

Refugee Camps or Cities? The Socio-economic Dynamics of the Dadaab and Kakuma Camps in Northern Kenya

MARC-ANTOINE PEROUSE DE MONTCLOS

Research Institute for Development, Nairobi

PETER MWANGI KAGWANJA

Centre for Refugee Studies, Moi University, Eldoret

Many refugee camps last longer than basic transient settlements. Their size, their population density, their layout, their concentration of infrastructures, their socio-occupational profile and the trading activities they have developed give them urban features. Yet their durability depends on other factors, including the relationship between refugees and the indigenous population, and the ecological environment, i.e. access to local resources. This article argues that a political backing is crucial since the host country can facilitate or forbid refugee settlements. In any case, a complete withdrawal or a sudden contraction of humanitarian aid would not automatically mean the closure of camps: whether because self-sustainability would allow virtual cities to emerge as market towns, or because refugees would refuse to come back home and would become clandestine migrants.

Refugee camps are often perceived as transient settlements, reflecting the temporary nature of the refugee phenomenon. Yet some camps have been in existence for years and can be likened to virtual cities in view of their population and demographic density. With approximately 85,000 refugees in the mid-1980s, the four camps of Jalalaqsi, for instance, formed the third largest human concentration in Somalia after Mogadiscio and Hargeisa (Kibreab 1993). When the military dictatorships of Siyad Barre in Somalia and Mengistu Haile Mariam in Ethiopia collapsed in 1991, Kenya also witnessed a tremendous increase in the refugee population. This was accompanied by a shift in government policy in favour of confining asylum seekers to camps located in the semi-arid areas of Northern Kenya, away from the main economic activities and urban centres. The largest remaining camps are Kakuma and the Dadaab complex, i.e. Ifo, Hagadera and Dagahaley. Since most of the Ethiopian refugees have gone back to their home country, the first is mainly inhabited by Sudanese, the second by 'Somalians'.¹ Supported by

international and local humanitarian agencies, these camps now emerge as urban enclaves in a sparsely populated and economically underdeveloped part of Kenya.

There is no doubt that the establishment of infrastructure and social amenities by non-governmental organizations (NGOs) and the United Nations High Commission for Refugees (UNHCR) can be valuable for economic development and benefit both refugee and indigenous populations. Camps are seldom isolated, as new local and international networks expand between them and their surrounding areas, as well as with other towns and diasporic groups. After a certain period of time, refugees appear to be some sort of 'urban dwellers in the making' and camps to be a preliminary step towards urbanization. For pastoral people especially, the cosmopolitan make-up of the camps and the change to a sedentary lifestyle play a major role in this regard.

Cultural, social, political and economic dynamics are all involved in such a development. Refugee camps are concentrations of humans, trading centres as well as labour markets. Based on empirical work in Kakuma and Dadaab during the year 1998, the following article argues that they can eventually present the features of a virtual city. However, it is suggested that their growth and durability depend on various factors.

The Refugee Camp as a Virtual City

One crucial factor is the relationship between refugees and the indigenous population. Some authors tend to understand this relationship through ethnic affinities but ethnicity as such is misleading, because ethnic affinity does not guarantee a good or a bad relationship between refugees and hosts (Aall 1967: 29–32; Zartman 1970: 151; Yeld 1968: 65). Another urban factor, then, is political, since the authorities of the host country facilitate or forbid the refugees' settlement. It is not our purpose here to analyse the Kenyan government's policy regarding refugees. Suffice it to say that it has been quite restrictive (Montclos 1998).

Obviously, economic and ecological parameters are also important, notably regarding the local resources, i.e. access to water, firewood, etc., that would make an emergent town sustainable without external support. In some cases, the influx of refugees has been a stimulus to the development of natural resources. The Liberian refugees in the forest region of Guinea contributed to local agricultural activity despite the accusation of deforestation (Black and Sessay 1997). In the same way, Sudanese refugees around Gambela in Ethiopia were hired on state cotton plantations in Abobo and in surrounding Anuak farms. As for the Ugandan refugees in southern Sudan in the mid-1970s, they formed a supply of very cheap manpower responsible for an increase in farming output (Harrell-Bond 1986: 22). In eastern Sudan, Eritreans around Kassala have also been at the origin of a twelvefold increase in fruit and vegetable production in twenty years, and this without taking into account

animal husbandry—they were said to have about 60,000 cattle in 1988—or mechanized agriculture in New Halfa and Rahad with refugees from Gezira and Fau (Kibreab 1987; Al-Shazali 1993: 185; Kuhlman 1994). It is true that except in the Nile Valley and the Gezira grasslands, pressure on land was not so much an issue. In addition, the Land Allotment Act of 1970 had transferred to the state all lands which had not been registered as private property.

