

# SOCIAL ENTREPRENEURSHIP IN REFUGEE CAMPS

The millions of inhabitants of refugee camps are often seen as people with zero options. And especially the young generation has next to no chances to get higher education and decent work. But entrepreneurship education can change that. Not for profit in the first place – but for a chance.

## THE ISSUE AT STAKE

MORE THAN 20 MILLION REFUGEES in the world are under care of the UN High Commissioner for Refugees (UNHCR). They live in refugee camps outside their home countries, often for years. And more than half of them are children and young adults.<sup>1</sup>

They have good chances to survive – that's what the global community cares for, with UNHCR and the World Food Programme (WFP) at the frontline. Both organisations are representing the joint efforts of the global community to leave no-one behind. They have been awarded with three Nobel Peace Prizes for their tireless work: the WFP in 2020, and the UNHCR twice, in 1954 and 1981.<sup>2</sup>

But the millions of refugees these organisation care for have very limited perspectives. It is often completely unclear if and when they might be able to return to their home – if there is anything left of it. And it is often complicated to build up lasting relations with the host country, as Alexander Betts states, professor of Forced Migration and International Affairs at Oxford University: "Refugees generally face different institutional constraints compared to citizens, in areas that may include the right to work, business registration, the enforcement of contracts and property rights. This shapes the terms on which they enter markets, including the labor market."

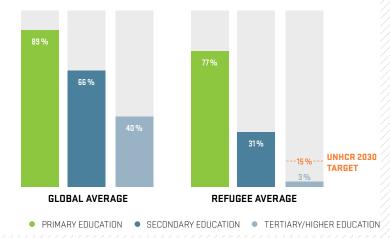
#### **EDUCATION - A SCARCE RESOURCE**

Those constraints also affect the phase of life before you even can enter the labor market: youth. Secondary education, formation, vocational training – whatever could prepare young people for their working life is a very scarce resource in refugee camps.

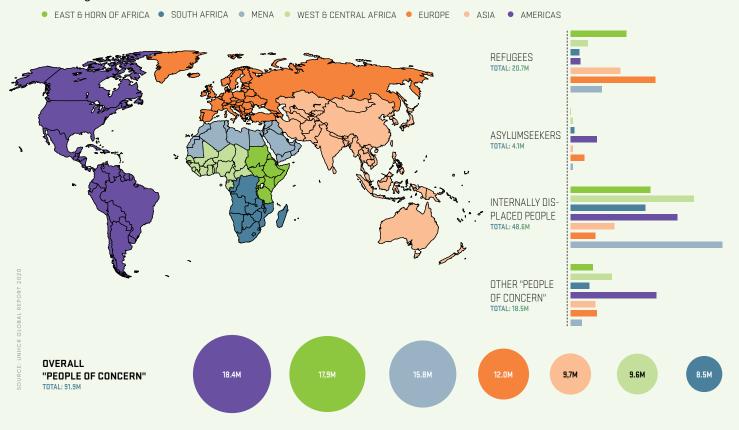
This higher education gap is a striking

# The higher education gap

Of the approximately 10 million refugee children and youth under UNHCR care in 2020, 7.1 million were of school age. Their access to education was limited, with 3.4 million unable to attend school. At primary level, 77% of refugee children were enrolled. More displaced children were enrolled in secondary school than ever before, with enrolment up 2%, but still low at 31%. Just 3% of refugees in student age were in higher education. The UNHCR target for 2030: getting to 15% enrollment – "an ambitious but achievable goal" that would bring about half a million young refugee women and men into academic life.







difference to the efforts spent on primary education. Schools for children between 6 and 12 years are fairly common. 77 per cent of the children of this age group in refugee camps visit a primary school - this is still far below the global average of 89 per cent, but, given the often very fragile context, a very high number. Primary school facilities are often among the first infrastructures built in a refugee camp.

As soon as the children reach the age for secondary schools, the picture changes drastically. More than two thirds of the children in the age group from 12 to 17 years do not more visit any school at all, do not get any kind of training or preparation for the labor market. The most important years for the development of talents, potentials and personality just idly pass by.

