According to research among refugees regard education and training as anti-conflict strategies and as the principal means of making capital out of their exile and perceive education as a key to escape poverty.²²¹ This is also illustrated by Kuhlman who states that refugees have gone to great lengths and made considerable sacrifices to ensure that their children could go to school. Providing skills training for youth should be a key component in promoting livelihoods for refugees. It is important for young people to develop the practical, intellectual and social skills that will serve them throughout their lives. However, concrete possibilities for putting education and skills training to income generating are it in the field of trade and services always impact on the host community.²²²

Vocational training schemes are oriented towards the local labour market of the host country or towards employment opportunities in the country of origin in case of impending repatriation. Apart from the positive economic impact, refugees are sometimes forced to sell off vital assets such as domestic items, clothes, part of the food ration. Many find themselves obliged to resort to crime, violence, loans that they are not able to repay, or to reduce the intake of food and selling of food rations in order to cover the need of non food items not extended in the assistance package. This affects the domestic market of the host urban setup.

4.5 Links with refugee camps

The Somali refugees within Nairobi contributed to economic growth through linkages with those in refugee camps. Money, food, goods and people flow regularly between Nairobi and the refugee camps in northern Kenya. Urban refugees send money and clothes to their families in the camps, who reciprocated by sending grain and other food

²²¹ Kaiser, T. *A beneficiary-based evaluation of UNHCR's programme in Guinea, West Africa*, UNHCR, EPAU/2001/02, Geneva, 2001.

²²² Kuhlman, T. *Responding to protracted refugee situations: A case study of Liberian refugees in Côte d'Ivoire*, UNHCR, EPAU/2002/07, Geneva, 2002. Kuhlman (2002)

items to the city. The grains are not only used for food but also sold to raise some capital. Links between the city and the camps have been harnessed for business purposes by Somali entrepreneurs, who have set up a successful transport business between the two locations.²²³ Although most refugees were uncomfortable admitting that they had links with people in the camps, they still held camp ration cards. The goods originating from the camps that reached Nairobi because of the refugee links include food such as cooking oil and non-food items such as stoves and plastic sheeting carrying the UNHCR logo.²²⁴

Conversely, Somalis maintain strong social and economic links with their relatives in the camps. Somali refugees collect money, clothes, medicines and rations from their community in Nairobi and send contributions to the camps whenever they hear that their fellow refugees are in need of help. People travel between Nairobi and the camps for a number of reasons such as to support their communities, for business, to exchange information, for medication, card revalidation and enumeration and to seek resettlement. A large number of Somali refugees in Nairobi give their ration cards to relatives or friends in the camps, who take their rations in return for timely information on important events such as card revalidation and head counts.²²⁵ Zeytuna Zakariya states:

While in Nairobi, the refugees have also affected the living standards of different people. For instance, living arrangements and accommodation vary across refugee communities in Nairobi, depending on income and the length of time the refugee has been in the city. Refugee communities live in rented accommodation. They are clearly charged more leading to complain by Kenyans that, in areas inhabited by refugees, prices tend to be higher.²²⁶

Refugee presence also led to discrimination. Congolese refugees for instance felt that they were perceived by Kenyans as being wealthy since they come from a country rich in

²²³ Lindley. A. Protracted displacement and remittances: the view from Eastleigh, Nairobi, Research Paper No. 143, New Issues in Refugee Research, UNHCR, 2007.

²²⁴ Campbell. E. Formalizing the informal economy: Somali refugee and migrant trade networks in Nairobi, Global Migration Perspectives, No. 47. Global Commission on International Migration, 2005

²²⁵ Fielden, A. Local integration: an under-reported solution to protracted refugee situations EPAU Working Papers, 1 April 2004, New Issues in Refugee Research, Working Paper 158, UNHCR, Policy Development and Evaluation Service, 2008.

²²⁶ Oral interview, Zeytuna Zakariya, Nairobi resident, 24 years 19/06/12

minerals, and because of the fashionable way they dress. They were therefore often asked to pay higher rents and other expenses related to housing. Somalis are also charged more, as they are often perceived by the wider Kenyan population as being successful entrepreneurs or in receipt of remittances.²²⁷ This led to the landlords to make a lot of profit. Many landlords in Eastleigh were happy to rent accommodation without a regular contract, as long as three months rent is paid in advance.²²⁸ Refugees can therefore be said to have contributed to the economic growth of Nairobi. The money that the refugees paid was used to improve social services such as improving schools and other social services.