In Kenya, the land issue is more sensitive. The government feared that the refugees might become settled in valuable areas of the country, especially in the highlands. Accordingly, the Kakuma and Dadaab camps were located in a semi-arid environment with a density of less than 0.05 inhabitants per hectare, compared with 5 in rural districts like Kisii for instance. In these under-populated areas, refugees cannot be used to develop non-existent agricultural activities. Potential for progress in that direction is negligible unless huge investments are poured into a peripheral region which has never been a priority for the government in Nairobi (Musambayi 1998; Schlee 1999).

Under the pretext of deforestation and drought, agricultural activities have in fact been totally forbidden outside the refugee camps. In Dadaab, the green belts around the camps are simply fruit and vegetable gardens. They are maintained as vegetal cover to help in stopping dusty winds, and are used for feeding poultry and sometimes goats but not for grazing cattle. Launched by GTZ (Gesellschaft für Technische Zusammenarbeit, the German cooperation agency), these activities remain very limited. They involve mainly Bantu farmers from Somalia and count only 31 people in Hagadera, where the land is not as good as in Dagahaley and where refugees are believed to be of urban origin.

Yet such a nutritional dependency is a common feature for town dwellers and does not prevent Kakuma or Dadaab camps from satisfying the standard criteria of urban settlements in terms of their demographic, structural, occupational, cultural and economic characteristics. The problem here is one of definition. What makes a city in Africa is rather a controversial issue. Sociologists, economists, geographers and historians do not share the same views about the delimitation of a town (for general comments, see O'Connor 1983 and Coquery-Vidrovitch 1993). However, statisticians and demographers had eventually to agree on some parameters for judging an urban settlement (Habitat 1995). Among them are the following:

- urban settlements are often defined as containing a minimum number of permanent inhabitants in a defined area. This varies from country to country. For example in Korea it is 30,000 people, as against 2,000 in Kenya;
- rather than total population, urban settlements may be defined in terms of population density or concentration of people in a specific area, i.e. number of inhabitants per square kilometre;
- alternatively, urban settlements may be defined by the level of aggregation of people in the area, that is, the distance between buildings, structures,

- residential dwellings, etc. which must not be too large. In the French census, for example, this was not to exceed 50 metres;
- the existence of facilities and infrastructure such as roads, telephones, hospitals, schools, houses, sanitation and so on may also be a defining characteristic of urban settlements;
 - as for the socio-occupational profile in urban settlements, the proportion of people engaged in non-agricultural activities might be expected to exceed that involved in agriculture. In the USA, for instance, the recommended proportion is two thirds.

These basic standards provide a minimum understanding of urban concentration. Interestingly enough, Kakuma and Dadaab seem to fulfil most of them, as shown hereafter. But of course, it is urban dwellers and not statistics that make a city; Rousseau would have even mentioned 'citizens', a term that hardly corresponds to the tragic fate of refugees. As we have seen concerning the socio-occupational profile of the camps, very few refugees are involved in agriculture. Trade, capital generation and employment are much more crucial issues in the Kenyan context. A second part of this article will accordingly argue that endogenous economic dynamics and integration are essential parts of an urbanization process within a camp.

Human Concentration

In 1998 according to a UNHCR census, Kakuma and Dadaab had refugee populations of 58,000 and 106,000 respectively. Their population density was low when calculated against the total surface of the camps but much higher when related to the inhabited surface (table 1). In some blocks, it could reach 500 inhabitants per hectare in Dadaab and 400 in Kakuma, which is situated in a Division recording only 0.02 inhabitant per hectare (Cambrézy 1996; Beaudou *et al.* 1999). Clan affinities, fear of banditry, curfews and camp regulations actually explained such a conurbation: despite open spaces, only 10 per cent of the surface allocated to the camps is effectively occupied.

Table 1

Population Density in Dadaab Camps, 1998

Refugee camp	Population before mid-1998 census	Total surface in ha.	Population density per ha.	Inhabited surface in ha.	Population density per ha.
Ifo	38,798	2,885	13.4	267	145.3
Hagadera	38,212	1,926	19.8	218	174.3
Dagahaley	30,361	2,186	13.9	200	151.8

Source: UNHCR

The layout of the camps also confirmed this urban feature. In 1996, Kakuma was made up of 76 blocks which were dotted along the valley of a dry river and which did not really follow a geometrical network. Since then, a second camp, Kakuma II, had to be built few kilometres away to accommodate further refugees and avoid floods. Urban planning was more visible in Dadaab complex. Ifo had 71 blocks shared into three main clusters approximately 200 metres away from one another. As for Dagahaley, it was composed of six lines and five 'avenues' 100 metres wide. Hagadera, finally, consisted of two big compact groups which were separated by a distance of less than one kilometre. The first one was divided into eight lines and three 'avenues' 100 metres wide; the second one, into three lines and one 'avenue'.

By contrast, the localities of Kakuma and Dadaab were completely insignificant prior to the 1991 refugee influx. Kakuma, in the Turkana District of northwest Kenya, was a rural settlement of about 8,000 inhabitants. In a short space of time, it grew to become the second largest shelter site for refugees in the country. The camp population is currently about 80,000 people, having almost tripled between 1996 and 1999 due to new arrivals from Sudan and the transfer of roughly 15,000 Somali refugees from Mombasa.