### TIME - AND TRASH - AS SOLE RESOURCES

With no resources to do or learn anything, but lots and lots of spare time, what can those young people do? "Entrepreneurship", is the answer of Etienne Salborn. His Uganda-based "Social Innovation Academy" (SINA) is specialized on starting grassroot innovation

projects for young people that have no or close to no resources - in self-organized learning spaces, where disadvantaged youth unleash their potential for positive change as social entrepreneurs.6

The first step to create these learning spaces is a kind of SINA signature move: The participants have to collect empty plastic bottles, fill them with sand or mud and stack them, like bricks, to build a small house. And, voila, with time and trash as their sole resources, the youngsters have created their own club house.

Bottle-houses have marked the starting-point for social entrepreneurship programs in refugee camps in Uganda, Zimbabwe and the Democratic Republic of Congo, Salborn says.7 In 2018, his program in the Bidi Bidi refugee camp in Uganda even won the UNHCR Innovation Award, impressing the jury "with the way it empowers young refugees in Uganda to take charge and change the trajectory of their lives".8 And it also impresses the target group: For this year's program at Bidi Bidi, SINA got 600 applications for just 20 places. A social entrepreneur himself, the German-Ugandan →



Bottle-Wall in a Ugandan refugee camp

Salborn wants to expand the SINA model to locations in Kenya, Tanzania, Ghana and Cape Verde.

#### ENTREPRENEURSHIP GOES SOCIAL

Though entrepreneurial activites are rather common in many refugee camps, they are mostly not social enterprises, but small or micro-businesses. "In practice, most refugee entrepreneurship is small-scale necessity entrepreneurship", forced migration expert Alexander Betts says. The entrepreneurs do not form a kind of camp elite, but are struggling and poor like the other inhabitants.

Often, these entrepreneurs do not start from scratch, but from their own biography. Who had a restaurant in the life before the flight, tries to start any kind of catering business; the former owner of a sweet shop searches a niche for something with fruit or sugar. The joint efforts of family, friends and neighbors can be a vital source of labor  $\Rightarrow$ 

## How to learn Entrepreneurship

Starting your own start-up is nothing you learn at school. There's no curriculum for it, and it would make little sense to learn for an "entrepreneurship exam". Founding needs learning by doing. In the start-up universe, failure is seen as one of the best ways to learn entrepreneurship. But in the ultra-low-resource environment of refugee camps, people simply can't afford to lose. So how can you learn when failure is not an option? Technology comes to the rescue: You don't need to have your product ready to start - you can do a crowdfunding campaign to collect subscriptions. You don't need to rent a shop to sell - you can set up a webshop for free. Or, just like in the older days, you can talk to prospective clients. If some of them want to buy your product, go ahead: You have achieved your "proof of concept". If not, try the next iteration. You have learned an entrepreneurship lesson, with just spending time, not money.

and moral support. 10 Especially in camps with a high percentage of urban refugees the business activity can be quite high: The Za'atari camp in Jordan for example, that is mostly inhabited by refugees from the South Syrian town of Daraa, soon developed its own market street, nicknamed "Champs Elysees". 11

As valuable as those business activities can be for the families involved, they are less of an opportunity for the younger generation, as they are organised along traditional business models and hierarchies. They try to set up businesses like they used to be in the life before the camp. The young generation in contrast had no business before that they could try to replicate; they need an option right now, for the first time in their life.

This is where social innovation and social entrepreneurship can enter the stage. Trying to find something new, and trying to make creative use of the few resources that are available at a refugee camp is a thrill at least, and a start-up at best.

# FROM SOLVING PROBLEMS TO CREATING JOBS

One of the most used starting points for getting into business is trash. It is everywhere, it is a problem that needs to be solved, and it is free, or at least cheap to collect. In 2016 the NGO "Changemakers Lab" started a recycling project called "Give Trash a Chance" on the Greek island of Lesvos. Besides just cleaning a refugee camp and its neighborhood, the target was to create a network and learning environment for young entrepreneurs on the island, both refugees and locals.12 And at the Bidi Bidi camp in Uganda, one of Etienne Salborn's SINA projects has grown into a start-up for plastic recycling with 15 employees, that even pays camp residents for collecting plastic trash. Other projects that have become traditional for-profit enterprises include the production of a natural mosquito repellent cream or of organic clay masks.13

For Salborn, making profit is not the only way to measure entrepreneurial success. A venture that fights traumatic experiences via organising poetry workshops needn't be profitable to be successful. And a for-profit-business of refugees can also be a social enterprise. A similar approach is used by the norwegian economist Sonia Ahmadi in her studies about entrepreneurial education in refugee camps: "The type of entrepreneurship education program should be designed based on the social and cultural context of

#### WHAT WOULD IT TAKE...

... to provide all refugee children with 12 years of school education in the countries in which they actually reside? An estimation of the annual cost by UNHCR and World Bank.