4.6 Contribution in the health sector

Like Kenyans, refugees have access to public clinics on payment of a registration fee of twenty Kenyan shillings. Refugees must also pay for drugs and treatment. Only a handful of asylum-seekers are eligible for free medical care through a referral system from UNHCR and its implementing partners. Health services for children below the age of five are free of charge, as are tuberculosis control and family planning. Most refugees use the city council-run health centre in Eastleigh, but the clinic is under-staffed, there is no laboratory service and drugs are insufficient.²²⁹ When refugees use the city council health centres, they affect the economy of the city dwellers in many ways. Gilbert Ogot says:

In the first place, refugees have led establishment of new partnerships between city council clinics Eastleigh clinics are working in collaboration with UNHCR and GTZ. The Eastleigh centre has a nurse who can refer refugee patients for further treatment to other hospitals within the city. These hospitals include Kijabe, Aga Khan, Mbagathi District and Kenyatta National Hospitals.²³⁰

Mandated refugees are given a form assuring that GTZ will pay for medical services, so that when they reach the hospital they can be seen without any request for payment. The

²²⁷Zewdu, W. *The Horn of Africa migrants in Adelaide and Melbourne: An emerging diaspora*, 30th African Studies Association of Australasia and the Pacific (AFSAAP) conference, AustraliaNational University, February, 2008. Abstract only, unpublished.
<http://www.afsaap.org.au/Conferences/2008/ANU/2008.htm>

²²⁸Potocky-Tripody, M. *The role of social capital in immigrant and refugee economic adaptation*, Journal of Social Service Research, 31(1), 2004, pp. 59-91.

²²⁹Wagacha J. and J. Guiney, *The Plight of Urban Refugees in Nairobi, Kenya*, in *Refugee Rights: Ethics, Advocacy, and Africa* edited by David Hollenbach, SJ, Georgetown University Press, 2008.

²³⁰Oral interview, Gilbert Ogot, Kenyan, 40 years. 24/12/2012

payment by GTZ and UNHCR is in turn used to improve the health services and working conditions of workers in those hospitals. However, this service is available only to refugees mandated by UNHCR. Those who are not mandated, like other foreigners, pay double what Kenyans are charged for medical treatments at hospitals. The payment is important to the economy of Kenya. In some cases the community contributes towards the costs of medical care. Among Somalis, this collective contribution is called sadaqa.²³¹ Contributions from relatives abroad are also solicited in serious cases.

4.7 Promotion of relations between refugees and host communities

Relations between urban refugees and local Kenyan communities differ from neighbourhood to neighbourhood. Some refugees enjoyed excellent relations, while others complained of problems ranging from discrimination and hostility to outright violence.²³² According to most Somali respondents, there were no tensions with local Kenyan communities in Eastleigh. However, after the al-shabaab insurgence respondents from Somalia reported growing xenophobia amongst Kenyans, especially towards Somalis. While such attitudes have been present since the large influx of Somali refugees in the early 1990s, they have intensified over the past decade, fed by media portrayals of Somalis as pirates, terrorists and arm smugglers.²³³ There was a growing perception, among the authorities and ordinary Kenyans alike, that Somalis represented a significant threat to national security.

The Kenyan Ministry of State for Immigration and Registration of Persons, for instance, indicated that the influx of Somali refugees into Kenya was creating a major terrorism threat and putting tremendous pressure on social services and amenities. The statement by the ministry officials indicated that extremist groups' and Islamic radicals used

²³¹ Savage K. and Harvey, P., "Remittances during Crises: Implications for Humanitarian Response", HPG Report 25. May 2007. ODI

²³² Crisp J. The local integration and local settlement of refugees: a conceptual and historical analysis. EPAU Working Papers, 1 April 2004, New Issues in Refugee Research: Working Paper 102. UNHCR, Policy Development and Evaluation Service, 2004

²³³ Campbell, E. Formalizing the informal economy: Somali refugee and migrant trade networks in Nairobi, *Global Migration Perspectives*, No. 47 Global Commission on International Migration, 2005

refugee flow to smuggle weapons and people into Kenya to engage in terrorist attacks.²³⁴ Kenyan communities living in Eastleigh have mixed feelings about refugees in general, and Somalis in particular. On the one hand, there was recognition that, thanks to the influx of Somali refugees, Eastleigh had developed into a vibrant business and commercial hub.²³⁵

James Mwangi recalls:

Many Kenyans working in Eastleigh, refugees were not perceived as a burden on the local economy. There was appreciation of the opportunity refugees provided for local economic growth. On the other hand, the great majority of Kenyans not working in Eastleigh do have a feeling that, they were not directly benefiting from the refugee-driven growth of Eastleigh and complained that refugees were a close-knit group.²³⁶

There was resentment towards Somali business owners, who were seen as prioritising the employment of Somali refugees and only offering menial jobs to Kenyans. Some respondents also complained that Somalis did not want to integrate into the local community and were not interested in joining community events, such as funeral ceremonies, or learning Kiswahili, Kikuyu and other local languages.²³⁷ Some individuals also regarded Somalis as noisy, dirty and engaged in oppressive cultural and religious practices, especially towards women.²³⁸ Apart from relations between refugees and the local people is the question of piracy. The impact of refugees on the urban economy in Nairobi cannot be complete without discussing the question of piracy.

4.8 Piracy and the Nairobi economy

Piracy is defined by the United Nations Convention on the Law of the Sea (UNCLOS) as consisting of any of the following acts: any illegal acts of violence or detention, or any act of depredation, committed for private ends by the crew or the passengers of a private

²³⁴ Ministry of State for Immigration and Registration of Persons (MIRP), 2009 MIRP Strategic Plan 2008-2010, p. 15

²³⁵ Oral interview, Moses Mutua, a Kenyan working in a Somali shop in Eastleigh, 26/11/2012

²³⁶ Oral interview, James Mwangi, a businessman in Mathare in the neighbourhoods of Eastleigh, 24/11/2012

²³⁷ Oral interview, Douglas Maingi, Mathare, 24/11/2012

²³⁸ Ibid.

ship or a private aircraft, and directed. It also involves illegal acts of violence on the high seas, against another ship or aircraft, or against persons or property on board such ship or aircraft. Piracy also involves violence against a ship, aircraft, persons or property in a place outside the jurisdiction of any State or any act of voluntary participation in the operation of a ship or of an aircraft with knowledge of facts making it a pirate ship or aircraft or any act inciting.²³⁹

Piracy is considered to occur in international waters while Armed Robbery at Sea occurs in territorial waters or in port. Piracy off the coast of Somalia has been growing at an alarming rate since the collapse of the Somali state and threatened to drastically disrupt not only the international trade but the economy of entire Kenya. Piracy provided funds that fed the vicious war in Somalia and could potentially become a weapon of international terrorism or a cause of environmental disaster.²⁴⁰ For instance, in August 2008 alone four vessels were captured, and the year saw Somali piracy rise up the news agenda, propelled by the capture of the Luxury yacht *LePonant3* and the kidnap of a German couple who had been sailing their yacht through the Gulf of Aden.²⁴¹

It is estimated that some 16,000 ships a year pass through the Gulf of Aden, carrying oil from the Middle East and goods from Asia to Europe, East Africa and North America. Piracy made one of the most important trade routes in the world was threatened by the chronic instability in Somalia. Piracy has been a problem to the economy of Kenya for at least ten years. Why piracy matters to the Nairobi economy is, there are deeper reasons why the international community needs to take heed of this problem than simple law enforcement. To deal with piracy one needs to ask the following questions; what piracy does to Somalia, what it does to international trade, especially oil, the danger to the environment and the potential terrorist threat.

²³⁹Martin, N. *Contemporary Piracy and Maritime Terrorism: The Threat to International Security*, London: International Institute for Strategic Studies, 2007, pp. 36–7

²⁴⁰ICC IMB latest statistics on piracy available at www.icc-ccs.org, accessed on 07/01/2013

²⁴¹'Somali pirates seize French yacht, 4 April 2008', BBC. <http://news.bbc.co.uk/2/hi/africa/7331290.stm>.

Most products that are imported to Kenya are transported by sea to the country. Clearly a company whose cargo is prevented from reaching its destination on time will lose money. Add to this the cost of paying ransoms and already the damaging economic effect of Somali piracy can be seen. The consequences are not limited only to companies whose vessels are hijacked of wider concern is the growth of insurance premiums for ships that need to pass through the Gulf of Aden.²⁴² The danger means that war risk insurance premiums must now be paid premiums are reported to have risen tenfold in a year.²⁴³ If the cost of extra insurance becomes prohibitive, or the danger simply too great, shipping companies may avoid the Gulf of Aden and take the long route to Europe and North America around the Cape of Good Hope therefore making the goods that arrive in Nairobi to be extremely expensive. Indeed this option is mentioned by shipping industry insiders as a very real possibility.²⁴⁴ The extra weeks of travel and fuel consumption would add considerably to the cost of transporting goods. At a time when the price of oil is a major concern, anything that could contribute to a further rise in prices must be considered very serious indeed.