Dadaab, in the northeastern Province, counted some 5,000 inhabitants before 1991 and may have doubled that figure today. The surrounding camps of Ifo, Hagadera and Dagahaley became some sort of suburb; a less charitable interpretation might even suggest that Dadaab is no more than their appendage. Those areas attracted the surrounding population in two different categories: first, the local populace; second, the Kenyan Somali who were not from Dadaab.

The latter appear to have settled inside the camps rather than on the periphery, and are the largest group of Kenyans to have mixed with the refugees. For obvious demographic reasons in this under-populated sub-region, there are fewer indigenous people living in the vicinity of the camps. While Ifo apparently contains the highest proportion of 'authentic refugees' from Somalia, the 'inhabitants' of Dagahaley and Hagadera are a mixture with the local population. This has occurred because they are located in the transhumance zones of the Darod Ogaden clans: Dagahaley in the Aulihan zone, and Hagadera in the Abdwak zone. Hagadera is also on the site of a former British fort which was built near the sultan's encampment in the area.²

Pastoralist communities moved in from surrounding locations like Yumbis, Alnijukur, Anole and Kulan to take advantage of water sources in the camps, purchase food at low prices and sell cattle and milk. Some settled near boreholes that UNHCR allocated to them in order to avoid quarrels with refugees. Permanent and free access to water attracted families, who stayed in small *manyata* or hamlets. At Hagadera for instance, 93 huts and 500 inhabitants were identified near Borehole 5 in 1998. Only the young people continue to take the cattle away, and their dependents no longer accompany them.

Infrastructure Capacity

The infrastructure established in camps is an obvious factor of urbanization since it attracts nationals and gives the site an urban aspect. Compared with the rest of the region, the Kakuma and Dadaab camps have better health facilities and a higher percentage of children in full-time education. In Kakuma, there is a 90 bed hospital, four clinics with a total capacity of 520, 21 secondary schools, two high schools and two technical colleges where the Kenyan curriculum and Arabic courses are taught.

The situation in Dadaab may be less satisfactory as regards schools though it compares favourably with conditions locally. Under the management of CARE (Cooperative for American Relief Everywhere), there are five primary schools in each of the three camps. These have an enrolment of 17,800 pupils, excluding 2,200 children in nursery and 300 disabled following special programmes. With 150 classes, these schools have more students than they can accommodate. The Koranic institutions (of which there are ten, run by Saudis of Al Haramain Foundation) offer mathematics courses but they focus on religion. The three high schools that used to teach the Kenyan curriculum have been closed down due to lack of funding.

The health care facilities are more impressive. Each camp has three health centres and a hospital equipped with 100 beds. Whereas in most developing countries town dwellers consult a doctor only once a year and farmers only once every two years, inhabitants and refugees living in Dadaab see a doctor more than four times per year (table 2). Although this average varies according to the changes in the camp's population, it has remained relatively stable since 1996 despite periodic epidemics that have occurred, notably in the rainy season.

The original Dadaab settlement has not remained unaffected by this humanitarian expansion in the surrounding refugee camps. It is now connected to the electricity supply network, has a running water system and a slaughter house and is equipped with health facilities, either in the camp or in the 'town'. There is a maternity unit and a regular supply of medicines at the local health centre. As regards schooling, Kenyans make up a third of the school

*Table 2***Monthly Average of Medical Consultations (Excluding Natal Care)**

	1992	1993	1994	1995	1996	1997	1998
Ifo	9,083	11,496	16,164	20,194	15,146	10,448	12,161
Dagahaley	n.a	14,529	9,437	11,940	11,159	11,858	13,061
Hagadera	11,635	12,254	10,828	13,343	9,908	12,373	13,160
Total	n.a.	38,279	36,429	45,477	36,213	34,679	38,382

Source: Weekly and monthly reports from Médecins sans frontières France and Belgium. Some averages had to be corrected due to incomplete data

population in the camps. In this light, Kakuma appears as a different case. The 10 per cent quota set for Kenyans has never been reached. In the camps, local Turkana account for only about 2 per cent of pupils in secondary schools, and there are none among the 20,000 children in primary schools and less than 5 per cent of the 343 youths in training centres.

Urban Integration

Humanitarian aid alone cannot make the refugee population settle permanently. It can facilitate this process but the effects will not be durable unless accompanied by endogenous economic dynamics and an urban cultural integration.

Life in refugee camps undoubtedly presents some aspects of modernity. Like cities, the camps are responsible for mixing populations and genders. Looked at in these terms, Kakuma is the most cosmopolitan camp in Kenya. Sudanese form the majority but there are also large numbers of Somalis and smaller numbers of Ethiopians, Rwandans and Ugandans.