LOW INCOME

LOWER MIDDLE
INCOME COUNTRY

UPPER-MIDDLE

#### SCHOOL-AGE REFUGEES

**% 1,851,337** 

**ช**ำ,887,360 ชิ3,288,842

#### **TOTAL COSTS**

in US\$ Million



#### **TOTAL SHARES**





SOURCE: UNHOR/WORLD BANK: THE SLOBAL COST OF INCLUSIVE REFUGEE EDUCATION / 2027, P.3E

the refugees." If this is approach is followed, profit can also be social, claims Ahmadi: "Successful adaptation of entrepreneurship can lead to sustainable creation of new ventures and contributes to the creation of economic, financial, social and environmental values."14

#### THE QUESTION OF SCALABILITY

Successful businesses can conquer the world in breathtaking speed. But even successful entrepreneurial approaches in the context of refugee camps are hard to scale: each camp and each situation is different – and it is perfectly understandable that the camp management is often reluctant to promote entrepreneurial education. Their job is and should be saving lives, not business development.

But still: Building something new and useful from scratch is one of the best ways how young people with no chance on higher education can discover and develop their potential and get a chance to find their place in life. Framing entrepreneurial activities as low-resource education, as learning by founding, can be a good way to scale chances for young people that right now have none.

#### **REFUGEE ENTERPRISES**

Three case studies

Entrepreneurship is no panacea, neither for each situation nor for each person. But in many camps and cases, entrepreneurial activities are part of programms to improve the livelihood of refugees and their families.







#### The Case of Za'atari



**80,000** 



This camp in Northern Jordan opened in 2012 and houses about 80.000 Syrian refugees. Strong international attention leads to high number of projects by NGOs and International organizations. **Projects for job creation or entrepreneurship always should "support socioeconomic development in host communities that will benefit both the host and refugee populations"**. **(UNCTAD).**<sup>15</sup>

One example: a 9-month business development program that reached out to 650 Syrian refugees and Jordanian women of the host community in Mafraq to generate employability and entrepreneurship solutions.

## The Case of Uganda



**%1,500,000** 

With 1.5 million refugees from different neighoring countries, Uganda is one of the most important host countries for refugees in the world. One of the many programs to improve the lives of refugees is a direct cash assistance to over 1,500 survivors of gender-based violence. Each woman received US \$46 a month for eight months, in addition to a cellular phone and financial literacy training. Many of them used at least parts of the cash to start their own business. <sup>16</sup>

#### The Case of Kakuma



**%160,000** 



Established 30 years ago, this camp in Northern Kenya has provided refuge for displaced people from South Sudan, Somalia, Ethiopia, Burundi, the Democratic Republic of the Congo, and Sudan. The camp with about 160.000 inhabitants and 2.000 businesses has developed a close social and economic interdependency with the neighboring Kakuma town – with refugees hiring, trading, and working with town residents and vice versa. To date, more than a quarter of the income of the camp inhabitants is generated via salaries and business income.

to test and accelerate business ideas.19



# ABOUT FII INSTITUTE

THE FUTURE INVESTMENT INITIATIVE (FII) INSTITUTE is a new global non-profit foundation with an investment arm and one agenda: Impact on Humanity.

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We harness that energy into three pillars: THINK, XCHANGE, ACT. Our THINK pillar empowers the world's brightest minds to identify technological solutions to the

most pressing issues facing humanity. Our XCHANGE pillar builds inclusive platforms for international dialogue, knowledge sharing and partnership. Our ACT pillar curates and invests directly in the technologies of the future to secure sustainable real-world solutions. Join us to own, co-create and actualize a brighter, more sustainable future for humanity.



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