4.9 Conclusions

For the past two decades thousands of Somali refugees have fled conflict in their home country. Many of these people have escaped the overcrowded, underserved and insecure camp of Dadaab to seek refuge in Nairobi, attracted by hopes of better services, jobs and security. However, although refugees living in Nairobi are confronted, not only with inadequate governmental and nongovernmental assistance, but also ongoing, acute protection threats stemming both from their precarious legal status as refugees and the widespread criminal violence that threatens Nairobi's inhabitants at large, they have largely contributed to the growth of the city economy.

In the absence of adequate national and international attention and assistance, refugees in

²⁴²Reuters Reporter, "Somalia gunmen", *Reuters*, 25 August 2008

²⁴³Miles, C. "Shipping insurance costs soar with piracy surge off Somalia", *The Times*, 11 September 2008. http://business.timesonline.co.uk/tol/business/industry_sectors/banking_and_finance/article4727372.ece.

²⁴⁴BBC, "Yemen ship attacks were terrorism", on BBC, 13 October 2003. http://news.bbc.co.uk/2/hi/middle_east/2324431.stm.

Nairobi have established community networks and initiatives that, over the past decades, have provided vital social safety nets and services. Despite being a key target for routine extortion, harassment and violence, the influx of Somalis and other refugees since the 1990s has contributed greatly to the transformation of Eastleigh into a commercial and business area of central importance. Notwithstanding the deeply ingrained prejudices and legal constraints that restrict refugees' ability to work in the formal sector, refugees have been able to engage in a wide variety of informal livelihood activities and have, ultimately, managed to survive. Refugees in Nairobi also contribute to assistance to their counterparts in the camps. The analysis of refugees' livelihoods strategies provides ample evidence of the significant untapped potential and human capital of refugee communities in Nairobi.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Since 1990s, Kenya has been well aware of the severe impact that large scale refugee populations from her neighbouring countries have had on the social, economic and political life of her local host communities. The recent intensity of war in Somalia has highlighted this. This study closely investigated these impacts on the urban population at Eastleigh in Nairobi and reviewed the varied responses of the local community. This study which was based on refugee aid and development theory identified the linkages between refugees and local development in Eastleigh. The research investigated the relationship between the refugee populations in Eastleigh the area's economy and that of the host community since 1991 to 2012. This research tested the following hypotheses; urban Somali refugees' population has different effects on the Nairobi economy and that the urban refugees affect economic life of the host communities. The research achieved its objectives by documenting the following findings. For most people, the word 'refugee' still conjures up images of endless rows of white tents spread out on a dusty field. But this picture no longer tells the full story of life for refugees in the modern world.

According to the United Nations refugee agency (UNHCR), over half of the world's refugees now live in the slums of some of the world's biggest cities such as Nairobi in Kenya. Today, refugees fleeing conflict or persecution at home are more likely to seek refuge in towns or cities than in urban areas. Of the world's 10.5 million refugees, an estimated 6 million reside in urban areas. Many Somali refugees moved to Nairobi in the hope of finding safety, a sense of community, and economic independence. Others come to live in Nairobi out of necessity to access specialised health services that didn't exist in refugee camps in Dadaab, or because they had been targeted for abuse, harassment, and

violence in refugee camps. Many cannot return home because of conflict or insecurity and must build new lives in their adopted city.

The study indicated that although the highest refugee concentrations are in some of the poorest areas of Kenya such as Dadaab and Kakuma, Nairobi has also acted as an attraction to many refugees. A large number of such movements are experienced in Eastleigh areas. The study admits that the presence of Somali refugees in Eastleigh compounds the already prevailing economic, environmental, social and, at times, political difficulties in Nairobi. Often Nairobi residents are confronted by a combination of all four of these factors. Nearly always their impact is substantial. Moreover, in many refugee situations, problems are aggravated when refugees are a substantial proportion of the local, if not national population. For example, in Eastleigh parts of Nairobi refugees represent a large per cent of the local population.