An urban culture also involves changing gender relationships. Special programmes for women have been developed. In Kakuma camp, girls represent 20 per cent of pupils in primary and secondary schools, a proportion which reaches 30 per cent in Dadaab. The rule requiring boys and girls to eat together has encouraged the co-educational idea, in sharp contrast to traditional practice, particularly for the Sudanese in Kakuma.

The local population around the camps is not involved in this process. The northern part of Kenya is peopled by pastoral communities. Their indifference to borders has an impact not only on the national composition of camp populations but also on the permanence of settled refugees in given areas. Historically, the region was occupied by populations coming from the north. They followed the same direction as the refugees of the 1990s. But instead of converging into urban centres, they forced the previous inhabitants to relocate further south.

Hence in the northeast, Somali arrived at the end of the nineteenth century via Wajir. They chased the Orma, who were also under the pressure of the Boran from Moyale and who had to cross the Tana River. As for the Sakuye, they mixed with some Boran in the eastern part of Moyale. In the northwest, Turkana had settled earlier, pushing the Dassanetch into Ethiopia and the Samburu south of Mount Kulal. From Lake Stephanie in Ethiopia, the Samburu then went to the Maralal plains in Kenya while the Gabbra stopped in the Huri Hills from where the Rendille had reached Marsabit and South Horr up to the Waso Nyiro River.

Such a nomadic culture explains the absence of authentic towns in the region and does not favour the emergence of urban camps. Pastoral communities have always been reluctant to settle (Galaty 1989; Oxby 1975; Sandford 1983). Even during the drought of the 1970s, the Turkana tried to evade the irrigation projects that the Kenyan government had set up to control them through food

for work programmes (Hogg 1988). The majority of the refugees now are also of rural and pastoral origin. Moreover, refugees in Kakuma were settled in an alien ethnic environment, unlike the Somali in Dadaab.

However, the urbanization process at work in the refugee camps is not only a question of cultural change; it also involves integration to a broader urban network. In Kenya's northeastern province, which is inhabited by Somali people and where the Dadaab camps are situated, ethnic affinities facilitated the settlement of refugees from Somalia, as they did when Beni Amer from Eritrea or Zaghawa from Chad crossed the border to escape a civil war and settle in Sudan. This process had already been observed in Somalia when Ethiopian Somali fled during the Ogaden war in 1977–1978. Some were settled in Lower Shebelle, southern Somalia's fertile region. Many preferred to live outside the areas designated for them. In Jalalaqsi as well as in Qoryoley, a symbiotic relationship developed between the refugee camps and their neighbouring township. At the Ethiopian border for instance, Beledweyne inhabitants moved to Sigalow camp so as to benefit from food distribution (Kibreab 1993; Unruh 1993; Christensen 1983).

In Kenya, refugees are officially confined to camps but for various reasons many of them manage to travel frequently to other towns. The establishment of camps on major trade routes to Sudan and Somalia has stimulated the growth of road transport linking the refugees with the rest of the country. Inside the camps, minibuses by the name of *matatu* have been introduced between different sections such as Kakuma I, Kakuma II and Kakuma 'town' or Ifo, Hagadera, Dagahaley and Dadaab. They are run by Kenyan Somali but involve some refugee 'investors'.

Outside the camps, Dadaab *matatus* go to Eastleigh, Nairobi's Somali domain. Four buses also link the camps' population to Nairobi via Garissa, the main town in the north-eastern province, and to Wajir in the north and Liboi in the east on the Somali border. Not surprisingly, some of the buses start their journey from the camps. In the case of Kakuma, three Nissan *matatus* were in service between Lokichokio, on the Sudanese border, and Nairobi, charging 1,000 Kenyan Shillings (KS³) in May 1998. The route goes through Kakuma and refugees always form the main customers for these *matatus*.

The Refugee Camp as a Market Town

In remote areas where a pastoralist way of life predominates, the urbanization process of Dadaab or Kakuma is primarily to be seen in terms of an economic dynamic. The trading networks of the camps supply the surrounding areas as far away as the refugees' countries of origin. Because of shortages, refugees are forced to sell a portion of the food distributed to them, in order to purchase the items that they lack such as shoes, clothes, meat, milk, pasta, kerosene, matches, etc. Whatever is distributed can be sold, including the products of development projects around the camps, such as trees planted to provide firewood for refugees. This form of trade allows the native population to

benefit from humanitarian aid and helps to prevent jealousy arising (Christensen 1982: 27). It is also indicative of the development of a viable market town which could possibly support some refugees when the humanitarian aid stops.

A Trading Centre

Each community has its own patterns of trade. Before reaching Kenya, some of the Sudanese in Kakuma had settled in the south-western part of Ethiopia, where they had consequently developed trading networks. In 1990 for instance, the Itang camp's dwellers were doing business with neighbouring Nuer shepherds and farmers of the Sobat and Pibor Rivers; the re-sale of food aid was carried on up to the Jokau and Nasir localities in Sudan (Johnson 1996: 172–173).

The Sudanese market in Kakuma is not particularly dynamic, however, with a dozen businessmen and some 70 stalls in 1998. Dried fish, tobacco, vegetables and a few basic goods are on sale but no cattle or local products. Exchange is conducted by barter and is intended only to make up for the shortcomings of humanitarian aid. These Sudanese had arrived from Ethiopia with nothing. Unlike the Ethiopians and Somalis, they did not have capital or a diaspora to rely on to start a business. The only type of organization they have in their market is a small committee which collects KSh10 per month for each stall and does little in return. Cultural habits and a marginal participation in the market economy must be implicated in this situation. The Nuer, for example, are used to share their food and did not develop any substantial market in their homeland (Hutchinson 1996: 162).

By comparison, Kakuma's Ethiopian market is more dynamic, reflecting the business spirit of a multi-ethnic community of urban origin. This market counts more than 120 stalls, with video clubs, hardware stores, a post office which relays Kenyan mail, and so-called 'hotels' which are coffee shops where locally brewed *tej* beer is served. Recently arrived and more than six times as numerous, the Somalis tend to join the activities at that level. They are less individualistic than the Ethiopian businessmen and are organized in co-operatives; several families share the same stall.

Somali refugees in Dadaab are also business entrepreneurs. The Hagadera market, whose site benefited from careful preparation, is considered to be the largest in the three camps, and has a reputation for being run by businessmen of urban origin. Their network extends up to Somalia, especially for *qat*, a stimulant plant which is widely chewed in the Horn of Africa. Otherwise, the basic goods come from Kenya despite the floods that swept away the roads at the end of 1997. Kenyans operate as wholesalers, whereas refugees are retailers, and supply the camp's markets, where they claim to run a quarter or so of the stalls.

Surprisingly, the ethnic affinities between native Somalis and refugees from Somalia have not always been reflected in good commercial relations. Quarrels

arose with refugees over access to slaughterhouses in camps. The cattle are sold by unit and are consumed on the spot or resold to wholesalers from Garissa, the nearest town. The competition is intense. Refugees have adapted to a market of less well-off customers by selling goods in smaller quantities such as individual packets of detergent and single tea bags and cigarettes. These practices discouraged wholesalers from Garissa who were not prepared to sell their goods on a retail basis. However, refugee businessmen do not sell on credit or barter.

Kakuma is rather different from Dadaab in that the refugees have a much higher standard of living than the local people. In a camp where 66 per cent of Sudanese and 72 per cent of Ethiopians are men, some Turkana women are even said to take up prostitution out of necessity, whereas it is usually refugees who are reckoned as sex workers. According to national statistics in 1997, Turkana District was the second poorest in Kenya after Marsabit (*Nation*, 6 September 1997: 17). Turkana people do not form an important group of customers. They remain strongly attached to their traditions and participate only marginally in the market economy.

With the passing of time, however, Turkana have begun to experience new kinds of work thanks to activities established within the camp. Somali and Ethiopian refugees employ Turkana children as domestic servants. Adults sell charcoal at KSh5 a bundle. The price is the same as in Dadaab but the market is smaller because there are fewer refugees and because UNHCR provides one third of the camp's needs. Dadaab has twice as many refugees and the camp's consumption can reach 100 tons of firewood per day, equivalent to one kilo per person. Firewood is collected by refugees themselves, mainly by women when the total distance to walk in a day is less than 40 kilometres and by men with donkey carts for distances up to 100 kilometres.

However, one may wonder whether such petty activities can really facilitate the emergence of a market town. The presence of refugees has both positive and negative effects for local communities (Umar 1996: 96). Positive because it stimulates trade, creates new jobs and attracts humanitarian aid; negative because refugees consume firewood and water, put wear and tear on roads, promote banditry and undermine local self-reliance due to increased dependency on relief food. All in all, the economic impact of refugee camps is a matter of controversy. Both Kakuma and Dadaab raised some suspicion in this regard.

Before the arrival of refugees, Dadaab had two wholesalers who supplied the whole area. They became wealthier, settled in towns further south and were replaced by retailers. These experienced significant progress, with an annual turnover increase of about 30 per cent, and in turn became wholesalers. But their number later fell from five to two because markets had shifted to the camps and only a third of their customers in the town were refugees. Yet there is complementarity in the sense that these Dadaab traders sell products which cannot be found in camps, for example *ugali*, a maize porridge which is consumed by Somali from Kenya but not by those from Somalia.

In Kakuma, the impact of the camp on neighbouring businessmen varies between wholesalers and retailers. Wholesalers took advantage of the arrival of refugees and humanitarian organizations. Abdullahi Ogle, a Somali of the Isaaq clan who settled in Kakuma in 1968, is the most important businessman in town. His turnover has grown by 40 per cent since 1992. Previously, he did business with local people on a barter basis, exchanging cattle for manufactured products. This fluctuated according to the periodic transhumance of pastoralists. The establishment of refugees in the camp has by contrast ensured a stable market, even if it means some of the stock has to be sold to Ethiopian, Sudanese or Somali retailers. Other wholesalers in the area followed the move and opened shops in Kakuma after 1992.