In Eastleigh in Nairobi, the influxes of Somali refugees meant that the larger proportions of the local population were displaced. The presence of refugees, and demands on the already severely strained economy, services and infrastructure add to the extreme hardship affecting the local populations. In many instances, refugees become an added impediment to, or risk jeopardizing, the development efforts of the host Eastleigh community. Their negative aspects are felt almost in the entire country, for example, the damage to environment is a process and does not end with the area where the refugees are settled. While the international community may come in to assist as emergency aid in response to such an emergency does have some positive effects on the host society, this hardly compensates for the negative consequences of such large concentrations of refugees.

From the moment of arrival, Somali refugees have competed with the local citizens at Eastleigh and its environments for scarce resources such as land, water, housing, food and medical services. Over time, their presence has led to more substantial demands on natural resources, education and health facilities, energy, transportation, social services and employment. They have caused inflationary pressures on prices and depressed

wages. In some instances, they have significantly altered the flow of goods and services within the society as a whole and their presence have implications for the host country's balance of payment and undermined structural adjustment initiatives. One example of market disturbances was the need to rent accommodation for the refugee business and residential purposes, not just for expatriates, but also for locally engaged staff, in response to a refugee situation. Increased construction activity resulted, but this was usually accompanied by increases in rent, benefiting those who are property owners, but adversely affecting the poor and those on fixed incomes, such as government officers. Purchase of large quantities of building material made them scarce or unobtainable for local people, while also generating inflationary effects. Likewise, increased demand for food and other commodities led to price rises in the market which stimulated local economic activity, although, again, not benefiting the poorest in Nairobi.

The presence of large Somali refugee population in Eastleigh areas inevitably also meant a strain on the local administration. The Nairobi host national and county authorities were forced to divert considerable resources and manpower from the pressing demands of their own development to the urgent task of keeping refugees alive, alleviating their sufferings and ensuring the security of the whole community. While most host communities in Eastleigh generally demonstrated a willingness to bear many of these costs, they were understandably reluctant to pay, as a price for giving asylum, the cost of additional infrastructure that was needed to accommodate large populations of the Somali refugees.

The economic impact of Somali refugees on host Eastleigh areas, however, is not necessarily negative. An economic stimulus have been generated by the presence of refugees and led to the opening and development of the host Eastleigh region. This stimulus takes place, inter alia, through the local purchase of food, non-food items, shelter materials by agencies supplying relief items, disbursements made by aid workers, the assets brought by refugees themselves, as well as employment and income accrued to local population, directly or indirectly, through assistance projects for refugee areas. The presence of refugees also contributed to the creation of employment benefiting the local population, directly or indirectly. Moreover, relevant line departments involved in

refugee work as counterparts to UNHCR, both at central and local levels, also benefited from UNHCR assistance aimed at strengthening their coping and management capacities. Such assistance included equipment supply, capacity building and related training components.

The refugee presence in Eastleigh also led to modifications of eco-systems. If a modification of one or more factors is carried out to serve a special goal, such as land clearance for building and if this modification is based on sound planning, taking into account the impact on environmental conditions, the newly established eco-system is not necessarily inferior to the old one. But, if a sudden and unplanned change takes place, it may lead to a serious, uncontrolled imbalance with an impact on the whole eco-system, both in the directly affected area and beyond. The mass movement of refugees into Eastleigh is an example of a situation where the impact on the ecology is not fully under control, because the emergency character of the movement did not allow for early and proper planning of the new habitat.

The addition of a sizable group of refugees to an existing population of Eastleigh created a sudden and massive demand for scarce natural resources such as land, fuel, water, food and shelter materials, with long-term implications on their sustainable re-generation. Other longer term problems related to drainage. Additionally, human waste disposal in Eastleigh which was not planned for contaminated local habitat and frequently caused the spread of disease. Roads in host areas undergo heavy deterioration from increased use to deliver food supplies and other commodities, while public services, such as health, education and water facilities, were also heavily impacted.

The heavy price that host communities at Eastleigh and its environments have paid in providing asylum to refugees is now widely recognized. The rhetoric of international solidarity, however, is not always matched by support in addressing the negative impacts that large scale refugee movements have on these communities. The obvious and desired approach of Kenya is to prevent refugee situations from arising in the first place. When these do occur and asylum has been generously extended by a host country, it is the

responsibility of the international community to mitigate, to the extent possible, the negative impact of such inflows and to redress damage caused as a consequence. Such action must recognize that the impact and legacy of hosting large numbers of refugees sets new and unforeseen challenges that have to be met largely by developmental, not emergency assistance, yet rarely fit within development aid cycles. For this reason, as well as to safeguard the institution of asylum, the support to host countries must be additional. Such a response would be a tangible expression of solidarity and burden-sharing aimed at alleviating the burden borne by the host Eastleigh community that have received large numbers of Somali refugees and yet the community had limited resources.