The retailers of Kakuma have reacted differently. They are not Turkana but Kikuyu, Luo and Luhya from the highlands. Most of them have been ruined by the competition with refugees, and three quarters have had to close their shops. At the open-air market in Kakuma, refugees come to sell their food rations at very low prices. Ethiopians have established a quasi-monopoly on new and secondhand clothes. They use local middlemen or marry Kenyans so that they can obtain goods and bypass the police rules regarding movements out of the camp. They have refused to deal with local businessmen to group their purchases and harmonize their supplies. These locals complain that trade is their only source of income whereas refugees also receive official assistance.

Goods sold in the camp are indeed very cheap because refugees do not pay rent, food, health care or education for their children. Local businessmen have to obtain a trading licence costing KS1,970 per year. This is in fact a reduced price as the authorities recognized that the market's infrastructures were inadequate. The license used to cost KS2,700 and this is the amount still applied to Dadaab traders. So the Dadaab natives petitioned the authorities and asked them to seize refugee goods. In Kakuma, they handed over some refugee traders to the police. But as the refugees were not smugglers and had purchased their goods legally they were immediately released.

The local people also demanded that refugees be subjected to tax payment. Such a project came up in Dadaab, where the authorities estimated that taxation in the camp would yield up to KS eight million. The annual figure in Kakuma would have been more than two million. But when tax collectors began operating in Dadaab there was an outcry. Refugees argue that the bribes to policemen when leaving the camp are a substitute for the tax payment. They also point out that goods purchased from Kenyans have already been taxed. Tax collection should be restricted to the cattle markets surrounding the camps. This is where natives sell their cattle, a flat rate tax of KS130 being paid for each transaction.

Capital Generation among Refugees

Whatever the arguments over taxation, refugees show a high degree of competitiveness. The surprising aspect of these entrepreneurs is their capital

generating mechanisms. It is possible to distinguish 1) family sources of funding, 2) credit from traders, 3) sale of food rations, and 4) loans by NGOs.

The family unit is a major source of capital for refugee traders. Some family members are employed as incentive workers by UNHCR and the NGOs. A number of the refugees at Dadaab brought money and machinery with them from Somalia. A case in point are the 'Somalian' Bantu posho millers who arrived with their diesel engines which they have since put to work. Craftsmen and blacksmiths in Dagahaley also brought in their tools which they continue to use in the production process in the camp.

As for the traders, many of them receive financial support from their relatives working in the richer Western European asylum countries. The money is transferred through Somali companies called *hawilad*. This system relies overwhelmingly on the telephone and is responsible for the massive growth in telephone communication between the Dadaab and Kakuma camps and the outside world, not only abroad but also Kenya's main cities, especially Nairobi and Mombasa. The number of international and trunk calls from either Kakuma or Dadaab by far outstrips local calls (table 3). The Kakuma post office which previously provided only local calls began to offer international calls and had to upgrade its services by installing modern telecommunication technology.

Beside family resources, refugees also receive credit from local Kenyan traders. Refugees in Dadaab who have established trading relations are able to obtain their supplies on credit from Garissa's Somali wholesalers and pay once the goods have been sold. This greatly boosts their business and enables them to overcome the obstacle of under-capitalization. In Kakuma, refugees obtain goods from an established Kenyan of Somali descent. The distance between the camps and Kenya's principal sources of goods and capital means that the refugee traders are dependent on their Kenyan counterparts.

One of the most controversial means of capital accumulation in the camps is through the sale of the food ration given to refugees by humanitarian organizations. Of course not all refugees exchange portions of their ration in order to generate capital. Some sell in order to buy other necessities which UNHCR or its NGO partners do not provide. Others sell all of their food

Table 3

Average Annual Telephone Calls from Kakuma Post Office, 1993-1997

Year	Calls within Kakuma	Trunk and international calls
1993	1,138	2,916
1994	527	2,656
1995	1,008	2,448
1996	835	2,580
1997	1,776	2,395

Source: Kakuma Post Office Records

ration because it is not part of their traditional diet, and use the proceeds to purchase foods which they consider more appropriate. Sudanese refugees in Kakuma, for example, sell a proportion of the wheat flour provided by the World Food Programme (WFP) in order to buy millet, sorghum, maize flour and cassava flour which are elements of their traditional diet.

However, a small number of the refugee traders have raised their initial capital from the sale of food rations. The chairman of the Sudanese community's Traders' Committee in Kakuma camp claims to have started up in business in 1995 by selling a portion of his food ration. He then got a loan of about KS6,000 from Don Bosco, an Italian missionary organization. When we visited the camp in 1998, he was one of the leading traders in the Sudanese market. Some traders specialize in buying up food rations from the refugees in small quantities and selling it in large quantities to merchants outside the camp. This practice has occasionally resulted in conflict with the WFP. In Dadaab on 26 March 1998, two of four lorries loaded with WFP food were arrested by the police. A man and a woman claimed that the food was theirs and threatened to sue the WFP officer who ordered the confiscation of the food loads. The food had certainly not been stolen from the WFP stores nor was there any evidence of a single refugee being given that amount. What it in fact indicates is the extensive trade in food rations.

A fourth source of capital generation are the small loans given to traders and craftsmen by NGOs operating in the camps. From August 1997, CARE International began running a credit facility which has since provided cash and materials to a wide range of income generating activities. The funding system takes two forms: women's group activities and community revolving fund. Activities funded under the women's group arrangement include slaughtering of goats, poultry keeping, roofing, thatching and selling cereals, vegetables, hides and skins. The women's group activities are all concentrated in Hagadera camp which is said to have a high percentage of former urban dwellers. The community revolving fund concentrates on the Dagahaley and Ifo camps. Income generating activities funded under this program are posho milling, mat making, selling of cereals, handicraft and cloth making. For the purpose of generating capital, massive saving of profits was encouraged. In 1995, over 70 per cent of all profits generated in the sector were saved.

Between August 1997 and April 1998, a total of KS74,510 was paid out to 16 income generating groups. Only 13 men out of a total 94 members of the groups benefited from these loans, particularly for the sale of cereals and posho milling. Selling cereals is the only activity which cuts across gender whereas posho milling is an exclusively male domain. Since its establishment, the credit facility has enjoyed considerable success. The loan repayment rate in the initial months was an impressive 100 per cent. However, the rate fell sharply to 63 per cent and 54 per cent in November and December when business in the camps was seriously disrupted by El-Niño floods. Business revived in January when the repayment rate reached an all time record of 266 per cent before collapsing for a second time in February when no repayments were made, again because

of the El-Niño rains. After the rains business conditions returned to normal and in March and April loan repayments by refugee grantees stood at 90 per cent and 82 per cent.

A New Labour Market

As well as trading activities and capital generation, the refugee camps are also important as labour markets, a point that cannot be ignored when considering the economic dimension of urbanization. The camps did not create cities from scratch, but the activities of charitable organizations in Dadaab provide more than 2,000 jobs, including 24 for expatriates and 383 for Kenyans. GTZ alone does not employ any expatriates and generates an annual wage bill of about US\$130,000 to which are added more than US\$15,000 for casual workers involved in the reforestation campaign. CARE, known as the biggest NGO in the area, employs more than 1,000 refugees and consequently releases a purchasing power of about half a million dollars per year.

The native populations, however, have expressed discontent over the fact that apart from food sold at very low prices they are not deriving any advantage from the humanitarian aid. Inhabitants of Dadaab have held demonstrations and organized petitions in support of their case for having more jobs in the camps. Qualified jobs with good wages tend to be taken by expatriates or by Kenyans who are not from the province. Local people account for only one fifth of the full-time employees working with CARE, despite an official attempt to increase the proportion to one third.

The imbalance is more obvious in Kakuma, where humanitarian organizations employ about 200 Kenyans among whom the Turkana are the minority group. The three main local Turkana clans, the Ngilukumong, Ngwikwatela and Ngisiger, quarrelled over the existing positions. The Ngilukumong argued that none of them had been recruited by NGOs functioning in Kakuma or Lokichokio on the Sudanese border. They accused the Ngisiger of being favoured by allies from another clan, the Yapakuno, whose Member of Parliament had focused his attention on the appointment of a director to run the Christian Children's Fund.

The competition is intense because NGOs tend to hire refugees, who work for less than the Kenyans. Clinics in Kakuma, for instance, employ ten refugees to assist one Kenyan. The hospital alone employs 78 refugees as against 21 Kenyans. Similar proportions are observed in the education facilities, with 36 refugees for 12 Kenyans in secondary schools and 341 refugees for 44 Kenyans in primary schools. Of 360 teachers in Dadaab 15 are Kenyans. A primary teacher's salary is KS1,875 for a refugee and KS11,798 for a Kenyan, and the rates in secondary schools are KS3,000 and KS14,965 respectively. Managerial positions alone offer better opportunities to Kenyans compared with subordinate positions. In the hospitals and health centres of Dadaab camp, refugees constitute four fifths of the total employees but this proportion falls to less than half in the offices of Médecins sans frontières.

Because of their economic implications for underdeveloped areas, the humanitarian operations around the camps acquire a political dimension. In Kakuma, where international aid was rushed out in response to the arrival of refugees and the drought in 1992, it quickly became a major issue (*Nation*, 8 September 1997: 24–25; *People*, 26 September 1996). Some Kakuma and Lokichokio councillors supported a local Oxfam representative for the 1997 elections in North Turkana constituency, while an accountant in Kakuma camp and the head of a Kenyan NGO, Intermediate Technology Development Group, competed for the South Turkana seat. The role played by humanitarian aid in these elections was so important that President Daniel Arap Moi publicly denounced NGOs that were interfering in political activities. A seminar of the Kenya Pastoralist Forum was cancelled on the grounds that it was linked to a would-be guerilla movement by the name of Patriotic Front.