The impact of the large refugee presence in Eastleigh has been dramatic, with those living close to the transit routes and the refugee settlements having seen their local environments transformed. The most serious impact of the refugee presence on the local population in Eastleigh was the indiscriminate pressure placed on the environment. Natural resources have been strained to the point where it is possible that they will no longer be adequate for the local population afterwards, and currently all households have to walk increasingly long distances to collect water. A particularly unsettling effect of the refugee presence in Eastleigh has been the large increase in the incidence of violent crime in the areas around Eastleigh, even though the violence has mostly been between armed criminals and the police, but arms proliferation has been attributed to the refugee presence.

The arrival of the refugees has also led to increased volatility in the prices of basic commodities, with the prices of some products tripling or quadrupling in the months following the influx. However, although the prices of a number of commodities have risen sharply, others have fallen equally dramatically and it is not clear whether, overall, the refugee presence and the associated relief operation has improved or worsened the local food security situation. In those rural areas where farmers traditionally produce for on-farm consumption and little commercialization takes place, the changes in the prices of commodities have had a significant impact. Urban consumers, however, were more

severely affected, and anecdotal evidence exists to suggest that major dietary changes have taken place.

It is important to note that there have been winners, as well as losers, as a result of the refugee influxes, notable among which have been the Kenya transport system. They have benefited from a huge surge of business activity associated with the emergency, with WFP transporting the bulk of the foodstuffs for the refugees. Other winners have been those with houses and warehouses near to the refugee settlements. They have been able to gain windfall profits from hiring out their premises to the international agencies involved in the relief operation. Many new jobs have been created as a result of the relief operation, either with the agencies themselves or in the business sector providing services to them. In addition, trading opportunities have grown up around Eastleigh, the buying of excess food commodities from the refugees and the selling, in return, of cloth, soap, radio batteries and other commodities. However, it is also true that in Eastleigh areas local businesses have suffered as a result of direct competition from newly emerged refugee enterprises and local residents have had more difficulty in finding casual labour as a result of the presence of many refugees prepared to work for lower wages.

A lack of solid data has meant that it has not been possible accurately to quantify the various gains and losses, and come up with any overall balance of either net gain or net loss to Eastleigh. Even where it was possible, the exercise would be largely academic, as redistribution mechanisms do not exist whereby the gainers can recompense the losers. It is also important to be aware that many of the benefits would cease once the refugees go home, or once the relief programme winds down, while the costs, particularly environmental, will last well into the future. The losers have tended to be geographically fairly concentrated, with those closest to Eastleigh generally having lost the most. Some having lost land and therefore been reduced to as precarious a state of survival as the refugees themselves. The geographical concentration of the majority of losers ought to have meant that mitigation efforts should have been relatively straightforward.

If refugees are from the same cultural and linguistic group as the local population, there is often identification with and sympathy for their situation. There are many examples of Somali refugees being given shelter in local people's houses in Eastleigh. Different ethnicity, however, can be a basis for problems. Traditional animosities between Kenyans and Somalis existed between groups. Even if it was not the case, failures in communication and understanding caused by language and/or culture formed serious barriers. In Eastleigh, the presence of Somalis and Somali ethnic group of refugees affected ethnic balances within the local population and exacerbate conflicts. There have been commonly complaints that refugees have added to security problems in general and crime rates, theft and murder in particular. Concomitantly, other social problems such as prostitution and alcoholism are also claimed to rise in the refugee areas. On the one hand, Somali refugees enforced idleness and poverty which caused an escalation of such tendencies, particularly among the groups of young men who are not meaningfully occupied. On the other hand, refugees are blamed for all untoward activities. Incidences of crime have risen.

A common source of discontent for a local Nairobi population, especially one that is poor, is to see refugees receiving services or entitlements which are not available to them. Refugees may have access to services such as education and health while local people do not, although UNHCR, as a matter of principle, strives to promote an integrated approach to human services which respect the local policies. On the other hand, Somali refugees brought assets to the hosting area. Somali refugees indeed brought skills and knowledge with them that can be utilized to the benefit of local people. These skills vary, but do often include those of the more educated group, such as health professionals and teachers, who, even in limited numbers, can make a significant contribution in remote areas.