Conclusion

The politicization of questions about refugee camps is evidence of the economic potential at stake. Refugee camps can become market towns and their urban style has obvious implications for humanitarian actors. Urban planning is clearly a way to proceed in order to accommodate newcomers, to manage waste disposal, to lay roads, to be environmentally friendly, to prevent floods and epidemics, etc. Another implication is the need for further research on this kind of 'urbanization in the making'. Studies on the geographical origin and the previous socio-economic status of refugees would help to explain whether this process really marks the birth of a city or is only an intermediary step in a structural rural exodus.

One cannot be sure that refugees would remain if aid were withdrawn. The Kenyan Government is politically reluctant to keep the camps open and help them to become viable and self-sustaining. This is important regarding the future of such urban settlements. Historically, some forced displacements have been at the origin of cities like Ibadan—a consequence of internal Yoruba wars in the 1830s—or Mbuji-Mbayi—a product of the Congo crisis at Independence. With 100,000 inhabitants at the end of the nineteenth century, Ibadan was the second largest city in Africa after Cairo. Ibadan was also the largest city in Nigeria, Africa's most populous country, before being overtaken by Lagos in the 1960s. Mbuji-Mbayi is currently the third largest urban centre in former Zaïre (Piermay 1986; Lloyd *et al.* 1969).

But these settlements were founded by internally displaced people. Kenya's camps, by contrast, shelter refugees who have crossed international borders and who are expected to return home when conditions normalize. Humanitarian aid is by its nature provisional. It cannot support indefinitely an economic dynamic which would create and develop a market town. In the same way, it cannot sustain over a long period a business network that was created in response to the refugee influx. An urban complex based on economic activities of that kind is highly fragile and the 'containment' policy of the

Kenyan government penalizes any initiative by refugees for investment and settlement.

Again politics interfere in this regard. In the long run, Kakuma and Dadaab lack any formal legal recognition by the government of Kenya. While not central to an analysis which focuses on social and statistical criteria, such a condition is crucial if we assume that refugee camps possess some of the attributes of an urban municipality. Critical to this approach is the Kenyan government's policy in relation to refugees and urban development. Both have to be viewed in historical and contemporary terms because they have far-reaching implications for the government's perceptions. As long as colonial towns were a preserve of the wealthy business class and professionals, ordinary citizens were indeed confined by law to 'native reserves'. Similarly, while the wealthy and professional segments of the refugees find accommodation in towns, the poor and dependent are restricted to the camps.

It would be misleading, though, to compare refugee camps with 'native reserves'. The restriction of refugees' movement in or out of the camps reflects only a form of ghetto phenomenon (Waldron 1987). Ghettos, however, are a purely urban feature. There is a sense in which the rural setting of refugee camps is indicative of the temporary and artificial nature of these virtual towns. Doubts must therefore exist about the viability of camps and the emergence of authentic urban centres. It appears that social, economic and cultural linkages with the hinterland are more crucial to supplement the formal role of the state and international organizations in urban development. The survival and continuity of 'camp-towns' once conditions for refugees at home have returned to normal depend largely on the depth and complementary nature of these linkages. In contrast, assistance eventually plays a minor role in the process of integration (Wijbrandi 1990: 75).

In other words, a complete withdrawal or a sudden contraction of humanitarian aid would not automatically mean the closure of camps. When this happened in Mombasa camps, the expulsion was forcibly implemented by the Kenyan police. Yet the Somali refugees managed to rely on Muslim aid and were granted private land (Montclos 1999, forthcoming). The authorities had to bulldoze the huts several times and could transfer to Kakuma only a portion of the refugees. The rest 'vanished' in town, where they became clandestine migrants. Such an outcome is most probable if Dadaab and Kakuma camps are officially closed. The economic pull factors in the region or in the home country would be too low to attract the returnees. Refugees would rather take advantage of their social linkages with the hinterland to reach other Kenyan urban centres, especially Nairobi. It is another urban story which would start here.

1. In English, the word Somali refers to either a nationality or an ethnic group. This is a source of confusion in that some 'ethnic' Somali in Kenya are Kenyan citizens, whereas others are refugees from Somalia who do not necessarily belong to Somali lineages (e.g. the Bantu of Shebelle River). By analogy with French usage, this paper refers to the latter category as 'Somalians'.

2. At Independence when Kenyan Somali struggled for secession, this sultan was forced to flee to Mogadiscio and his son, Dekow Maalim Stambul, was arrested for being the leader of the Northern Province People's Progressive Party. Fighting against Kenyan troops emptied the area.
3. During the period 1996–1998, the rate of exchange for the Kenyan Shilling varied from 56 to more than 70 to the US dollar.

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