An additional range of skills that were brought by refugees included an enterprise culture which stimulated the local economy or offered innovative business techniques previously unknown to the host areas. Although UNDP, FAO, UNICEF and other agencies have been helping the Somali government draw up project proposals to reduce the impact of the refugees on the local environment, the overall response in regard to problems

amongst the host population can only be compared unfavourably with that for the refugee population.

5.2 Recommendations

On the basis of the findings outlined above, the study makes the following recommendations to host governments, donors, UNHCR, and non-government organizations (NGOs). The results of the study suggest that host governments can play a critical role in strengthening positive refugee-host relations, mainly by improving their commitments to protecting the rights of refugees. By ensuring that refugees receive adequate protection, host governments enable urban refugees to establish more assertive and equitable relations with the local host community. It also limits the development of relationships that are structured around refugee fear or concern over their situations, which increases the risks of exploitation and abuse of refugees by the local host population. The study highlighted the important role that host states can play in enhancing the potential for urban refugee-host relations in many areas.

These areas include improving protection of undocumented new-arrivals in urban areas by conducting outreach to local government agencies and law enforcement, and allowing external observation of the registration process. Operating on the presumption of validity of asylum claims to ensure non-discrimination in asylum-seekers' access to essential services and protection. Recognizing the rights of urban refugees to work, focusing protection on the right to housing and adequate shelter in urban areas, expanding migration and travel options for urban refugees, includes through the acquisition of legitimate travel documentation.

The study also recommends that the donors can play an important role in developing the potential for targeted interventions for improving refugee-host relations to lead to improved outcomes for urban refugees. These interventions may not necessarily be limited to developing refugee-host relations exclusively and may be linked to broader initiatives to improve conditions for urban refugees. The results of the study suggest that

the areas where donors could focus may include: Support for the improvement of reception facilities for urban refugees and provision of basic rights to refugees and asylum-seekers, particularly the right to work, encourage innovative responses to urban refugee housing markets, such as providing landlords incentives to invest in housing infrastructure for refugees, and developing dispute resolution mechanisms for refugee tenants and host landlords. Promoting urban refugee access to formal employment, such as through incentives for local industries to hire refugees or monitoring labour practices with regards to refugees. Support for more flexible and diverse approaches to durable solutions in urban areas, particularly by engaging urban refugees in planning around potential durable solutions and ensuring their perspectives are reflected in planning outputs.

On its part the UNHCR as the principal organization with an international mandate to respond to refugee crises across the world, UNHCR plays a critical role in ensuring that refugees receive adequate protection and assistance in urban areas. By considering their impact on everyday refugee-host relations, as either promoting or undermining these, UNHCR may increase the effectiveness of its operations and limit the risks of unanticipated negative consequences that arise from refugee-host dynamics. Specifically, the results of the study suggest that UNHCR can leverage the potential of refugee-host relations by focusing on the following areas: Focus direct assistance on new arrivals and vulnerable refugees, so that they may access resources and services needed to become self-reliant. Promote the development of housing markets for refugees, such as by providing bridging support for refugees to meet rental obligations as they establish income sources, and developing minimum standards for urban refugee rental housing. Support local hiring of refugees in urban areas, such as through connecting employers with vocational training initiatives and providing information on the procedures for hiring refugees. Provide incentives for education and health care providers to be more inclusive of refugees. Develop a more nuanced understanding of social vulnerability in urban areas, including examination of arrival period, household size and dynamics, education levels, and urban versus rural origin.

On their part the Non-Governmental Organizations both local and international non-governmental organizations are well-placed to advocate for many of the suggestions outlined above, particularly regarding the relationship between strengthened forms of protection and reductions in risks of negative relations between refugees and their hosts. NGOs are also well placed to foster direct links between refugee and local communities and the development of more locally institutionalized forms of community support for refugees. The study suggests several actions that NGOs can take in this regard: Advocate for the rights of urban refugees in reference to those enshrined in the 1951 Convention, with particular attention to non-discrimination toward refugees in accessing essential services, resources and protection. Identify ways that refugees and host-community members can both participate in the design, implementation and evaluation of project activities. Engage local civic associations such as neighborhood associations, student groups, faith communities, business and labour associations, and philanthropic agencies to increase awareness of refugees' rights and foster mutually supportive actions between refugee and host-community institutions.

In light of these broad observations, the study identified nine specific findings that included a range of recommendations that consider how refugee-host relations may be leveraged to improve outcomes for refugees in urban areas. These are summarized below and expanded in the main body of the study. The study revealed that a strong protection framework promotes positive refugee-host relations making refugees in urban areas to be more able to interact productively with the host community if they were confident that their rights, as enshrined in the 1951 United Nations Refugee Convention, were protected by the host state. The absence of formal status, or failure to protect international rights associated with such status, either leads to refugee isolation from the local host community or promotes negative relationships based on exploitation, discrimination and abuse. Secondly, that the socio-economic stresses of arrival undermine refugee-host relations. Refugee journeys to cities are often harrowing, exhausting and impoverishing. Upon arrival, refugees face immediately the challenges of regularizing their status, and establishing their livelihoods in highly demanding environments. An overview of the socio-economic characteristics of refugee populations suggests that newly-arrived

refugees² are at a particularly vulnerable point in their journey, where they establish relations with the host community that will influence their well-being and relative economic success in the city. In some instances, the absence of status means that new arrivals receive neither protection nor assistance from the international community.

Thirdly, that housing is a major potential source of tension between refugees and hosts. In contrast to many camp situations, where basic shelter may be provided, refugees that arrive in urban areas are typically faced with the urgent challenge of finding their own accommodation. The process of finding housing often propels urban refugees into new relationships with the host community, through tenant-landlord arrangements. More than two-thirds of refugee respondents to the household survey rented their accommodation, mostly from landlords from within poorer sections of local communities. The difficulties faced by both landlords and tenants in meeting their respective obligations to rental agreements emerged as a common source of tension between refugees and hosts. This had important implications for urban refugees, shaping the quality and cost of housing that they had access to. Fourthly, that refugee marginalization from the formal economy limits refugee-host relations. Both qualitative and quantitative results of the study suggest that urban refugees are largely marginalized from the formal urban economy. This is reinforced, to some degree, by humanitarian interventions that sometimes promote refugee activities in the informal economy. Greater levels of refugee participation in formal employment and formal business activities would appear to contribute towards strengthening refugee-host relations.

Fifthly, that competition over access to livelihood opportunities enhances tension between refugees and hosts. As mentioned above and in the text, the intensity of competition over access to economic resources in the urban environment was one of the most significant factors that shaped refugee-host relations. Expanded possibilities for generating incomes enabled refugees to develop social and economic networks that generally reinforced positive refugee-host relations. On the other hand, refugee success in accessing livelihood opportunities also risked fostering resentment by the local host population. Sixth, that dependency on direct assistance inhibits refugee-host relations. The provision of direct assistance to vulnerable refugees is an important and necessary

intervention that should remain as a critical option for assisting refugees in urban environments. Assistance may be especially critical in the period immediately following arrival in the city. However, data from our sample suggests that direct assistance makes a relatively small contribution towards total household income of urban refugees, which diminishes over time.

Seventh, that refugee vulnerability limits positive refugee-host relations. Vulnerable refugees in urban areas have reduced opportunities to engage productively with the host community in ways that lead to sustained benefits for refugees. They are also more likely to be forced to develop negative refugee-host relations that risk their well-being and economic security. The characteristics of refugee vulnerability in urban areas may be related to a broad range of factors, vary from context to context and change over time. Specific indicators of refugee vulnerability should therefore be revisited periodically. Eighthly, that improved refugee access to education and health services strengthen refugee-host relations. Urban refugees' access to health and education services was most frequently limited by cost. The significance of cost, as a limiting factor, decreased over time. This suggests that longer-staying urban refugees are more able to accumulate the resources and knowledge necessary to access these services.

Greater access to available education and health services led to enhanced opportunities for refugees and hosts to interact and strengthen relations. On the other hand, barriers to refugee education and access to health care reduce such opportunities to strengthen relations. And finally, that refugee-host relations shape urban refugee attitudes to durable solutions. Refugee-host relations may impact on urban refugee attitudes and access to durable solutions. Results from the study suggest that voluntary repatriation from urban areas may be less viable as a preferred solution for refugees in urban areas, compared to camp-based situations. While interest in resettlement was notably high across all study locations, limited access to this solution prompted many urban refugees to accept de-facto local integration over time. The social profiles and backgrounds of some urban refugees suggest that increased access to opportunities for regularized migration may promote more durable solutions for them.

Finally despite increasing security challenges arising from refugee presence in Eastleigh area, there has been little attempts to investigate security impacts of the Somali refugees on host population of Eastleigh. The study therefore recommends for further research on security matter.

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